

# The Global Outlook for Extra-Fine Cottons

Paper by Lawrence H. Shaw, Executive Director  
International Cotton Advisory Committee  
at the US Pima Industry Seminar  
La Jolla, California, USA  
February 23, 1996

It is a pleasure for me to be with you this morning to discuss the worldwide supply and demand outlook for what we at the ICAC call Extra-Fine Cotton. To make sure that we all are talking about the same thing, I think I should give you some background on why we use the term "Extra-Fine" to discuss the kind of cotton which is the focus of this meeting.

In 1988, in response to directives from our member countries to expand statistics on the quality of cotton, we began to publish estimates of the supply and demand for six different types of cotton. The types were delineated based on spinning requirements as extra-fine, fine, high medium, medium, coarse count and waste/padding. The extra-fine category was taken as those cottons which could be used in spinning extra-fine yarns, or yarns greater than 50 count. The other categories were similarly classified, going down to the waste/padding category which was generally considered to be unspinnable cotton.

Before the spinners in the audience began to take issue with the classification, I want to say that I recognize that spinners can do remarkable things such as spinning fibers from motes and making fine yarns out of medium or coarse count cotton, especially with the developments in modern spinning technology. The other criterion which we used in making our quality delineation was to select categories which were in common use in the cotton trade and that would have roughly similar values,

For years, the ICAC had conducted surveys on the production of cotton by staple length. With the exception of the longest category, that for staples 1 3/8" and longer, which had been known as "extra long staple" or ELS, these staple length categories were not accurate or useful. The cotton producing countries are like Lake Woebegone, places where the children and cotton staple lengths are always above average. Furthermore, it seemed to be impossible to attempt to make estimates of stocks, consumption and trade based on these staple length classifications. In the case of the ELS category, however, we were talking about essentially the same cotton. Therefore, when I say Extra-Fine, it's perfectly ok for you to think ELS.

Extra-Fine cottons today are produced in perhaps 15 countries. We make regular estimates for 10 of them and lump about 5 more in an "others" category. Egypt continues to be the largest producer, representing about half the total. The USA and India are second and third in size, each representing 15-18% of the world total. China, Israel, Peru, Sudan Tajikistan, Turkmenistan and Uzbekistan represent from 2 to 5% of world production. The other producers include Morocco, Yemen, Australia and a number of countries in the Caribbean.

A substantial amount of the Extra-Fine cotton which is produced is consumed in the producing countries, not necessarily to produce extra-fine yarns. In a year of good production, about 60% of production is consumed in the producing countries; in a small year, the portion which is consumed domestically can rise to 75%.

The supply of Extra-Fine cotton which is available to non-producing countries can be quite small and the relative importance of countries changes. Today, the USA is the largest supplier of Extra-Fine cotton to other countries, representing about 37% of the total. Egypt will supply about 11% of total exports this season, and perhaps as much as 16% next season. China, Israel, Sudan, Tajikistan and Uzbekistan are each likely to supply from 5 to 10% of exports.

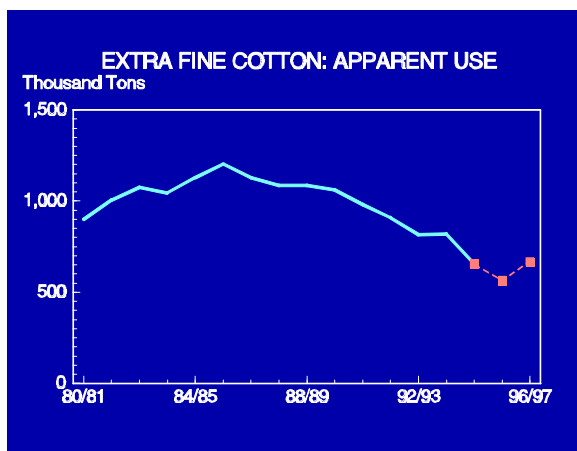
The outlook for Extra-Fine cotton, as for any particular type of cotton, is determined first by the basic generic demand and supply of cotton. In assessing the likely price developments for any type of cotton, we first assess

the overall cotton situation and then look at the specific details of the supply and demand situation in the type that will affect the price premium for that type.

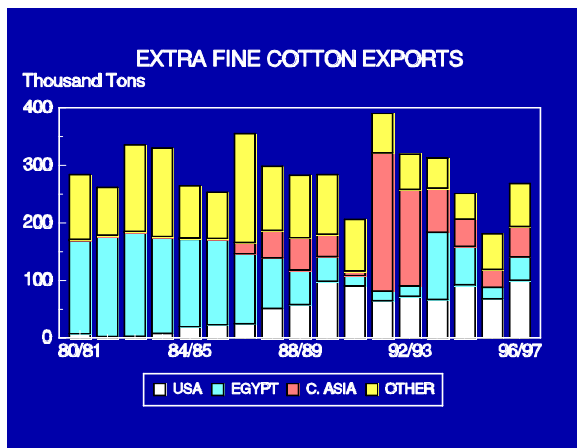
Thus, before focusing on Extra-Fine cotton, I think we should spend a couple of minutes on the overall situation. At ICAC, our member countries instructed us in 1991 to do all our calculations in metric tons to avoid the confusion which results from talking about bales, which might weigh 700 pounds on one country and as little as 175 pounds in another.

The charts which follow show measurements in tons. To convert them to 480 pound bales you need to multiply the scales by about 4.6.

World cotton consumption has been pretty flat over the last eight years.



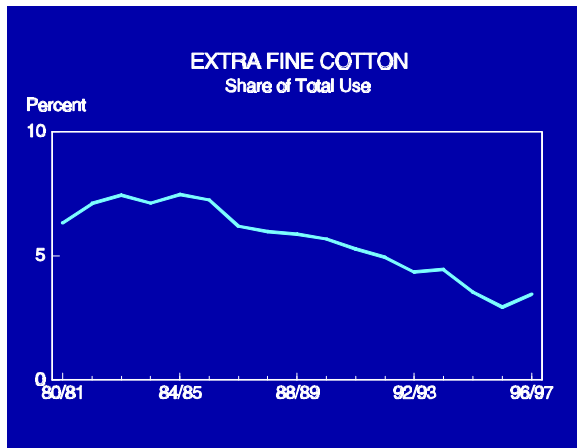
It would be a mistake to think that the demand for cotton is stabilizing at this level. The flatness in overall cotton demand from the mid-1980s to the present has been more the result of one-time political factors than any sort of economic development.



