

COTTON

COTTON INCORPORATED

Corporate Overview



Cotton
Incorporated

OUR MISSION

To increase the demand for
and profitability of **cotton**
through research and promotion



Cotton
Incorporated

COTTON INCORPORATED STRUCTURE

Cotton Incorporated Board
of Directors

President
CEO

Administration

Finance / I.T.

Agricultural
Research

Fiber
Competition

Product
Development &
Implementation

Global Supply
Chain Marketing

Consumer
Marketing

Corporate
Strategy &
Program
Metrics

Fiber

Product

Consumer



COTTON INCORPORATED OFFICES



145 Full- time employees in 6 offices:

★ Cary, North Carolina

▲ New York, New York

▲ Mexico City, Mexico

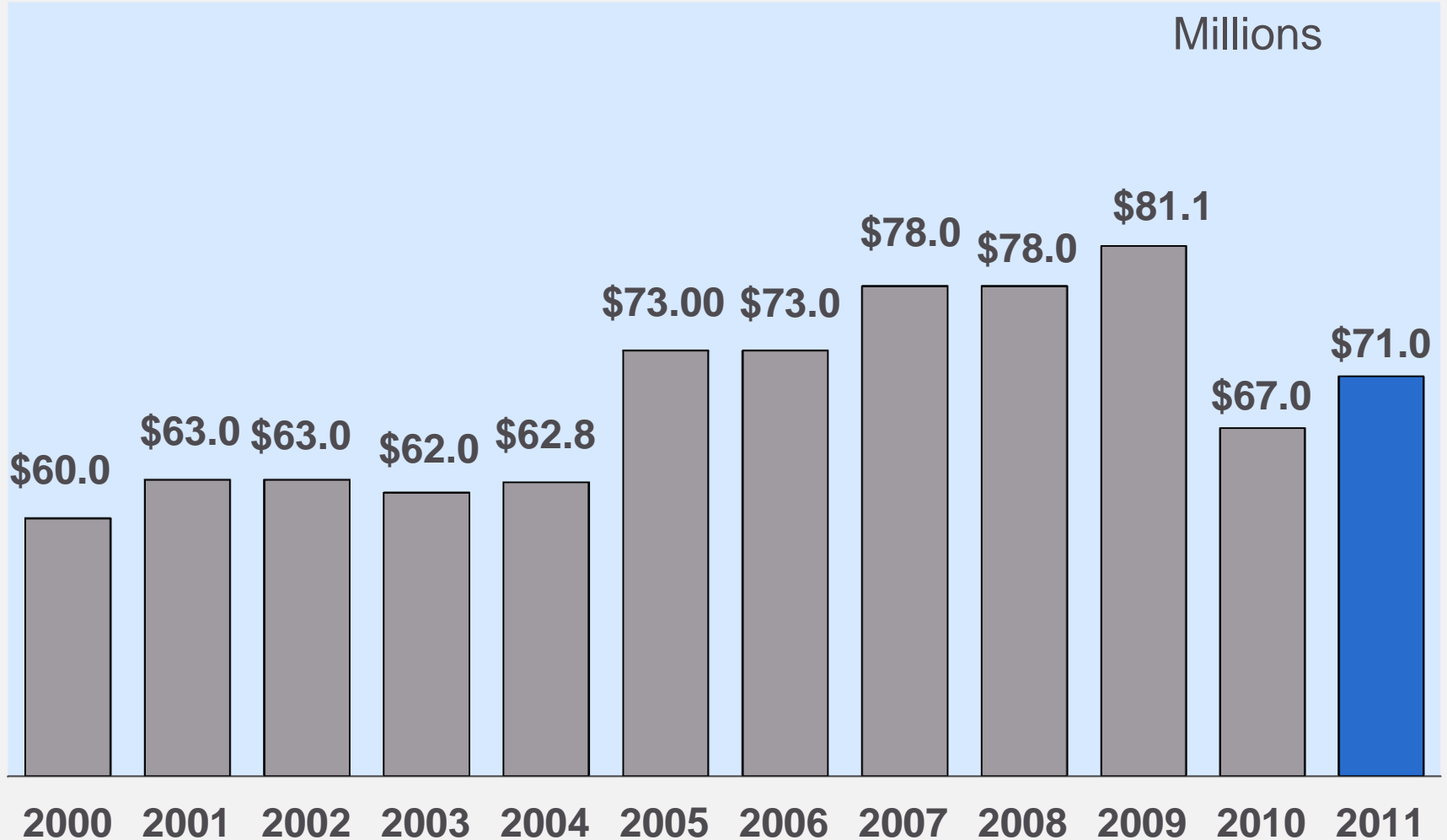
▲ Shanghai, China

▲ Kowloon, Hong Kong

▲ Osaka, Japan

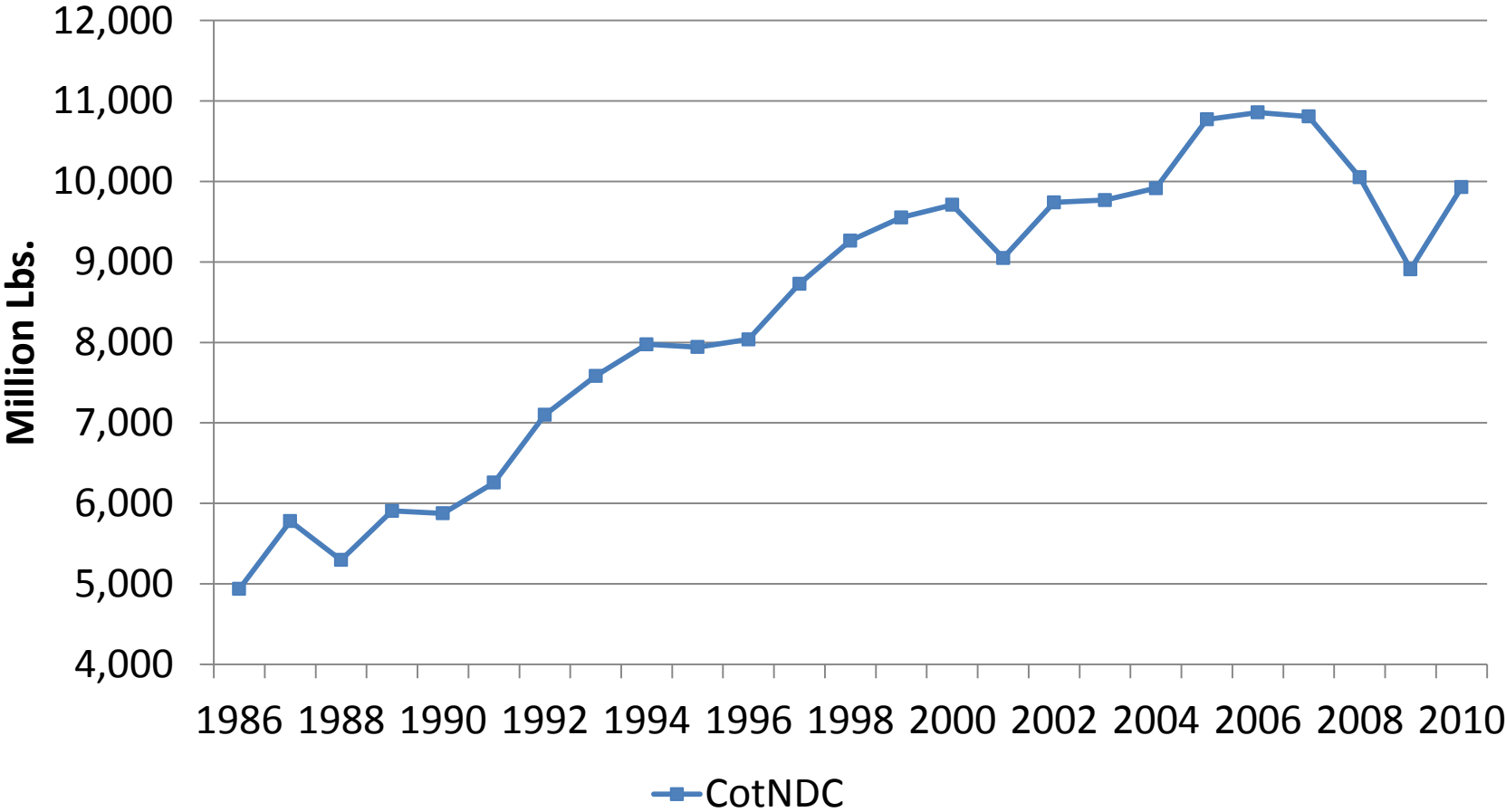
