

WHAT'S NEW IN COTTON???????



COTTON USA™

THE COTTON THE WORLD TRUSTS

AGENDA

- **Global Cotton Consumption**
- **Innovation**
- **What's New in Cotton?**

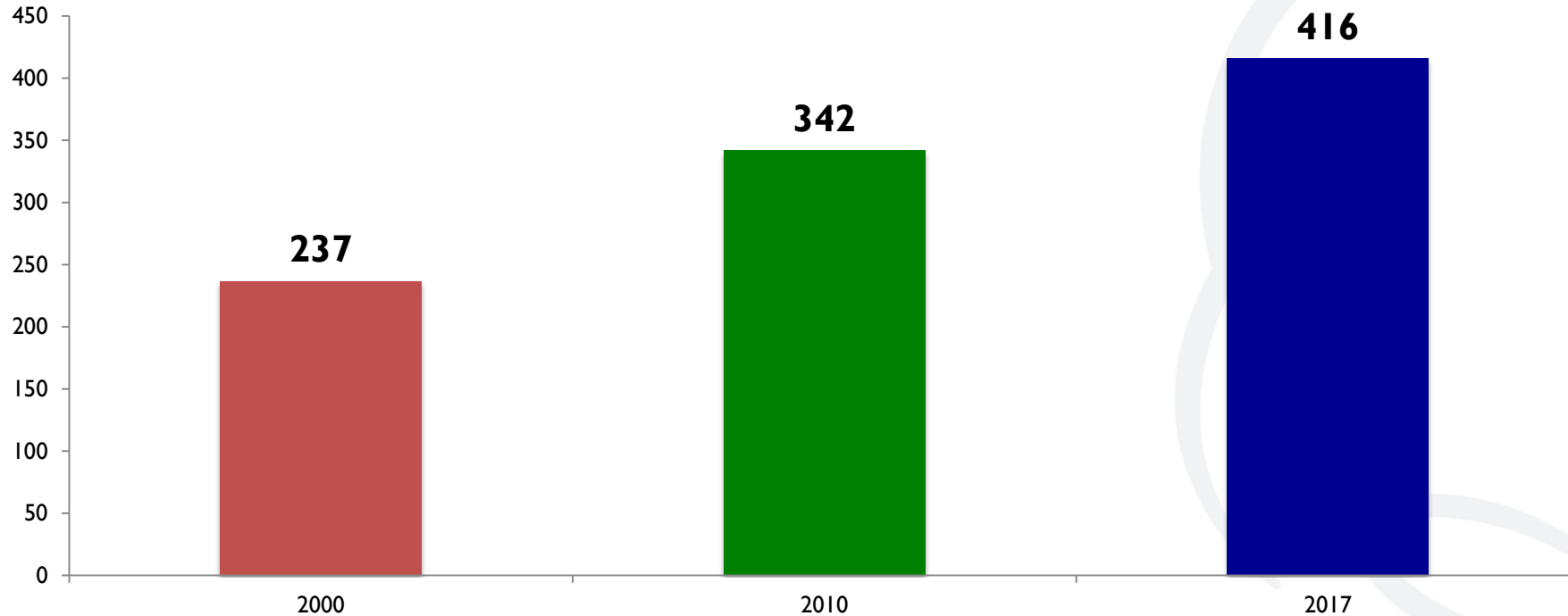
GLOBAL COTTON CONSUMPTION



GLOBAL FIBER DEMAND

Since 2000, global demand for fiber has grown consistently at over 3% per year, reaching 416 million bales in 2017.