COMECON, the economic grouping of the USSR, Eastern Europe, Cuba, Vietnam and the Peoples Democratic Republic of Korea, was a major user of cotton prior to its dissolution in 1990. Between 1989/90 and 1994/95, cotton use in these countries with the breakup of the Soviet Union and the end of preferential trading arrangements for the other countries fell from 2.8 million tons to only 1 million tons. The figures sound even more impressive in bales, from 13 million bales to less than 5 million. We think the declines in economies of these countries are now essentially over.

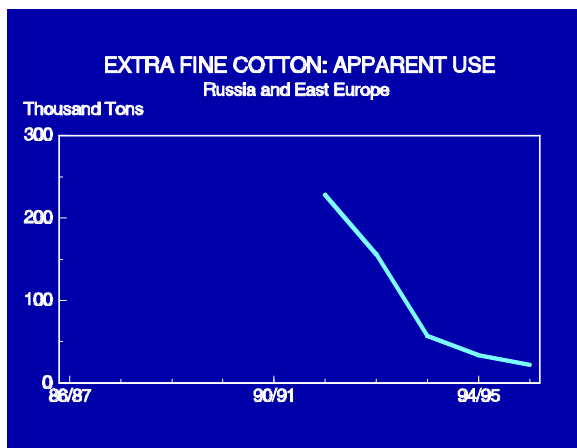
The second drag on world cotton consumption has been the lack of any growth in Chinese cotton consumption. In the period from 1978 up until the mid-1980s, Chinese cotton use grew by leaps and bounds as the textile industry was the engine of China's industrialization. However, there has been no change in Chinese cotton consumption in the last ten years as Chinese industry diversified. China remains an enigma, but it seems likely that Chinese cotton consumption will grow moderately in the next several years.

If we abstract from what has happened in the COMECON region and in China, we see that in other countries there has been steady growth in cotton consumption of more than 2% per year. It is this growth which is likely to continue in the next ten years and it will, based on current knowledge, not be offset by such economic cataclysms as the breakup of the USSR.

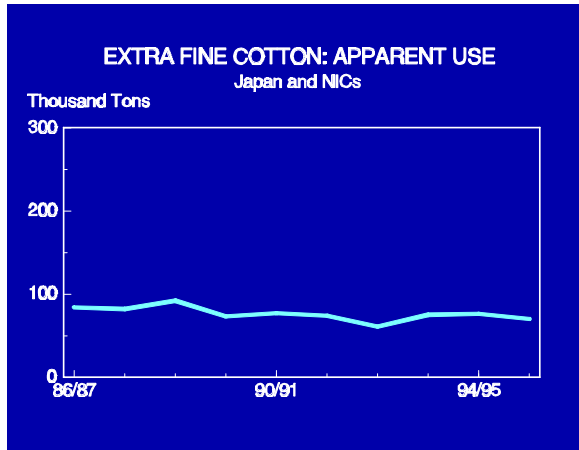


World cotton production peaked in 1991 at 20.7 million tons (that's 95 million 480 lb bales). It has been lower since, due primarily to production problems associated with insects in the major producing countries. Production was below consumption in both 1992 and 1993, about equal to consumption in 1994 and only about a half-million tons higher than consumption in 1995 (2 million bales).

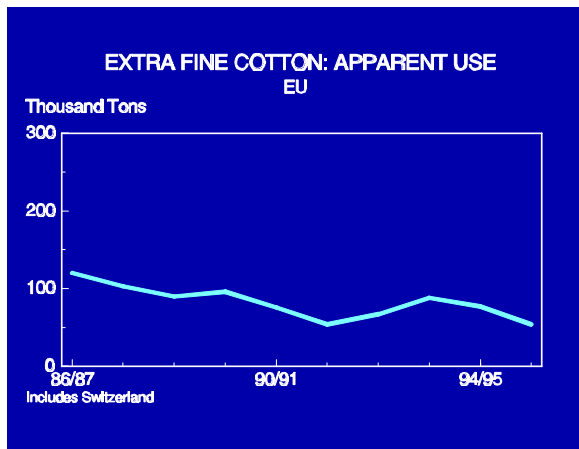
As a result, world cotton stocks declined in 1992 and 1993 and remain below the levels of 1991.



As a ratio to use, cotton stocks remain almost as low as they were at the end of the 1989/90 season, when prices rose to above average levels.



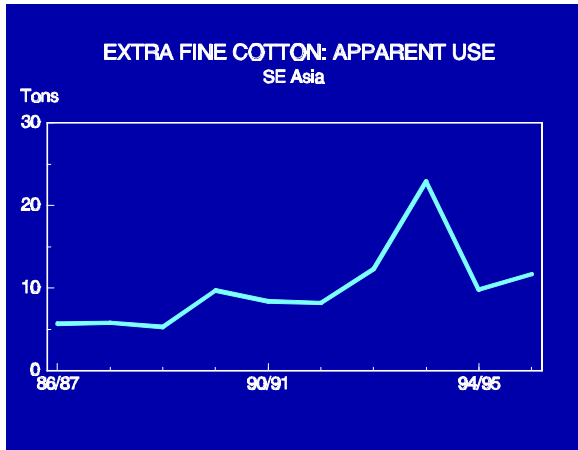
Based on stocks alone it should be no surprise that world cotton prices, as measured by the Cotlook A Index, rose to high levels last season and are remaining above average this season.



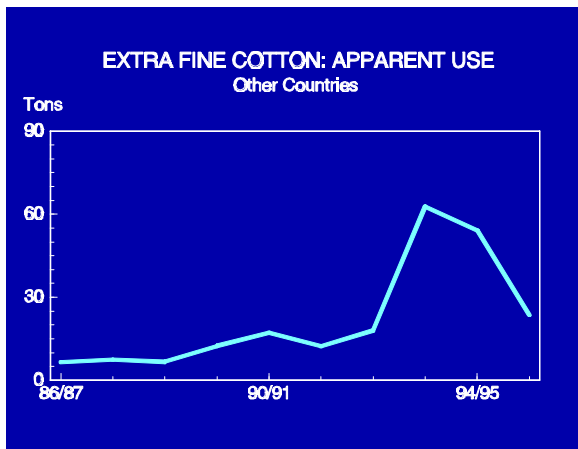
Also contributing to higher prices last season and in 1995/96 has been substantial cotton buying by China (Mainland). Most people in the trade find it hard to accept our numbers on Chinese production and consumption for the last two seasons, which show no need for large Chinese purchases. However, China does not work in the same way as business in the USA or Europe; government decisions there led to significant stock accumulation in the last two seasons. Eventually, these stocks will be considered adequate; in 1996/97, Chinese net imports are expected to drop sharply, contributing to a drop in the average Cotlook A Index from 87 cents to 75 cents.

Given this perspective of the total world cotton situation, what are the specifics of the Extra-Fine outlook?