Total Cotton Incorporated Budget*

Millions



* Includes supplemental budgets

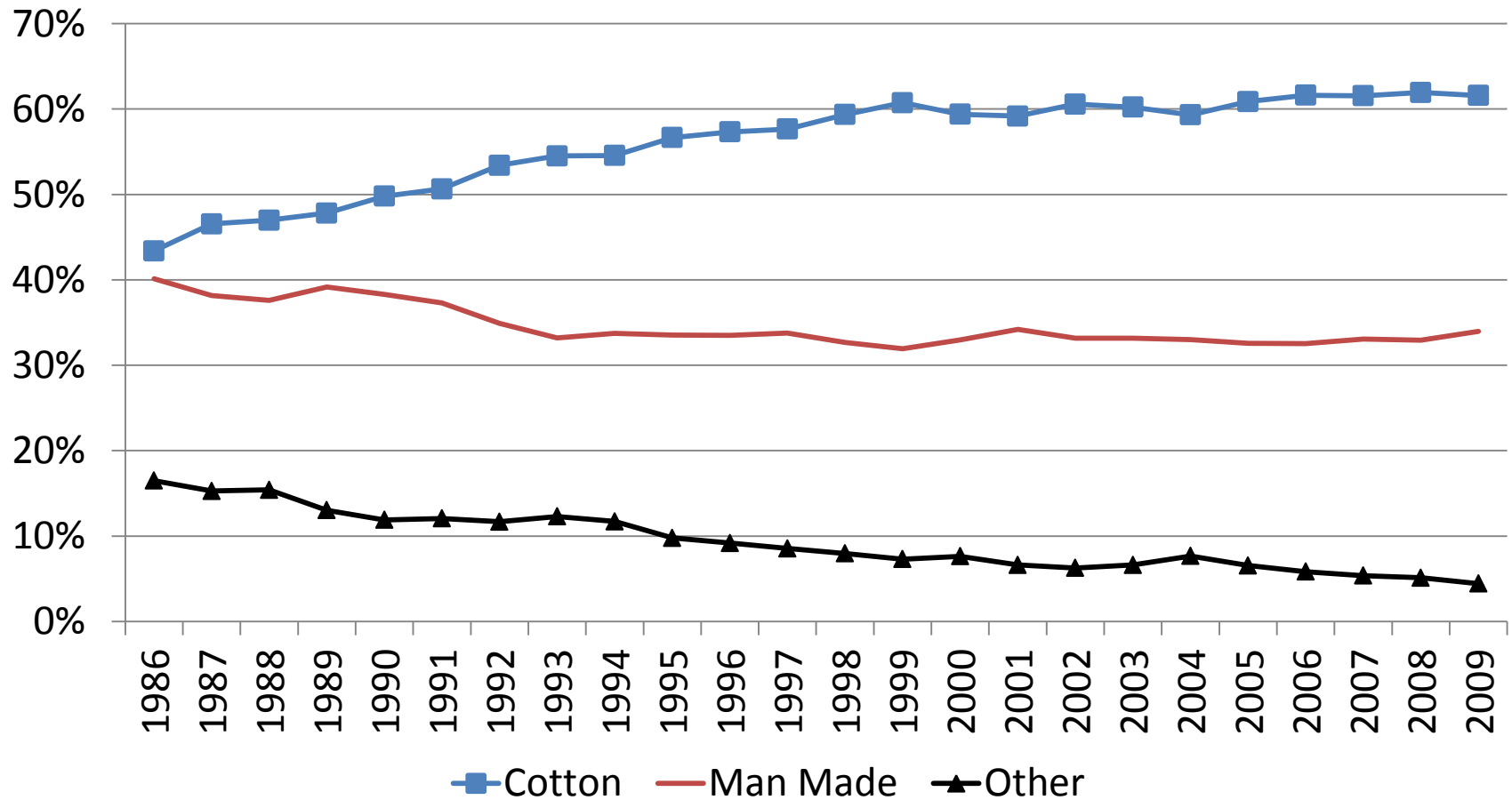
Cotton Demand in the U.S. Economy



Source: USDA

Market Share in Apparel

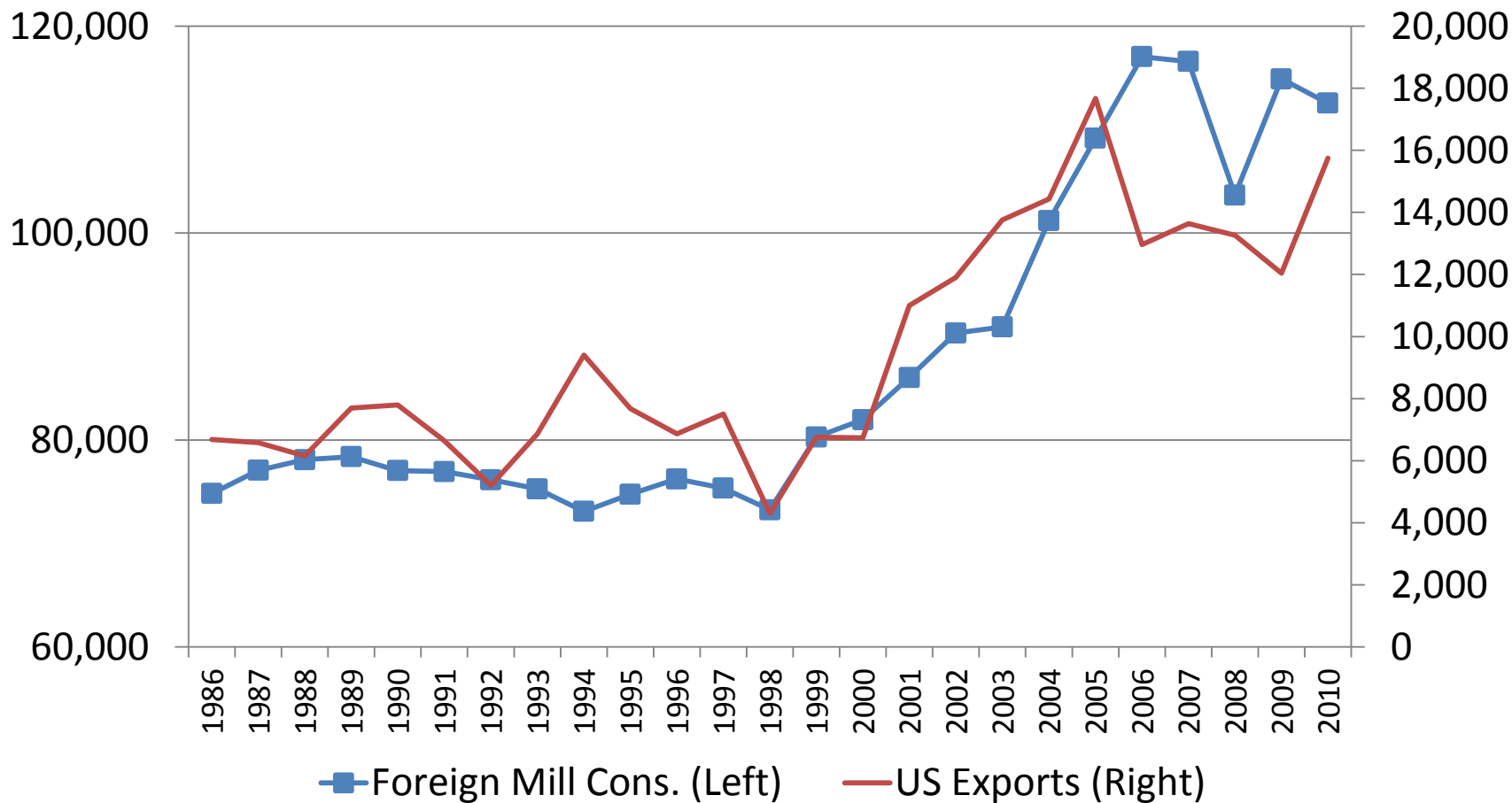
Weight Basis



Source: USDA based on imported apparel

U.S. Cotton Exports vs. Foreign Mill Consumption of Cotton

(000 480 Lb. Bales)



