



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

ICAC Press Release, May 1, 2008

No Growth in World Cotton Mill Use and Production Expected in 2008/09

Global cotton mill use is expected to remain stable at 26.7 million tons in 2008/09. The main reasons for the stagnation in mill use are slower world economic growth and higher prices of cotton relative to polyester.

World cotton production is also projected essentially unchanged in 2008/09, at 26.2 million tons. A significant decline in production expected in the United States and Brazil could be offset by increases projected in Asia, West Africa and Australia.

World ending stocks are forecast down by 4% in 2008/09 to 11.4 million tons. Despite stagnant consumption, world imports are expected to increase by 6% to 8.6 million tons due to projected higher imports by China (Mainland).

The Secretariat, using the ICAC Price Model 2007, forecasts a season-average Cotlook A Index of 77 cents per pound in 2008/09, 4 cents higher than the average expected in 2007/08 (the 95% confidence interval is between 64 and 90 cents per pound).

WORLD COTTON SUPPLY AND DISTRIBUTION

	2006/07	2007/08	2008/09	2006/07	2007/08	2008/09
	Million Tons			Million Bales		
Production	26.67	26.18	26.2	122.5	120.2	120
Consumption	26.70	26.71	26.7	122.6	122.7	123
Exports	8.12	8.13	8.6	37.3	37.3	39
Ending Stocks	12.42	11.90	11.4	57.1	54.6	52
Stocks Adjustment	-0.02	0.0	0.0	-0.1	0.0	0
Cotlook A Index*	59.15	73**	77***	59.15	73**	77***

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

** The price projection for 2007/08 represents the Secretariat judgment, based on the average price for the first nine months and projected price variations during the rest of the season.

*** The price projection for 2008/09 is based on the ending stocks/consumption ratio in the world-less-China (Mainland) in 2006/07, in 2007/08 (estimate), and in 2008/09 (projection), and on the ending stocks/consumption ratio in China (Mainland) in 2006/07 and in 2007/08 (estimate). 95% confidence interval: 64 to 90 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.