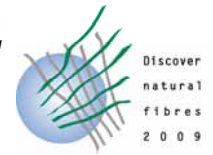




INTERNATIONAL COTTON ADVISORY COMMITTEE

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

Telephone +1-202-463-6660 • Fax +1-202-463-6950 • email secretariat@icac.org



From the Secretariat ICAC

Press Release, January 2, 2008

World Cotton Area Projected Stable in 2008/09

World cotton area is forecast at 34 million hectares in 2008/09, about the same as this season. Still, world cotton production is forecast at 26.9 million tons in 2008/09, up 5% from this season, due to an expected rise in yields. Global cotton mill use is projected at 27.5 million tons in 2008/09, only 1% higher than in 2007/08 but still exceeding production. As a result, a further decline in world cotton stocks is expected in 2008/09.

The Secretariat, using the ICAC Price Model 2007, forecasts a season-average Cotlook A Index of 67 cents per pound in 2007/08, 8 cents higher than in 2006/07. An expected significant decline in the stocks-to-mill use ratio in the World-less-China (Mainland) is pushing prices higher in 2007/08.

WORLD COTTON SUPPLY AND DISTRIBUTION

	2006/07	2007/08	2008/09	2006/07	2007/08	2008/09
	Million Tons			Million Bales		
Production	26.74	25.7	26.9	122.8	118	124
Consumption	26.64	27.2	27.5	122.4	125	126
Exports	8.12	8.9	8.7	37.3	41	40
Ending Stocks	12.70	11.2	10.7	58.3	52	49
Stocks Adjustment	-0.02	0.0	0.0	-0.1	0	0
Cotlook A Index*	59.15	67**		59.15	67**	

* Season-average Cotlook A Index (U.S. cents per pound).

** The price projection for 2007/08 is based on the ending stocks/mill use ratio in the world-less-China (Mainland) in 2005/06, 2006/07 (estimates) and 2007/08 (projection), and on the ending stocks/mill use ratio in China (Mainland) in 2005/06 and 2006/07 (estimates).

95% confidence interval based on current estimates of supply, use and stocks: 61 to 72 cents per pound.

(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 44 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, \$180 per year. A monthly outlook is available on the Internet for \$285 per year. Access to the weekly estimates of world cotton supply and use by the Secretariat is also available on the Internet for \$450 per year.