

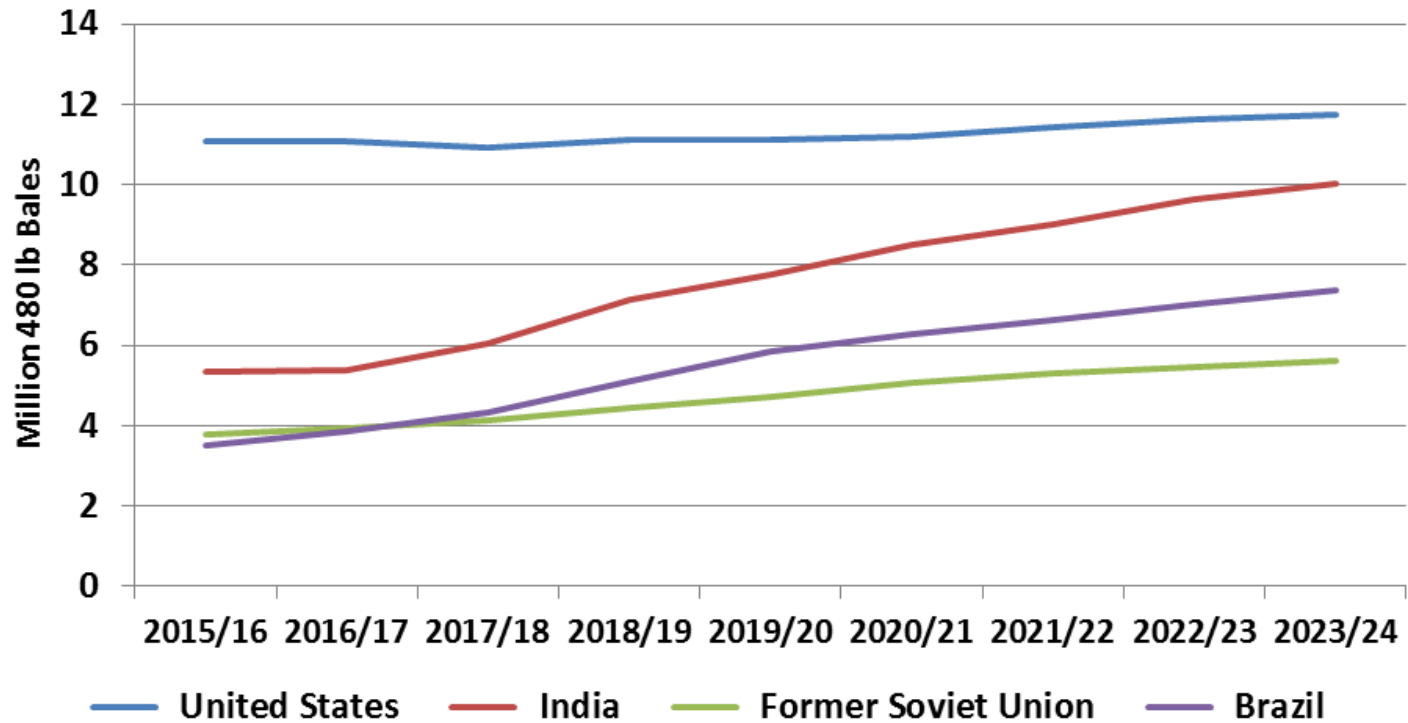
Will the United States Remain the Largest Cotton Exporter?

