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KEEPING TRACK OF COTTONSEED

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Cottonseed crushings for October 2011 totaled 190,918 tons compared to 142,603 tons crushed in September and 206,992 tons crushed in August, according to NCPA's survey of member mills.....**Stocks of cottonseed** at member mills were reported at 1.125 million tons on October 31 vs 553,289 tons on September 30 and 1.136 million tons on hand at the end of October 2010.....**Cottonseed receipts** at oil mills in October totaled 866,220 tons compared to 976,994 tons in October 2010 and 260,529 tons two years ago.....**Stocks of cottonseed oil** were at 129 million lbs at the end of October,

down from 150 million lbs. at the end of September.... **Stocks of cottonseed meal** on October 31 stood at 42,61 tons. At the end of September, meal stocks were 37,93 tons, and at the end of October a year ago, meal stocks were 45,577 tons.....**Cottonseed hull inventories** were reported to be 9,497 tons vs 12,964 tons at the end of September. Hull stocks were 20,770 tons at the end of October 2010 and 24,155 tons at the end of October two years ago.....US Census reports **cottonseed exports** totaled 5,368 tons for the first month of marketing year 2011-12 (Oct '11-Sep '12).

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NCPA'S OFFICIAL PETITION FOR COTTONSEED OIL UNDER RENEWABLE FUELS PROGRAM

Special points of interest:

- Cottonseed crushings forecast at 2.4 million tons for 2011/12.
- NCPA submits petition to EPA for cottonseed oil under RFS2 program.
- Global oilseed production forecast slightly higher by USDA in December report.
- NCPA joins groups to address methods EPA using to develop standards under Clean Air Act.

Earlier this month, the National Cottonseed Products Association submitted its official petition to the U.S. Environmental Protection Agency pursuant to 40 C.F.R. §80.1416(a)(1), requesting EPA approve a renewable fuel pathway for renewable fuel produced from cottonseed oil as biomass-based diesel under 40 C.F.R. §80.1426(f). In its petition, NCPA noted that approval of cottonseed oil as a feedstock for biodiesel will provide an additional feedstock option to help the biodiesel industry meet and exceed the required volume obligations of the biomass-based diesel and undifferentiated advanced biofuels categories. In addition, biodiesel production plants can use cottonseed oil interchangeably with

other oils that have been approved by EPA to generate Renewable Identification Numbers with a D Code of 4 (biomass-based diesel), requiring no changes in the production process. Cottonseed oil as a feedstock, however, has not been reviewed specifically using EPA's lifecycle greenhouse gas ("GHG") emissions analysis. NCPA's petition included the information required under 40 C.F.R. §80.1416(b) for EPA to conduct such an analysis. For a complete copy of the Cover Letter, Petition and List of Appendices, follow this link on the NCPA web site to www.cottonseed.com/whatsnew.

E- Newsletter

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COTTONSEED —CONT

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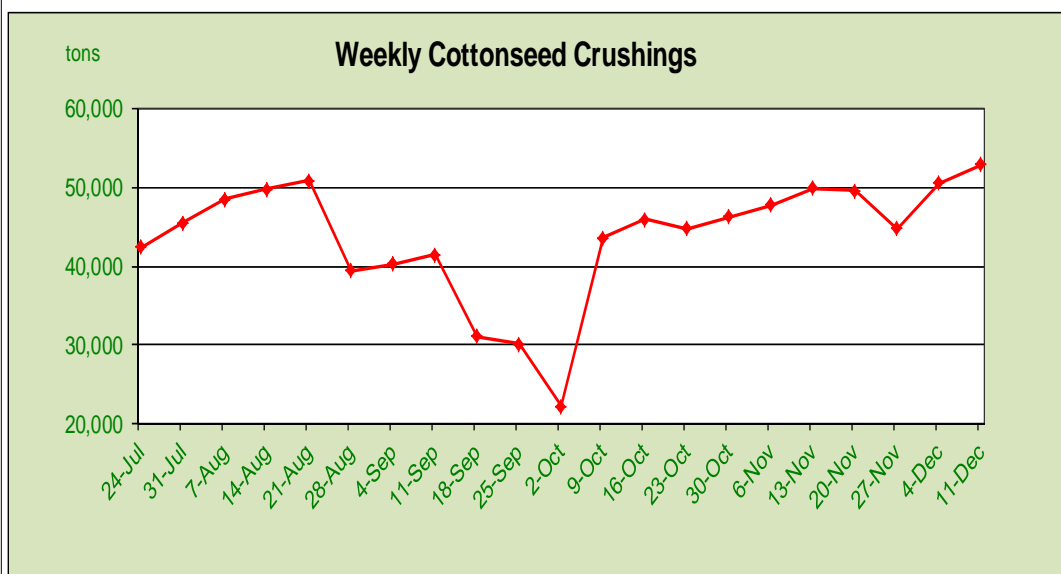
This compares to 18,755 mt exported in October 2010. **Cottonseed meal exports** were 4,400 mt in October 2011. For the 2010-11 marketing year that just ended, meal exports totaled 82,939 mt vs 71,880 mt the previous marketing year..... For complete details, see the **Statistics** section at www.cottonseed.com.

