



COTTON TRENDS

December 2009

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For Members of
The North
Carolina Cotton
Producers
Association, Inc.

NC Cotton Producers Assn. joins Corn, Soybean and Small Grains groups to hold 20th Annual Joint Conference in New Bern

Mark your calendar now for a new location for the 59th Annual Meeting of the NC Cotton Producers Association. It will be held on Thurs., Jan. 14, 2010 at the New Bern Convention Center in New Bern as part of a three-day (Jan. 13-15) Joint Annual Conference of NC Corn, Soybeans and Small Grain Associations.

"Holding our annual meeting with the three other crop commodity groups is part of an agreement aimed at growing solidarity among row crop producers in NC," says NCCPA Executive Vice President Billy Carter. "Virtually every cotton producer in the state also raises one or more of the other crops as part of their farming rotation."

During the 2010 Joint Annual Conference, the four commodity associations will meet together to conduct annual business meetings, attend marketing and production research seminars, and hold an awards banquet and trade show.

Among the exhibitors will be booths representing crop protection chemicals, seeds, fertilizer, equipment, record-keeping, and marketing information.

Here's a thumbnail agenda of the three-day conference:

- Wed. Jan. 13**
 - 2:00 p.m. NC Cotton Producers Assn. Board Meeting
- Thurs., Jan. 14**
 - 8:00 a.m. Registration and Exhibits Open
 - 9:00 a.m. NC Cotton Producers Assn. Annual Meeting
 - 10:00 a.m. World Situation Impacts U.S. Grown Crops
 - 11:45 a.m. Lunch
 - 1:15 p.m. Marketing and Building Partnerships for 2010
 - 3:45 Exhibits Open & Poster Presentations
 - Optional Events:*
 - 5:15 p.m. Social Hour
 - 6:00 p.m. Banquet and Special Awards
- Fri., Jan. 15**
 - 7:00 a.m. Registration and Sausage & Ham Biscuit Breakfast
 - 8:00 a.m. Crop Production Research Updates
 - 10:50 a.m. Adjourn



Cotton Exports Big Topic During 'Hot' August Trade Missions

Cotton Key Part of NC Ag Trade Mission to China

At a time when North Carolina needs a boost in its ag sector, its biggest growth opportunity will come from export sales of Tar Heel grown grains and meat products, with China being the largest potential customer in the world. While China purchased \$271 million worth of NC ag products in 2008, there is still a huge amount of room for growth," says NC Ag Commissioner Steve Troxler, who took an entourage of 26 government and commodity leaders on an Export Trade Development Mission to China this past summer. Cotton, soybeans and tobacco were the primary focus of the mission, which made stops in Beijing, Kuming, Guangzhou and Hong Kong.

Two cotton leaders were on the trip: NC Cotton Producers Assn. Executive Vice President Billy Carter and Taylor Slade, current NCCPA treasurer and 700-acre cotton grower and gin part-owner. The two were excited to have the opportunity to sell more cotton in China. "Counting all destinations about 30 percent of NC cotton production is already being exported." Carter adds, "We believe exports are going to become much larger, with a significant amount going to China."

In addition to participating in the group's activities and meetings, including a trip to the Great Wall of China, Billy and Taylor had their own appointments with cotton customers set up by Cotton Council International. During the Aug. 1-8 trip, Taylor and Billy met with officials from the China Cotton Association, Sinocot, and Chinatex to explore a variety of topics related to NC cotton and its future in the Chinese



NC's cotton delegation also visited with a large number of China Cotton Industries (Sinocot) leadership team members also headquartered in Beijing.

market. Among the people visited were Madame Li of CCA and Jeremy Wang of China Cotton Tech, whom Billy and Taylor met previously during their past visits to Cotton Incorporated's offices in Cary.

In their meetings with Chinese cotton industry members, Taylor and Billy stressed the good quality of cotton grown consistently in North Carolina. And, in terms of trade, they highlighted the infrastructure in place to ship cotton to China via deep-water ports in Norfolk, Wilmington, and Savannah.



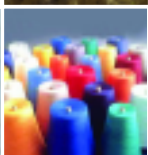
China Cotton Assn.'s Madam Li (middle) greets NC cotton contingent: NCCPA's Taylor Slade and Billy Carter, and NCD&CS' Ray Starling in her Beijing office.