James Johnson

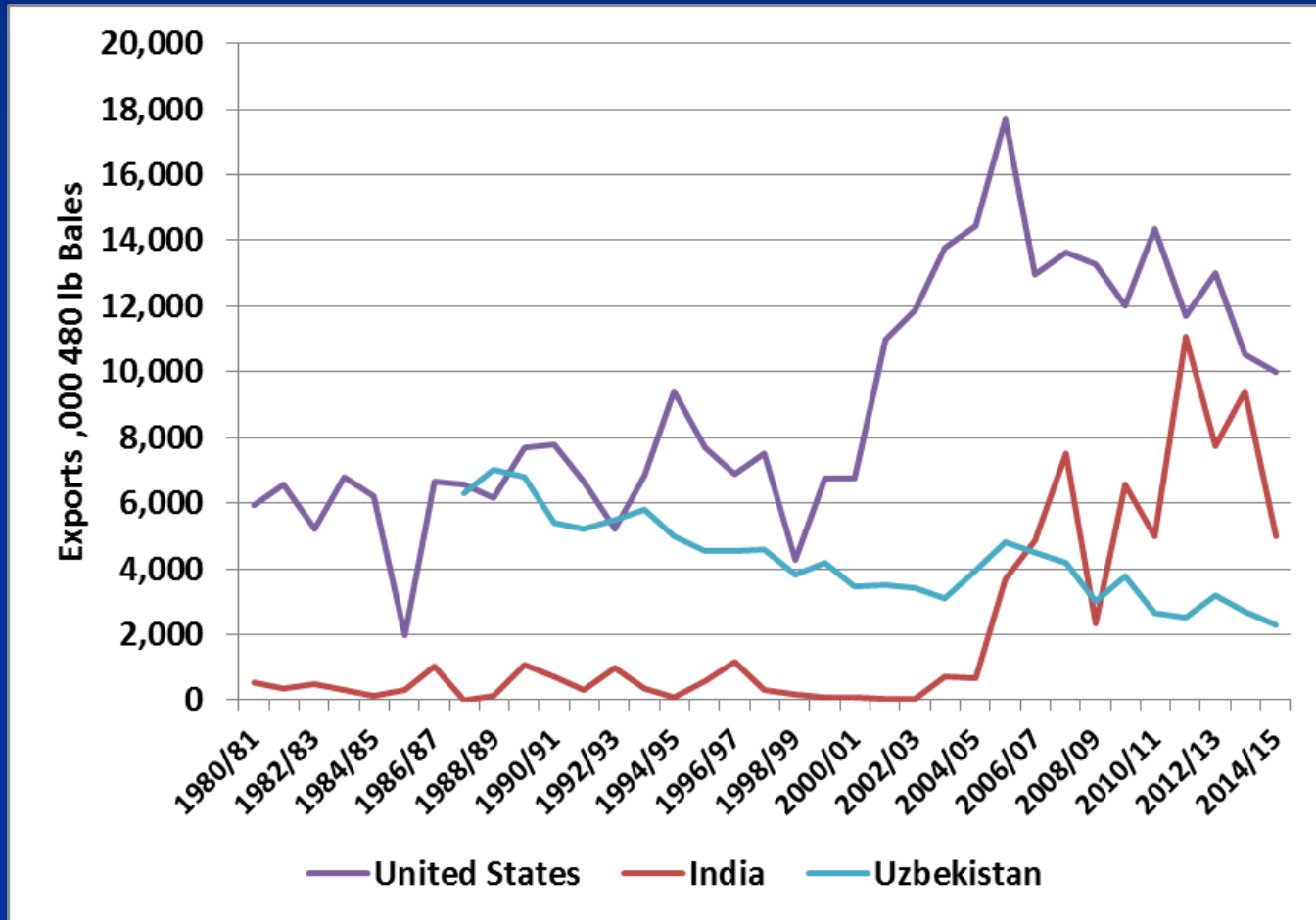
**Foreign Agricultural Service
United States Department of Agriculture**

