



INTERNATIONAL COTTON ADVISORY COMMITTEE

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From the Secretariat

ICAC Press Release, August 1, 2006

Lower cotton stocks and higher cotton prices expected in 2006/07

World cotton ending stocks are forecast at 9.8 million tons in 2006/07, down 1.2 million tons from 2005/06. Initial projections suggest an increase in the season-average Cotlook A Index in 2006/07.

World cotton production is forecast at 24.7 million tons in 2006/07, slightly lower than in 2005/06. World cotton mill use is expected to grow by 3% to a record 25.9 million tons in 2006/07. China (Mainland)'s textile industry will continue to drive world mill use, with Chinese consumption expected to reach a record 10.5 million tons in 2006/07, up 600,000 tons from 2005/06.

Chinese imports are expected to remain at a record 4.2 million tons in 2006/07, sustaining world cotton trade at 9.5 million tons. In 2006/07, India is expected to become the third largest cotton exporting country behind the United States and Uzbekistan. Indian cotton exports are forecast at over 800,000 tons in 2006/07.

WORLD COTTON SUPPLY AND DISTRIBUTION

	2004/05	2005/06	2006/07	2004/05	2005/06	2006/07
	Million Tons			Million Bales		
Production	26.30	24.8	24.7	120.8	114	113
Consumption	23.37	25.0	25.9	107.3	115	119
Exports	7.77	9.4	9.5	35.7	43	44
Ending Stocks	11.08	10.9	9.8	50.9	50	45
Cotlook A Index	52.2	56	64*	52.2	56	64*

* US cents per pound. The price estimate for 2006/07 is based on the year-to-year price differential projected by the ICAC Price Model.

(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, \$170 per year. A monthly outlook by fax is also available for \$315 per year or on the Internet for \$265 per year. Access to the weekly estimates of world cotton supply and use by the Secretariat is also available on the Internet for \$420 per year.