



# 2023 Cotton Market Outlook

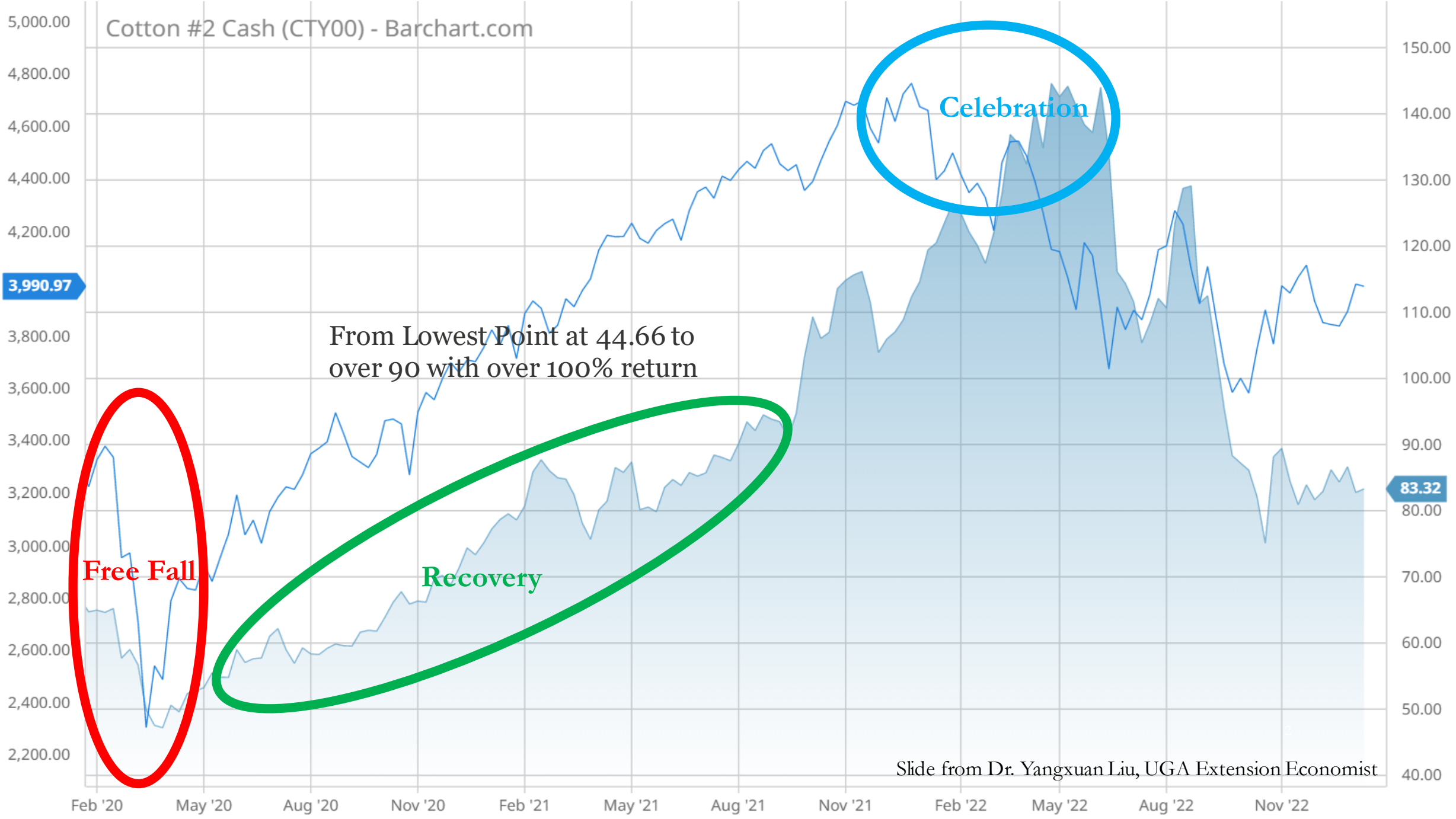
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3,990.97