Simple Answer is Yes

USDA Baseline Exports

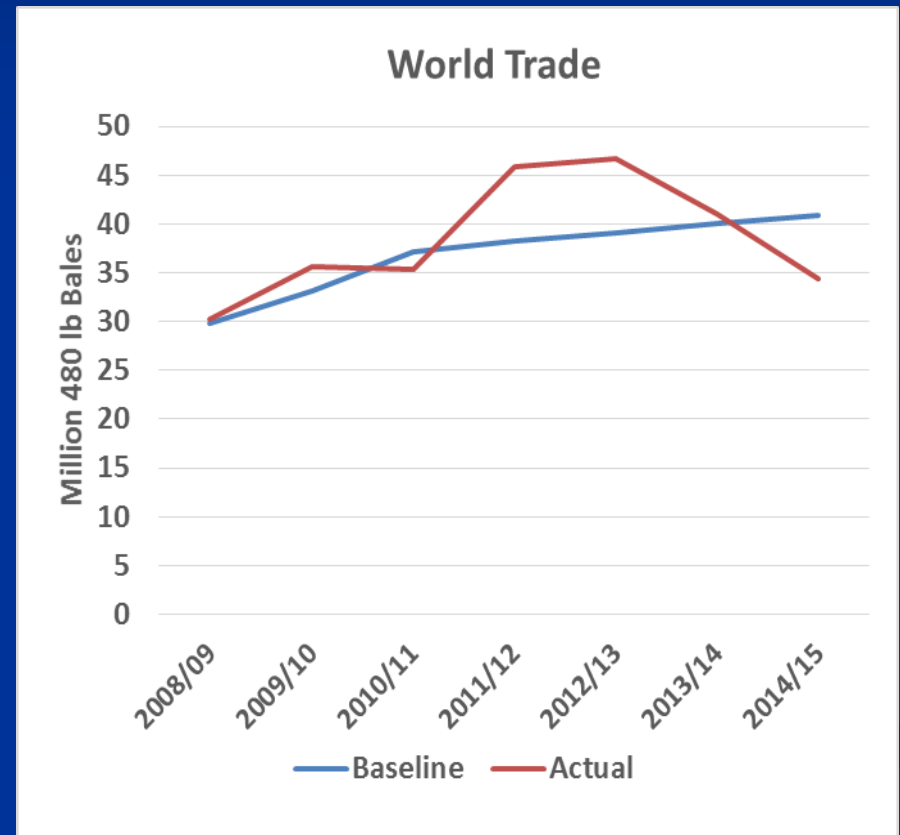
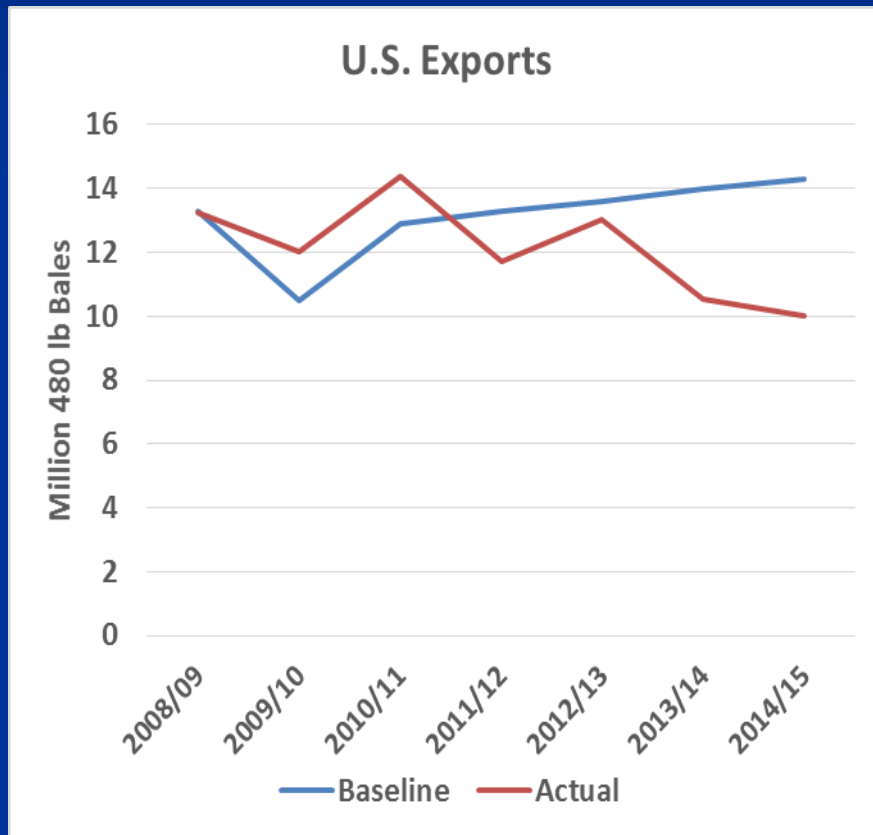


