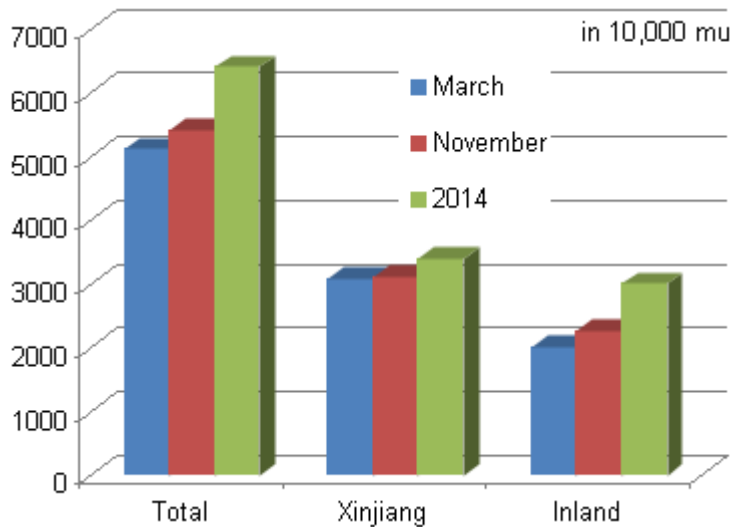


NCMMS: 2015 cotton planting to drop 20%

The nation-wide survey by NCMMS during March 1-15 reveals that, cotton producers intend to plant 51.187 mil mu in 2015, down 12.911 mil mu or 20.1% from 2014. This reflects another decrease of 5.6 points from our previous survey in last November. Based on March prospective planting survey, NCMMS pegs 2015 cotton production at 5.451 mil tons, down 17.7% from last year.

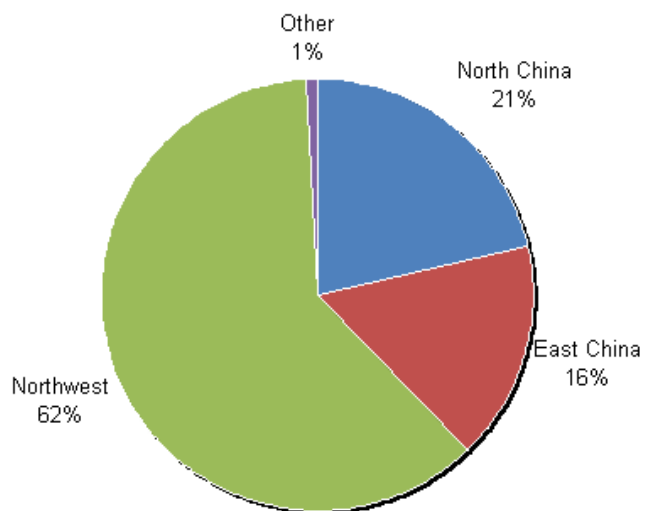


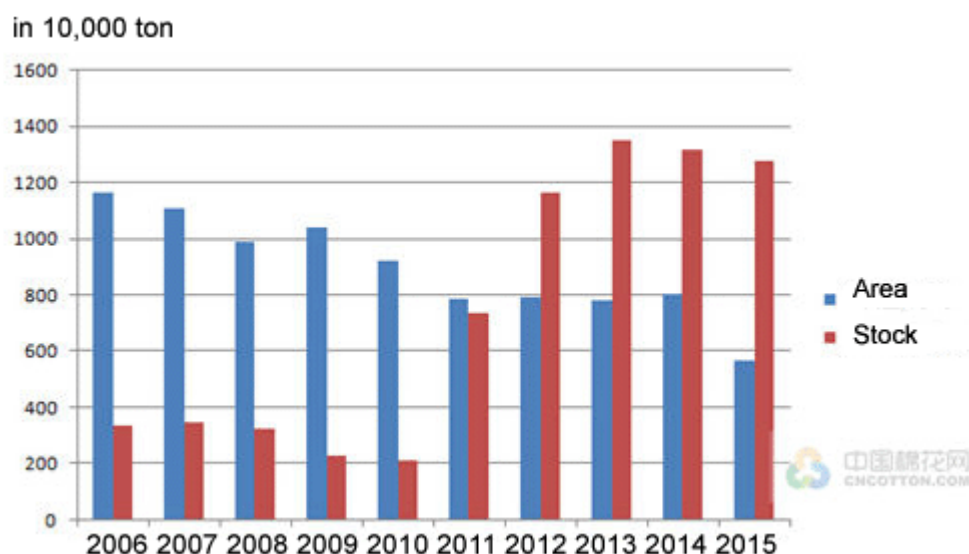
Xinjiang remains the biggest producer. According to the survey, the northwest region accounts for 62% of total planting and Xinjiang represents 60.4% of the total.

The east China provinces will see steeper losses in cotton acreage than other regions. Compared with the previous survey in last

November, planting intention in east China provinces contracted further with another reduction of 1.865 mil mu, which far exceeds the acreage loss in both north China and the northwest regions.

