



Vereniging ingelyf kragtens Artikel 21 / Association incorporated under Section 21

Date: 4 April 2011

Reference: 9/3/3/1

COTTON MARKET REPORT AS AT 1 APRIL 2011

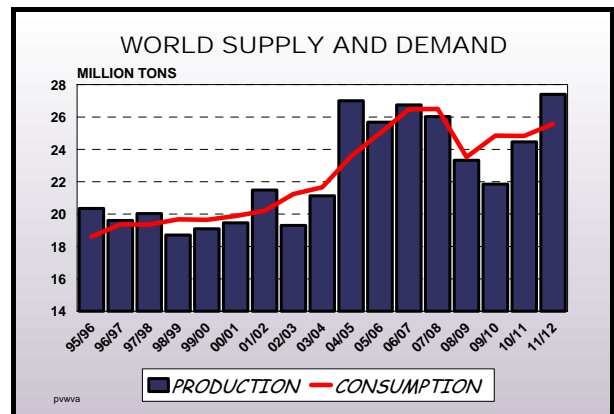
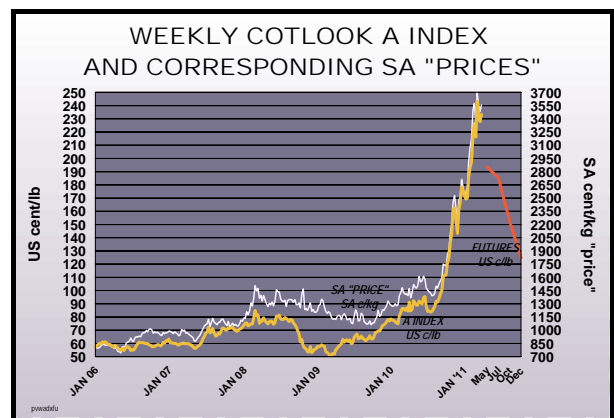
International

World cotton prices continued rising and reached a new record level of US\$2.44/lb on 8 March 2011, which is almost 3 times the value of the index at the beginning of the season 8 months ago. According to the International Cotton Advisory Committee (ICAC) the main reasons for the surge in prices include low world stocks, lower-than-expected production, robust demand and panic buying at the beginning of the season. Based on the ICAC's estimate of an average Cotlook A index (an indicator of world cotton prices) of 162 US c/lb for 2010/11, their price model forecasts a 2011/12 season average Cotlook A index of US\$1.38/lb, 15% down from this season's estimate but still considerably higher than the average of the past decade, namely 60 US c/lb.

After 3 years of decline, world cotton production is estimated to increase by 12% in 2010/11 and by a further 12% in 2011/12. The projected increases are however relatively small responses to the high cotton prices. According to the ICAC, competition from food crops and limited resources (land, seeds, water and equipment) are preventing cotton area from rising further in 2011/12.

Although world cotton mill use started to recover in 2009/10 and a robust demand for cotton was observed in the first half of 2010/11, no increase in consumption for 2010/11 is expected by the ICAC due to the high cotton prices and temporary shortages of supply.

The ICAC forecasts that cotton supply will exceed demand in 2011/12 by about 1.8 million tons. As a result world ending stocks



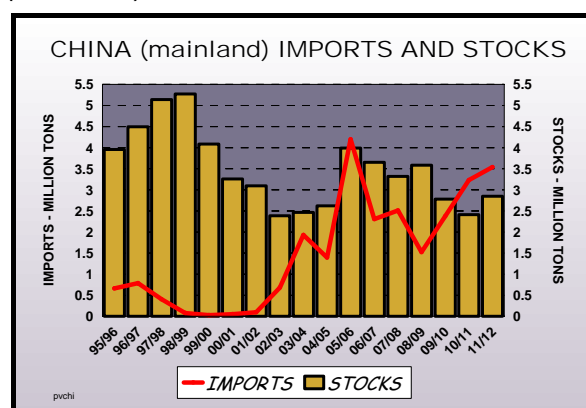
are projected to increase to 10.1 million tons on 31 July 2012. Although this will result in the world stocks-to-use ratio recovering to

40% from the 33% of 2010/11, it is still below the long term average.

Estimated world supply and demand for cotton for the 2009/10 season and projections for 2010/11 and 2011/12 (seasons beginning 1 August):

(million metric tons)	2009/10	2010/11	2011/12
Beginning stocks	11.9	8.7	8.3
Production	21.9	24.5	27.4
Consumption	24.9	24.8	25.6
Exports	7.8	8.3	8.5
Imports	7.7	8.3	8.5
Ending stocks	8.7	8.3	10.1
Ending stocks/use (China excluded)	40%	40%	48%
A Index (US c/lb)	78	162	138

Cotton imports and stocks situation for China (mainland):



