

SUPIMA®

WORLD'S FINEST COTTONS



AMERICAN GROWN | SUPERIOR | RARE | AUTHENTIC

MARCH 2022

Supima's Inherent Value

In many ways, the concept of input materials over the years have often been considered as immutable things where they are consistent or they don't see prices rising. This was, and still continues today, to be an inherent perception within the textile industry in which leveraging the supply chain through cost mitigation practices is the standard operating procedure. However, the value of input materials are far more than just the perception of price and value based on low cost.

While the last two years have been filled with various complications, it is also reshaping and redefining many aspects of the industry. One of the most salient starting points is around the consumer marketplace in the USA. Textile products has been one category that has suffered a long history of deflationary effects, such that over the last 40 years consumers have maintained a similar budget, yet are now buying almost 3 times as many goods. This has had many negative effects such as a deterioration of the perception and understanding of value in the consumer space, the extensive offshoring of production, the exporting of domestic manufacturing capabilities and ultimately the devaluation of products as they are often perceived to be disposable. All of this now even comes with additional and contrarian sustainability narratives that are focused and driven around price and increased consumption.

While we have all seen the impacts of the challenges around the pandemic, supply chain disruptions, global conflict, and the effects on increasing prices, these are likely just the beginning. Industry models built around hyper-efficiency and oversized scale are no longer viable as the expectations and the norms of the past are no longer functional in the current business landscape. The industry is experiencing a rationalization around what value is and that will allow for more responsible conversations and delivery of equitable support and distribution of value back up through the supply chain.

In terms of the Supima market there has been price volatility over the last dozen years with lows down to around \$1/lb. to recent trading levels now exceeding \$3.50/lb. The dynamics and underlying supply and demand scenarios have varied over that time with increases and decreases in production. Production has decreased every year over the last four growing seasons from 840,000 bales to this last crop year's production of approximately 330,000 bales. However, a consistent factor that has continued to grow is the awareness and demand for SUPIMA® cotton along with an appreciation and understanding of the value for the cotton as the number of supply chain partners and licensed brands and retailers has continued to increase.

With climate change impacts and associated environmental challenges, these additional pressures add on to the traditional market influences. These can be seen with the challenges that face the growers on an annual basis in terms of determinations of how best to maintain their farms, find viability, while continuing to be the stewards of delivering fundamentally

continued on page 2



In This Edition

PAGE 1 & 2
Supima's Inherent Value

PAGE 2
The Supima Archives
Chapter II

Supima In The News

PAGE 3
L.L. Bean Makes the
Perfect Summer Tee
A Match Made in Luxury
By N. Peal
Weekly Export Summary

PAGE 4
Licensing Update

STAY CONNECTED



67TH SUPIMA ANNUAL MEETING

On Friday, April 22 from 10:00 - 11:00 a.m. MST/PDT, Supima will be hosting a virtual Annual Meeting to provide our grower members an update on the state of the market and the value of Supima cotton along with other organizational updates. While this is a different schedule than we have traditionally held, it is an important time under the current market and conditions to be able to provide some feedback and insight as to the ongoing market dynamics as well as an outlook to the year ahead.

Virtual registration is now open by emailing Nancy Boyd by Wednesday April 20 at nancy@supima.com. Instructions for the video conference call-in details will be provided after registration and prior to the call.

When: Friday, April 22nd
10:00 - 11:00 a.m. MST/PDT
Where: Video Conference Call
RSVP by Wednesday, April 20th

Supima's Inherent Value

continued from page 1

sustainable materials for a voracious market. As an example, the National Retail Federation just recently announced that retail sales last year set a new record exceeding \$4.5 trillion in sales in the U.S.A. alone. This record was set despite all the other reported market challenges that persisted during that time.

Looking ahead, the 2021/22 crop is almost sold-out and with current estimates of production in the industry looking to a possible 10-15% increase, overall supply will be less for the 2022/23 crop year as there will be no carry-over from the current crop year. Supply of SUPIMA® cotton will flow through to the committed brands and partners that have built programs upon other values than price alone. Unlike the last time that Cotton Outlook reported indicative market prices over \$3/lb., current price levels over \$3.5/lb. have had significant trading volumes and demand continues to remain robust across home and apparel categories.

