



## The Story of Cottonseed Oil: A supply/demand paradox

### What is Cottonseed Oil?

From Eli Whitney's 1794 invention of the cotton gin, which led the way to the introduction of Wesson Oil® in 1899 and eventually the launch of Crisco's® (short for crystallized cottonseed oil) Zero Grams Trans Fat per serving all-vegetable shortening made with cottonseed oil in 2004, Cottonseed Oil (CSO) has played a significant role in U.S. food history for two centuries.

CSO is a versatile vegetable oil derived from the seeds of the cotton plant after the cotton lint has been removed. Commonly used in frying applications for snack foods and baked goods, CSO does not require hydrogenation (the process that produces artificial *trans*) because of its inherent high stability.

CSO fits into all the various ways of creating a *trans*-free product, including high-stability liquids (cooking or salad), shortenings and spreads.

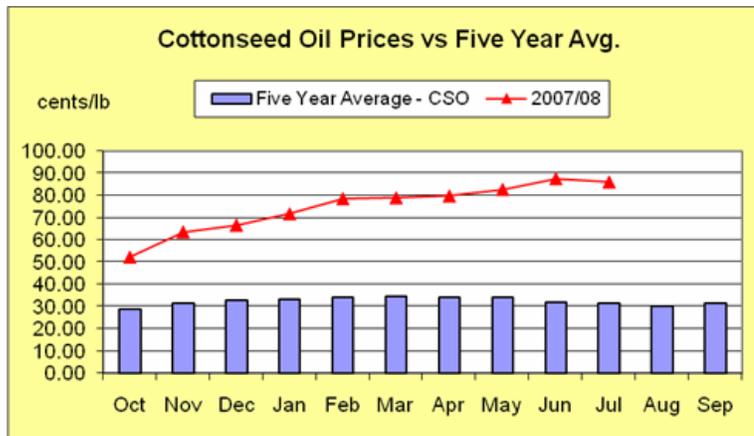
CSO is one of only a few oils that are stable in the beta-prime crystal form, which is desirable in most solidified products because it promotes a smooth, workable consistency usually referred to as plasticity – important in baking applications.

CSO boasts relatively high levels of tocopherols (Vitamin E), a natural antioxidant; is cholesterol free; and satisfies kosher quality restrictions.

### Cottonseed Oil Supply & Demand

- Cotton acreage has been cannibalized in recent years by corn and soybeans, a trend fueled in large part by the ethanol boom.
- Despite an anticipated 28 percent reduction in cotton production this year, the cottonseed crush will remain quite steady. This year's estimated 4.71 million tons of cottonseed combines with ballooning stocks to set the stage for a crush of 2.7 million tons, compared to last year's 2.76 million tons.
- While King Cotton may have been dethroned in the acreage arena, CSO has risen to be a major player in *trans*-fat-free food production. Ever since New York City announced in 2006 it would ban *trans* fats from restaurants, demand for CSO has doubled. For calendar year 2007, government data showed use of CSO for "Salad or Cooking Oils" reached 573 million pounds – a 47 percent increase from just three years ago. That growth is expected to continue with the recent ban in California and more to come.

- This demand has greatly impacted the cotton processing industry. For the first time in more than 10 years, more cottonseed will be crushed for oil than will be fed as whole cottonseed to dairy cattle. Historically, more cottonseed has gone into the dairy market. But today, the most lucrative market for cottonseed processors is CSO, with prices reaching 80 to 90 cents per pound, more than double the five-year average. Prices have recently settled at 50 to 60 cents per pound. A product that was once sold to help offset ginning costs is now being viewed as a viable revenue stream. It's not just about the fiber value per acre anymore.



### With all this demand, why isn't there more Cottonseed Oil available?

Despite historical demand, CSO supply is limited by the amount of cotton that is planted for fiber production, which is receiving heavy competition from other crops. Corn and soybeans have been replacing cotton acreage in recent years in response to a higher demand for biofuel production. However, increasingly the industry is viewing CSO as less of a byproduct of cotton fiber production, and more of a viable revenue stream on its own, adding value to each and every acre of cotton.

### What's new with Cottonseed Oil?

- October 2008 is **National Cotton Gin History Month**, a great time to share a story rooted in American agriculture and tied to the food industry's biggest trend (removal of *trans* fats).
- Traditionally consumed by the commercial food industry, cottonseed oil was introduced to consumers at Target Corporation just two weeks ago. The CSO brand Turkey Gold®, marketed by Bruce Foods, will be sold in the outdoor/patio department, where turkey frying equipment also can be found. CSO is preferred for deep-frying turkey, both because of its ability to withstand high-heat temperatures, and for its neutral flavor, which brings out the natural flavor of the bird. CSO also can be found at many sporting goods stores.
- Cottonseed oil is back on the culinary map. From coast to coast, America's original vegetable oil is working its way back into fryers and reformulated recipes that call for zero *trans* and great flavor. Visit [www.CottonseedOilTour.com](http://www.CottonseedOilTour.com) and you'll find a sampling of the top restaurants, food processors and bakeries nationwide that are putting CSO to work.

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