Source: USDA

Year Beginning August 1



KEY PROGRAM OBJECTIVES

- ▲ **Effective Consumer Marketing**
- ▲ **Producer Profitability**
- ▲ **New Products and Processes**
- ▲ **Industry Training and Education**
- ▲ **Global Presence for Cotton**



▲ EFFECTIVE CONSUMER MARKETING

- TV advertising
- Consumer print
- Internet promotion
- Trade promotion
- Retail programs
- Event marketing
- Public Relations

CONSUMER



Cotton
Incorporated

COLBIE CAILLAT



ZOOEY DESCHANEL

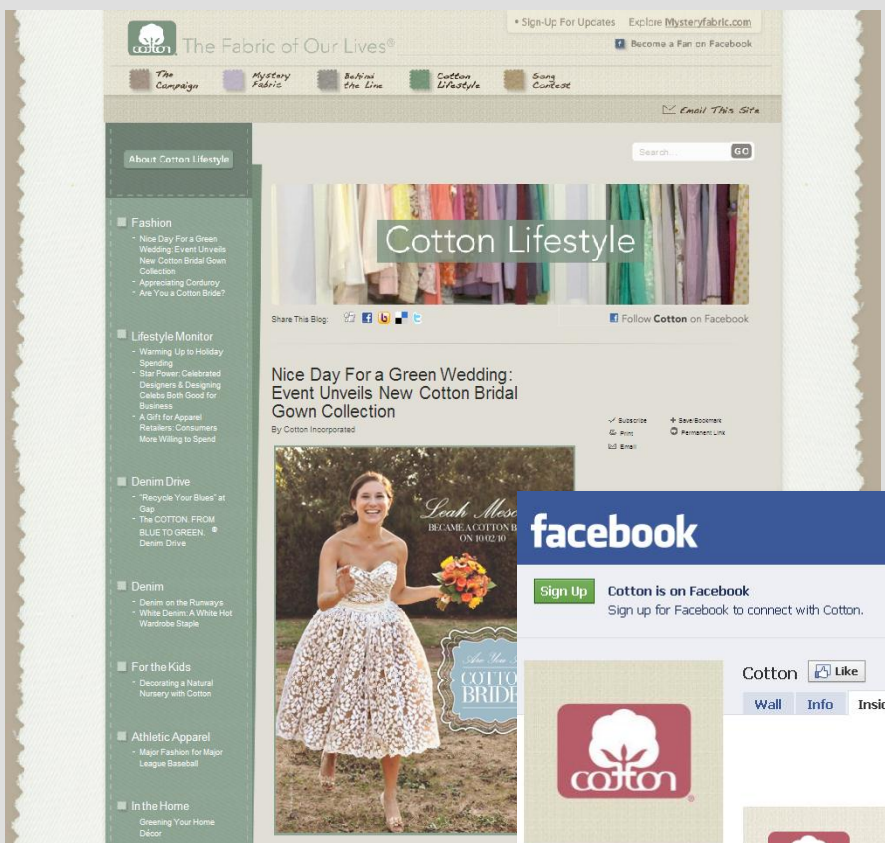


LEONA LEWIS

TV Advertising



**Cotton
Incorporated**



The Fabric of Our Lives™

Redesign with focus on celebrity campaign and social media.

"Green" Beats Green

Price still tops environmentally-friendliness for U.K. consumers



"Green" Beats Green

Brazil Rising

The Far East's E-Potential

The Psychology of a Recession

Windows of Global Opportunity

CURRENT ISSUE

PAST ISSUES

WEEKLY ARTICLES

FAST FACTS



SEARCH:

go

CHARTS & STATISTICAL INFORMATION

Click here to view
and browse the index
of information.



WEEKLY ARTICLE FEATURE

Star Power
Celebrated Designers And
Designing Celebrities Both
Good For Business

[READ THIS](#)



PREVIOUS ISSUES OF COTTON LSM

Click here to
view past
issues.



STAY IN THE KNOW

Sign up for email notifications.

YOUR EMAIL:

Join



The Fabric of Our Lives® National Mall Campaign



▲ PRODUCER PROFITABILITY

- Yield enhancement
- Insect & disease resistance management
- Cottonseed marketing & research
- Precision agriculture
- Variety improvement
- Environment

PRODUCER



Cotton
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Agricultural Research Initiatives

- **Variety Improvement**
- **Cottonseed Value Improvement**
- **Production Efficiencies**
 - **Lint Cleaning**
 - **Nitrogen Research**
 - **Harvest Studies**
 - **Risk Management**
 - **Precision Ag.**
 - **Insect / Weed Mgt.**
 - **Sustainability**



AG RESEARCH COOPERATING INSTITUTIONS



Cotton Council International





Quality Research: Measurements for Fiber Improvement

- Improve Breeder Sample Protocols and Testing
- Develop Better Reference Method for Measuring Moisture Content in Cotton Samples
- Develop Improved Fiber Length & Maturity Measurements



NEW PRODUCTS ▲ AND PROCESSES

- Fiber processing research
- Product enhancements (moisture mgt, wrinkle resistance, waterproofing, fabric constructions, etc.)
- Environmental research
- Nonwovens

PRODUCTS



Cotton
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WICKING WINDOWS™

100% Cotton
Moisture Management

Reduces fabric cling to skin
Dries faster and absorbs less
Wicks moisture from the body



TransDRY™

Transfers moisture.
Dries faster.
And yes, it's cotton.



