

Barnhardt 2nd Quarter Cotton Report

If you've been looking for cotton planting, price, and supply numbers, you've come to the right place. This is our first quarterly report, but in subsequent quarters we'll cull stats for our more analytical readers that want to know what's happening with cotton at home and abroad. These will focus on planting and ginning updates, current cotton price comparisons, and supply and consumption numbers.

US Crop Planting/Ginning Update

2013 Plantings in the U.S.: 10.3 million acres (down 16.8% from 2012)

2014 Projected Plantings in the U.S.: 11.3 million acres (up 8.2% from 2013)

The number of acres planted in the U.S. has ranged from 9.15 million acres to 15.27 million acres over the past nine years. Here are regional projections:

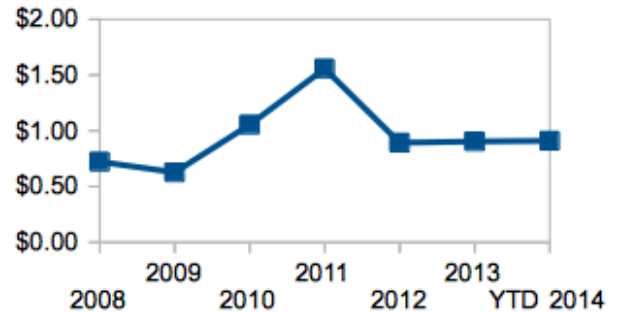
- Acreage in the Southeast U.S. is projected to be down 1.2%
- Acreage in the Mid-South U.S. is projected to be up 12.5%
- Acreage in the Southwest U.S., which includes Texas, is projected up by 12.2%
- Western U.S. acreage will be down by 5.8%, with California down by 27%.

Cotton Pricing Update

A Index (proxy for the world price of cotton)–average of the day's five cheapest Far Eastern quotations.

Calendar Year Average Price

2008	\$.7221
2009	\$.6275
2010	\$1.054
2011	\$1.557
2012	\$.8924
2013	\$.9042
YTD 2014	\$.9096



Supply/Consumption & Export Update

U.S. Outlook

- U.S. production is forecasted to be 16.4 million bales for the 2014 crop as compared to 13.2 million bales in 2013.
- U.S. Consumption of cotton in 2014 is forecasted at 3.7 million bales as compared to a low of 3.3 million bales in 2011.
- Exports of U.S. grown cotton is forecasted to be 9.98 million bales which is a 5% decrease from the 10.5 million bales from the 2013 crop.

Global Outlook

- Cotton production outside of China is forecasted to be 87.9 million bales in 2014 as compared to 84.8 million bales in 2013.
- Global consumption of cotton outside of China is

forecasted to be 76.4 million bales in 2014, which compares to 74.0 million bales in 2006.

China Outlook

- China production is forecasted to be 30.1 million bales in 2014 which is down by 9.1% from 2013 and 16% less than in 2012.
- Since the unprecedented run-up in cotton prices in 2011, China has increased their inventory levels year over year for a three-year total of 47.8 million bales added to existing inventory, for a total of 58.3 million bales.
- China consumption is forecasted to increase slightly to 36.4 million bales, or about a 1% increase.
- China's import of cotton peaked in 2011 with 24.5 million bales being imported, 11.0 million bales imported in 2013, and 6.4 million bales being forecasted for 2014.