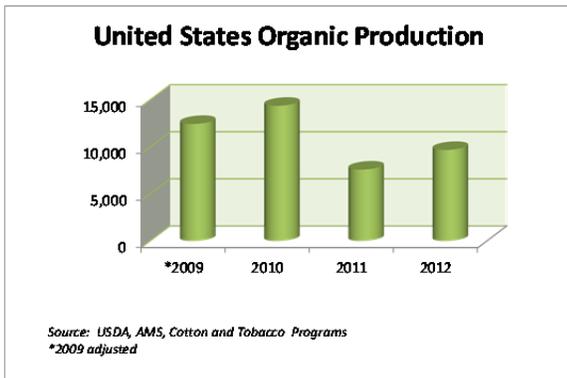


Annual Organic Cotton Market Summary

Volume 4

Production

The 2012 organic cotton production in the US totaled 9,673 bales according to information collected from organic producers, marketing associations, and gins that process organic cotton. Production was higher than the previous year. Despite lingering drought conditions in the primary growing regions of Texas, increased rainfall and improved soil moisture conditions benefitted the crop. 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, AFD 2485, and Deltapine 340.



Organic Production Bales				
	2009	2010	2011	2012
Arizona	*	(D)	(D)	(D)
California	*	0	(D)	(D)
New Mexico	*	720	(D)	(D)
North Carolina	0	0	(D)	(D)
Texas	*	12,963	6,187	8,343
United States	12,436**	14,367	7,587	9,673

Source: USDA, AMS, Cotton and Tobacco Programs
 (D) Withheld *Data not available by State
 **2009 adjusted

Prices

Organic cotton prices ranged from 135 to 225 cents per pound. This compares to 140 to 190 cents during the 2011-2012 marketing year and 140 to 200 during 2010-2011. Prices reported were from organic marketing associations and from some producers who sell directly to mills.



Cottonseed

Organic cottonseed prices ranged from 500 to 650 dollars per ton. This compares to 210 to 320 dollars per ton for conventional cotton. Cottonseed yields ranged from 640 to 750 pounds of seed per bale of ginned lint. Most of the cottonseed was sold to organic dairies with some saved for replanting.

2013 Crop Outlook

The 2013 organic cotton production is projected to remain steady compared to the previous year. Early estimates indicated planted acres were slightly higher, but late frost in May, drought, and severe spring and summer storms negatively impacted early plant development. Some Texas acreage was lost to drought, high winds, and baseball-sized hail stones during the season. The crop made good progress in Arizona, New Mexico, and North Carolina. The undertone was unsettled; industry experts noted lighter demand, heavy yarn supplies, and competing food crops for organic acreage compounded uncertainty.