

**SPECIAL FAT
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Special points of interest:

- Cottonseed industry to debut on The History Channel, Thursday, Feb 18.
- Monthly survey of cottonseed oil mills puts January crush at 201,206 tons.
- Make hotel arrangements now for the Association's 114th Annual Convention in Amelia Island, Florida.
- US cottonseed meal shipments reported for customer in Chihuahua, Mexico.

WATCH COTTONSEED OIL MAKE HISTORY

After much anticipation, the cottonseed crushing industry will finally see its cooking oil make history! Tune in to History Channel this Thursday at 9 p.m. EST, or set your DVRs, to watch host Bobby Bognar of the new hit TV series Food Tech trace the "amazing journey" that quintessential Southern ingredients make from farm to plate. Cottonseed oil, America's first cooking oil, plays a starring role. In the show's fifth episode, "Southern Fried," Bognar once again employs his hands-on hosting approach, wading among 275,000 catfish in one scene and daring to grab a gator from its holding tank in another. He later treks to Texas in search of the perfect frying oil

to prepare such Southern staples. He finds it in some big, white, fluffy piles of cottonseed. At the production facilities of oilseed crusher PYCO Industries in Lubbock, Bognar takes viewers through the step-by-step process of extracting the precious oil from each of the tiny, fuzzy seeds. "You know the old saying: if it grows together, it goes together," Bognar says. "Cottonseed oil is produced throughout the South and has become a favorite for frying locally farmed catfish and alligator, not to mention hushpuppies, chicken and other Southern fried standbys." Getting that golden-colored oil out of the seeds has

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COTTONSEED PRODUCTS OUTLOOK

Cottonseed crushings totaled 201,206 tons for January 2010, according to NCPA's latest survey of member mills. The January total is nearly 6% higher than the 189,930 ton total from the previous month. Ending stocks of **seed** are at 1.525 million tons, compared to 1.555 million tons at the end of January 2009 and 1.90 million tons at the end of January 2008. **Meal stocks** increased to 18,906 tons on January 31 compared to 12,327 tons the previous month but considerably lower than the 48,820 ton level of a year earlier. Complete details are in the *Statistics* section of the NCPA web site.....USDA held its projection for cottonseed crushings steady at 1.85 million tons for the 2009/10 season in its February 2010 estimate, pointing to a lower crush level compared to the previous two

seasons. Although the 1.85 million ton crush level is likely, according to most industry observers, the Agency's meal and oil production forecasts remain optimistic. For example, USDA has forecast meal production at 895,000 short tons, based on meal yields of 968 lbs/ton. Using a more realistic meal yield of 870 lbs/ton would put cottonseed meal production at 805,000 short tons. Likewise, cottonseed oil yields plugged in by forecasters are 332 lbs/ton; a more likely yield of 310 lbs/ton would place domestic cottonseed oil production at nearly 575 million lbs vs domestic production of 663 million lbs projected for 08/09 and 856 million lbs produced in 07/08.

E-Newsletter

The NCPA Newsletter will only be available online & via e-mail. Sign up by sending your e-mail address to ssstine@cottonseed.com.

NOTE TO INDUSTRY

We respectfully ask for your help in getting the word out on this very special episode of Food Tech. Tell your friends and family, tell your employees, go on Facebook or Twitter, do what you can to bring viewers to the show. This is a great moment in history for cottonseed oil!

WHAT'S NEW @ COTTONSEED.COM

Details for NCPA's 114th Annual Convention are now available in the **Convention** section of the NCPA web site. Note the revised convention schedule this year calls for arrivals on Sunday, May 2 and the meetings concluding on Tuesday, May 4.

You are urged to make hotel reservations as soon as possible as The Ritz-Carlton, Amelia Island, Florida fills up very quickly....Follow all the important industry meetings in the **Cottonseed Calendar**. Contact the NCPA office to add your

meetings....Cottonseed crushings for the week ending February 7 totaled 44,680 tons vs 40,909 tons the previous week. Complete data for cottonseed processing is in the Statistics section of www.cottonseed.com.