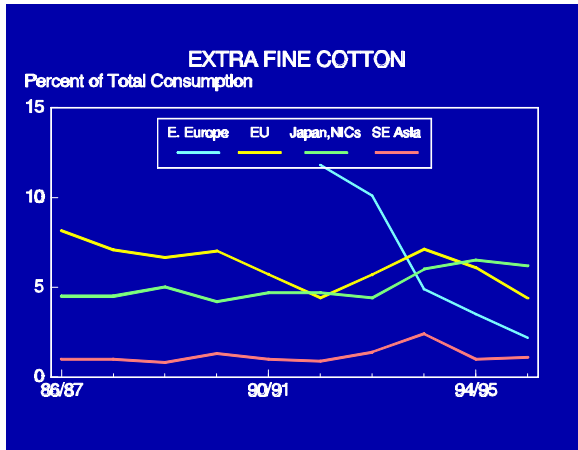
We do not have statistics on cotton use by type in all countries. To measure extra-fine cotton use we add together estimates of consumption of this cotton in the producing countries and their exports of extra-fine cotton. Our estimates of use can therefore be a little off, if an importing country builds or depletes stocks of extra-fine cotton. However, this error is probably rather small as it is an expensive proposition to hold stocks of extra-fine cotton.



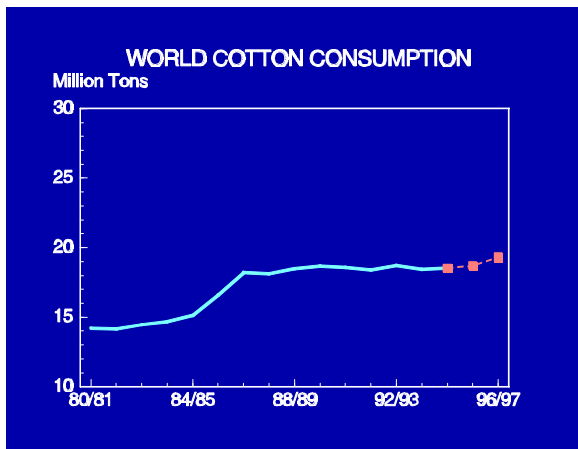
Extra-fine consumption has been affected by the same factors as total consumption. During the days of the Soviet Union, Eastern Europe and Russia were major users of extra-fine cotton. This demand fell sharply in the early 1990s, and, in the absence of new markets for the varieties grown, production of extra-fine cotton in Central Asia fell. We don't have figures on use in the COMECON region prior to 1991, but we know that imports from Central Asia of these types fell from 228,000 tons in 1991 to an estimated 22,000 tons this season.



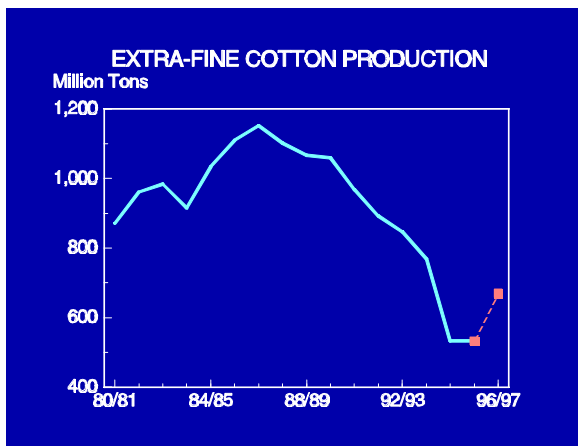
This kind of decline has been responsible for much of the total decline in the use of extra-fine cotton and probably 2 percentage points of the 3 to 4 percentage point decline in the share of extra-fine in total cotton use.

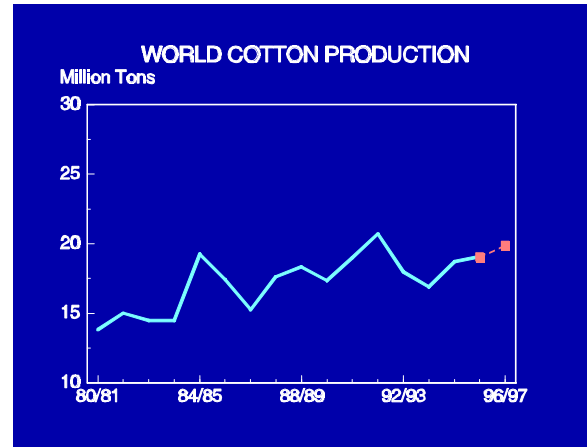


Extra-fine cotton use has declined from the levels of the mid-1980s in Europe and has remained quite stable in the traditional large markets in the Far East (Japan, Republic of Korea and Hong Kong).

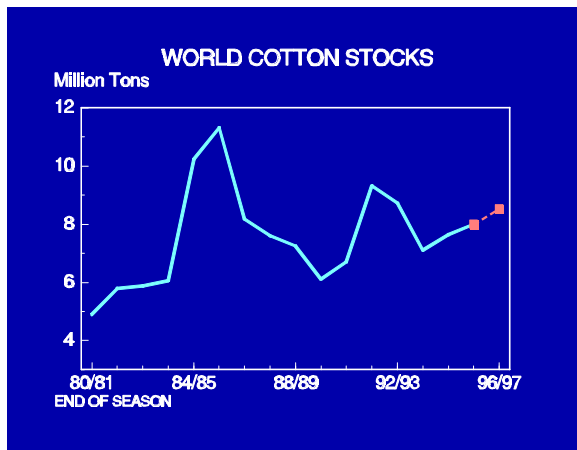


There has been growing use elsewhere in Southeast Asia. Note that this slide is has the same percentage range on the scale but is only one-tenth the amount shown on the previous charts.

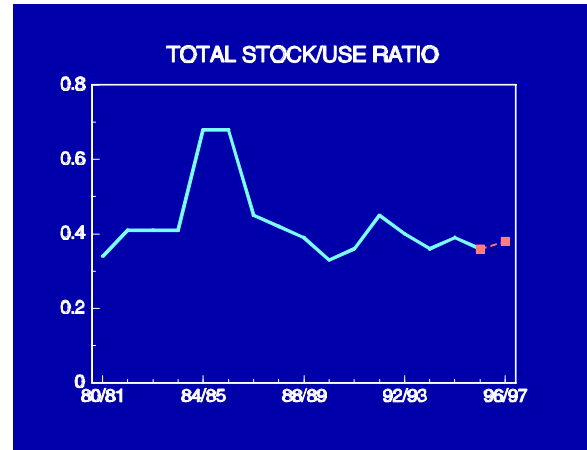
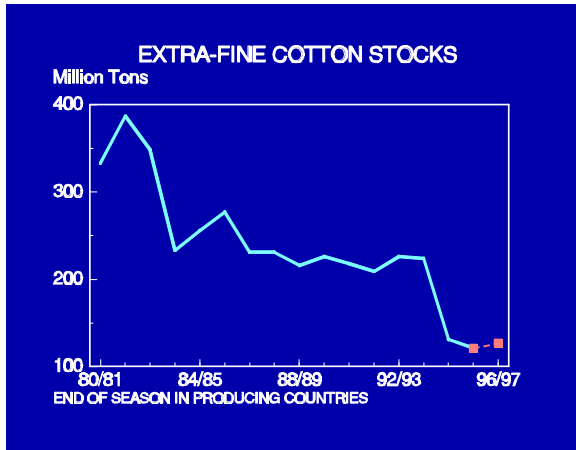




And in other countries,, including new buyers such as India and Bangladesh.



