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## U.S. COTTON'S CUSTOMERS TAKE ADVANTAGE OF RISK MANAGEMENT TRAINING SEMINARS IN SOUTHEAST ASIA

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U.S. cotton's key customers in Indonesia and Thailand learned how to use cotton futures and options to manage cotton price volatility at CCI's Cotton Price Protection and Risk Management seminars. Nearly 200 mill employees and shippers' representatives attended the programs in Indonesia and Thailand in June 2006, held by CCI in cooperation with the New York Board of Trade (NYBOT).

Expert speaker Judith Ganes-Chase presented a Cotton Futures & Options workshop that covered factors that influence option pricing, hedging choices and option strategies for textile mills. The program also featured a U.S. and world supply and demand forecast.

Post-event surveys confirm that CCI - NYBOT's seminars delivered the right information to the right people at the right time in Indonesia and Thailand.

Mills attending the seminars in Jakarta, Bandung and Bangkok annually consume 1.2 million U.S. bales of cotton, valued at \$299 million—representing some 60 percent of total U.S. cotton imports. Indonesia and Thailand imported a combined 1.9 million bales of U.S. cotton valued at \$0.5 billion in the 2004/05 crop year.



Survey results show that the majority of attendees believe the seminar was informative. Respondents believe the use of an options strategy to hedge risk could positively affect their bottom line, and many requested more information on the topic. Fewer than half of the seminar attendees have experienced more than basic training in futures and options, and those that have indicated that this seminar was "better" than seminars attended previously, including those sponsored by securities firms.

NYBOT contributed 35 percent of the activity's total budget. Additional funding came from CCI through USDA's Market Access Program. In-kind support was provided by API and Sekbertal in Indonesia, and the Thai Textile Manufacturers Association in Thailand.

