Who is Cotton Council International?

Export promotion arm of the NCC. Representing the seven segments of the U.S. cotton industry:

- Producer
- Crusher
- Warehouseman
- Ginner
- Cooperative
- Merchant
- Manufacturer

Mission Statement

“To develop, maintain, and expand overseas markets for U.S. cotton fiber and manufactured cotton products.”

U.S. Cotton Exports as Percentage of Production

Source: National Cotton Council

U.S. Cotton Exports MY1994-2005 (August-July)

Source: National Cotton Council
CCI Program Objectives

Increase the volume and value of U.S. cotton and cotton product exports through activities that:

- influence the sourcing patterns of overseas spinners, manufacturers and retailers
- create consumer awareness and preference for U.S. cotton

Strategy

- Supply/Push
  - targets initial customers of U.S. cotton to help “push” cotton into the supply chain
- Demand/Pull
  - targets customers of products containing U.S. cotton to instill demand which “pulls” cotton through the supply chain
- Supply Chain Marketing (SCM)
  - connects Supply/Push and Demand/Pull to strengthen the links of the supply chain

Supply/Push

- “Push” U.S. cotton fiber and manufactured products into the textile supply chain
  - By instilling demand in spinners and manufacturers
    - Expand the flow of information about U.S. cotton
    - Enhance the image and reputation of U.S. cotton
  - Providing technical expertise and service to customers of U.S. cotton
  - Showcasing the economic advantages of sourcing U.S. cotton
  - Instilling demand further down supply chain for products made with U.S. cotton

Examples of Fiber Trade Servicing Activities

- Participation in trade fairs
- Sourcing Program for U.S. mills
- COTTON USA Orientation Tour
- COTTON USA Sourcing Summit
- COTTON USA Executive Delegations
- COTTON USA Seminars and Conferences
- COTTON USA Special Trade Missions to the U.S.

2006 Heimtextil Show Germany
CCI maximizes the distribution of contact and sales information to prospective customers in the target regions through:

- private sourcing fairs
- trade show sponsorships
- web site hosting
- internet searchable supplier lists

How can CCI increase the value of products made from a majority of U.S. Cotton?

→ By building demand among consumers for U.S. cotton-rich products…
→ who then seek these products from retailers…
→ retailers then specify U.S. cotton from manufactures…
→ who ask their spinner suppliers for products that contain U.S. cotton.

Examples of Demand/Pull Activities

- COTTON USA consumer advertising campaigns
- In-store retail promotions with key partners
- PR events and releases
- Cotton Day events
- Trade Communications campaigns
In-Store Promotions

Cotton Day Promotions

COTTON USA MARK

• CCI created the Mark as a consumers’ trustmark ensuring customers that the branded textile product they buy is made of quality U.S. grown cotton.

• The Mark can be placed on any quality 100% cotton garment, containing at least 50% U.S. cotton.

• The Mark provides retailers and brands a means of promoting their quality apparel and home furnishing products made with U.S. cotton.

COTTON USA Mark Licensing Program

• CCI created the licensing program to track the use of U.S. cotton by mills and manufacturers.

• Licensing serves as a pre-qualifier for mills to participate in COTTON USA activities.

• Identifies pre-qualified sources for COTTON USA Mark-labeled goods

Brand Equity Building

• Advertising-based initiative launched in 2005 to create stronger brand awareness and loyalty from consumers.

• Adds value to the COTTON USA Brand, and COTTON USA licensed products.

• Creates additional incentive for retailers to participate in COTTON USA promotional activities.
Brand Equity Building

Expected Results

- Higher COTTON USA Mark Awareness
- Higher COTTON USA consumer preference
- Increased number of partner brands/retailers
- Increased number of textile units labeled with the COTTON USA Mark
- Ultimately, increased demand for U.S. cotton throughout the supply chain

Worldwide COTTON USA Mark Awareness (Among Target Markets)

COTTON USA Program Facts 2005

- Licensees: 390
- Brands: 561
- Product Lines: 2,088
- Labeled Units: 127,091,000

Supply Chain Marketing (SCM)

- Serves as the bridge between the Supply/Push and Demand/Pull elements of CCI’s strategy.
- Links the segments of the supply chain to create a stronger pathway through which to pull U.S. cotton.
- Provides targeted, quality suppliers for buyers.
- Provides customers for COTTON USA licensed suppliers.
Foundation of SCM
Strategic Objectives

• Increase sales of cotton textile products made with U.S. cotton.
• Assist buyers in sourcing from quality suppliers.
• Offering spinners services to promote their continued use of U.S. cotton.
• Increase industry awareness and appreciation for the services offered by the U.S. cotton industry.
• Encourage positive changes in sourcing behavior throughout the trade.

Examples of SCM Activities

• Participation in trade and consumer events
• Hosting buyers tours
• Hosting mini conferences
• Travel to meet with U.S. suppliers

COTTON USA
Buyers’ Sourcing Tours

• Established protocol in Bangladesh; China; India; Mexico; Pakistan; Turkey
• Provides extensive new contacts in concentrated trip program
• Includes: country overview seminars; showroom visits; one-on-one meetings at private trade fairs; time for follow-up meetings

COTTON USA Network

• CCI’s ongoing personal contact with the world’s leading cotton spinners, weavers, knitters, and garment and home textile manufacturers gives CCI access to company profile information
• Profile data is being consolidated in a searchable, global sourcing database
• CCI’s database is a tool for matching buyers and sellers based on specific purchasing criteria

Generic Promotions

Threat from Man-Made Fibers

• The greatest threat to the cotton industry is the increasing use of MMF in mills.
• Through generic cotton promotions, CCI aims to increase the size of the pie (cotton consumption), and thus increase the size of the slice (U.S. cotton exports).
• CCI focuses its generic efforts on China and India, two large economies with growing middle-classes and increasing disposable income.
CCI continues generic cotton promotions, following on the successful results of the Cotton Gold Alliance (CGA).

Expected results include:
- Continued increase of preference for cotton over MMF
- Continued increase of cotton consumption per capita

COTTON USA in the USA
- To further increase sales of U.S. cotton, through increased consumer demand for products made with quality U.S. cotton, CCI has extended the COTTON USA Mark program to the western hemisphere.
- Joint effort between Cotton Incorporated and CCI, initiated in 2005
- In order for products sold in the U.S. to be licensed, product must be at least 95% cotton, of which 100% is U.S. grown cotton

Future Markets: A Growing Middle Class
10 Largest Growing Middle Class Populations by Developing Country

- In 2005, CCI and Cotton Incorporated joined forces to execute a generic cotton promotion program.
- China’s population of over 1.3 billion people coupled with the growing economy and middle class provides tremendous opportunity for increased cotton consumption.
- Expected results include:
  - Improved consumer attitudes toward cotton
  - Increased cotton consumption
  - Initial progress will be measured after the first year of implementation
Thank you