**TOTAL FIBER FINAL CONSUMER DEMAND
(Bales, Millions)**

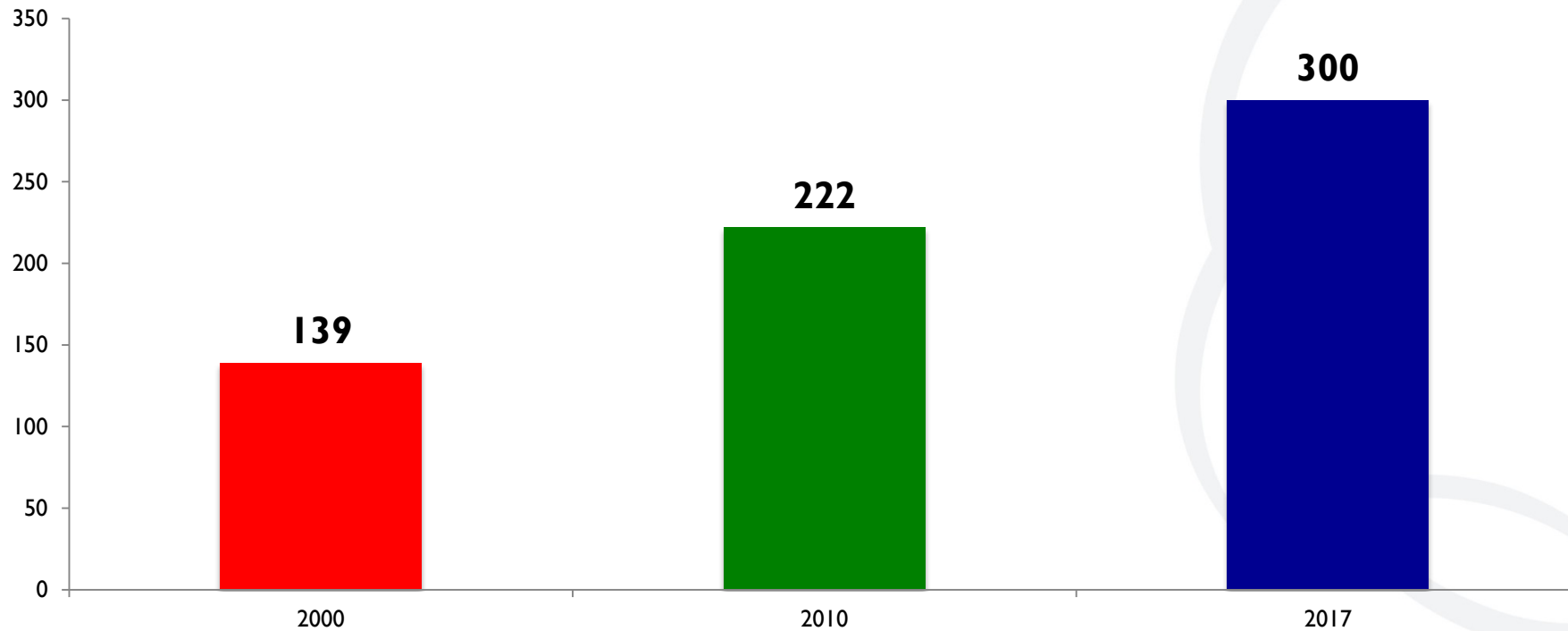


Source: PCI Wood Mackenzie, Fiber World Supply and Demand Report

GLOBAL MMF DEMAND

The growth in fiber final consumer demand has been driven by Manmade Fibers with an average growth rate of 4.6% since 2000, reaching 300 million bales in 2017.