STORM DENIM™ & STORM COTTON™
Technology Suppliers



ArctecLab Co., Ltd.

Aichi, JAPAN
Contact: Mr. Kaishige Sakurai
Phone: 81 567 24 1291
e-mail: boss@arcteclab.com



Central Textiles (Hong Kong) Limited

Tsuen Wan, N.T., HONG KONG
Contact: Mr. Albert Chan, Sales Supervisor
Phone: 852 2413 2262
e-mail: albert.chan@centraltexiles.com
web: www.centraltexiles.com



Digital Apparel

Director of Operations
208



Karachi, PAKISTAN
Contact: Mr. Asim Amin Bawany, Director
Phone: 92 33 3213 8456
e-mail: asim@qawany@digitalapparel.com
web: www.digitalapparel.com



Gainzone Corporation Ltd.

Director of Operations
208



Kowloon, HONG KONG
Contact: Ms. Canice Yu, Director
Phone: 852 2180 9975
e-mail: canice@gainzonecorp.com



Legacy Sourcing

Director of Operations
208



Connecticut, USA
Contact: Mr. Roger Muchnick, CEO
Phone: 203 838 3965
e-mail: rogermuchnick@legacysourcing.com
Karachi, PAKISTAN
Contact: Mr. Muhammad Armin, Regional Director
Phone: 92 33 431 5247
e-mail: amin@legacysourcing.com.pk
web: www.legacysourcing.com



Washing Plant Pvt Ltd.

Marketing and Business Development
208



SINGAPORE
Contact: Mr. Chris Koh, Director
Phone: 65 6747 2226
e-mail: ckoh@pacifogmt.com.sg
web: www.cneworld.com



Senicar Ltd.

Director of Operations
208



Kowloon, HONG KONG
Contact: Mr. Peter Leung, Manager
Phone: 852 2766 3913
e-mail: peter1801@hotmail.com



STORM COTTON™ Supplier, woven bottomweights
STORM COTTON™ Supplier, stitching fabrics
STORM COTTON™ Supplier, fleece

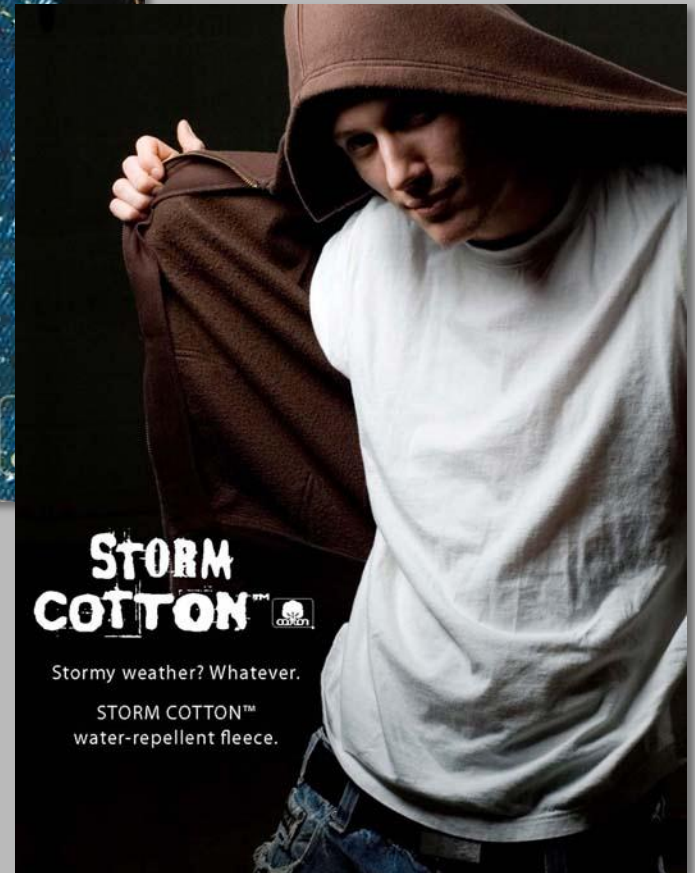
For all potential suppliers. This list represents companies that Cotton Incorporated understands have the capabilities to produce you are seeking. However, this list is not intended as a guarantee that each company has the ability or willingness to take on a particular product or service. Although we make every attempt to keep this list up-to-date, it may change without notice. Cotton Incorporated and its representatives, either expressed or implied, will not be responsible to the suppliers contained herein. Likewise, no statement contained herein shall be construed as a recommendation or endorsement by Cotton Incorporated.