This Seems Reasonable in Light of History



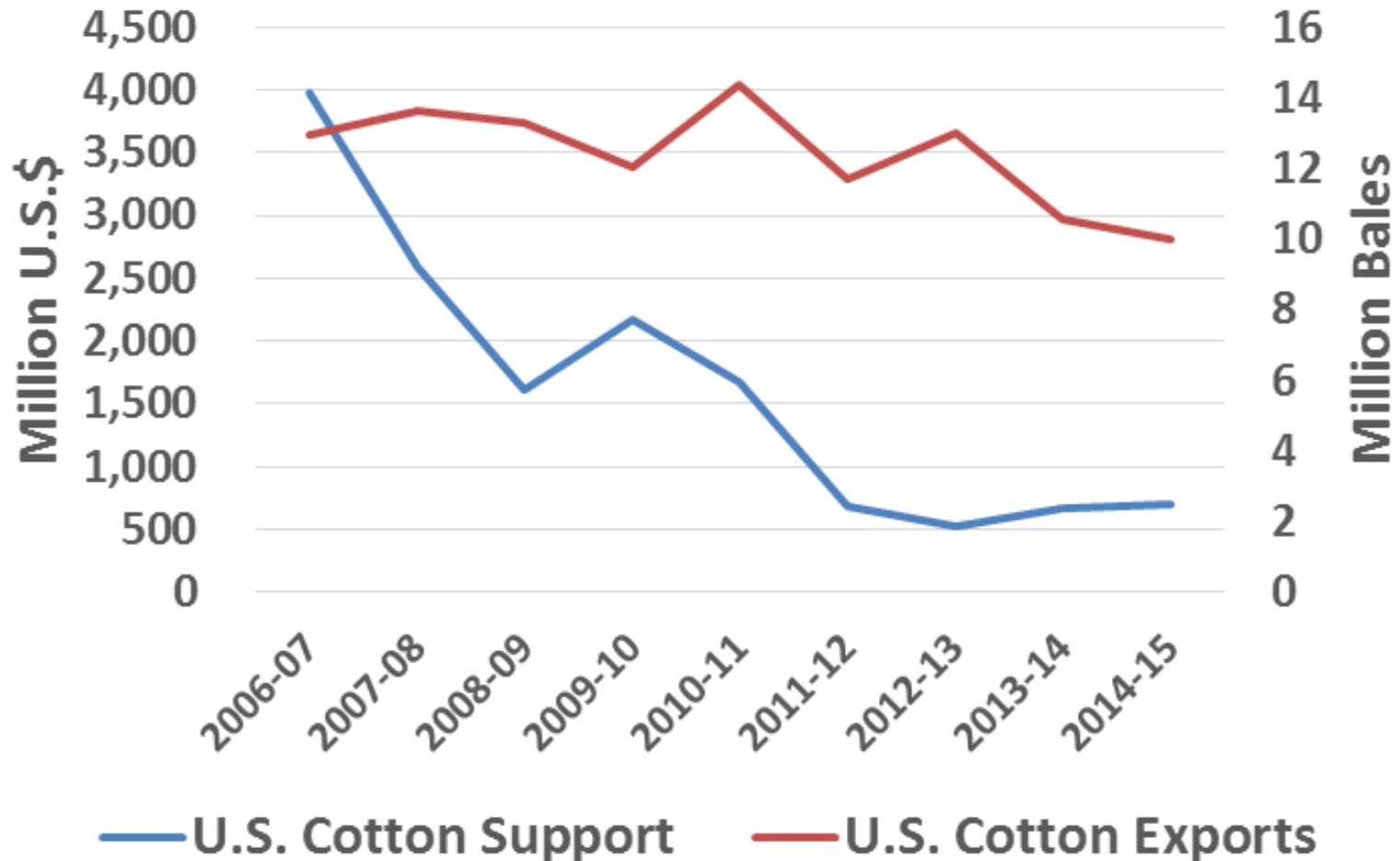
How Good are our Forecasts?