The textile mills in South India are developing a specialization in extra-fine yarns and India, which is also a producer, can be a significant buyer when its own supply is short, as it has been in recent seasons. However, India is not expected to be a buyer from other countries in 1996/97 assuming its production of extra-fine cotton rises by about 50%. New buyers were also influenced by the ability to purchase Egyptian cotton in 1993/94 at attractive prices relative to other types. Overall, if we abstract from the impact of declining use in Russia and Eastern Europe, the percentage of cotton use represented by extra-fine types seems rather stable.



There are many factors affecting extra-fine cotton production -- price, politics and weather. Egyptian production has declined, presumably as farmers have not been given the incentive to produce more cotton through higher revenues. Efforts are under way to liberalize the Egyptian cotton economy, but the process is slow due to the significant impact of the textile industry as an employer. What an academic may see as the right path may be rejected by a politician who knows the dynamics of the society. And in the meantime, little change in Egyptian production is anticipated.

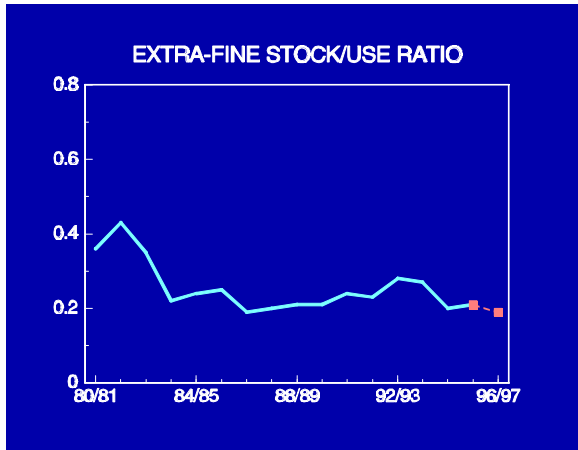
Production in Sudan and Peru has declined significantly in the last ten years due to non-economic factors. However Sudanese cotton production is now in the hands of the farmers and land tenure restrictions in Peru have been lifted. There is potential for significant increases in production in both countries in the future. Higher production is expected in 1996/97.

Producers in both Israel and the USA are affected by water costs and supplies, and, once total planting areas are determined, respond to relative crop prices to determine what is grown. It seems to take a ratio of extra-fine to upland prices greater than 1.3 to get much shift toward extra-fine production. The ratio has been too low to generate much interest in expanded production in the last two seasons. However, price incentives are now strong to switch to Pima types and a significant increase is expected in both countries in the coming season.

Production in Central Asia will depend on the market. Total production is expected to rise from around 50,000 tons in 1995/96 to 73,000 tons in 1996/97.

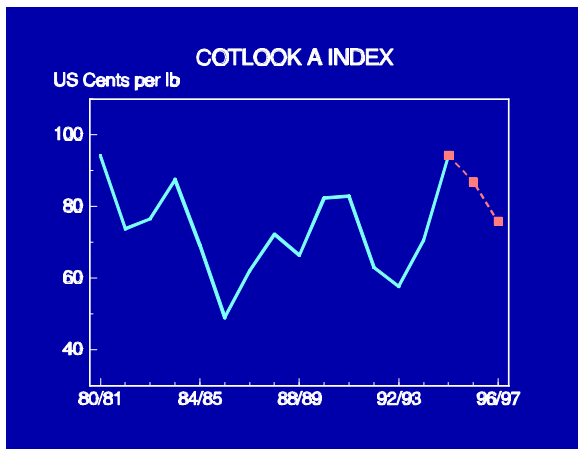
The declines in production in the last two seasons have brought stocks of extra-fine cotton to very low levels. Stocks have been so low that potential consumption has been limited. In 1995/96, exports of extra-fine cotton would have exceeded 250,000 tons had supplies been available, but it now appears that exports will total only 181,000 tons.



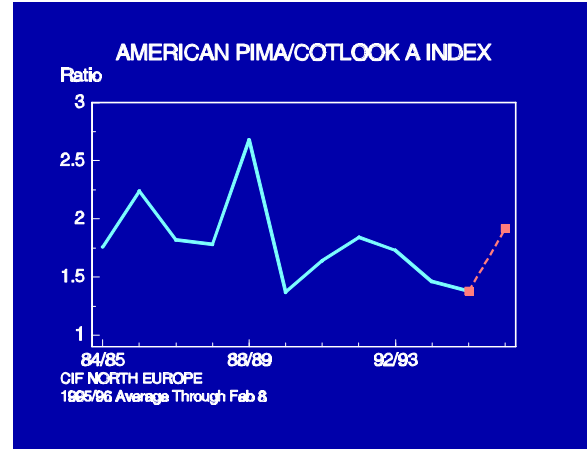
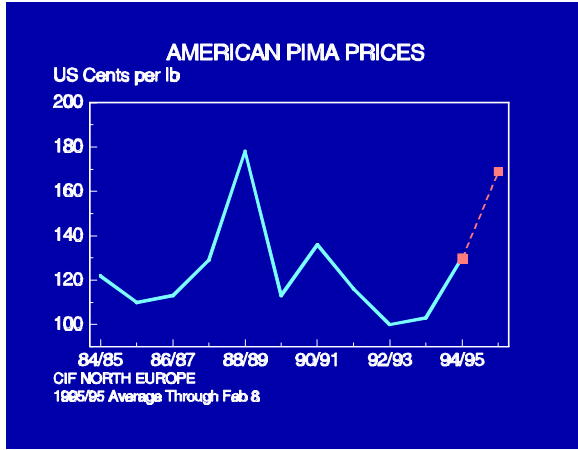


The increase in production expected in 1996/97 will permit satisfaction of the basic demand for extra-fine types. Consumption in the producing countries will rise a little and exports will likely increase to around 268,000 tons, 87,000 tons or nearly 50% more than in 1995/96.