Moisture Management: TransDRY™ technology and WICKING WINDOWS™ technology



STORM COTTON™

Super Water Repellent
and Breathable
100% Cotton Fabrics



Water Repellency:
STORM COTTON™ technology
and **STORM DENIM™** technology

Reductions in Dyeing and Finishing Process

**Water
Consumption**



**Energy
Usage**



**Chemical
Costs**



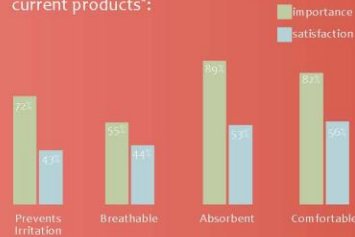


Adult Incontinence

cotton and your consumer

Cotton is the consumer's choice for comfort in adult incontinence products.

Consumers agree on what's important...but they are only moderately satisfied with their current products*:



73%

of consumers are interested in incontinence products made with cotton.*

Two thirds of consumers believe that incontinence products with cotton will be more comfortable and breathable and prevent irritation due to cotton's natural hypoallergenic properties.*

Nearly half of respondents believe adding cotton to incontinence products will increase the absorbency, improving a critical performance feature for incontinence products.*

For more information visit www.cottoninc.com/cotton-nonwoven/



Baby Care

cotton and your consumer

The Power of Cotton

Parents believe these product features are highly important when purchasing baby wipes and diapers ... and cotton delivers**.

Wipes

- 95% Prevents skin irritation
- 94% Softness
- 94% Quality
- 85% Absorbent

Diapers

- 95% Protects against leaks
- 94% Prevents skin irritation
- 92% Comfort
- 89% Breathability

Consumers believe natural fibers to be extremely safe for the environment. In fact, 90% of consumers surveyed rated cotton as the **safest** fiber for the environment, much safer than rayon and oil based synthetics. **Study conducted by Bellamy Research, 1,000 respondents, men and women aged 18-54, were interviewed via an internet based survey.

For more information visit www.cottoninc.com/cotton-nonwoven/



Nonwovens



INDUSTRY TRAINING AND ▲ EDUCATION

- Workshops
- Technical Bulletins
- Websites
- Publications

EDUCATION



Cotton
Incorporated



www.cottoninc.com

» Importer Support Education Program

Workshop Overview

Importer Support Education Workshops

The education workshops are sponsored by the Importer Support Program of the Cotton Board and are managed by Cotton Incorporated. This unique Program has been specifically designed to address the needs of the importers of cotton and its products.

Cotton Incorporated is a non-profit organization dedicated to "increase the demand and profitability of cotton through research and promotion." The Cotton Board reviews and approves Cotton Incorporated's annual program and budget, and collects the assessments that fund us. Importers of U.S. cotton and cotton products and U.S. cotton growers assessed a fee. For importers, this assessment is collected at the time of entry by U.S. Customs and transmitted to the Cotton Board. Cotton Incorporated devotes a certain percentage of annual importer collections for importer-specific programs. These initiatives are organized under the Importer Support Program.

Cotton Incorporated has developed education workshops, which cover everything from raw cotton to finished fabric. They are: dyeing and finishing; knitting; weaving; sweater manufacturing; denim manufacturing; quality assurance; cotton textile fundamentals; basic fabric and color standards and measurements; field-to-fabric; denim garment finishing; printing; and availability of these workshops can change based on demand. Throughout the year, we add or delete workshops. Not all of the workshops may be presented in one year.

These workshops are held in different locations: one location is in Cary, NC, and the other location is at hotels in cities throughout the world. The material is taught at both workshops. The advantage of the demonstrations is in our state-of-the-art laboratories. All world industry professionals.

There is no registration fee for these workshops. The Program provides lunch each day. If you attend in Cary, it also pays for one hotel room responsible for all other costs.

For information on the workshops, contact [Jenna Oschwald](#)



Importer Support Program Workshops



Technical Education CDs



About Cotton Sustainability

A Global Solution for the Future

Cotton & Natural Resources

Multimedia Center

Cotton and Natural Resources



Soil



Water



Air Quality



Energy



Impact on Habitat & Biodiversity



A Global Solution for the Future

The cotton industry envisions a future where environmentally sustainable production and manufacturing will thrive along with the businesses that depend on cotton as a source of income.

- [▶ Read a message from J. Berrye Worsham](#)
- [▶ Learn more](#)

Other Online Resources

- Cotton Today – Sustainability Website
- Textile Encyclopedia
- COTTONWORKS Global Fabric Library
- Nonwoven Technical Guide and Sourcing Directory

INSIGHTS

FRAMING THE COTTON PRICING DISCUSSION



Cotton prices have received a lot of attention recently. This Special Edition of *Supply Chain Insights* is designed to frame the discussion concerning prices throughout the cotton supply chain in terms of the cyclical events that contributed to recent volatility and how a return to long-term averages over time can be expected.

After trading at near decade lows throughout most of the 2008/09 crop year, cotton prices have risen in 2009/10 to their highest levels in almost 15 years. In April 2010, the Cotlook 'A' Index (widely considered to be a proxy for the world price of cotton) averaged 88.1¢/lb, for a 55.1% year-over-year increase.

THE LONG VIEW: HISTORICAL COTTON PRICES



The price increase can be explained by a mix of economic factors — from reduced cotton acreage and trade restrictions to shrinking cotton stocks and sooner-than-expected recovery in consumer demand for textile products. In short, a markedly decreased supply met unexpectedly increased demand — a classic situation in which prices are bound to rise. In response, prices have been affected across all textile manufacturing, and prices for all fibers, including synthetics, have risen as well.

