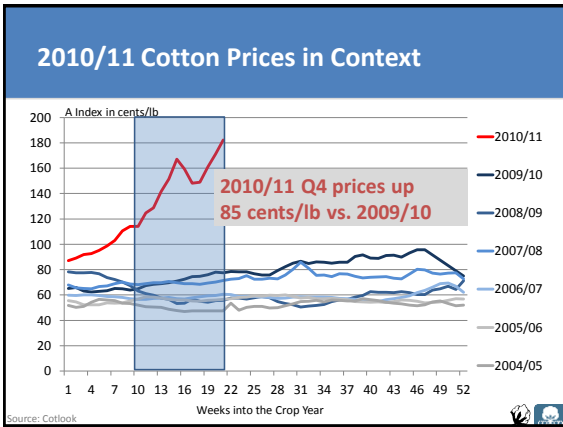


Pass-Through Analysis of Cotton Prices
 Jon Devine & Alejandro Plastina
 Cotton Incorporated & International Cotton Advisory Committee



Theoretical Pass-Through for Cotton

Product	Avg. Retail Weight (lbs)
T-shirt	0.40
Polo Shirt	0.52
Woven Shirt	0.42
Jeans	1.54

Sources: Cotton Incorporated Retail Monitor™ USDA ERS

Theoretical Pass-Through for Cotton

Product	Avg. Retail Weight (lbs)	Total Cotton Required (lbs)
T-shirt	0.40	0.41
Polo Shirt	0.52	0.54
Woven Shirt	0.42	0.50
Jeans	1.54	1.92

Sources: Cotton Incorporated Retail Monitor™ USDA ERS

Theoretical Pass-Through for Cotton

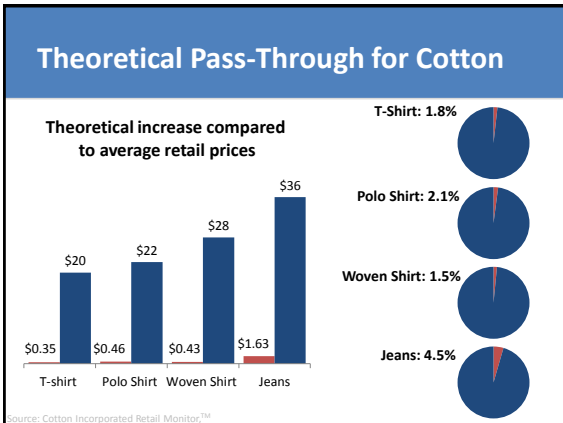
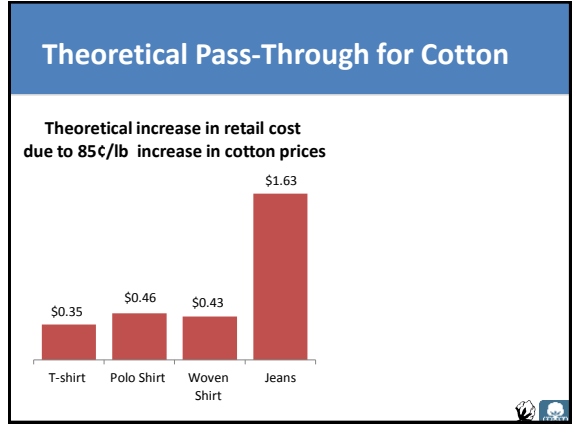
Product	Avg. Retail Weight (lbs)	Total Cotton Required (lbs)	
T-shirt	0.40	0.41	x 85¢/lb
Polo Shirt	0.52	0.54	x 85¢/lb
Woven Shirt	0.42	0.50	x 85¢/lb
Jeans	1.54	1.92	x 85¢/lb