From Lowest Point at 44.66 to over 90 with over 100% return

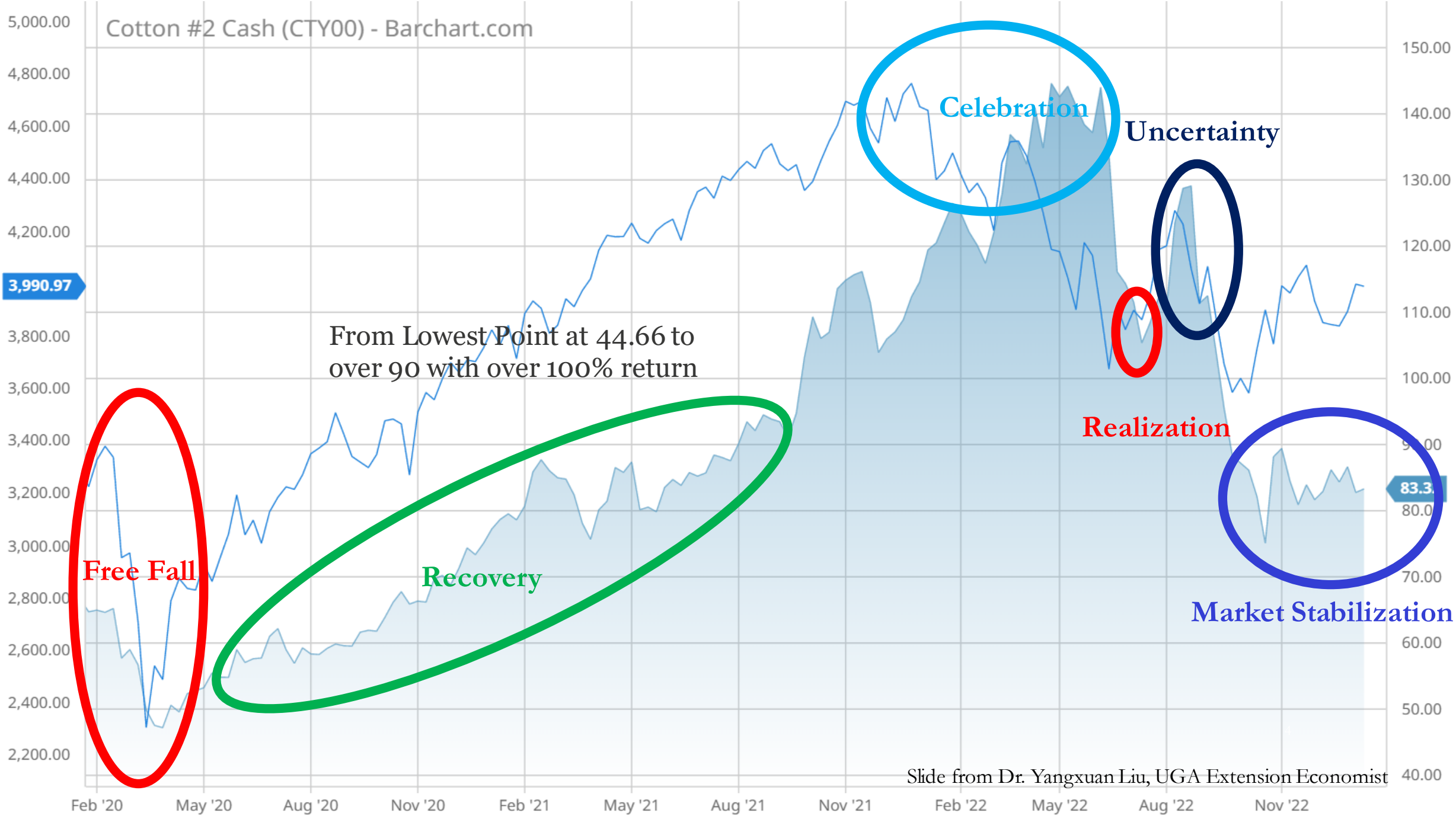
Free Fall

Recovery

Celebration

83.32





From Lowest Point at 44.66 to over 90 with over 100% return

Free Fall

Recovery

Celebration

Uncertainty

Realization

Market Stabilization

