



INTERNATIONAL COTTON ADVISORY COMMITTEE
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From the Secretariat

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Record Chinese Imports Boost World Cotton Trade in 2011/12

Global cotton trade is expected to rise by 13% to 8.6 million tons in 2011/12, driven by record imports from China. Imports by the rest of the world are projected to fall by 18% to 4.2 million tons. China will account for 52% of global imports this season.

The surge in Chinese imports has reduced the amount of cotton available in the rest of the world this season. US exports are dropping by 21% to 2.5 million tons due to reduced supplies, but shipments from India, Brazil and Australia could reach record levels. As a result, while stocks in China are expected to more than double to 5 million tons in 2011/12, stocks in the rest of the world will increase at a more moderate rate of 14% to 8.1 million tons.

Cotton plantings for 2012/13 are now progressing in the northern hemisphere. World cotton area is expected to decrease by 7% to 33.6 million hectares in response to lower prices, improving attractiveness of grains and soybeans, and rising agricultural production costs. Based on average yields, world production could decline by 7% to 25.2 million tons. The decline in production will be driven by China, expected to produce a crop of 6.4 million tons or 13% lower than in 2011/12. Production is also expected to decline in India, Pakistan, Brazil and Turkey. U.S. production could rise by 11% to 3.8 million tons despite reduced plantings, assuming improved weather and lower abandonment than in 2011/12.

After two seasons of decline, global cotton mill use is projected to increase by 4% to 24.1 million tons in 2012/13, driven by improving economic growth and lower cotton prices. With global production exceeding global consumption again, global stocks are expected to continue increasing by 9% to 14.3 million tons, or 59% of world mill use. The projected accumulation of cotton stocks will weigh on international cotton prices in 2012/13, but the extent of this downward pressure will depend in large part on how the Chinese national reserve is handled.

WORLD COTTON SUPPLY AND DISTRIBUTION

	2010/11	2011/12	2012/13	2010/11	2011/12	2012/13
	Million Tons			Changes from April Million Tons		
Production	25.103	27.098	25.25	0.001	0.134	-0.22
Consumption	24.579	23.224	24.05	0.084	0.086	0.09
Imports	7.667	8.649	8.27	-0.031	0.285	-0.07
Exports	7.617	8.649	8.27	-0.030	0.285	-0.07
Ending Stocks	9.218	13.092	14.29	-0.084	-0.036	-0.34
Cotlook A Index*	1.64	1.05**				

* Season-average Cotlook A Index (U.S. \$ per pound).

** Average for the first nine months of the season (August 2011 to April 2012).

(Press releases are available via e-mail. For further information, please contact us at Publications@icac.org)

The International Cotton Advisory Committee is an association of governments of cotton producing and consuming countries. The Secretariat of the Committee publishes information related to world cotton production, supply, demand and prices, and provides technical information on cotton production technology. Detailed statistics are found bimonthly in COTTON: Review of the World Situation, \$185 per year. A monthly outlook is available on the Internet for \$295 per year. Access to the weekly estimates of world cotton supply and use by the Secretariat is also available on the Internet for \$460 per year.