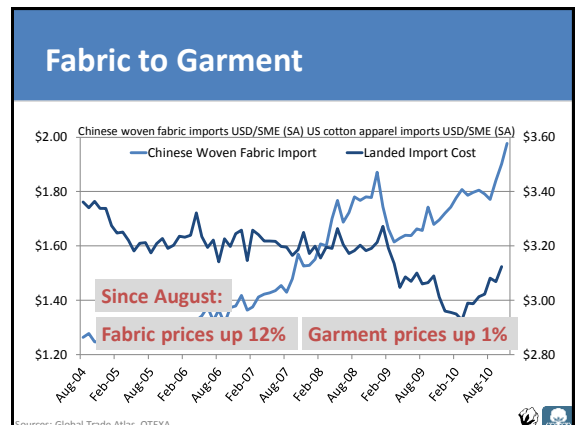
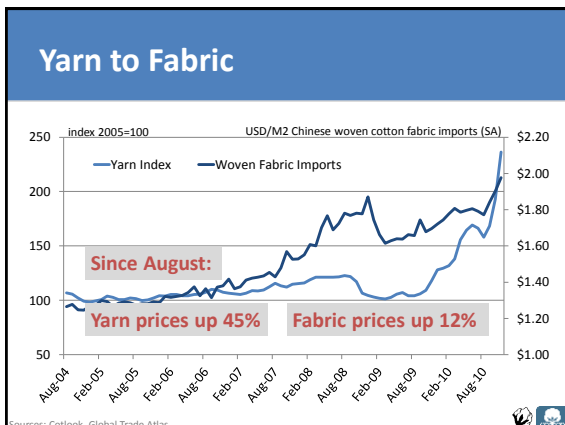
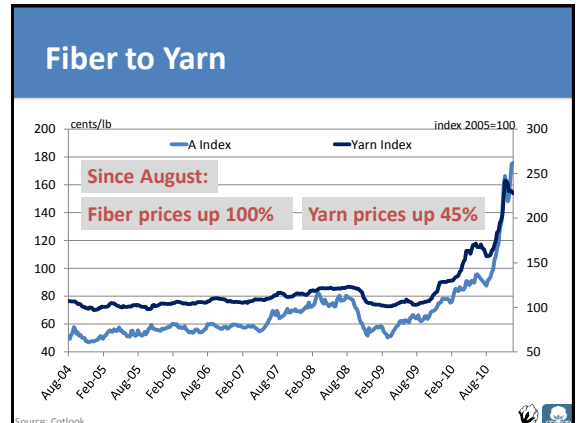
Sources: Cotton Incorporated Retail Monitor™ USDA ERS

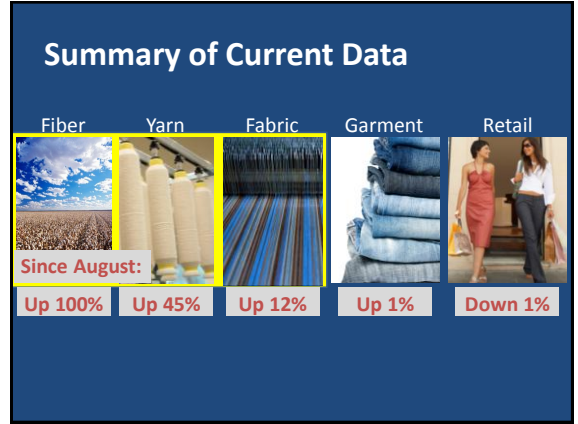
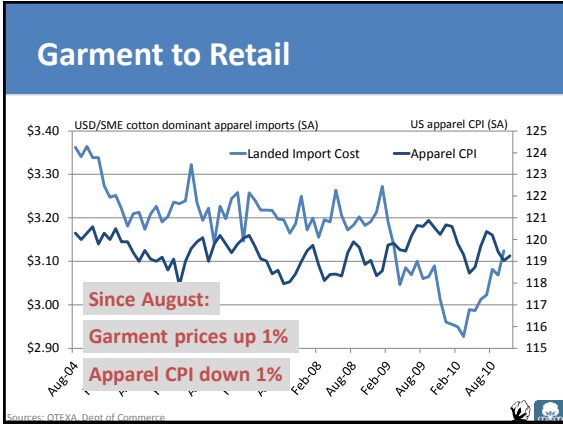
Theoretical Pass-Through for Cotton

Product	Avg. Retail Weight (lbs)	Total Cotton Required (lbs)	Theoretical Effect of 85¢/lb Increase
T-shirt	0.40	0.41	\$0.35
Polo Shirt	0.52	0.54	\$0.46
Woven Shirt	0.42	0.50	\$0.43
Jeans	1.54	1.92	\$1.63

Sources: Cotton Incorporated Retail Monitor™ USDA ERS





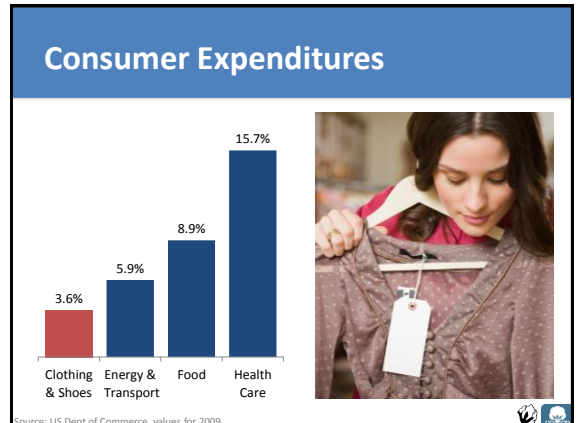


The Consumer

Will consumers accept higher prices?

- Economy improving
- Clothing is a fraction of overall spending

Source: ITC



The Consumer

Will consumers accept higher prices?

- Economy improving
- Clothing is a fraction of overall spending
- Other rising prices also threaten spending

Source: ITC

Pass-Through Analysis of Cotton Prices

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