



INTERNATIONAL COTTON ADVISORY COMMITTEE

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From the Secretariat

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Global Cotton Trade Record High in 2005/06

International cotton trade is forecast at a record 8.4 million tons in 2005/06, accounting for 34% of projected world production. Imports by China (Mainland) are expected to account for 35% of world imports this season compared to 20% last season. Exports from many countries are projected to increase, because of demand from China (Mainland) and high stocks.

Cotton planted area is estimated at 35.4 million hectares in 2005/06, down only 1% from last season. Due to less favorable weather conditions, yields are expected to decrease by 4% and reach 705 kilograms per hectare. As a result, world production in 2005/06 is estimated at 25 million tons, down 5% from last season. However, due to very high beginning stocks, total supply for 2005/06 is forecast at 35.3 million tons, the largest in history.

Production in China (Mainland) is estimated at 5.77 million tons, down 9% from the record of last season. US production is estimated at 4.95 million tons, down only 2%. India is expected to experience an increase in production to an unprecedented 4.25 million tons (up 3% from 2004/05).

Global mill use is forecast up 3% to 24.2 million tons. Ending stocks are forecast to rise to 11.1 million tons by the end of this season, the highest in twenty years. Market fundamentals suggest that the Cotlook A Index will average 61 cents per pound in 2005/06, 9 cents above the previous average.

WORLD COTTON SUPPLY AND DISTRIBUTION

	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07
	Million Tons			Million Bales		
Production	26.25	25.0	25.1	120.6	115	115
Consumption	23.44	24.2	24.9	107.7	111	114
Exports	7.72	8.4	8.3	35.5	39	38
Ending Stocks	10.27	11.1	11.3	47.2	51	52
Cotlook A Index	52.2	61*	60*	52.2	61*	60*

- US cents per pound; the statistical estimates for 2005/06 and 2006/07 are based on current estimates of supply and use;
- 95% confidence intervals extend 12 cents per pound above and below the estimate.

(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 41 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, \$160 per year. A monthly outlook by fax is also available for \$300 per year or on the Internet for \$250 per year. Access to the weekly estimates of world cotton supply and use by the Secretariat is also available on the Internet for \$500 per year.