



COTTON

Review of the World Situation

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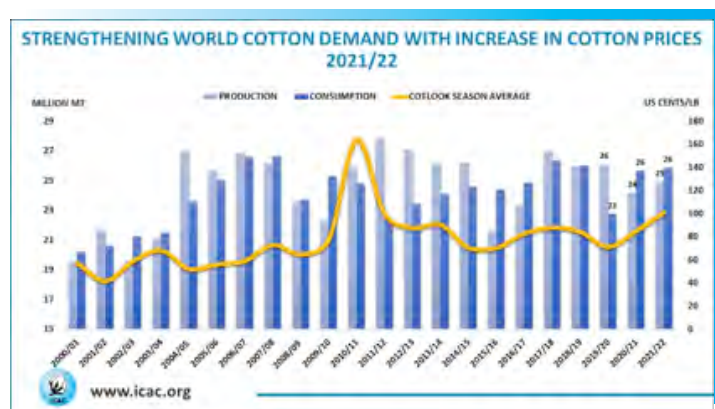
SUMMARY OF THE OUTLOOK FOR COTTON

Perfect mix for a bullish market: strengthening world cotton demand, expected imbalance in cotton supply and demand and tighter ending stocks.

The cotton market is riding on a number of bull variables, world cotton demand is showing signs of recovery and strength with world exports for 2021/22 being revised upwards to 10.2 million tonnes and world consumption revised upwards to 25.8 million tonnes.

Cotton prices have been trending upwards with the Cotlook A index opening high in the 2021/22 season (which started in August 2021) with the season average being 101.34 cents per lb. Cotton prices are also high in China, with the CC Index averaging at 126 cents/lb since the season began.

The opening of economies, activities and business has revived consumer demand for textiles and clothing. Although the spread of the Covid variants and uneven access to vaccinations in the world has kept the threat of the ongoing pandemic alive, consumption shows no signs of slowing. Retail sales are picking up, fueled by the untapped extra savings from last year, and the confidence of dealing with repercussions of the pandemic has kept the demand high.



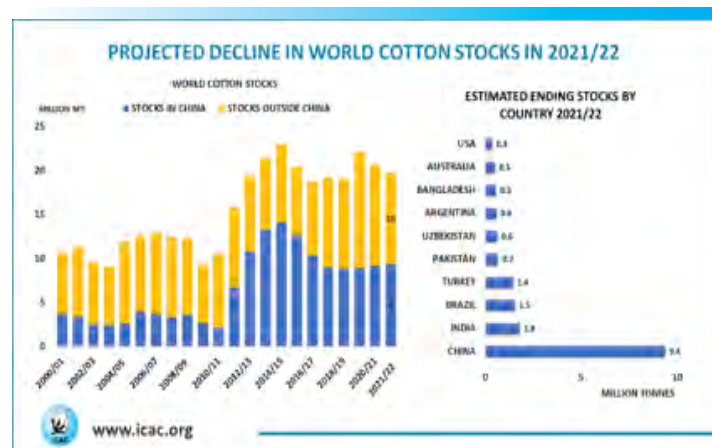
World cotton production for the 2021/22 season has been revised to 24.9 million tonnes, with area under cotton also revised to 32.8 million hectares, mostly because of the downward revisions in the US cotton production for 2021/22 season. The future expectation of lower world production fueled by lower estimates of cotton production by major cotton-producing countries like India, China, USA (compared to last month's revision) amongst others has boosted the prices for cotton even higher.

The expected imbalance in supply and demand, high market demand gaining power from the strong revival in consumption in the developed countries and the ongoing disruptions on the supply side with growing infections in cotton-consuming and textile-supplying countries like Bangladesh and Vietnam, have created a perfect mix for a bullish market.

To add to this, WTO's Goods Barometer — a composite leading indicator for world trade — had indicated a robust recovery and an accelerated pace of trade expansion, with a predicted 8% pickup in the volume of world merchandise trade in 2021.