The stock to use ratio for extra fine cotton will remain very low. And the premium for extra-fine cotton is likely to remain relatively high as it will not be pressured significantly by extra stocks.

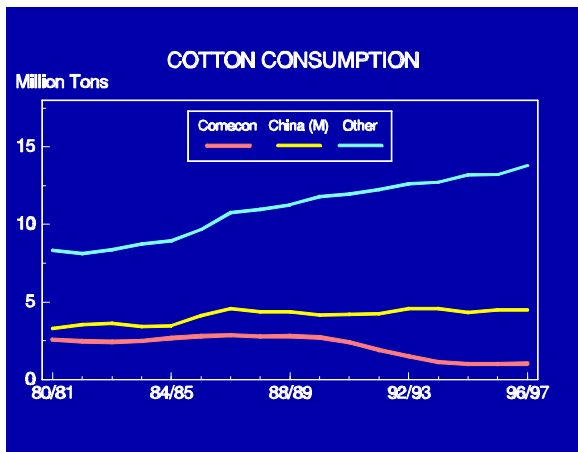


We use the quotes in Cotton Outlook for American Pima as an indicator price for extra-fine cottons. So far this season, American Pima prices have averaged around \$1.70 a pound. As a ratio to the Cotlook A Index, American Pima prices have averaged about 1.9 times the price of medium cottons. A price ratio of this magnitude is usually enough to elicit increased production and the easing of a tight stock situation.



However, given the basic demand for substantially more extra-fine cotton than has been available this season, the increases in production which now seen likely --a 26% jump -- are not expected to lead to much buildup in stocks. As a result price premiums for extra-fine cotton are expected to stay at the higher level of 1995/96 in 1996/97. Some easing of today's premium, which is around 2.2, could occur to get consumption back to the 1994/95 level.

Where will the increased supplies of extra-fine cotton come from? In 1980, Egypt was by far the major supplier, The USA became a major supplier in the late 1980s. Central Asia was a major source of supply in the early 1990s. In 1996/97, it seems as if the USA could, with sufficient expansion in production, supply 100,000 tons of extra-fine cotton to export markets, up from 68,000 tons in 1995/96. Egypt could supply perhaps twice as much as this season, 41,000 as opposed to 20,000 tons. Central Asia could make available nearly 50% more than in 1995/96, 72,000 tons. Other suppliers may make about 25% more extra-fine cotton available.



The figures have been a bit hot and heavy this morning. I hope they can form the basis for your thinking about the Extra-Fine Cotton Market. Tables are available in the written copy of my remarks and for those of you who are wired, the charts, tables and speech can be found on the Internet at <http://www.icac.org> under "Cotton Information."

# SUPPLY AND DISTRIBUTION OF COTTON

22 February 1996

Years Beginning August 1

|                             | 1991          | 1992          | 1993          | 1994<br>Est.  | 1995<br>Proj. | 1996<br>Proj. |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Million Metric Tons         |               |               |               |               |               |               |
| <b>BEGINNING STOCKS</b>     |               |               |               |               |               |               |
| <b>WORLD TOTAL</b>          | <b>6.712</b>  | <b>9.317</b>  | <b>8.727</b>  | <b>7.110</b>  | <b>7.64</b>   | <b>7.97</b>   |
| CHINA (MAINLAND)            | 1.589         | 3.243         | 3.001         | 2.163         | 3.01          | 3.38          |
| USA                         | 0.510         | 0.807         | 1.015         | 0.769         | 0.58          | 0.63          |
| NET EXPORTERS               | 3.142         | 4.060         | 3.996         | 3.383         | 3.14          | 3.05          |
| NET IMPORTERS 1/            | 3.571         | 5.256         | 4.732         | 3.727         | 4.49          | 4.92          |
| <b>PRODUCTION</b>           |               |               |               |               |               |               |
| <b>WORLD TOTAL</b>          | <b>20.697</b> | <b>17.979</b> | <b>16.888</b> | <b>18.694</b> | <b>19.06</b>  | <b>19.88</b>  |
| CHINA (MAINLAND)            | 5.672         | 4.508         | 3.739         | 4.341         | 4.35          | 4.10          |
| USA                         | 3.835         | 3.531         | 3.513         | 4.281         | 3.91          | 4.40          |
| INDIA                       | 2.053         | 2.380         | 2.095         | 2.361         | 2.35          | 2.46          |
| PAKISTAN                    | 2.180         | 1.539         | 1.368         | 1.478         | 1.73          | 1.80          |
| UZBEKISTAN                  | 1.443         | 1.306         | 1.358         | 1.254         | 1.24          | 1.20          |
| TURKEY                      | 0.561         | 0.574         | 0.602         | 0.628         | 0.84          | 0.79          |
| OTHERS                      | 4.953         | 4.141         | 4.213         | 4.350         | 4.63          | 5.14          |
| <b>CONSUMPTION</b>          |               |               |               |               |               |               |
| <b>WORLD TOTAL</b>          | <b>18.402</b> | <b>18.731</b> | <b>18.442</b> | <b>18.537</b> | <b>18.70</b>  | <b>19.30</b>  |
