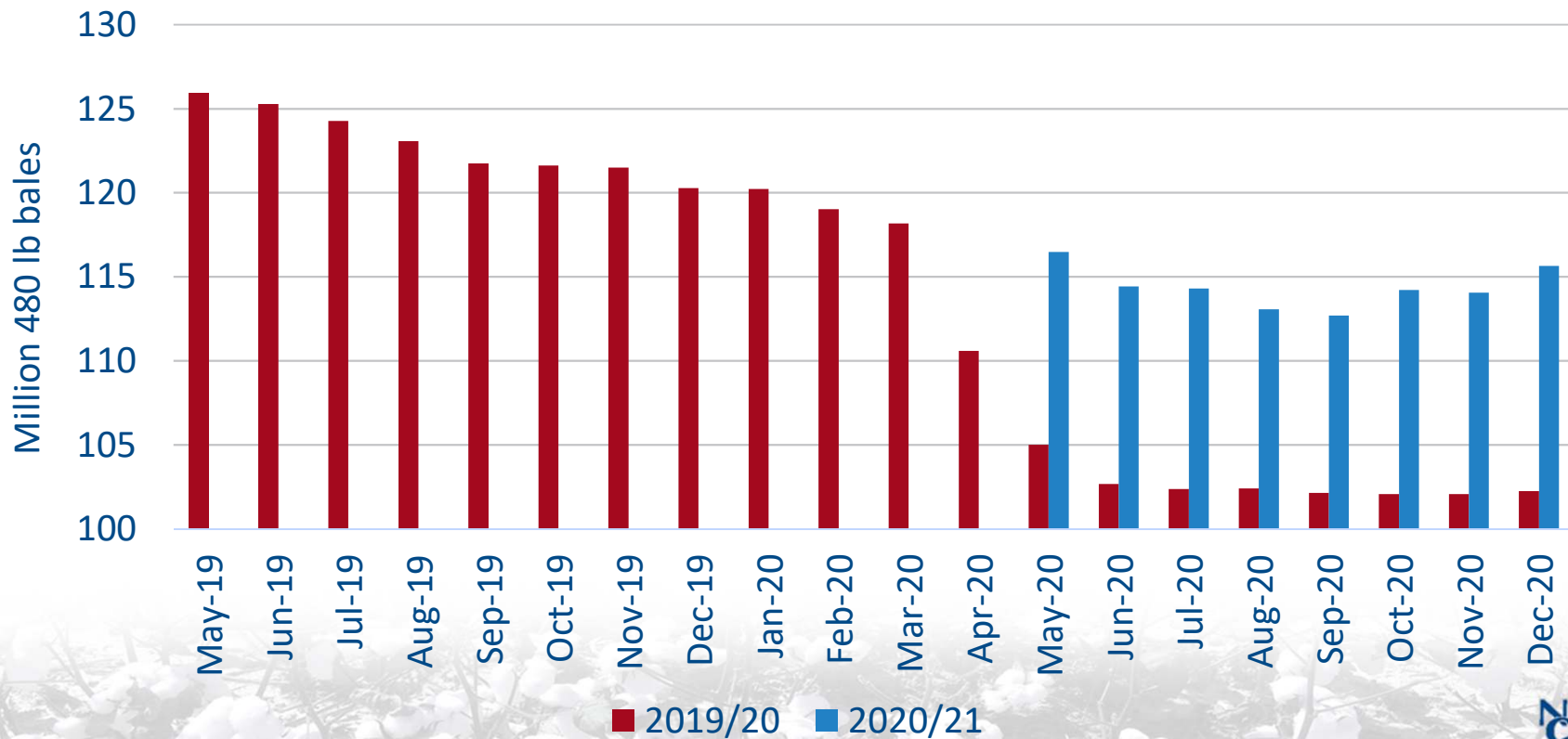


U.S. Cotton Market Outlook

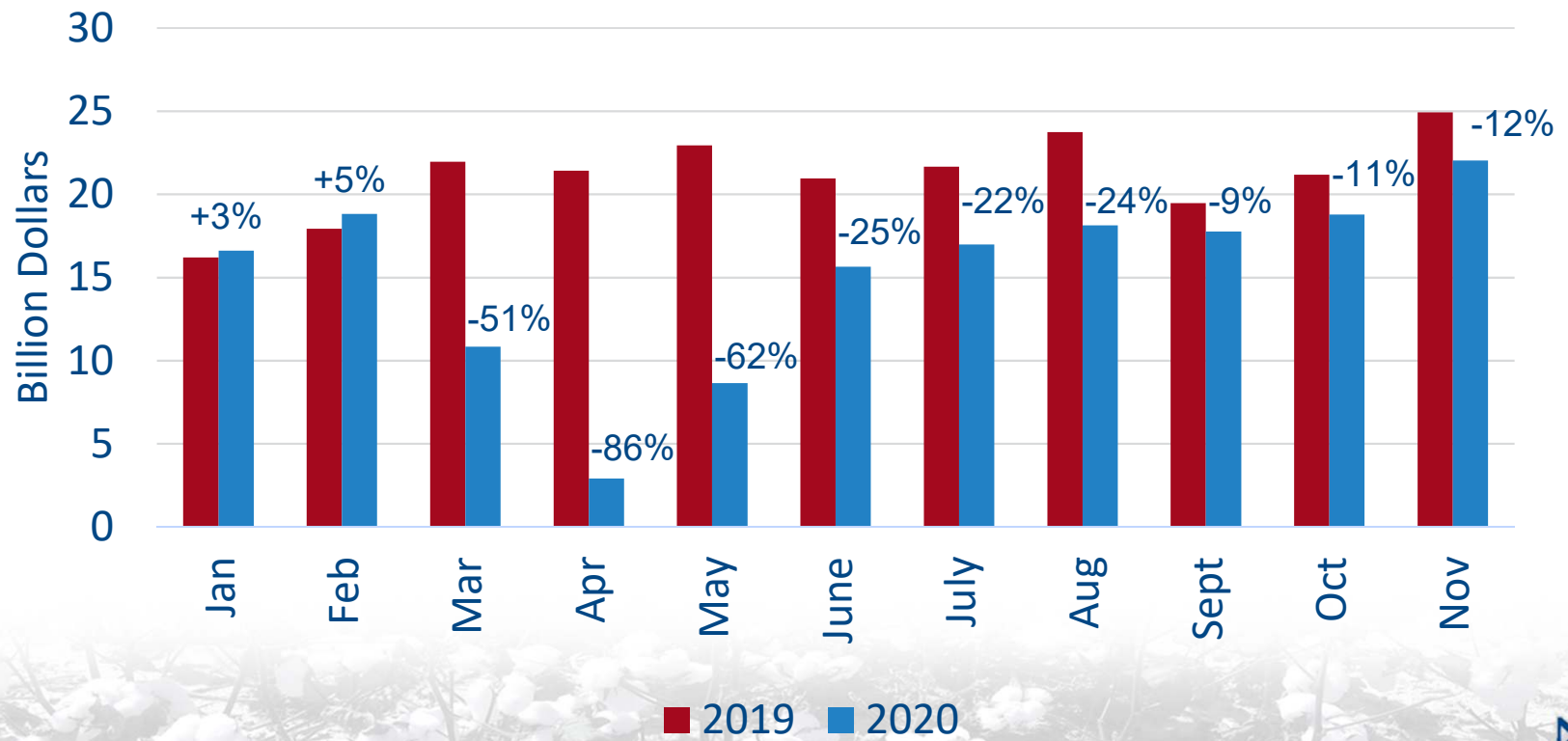
Beltwide Cotton Conference
January 5, 2021



World Mill Slowly Recovering



U.S. Retail Demand (Monthly Retail Trade Data: Clothing & Clothing Accessories)



Source: U.S. Census Bureau



2020 U.S. Production



2020 U.S. Cotton Plantings

Thousand Acres	2020 Dec USDA		
	Planted	Unharvested	% Unharvested
Southeast	2,380	43	1.81%
Mid-South	1,800	28	1.56%
Southwest	7,525	3,020	40.13%
West	210	12	5.71%
All Upland	11,915	3,103	26.04%
ALL ELS	201	7	3.59%
All Cotton	12,116	3,110	25.67%