2004 USDA Baseline Projections



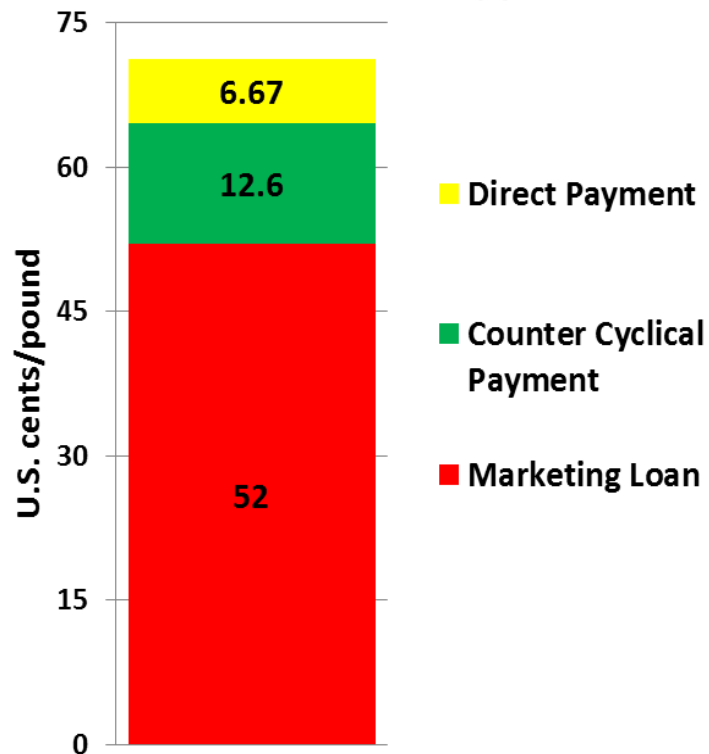
Will the New Farm Bill Change U.S. Exports?