| CHINA (MAINLAND)            | 4.250         | 4.589         | 4.587         | 4.341         | 4.50          | 4.50          |
| USA                         | 2.093         | 2.232         | 2.268         | 2.438         | 2.25          | 2.55          |
| INDIA                       | 1.903         | 2.104         | 2.153         | 2.244         | 2.30          | 2.39          |
| EU & TURKEY                 | 1.764         | 1.795         | 1.902         | 2.056         | 2.09          | 2.11          |
| EAST ASIA                   | 2.508         | 2.365         | 2.296         | 2.219         | 2.21          | 2.20          |
| PAKISTAN                    | 1.434         | 1.514         | 1.510         | 1.578         | 1.61          | 1.66          |
| FORMER COMECON              | 1.910         | 1.521         | 1.133         | 1.005         | 1.01          | 1.04          |
| BRAZIL                      | 0.732         | 0.793         | 0.834         | 0.844         | 0.87          | 0.89          |
| OTHERS                      | 1.808         | 1.819         | 1.759         | 1.812         | 1.86          | 1.96          |
| <b>EXPORTS</b>              |               |               |               |               |               |               |
| <b>WORLD TOTAL</b>          | <b>6.102</b>  | <b>5.536</b>  | <b>5.897</b>  | <b>6.266</b>  | <b>6.22</b>   | <b>5.69</b>   |
| USA                         | 1.447         | 1.132         | 1.494         | 2.052         | 1.65          | 1.65          |
| UZBEKISTAN                  | 1.052         | 1.300         | 1.288         | 1.150         | 1.03          | 0.97          |
| FRANCOPHONE AFRICA          | 0.532         | 0.527         | 0.509         | 0.567         | 0.63          | 0.63          |
| AUSTRALIA                   | 0.459         | 0.371         | 0.367         | 0.285         | 0.31          | 0.34          |
| CHINA (MAINLAND)            | 0.131         | 0.149         | 0.166         | 0.040         | 0.08          | 0.05          |
| PAKISTAN                    | 0.448         | 0.256         | 0.069         | 0.032         | 0.30          | 0.07          |
| INDIA                       | 0.000         | 0.243         | 0.071         | 0.007         | 0.13          | 0.00          |
| <b>IMPORTS</b>              |               |               |               |               |               |               |
| <b>WORLD TOTAL</b>          | <b>6.312</b>  | <b>5.791</b>  | <b>5.772</b>  | <b>6.592</b>  | <b>6.20</b>   | <b>5.65</b>   |
| EAST ASIA                   | 2.484         | 2.245         | 2.225         | 2.131         | 2.23          | 2.16          |
| EU & TURKEY                 | 1.112         | 1.189         | 1.234         | 1.270         | 1.20          | 1.29          |
| FORMER COMECON              | 1.552         | 1.155         | 0.853         | 0.929         | 0.93          | 0.93          |
| CHINA (MAINLAND)            | 0.362         | 0.053         | 0.176         | 0.884         | 0.60          | 0.20          |
| SOUTH AMERICA               | 0.225         | 0.503         | 0.536         | 0.472         | 0.57          | 0.48          |
| <b>TRADE IMBALANCE 2/</b>   |               |               |               |               |               |               |
| <b>STOCKS ADJUSTMENT 3/</b> | <b>0.210</b>  | <b>0.256</b>  | <b>-0.125</b> | <b>0.327</b>  | <b>-0.02</b>  | <b>-0.04</b>  |
|                             | <b>0.100</b>  | <b>-0.092</b> | <b>0.062</b>  | <b>0.043</b>  | <b>-0.00</b>  | <b>-0.00</b>  |
| <b>ENDING STOCKS</b>        |               |               |               |               |               |               |
| <b>WORLD TOTAL</b>          | <b>9.317</b>  | <b>8.727</b>  | <b>7.110</b>  | <b>7.636</b>  | <b>7.97</b>   | <b>8.50</b>   |
| CHINA (MAINLAND)            | 3.243         | 3.001         | 2.163         | 3.007         | 3.38          | 3.13          |
| USA                         | 0.807         | 1.015         | 0.769         | 0.577         | 0.63          | 0.83          |
| NET EXPORTERS               | 4.060         | 3.996         | 3.383         | 3.143         | 3.05          | 3.70          |
| NET IMPORTERS 1/            | 5.256         | 4.732         | 3.727         | 4.492         | 4.92          | 4.81          |
| <b>ENDING STOCKS/USE 4/</b> |               |               |               |               |               |               |
| <b>COTLOOK A INDEX 5/</b>   | <b>63.05</b>  | <b>57.70</b>  | <b>70.60</b>  | <b>94.30</b>  | <b>87*</b>    | <b>76*</b>    |