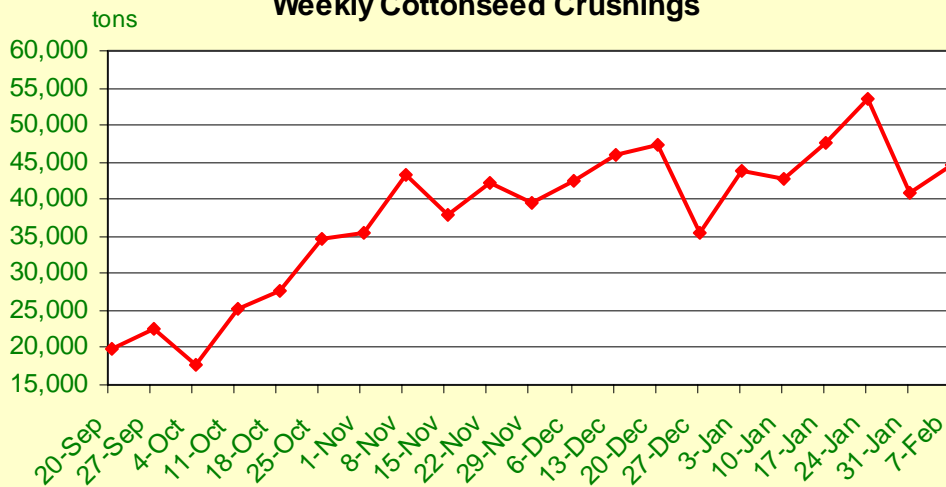
COTTONSEE OIL MAKES HISTORY

Grab your beads and boas, and let's celebrate Mardi Gras coverage of cottonseed oil! NCPA's latest press release, promoting Café du Monde's use of cottonseed oil to make its legendary beignets, had all the right ingredients for success – and just in time for Mardi Gras. Last week, the San Diego Union-Tribune featured our beignet photo and recipe in a story that singled out cottonseed oil as a "smart buy." Reporter Caroline Dipping points consumers to Tar-

get and sporting good stores to get their hands on "the ideal ingredient" for frying New Orleans' favorite fritter. Additional kudos came from Baltimore Sun reporter Rob Kasper who interviewed Café du Monde owner Burt Benrud about the art of making beignets. Kasper had this to say: "I fried my beignets in peanut oil, but Benrud stood by the café's practice of frying beignets in cottonseed oil. Occasionally, the cooks at Cafe du Monde have tried to fry the beig-

nets in other types of oil, 'just to amuse the oil salesmen,' he said. But the results have not been good." Additionally, we've seen extraordinary online pick-up of the release, with more than 200 blogs and news outlets running the positive story of cottonseed oil and beignets. Be sure to check out the latest updates on www.cottonseedoil.com where visitors can find recipes and tips for making the perfect beignet, including frying with cottonseed oil!

Weekly Cottonseed Crushings



REGIONAL SUMMARY OF U.S. COTTONSEED CRUSHINGS & STOCKS*

January-10		AZ/CA/OK/TX	OTHER STATES	TOTAL
SEED	Beginning Stocks	960,221	556,595	1,516,816
(tons)	Receipts	113,250	129,136	242,386
	Shipped	21,195	12,168	33,363
	Crushed	101,307	99,899	201,206
	Ending Stocks	950,969	573,664	1,524,633
OIL **	Beginning Stocks	37,074	63,577	100,651
(000 lbs)	Production	33,965	28,846	62,811
	Shipments	32,319	26,956	59,275
	Ending Stocks	38,719	65,468	104,187
MEAL	Beginning Stocks	9,082	3,245	12,327
(tons)	Production	47,221	45,712	92,933
	Shipments	43,513	42,841	86,354
	Ending Stocks	12,790	6,116	18,906
HULLS	Beginning Stocks	14,883	10,116	24,999
(tons)	Production	33,100	29,592	62,692
	Shipments	26,256	25,092	51,348
	Ending Stocks	21,727	14,616	36,343
LINTERS	FIRST CUT			
(000 lbs)	Beginning Stocks	495	716	1,212
	Production	1,352	1,634	2,986
	Shipments	821	1,985	2,806
	Ending Stocks	1,026	366	1,392
	ALL OTHER CUTS			
	Beginning Stocks	5,044	3,242	8,286
	Production	14,747	13,680	28,427
	Shipments	14,606	14,170	28,776
	Ending Stocks	5,186	2,752	7,937
OIL SHIPMENTS TO PORT (000 lbs)	withheld	withheld	withheld	
* - Based on reports from 100% of active NCPA crusher members, representing 99% of crushing capacity		Compiled by: National Cottonseed Products Association, Inc. 866 Willow Tree Circle Cordova, TN 38018 Tel. 901/682-0800 FAX 901/682-2856 www.cottonseed.com www.cottonseedoiltour.com		
** - Production: Primarily reported as PBSY - Stocks: primarily PBSY & Further Processed				
Released: February 16, 2010				

