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**Special points of interest:**

- Cottonseed crushings forecast at 1.85 tons for 2009/10.
- Cottonseed oil, beignets, Times Square—we're there!
- Cottonseed oil will soon make its debut on the History Channel.
- Feedlots are expected to increase their demand for US cottonseed meal in parts of central Mexico.

## COTTONSEED CRUSHINGS—FORECASTS, SITUATION

USDA has forecast 2009/10 cottonseed crushings lower in their January estimate to 1.85 million tons, nearly 20% below the 2.25 million tons crushed in 2008/09. Forecasters have steadily lowered projections over the past few months, moving from 2.2 million tons in November to 2.05 million tons in December before settling at the 1.85 million ton figure this month. Cottonseed crushings started the season slow as was expected, with a reduced harvest and/or late harvest in most areas. Looking to weekly crushings also reveals that impact. Average weekly crushings for the Oct/Nov/Dec period a year ago were 37,700 / 48,200 / 53,200 tons, respectively, compared to 26,400 /

40,000 / 43,000 tons during the same time frame this season. Yet to show the same impact is forecast cottonseed oil production, which USDA has at 615 million lbs for 09/10 vs 663 million lbs last year. Making up the difference in the forecast is estimated yields of 332 lbs of oil per ton crushed in 09/10 vs 295 lbs/ton a year ago. Should yield come in at 310 lbs/ton, cottonseed oil production would reach approximately 574 million lbs. Likewise, meal yields used by forecasters were 968 lbs/ton, resulting in a forecast of 895,000 tons of meal production for 09/10 vs 934,000 tons a year ago. For more details, go to the Statistics area of the web site.

## PALM OIL USERS FACING PRESSURES

Some food companies are facing accusations that the palm oil used in their food products is sourced unsustainably, and is strongly linked to deforestation in Southeast Asia. The Rainforest Action Network kick started a campaign against General Mills this week by unfurling a 30 x 70 ft banner outside its Minneapolis headquarters reading "Warning: General Mills Destroys Rainforests". This publicity event marks the beginning of a drive by the environmental group to persuade food companies to publicly commit to sourcing palm oil in a socially and environmentally responsible way. Environmental groups including the World Wildlife Fund (WWF), Greenpeace and the Rainforest Action Network (RAN) have begun putting pressure on companies to buy sustainably. Palm oil, they

claim, is an increasingly popular ingredient in food and toiletries, but its production has had a devastating effect on South Asian rainforests, clearing habitats for endangered species while also adding to carbon emissions. General Mills claims that the RAN accusations are unfounded. Answering the call to commit to sustainable sourcing the company said "We have – and we do." The company said it has engaged suppliers directly in discussions about palm oil production, and that it only buys from suppliers that are members of the Round Table for Sustainable Palm Oil (RSPO). Palm oil consumption in the US has increased nearly four-fold over the past four year. (Source: *Food Navigator.com*)

## E- Newsletter

The NCPA Newsletter will only be available online & via e-mail. Sign up by sending your e-mail address to [ststine@cottonseed.com](mailto:ststine@cottonseed.com).

## COTTONSEED OIL -N- BEIGNETS

NCPA has already kicked off Mardi Gras with a news story about cottonseed and beignets. You may have already seen coverage and/or reports in your area. Teaming with Café du Monde, NCPA touts secret beignet cooking tips and making the most of Mardi Gras. Should you happen to be in Times Square in New York, take a look at the jumbo screen for a view - now that's a good size beignet cooked in cottonseed oil!! Check out [www.cottonseedoil.com](http://www.cottonseedoil.com) for continuing coverage.

## WHAT'S NEW @ COTTONSEED.COM

Keep track of industry meetings and events with your **Cottonseed Calendar**—completely updated for 2010. Need to add your industry event? Send **d e t a i l s t o** [info@cottonseed.com](mailto:info@cottonseed.com)..... Cottonseed crushings for the week ending January 17 totaled nearly 47,000 tons compared to 43,000 tons the previous week. Check out the **Statistics**

section for crush data and meal production data by region.....**Cottonseed exports** for November were reported at 29,000 metric tons, according to data compiled from US Census. For the first time in recent memory, Korea AND Japan took more seed than Mexico for the month. Year-to-date cottonseed exports for 09/10 (Oct-Nov) stand at 43,552

mt vs 28,723 mt a year ago and 94,781 mt two years ago.....Cottonseed meal exports for the Oct/Nov period totaled 16,426 mt vs 10,292 mt a year ago and 13,956 mt two years ago. Complete details are available in the monthly **Cottonseed Products Export Report** on the web site.