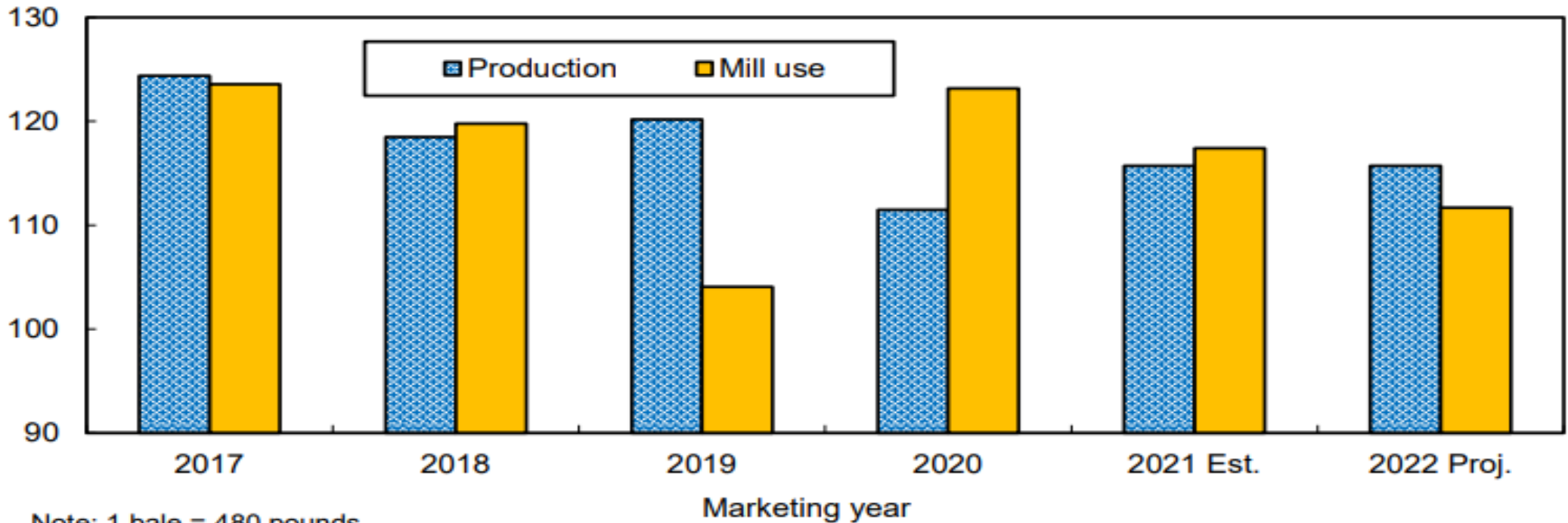
3,990.97

83.3



# Global Cotton Production and Mill Use

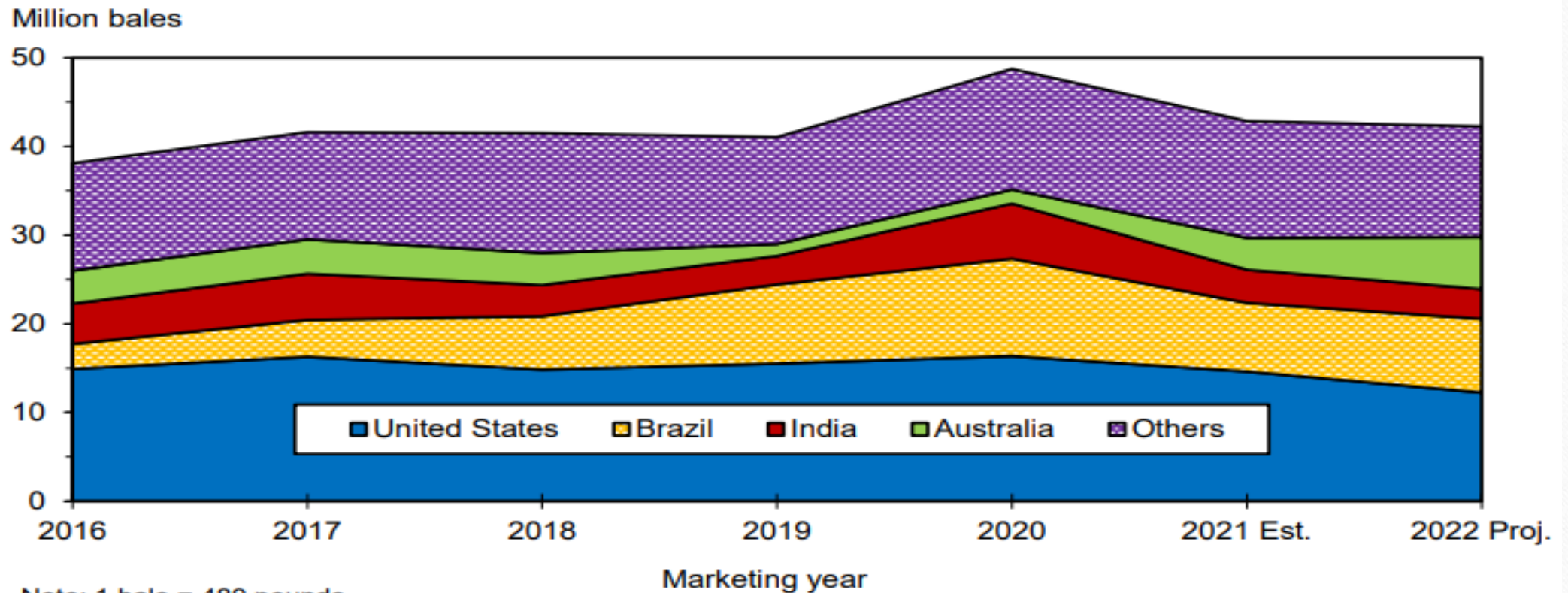
Million bales



Note: 1 bale = 480 pounds.

Source: USDA, Economic Research Service based on USDA, *World Agricultural Supply and Demand Estimates* reports.