MONTHLY SUMMARY OF U.S. COTTONSEED CRUSHINGS & STOCKS*

		Jan-10	Dec-09	YTD TOTALS
SEED	Beginning Stocks	1,516,816	1,255,958	
(tons)	Receipts	242,386	492,337	1,994,804
Aug/Jul yr	Shipped	33,363	41,549	187,907
	Crushed	201,206	189,930	901,463
	Ending Stocks	1,524,633	1,516,816	
OIL **	Beginning Stocks	100,651	92,869	
(000 lbs)	Production	62,811	59,160	211,772
Oct/Sep yr	Shipments	59,275	51,378	215,217
	Ending Stocks	104,187	100,651	
MEAL	Beginning Stocks	12,327	18,626	
(tons)	Production	92,933	92,343	316,544
Oct/Sep yr	Shipments	86,354	98,642	315,371
	Ending Stocks	18,906	12,327	
HULLS	Beginning Stocks	24,999	24,152	
(tons)	Production	62,692	58,956	208,070
Oct/Sep yr	Shipments	51,348	58,109	199,388
	Ending Stocks	36,343	24,999	
LINTERS	FIRST CUT			
(000 lbs)	Beginning Stocks	1,212	2,032	
Oct/Sep yr	Production	2,986	2,593	8,191
	Shipments	2,806	3,413	10,073
	Ending Stocks	1,392	1,212	
	ALL OTHER CUTS			
	Beginning Stocks	8,286	10,166	
	Production	28,427	26,968	96,707
	Shipments	28,776	28,848	99,472
	Ending Stocks	7,937	8,286	
OIL SHIPMENTS TO PORT (000 lbs)	withheld	withheld	withheld	
* - Based on reports from 100% of active NCPA crusher members, representing 99% of crushing capacity		Compiled by: National Cottonseed Products Association, Inc. 866 Willow Tree Circle Cordova, TN 38018 Tel. 901/682-0800 FAX 901/682-2856 www.cottonseed.com www.cottonseedoiltour.com		
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National Cottonseed
Products Association, Inc.

866 Willow Tree Circle
Cordova, Tennessee 38018-6376

Phone: 901-682-0800
Fax: 901-682-2856
E-mail: info@cottonseed.com

We're on the web @
www.cottonseed.com &
www.cottonseedoiltour.com

Representing the cottonseed
processing industry



NATIONAL COTTONSEED PRODUCTS ASSOCIATION
Established 1937

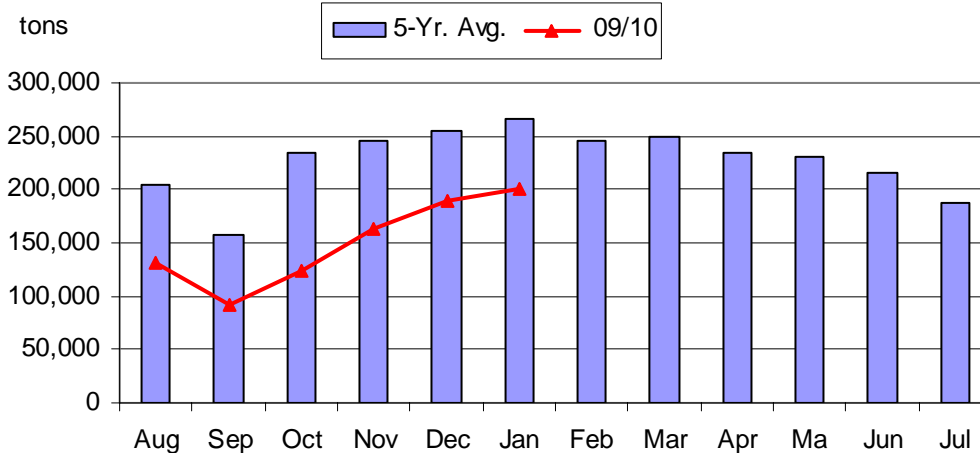
**114th Annual
Convention**
May 2-5, 2010
The Ritz Carlton
Amelia Island, Florida

MEXICO CONSULTANT'S REPORT

General Summary: The Mexican peso as of January 29 was at 13.03 pesos to one U.S. dollar, compared to 12.82 pesos for the previous month, according to the Unica Casa de Cambio (Dollar Exchange Agency). Slight increases are expected for the month of February.....The Mexican cotton crop for 2010-2011 is estimated optimistically, according to Fernando Novoa of the Confederation Algodonera of Mexico, at 111,000 hectares to be planted with production estimated at 679,320 cotton bales and 258,142 metric tons of cottonseed. **Market Summary:** It is estimated that imports of cottonseed meal compared to last year have increased slightly, even though there are reports that DDG's and canola meal are competitive with cottonseed meal. MNA of Monterrey expects an increase of US cottonseed meal usage in feedlots during

the first few months of 2010.....A key buyer of US cottonseed meal in the Mennonite region of Cuauhtémoc, Chihuahua reportedly purchased four rail cars of meal, estimated at nearly 320 tons and \$80,000. They are expected to bring in more meal over the next few months.....**Mexican Cotton Production Estimate:** According to Fernando Novoa of the Confederation Algodonera of Mexico, the production of cotton in Mexico for the cycle 2009-2010 with 97% finished is at 421,180 bales with 156,422 metric tons of cottonseed. For the cycle 2010-2011 an initial optimistic estimate is 679,320 cotton bales and 258,142 metric tons of cottonseed. For complete details, see the *Mexico Consultant's Report* section of the NCPA web site.

Monthly Cottonseed Crushings



MAKE HISTORY—CONT.

its rewards, he notes. "We learned that the bland, 'neutral' flavor of cottonseed oil is a good thing in the culinary world because it doesn't mask the food's flavor. Rather, cottonseed oil allows the natural flavors of foods to shine through. Plus, you've got to love cottonseed oil's ultra

high smoke point; it can definitely take the heat."

Visit

www.history.com/shows.do?episodeId=538806&action=detail for airtimes.