December 2020

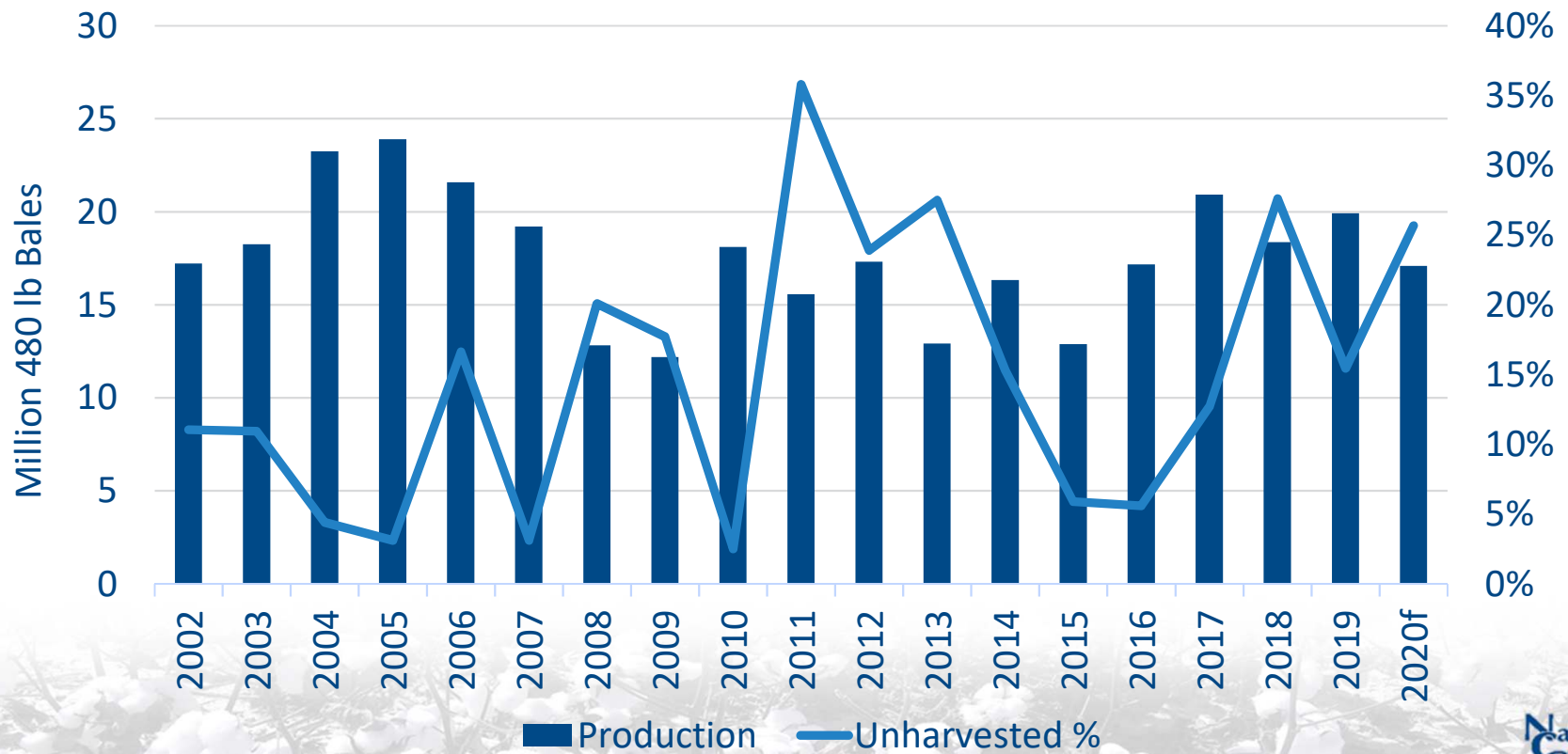
WASDE - 607 - 17

U.S. Cotton Supply and Use 1/

	2018/19	2019/20 Est.	2020/21 Proj. Nov	2020/21 Proj. Dec
Area				
			<i>Million Acres</i>	
Planted	14.10	13.74	12.12	12.12
Harvested	9.99	11.61	9.01	9.01
			<i>Pounds</i>	
Yield per Harvested Acre	882	823	911	850
			<i>Million 480 Pound Bales</i>	
Beginning Stocks	4.20	4.85	7.25	7.25
Production	18.37	19.91	17.09	15.95
Imports	0.00	0.00	0.00	0.00
Supply, Total	22.57	24.77	24.35	23.20
Domestic Use	2.98	2.15	2.50	2.50
Exports, Total	14.84	15.53	14.60	15.00
Use, Total	17.81	17.68	17.10	17.50
Unaccounted 2/	-0.09	-0.16	0.05	0.00