WHAT'S NEW @ COTTONSEED.COM

Cottonseed crushings for the week ending December 11 totaled 52,875 tons compared to 50,589 tons the previous week. Weekly crushings are running at about 90% of 2010/11's total of 2.5 million tons and 120% of 2009/10's 1.9 million ton total. If that percentage holds, cottonseed crushings for 2011/12 should total just over 2.3 million tons. Crushings are updated each week in the Statistics section and are also available by signing up on Twitter and following "@NCPA_seed".....USD A's **Supply and Demand**

forecast for cottonseed and cottonseed products (December 12) maintains a crush projection at 2.4 million tons for the 2011/12 season. With the revised cotton production forecast, cottonseed production for 2011-12 was reduced slightly from 5.47 million tons in the November forecast to 5.31 million tons in the December estimate. The forecast for "Other Disappearance", or whole seed feeding, was also reduced from 3.1 million tons to 2.98. Cottonseed meal exports are forecast at 105,000 short tons for

2011/12. That would be an increase of nearly 15% from the 91,424 ton (82,939 mt) total from a year ago and a whopping 33% increase from the 79,233 ton (71,880 mt) total from 2009/10. See the **Supply & Demand Forecast for Cottonseed and Cottonseed Products** in the **Statistics** section of the web site or follow this [link](#) (Ctrl+click) for the past three season's worth of domestic supply and demand data.....The Cottonseed Calendar has been updated to include a number of important meeting dates in 2012.



WORLD OILSEED UPDATE

OCTOBER MILK PRODUCTION

Milk production in the 23 major States during October totaled 15.2 billion pounds, up 2.5 percent from October 2010. September revised production at 14.8 billion pounds, was up 1.9 percent from September 2010. The September revision represented a decrease of 10 million pounds or 0.1 percent from last month's preliminary production estimate. Production per cow in the 23 major States averaged 1,787 pounds for October, 20 pounds above October 2010. The number of milk cows on farms in the 23 major States was 8.48 million head, 111,000 head more than October 2010, and 10,000 head more than September 2011. (Source: USDA, NASS, November 2011)

USDA's December forecast total for U.S. oilseed production for 2011/12 is 91.0 million tons, down slightly due to a small reduction in expected cottonseed production. USDA also reduced its forecast for soybean exports by 25 million bushels to 1.3 billion reflecting the slow pace of shipments and outstanding sales through November, and strong export competition from South America. Projected soybean crush is reduced 10 million bushels to 1.625 billion due to reduced domestic soybean meal consumption and a higher meal extraction rate. Soybean ending stocks for 2011/12 are projected at 230 million bushels, up 35 million from last month. Prices for soybeans and products are all projected lower this month. The U.S. season average soybean price range for 2011/12 is projected at \$10.70 to \$12.70 per bushel, down 90 cents on both ends of the range. The soybean meal price is projected at \$280 to \$310 per short ton, down 30 dollars on both ends of the range. The soybean oil price range is projected at 50.5 to 54.5 cents per pound, down 2.5 cents on both ends of the range. Global oilseed production for 2011/12 is projected at 457.6 million tons, up 2.8 million tons from last month. Foreign oilseed production accounts for most of the change with increases projected for soybeans, rapeseed, sun-