## COTTONSEE OIL MAKES HISTORY

Cottonseed oil will soon be making History. The History Channel, that is! The makers of the History Channel hit "Modern Marvels" are serving up a brand new TV series all about food, and cottonseed oil is on the menu! The new series, "Food Tech," hits airwaves Thursday, January 21, at 9:00 p.m. EST (check local TV listings for air-date/time). Viewers follow host Bobby Bognar

as he tracks America's favorite foods from farm to plate, exploring the ins and outs of food production. Cottonseed oil will be featured in the episode titled "Southern Fried," which has not yet been assigned an airdate. Initial planning for this TV appearance began exactly one year ago, when NCPA's PR agency Harvest PR initiated discussions with the production company. By last July,

host Bognar and his crew were in the field filming, and now the producers have announced the series premiere. Check for updates at [www.history.com](http://www.history.com) to learn when the "Southern Fried" episode will air, and we'll keep you posted as well. Stay tuned!



THE HISTORY CHANNEL.

## FORECAST FOR MILK PRICES: \$16.80 TO \$17

Bob Cropp, professor emeritus at the University of Wisconsin-Madison, offers the following comments on the current dairy situation and outlook. "Milk prices were showing good recovery the end of 2009. The Class III price was as low as \$9.97 for May and June but was \$14.98 for December. The

U.S. All Milk Price was as low as \$11.30 in June and July but \$16.30 for December. We can expect some fall back in prices for January and February before again starting an upward trend of higher milk prices. CME cheddar blocks were a high of \$1.72 per pound early December, ended the year

at \$1.41 per pound and as of Jan. 19 it was \$1.455 per pound. As a result, the January Class III price may be around \$14.40 and the All Milk Price \$15.70. February prices could decline a little more too around \$14 for Class III and \$15.30 for the All Milk. "But, all signs

*(Continued on page 4)*

## U.S. COTTONSEED PRODUCTS EXPORT REPORT

Major export destinations for U.S. cottonseed and products during NOVEMBER 2009 and previous periods (Oct - Sep marketing year) as reported by U.S. Census were as follows (metric tons):

|                                | <u>Mk Yr 09/10</u><br><u>(Nov)</u> | <u>Mk Yr 09/10</u><br><u>(Oct-Nov)</u> | <u>Mk Yr 08-09</u> |
|--------------------------------|------------------------------------|--|--------------------|
| <b><u>Cottonseed 1/:</u></b>   |                                    |  |                    |
| Mexico                         | 8,889                              | 14,268                                 | 73,351             |
| Greece                         | 0                                  | 0                                      | 20                 |
| Canada                         | 733                                | 1,339                                  | 5,310              |
| Japan                          | 9,030                              | 12,506                                 | 39,286             |
| Turkey                         | 0                                  | 0                                      | 2                  |
| Spain                          | 488                                | 1,073                                  | 6,549              |
| Belgium                        | 0                                  | 0                                      | 0                  |
| Saudi Arabia                   | 0                                  | 0                                      | 0                  |
| Korea                          | 10,071                             | 13,847                                 | 51,885             |
| Others                         | 29                                 | 519                                    | 2,305              |
| <b>Total</b>                   | <b>29,239</b>                      | <b>43,552</b>                          | <b>178,707</b>     |
| <b><u>Linters:</u></b>         |                                    |  |                    |
| Canada                         | 0                                  | 0                                      | 180                |
| Mexico                         | 0                                  | 100                                    | 35                 |
| Belgium                        | 0                                  | 18                                     | 0                  |
| U. K.                          | 0                                  | 0                                      | 69                 |
| Netherland                     | 24                                 | 24                                     | 284                |
| Spain                          | 0                                  | 182                                    | 215                |
| Germany                        | 0                                  | 443                                    | 3,664              |
| Italy                          | 0                                  | 0                                      | 15                 |
| Israel                         | 0                                  | 0                                      | 12                 |
| China                          | 654                                | 1,607                                  | 0                  |
| Japan                          | 0                                  | 129                                    | 0                  |
| Australia                      | 0                                  | 69                                     | 285                |
| Others                         | 442                                | 734                                    | 63,396             |
| <b>Total</b>                   | <b>1,120</b>                       | <b>3,304</b>                           | <b>68,154</b>      |
| <b><u>Cottonseed Oil :</u></b> |                                    |  |                    |
| Canada                         | 3,780                              | 6,309                                  | 39,177             |
| Mexico                         | 872                                | 2,049                                  | 26,717             |
| El Salvador                    | 0                                  | 0                                      | 188                |
| Nicaragua                      | 0                                  | 0                                      | 0                  |
| Egypt                          | 0                                  | 0                                      | 0                  |
| Israel                         | 0                                  | 0                                      | 0                  |
| The Netherlands                | 0                                  | 90                                     | 0                  |
| China                          | 0                                  | 0                                      | 119                |
| Korea                          | 4                                  | 4                                      | 11,028             |
| Japan                          | 0                                  | 0                                      | 3,748              |
| Taiwan                         | 0                                  | 0                                      | 0                  |
| Australia                      | 21,100                             | 21,100                                 | 4,078              |
| Others                         | 14                                 | 77                                     | 2,138              |
| <b>Total</b>                   | <b>25,769</b>                      | <b>29,628</b>                          | <b>87,193</b>      |
| <b><u>Cottonseed Meal:</u></b> |                                    |  |                    |
| Canada                         | 14                                 | 33                                     | 1,782              |
| Mexico                         | 6,495                              | 14,125                                 | 73,806             |
| Belgium                        | 20                                 | 389                                    | 1,200              |
| Sweden                         | 0                                  | 0                                      | 0                  |
| Germany                        | 0                                  | 100                                    | 1,393              |
| Austria                        | 80                                 | 80                                     | 0                  |
| U.K.                           | 40                                 | 425                                    | 226                |
| Colombia                       | 0                                  | 0                                      | 0                  |
| Italy                          | 0                                  | 16                                     | 489                |
| Bulgaria                       | 0                                  | 0                                      | 0                  |
| Korea                          | 0                                  | 0                                      | 632                |
| Japan                          | 0                                  | 0                                      | 93                 |
| Egypt                          | 0                                  | 0                                      | 0                  |
| Others                         | 884                                | 1,258                                  | 1,723              |
| <b>Total</b>                   | <b>7,533</b>                       | <b>16,426</b>                          | <b>81,345</b>      |