Ending Stocks	4.85	7.25	7.20	5.70
Avg. Farm Price 3/	70.3	59.6	64.0	65.0



U.S. Production & Unharvested acres



U.S. Cotton Production

	2019 Actual	2020 Dec USDA	Change	
			%	Bales
Southeast	5,753	4,265	-26%	-1,488
Mid-South	5,584	4,330	-22%	-1,254
Southwest	7,259	6,240	-14%	-1,019
West	631	560	-11%	-71
All Upland	19,227	15,395	-20%	-3,832
ALL ELS	686	554	-19%	-132
All Cotton	19,913	15,949	-20%	-3,964

U.S. Balance Sheet

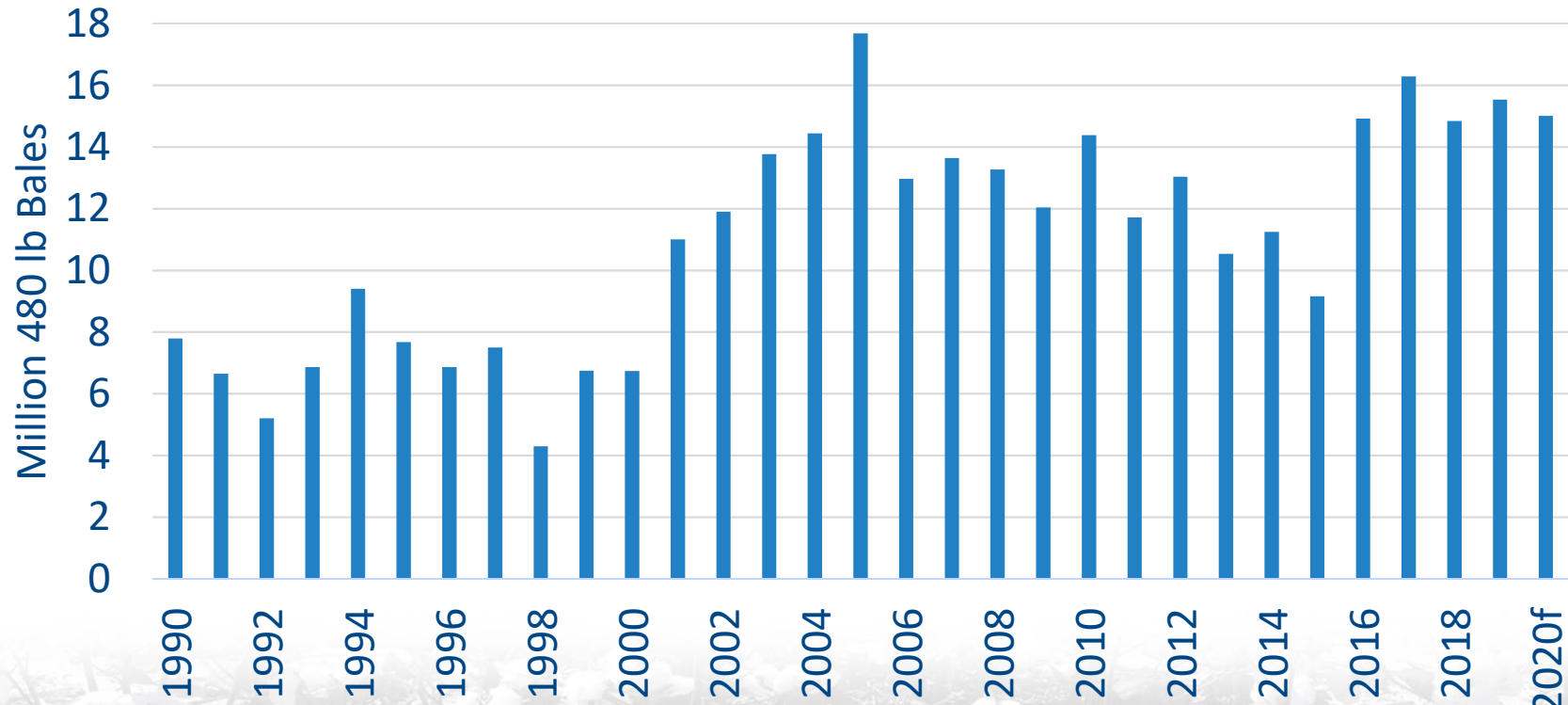
	18/19	19/20	20/21	Change
Production	18.4	19.9	15.9	-4.0
Mill Use	3.0	2.2	2.5	+0.3
Exports	14.8	15.5	15.0	-0.5
Stocks	4.9	7.3	5.7	-1.6
Stocks/Use	27%	41%	33%	-8%