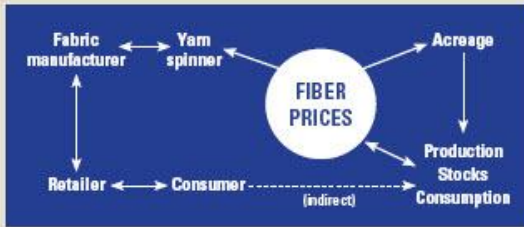
A closer look at the factors contributing to this "perfect storm" suggests that the balance between supply and demand will be restored in time, and cotton prices will move towards long-term averages (the 20-year 'A' Index average is 66.4¢/lb). In the meantime, the current situation is affecting

prices throughout the cotton supply chain, and retailers and brands are responding with a variety of strategies.

LOWER PRICES LED TO LOWER SUPPLY

Driving the rise in cotton prices is the tightening of world cotton supplies relative to demand. In response to historically

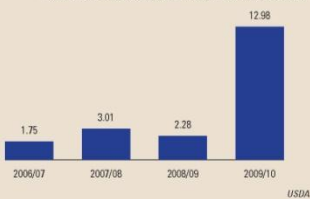
COTTON SUPPLY CHAIN: DIRECTIONS OF INFLUENCE



ratio decreases, and prices tend to rise. Conversely, when stocks increase, the stocks-to-use ratio increases, and prices

PRODUCTION-CONSUMPTION GAP WIDENS

Difference between world cotton consumption & production, million 480-lb bales, 2006/07 through 2009/10 (projected)



INSIGHTS

CHINA: CENTER OF THE COTTON MARKET

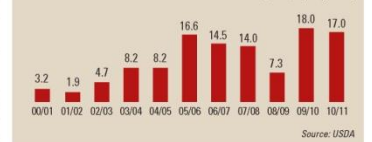


The movement in cotton prices over the past several months is unprecedented. Not only have prices set a series of all-time highs, they also have been highly volatile. At more than 80 cents/lb, the trading range for New York futures between August and December is greater than the average price for each crop year since 1995/96. As the world's largest grower, consumer, and importer of cotton, China is central to any discussion of the world cotton market.

Over the past several crop years, the amount of cotton consumed by Chinese spinning mills far exceeded the amount of cotton harvested in Chinese fields. As a result, Chinese cotton stocks have fallen and Chinese cotton imports have increased. Due to the size of China's cotton market and the volume of Chinese import demand, world cotton supplies have tightened alongside those in China. This tightening has been a principal driver of recent price increases.

CHINA'S GROWING PRODUCTION GAP

Difference between Chinese cotton consumption & production, million 480-lb bales (2010/11 projected)



to produce the smallest Chinese cotton harvest in five years, resulting in 2010/11 production being nearly 20% lower than it was in 2007/08.

LOWER ACREAGE, LOWER PRODUCTION

Lower cotton prices relative to other crops were a major cause of the current supply squeeze. With world cotton prices unable to offer the same returns as corn and soybeans, world cotton acreage declined. Between 2005/06 and 2009/10, the amount of cotton acreage harvested across the world fell 13% and world cotton production fell 17%.

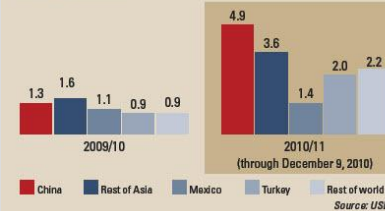
In China, the decline in cotton acreage occurred somewhat later than the rest of the world, dropping slightly in 2008/09 before falling sharply in 2009/10. Between 2007/08 and 2009/10, there was a 15% decline in Chinese cotton acreage. In addition to the price dynamics of cotton prices relative to those for other crops, other factors contributed to the reduction in Chinese cotton acreage. Examples include the

LARGE CHINESE PRODUCTION SHORTFALLS, FALLING CHINESE STOCKS

Over the same time period that Chinese acreage and production was declining, Chinese mill demand rebounded from the recession. According to recent revisions, the USDA estimates that China consumed 50 million bales of cotton in 2009/10, roughly equivalent to levels prior to the recession in 2007/08. Fueling the strength in Chinese cotton consumption has been growth in demand for textile and apparel goods. With a rapidly expanding economy, domestic retail sales consistently post double-digit year-over-year gains. In 2009, per capita apparel spending was three times the level it was in 1995. In addition to growing domestic sales, export demand for textiles and apparel has also risen. Year-to-date

DEMAND FOR U.S. COTTON

U.S. Export sales (million 480-lb bales)



Allocation of U.S. supply (beginning stocks plus harvest), 2010/11 (million 480-lb bales)



Source: USDA



GLOBAL PRESENCE ▲ FOR COTTON

- Major events & conferences
- Account meetings
- Trade shows
- Technical brochures
- Trade advertising
- EFS Marketing
- Fashion Forecasts

GLOBAL



Cotton
Incorporated

Sustainability Series

✉ [Send to a friend](#)

 Cotton Incorporated

Sustainable Cotton Textile Processing: DYEING SOLUTIONS

THURSDAY, FEBRUARY 18, 2010

2:00-2:45 PM EST

Learn how sustainable technologies for dyeing cotton can improve your competitive advantage while reducing your water, energy, and chemical ne

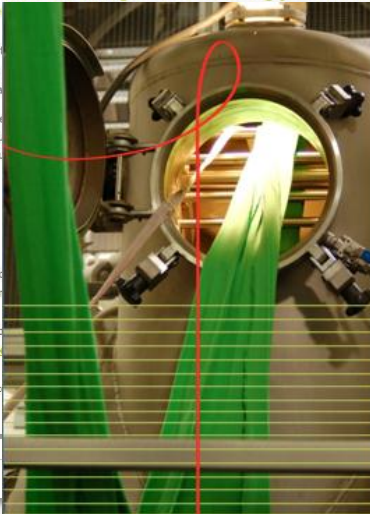
Join Cotton Incorporated
environmental impact.
this informative webca

- Reduce wat
- Improve you
- Enhance you

A working knowledge of
processing and equipm

For more information c
please visit [cotton](#)

Developed by Cotton Inc
Cotton Board.