**MMF FINAL CONSUMER DEMAND
(Bales, Millions)**

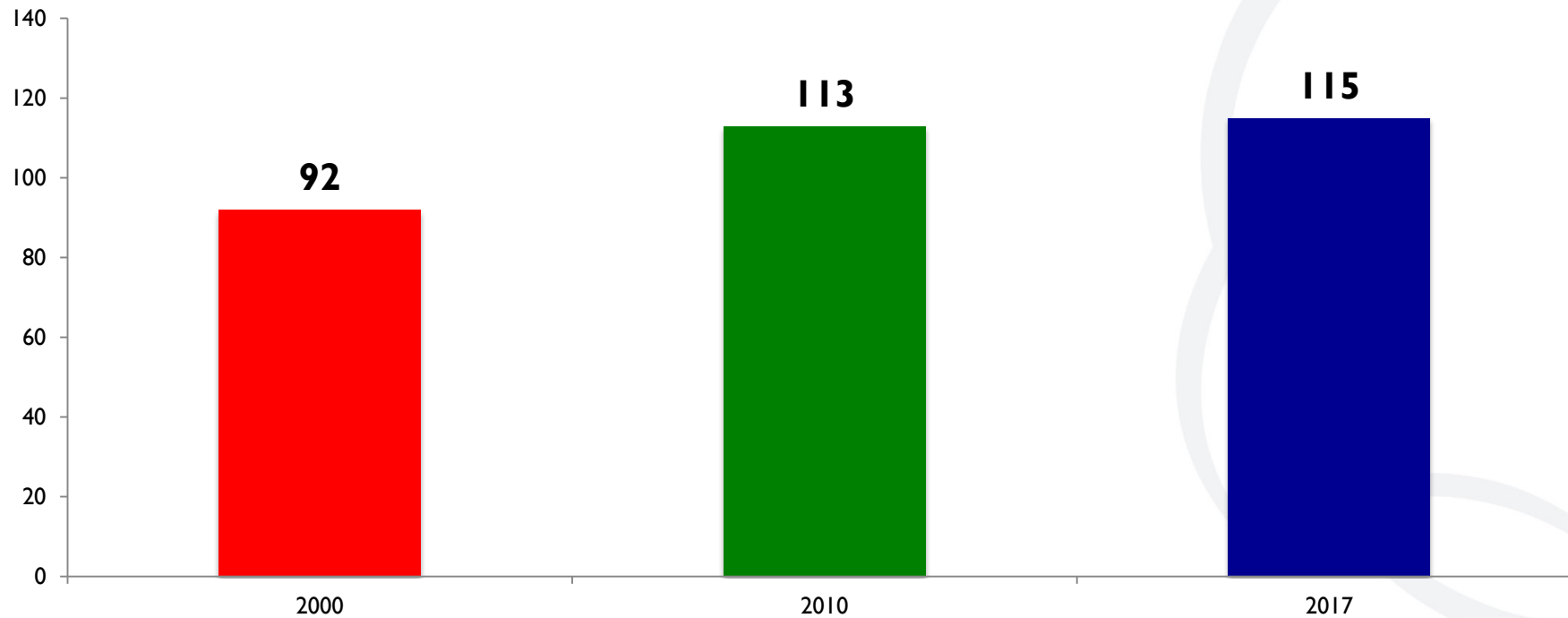


Source: PCI Wood Mackenzie, Fiber World Supply and Demand Report

GLOBAL COTTON DEMAND

While Manmade Fiber demand has been growing at 4.6% per year since 2000, cotton demand has been growing at only 1.3% per year—and has basically been flat since 2010.

COTTON FIBER FINAL CONSUMER DEMAND (Bales, Millions)

