



2022 Cotton Market Outlook

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January 25, 2022



Unique Aspects of 2021 Rally

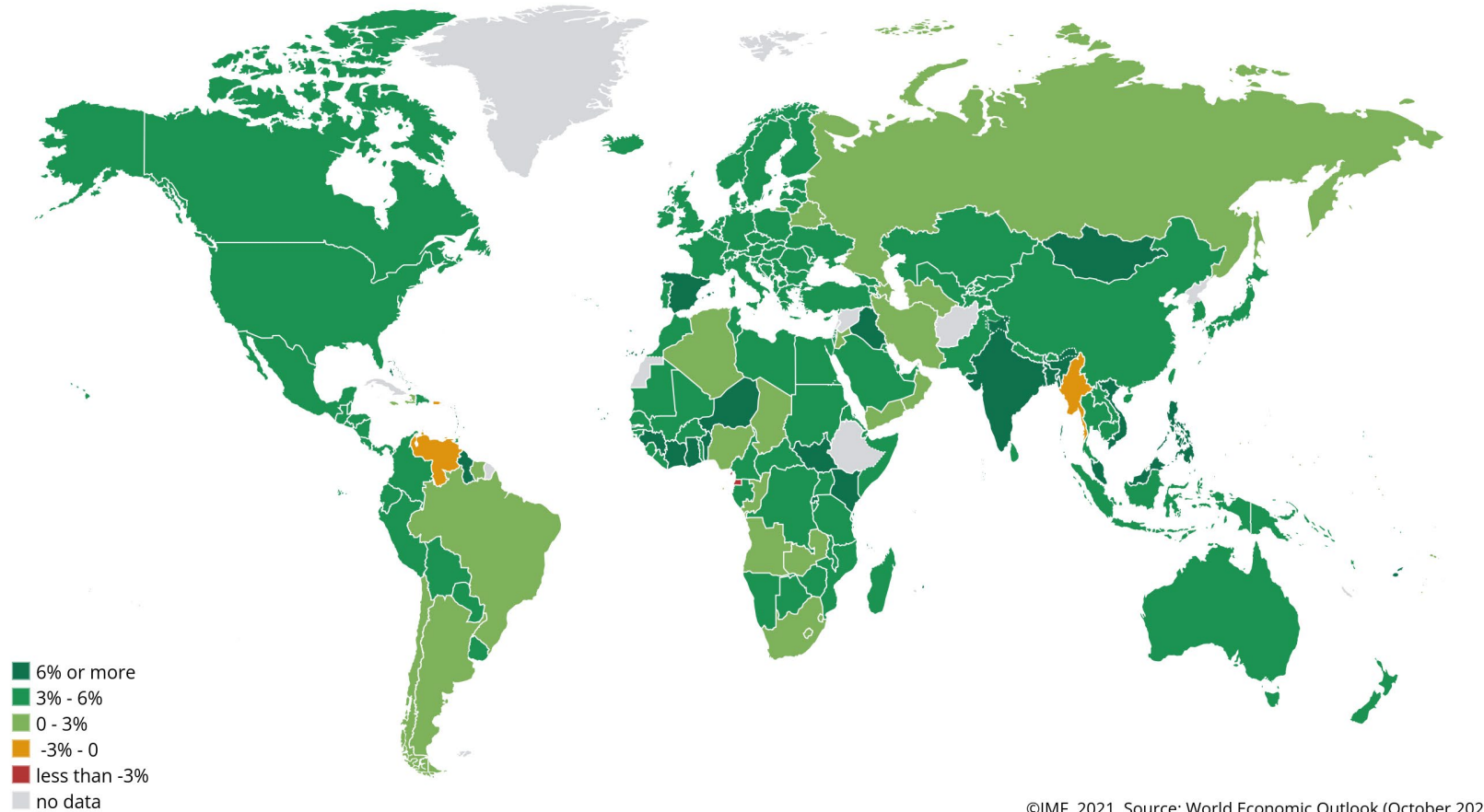
- Recovering demand for apparel
- Tighter 2021/22 U.S. ending stocks
- Inflation pressure in the U.S.
- Supply chain disruption/delays
- Stock market volatility and speculation purchase of cotton futures