Source: December 2020 USDA WASDE Estimates

U.S. Export Markets

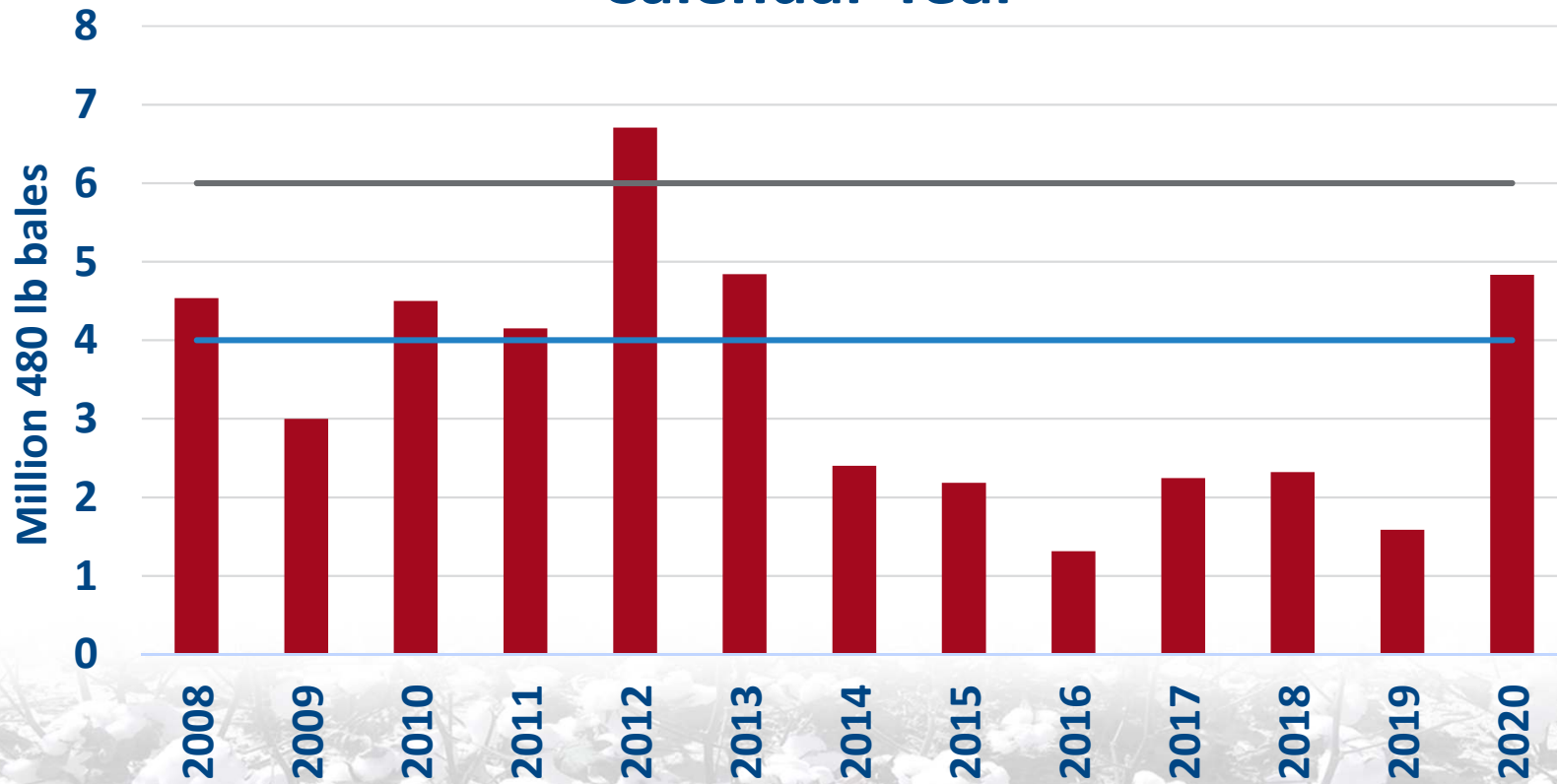
Thousand Bales As of 12/24/20	20/21		
	Commitments	Shipments	% of Total Commitments
China	4,410	2,634	36%
Vietnam	2,105	826	17%
Pakistan	1,184	502	10%
Mexico	857	314	7%
Turkey	746	312	6%
Indonesia	665	234	5%
Bangladesh	600	270	5%
India	284	122	2%
Malaysia	217	77	2%
Thailand	209	74	2%
All Others	1,020	386	8%
Total	12,297	5,751	100%