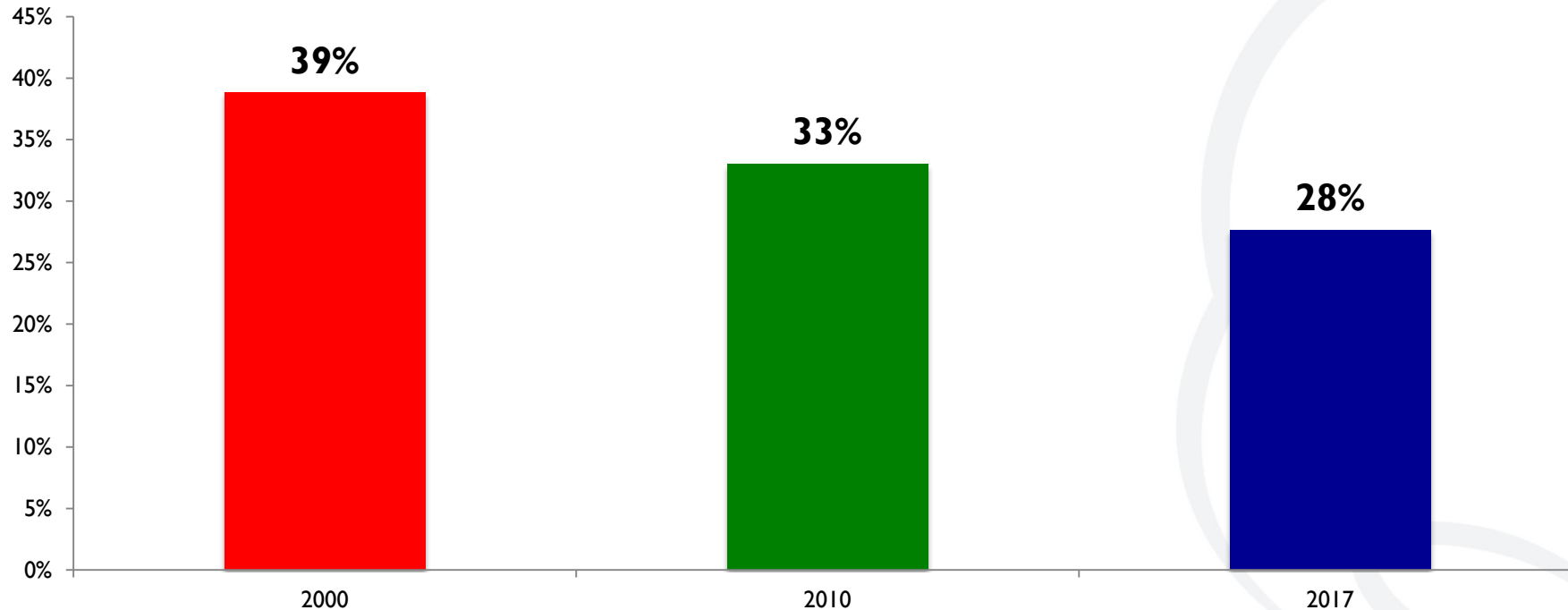


Source: PCI Wood Mackenzie, Fiber World Supply and Demand Report

GLOBAL COTTON SHARE OF DEMAND

Since 2000, cotton's share of fiber demand has declined from 39% to 28%.

COTTON SHARE OF FINAL CONSUMER DEMAND (Share of Bales)



Source: PCI Wood Mackenzie, Fiber World Supply and Demand Report

SITUATION ASSESSMENT

- Since 2000, total cotton consumption has grown by 23 million bales—or 1.3% per year. Over the same time period, total fiber consumption has grown by 179 million bales—or 3.3% per year.
- Despite all of our efforts, of the 179 million bales of fiber growth, MMF has taken 87% of it; cotton is not getting anywhere near our fair share of fiber growth.

SITUATION ASSESSMENT

Since 2000, major changes have occurred in the world that have changed the cotton business:

1. Asia is now the biggest and fastest growing region of the world for total fiber and cotton consumption.
2. MMF technology has evolved rapidly and companies have innovated with great products that solved many of the consumer issues with polyester.
3. The combination of the 2008/9 recession and 2010/11 cotton price spike created a brand/retailer mindset that was focused on reducing cost and dependence on cotton versus MMF.
4. While cotton remains preferred in many consumers' minds, better MMF products with better branding and large marketing dollars (as well as lower costs) continue to drive cotton's share losses.

SITUATION ASSESSMENT

The cotton industry has a common enemy in MMF. We must work together as a united front to keep cotton growing. I believe that we can win but it will take the following:

1. An aligned global plan that unites the entire cotton world and all our organizations!
2. A continuing focus on INNOVATION!

INNOVATION



WHAT IS INNOVATION ANYWAY?