1/ Includes cottonseed for planting (H.S. 1207.20.0010 & 1207.20.0090)

Source: U.S. Census Schedule EM545

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Representing the cottonseed  
processing industry



**114th Annual  
Convention**  
May 2-5, 2010  
The Ritz Carlton  
Amelia Island, Florida

## MEXICO CONSULTANT'S REPORT

**General Summary:** The Mexican peso as of December 21 was at 12.82 pesos/U.S. dollar, compared to 12.80 pesos for the previous month, according to the Unica Casa de Cambio (Dollar Exchange Agency). Mexico's cotton crop for 2010 is estimated at close to 500,000 bales compared to 420,000 bales for the previous year, according to Fernando Novoa of the Confederation Algodonera (Cotton Federation) of Mexico.....**Market Summary:** A cottonseed meal buyer in the state of Jalisco reports they have imported approximately 3,000 metric tons of US cottonseed meal for 2009 with a n estimated market value of \$600,000 U.S. dollars. They will be looking to forward contract for 2010 beginning in January..... NCPA is making plans to promote the use of US cottonseed meal to dual-purpose farmers in the tropics of Panama this spring. A conference will be given on the uses of different feed products,

with the benefits of including US cottonseed meal in beef, dairy and aquaculture rations part of the NCPA's presentation.....MNA of Monterrey (a mineral and feed additive company) is forecasting feedlots in Monterrey and Central Mexico will be increasing their use of US cottonseed meal in their feedlot rations at the start of 2010.....**Mexican Cotton Production Estimate:** According to the Confederation Algodonera (Cotton Federation) of Mexico, in personal communication, the production of cotton in Mexico for the cycle 2009-2010 will be closing at 420,000 cotton bales or 159,600 metric tons of cottonseed. Their estimate of Mexico's cotton production for the 2010-2011 will be 500,000 bales or 190,000 metric tons of whole cottonseed (with government support). See the Mexico Consultant's Report section of the NCPA web site for complete details.

## NEWS & NOTES

BNSF Railway Company (BNSF) recognized three shortline railroads for their tremendous success and partnership over the past year with a BNSF Shortline Achievement Award at this year's 14th Annual Shortline Conference on Oct. 19, 2009 in Fort Worth, Texas. The Plainsman Switching Company (PSC), Yellowstone Valley Railroad (YSVR), and Burlington Junction Railway (BJRY) were chosen because of their ability to increase the volume and development of new customers and for being good stewards in

their communities. The relationship BNSF has with these shortline railroads and the growth of both businesses are significant components to receiving a BNSF Shortline Achievement Award. PSC restored confidence in rail service to Lubbock, Texas by attracting new rail-served businesses to the area. PSC handles major commodities such as cottonseed, cotton oil, grain, aggregates and machinery. In 2008, PSC handled more than 8,500 cars. (Source: BNSF)

## MILK PRICES—CONT.

point to higher milk prices as we progress through the year. There are signs that domestic milk and dairy product sales are improving and may be up more than 1 percent for the year. Fluid (beverage) milk sales have been running about 1 percent higher than a year ago. Sales to restaurants have improved. One indicator of stronger cheese sale was mozzarella

cheese production for last November, which was up 7.5 percent from a year ago to meet higher demands from pizza makers. An increase in exports may be the key to higher prices in 2010. (Source: Dairy Herd Management, 1/19/2010)