Planting intention falls 31.8% in north China to 10.911 mil mu, an expansion of 3.3 points from last survey. All provinces except Shanxi and Shaanxi reported a decrease around 30%. Areas in Henan, Shandong, Hebei and Tianjin plunged 36.7%, 32.7%, 31.8% and 29.5% respectively. Here is a detailed table of March survey





NCMMS planting intention survey

In 10,000 mu

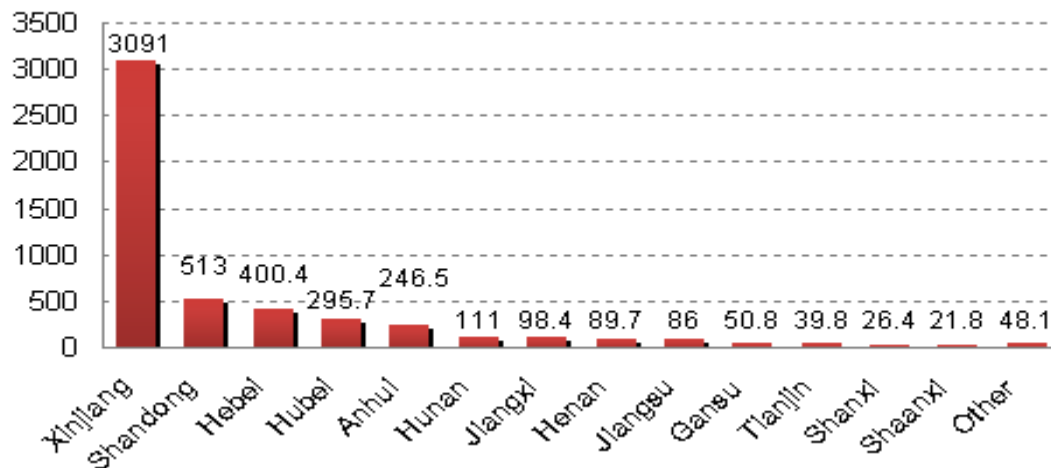
Region	Acreage			Change from Nov.
	March	YOY Chg.	November	
Total	5118.7	-20.10%	5408.9	-290.2
North China	1091.1	-31.80%	1143.3	-52.2
Shandong	513	-32.70%	506	7
Henan	89.7	-36.70%	122.3	-32.6
Hebei	400.4	-31.80%	424.3	-23.9
Shaanxi	21.8	-6.20%	22.8	-1
Shanxi	26.4	-11.30%	26.9	-0.5
Tianjin	39.8	-29.50%	41.1	-1.3
East China	837.6	-33.80%	1024.1	-186.5
Hubei	295.7	-42.30%	362.5	-66.8
Anhui	246.5	-20.80%	282.1	-35.6
Jiangsu	86	-40.90%	136.8	-50.8
Hunan	111	-35.70%	132.2	-21.2
Jiangsu	98.4	-20.70%	110.4	-12
Northwest	3141.9	-9.60%	3187	-45.1
Gansu	50.8	-37.00%	60.6	-9.8
Xinjiang	3091	-9.00%	3126.4	-35.4
Other	48.1	-28.80%	54.5	-6.4

Source: NCMMS March Survey

Cotton planting in east China totals 8.376 mil mu, down 33.8%, an expansion of 14.7 points from last survey. Both Hubei and Jiangsu reported a steep decline above 40%, down 42.3% and 40.9% respectively from last year. Plantings in Hunan, Anhui and Jiangsu are expected to drop 35.7%, 20.8% and 20.7% respectively.

Cotton acreage in the northwest region totals 31.419 mil mu, down 9.6% from a year ago. This also reflects an expansion of 3.6 points from last survey. Xinjiang planting intention drops 9.0% from 2014 and Gansu plunges 37.0%. Based on the most recent survey, NCMMS raised its estimate for 2014 Xinjiang cotton production to 4.309 mil tons.

in 10,000mu



Here is a detailed summary of cotton production for each province

http://www.cncotton.com/encotton/News/CottonNews/201503/t20150325_269924.html

There are four factors behind the steep drop in cotton area:

1. So far the 2015 target price for Xinjiang has not been announced, and Xinjiang local government actively reduces cotton acreage. Fears of a lower target price weighed on planting intention, and in the meantime, Xinjiang officially reduces cotton acreage by 4.665 mil mu in 2015.
2. Relatively lower cotton subsidy for inland provinces in 2014/15 discouraged inland growers, especially cotton farmers in east China, who have more choices in making decisions.
3. Cotton farming less attractive as migrant workers get a better pay in cities and towns. Rising payment for laborers prompted an increased number of inland workers in rural areas to find jobs in bigger cities and quit cotton or switch to other crops.
4. Higher prices for farming materials lead to higher planting cost. Our monitoring stations reported that prices for fertilizers, ground films and greenhouse films have all increased.

