

Challenges Facing the Global Cotton Industry

INTERNATIONAL COTTON ADVISORY COMMITTEE

Washington, DC
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Natural vs. Manmade (not fiber)

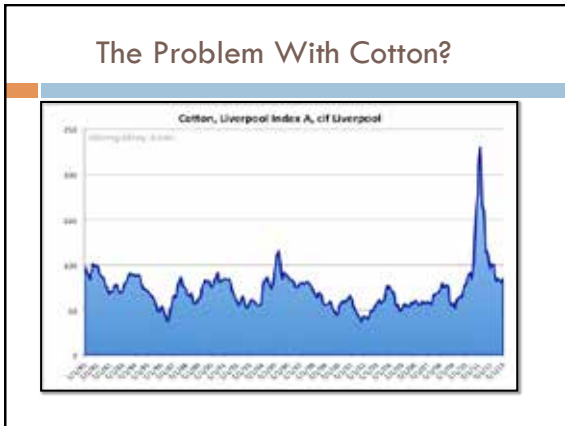
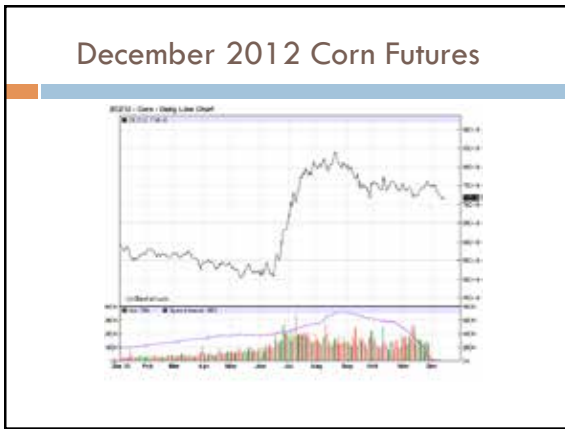
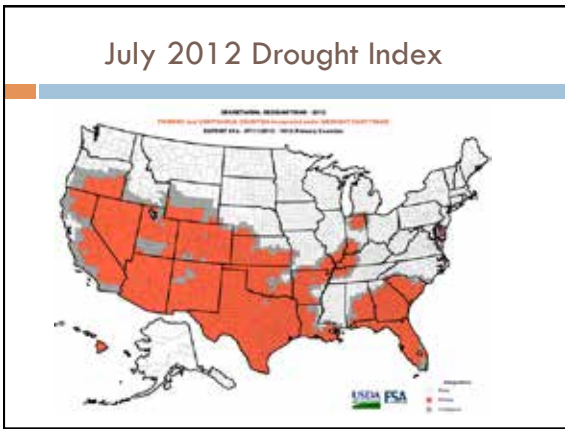
- There are two sources of Volatility in Commodity Price Discovery. Both have potential impacts but only one threatens the future of an industry.

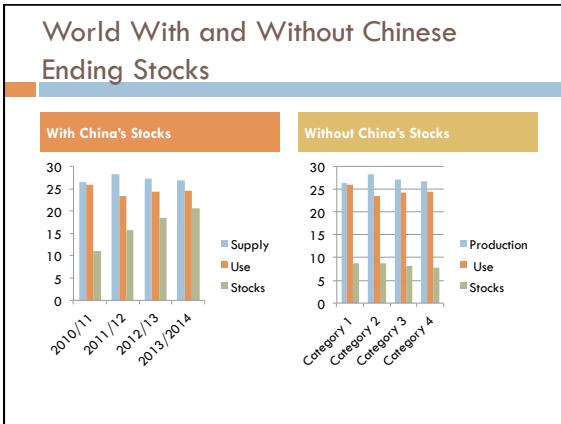
1-Natural or Normally Occurring Volatility

A. Not the Problem

2-Manmade Volatility

B. The Problem





Chinese Cotton Supply and Demand (in millions of tons)

Year	2010/11	2011/12	2012/13	2013/14
Production	6.93	7.52	7.72	7.5
Total Supply	11.7	14.8	16.6	19.8
Total Use	9.6	8.6	8.3	8.1
Ending Stocks	2.1	6.2	8.3	11.7
Stocks to Use Ratio	22.0 %	71.0 %	100.0 %	144.0%
Time Value of Available Stocks	81 days	259 days	365 days	526 days

