69TH PLENARY MEETING
OF THE INTERNATIONAL
COTTON ADVISORY
COMMITTEE

Lubbock, Texas, USA
September 19 to 24, 2010

Online registration starts May 1st 2010 at www.icac.org
For more information about the meeting, contact the office
of the Secretariat in Washington DC, USA
Email: plenaryinformation@icac.org
Tel: 1-202-463-6660
Fax: 1-202-463-6950

International Cotton Advisory Committee - 1629 K Street N.W. Suite 702, Washington, DC 20006 - USA • www.icac.org
ICE COTTON PRICES

US cents/lb

1/1/08  2/15/08  3/31/08  5/15/08  6/29/08
Companies Unable/Unwilling to Continue:

- Albrech, Muller-Pearse
- Dunavant
- Joseph Walker
- Reinhart, USA
- Weil
STRUCTURE OF WORLD TRADE BY FIRMS’ OWNERSHIP

418  PRIVATE

22  GOVERNMENT

9  COOPERATIVES
<table>
<thead>
<tr>
<th>Size</th>
<th>1994</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>LARGEST</td>
<td>19</td>
<td>10</td>
</tr>
<tr>
<td>LARGE</td>
<td>51</td>
<td>37</td>
</tr>
<tr>
<td>MEDIUM</td>
<td>50</td>
<td>51</td>
</tr>
<tr>
<td>SPECIALIZED</td>
<td></td>
<td>351</td>
</tr>
</tbody>
</table>
Largest

- Allenberg USA
- Cargill USA
- Staple USA
- Olam Singapore
- Chinatex China
- Reinhart Switzerland
- Ecom USA
- MFERIT Uzbekistan
- Plexus UK
- Toyo Japan
LARGEST FIRMS

Percent of World Production

1994: 36
2008: 27
2009: 26
LARGE FIRMS

Percent of World Production

1994: 22%
2008: 17%
2009: 13%
AVG. VOL. LARGE FIRMS

Thousand Tons

- 1994: 80 Thousand Tons
- 2008: 100 Thousand Tons
- 2009: 90 Thousand Tons
AVG. VOL. MEDIUM FIRMS

Thousand Tons

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994</td>
<td>26</td>
</tr>
<tr>
<td>2008</td>
<td>28</td>
</tr>
<tr>
<td>2009</td>
<td>25</td>
</tr>
</tbody>
</table>
Implications:

Competitive Market:
- State Trading Agencies
- Cooperatives
- Publicly Traded Companies
- Privately Held Companies

Largest handle just 1/4 of production
Implications:

- Greater Capital Requirements:
  
  today: $3 Line of Credit / $1 Equity
  
  2007: $6 Line of Credit / $1 Equity

- Shorter time horizons to buy/sell
Implications:

- Reduced hedging with futures/options
  
  Feb 2010:
  
  14¢ out-of-the-money Call = 2¢
  
  Feb 2007:
  
  4.6¢ out-of-the-money Call = 2¢
Implications:

• Advantage for multi-commodity,

Mulit-country / region firms:

Examples: Noble, DCC, Multigrain
Implications:

- Different skills needed:
  - Knowledge of Cotton no longer crucial,
  - Financial Management &
  - Access to Capital
determine business prospects