Projected decline in world cotton stocks in 2021/22

Higher demand compared to production is expected to cause ending stocks to decline for the second year in a row to stand at 19.7 million tonnes, 5% lower than the previous season.



A fall in consumption in 2019/20 had increased the ending stocks by 16% to 22 million tonnes, highest in the last 5 years.

The stocks in China at the end of 21/22 season is currently estimated to be at 9.3 million tonnes, 1.5% higher than the 20/21 season. The stocks outside China — amounting to 56% of the global stocks — are currently estimated to drop by 9% to 10.3 million tonnes.

Price projections

The Secretariat's current price forecast of the season-average A index for 2021/22 ranges from 76 cents to 126 cents, with a midpoint at 98.20 cents per pound.



Review of the 2020/21 Cotton Season

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The previous cotton season saw the global economy undergo an unusual slowdown, due to pandemic-induced lockdowns, business closures, shipment and transport restrictions, in a way that was never experienced in the past. As containment measures remained across countries, uncertainties grew, effectively halting the global economy and decreasing global cotton consumption to 22.7 million tonnes. With supply chains fractured and consumption demand low, global cotton trade decreased to 9 million tonnes. This was the initial impact of the ongoing pandemic. The 2020/21 season felt the brunt of the pandemic as the reduction in planted area led to reduction in cotton production. However, starting March 2021, the roll out of vaccines helped mitigate the public health crises and assisted in global economic recovery. This recovery boosted consumer confidence and the slowdown in the spread of infections helped in revival of consumer demand for non-durable goods like clothing and textiles. Eventually, cotton demand revived, back-logs from the previous season and the fresh boost in demand, picked up trade by stronger-than-expected margin to a never-before-fathomed level of 10.3 million tonnes by the end of the season.

For the next cotton season, mounting concerns about the spread of Covid-19's Delta variant still poses a threat to the recovering cotton sector. While cotton consumption is showing a revival, the growing number of Covid cases may cause a slowdown in manufacturing industries' operations and retail sales.



Fall in Global Cotton Production in the 2020/21 season

Global production in 2019/20 season was 26.1 million tonnes, 1% higher than in the previous season. However, the 2020/21 season experienced the burn of the pandemic which, amongst other things, also negatively affected cotton demand. While countries varied in their ability to flatten the contagion curve and the fiscal space to mitigate the pandemic-associated recession, low prices and food security concerns led to less planted area

under cotton in some countries.

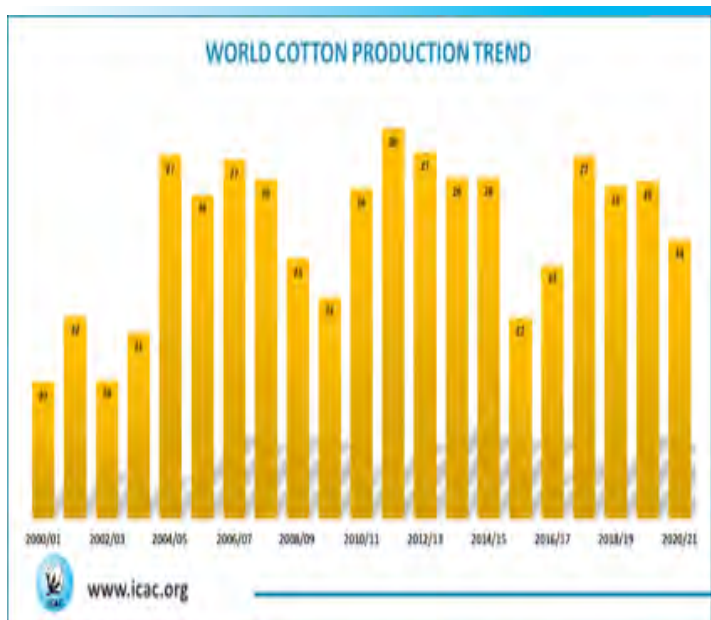


Until December 2020, production seemed to outpace consumption for the season. However, consumption estimates currently formed on the pace of recovery at the end of the 2020/21 season showed a refreshing recovery, whereas the 2020/21 season saw cotton production fall by 7% to 24.2 million tonnes, with double digit decreases in crop size reported from the United States, Brazil, Pakistan, West Africa and Turkey.

