

Organic Cotton Market Summary

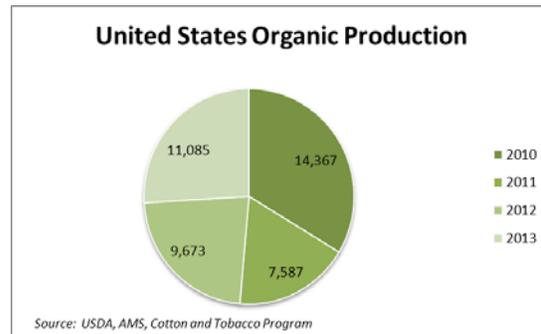
Volume 5

Production

The 2013 organic cotton production in the US totaled 11,085 bales according to information collected from organic producers, marketing associations, and gins that process organic cotton. Despite the on-going drought, production was higher. Production is centered in West Texas with additional acreage in Arizona and New Mexico. The predominate varieties planted were AFD 2485, Bayer CropScience FM 958, and All-Tex 7A21.

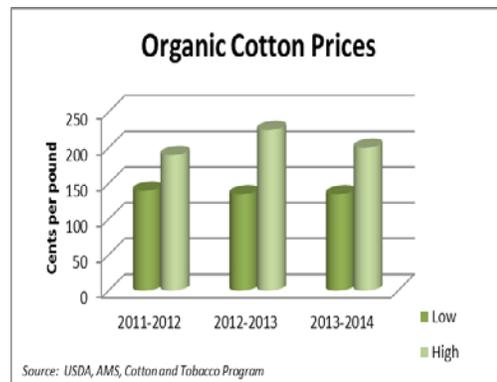
Organic Production Bales				
	2010	2011	2012	2013
Arizona	(D)	(D)	(D)	(D)
California	0	(D)	(D)	0
New Mexico	720	(D)	(D)	(D)
North Carolina	0	(D)	(D)	0
Texas	12,963	6,187	8,343	9,853
United States	14,367	7,587	9,673	11,085

Source: USDA, AMS, Cotton and Tobacco Program
(D) Withheld



Prices

Organic cotton prices ranged from 135 to 200 cents per pound. This compares to 135 to 225 cents during the 2012-2013 marketing year and 140 to 190 during 2011-2012. Prices reported were from organic marketing associations and from some producers, who sell directly to mills.



Cottonseed

Organic cottonseed prices ranged from 500 to 700 dollars per ton. This compares to 240 to 320 dollars per ton for conventional cotton. Cottonseed yields ranged from 650 to 750 pounds of seed per bale of ginned lint. Most of the cottonseed was sold to organic dairies, with some saved for replanting.

2014 Crop Outlook

The production areas include Arizona, New Mexico, west Texas, and El Campo, Texas. In Texas, planted acreage was slightly higher compared to 2013. Late May and early June rains increased yield potential for the new-crop despite a fourth year of drought. Approximately 65 percent of the crop is grown on dryland acres. In the far west, the decrease in planted organic acres correlated with the decrease in conventional acreage. Due to the continued drought, permanent crops competed with organic cotton for available irrigation water. The undertone was unsettled; competitively priced international organic growths and the on-going drought will continue to put pressure on the sustainable supply of U.S. organic cotton.