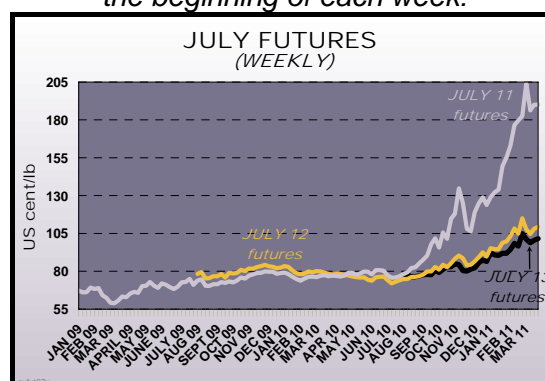
Average Cotlook A index prices (an indicator of world cotton lint prices) and corresponding South African "prices":

	A INDEX	RSA "PRICE"
	<i>Avg: US c/lb</i>	<i>Avg: SA c/kg</i>
Last week (28/03 - 01/04/11)	226.61	3424.46
March 2011	229.67	3513.05
Today (01/04/11)	227.75	3414.16
February 2011	213.38	3399.37
Today a year ago	91.25	1472.44
Today two years ago	54.60	1168.16

New York cotton futures as at 1 April 2011 (settlement prices):

NY FUTURES	
	<i>US c/lb</i>
May 2011	195.55
July	188.10
October	151.68
December	132.18
March 2012	125.25
May	119.15
July	112.57

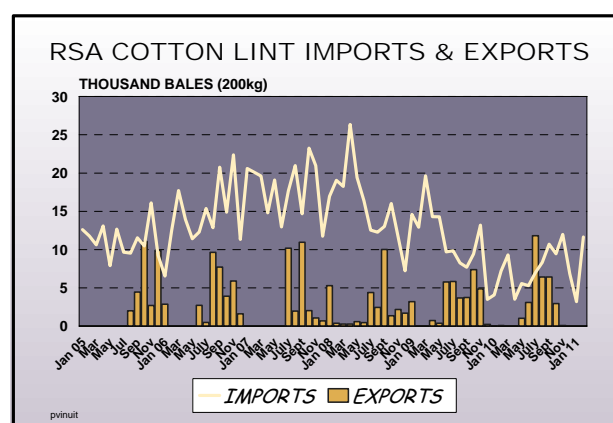
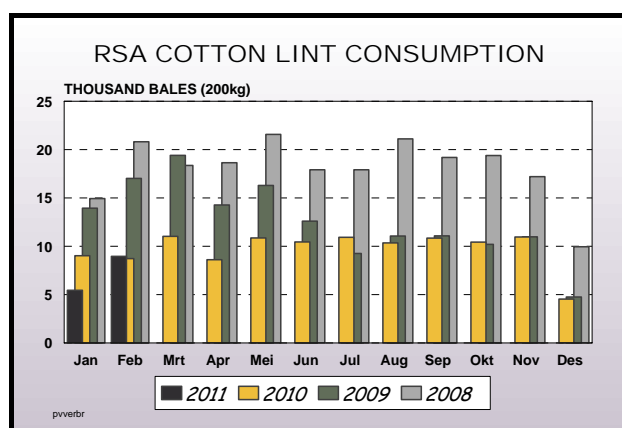
New York JULY cotton futures as at the beginning of each week:



Local outlook

As far as the local outlook is concerned, the 3rd estimate for the 2010/11 production year indicates a total crop of 98 567 lint bales, down 3% from last month's estimate but 132% up from the previous season and the first increase in local cotton production in 7

years. About 94 567 lint bales are estimated to be produced from RSA grown seed cotton, 146% up from the previous season. The balance of 4 000 lint bales relates to expected Swaziland produced cotton to be ginned by the Swaziland gin.



COTTON CROP REPORT - 3rd ESTIMATE

2010/11 PRODUCTION YEAR

01/04/11

PRODUCTION REGION	HECTARES IRRIGATION	HECTARES DRYLAND	YIELD IRRIGATION kg seed cotton/ha	YIELD DRYLAND kg seed cotton/ha	PRODUCTION 200 kg bales cotton lint	CROP % HAND PICKED	% OF CROP GINNED SO FAR
LIMPOPO PROV.							
Loskop	2350	0	3800	0	15628	10%	0%
North & South Flats	58	292	2500	800	663	10%	0%
Dwaalboom/Thabazimbi	90	0	3800	0	599	10%	0%
Weipe	1422	0	4000	0	10000	0%	0%
NORTHERN CAPE							
Vaalharts	1909	0	5000	0	17180	0%	0%
Lower Orange River	200	0	5000	0	1850	100%	0%
Rest of Northern Cape	5215	0	4481	0	43246	0%	0%
NORTH WEST							
Stella/Setlagoli	0	0	0	0	0	0%	0%
Taung	460	0	5000	0	4140	0%	0%
KWAZULU-NATAL	0	490	0	600	529	100%	0%
MPUMALANGA	0	703	0	583	732	100%	0%
EASTERN CAPE	0	0	0	0	0	0%	0%
RSA TOTAL	11704	1485	4385	631	94567	5%	0%
Swaziland*	0	4000	0	550	4000	100%	0%
Botswana*	0	0	0	0	0		
Namibia*	0	0	0	0	0		
Zimbabwe*	0	0	0	0	0		
Mozambique*	0	0	0	0	0		
GRAND TOTAL	11704	5485	4385	572	98567	9%	0%

* Particulars relate to expected purchases of seed cotton by RSA & Swaziland ginners from these countries.

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