U.S. Cotton Exports



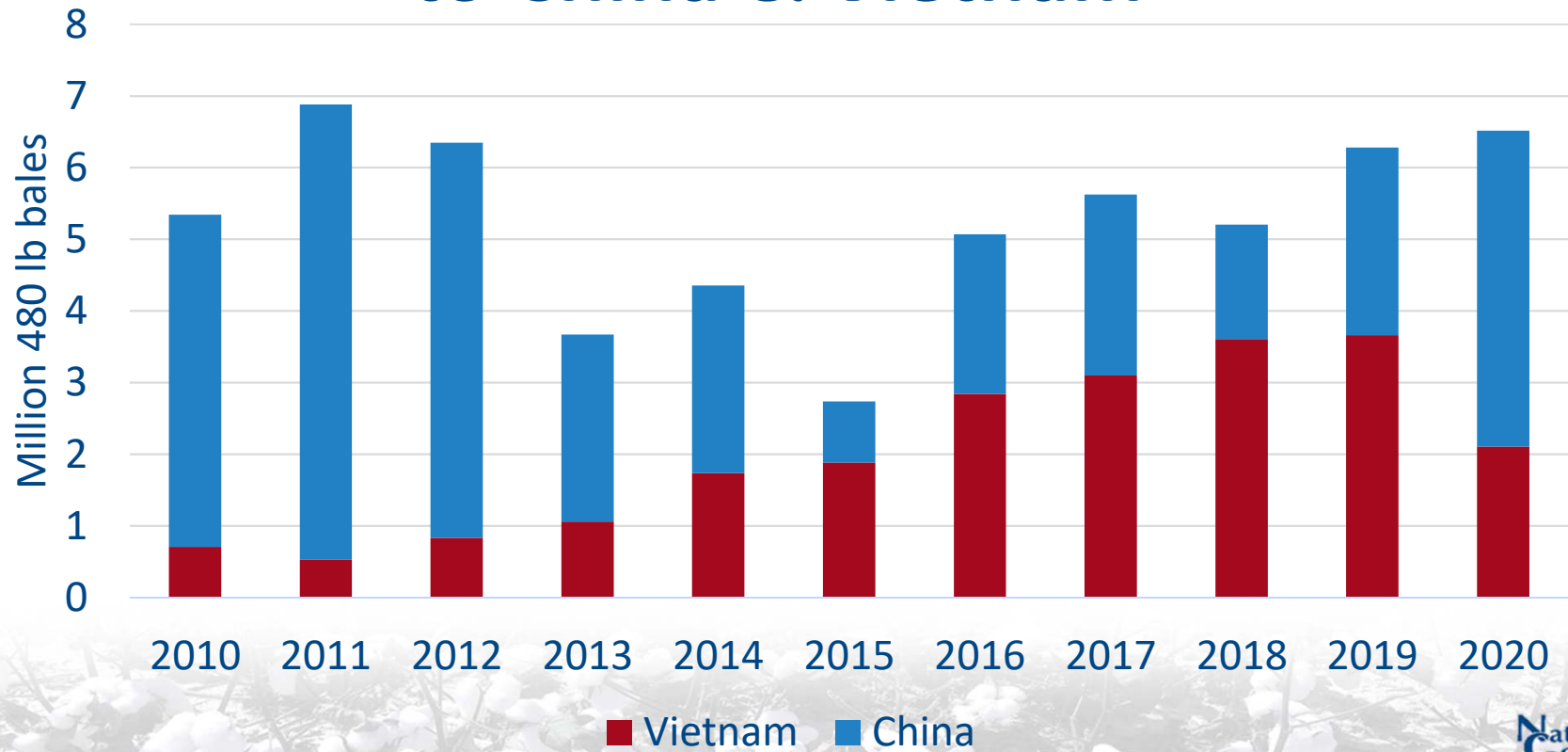
U.S. Cotton Exports to China

Calendar Year



Source: FAS Weekly Export Sales Report

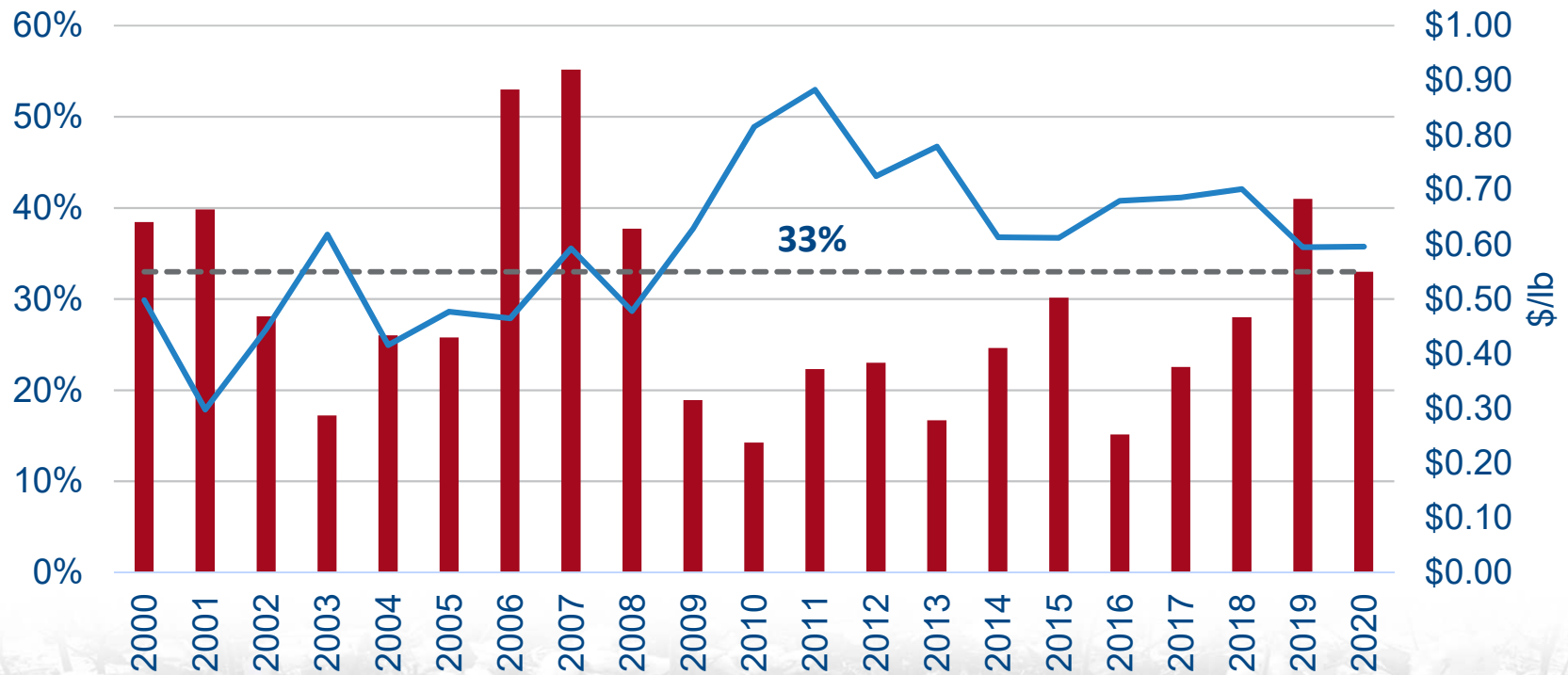
U.S. Cotton Exports to China & Vietnam



Price Situation

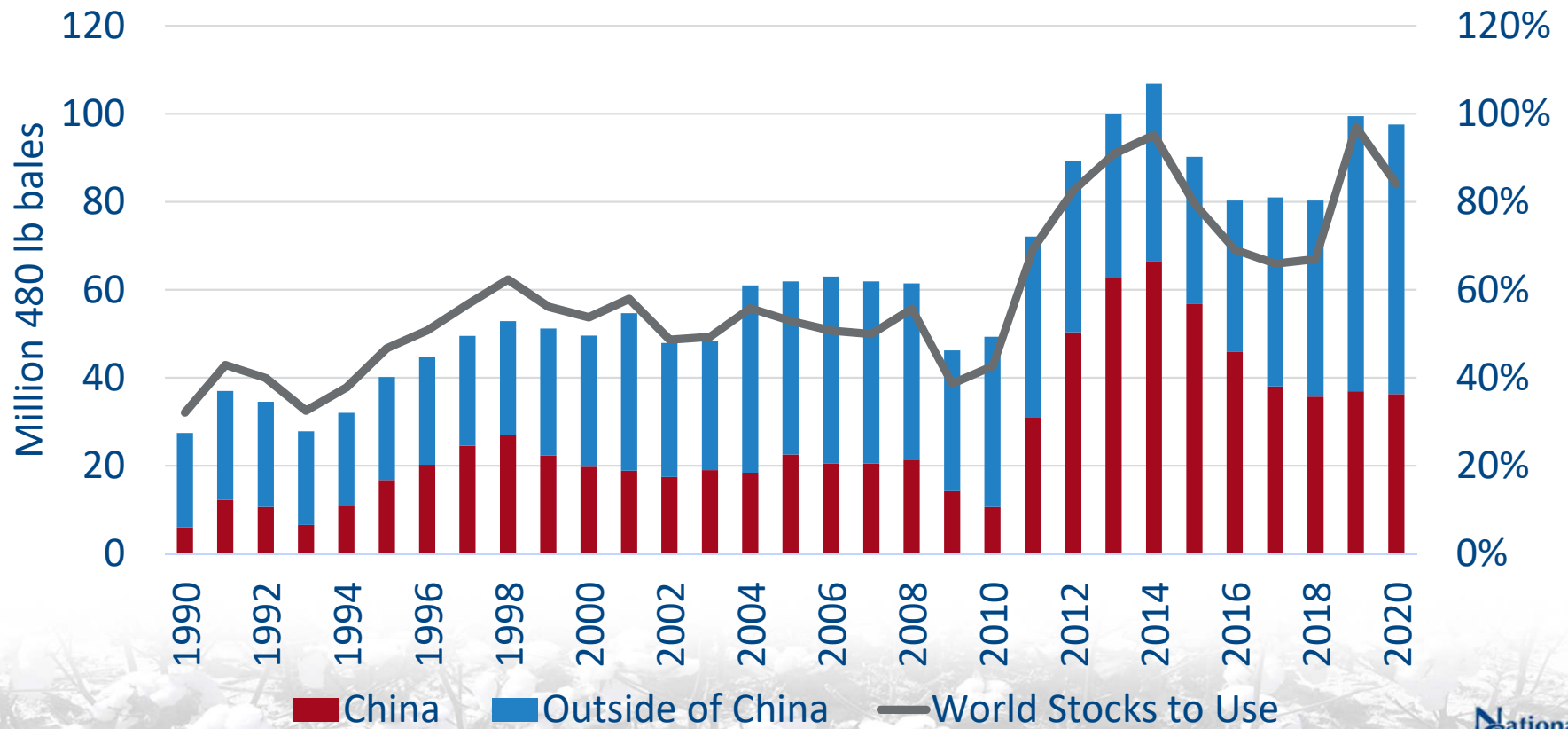


U.S. Stocks/Use vs. Average Farm Price



■ Stocks/Use — Average Farm Price

World Ending Stocks vs. Stocks-to-Use

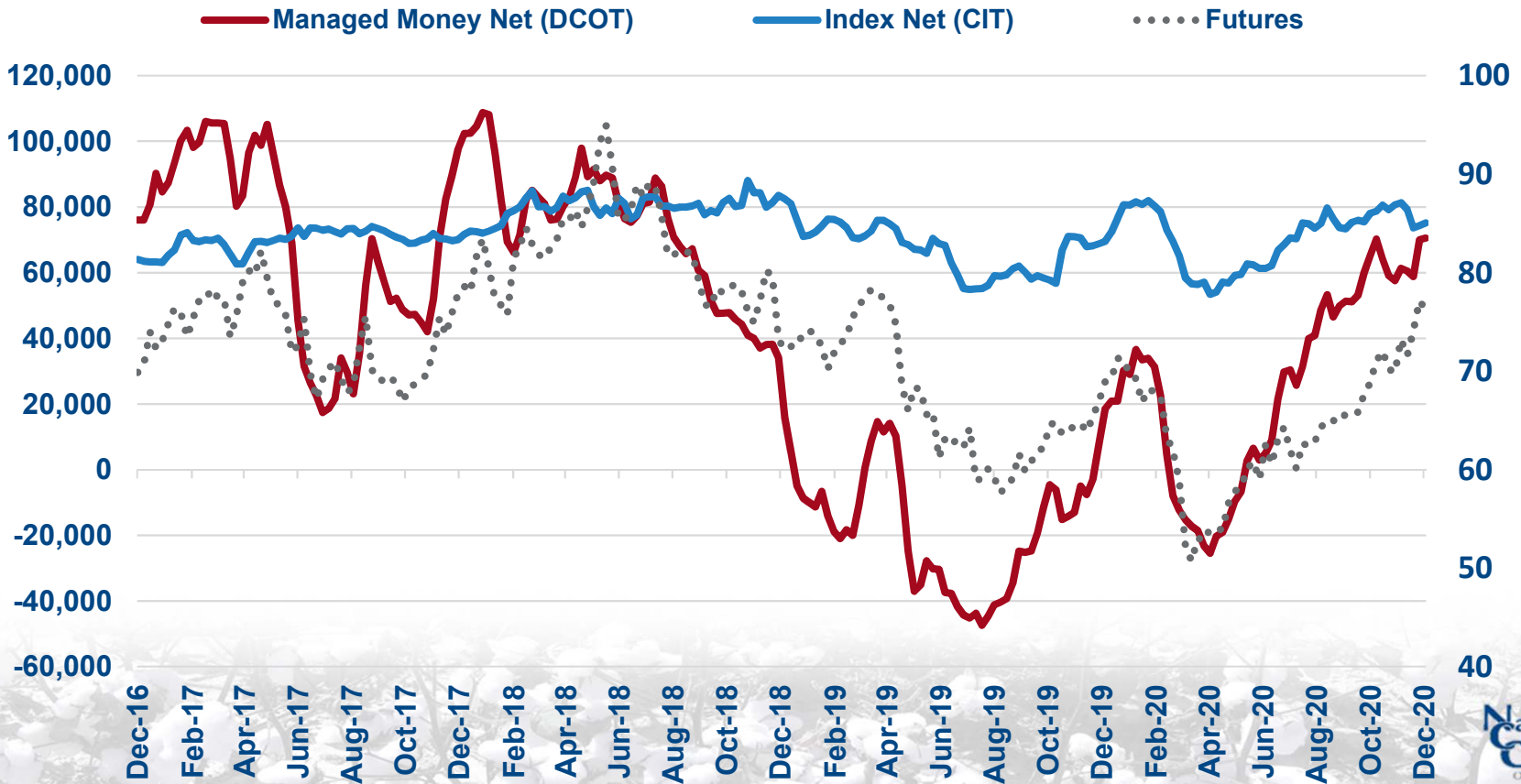