# Leading Global Cotton Exporters

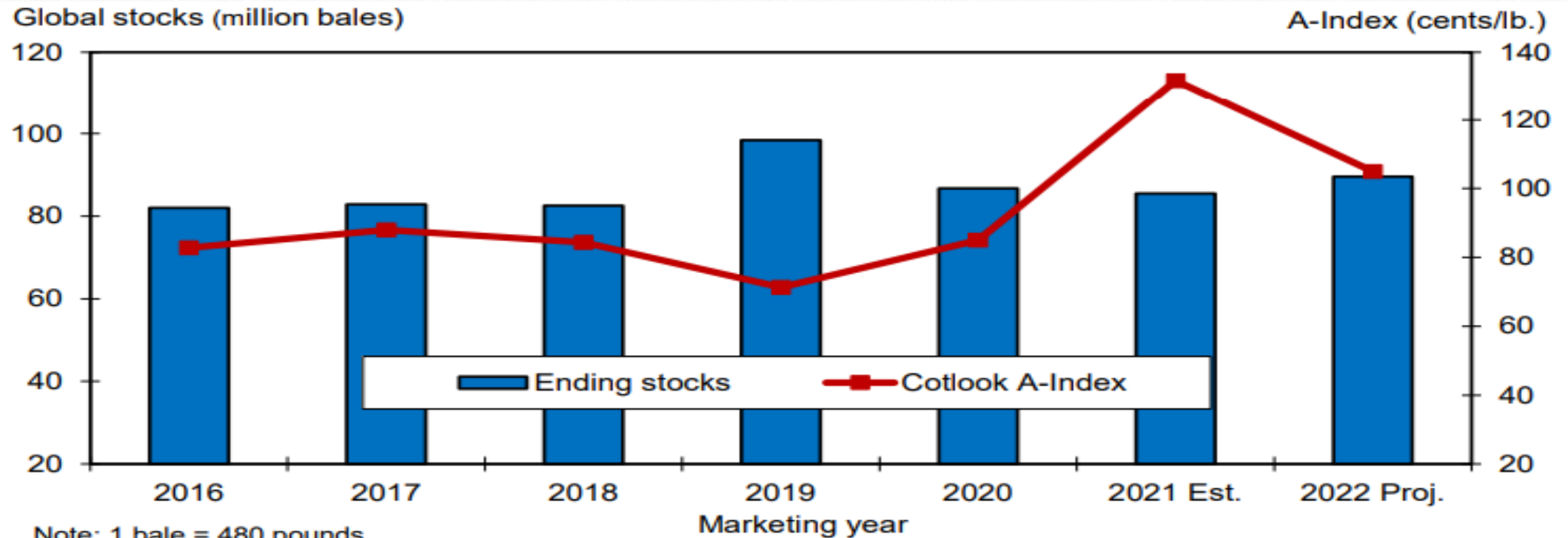


Note: 1 bale = 480 pounds.

Source: USDA, Economic Research Service based on USDA, *World Agricultural Supply and Demand Estimates* reports.