Global Real GDP Growth

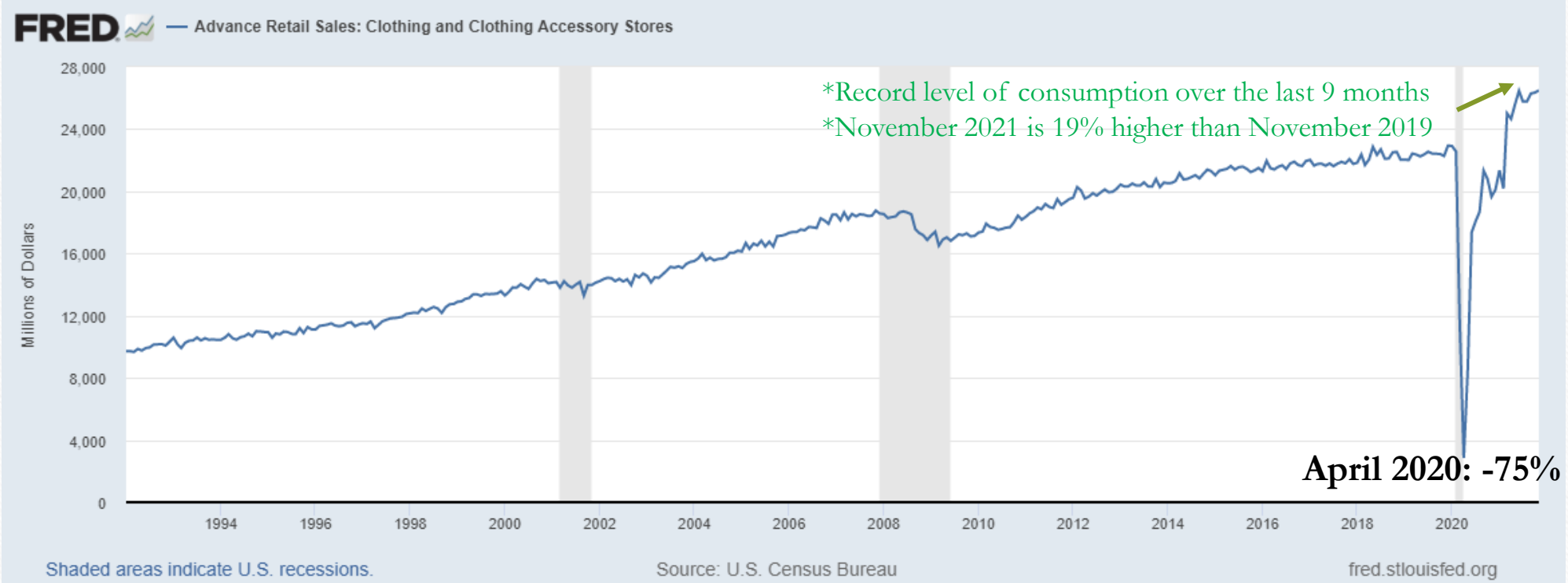
IMF DataMapper

Real GDP growth (Annual percent change, 2022)



