



INTERNATIONAL COTTON ADVISORY COMMITTEE

1629 K Street NW, Suite 702, Washington, DC 20006 USA

Telephone (202) 463-6660 • Fax (202) 463-6950 • email secretariat@icac.org

From the Secretariat

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World Cotton Production Slightly Up in 2006/07

2006/07 world cotton production is forecast at 24.9 million tons, up 1% from last season. Most cotton has been harvested in the northern hemisphere, where 2006/07 production is projected at 22.7 million tons, up 270,000 tons from last season. Cotton area in the southern hemisphere is expected to increase by 6% to 3.3 million hectares, but the average yield is forecast to decline by 9% to 647 kilograms per hectare. As a result, 2006/07 production in the southern hemisphere is projected at 2.2 million tons, down 3% from last season.

Driven by China (Mainland), world cotton consumption is forecast at 25.5 million tons in 2006/07, up 3% from last season. World cotton imports are projected at 9.0 million tons in 2006/07, down 5% from the record reached in 2005/06 due to a projected decline in imports by China (Mainland).

WORLD COTTON SUPPLY AND DISTRIBUTION

| | 2005/06 | 2006/07 | 2007/08 | 2005/06 | 2006/07 | 2007/08 |
|--------------------------|--------------|---------|---------|---------------|---------|---------|
| | Million Tons | | | Million Bales | | |
| Production | 24.66 | 24.9 | 25.1 | 113.3 | 114 | 115 |
| Consumption | 24.77 | 25.5 | 26.1 | 113.8 | 117 | 120 |
| Exports | 9.69 | 9.0 | 9.4 | 44.5 | 42 | 43 |
| Ending Stocks | 11.93 | 11.6 | 10.9 | 54.8 | 53 | 50 |
| Stocks Adjustment | 0.30 | 0.3 | 0.3 | 1.4 | 1 | 1 |
| Cotlook A Index* | 56.15 | 56* | 62* | 56.15 | 56* | 62* |

* Season-average Cotlook A Index (U.S. cents per pound). The price projections for 2006/07 and 2007/08 are obtained based on the year-to-year price differentials projected by the ICAC Price Model (based on annual variations in net China (Mainland) trade and world-less-China (Mainland) stocks-to-use ratio).

(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 42 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.