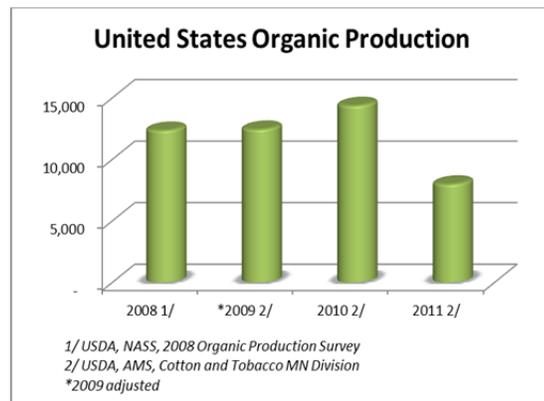


Annual Organic Cotton Market Summary

Volume 3

Production

The 2011 organic cotton production in the US totaled 7,587 bales, according to information collected from organic producers, marketing associations, and gins that process organic cotton. Production was significantly lower than previous years. Drought conditions and a decrease of available irrigation water affected planted acreage, abandonment, and yields. Production is centered in West Texas with additional acreage in Arizona, California, New Mexico, and North Carolina. The predominate varieties planted were Bayer CropScience FM 958 and ADF 2485.

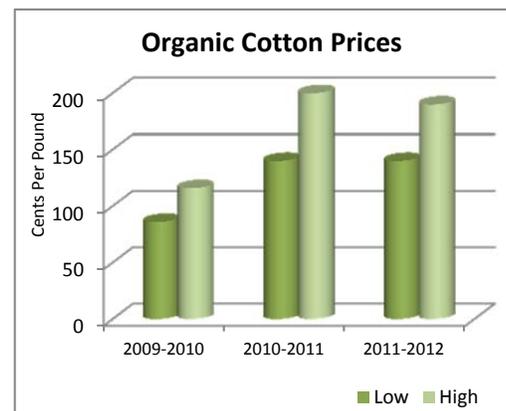


Organic Production (Bales)				
	2008 1/	2009 2/	2010 2/	2011 2/
Arizona	(D)	*	(D)	(D)
California	(D)	*	0	(D)
New Mexico	2,446	*	720	(D)
North Carolina	0	0	0	(D)
Texas	8,163	*	12,963	6,187
United States	12,352	12,436**	14,367	7,587

1/ USDA, NASS, 2008 Organic Production Survey
2/ USDA, AMS, Cotton and Tobacco MN Division
(D) Withheld *Data not available by State **2009 adjusted

Prices

Organic cotton prices were from 140 to 190 cents per pound. This compares to 140 to 200 cents during the 2010-2011 marketing year and 86 to 116 during 2009-2010. Prices reported were from organic marketing associations and from some producers who sell directly to mills.



Cottonseed

Organic cottonseed prices were from 300 to 625 dollars per ton. This compares to 295 to 400 dollars per ton for conventional cotton. Cottonseed yields were from 650 to 723 pounds of seed per bale of ginned lint.

2012 Crop Outlook

The 2012 organic cotton production is projected to increase compared to the previous year. Planted acres were down slightly, but an increase in harvested acres is expected because of improved moisture conditions in the primary growing regions of Texas. Increased rainfall improved dryland emergence and stand establishment, but more general rains are needed to move the majority of the fields to harvest. Production in Arizona, California, and New Mexico is expected to increase slightly compared to the previous year because of an increase in irrigated planted acres. Some acreage in North Carolina was lost and plowed under because of hail damage and excessive pigweed infestation.