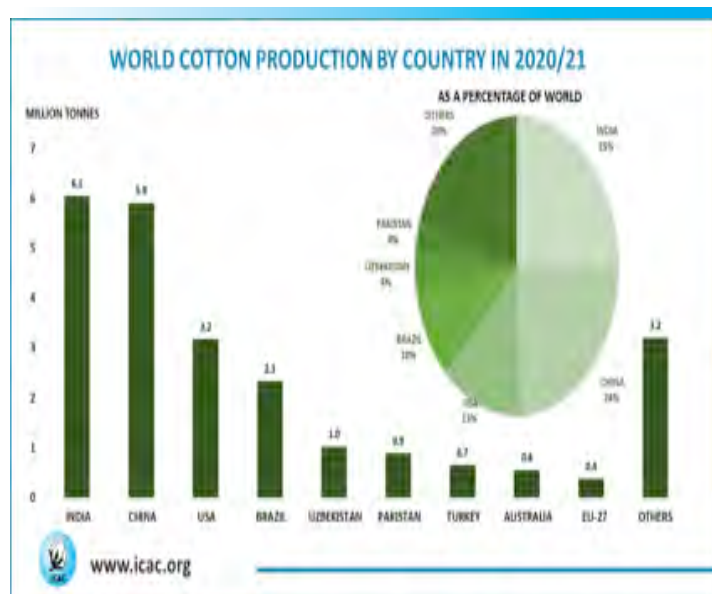


Pakistan's cotton production declined by 33% compared to the previous season to 890,000 tonnes, lowest in more than 35 years with a 21% reduction in the harvested area. Whilst a reduction in planted area as farmers turned to food crops early in the season, yield losses due to monsoons in Sindh and pest attacks in Punjab further reduced the crop. With domestic consumption expected at about 2.2 million tonnes, imports are expected to increase to meet the supply gap. West Africa witnessed production and area reductions of 20% and 22% respectively. Turkey's production dropped by 19% to 656,000 tonnes as area decreased by 25% to 400,000 ha in 2020/21.

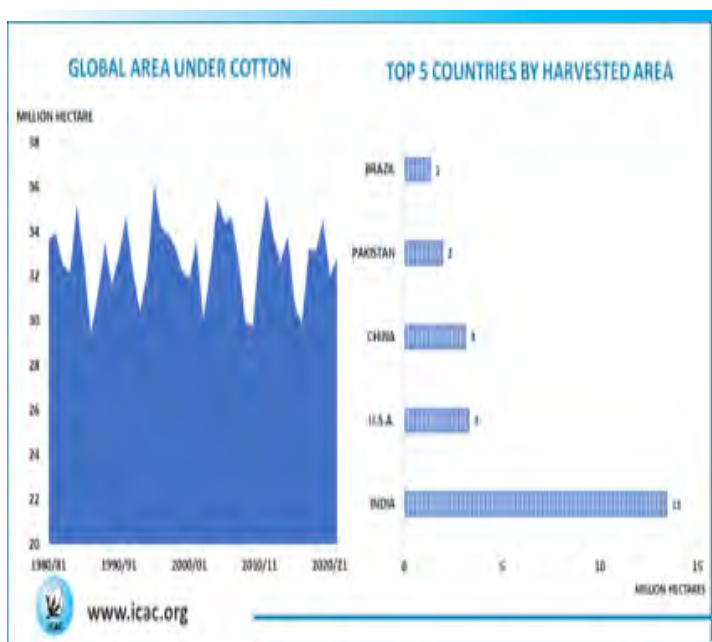
During the 2020/21 season, India produced the largest amount of cotton worldwide at 6 million tonnes, with a total area of around 13.5 million hectares — one of the largest areas to date. While productivity remains an issue for smallholder farms in the country, the 2021/22 crop is currently forecast at 5.9 million tonnes. Followed by China at 5.7 million tonnes, USA, Brazil, Uzbekistan and Pakistan. They all together accounted for 80% of total global cotton production.