December Cotton Futures

Cents/Pound



Commitment of traders – December 2020



Looking Ahead to 2021



Pre-Planting Market Signals

	Cotton	Corn	Soybeans	Cot/Corn	Cot/Soy
<u>2021 (Jan 4)</u>	<u>75.99¢</u>	<u>\$4.39</u>	<u>\$11.47</u>	<u>17.3</u>	<u>6.6</u>
<u>2021 (Dec Avg)</u>	<u>72.66¢</u>	<u>\$4.17</u>	<u>\$10.67</u>	<u>17.4</u>	<u>6.8</u>
2020	60.6¢	\$3.66	\$8.83	16.5	6.9
2019	74.0¢	\$3.99	\$9.47	18.5	7.8
2018	76.3¢	\$3.95	\$10.14	19.3	7.5
2017	73.5¢	\$3.91	\$10.08	18.8	7.3
2016	59.7¢	\$3.85	\$8.92	15.5	6.7

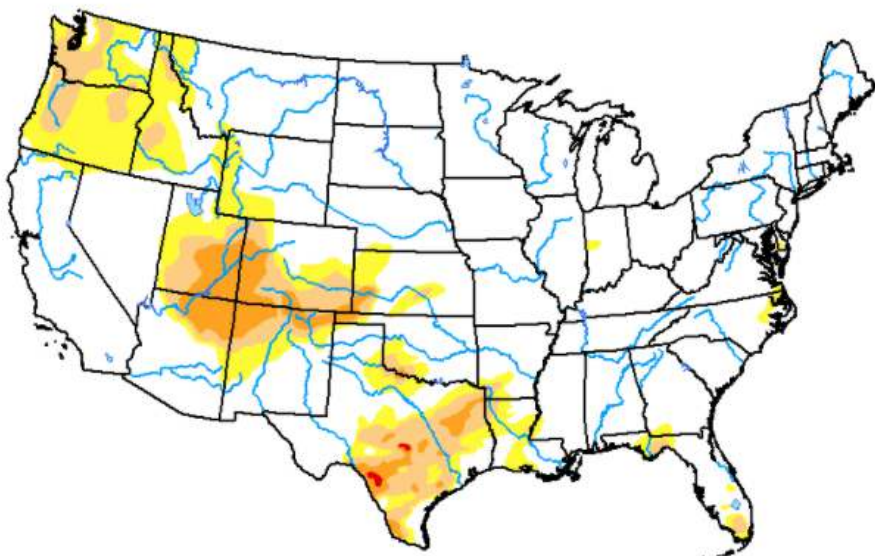
2016-2020: avg Jan-Mar Nov/Dec contract price

U.S. Drought Monitor

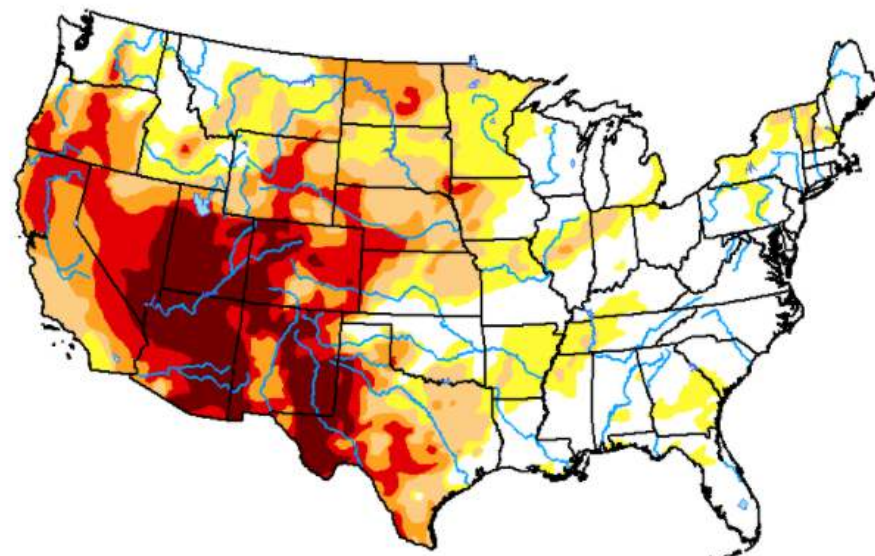
Drought Classification

None D0 (Abnormally Dry) D1 (Moderate Drought) D2 (Severe Drought) D3 (Extreme Drought) D4 (Exceptional Drought)

December 31, 2019



December 29, 2020



Final Thoughts

- Duration/impact of COVID-19 disruptions and pace of economic recovery remains a key uncertainty impacting the U.S. and world cotton market
- Large stocks could put downward pressure on prices
- Competition from corn and soybeans likely in 2021
- Results of 2021 NCC Planting Intentions Survey released at NCC Annual Meeting in February



Producers Cooperatives
Ginners Cottonseed Merchants
Warehouses Manufacturers