flower seed, and peanuts. Global soybean production is projected at 259.2 million tons, up 0.3 million. Increased production for Canada and India is only partly offset by a lower projection for China. Global rapeseed production is projected higher this month mainly due to gains for Canada. Canada rapeseed production is raised 1.3 million tons to 14.2 million based on the latest survey results from Statistics Canada. Higher yields account for most of the change. Rapeseed production for China is reduced 0.3 million tons due to lower yields in line with the latest indications from the China National Grain and Oils Information Center. Other changes include increased sunflower seed production for Ukraine and increased peanut production for China and India. Global oilseed trade is projected at 114 million tons, up 0.7 million from last month. Increased soybean exports from Brazil, increased rapeseed and soybean exports from Canada, and increased peanut exports from China and India account for most of the gains. Global oilseed ending stocks are projected at 75.5 million tons, up 1.6 million from last month mainly reflecting increased soybean stocks in the United States and increased rapeseed stocks in Canada. (Source: USDA, WAOB, 12/09/2011)



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*Representing the cottonseed
processing industry*



116th Annual Convention

Apr 29—May 1, 2012
The Ritz Carlton
Amelia Island, Florida

NCPA PART OF GROUP TO SUBMIT COMMENTS TO EPA RE: NEW SOURCE PERFORMANCE STANDARDS FOR NITRIC ACID PLANTS

NCPA is part of an industry group that recently submitted comments to EPA regarding “New Source Performance Standards for Nitric Acid Plants”. The “SSM Coalition” to which NCPA belongs, is an ad hoc coalition of trade associations and business organizations interested in the methodologies EPA uses to develop stationary source emission standards under the CAA and the way those standards are expressed in EPA regulations. The SSM Coalition’s current members are the American Chemistry Council, American Forest & Paper Association, American Iron and Steel Institute, American Petroleum Institute, American Wood Council, Brick Industry Association, Council of Industrial Boiler Owners, Florida Sugar Industry, National Association of Manufacturers, National Petrochemical & Refiners Association, Rubber Manufacturers Association, Treated Wood Council, and the Vegetable Oil SSM Coalition (consisting of the

Corn Refiners Association, the National Cotton Council, the National Cottonseed Products Association, the National Oilseed Processors Association, and Sessions Peanut Company). The members of the SSM Coalition have an interest in, and some of the associations’ members will be directly affected by, the Proposed Standards, as well as various rules under the same statutory authority that are in the active rulemaking stage or that are scheduled for review in the near future. The SSM Coalition noted in comments their objections to the new manner in which EPA is proposing to address periods of startup, shutdown or malfunction (“SSM”) in the Proposed Rule and in several other recently proposed and final rules. SSM Coalition members believe EPA has failed to account adequately for emissions that occur during SSM periods, consistent with the language and intent of Clean Air Act NSPS.

RENEWABLE FUELS UPDATE

According to EIA data, ethanol production averaged 938,000 barrels per day (b/d) or 39.4 million gallons daily. That is down 16,000 b/d from the record set the previous week. The 4-week average for ethanol production stood at 935,000 b/d for an annualized rate of 14.3 billion gallons. Stocks of ethanol stood at 17.1 million barrels. Gasoline demand for the week averaged 364 million gallons daily. Expressed as a percentage of daily gasoline demand, daily ethanol production

was 10.82%. On the co-products side, ethanol producers were using 14.222 million bushels of corn to produce ethanol and 105,571 metric tons of livestock feed, 95,246 metric tons of which were distillers grains. The rest is comprised of corn gluten feed and corn gluten meal. Additionally, ethanol producers were providing 4.31 million pounds of corn oil daily. (Source: ethanolrfa.org, 12/14/2011)