US cotton production declined by 27% to 3.2 million tonnes based on the reduced area of 3.4 million hectares. Brazil's harvested area fell in 2020/21 by 18% to 1.4 million hectares, reducing its cotton lint production by 22% to 2.3 million tonnes.

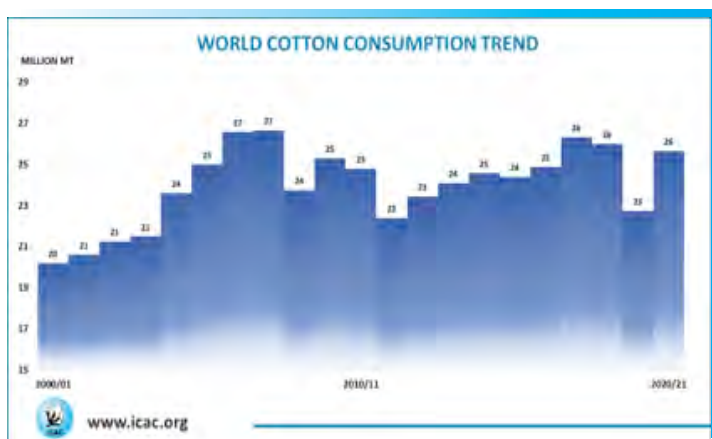


With respect to the global area under cotton, the world's harvested area fell by 7% to 32 million hectares compared to the previous season. This was the smallest area since 2016/17. It is expected that cotton area will recover in 2021/22 season by 3%. In 2020/21, India had the highest area under cotton at 13.5 million hectares (MH), followed by US (3.4 MH), China (3.2 MH), Pakistan (2 MH) and Brazil (1.4 MH); these five countries together accounted for more than 70% of total global area under cotton. The top 5 countries with respect to the area under cotton are also the top 5 cotton producers.



A Welcome Recovery in Global Cotton Consumption

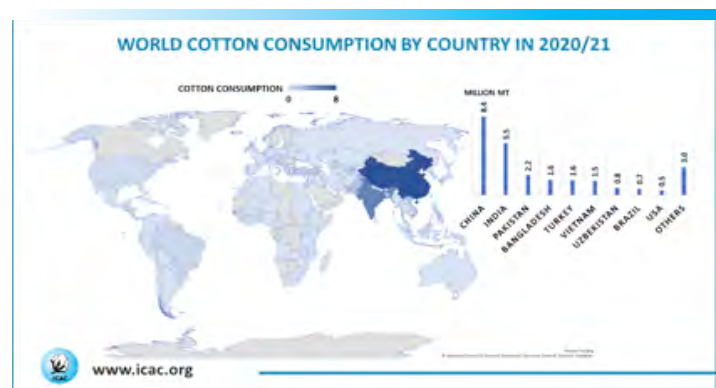
Global consumption in the 2019/20 season fell by 12% to 22.75 million tonnes compared to the previous season. This was mainly due to the near-total stoppage of cotton spinning and textile manufacturing in March-April 2020. Activity in the major consuming countries began to recover in the final months of the 2019/20 season with factories in Vietnam, Bangladesh and India reporting operations near 75% of capacity by July 2020.



Following two seasons of negative growth, global consumption showed a welcome recovery in the 2020/21 season, increasing by 12.8% to 25.6 million tonnes. Signs of recovery in consumption started showing in early March 2021. Multiple reasons mitigated the previous negative impact on consumption, while the rollout of vaccines helped mitigate the public health crisis and aided consumer confidence and economic recovery, the slowdown in the spread of infections helped in revival of consumer demand for non-durable goods like clothing and textiles.



