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Agricultural Outlook Forum 2010

Cotton Outlook

Trends in Cotton's Share of World Fiber Consumption



Cotton Incorporated

Mark Messura

***What are the prospects for
world cotton consumption in
the years ahead?***

Growth Rate in World Cotton Consumption

1990s

1.1%

2000s

2%

Apparel is the largest end use for cotton fiber

80% - 90%

Factors driving clothing purchases

- Income
- Needs
- Prices
- Fashion
- Preferences

Factors Driving Clothing Purchases

INCOME

- For a \$1,000 change in real per capita GDP → 0.243 kgs (0.5 pounds) change in net domestic cotton use
- Largest economies: Δ \$1,000 → Δ 0.196 kgs (0.43 pounds)
- LDCs Δ \$1,000 → Δ 0.286 kgs (0.63 pounds)

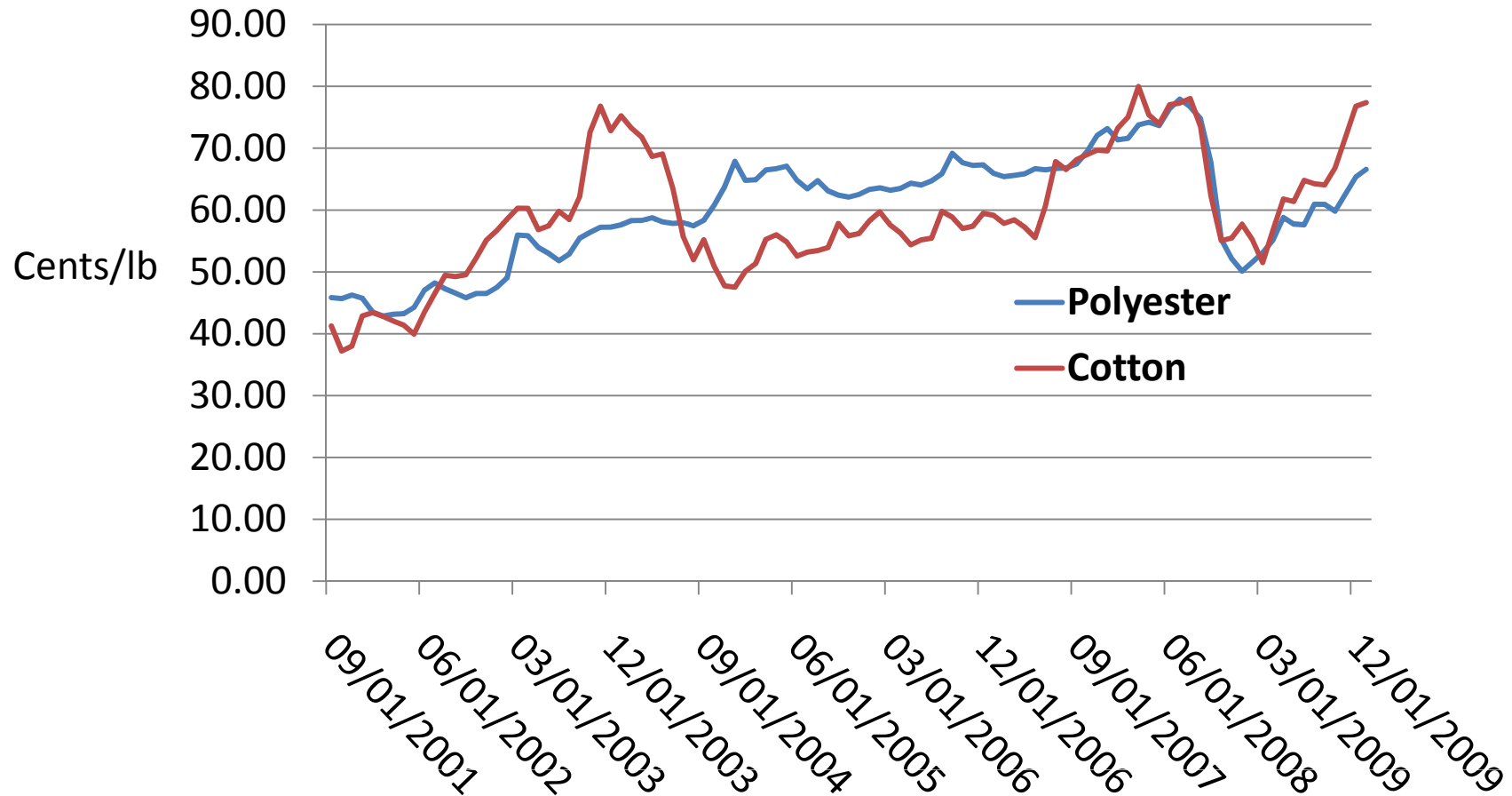
Factors Driving Clothing Purchases

NEEDS

- Critical driver is population growth
- Highest growth rates in less developed and developing countries
- Cotton “basics” conservatively estimated at more than 50% of the weight of cotton in apparel products sold at retail (U.S. market)