# Global Cotton Stocks and Prices

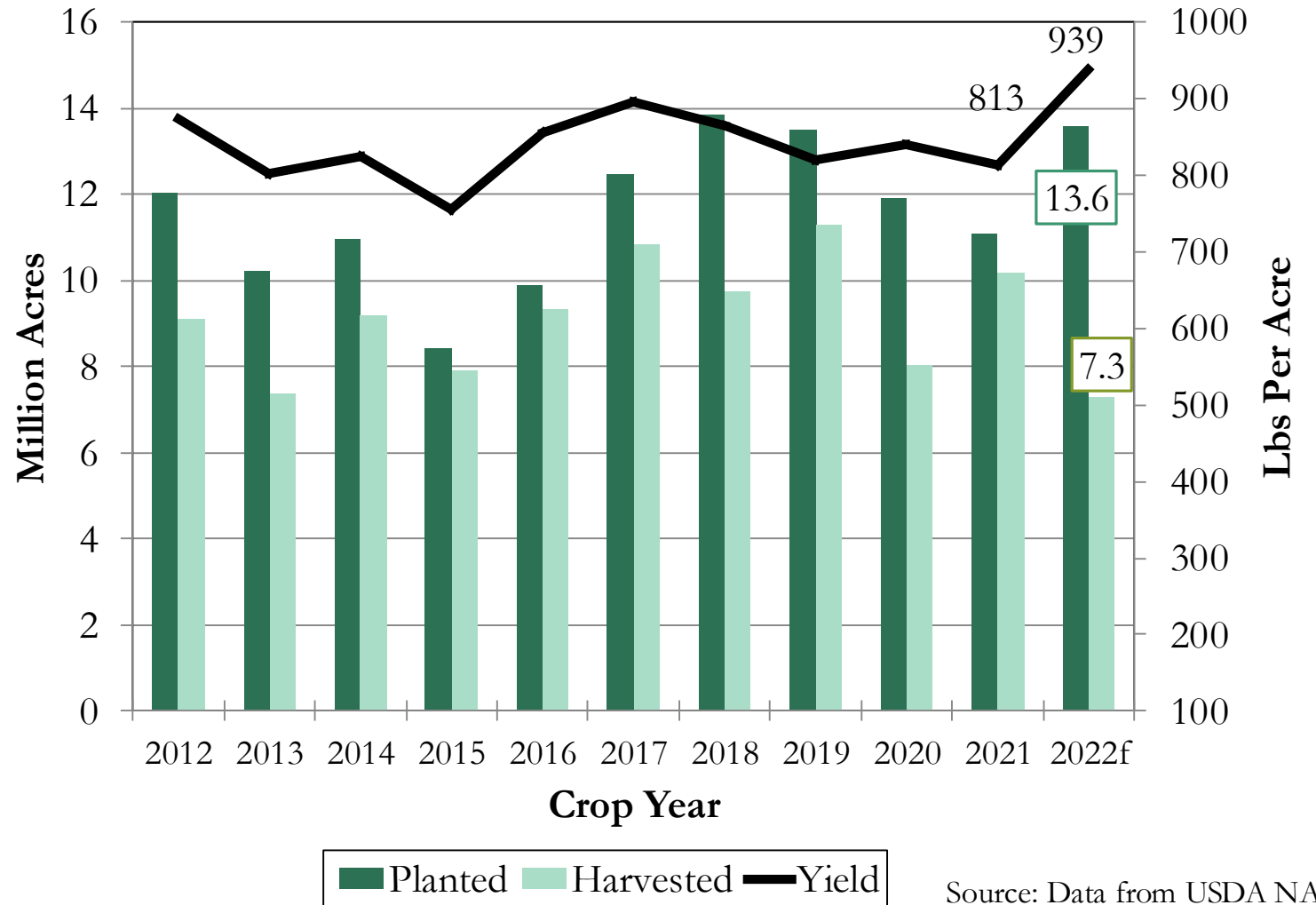


Note: 1 bale = 480 pounds.

Sources: USDA, Economic Research Service based on Cotlook and