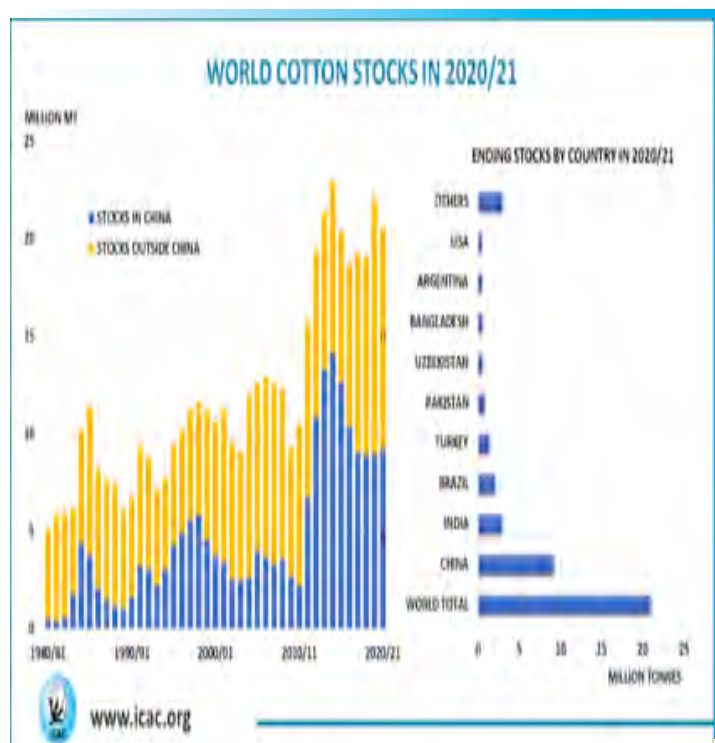
This consumption was led by China, with consumption at 8.4 million tonnes amounting to 33% of the global consumption and a gain of 15.86% from the 2019/20 season. This consumption was boosted by the improving situation in textiles and apparel sector and the global revival of demand for textile products. Second in line was India, increasing by 26% to 5.6 million tonnes compared to the previous season, with mills in the country reporting a steady return to manufacturing following the initial lockdown measures in 2020 and a recovering demand for cotton yarn in its domestic markets. India was followed by Pakistan, Bangladesh and Turkey improving by 9%, 9% and 7% respectively compared to the previous season.



Overall, global cotton consumption has been performing well and has shown an increase of 80% between 1980/81 and 2020/21 to 25.57 million tonnes. A linear trend line of global cotton consumption indicates a steady increase in the consumption of cotton over the last four decades. While consumption is showing a revival, the growing number of the new variants of Covid cases may cause a slowdown in manufacturing industries' operations and retail sales. Recent news from Bangladesh and Vietnam indicates that Covid infections are on the rise, as are lockdown-induced factory closures and shipping problems, leaving manufacturers scrambling to fill their orders.

World ending stocks-less-China amounting to 56% of the global stocks, dropped by 13% in 2020/21 to 11.4 million tonnes, the first decline since 2015/16. In 2019/20, ending stocks in the world-less-China reached 13.18 million tonnes due to fall in consumption and trade of cotton. Following the surge in Chinese stocks from 2011/12 to 2014/15, closer attention has been paid to the stock levels within China and outside of China. Ending stocks in China for 2020/21 were estimated at 9.2 million tonnes.