This is a real opportunity for an industry reset to stand for and behind the value of Supima cotton that goes beyond simply the price and quotes. There is a broader industry responsibility to support the entire supply chain from the grower through to the brand/retailer to deliver to the consumer responsible products that are valued for their quality and authenticity. Today there is no value in giving value away and it is long overdue that the industry narrative around value only being focused on cheaper costs be reformulated to responsible frameworks that deliver meaningful value and impacts.

Marc A. Lewkowicz, President and C.E.O.

The Supima Archives, Chapter II



The Supima Archives is an ongoing series chronicling the storied history of American-grown Supima cotton and how it has come to be considered the world's finest cotton. Since its humble beginnings in 1902, Supima now counts over 300 family farms in the American West and Southwest and has over 550 licensees around the world.

SuPima® is Born

As word of American Pima cotton's unique characteristics spread across the West and Southwest, more acreage was dedicated to the growing of the extra-long staple cotton. The lore of its incredible strength piqued the interest of 4,000 farmers and industries alike. In 1954 a group of American Pima cotton farmers in El Paso, Texas looked to create an organization that would brand and market Pima cotton. Taking its trademark superior quality, together with a nod to the Arizona Pima Indians that discovered this new breed of cotton, the group combined the two words "Superior and Pima" to create the SuPima® brand and the Supima Association of America to help market and promote American-grown pima cotton.

Taking the Fashion Industry by Storm

Soon after its creation, the Supima Association of America looked to the fashion industry for growth and in 1955 opened the New York promotion office. Supima's key characteristics of strength, luster, silkiness and color retention were the perfect aesthetic for the budding designer fashion industry in America at the time. In 1956 Supima launched its first-ever consumer facing advertising campaign to promote Supima cotton. Supermodel, and Coco Chanel muse, Suzy Parker, stars in the ad campaign establishing Supima as America's luxury fiber.

Supima in the News



With brand partnerships at an all-time high, and an increased awareness from fashion and news editors, Supima continues to be a media darling for the month of February. Showcased in 40+ stories, from shopping and style guides to product previews and featured stories, Supima proved to be a key point of differentiation for many of the brands that use the American-grown, extra-long staple cotton throughout their collections. The digital onslaught saw Supima mentioned in leading publications including Vogue, Variety, USA Today, Yahoo News, Vogue UK, New York Times, Complex Magazine, Yahoo News, MSN, Home Textiles Today, Sourcing Journal, People Magazine, and Vogue India to name a few. All told, these outlets combined to delivery a staggering 905 billion (yes billion) unique monthly visitors.

Now that's what we call press coverage.



The Perfect Summer Tee

Just in time for spring, L.L. Bean introduces its soft-stretch striped Supima sleeveless tee. Exceptionally soft and flattering with just-right stretch, this striped sleeveless tee is one of the best-fitting, most versatile styles ever. The slightly fitted cut softly shapes the body, falling low at hip. Crafted with ribbed neckline and sleeve openings, this also features a rounded hem that's one-inch longer in the back. Made with a Supima cotton blend, this just might be the softest tee yet from the design team at L.L. Bean. So whether you're planning to wear it on its own during a warm summer day or layer for a cool evening by the lake, L.L. Bean delivers in spades with this must-have, Supima sleeveless tee.

Shop now at: www.llbean.com



A Match Made in Luxury

Founded in 1936 London, the N. Peal brand has been synonymous with designer fashion throughout the UK since opening his first store in London's Burlington Arcade. Hailed as the British King of Cashmere for his extensive use of the luxury fabric, Nat Peal developed close friendships with Hollywood icons and royalty that looked to the brand for its timeless style.

Continuing with its tradition of craftsmanship, N. Peal blends two of the world's most luxurious fibers for the ultimate collection of spring essentials. The combination of cashmere and American-grown Supima cotton gives these pieces a rich sumptuous hand, deep-lasting color, and unmatched fiber strength. From polo and crewneck tees to half-zip sweaters and bomber jackets, you'll find exactly what you need to update your spring wardrobe. The super lightweight fabric is soft on the skin and will keep you cool during those warmer days.

Shop the full collection of Cashmere / Supima blends at: us.npeal.com/collections/cotton-cashmere

Weekly Export Summary



March 17 – There were (12,300) bales in net new sales reported for the week versus (700) bales reported the previous week. Current registered export sales for the 2021/22 crop year now total 428,300 bales. This level of sales is 58.8% of the sales level at the same time last year when 727,900 bales in sales had already been

registered. Current shipments stand at 56.5% of last year with 264,700 bales shipped versus 468,100 bales shipped at the same time last year.