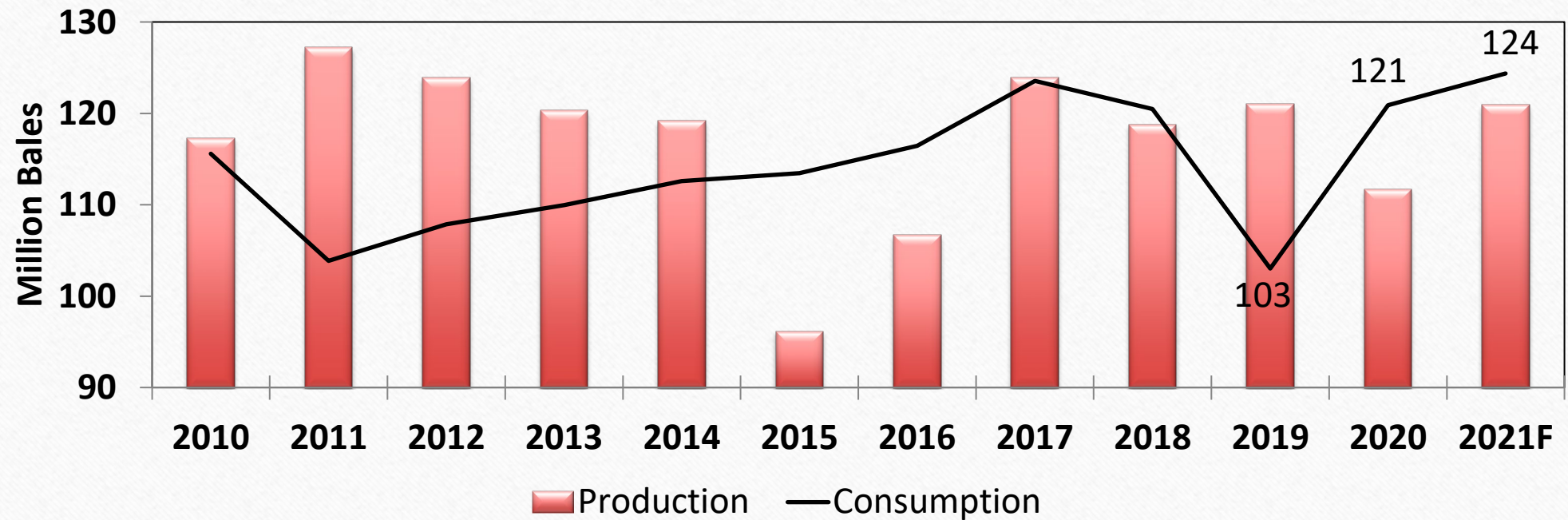


Retail Sales: Clothing and Clothing Accessory





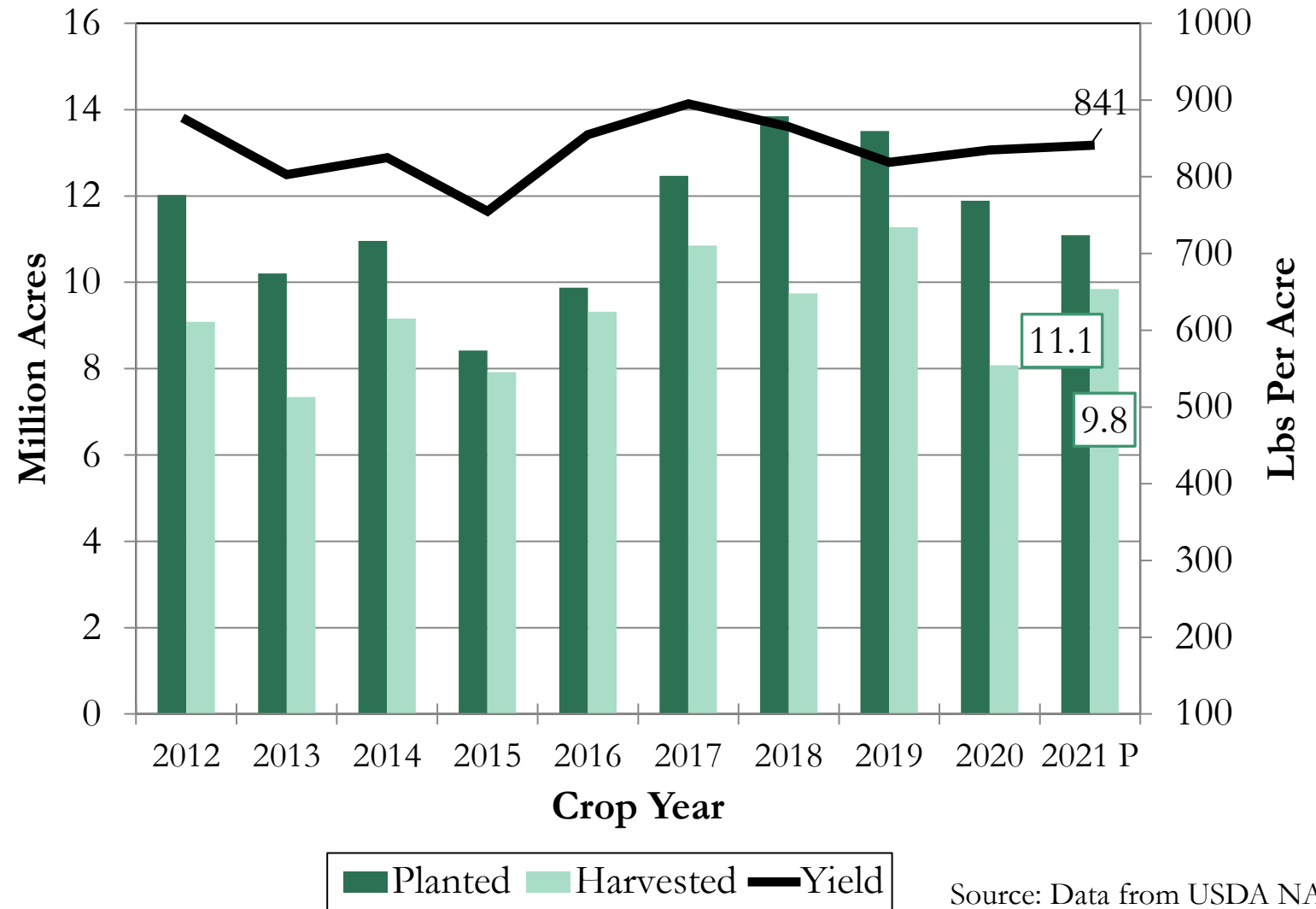
World Cotton Supply and Demand



Source: Data from USDA FAS.