Factors Driving Clothing Purchases

Prices for Cotton and Polyester



Source: Cotton Outlook, 'A' Index and FE Polyester monthly prices

Factors Driving Clothing Purchases

FASHION



Factors Driving Clothing Purchases

PREFERENCES



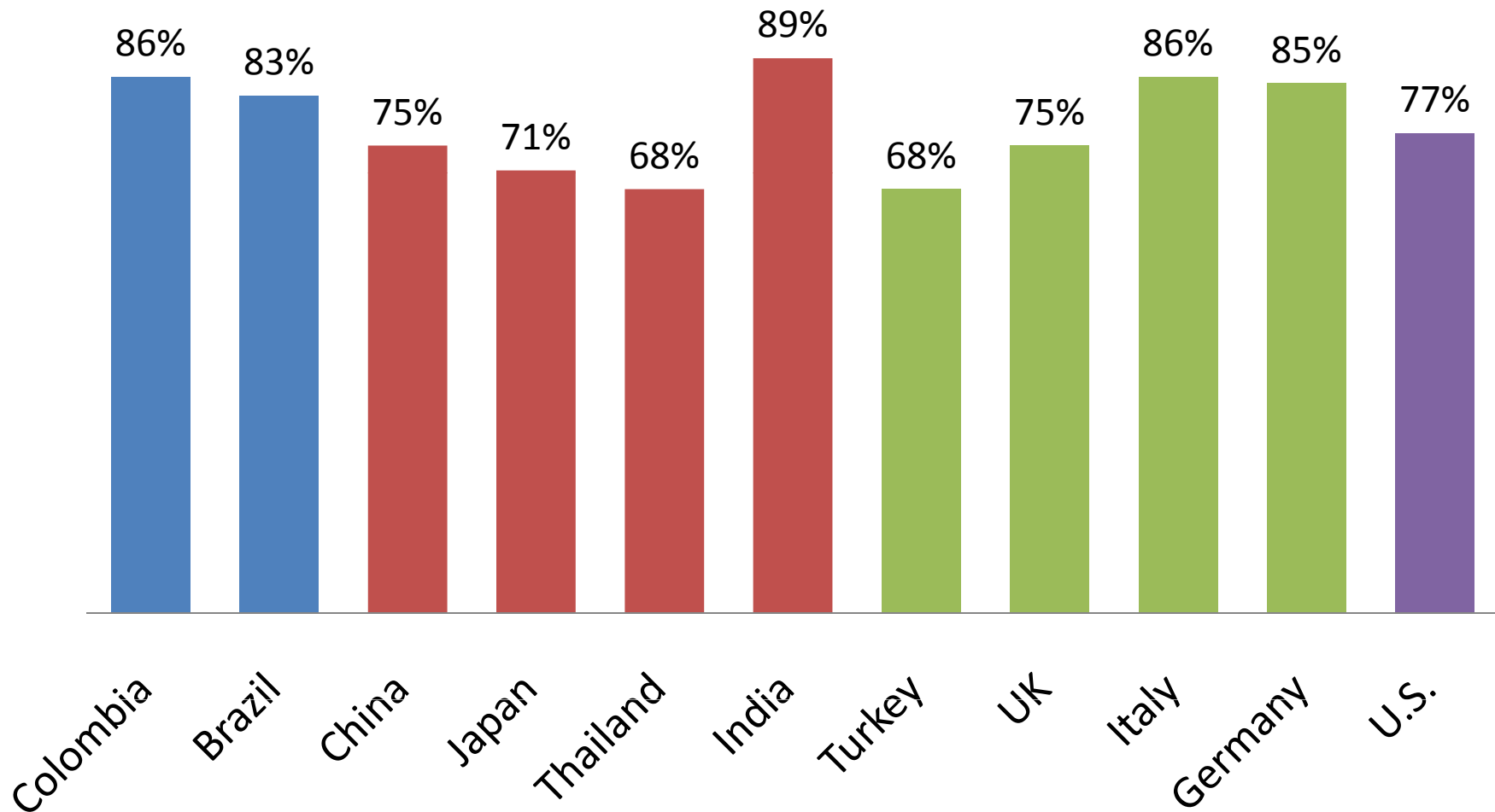
Global Lifestyle Monitor



Cotton Council International
Cotton Incorporated

Global Consumers Prefer Cotton In the Clothing They Wear The Most

% of Consumers Who Prefer Cotton



Sources: CCI & Cotton Incorporated's Global Lifestyle Monitor & Cotton Incorporated's Lifestyle Monitor™ Survey

Cotton Is Best Suited for Today's Fashions

	% of Consumers
India	91%
Colombia	85%
Italy	78%
Brazil	74%
Turkey	68%
Thailand	67%
Germany	67%
United States	65%
Japan	59%
China	57%
United Kingdom	50%
Global Average	70%



Denim Jean Ownership Differs Among Global Consumers



Global Average - 6

How often do consumers wear denim jeans in a week?

Americas

US – 4
Colombia – 4
Brazil – 4

Europe

Germany – 5
Turkey – 4
UK – 4
Italy – 4

Asia

China – 3
Japan – 2
Thailand – 2
India - 1

Cotton: The Safest Fiber for the Environment



	% of Consumers
India	99%
Japan	94%
Turkey	92%
U.S.	92%
Italy	91%
Thailand	88%
Germany	87%
China	86%
Colombia	84%
Brazil	84%
UK	74%

Sources: CCI & Cotton Incorporated's Global Lifestyle Monitor & Cotton Incorporated's Lifestyle Monitor™ Survey

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