USDA, Interagency Commodity Estimates Committee.



# US Upland Cotton Acres and Yield

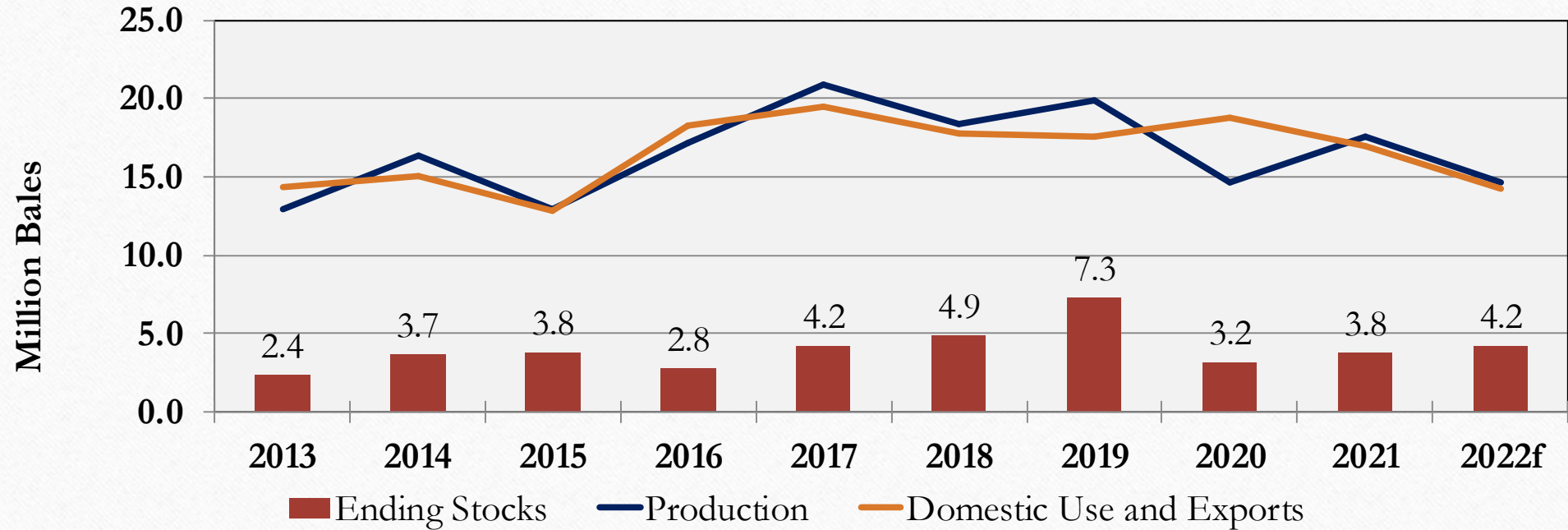


Source: Data from USDA NASS.