1/ Includes Brazil, China (Mainland), Colombia, Mexico, Turkey and traditional importers except Greece

2/ The inclusion of linters and waste, changes in weight during transit, differences in reporting periods and measurement error account for differences between world imports and exports.

3/ Difference between calculated stocks and actual; amounts for forward seasons are anticipated

4/ World-less-China (Mainland) ending stocks minus China net exports, quantity divided by world-less-China consumption

5/ U.S. Cents per pound. Model results for 1995/96 and 1996/97 are based on net China (Mainland) trade, ratios of world-less-China (Mainland) ending stocks to use, barter sales from Central Asia, and futures prices. The estimate for 1994/95 is adjusted for quotes during June and July.

\*/ 95% confidence intervals extend 9 cents per pound above and below each point estimate

## SUPPLY OF EXTRA-FINE COTTON\*

### 22 February 1996

Years Beginning August 1

|                                | 1991                 | 1992          | 1993          | 1994          | 1995        | 1996        | 1997       |
|--------------------------------|----------------------|---------------|---------------|---------------|-------------|-------------|------------|
|                                |                      |               |               | Est.          | Proj.       | Proj.       | Proj       |
|                                | Thousand Metric Tons |               |               |               |             |             |            |
| <b>BEGINNING STOCKS*</b>       |                      |               |               |               |             |             |            |
| CHINA (MAINLAND)               | 36.0                 | 45.0          | 28.6          | 20.6          | 18          | 16          | 15         |
| EGYPT, ELS                     | 20.6                 | 14.6          | 47.0          | 65.4          | 4           | 2           | 5          |
| EGYPT, L. STPL.                | 21.0                 | 21.1          | 29.9          | 26.5          | 38          | 38          | 35         |
| INDIA                          | 58.8                 | 33.9          | 30.6          | 23.0          | 29          | 29          | 29         |
| ISRAEL                         | 7.7                  | 1.0           | 1.0           | 1.1           | 1           | 1           | 1          |
| PERU                           | 9.0                  | 7.2           | 4.7           | 3.3           | 1           | 4           | 8          |
| SUDAN                          | 19.5                 | 17.6          | 18.5          | 9.1           | 10          | 6           | 6          |
| TAJIKISTAN                     | 4.5                  | 9.2           | 6.5           | 9.9           | 6           | 6           | 6          |
| TURKMENISTAN                   | 8.3                  | 14.6          | 4.1           | 4.7           | 3           | 3           | 3          |
| UNITED STATES                  | 17.7                 | 26.3          | 44.9          | 49.5          | 13          | 8           | 10         |
| UZBEKISTAN                     | 7.3                  | 7.6           | 3.3           | 6.7           | 5           | 5           | 5          |
| OTHER PRODUCERS                | 7.6                  | 11.3          | 6.7           | 4.7           | 5           | 5           | 5          |
| <b>TOTAL</b>                   | <b>218.0</b>         | <b>209.4</b>  | <b>225.8</b>  | <b>224.5</b>  | <b>131</b>  | <b>121</b>  | <b>127</b> |
| <b>PRODUCTION</b>              |                      |               |               |               |             |             |            |
| CHINA (MAINLAND)               | 50.0                 | 14.7          | 28.3          | 30.0          | 32          | 35          |            |
| EGYPT, ELS                     | 89.8                 | 91.0          | 121.5         | 31.0          | 35          | 40          |            |
| EGYPT, L. STPL.                | 198.0                | 262.2         | 289.8         | 219.6         | 200         | 200         |            |
| INDIA                          | 140.8                | 151.3         | 109.9         | 88.0          | 82          | 120         |            |
| ISRAEL                         | 2.2                  | 4.7           | 5.4           | 4.9           | 7           | 15          |            |
| PERU                           | 17.5                 | 7.1           | 6.2           | 5.8           | 15          | 20          |            |
| SUDAN                          | 12.5                 | 17.0          | 7.1           | 14.7          | 21          | 30          |            |
| TAJIKISTAN                     | 58.5                 | 35.0          | 25.0          | 26.0          | 21          | 26          |            |
| TURKMENISTAN                   | 97.6                 | 60.0          | 25.0          | 5.0           | 9           | 13          |            |
| UNITED STATES                  | 86.7                 | 110.7         | 80.4          | 73.5          | 79          | 125         |            |
| UZBEKISTAN                     | 123.3                | 82.0          | 62.0          | 24.0          | 20          | 34          |            |
| OTHERS                         | 15.5                 | 10.8          | 9.4           | 10.3          | 12          | 13          |            |
| <b>TOTAL</b>                   | <b>892.4</b>         | <b>846.5</b>  | <b>769.9</b>  | <b>532.8</b>  | <b>533</b>  | <b>670</b>  |            |
| <b>CONSUMPTION*</b>            |                      |               |               |               |             |             |            |
| CHINA (MAINLAND)               | 26.0                 | 26.0          | 25.8          | 15.0          | 12          | 16          |            |
| EGYPT, ELS                     | 76.0                 | 36.2          | 54.2          | 67.3          | 17          | 17          |            |
| EGYPT, L. STPL.                | 186.9                | 244.6         | 217.0         | 166.4         | 200         | 183         |            |
| INDIA                          | 166.0                | 125.9         | 146.6         | 99.9          | 100         | 120         |            |
| ISRAEL                         | 0.3                  | 0.0           | 0.3           | 0.3           | 0           | 0           |            |
| PERU                           | 9.6                  | 8.5           | 9.8           | 10.9          | 12          | 13          |            |
| SUDAN                          | 3.5                  | 4.8           | 3.8           | 1.8           | 2           | 3           |            |
| TAJIKISTAN                     | 3.5                  | 4.7           | 5.0           | 5.3           | 5           | 5           |            |
| TURKMENISTAN                   | 7.3                  | 5.0           | 5.0           | 5.0           | 5           | 5           |            |
| UNITED STATES                  | 14.2                 | 13.1          | 15.7          | 22.2          | 17          | 23          |            |
| UZBEKISTAN                     | 16.9                 | 17.3          | 17.9          | 5.7           | 9           | 10          |            |
| OTHER PRODUCERS                | 8.8                  | 9.6           | 5.3           | 5.3           | 4           | 4           |            |
| <b>TOTAL</b>                   | <b>518.9</b>         | <b>495.7</b>  | <b>506.4</b>  | <b>405.1</b>  | <b>384</b>  | <b>400</b>  |            |
| <b>EXPORTS</b>                 |                      |               |               |               |             |             |            |
| CHINA (MAINLAND)               | 15.0                 | 5.0           | 12.0          | 20.0          | 24          | 22          |            |
| EGYPT, ELS                     | 8.9                  | 9.3           | 40.8          | 25.0          | 20          | 20          |            |
| EGYPT, L. STPL.                | 7.7                  | 8.7           | 76.2          | 42.0          | 0           | 21          |            |
| INDIA                          | 0.0                  | 29.8          | 0.0           | 0.0           | 0           | 0           |            |
| ISRAEL                         | 9.5                  | 5.7           | 5.0           | 5.0           | 7           | 15          |            |
| PERU                           | 9.7                  | 1.1           | 0.9           | 0.7           | 1           | 3           |            |
| SUDAN                          | 27.0                 | 11.3          | 26.0          | 12.6          | 22          | 27          |            |
| TAJIKISTAN                     | 50.3                 | 33.1          | 16.5          | 25.0          | 16          | 21          |            |
| TURKMENISTAN                   | 84.0                 | 65.5          | 19.4          | 2.2           | 4           | 8           |            |
| UNITED STATES                  | 64.9                 | 72.3          | 66.8          | 92.2          | 68          | 100         |            |
| UZBEKISTAN                     | 106.0                | 69.0          | 40.7          | 20.0          | 11          | 24          |            |
| OTHER PRODUCERS                | 7.0                  | 8.8           | 8.3           | 6.3           | 9           | 9           |            |
| <b>TOTAL</b>                   | <b>390.1</b>         | <b>319.7</b>  | <b>312.7</b>  | <b>251.0</b>  | <b>181</b>  | <b>268</b>  |            |
| <b>ENDSTOCKS/USE, EGYPT</b>    | <b>0.13</b>          | <b>0.26</b>   | <b>0.24</b>   | <b>0.14</b>   | <b>0.17</b> | <b>0.17</b> |            |
| <b>ENDSTOCKS/USE, USA</b>      | <b>0.33</b>          | <b>0.53</b>   | <b>0.60</b>   | <b>0.11</b>   | <b>0.10</b> | <b>0.08</b> |            |
| <b>ENDSTOCKS/USE, TOTAL</b>    | <b>0.23</b>          | <b>0.28</b>   | <b>0.27</b>   | <b>0.20</b>   | <b>0.21</b> | <b>0.19</b> |            |
| <b>COTLOOK QUOTE, AM. PIMA</b> | <b>115.84</b>        | <b>99.95</b>  | <b>103.16</b> | <b>130.37</b> | <b>169</b>  |             |            |
| <b>COTLOOK QUOTE, GIZA 75</b>  | <b>133.33</b>        | <b>103.39</b> | <b>91.38</b>  | <b>96</b>     |             |             |            |
| <b>RATIO: AM. PIMA/GIZA 75</b> | <b>0.87</b>          | <b>0.97</b>   | <b>1.13</b>   | <b>1.36</b>   |             |             |            |
| <b>RATIO: AM. PIMA/A INDEX</b> | <b>1.84</b>          | <b>1.73</b>   | <b>1.46</b>   | <b>1.38</b>   | <b>1.92</b> |             |            |