**INNOVATION IS THE
ONLY WAY TO WIN**

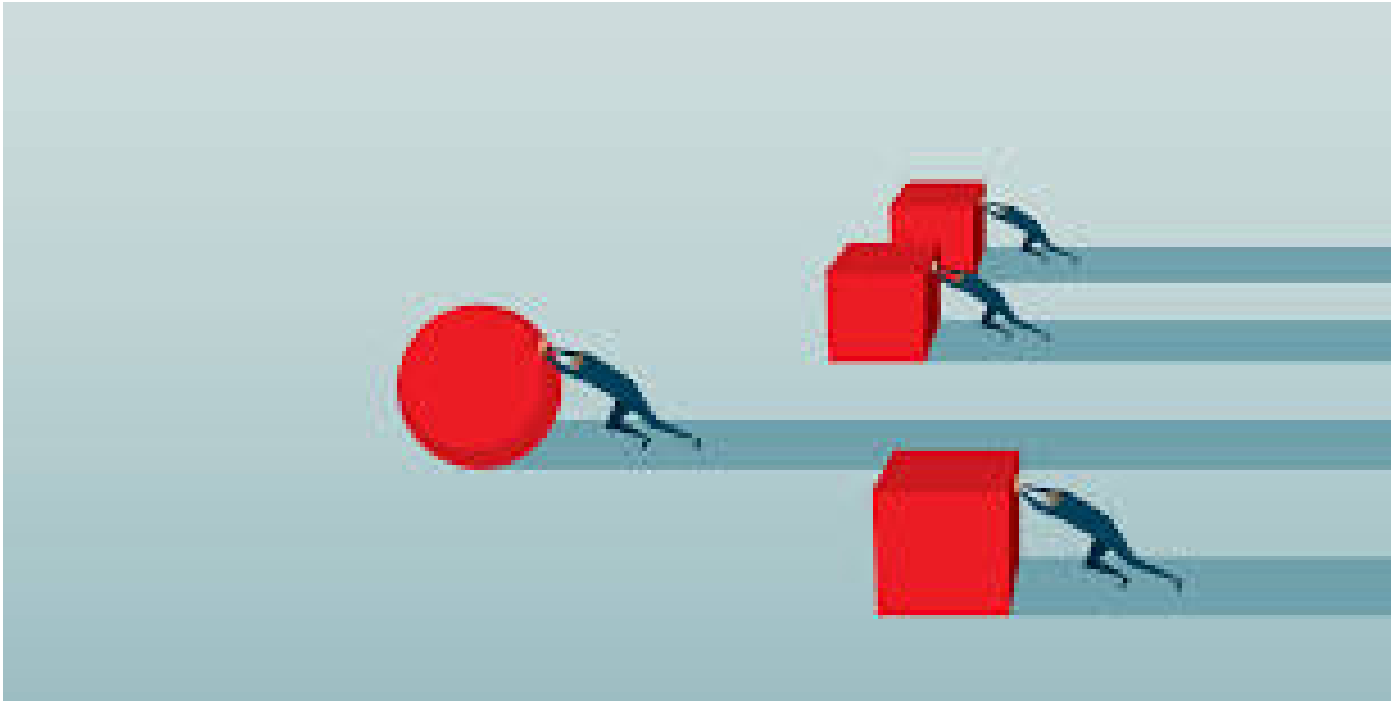
STEVE JOBS

PICTUREQUOTES.com

INNOVATION
DISTINGUISHES BETWEEN
ā LEADER
— AND A —
FOLLOWER
-STEVE JOBS