# U.S. Cotton Supply and Demand



Source: Data from USDA FAS.



# GA Cotton Production



# What Market Indicators to Watch Ahead?

- Inflation Rate
- Interest Rate
- Exchange Rate
- GDP Growth





# Inflation Rate (CPI)

14

12

10

8 Source: Data from OECD

6

4

2

0

Japan

India

France

Brazil

United States

Canada

Mexico

United Kingdom

Germany

Italy

Russia

3.8

5.4

5.9

5.9

6.5

6.8

7.8

9.3

10.0

11.8

16.7



Federal Funds Target Range - Upper Limit



0.25% March 16, 2022  
0.50% May 4, 2022  
0.75% June 15, 2022  
0.75% July 27, 2022  
0.75% September 21, 2022  
0.75% November 2, 2022  
0.50% December 14, 2022

Shaded areas indicate U.S. recessions.

Source: Board of Governors of the Federal Reserve System (US)

fred.stlouisfed.org

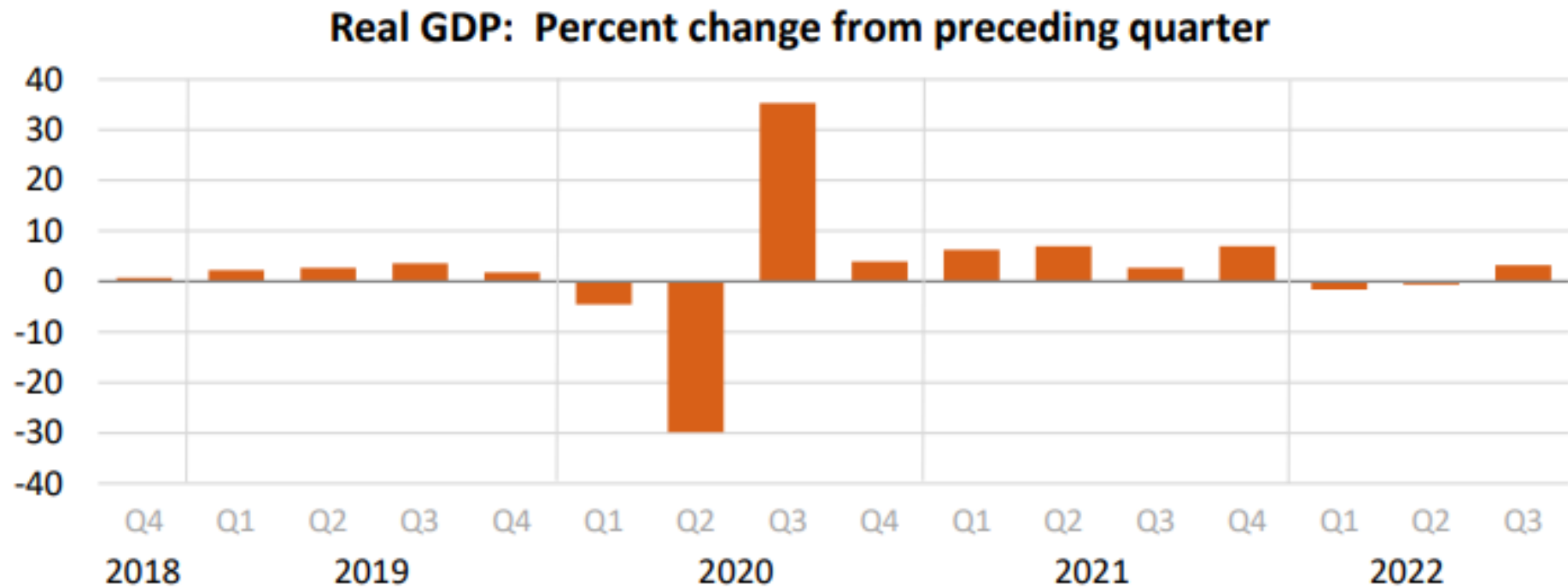
# U.S. Dollar Index

■ DISPLAY TOOLTIP





# Recession in the U.S.?



U.S. Bureau of Economic Analysis

Seasonally adjusted annual rates



College of Agricultural &  
Environmental Sciences  
UNIVERSITY OF GEORGIA

## Price Expected Lower for the 2023 Crop than 2022 Crop

- Market anticipate lower economic growth globally with decline demand for cotton