\* Producing countries only

1995/96 Cotlook quotes through 8 February

## EXTRA-FINE COTTON EXPORTS BY COUNTRY OF DESTINATION 1/

Years Beginning August 1

|                        | 1989          | 1990 | 1991  | 1992  | 1993 | 1994 | 1995 |      |
|------------------------|---------------|------|-------|-------|------|------|------|------|
|                        | Thousand Tons |      |       |       |      |      | Est. | Est. |
| ALBANIA                |               |      |       |       |      |      |      |      |
| ALGERIA                |               | 1.2  | 0.5   | 0.8   | 0.9  |      | 0.4  |      |
| ARGENTINA              | 0.4           | 0.2  | 0.2   | 0.3   | 0.1  | 0.1  |      |      |
| AUSTRIA                | 1.6           | 1.1  | 0.5   | 1.3   | 0.5  | 0.4  | 0.3  |      |
| BANGLADESH             | 3.4           | 6.0  | 5.1   | 5.7   | 8.8  | 8.9  | 3.2  |      |
| BELGIUM                | 4.1           | 2.1  | 1.9   | 1.4   | 1.0  | 1.5  | 0.9  |      |
| BRAZIL                 | 2.2           | 1.2  | 0.6   | 1.4   | 2.3  | 3.0  | 1.5  |      |
| BULGARIA               | 6.3           |      |       |       |      |      |      |      |
| CHILE                  | 0.3           | 0.1  | 0.2   |       | 0.2  | 0.2  | 0.0  |      |
| CHINA (MAINLAND)       | 4.5           | 0.6  |       |       | 1.4  | 2.7  | 0.9  |      |
| CHINA (TAIWAN)         | 2.3           | 2.8  | 1.5   | 4.6   | 7.9  | 8.2  | 5.2  |      |
| COLOMBIA               | 0.2           | 0.2  | 0.2   |       | 0.0  | 0.2  | 0.1  |      |
| COSTA RICA             | 0.9           | 1.0  |       |       |      |      |      |      |
| CUBA                   | 2.5           |      |       |       |      |      |      |      |
| CZECH REP. 2/          | 17.3          | 2.3  |       | 0.8   | 1.6  | 2.1  | 1.0  |      |
| FINLAND                | 0.1           |      |       |       |      | 0.1  | 0.0  |      |
| FRANCE                 | 2.2           | 0.4  | 1.0   | 1.8   | 2.2  | 1.5  | 0.8  |      |
| GERMANY, D.R.          | 4.8           |      |       |       |      |      |      |      |
| GERMANY 3/             | 31.2          | 23.8 | 17.6  | 17.1  | 26.7 | 18.3 | 13.8 |      |
| GREECE                 | 1.5           | 2.5  | 0.9   | 1.3   | 0.9  | 1.0  | 0.3  |      |
| HONG KONG              | 3.8           | 0.6  | 0.1   | 0.2   | 1.1  | 0.2  | 0.5  |      |
| HUNGARY                | 4.8           | 1.1  | 1.1   | 0.8   | 0.2  | 0.1  | 0.1  |      |
| INDIA                  |               |      | 0.3   |       | 29.1 | 17.7 | 4.0  |      |
| INDONESIA              | 1.2           | 3.3  | 3.2   | 5.5   | 13.4 | 6.1  | 8.0  |      |
| IRAQ                   | 0.5           |      |       |       |      |      |      |      |
| IRELAND                | 0.2           | 0.0  | 0.0   | 0.2   | 0.5  | 0.4  | 0.2  |      |
| ISRAEL                 |               |      |       |       |      |      |      |      |
| ITALY                  | 29.8          | 26.9 | 19.0  | 21.1  | 23.7 | 22.8 | 20.1 |      |
| JAPAN                  | 55.5          | 62.3 | 52.9  | 34.9  | 45.1 | 49.4 | 47.8 |      |
| KOREA, P.D.R.          | 2.7           |      |       |       |      |      |      |      |
| KOREA, REP.            | 11.3          | 11.8 | 19.6  | 19.9  | 23.4 | 18.5 | 16.2 |      |
| MEXICO                 | 0.0           |      | 0.2   | 0.2   | 0.0  |      |      |      |
| MOROCCO                | 0.9           | 0.0  | 0.1   |       | 0.3  | 0.2  |      |      |
| PAKISTAN               | 1.1           | 0.3  | 0.4   | 1.4   | 2.8  | 4.9  | 2.5  |      |
| POLAND                 | 6.0           | 1.2  | 0.9   | 3.5   | 1.3  | 0.9  | 0.8  |      |
| PORTUGAL               | 4.9           | 2.3  | 1.2   | 4.6   | 2.2  | 1.0  | 1.2  |      |
| ROMANIA                | 10.6          | 3.6  | 0.1   | 4.7   | 1.4  |      | 0.2  |      |
| RUSSIA                 |               |      | 219.0 | 141.8 | 49.6 | 30.4 | 19.9 |      |
| SOUTH AFRICA           | 0.3           | 0.2  | 0.2   |       | 0.1  |      | 0.0  |      |
| SPAIN                  | 3.0           | 3.8  | 1.3   | 0.6   | 2.4  | 2.6  | 1.1  |      |
| SRI LANKA              | 0.0           |      |       | 1.0   |      |      |      |      |
| SWITZERLAND            | 11.9          | 12.1 | 9.2   | 15.5  | 29.5 | 27.2 | 14.8 |      |
| THAILAND               | 7.3           | 5.1  | 5.0   | 5.7   | 9.0  | 3.6  | 3.7  |      |
| TURKEY                 | 0.9           | 0.8  | 1.8   | 2.4   | 10.6 | 4.5  | 2.3  |      |
| UNITED KINGDOM         | 1.1           | 0.9  | 1.1   | 0.8   | 0.7  | 0.2  | 0.3  |      |
| USSR                   | 10.2          | 5.9  |       |       |      |      |      |      |
| VENEZUALA              | 0.5           | 0.5  | 0.2   |       | 0.7  | 0.5  | 0.5  |      |
| VIETNAM                | 1.1           |      |       |       | 0.1  | 0.1  |      |      |
| FORMER YUGOSLAVIA      | 17.1          | 5.7  | 2.0   | 1.0   | 0.5  | 0.3  | 0.2  |      |
| OTHERS                 | 8.2           | 8.4  | 9.3   | 12.7  | 7.1  | 5.2  | 7.5  |      |
| UNKNOWN                | 3.0           | 3.9  | 11.7  | 4.5   | 3.7  | 6.1  | 1.3  |      |
| TOTAL                  | 284           | 206  | 390   | 320   | 313  | 251  | 181  |      |
| Former COMECON members | 83            | 20   | 228   | 156   | 57   | 35   | 23   |      |
| Rest-of-the-World      | 200           | 186  | 162   | 164   | 256  | 216  | 159  |      |

1/ Shipments reported by the United States, Egypt, the USSR, Sudan, Peru, India, Israel and Morocco. Shipments from China (Mainland), Central Asia and India are estimated

2/ CZECH & SLOVAK REPUBLIC prior to 1992/93

3/ Federal Republic of Germany prior to 1990/91