INNOVATION IN PRACTICE



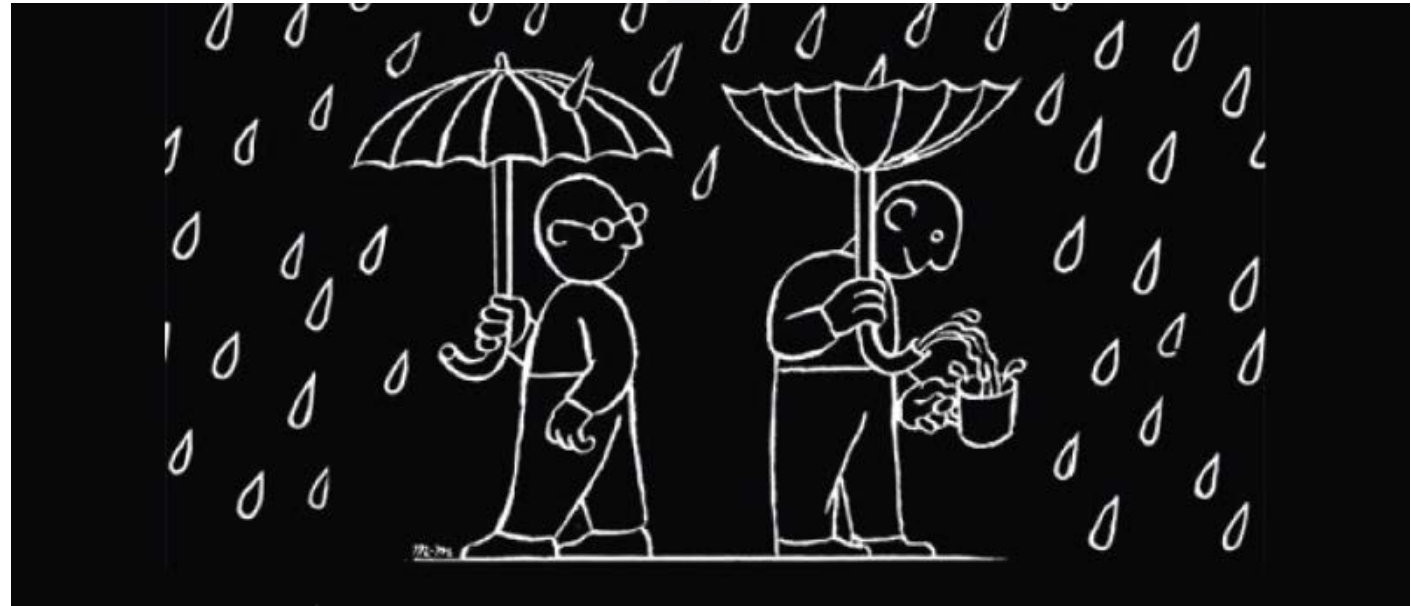
“There's a way to do it better - find it.”

THOMAS EDISON

INNOVATION IN PRACTICE

“When all think alike, then no one is thinking.”

