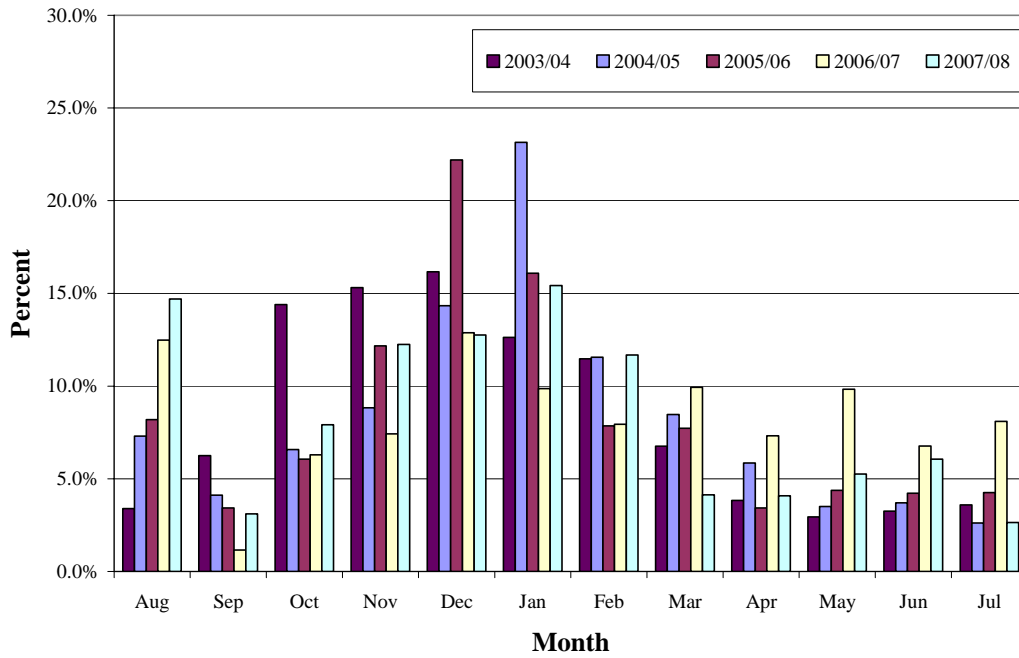


The monthly prices are weighted by marketings to determine a weighted MYA farm price. The months October through February carry the largest weights in the annual average. In fact, by the end of February, we typically have accounted for almost 75% of marketings (Exhibit 2).

Exhibit 2

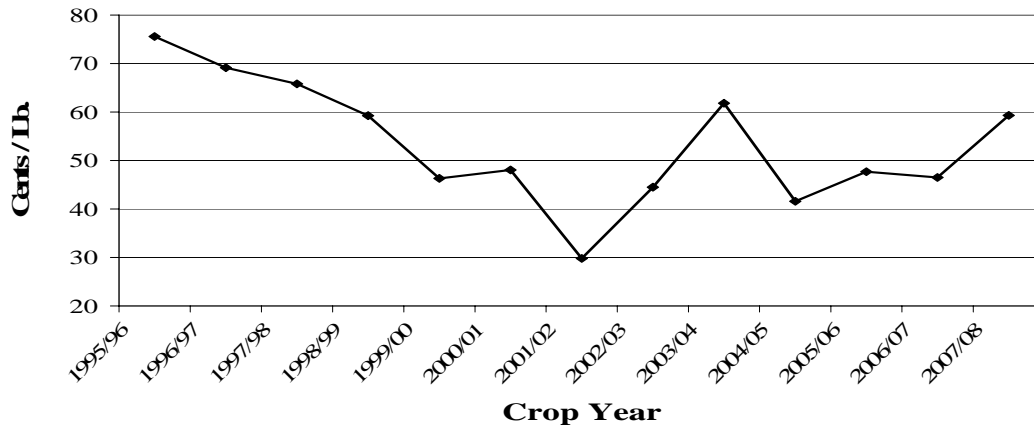
Percent Marketed By Month



In recent years, we have seen the MYA farm price move from a high of 75.60 cents per pound for the 1995/96 marketing year to 59.30 cents for the 2007/08 marketing year (Exhibit 3).