Vigoss entrepreneur Gordon Wu and some of his key staff members greeted Carter, Slade, NCD&CS's Scott Bissette and NCFB's Peter Daniel at his world-wide headquarters in Guangzhou.

Who is Vigoss?

Starting in the '90s, Vigoss only manufactured women's denim jeans. By 2006, it had expanded with a contemporary men's collection. Today, Vigoss is a worldwide market leader of denim jeans. In the U.S, Vigoss denim jeans can be found in most Belk, Dillard's, Lord & Taylor, Nordstrom, Macy's, and J.C. Penny stores, as well as through L.L. Bean and numerous on-line stores. Vigoss employs 14,000 workers in China.





Vigoss Looks to Purchase More NC-Grown Cotton

The NC delegation to China also visited Vigoss, a major Chinese manufacturer of cotton denim jeans. Shortly after that meeting in Guangzhou, Vigoss leaders inquired about the opportunity to visit Taylor's Roanoke Tar Gin in Martin County.

Taylor and Billy offered to meet the Vigoss group in Raleigh, but the Chinese insisted on seeing the gin before agreeing to purchase NC cotton. Knowing of the 22,000 bales of Roanoke Tar cotton sold last year to a Chinese brokerage firm, many were anxious to host the Vigoss leaders.

It turned out that Vigoss was interested in possibly purchasing much larger quantities of NC cotton than originally thought – so big that their order would exceed the capacity of Roanoke Tar Gin. The gin was built in 1991 as a farm cooperative owned by several large cotton growers in eastern North Carolina and has a capacity of more than 70,000 bales in a season. This year, Taylor estimates the gin will bale around 55,000 bales of cotton.

Impressed with what they saw and happy with last year's purchase, Vigoss underscored the need to get a recap of the cotton available for evaluation.

Taking part in the trip to Taylor's gin and farm home in Martin County in early September were Vigoss executive Gordon Wu, his U.S. facilitator Rod Smith of Memphis, and Far East cotton traders Sam Guan and John Cobourth.

Meeting with the Chinese delegation at the gin and for a home-cooked meal at Taylor's home were Billy Carter, NC Ag Commissioner Steve Troxler, Director of Marketing Tom Slade (Taylor's younger brother), and International Trade Manager Peter Thornton, Carolina Cotton Growers VP of Marketing Keith Lucas, Roanoke Tar President Lawrence Davenport and manager Jeff Edwards.



"Southern Hospitality" at the Taylor Slade farm home

Following their trip to the gin, the Chinese businessmen and NC ag leaders met for a home-cooked meal by Taylor's wife, Kathy, in the Slade colonial-style home along the banks of the Tar River. The hosts at the Slade home gave the Chinese a huge helping of Southern hospitality. Fried chicken, country ham, string beans, potato salad, corn pudding, biscuits, desserts, and of course, sweet tea graced the table, contributing to plenty of good conversation and satisfied appetites.

To illustrate the South's history of family farming, Taylor told the group, "If I'm still farming in 2021, our family will have been farming the same land here in eastern North Carolina for 300 years." Like most other Tar Heel farmers, Taylor's dad quit raising the crop when the boll weevil bested the cotton crop in the late '60s and early '70s. But, because of NC's leadership in establishing the very effective boll weevil eradication program, the state is now considered weevil-free.



Taylor Slade explains how the Roanoke Tar cotton gin works to members of the Chinese delegation.



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NCC Leaders Meet With NCCPA Leaders

Earlier this fall, several NCCPA leaders met with two leaders of the National Cotton Council here in the TarHeel State. During the meeting, NCC Chairman Jay Hardwick shared with NC members what their national organization's priorities are for the year: Farm Bill implementation, the Federal budget, the appropriations process, trade, and a number of regulatory issues. Hardwick said, "In addition to these priority areas of work, the Council has also been focused on working with Cotton Council International to increase export demand for U.S. cotton, cottonseed, and cottonseed products." NCC Economic & Policy Analyst Vice President Dr. Gary Adams also shared with the group the impact of farm and trade policies on the U.S. cotton industry.



NCCPA Executive Vice President Billy Carter (right) visits with NCC leaders Dr. Gary Adams (left) and Jay Hardwick (center).

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