

Moving Forward in the "New Era" of Ocean Container Shipping : Opportunities and Challenges

US Cotton Perspective

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Topics

- **ACSA Overview**
- **Opportunities / Challenges Matrix**
- **Q&A**

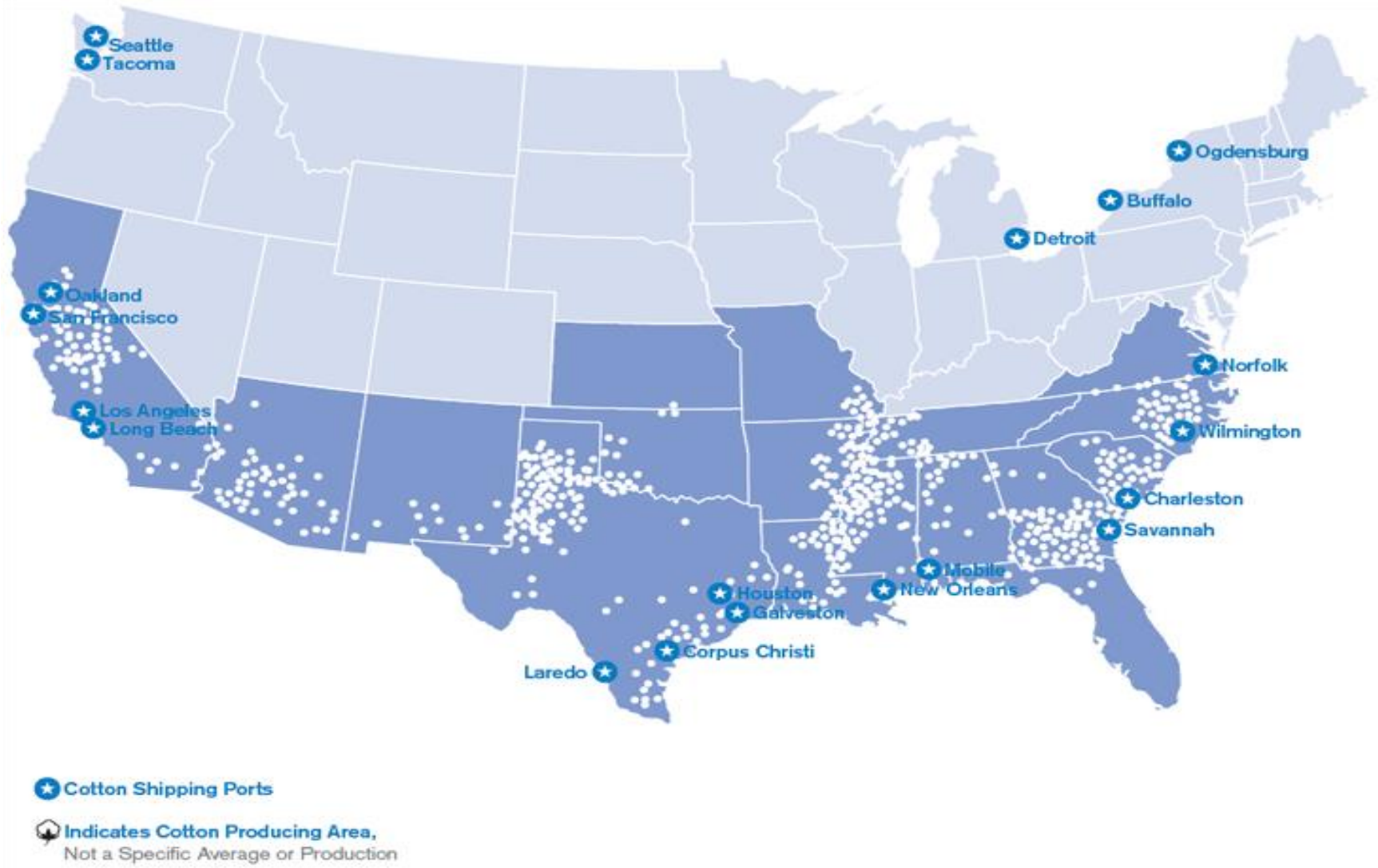


- **Mission:** Provide a united voice for U.S. Cotton Merchants, including:
 - Facilitate the prompt harvesting, processing, shipment and timely delivery of cotton to our mill customers
 - Provide an environment of fair trade through established rules and industry practices that encourage the favorable resolution of all disputes
- **Membership:**
 - **Four Federated Associations:** Atlantic, Southern, Texas and Western representing all growing regions.
 - **146 Members:** Merchants (34), Buyers (24) and Associate Members/Industry Stakeholders (88)
- **Scope:**

Members handle 80% of Upland and 85% of Pima exports

 - 2010-11 total exports were 14.5M bales
 - 2011-12 total exports were 11.9M bales
 - 2012-13 total exports were 13.1M bales
 - 2013-14 total exports were 10.5M bales
 - 2014-15 total exports **currently projected** at 9.7M bales

US Cotton Production Areas



What's Old is "New Again"

Cotton Industry:

- Sale contract shipment month(s)
- Buyer meets payment requirements (prepay/LC)
- High demand seasonality

Unclear Accountability:

- Available chassis
- Chassis location / return location
- "Damage" at destination

Ocean Carrier Industry:

- Available truck capacity
- Available equipment

Warehouses:

- Ready dates = inventory availability
- Loading capacity
- Accurate and timely load out information – mark, container and seal numbers

Ocean Carrier Industry: continued

- Sufficient "wind and water tight" containers
- Available vessel space
- Vessel schedule integrity
- Accurate and timely shipment information – mark, container and seal numbers
- Uniform and consistent standards for data and cargo cutoffs among consortium partners
- Cargo splits and rolls
- Documentation turn time & accuracy
- Freight invoicing accuracy
- Service center "migrations"

Trucking Community:

- Available driver capacity
- Pick up by warehouse ready date
- Accurate and timely shipment information – mark, container and seal numbers

Thank You

Industry stakeholders, please join us and continue the dialogue on key logistics and supply chain issues that impact US Cotton competitiveness:

South Texas Flow Meeting	Corpus Christi, TX	July 14, 2014
West Texas Flow Meeting	Lubbock, TX	September 10-12, 2014
ACSA Annual Convention	Santa Barbara, CA	May 13-15, 2015