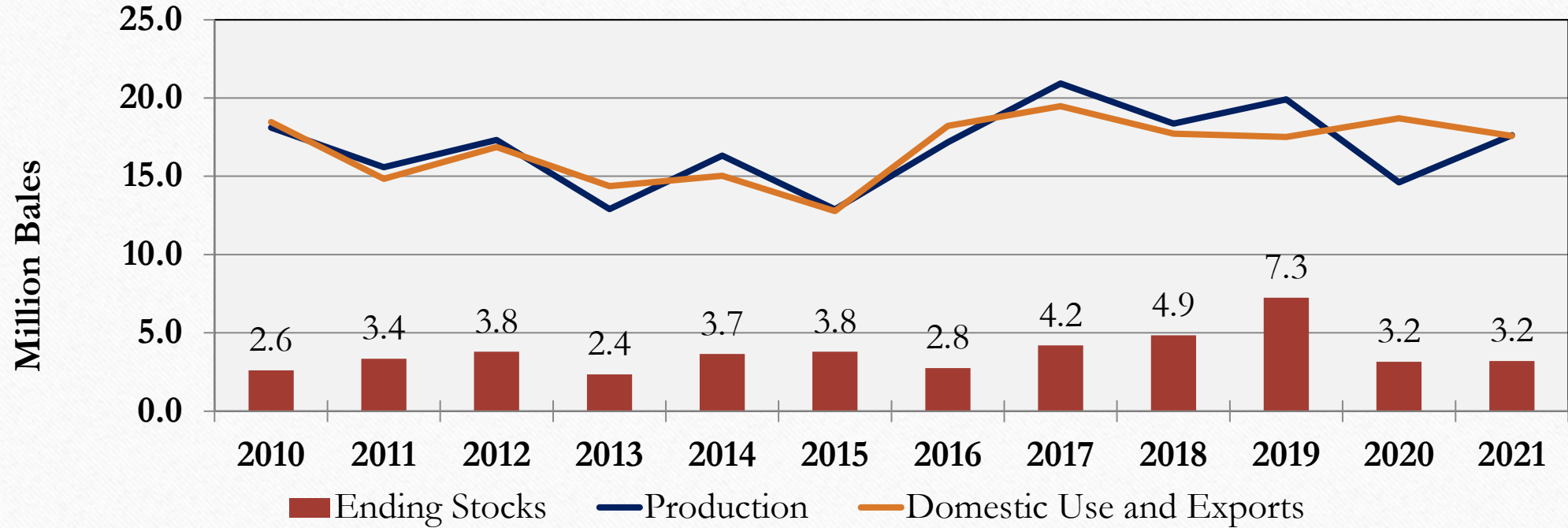
US Upland Cotton Acres and Yield



Source: Data from USDA NASS.
Slide from Dr. Don Shurley.



U.S. Cotton Supply and Demand



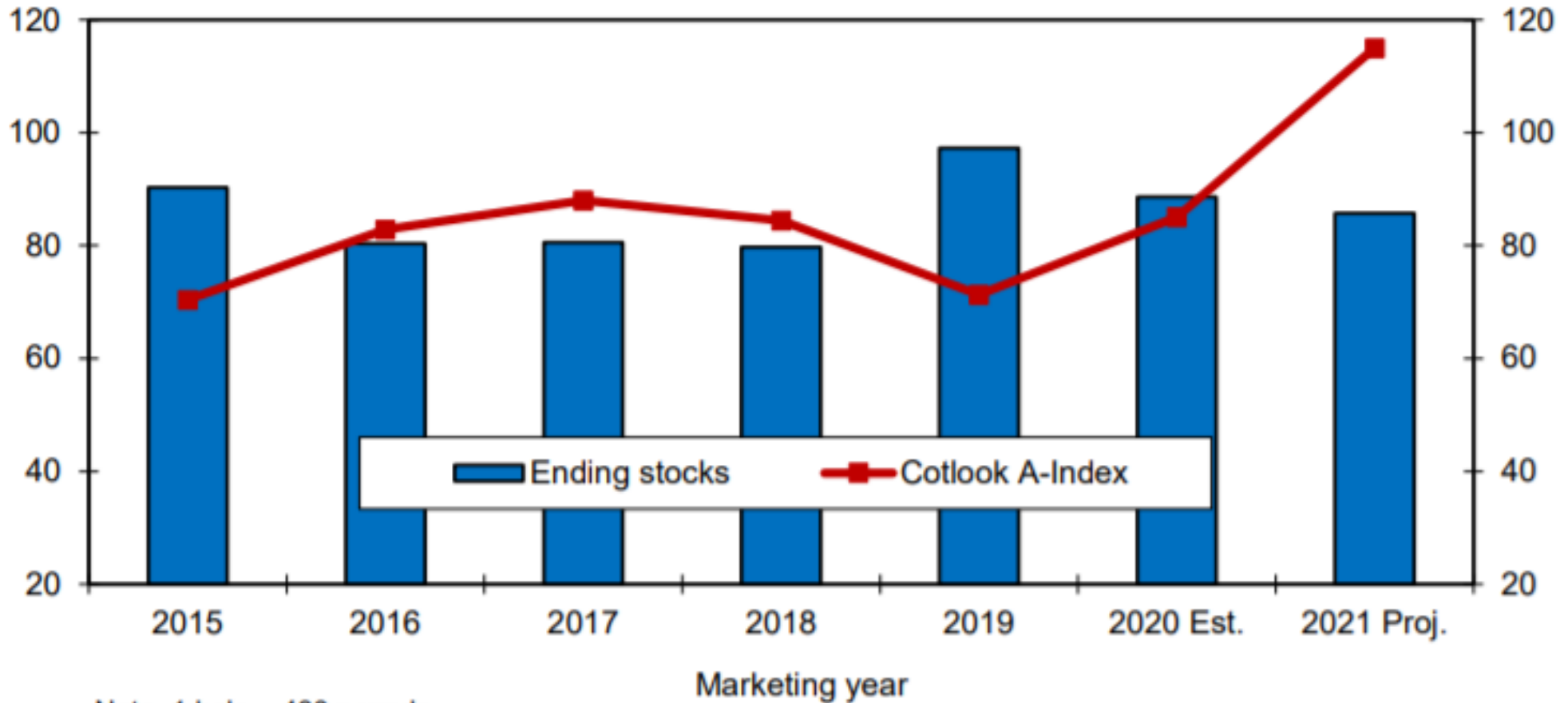
Source: Data from USDA FAS.