Exhibit 3

Season-Average Farm Price



For the 2008 marketing year, data for the month of October gives a preliminary weighted-average of 57.68 cents per pound (Exhibit 4). While the final CCP will not be determined until the final MYA farm price is known, the preliminary MYA farm price based on data through October would give a CCP of 6.90 cents.

Exhibit 4

| FARM PRICES FOR UPLAND COTTON | | | | | |
|--------------------------------------|--|-------------------|-------------------------------------|-----------------|-----------------------|
| CROP YEAR 2008-09 | | | | | |
| (Weighted by Marketings) | | | | | |
| | Marketings (000's of Running Bales) | | Prices (Cents/Lb.) | | Implied CCP ** |
| | Monthly | Cumulative | Monthly | Weighted | |
| August | 1,144 | 1,144 | 58.50 | 58.50 | 6.08 |
| September | 95 | 1,239 | 61.10 | 58.70 | 5.88 |
| October | 578 | 1,817 | 55.50 | 57.68* | 6.90 |
| November | NA | NA | 50.80 | NA | |
| December | | | | | |
| January | | | | | |
| February | | | | | |
| March | | | | | |
| April | | | | | |
| May | | | | | |
| June | | | | | |
| July | | | | | |
| August | | | | | |

USDA-NASS

*Weighted price is a preliminary estimate

** Unofficial estimate based on price to date

Relationship Between NASS Farm Price and NY Nearby Futures

While there is no exact relationship between NASS's MYA farm price and NY futures, the futures market can be used as a guide for anticipating the farm price. Historically, the average farm price runs 5-9 cents below the nearby NY futures contract (Exhibit 5).

Exhibit 5

| Nearby Futures-MYA Price | | | | | | | | | | | | |
|---------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul |
| 97/98 | 7.10 | 3.63 | 2.25 | 3.32 | 4.04 | 5.11 | 3.98 | 5.21 | 1.22 | 3.01 | 5.64 | 5.73 |
| 98/99 | 7.09 | 8.33 | 4.52 | 1.43 | 1.35 | 1.18 | 2.68 | 6.09 | 4.40 | 3.38 | 1.43 | -2.34 |
| 99/00 | 0.11 | 7.68 | 6.78 | 6.79 | 6.96 | 11.97 | 10.97 | 13.29 | 11.81 | 13.44 | 14.06 | 11.39 |
| 00/01 | 12.90 | 13.82 | 7.95 | 8.54 | 7.76 | 8.44 | 8.80 | 9.60 | 3.95 | 3.32 | 3.30 | 3.04 |
| 01/02 | 3.21 | 0.45 | 0.69 | 7.12 | 5.87 | 9.58 | 7.86 | 9.71 | 8.98 | 9.08 | 7.24 | 10.75 |
| 02/03 | 10.14 | 6.59 | 5.11 | 4.81 | 5.73 | 5.54 | 5.38 | 9.59 | 11.87 | 7.36 | 8.38 | 12.94 |
| 03/04 | 9.83 | 6.74 | 6.98 | 9.69 | 8.10 | 11.93 | 6.24 | 4.81 | 1.40 | 3.23 | -6.70 | -6.85 |
| 04/05 | -1.52 | 0.29 | -4.10 | 2.72 | 3.97 | 7.46 | 7.37 | 11.66 | 12.96 | 12.98 | 6.44 | 9.92 |
| 05/06 | 5.98 | 5.81 | 5.90 | 1.77 | 5.13 | 7.09 | 7.59 | 3.77 | 3.32 | 4.36 | 3.51 | 5.29 |
| 06/07 | 9.46 | 3.32 | 3.48 | 1.17 | 5.73 | 4.95 | 6.14 | 7.31 | 4.14 | 5.21 | 8.54 | 17.91 |
| 07/08 | 7.31 | 9.00 | 8.51 | 4.36 | 5.91 | 7.70 | 8.52 | 14.99 | 5.82 | 5.08 | 5.87 | 4.56 |
| 08/09 | 8.65 | -0.22 | -4.93 | -8.63 | | | | | | | | |
| AVG 99-07 | 6.38 | 5.97 | 4.59 | 5.22 | 6.13 | 8.29 | 7.65 | 9.41 | 7.14 | 7.12 | 5.63 | 7.66 |