CTH23 (Mar '23)	86.24s
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CTK23 (May '23)	86.78s
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CTN23 (Jul '23)	87.23s
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CTV23 (Oct '23)	85.20s
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CTZ23 (Dec '23)	85.13s
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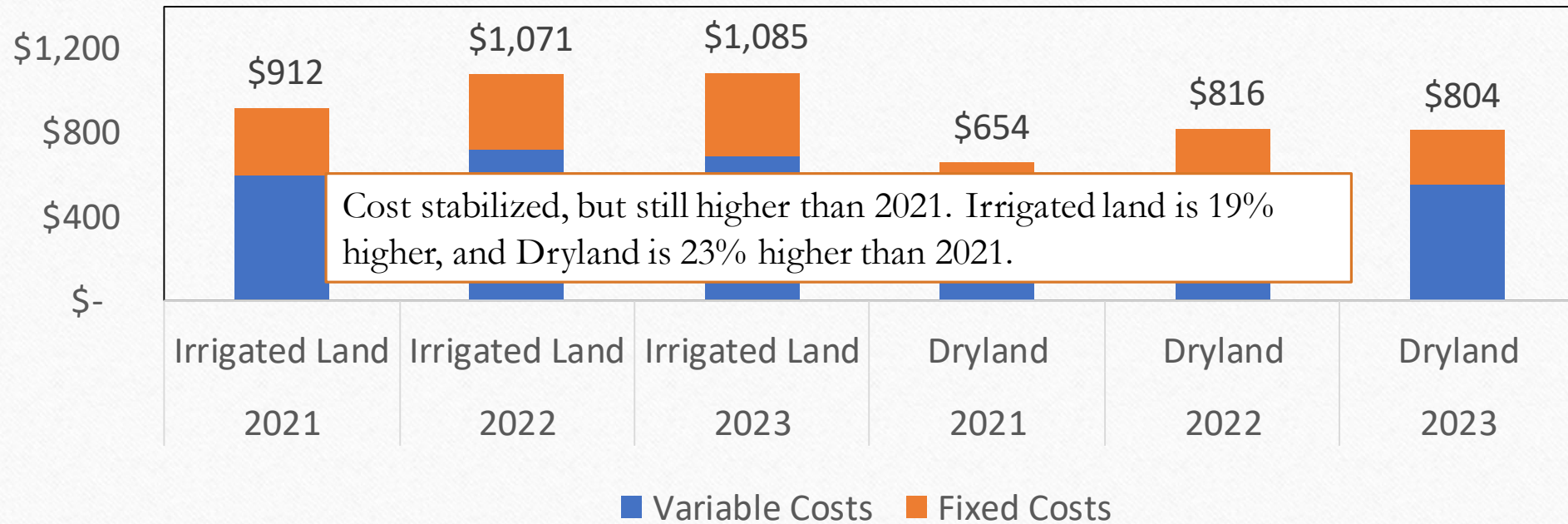
CTH24 (Mar '24)	85.19s
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CTK24 (May '24)	84.91s
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CTN24 (Jul '24)	84.52s
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# Tight Profit Margin in 2023





# Profit Management for 2023

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Management Cash  
Flow and Liquidity



Think Twice of Large  
Equipment Purchases



Loan Management due  
to High Interest Rate



# Thank you!

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Questions?

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