Global cotton stocks and prices

Global stocks (million bales)

A-Index (cents/lb.)



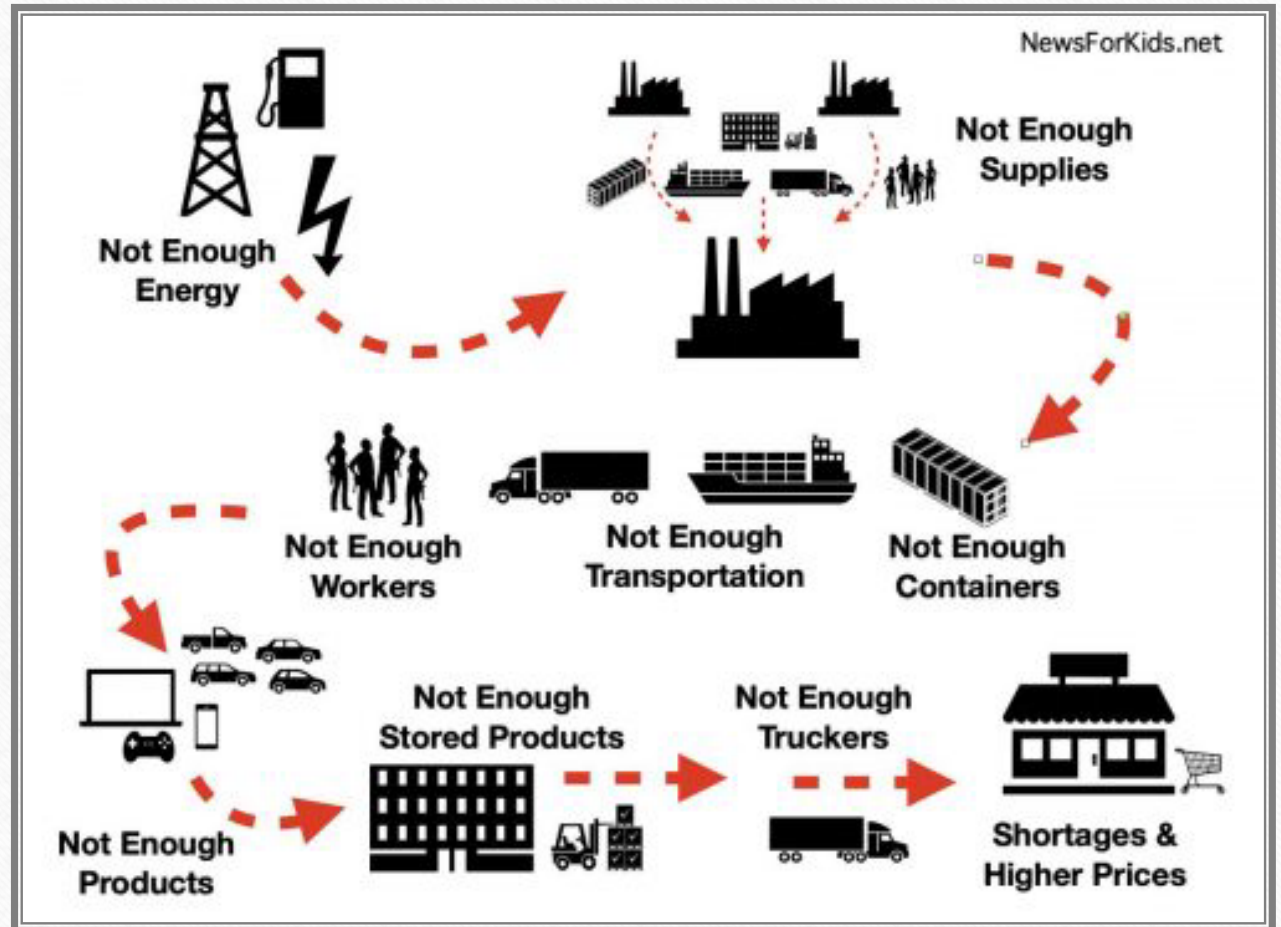
Note: 1 bale = 480 pounds.

