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DOMESTIC CONSUMPTION OF COTTONSEED OIL EXPECTED TO INCREASE NEARLY 25 PERCENT THIS YEAR

CORDOVA, Tenn. – (July 8, 2009) – U.S. production and consumption of cottonseed oil are expected to significantly increase this year, despite fewer cotton acres and a lower supply of cottonseed, says a spokesperson from the cottonseed crushing industry. Cottonseed oil is a versatile, trans-free salad and frying oil for the restaurant and snack food manufacturing industries.

“Crushers are expected to produce 845 million pounds of oil in 2009-10, up from 730 million pounds in 2008-09 according to USDA analysts,” says Ben Morgan, executive director of the National Cottonseed Products Association (NCPA), Cordova, Tenn. “Additionally, domestic consumption is expected to reach 700 million pounds, a 25 percent increase from one year ago.”

For the second year in a row, more available cottonseed will be crushed for oil than fed to dairy cows as whole seed, upsetting a more than decade-long trend favoring cows, he adds.

“Cottonseed oil now comprises the largest portion of the total return from cottonseed to growers,” Morgan says. “Strong demand from the food industry sector has undeniably increased the value of cottonseed.”

Morgan further explains the shifting demand curve for cottonseed: “There is a certain maximum amount of dollars that can be made from either selling whole cottonseed and/or crushing cottonseed for its products. In a free market, that level is determined by supply and demand. In previous years, more profit could be made by selling a larger share of cottonseed as whole seed. However, current USDA estimates indicate more dollars can be made from crushing seed.”

Once viewed as a leftover of the cotton ginning process, cottonseed processing is increasingly being viewed as a viable revenue source over and above cotton fiber production, he adds.

“If the price of cottonseed oil can improve by one penny per pound, the added value to the cottonseed crop would exceed \$24 million in an average year,” Morgan says.

About the National Cottonseed Products Association

NCPA is the national trade association for the cottonseed processing industry. In addition to the U.S. cottonseed crushing industry, association membership includes refiners, who process cottonseed oil into semi-finished and finished products, dealers and brokers who market cottonseed products, and other firms that provide goods and services to the industry. For more information, visit HYPERLINK "http://www.cottonseed.com"[cottonseed.com](http://www.cottonseed.com) and HYPERLINK "http://www.cottonseedoiltour.com"[cottonseedoiltour.com](http://www.cottonseedoiltour.com).

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