U.S. Cotton Support has Fallen, but Exports Remain Strong

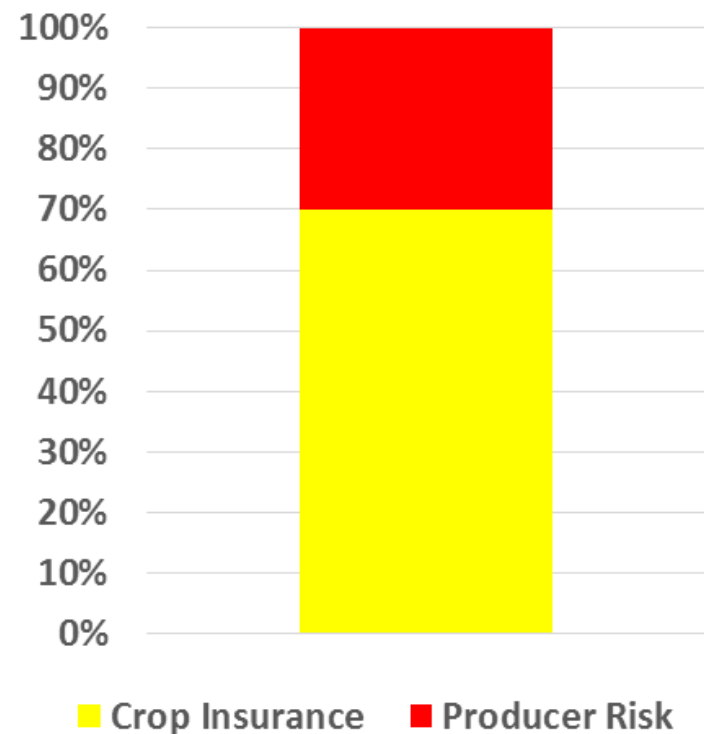


Previous U.S. Cotton Support

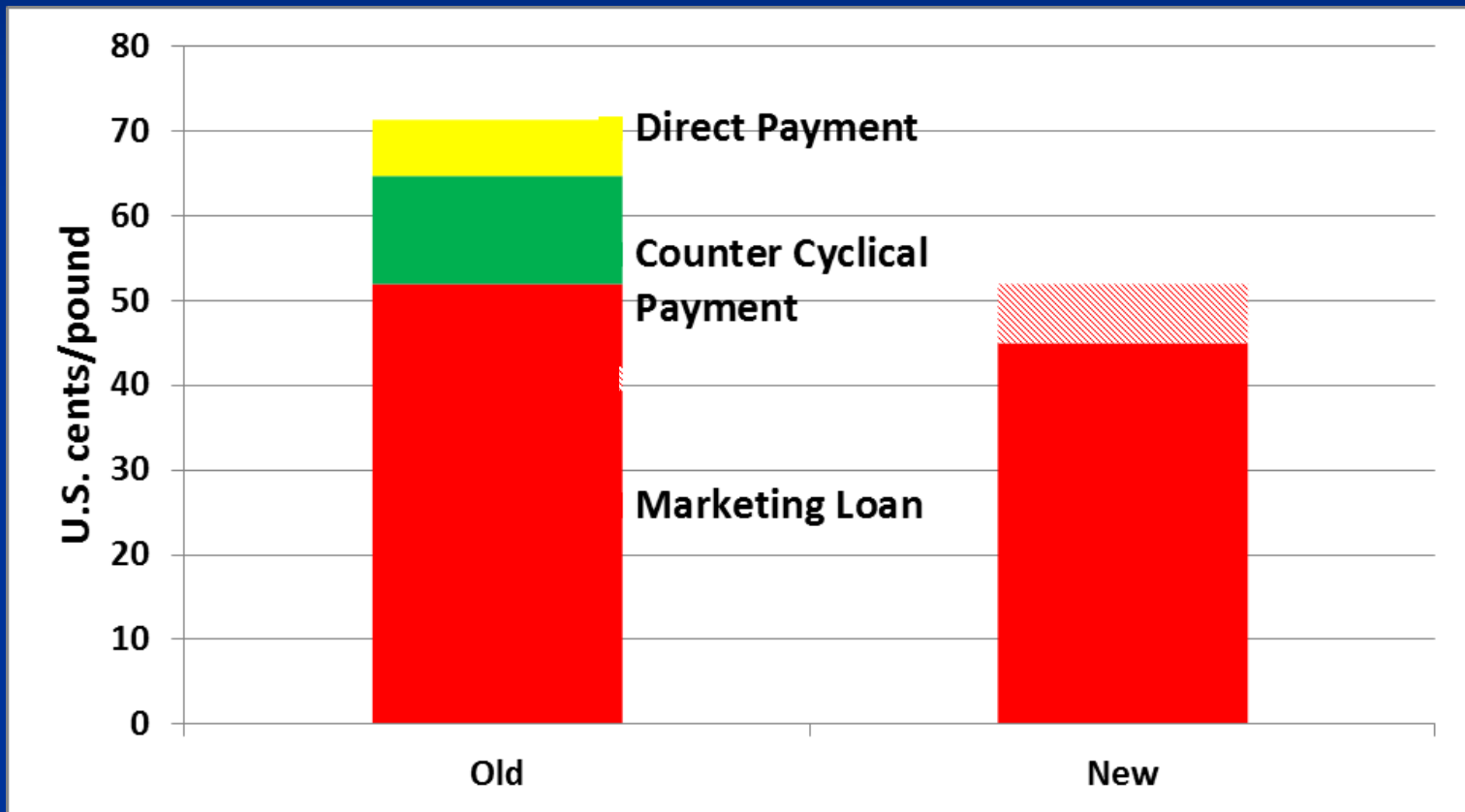
Price Related Support



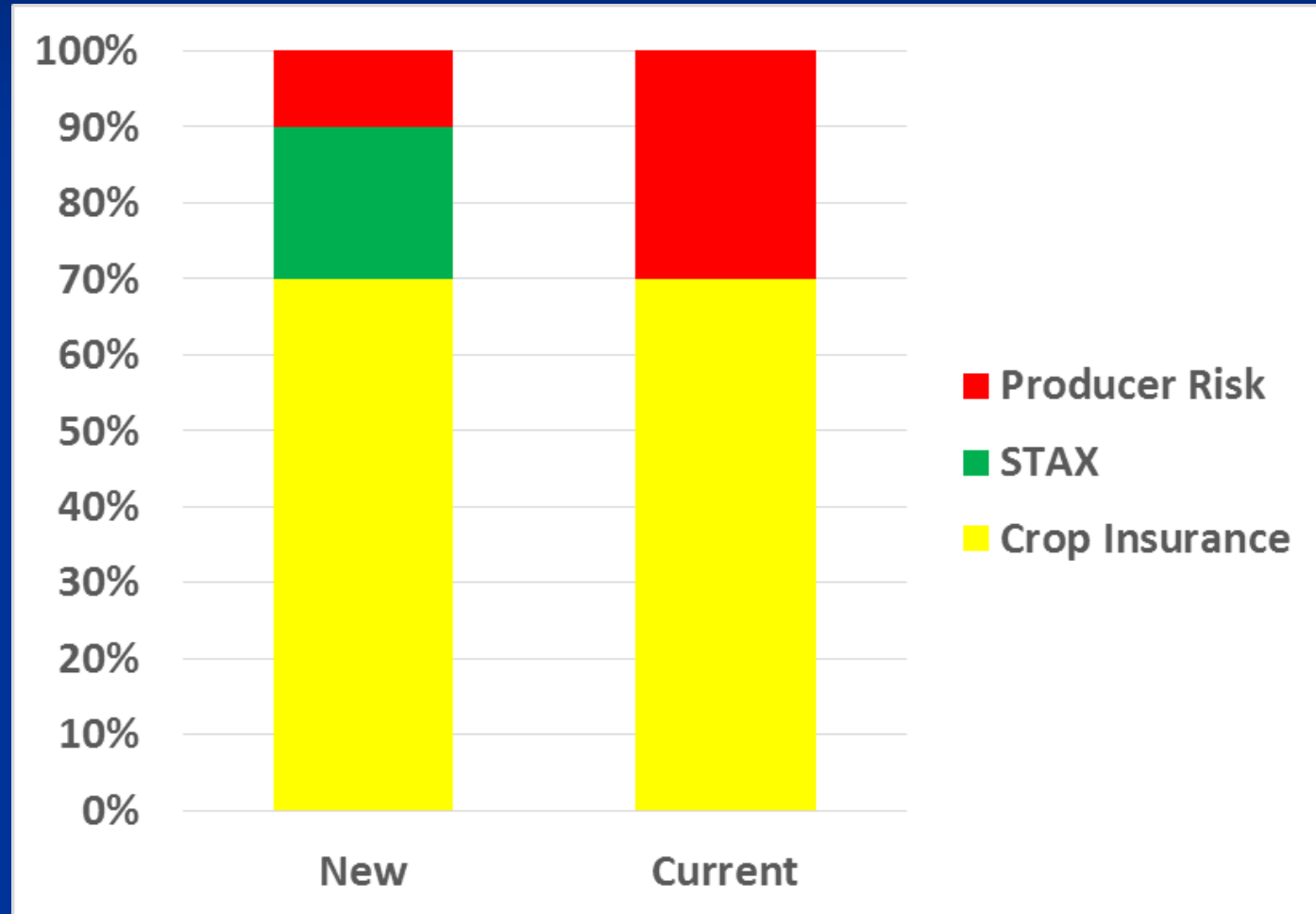
Insurance Program



Under the New Farm Bill, Price Related Supports



And For Crop Insurance, STAX is Added



Some Examples

	Projected Price	¢/lb	.90¢	.70¢	.60¢		.90¢	.70¢	.60¢
	Historical Yield	lb/acre	1000	1000	1000		1000	1000	1000
	Projected Revenue	\$/acre	\$ 900	\$ 700	\$ 600		\$ 900	\$ 700	\$ 600
	Conventional Coverage	70%	\$ 630	\$ 490	\$ 420		\$ 630	\$ 490	\$ 420
	STAX Coverage	90%	\$ 810	\$ 630	\$ 540		\$ 810	\$ 630	\$ 540
	Price at Harvest	¢/lb	.60¢	.60¢	.60¢		.80¢	.80¢	.80¢
	Actual Yield	lb/acre	1000	1000	1000		1000	1000	1000
	Actual Revenue	\$/acre	\$ 600	\$ 600	\$ 600		\$ 800	\$ 800	\$ 800
	Conventional Payment	\$/acre	\$ 30	\$ -	\$ -		\$ -	\$ -	\$ -
	STAX Payment	\$/acre	\$ 210	\$ 30	\$ -		\$ 10	\$ -	\$ -

Thank You