Wet Processing Applications

- Continuous
- Batch
- Denim



- 9 Workshops
 - 7 in US
 - 2 in Latin America
- 3 Webcasts
 - Dyeing Solutions
 - Product Integrity
 - Cotton Preparation



VICTORIA'S SECRET



L.L.Bean

POTTERY BARN



We Fit Your Life.™



HUGGIES

GLOBAL INDUSTRY PARTNERSHIPS



KOHL'S

American Apparel™ aa



Parent's Choice®



TOMMY HILFIGER

CUTTER & BUCK



NORDSTROM



equate



MARKS & SPENCER



PVH

Phillips-Van Heusen

Kotex

RALPH LAUREN

BANANA REPUBLIC

the magic of macy's



NAUTICA





Tradeshows

- Premier Vision/Texworld
- Outdoor Retailer
- LA Textile Show
- Intertextile – Shanghai
- Colombiatex*



Agriculture



Software



Sustainability



Innovations



Fashion



Advertising



Consumer



Performance cotton beats mystery fabrics at their own game.

Thanks to new moisture management finishing technologies, cotton is now the fabric of choice for high-performance athletic wear. These finishing technologies allow cotton to dry faster by wicking perspiration away from the skin and across the surface of the fabric. Additionally, consumers don't have to give up the comfort, breathability or ease of care they've come to love about cotton. Learn more about moisture management technology and how it can enhance your product line by going to cottoninc.com/transdry or contacting your personal Cotton consultant.



AMERICA'S COTTON PRODUCERS AND EXPORTERS. * Service Mark/Trademark of Cotton Incorporated. © Cotton Incorporated, 2016.



Agriculture



Innovations



Sustainability



Software



Fashion



Advertising



Consumer



The most versatile fabric on earth just got more versatile.


Storm Cotton™ technology turns everyday cotton into performance cotton. Denim and other cotton fabrics become super water repellent and durable without losing the natural breathability, comfort and shape retention they're so loved for. Now cotton is perfect for anything from underwear to winter outerwear. Learn more about Storm Cotton™ technology and how it can enhance your product line by going to cottoninc.com/storm-cotton or contacting your personal Cotton consultant.




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Trade Advertising



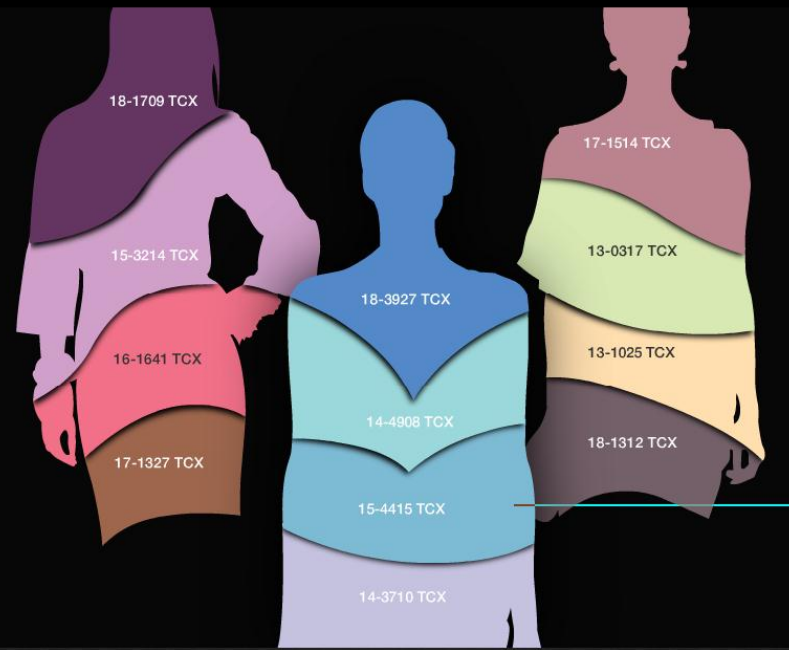
 Trend Forecast
Spring Summer 2012

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MARKET COLORS

- Men
- Women
- Young Men
- Young Women
- Children



Segment	TCX Code
Men (Top)	18-1709 TCX
Men (Middle)	15-3214 TCX
Men (Bottom)	16-1641 TCX
Men (Feet)	17-1327 TCX
Women (Top)	18-3927 TCX
Women (Middle)	14-4908 TCX
Women (Bottom)	15-4415 TCX
Women (Feet)	14-3710 TCX
Children (Top)	17-1514 TCX
Children (Middle)	13-0317 TCX
Children (Bottom)	13-1025 TCX
Children (Feet)	18-1312 TCX



Product Trend Forecasting

COTTON

COTTON INCORPORATED

Corporate Overview



Cotton
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