There were 12,400 bales in new purchases made this week from India (11,700), China (400), Turkey (200), and Malaysia (100).

There were no bales in destination changes this past week.

There were 100 bales in cancellations this past week from India (-100).

Export shipments this past week totaled 7,800 bales versus 22,500 bales the previous week. Shipments this past week went to Peru (2,900), India (2,800), Honduras (600), Turkey (400), Indonesia (300), Japan (300), Italy (200), Pakistan (200), and China (100).

The top five leading importers for the 2021/22 crop year are led by India with purchases of 183,800 bales. China, Peru, Pakistan, and Vietnam round out the top five with purchases of 73,800 bales, 55,500 bales, 19,600 bales, and 19,600 bales respectively. These five nations account for 82.3% of all the export-based purchases of American Pima made to date this year.

There were 1,300 bales in net new forward sales reported this week to India (900), and Japan (400). The current new crop sales totals stand at 15,000 bales and 0 bales respectively for the 2022/23 and 2023/24 years.



Supima is excited to introduce our newest group of licensees for the month of February. Supima continues to focus on expanding its network of manufacturers, brands and retailers in an effort to ensure that each and every product that carries the SUPIMA® label is sourced from a recognized supplier. With an all-time high of over 550 licensees across the global supply chain, interest in becoming a Supima partner continues to grow at an unprecedented rate.

- **Alpin Corap San. ve Tic. A.S. (Turkey)** – Sock Manufacturer
- **Danx (Vietnam) Industrial Co., Ltd. (Vietnam)** – Spinner, Yarn Trader
- **Dirty Laundry Limited (United Kingdom)** – Apparel Brand
- **Foshan Shunde Tianzhirun Knitting Co., Ltd. (China) - Manufacturer** – Knit Fabrics (Knitter)
- **Foshan Sanshui Tronfung Textile Ltd. (China)** – Yarn Trader
- **GSG Technology Development Co. Limited (Hong Kong)** – Apparel Manufacturer
- **Huamao (H.K.) Company Limited (Hong Kong)** – Yarn Trader
- **Hayleys Fabric PLC (Sri Lanka) - Manufacturer** – Knit Fabrics (Knitter)
- **Perfectex (Guangzhou) Textile Technology Co., Ltd. (China)** – Yarn Trader
- **Shundao (Vietnam) Industrial Co., Ltd. (Vietnam)** – Spinner
- **You Li International (Cambodia) Garments Co., Ltd. (Cambodia)** – Apparel Manufacturer
- **Zhejiang Zhuoyi Textile Technology Co., Ltd. (China)** – Spinner, Trader

All In the Family
**Licensing
Update**

SUPIMA®
WORLD'S FINEST COTTONS
GET LICENSED

BE SURE TO VISIT OUR SUPPLIER DIRECTORY FOR A FULL LIST OF LICENSED COMPANIES AT WWW.SUPIMA.COM/INDUSTRY-RESOURCES/SUPPLIERS

SUPIMA®

WORLD'S FINEST COTTONS

1710 W Ranch Rd, Ste 205
Tempe, AZ 85284

Return Service Requested

PRESORT
FIRST CLASS
U.S. POSTAGE PAID
PHOENIX, AZ
PERMIT No. 1662

IMPORTANT WEB LINKS FOR AMERICAN PIMA CROP INFORMATION

Supima offers a variety of reports for growers, manufacturers and retailers of American Pima cotton in the areas of specific product information, overall market data, and background research. The reports are updated frequently with the release of new data and are available for use by anyone interested.

USDA - AMS Pima Spot Price (Daily):

<http://bit.ly/AMSPimaDailySpot>

USDA - AMS Cotton Reports:

<http://bit.ly/AMSCottonReports>

USDA - NASS U.S. Production Estimates (Monthly):

<http://bit.ly/NASSCropProduction>

USDA - FAS Export Sales Report (Weekly):

<http://bit.ly/FASWeeklyExportSales>

Classing Reports:

By Office: <http://bit.ly/AMSPimaClassingOffice>

By State: <http://bit.ly/AMSPimaClassingState>

U.S. ELS Competitiveness Payment Report (Weekly):

<http://bit.ly/FSAELESCPPReport>