WALTER LIPPMAN





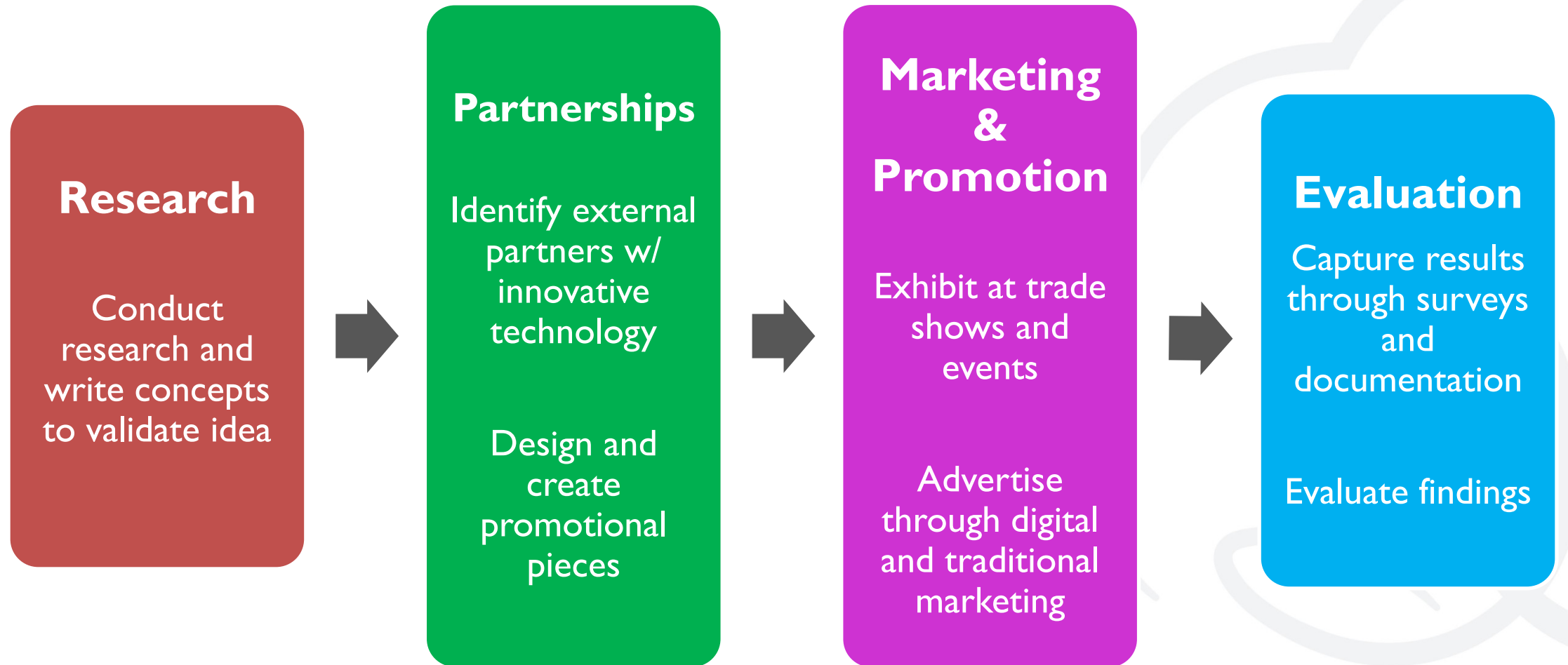
WHAT'S NEW IN COTTON™?

WHAT'S NEW IN COTTON™

What's New in Cotton™ is a new CCI initiative designed to bring attention to COTTON USA by showcasing new ideas in technology, fashion, blends, processes, etc.

- New promotion initiative
- Partner with technology companies
- Design and create new innovative products and apparel
- Showcase innovations at trade shows and events
- Platform to educate and excite people about COTTON USA

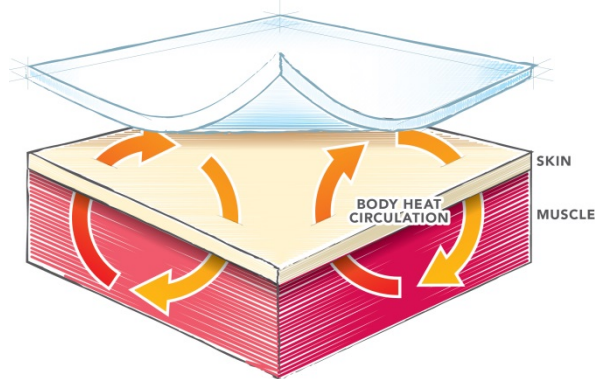
THE PROCESS



RECOVERY WEAR

Help Your Body Heal Minor Aches and Pains Just By Putting On Clothes

Introducing new Recovery Wear from COTTON USA. Recovery Wear soft cotton blend yoga wear and sleepwear helps us to recover faster from the minor muscular stress and strains. It uses a new patented *Celliant* fiber and technology designed and proven to use our own body heat to increase oxygenation and boost blood flow back into our muscles.