Sources: Cotlook and USDA, Interagency Commodity Estimates Committee.



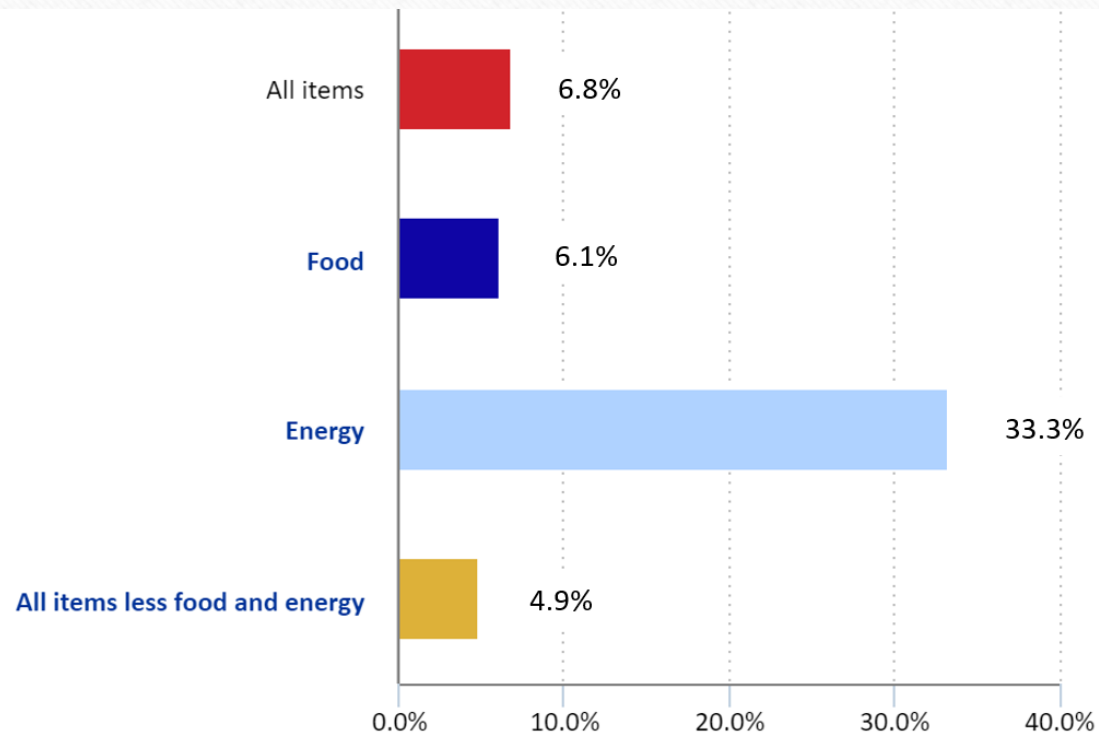
Supply Chain Disruption

- Severe supply disruptions which hinders our ability to meet the consumer demand.
- **Cost-push inflation** occurs when overall prices increase due to increases in the cost of wages and raw materials. Higher costs of production can decrease the aggregate supply in the economy.





Consumer Price Index



12-month percentage change
from November 2020 to
November 2021.

Source: U.S. Bureau of Labor Statistics.

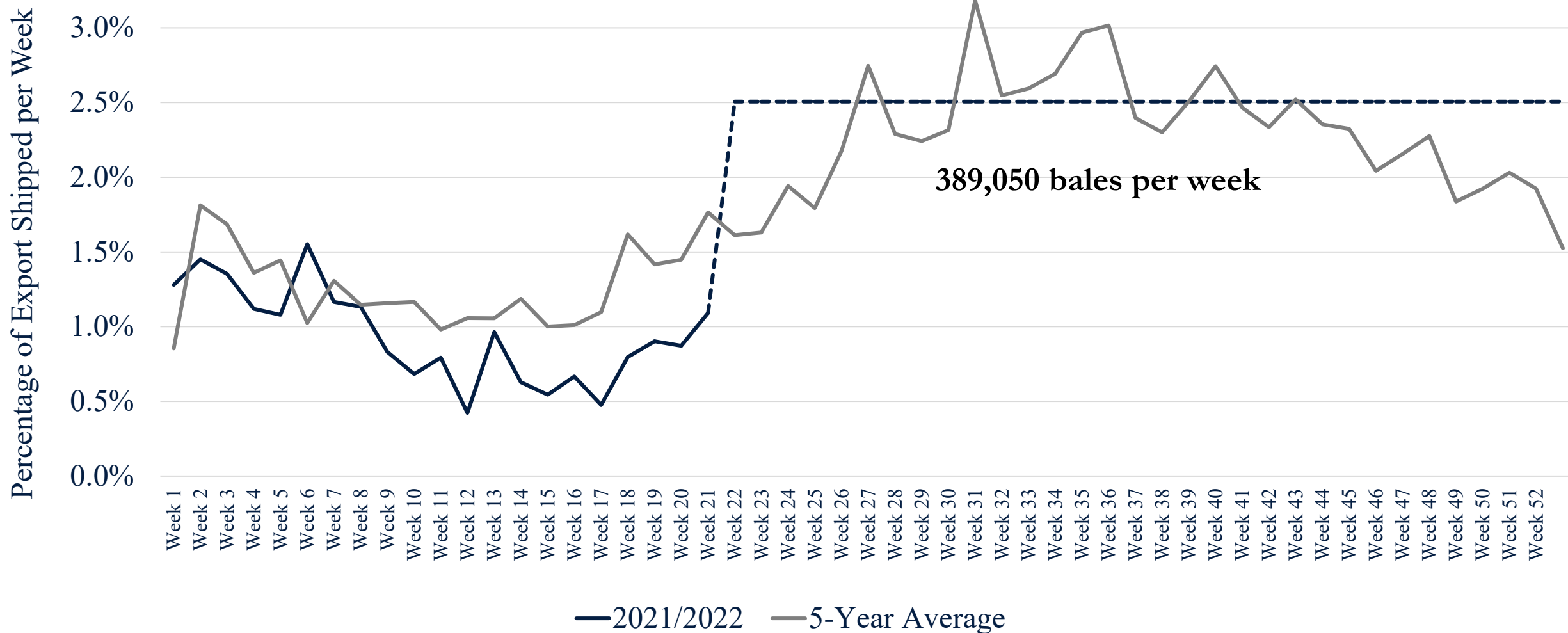
Bales Classed through Crop Year Week 27 Versus 5-Year Average



