



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 Consumption Continuing Higher in 2006/07

World cotton consumption is expected to rise 3% in 2006/07, to 25.8 million tons, whereas production is forecast stable at 24.8 million tons. Therefore, world cotton stocks are expected to decline by 1 million tons to 9.9 million tons by the end of 2006/07. In the current season, 2005/06, world cotton production is estimated at 24.8 million tons, down 6% from 2004/05. World cotton consumption in 2005/06 is estimated at 24.9 million tons, about the same level as production.

World cotton exports are estimated at a record 9.3 million tons in 2005/06 driven by Chinese cotton demand. US exports are expected to reach a record 3.7 million tons, accounting for about 40% of world exports. The elimination of US Step 2 payments after July 31, 2006 is not expected to significantly affect US exports in the coming season, and 2006/07 US exports are forecast at about the same level as this season.

The 2005/06 Cotlook A Index is expected to average 56 cents per pound, up 4 cents from 2004/05. Market fundamentals suggest that international cotton prices will likely increase 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	26.29	24.8	24.8	120.8	114	114
Consumption	23.38	24.9	25.8	107.4	115	119
Exports	7.79	9.3	9.4	35.8	43	43
Ending Stocks	10.96	10.9	9.9	50.3	50	46
Cotlook A Index	52.2	56*	63*	52.2	56*	63*

* US cents per pound. NOT PRICE MODEL RESULTS.

(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.