COTTON USA™ CARES

Care What You Wear

With COTTON USA CARES apparel, we can be 100% positive that our clothing was produced with sustainable farming practices, and in factories that follow environmentally responsible manufacturing processes and where workers are treated fairly. How can this be guaranteed? Because, for the first time ever, COTTON USA CARES products carry an invisible DNA marker that can trace the cotton you buy through the entire supply chain, from the finished product back to the farmer who grew the cotton.

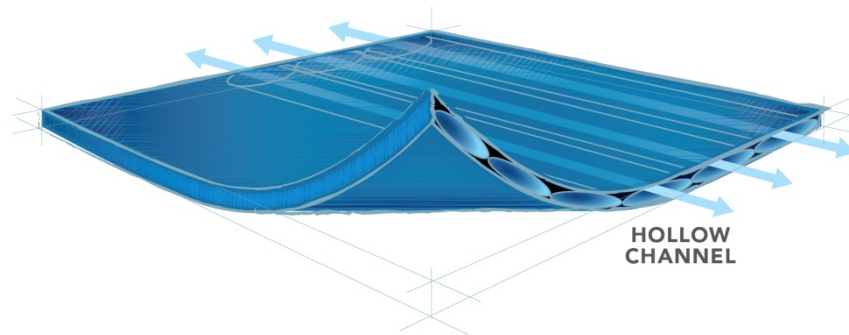


STAY

COOL

Denim Wear That Keeps You Feeling Cool

Stay Cool denim is made with 100% U.S. cotton. The patented process creates a hollow channel inside the cotton fabric that regulates temperature more efficiently than regular denim to keep us feeling comfortable, even when the temperature climbs. Stay Cool denim is 25% lighter weight than ordinary denim, while maintaining its look, shape and softness.



SOME OF OUR PARTNERS IN INNOVATION

- **Celliant** – FDA approved to increase blood flow and reduce recovery time
- **Solucell** – Hollow core yarn for lighter, cooler denim
- **PRONEEM** – EU certified, anti-dust mite technology
- **Life Materials** – Antibacterial and antimicrobial technology
- **ADNAS** – DNA marker, traceability



SOME OF OUR PARTNERS IN INNOVATION

- **Fibremarksolutions** – Uses embedded cellulosic fiber for traceability.
- **Dropelfabrics** – New technology to prevent stains and retain the softness of U.S. cotton.
- **Kyorene** – Uses graphine to deliver a host of potential consumer benefits.
- **CottonX** – Embeds copper fibers into products to deliver anti-microbial and also skin benefits.
- **Lenzing** – Co-developing a U.S. cotton-rich golf shirt with Tencel that will be made in America.
- **Oritain** – Supima partner utilizing naturally occurring isotopes in the fiber to verify origin and provide 100% traceability.



THE PROMOTIONAL TOUR

The image features a monochromatic blue color scheme. The background is a landscape with a field in the foreground and a sky with clouds above. A path or road is visible in the field, leading towards the horizon. The text "THE PROMOTIONAL TOUR" is centered in the upper half of the image in a white, bold, sans-serif font.

PREMIÈRE VISION- PARIS – FALL 2017



2018 WHAT'S NEW GLOBAL PROMOTIONAL TOUR



January	Heimtextil (Germany) Colombiatex (Colombia)
February	NCC Annual Meeting (Texas) Magic (Nevada) Première Vision (France)
March	Sapica (Mexico) Intertextile Home (China)
April	COTTON USA Sourcing Fair (Hong Kong) CCI Global Staff Meeting (Vietnam)
May	Cotton Days (Taiwan, Japan)
June	Cotton Days (Korea, China, Hong Kong)
September	Cotton Days (Indonesia, Vietnam, Thailand) Première Vision (France)
November	Sourcing USA Summit (Arizona)



TM

A blue-tinted landscape featuring a field with a central path leading towards a horizon line under a cloudy sky. The word "QUESTIONS?" is centered in white text.

QUESTIONS?