Source: Slide from American Cotton Shippers Association.

Data Source: USDA – December 30th, 2021

Current Shipping vs. 5-Year Average

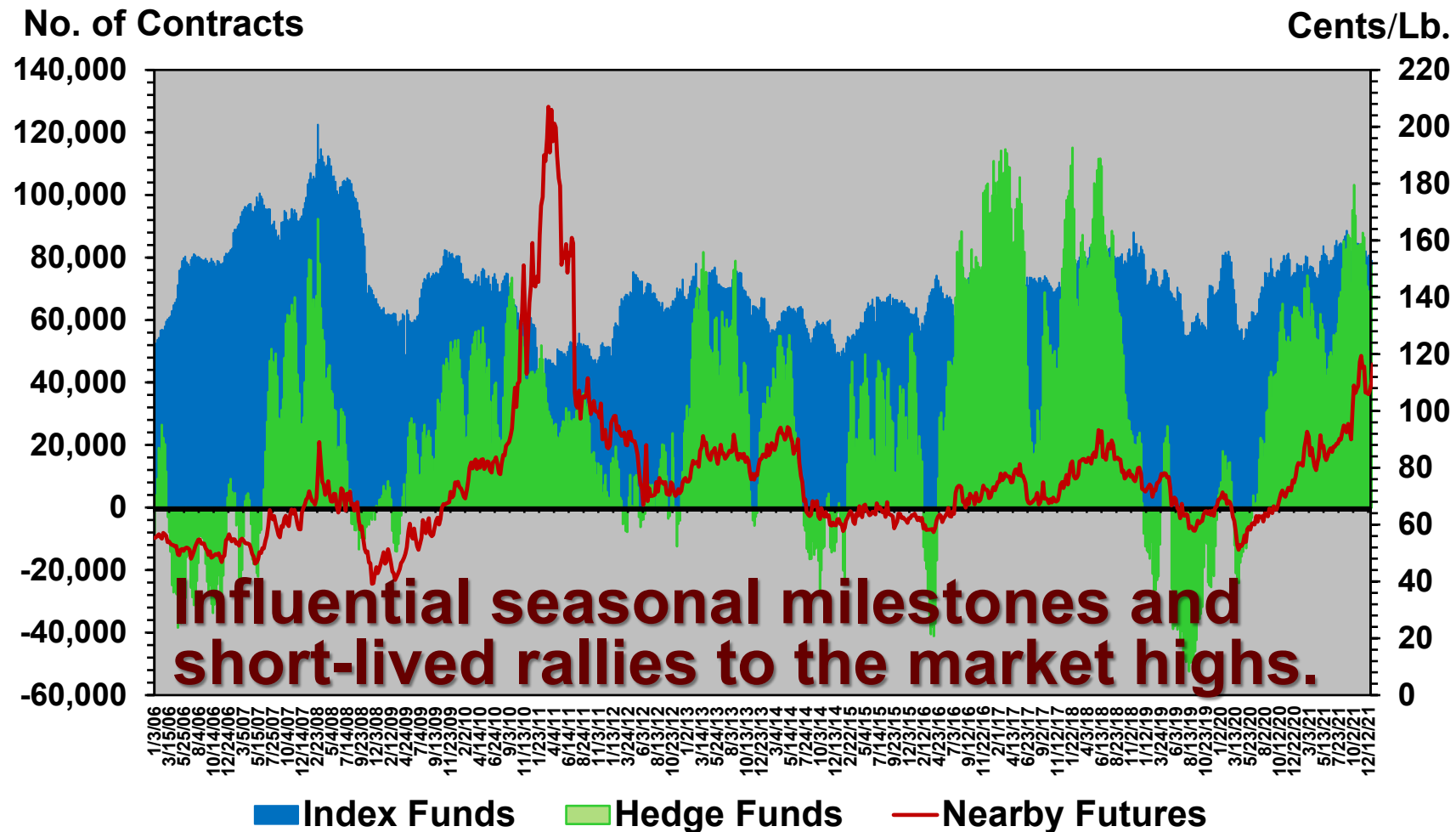


Cotton #2 Mar '22 (CTH22) - Barchart.com



Speculative Buying Will Likely Be Influential in Weather Market Situation

January 3, 2006 Through January 4, 2022



Source: Commitment of Traders Supplemental Report (Futures and Options)

Source: Slide from Dr. John Robinson



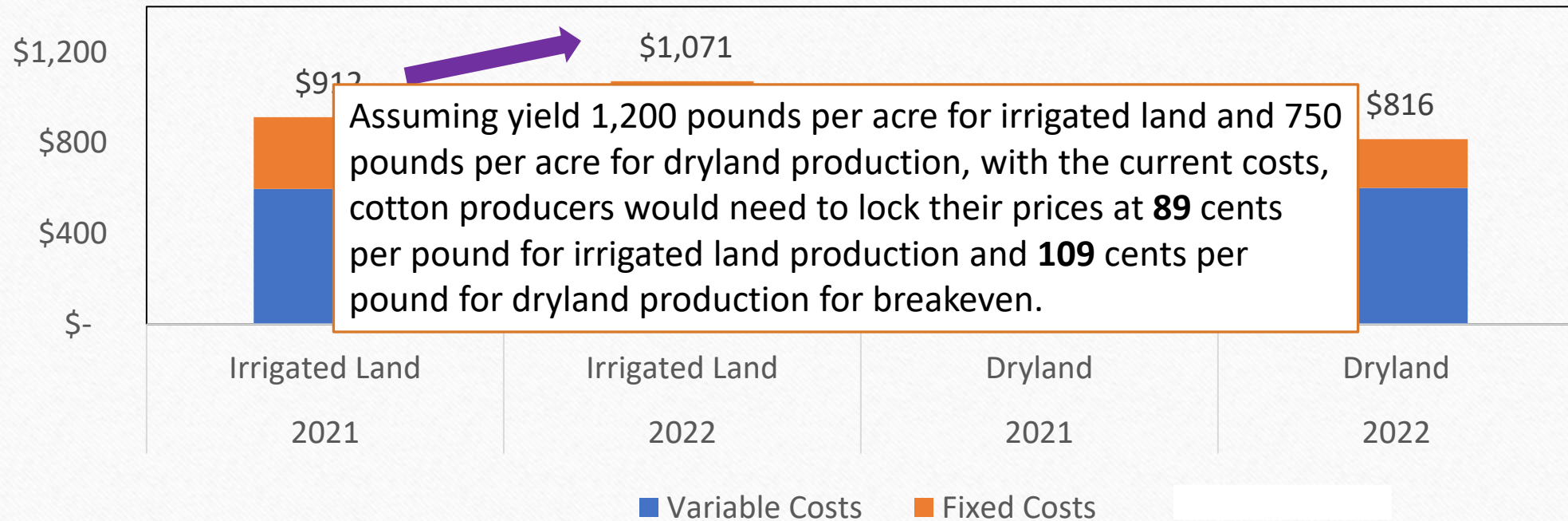
Price Expected Lower for 2022 Crop

CTH22 (Mar '22)	120.92s
CTK22 (May '22)	118.44s
CTN22 (Jul '22)	115.76s
CTV22 (Oct '22)	104.15s
CTZ22 (Dec '22)	98.84s
CTH23 (Mar '23)	95.53s
CTK23 (May '23)	92.77s
CTN23 (Jul '23)	90.10s

- Market anticipate easing on supply chain issues for the 2022 crop



Rise in Cost for Cotton Production in 2022





Utilizing Precision Ag Technology Workshop

Precision Agriculture Technology

Training Needs Survey

A promotional graphic for the workshop. It features a photograph of two men in a field with irrigation equipment. Overlaid on the image is the title 'Utilizing Precision Ag Technology Workshop' in large white text. Below the title is the University of Georgia logo and the text 'College of Agricultural & Environmental Sciences UNIVERSITY OF GEORGIA'. At the bottom, a red banner contains the text 'Learn more about irrigation, precision planting, sustainability, economics and field demos. Lunch provided'.

March 29, 2022
Albany

March 31, 2022
Statesboro



Thank you!

Questions?

Feel free to contact me:

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Funding supported by:

Georgia Cotton Commission

Cotton Incorporated