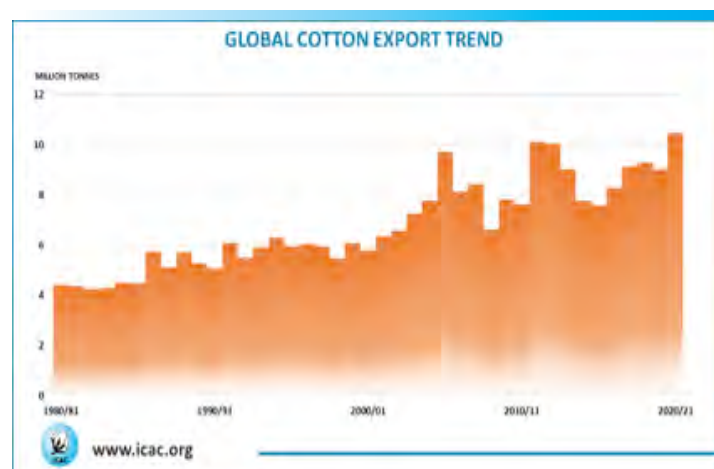
China's imports experienced a phenomenal increase of 80%. A small increase in production, high beginning stocks and fall in exports. The ending stocks for China in 2020/21 was at 9.2 million tonnes, 3% higher than the previous season.



First decline in Ending Stocks in the Last Four Years

Lower production combined with higher demand caused the ending stocks to decline for the first time in the last four years to stand at 20.65 million tonnes in 2020/21, 7% lower than the previous season. A fall in consumption in 2019/20 had increased the ending stocks by 16% to 22.12 million tonnes, the highest in the last 5 years.

Global cotton trade was at the highest levels ever experienced. Disruptions caused by pandemic-induced lockdowns, factory closures, shipment and transport delays amongst others, negatively impacted cotton trade in 2019/20, with cotton exports decreasing by 3% to 9 million tonnes compared to previous season.



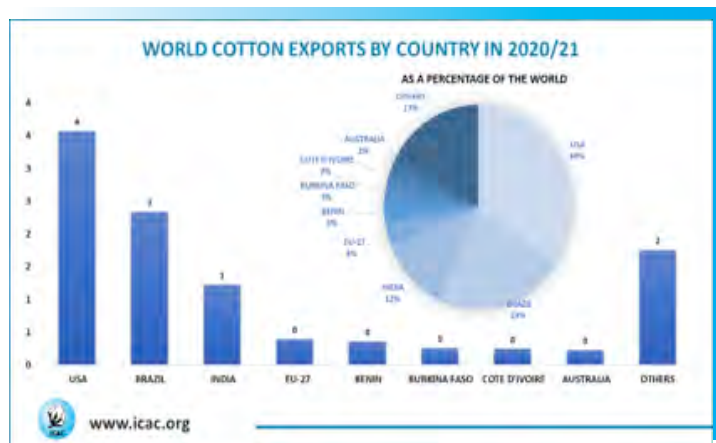
The first quarter of 2021 witnessed a slowdown in the spread of virus, the rollout of vaccines and the revival of the global economy, boosted consumer demand. As the overall economy recovered, a rejuvenated textile and apparel sector benefitted from the demand for cotton. Further, backlogs from the previous seasons' disruptions resulted in a more than usual surge in cotton demand and trade.



In 2020/21, global cotton exports increased by 16% compared to the previous season to 10.47 million tonnes, one of the highest levels ever experienced. The same trajectory is expected for global cotton exports for the next crop year.

The United States remained the world's largest exporter with 2020/21 exports at 3.6 million tonnes, amounting for 34% of total global exports, benefiting from the US-China Phase One Economic and Trade Agreement signed in January 2020, which covers cotton and mandates China to increase its imports (of agriculture and other sectors) from US.

The second-largest exporter was Brazil with 2.3 million tonnes, amounting to 23% of the total exports — 20% higher than the 2019/20 season — with China being its top destination. To deepen their ties, China National Cotton Exchange (CNCE) and the Brazilian Association of Cotton Producers (Abrapa) signed a formal MOU in June 2021 involving joint market development. These exports were followed by India, EU and Benin amounting for 12%, 4% and 3% respectively of total global exports.

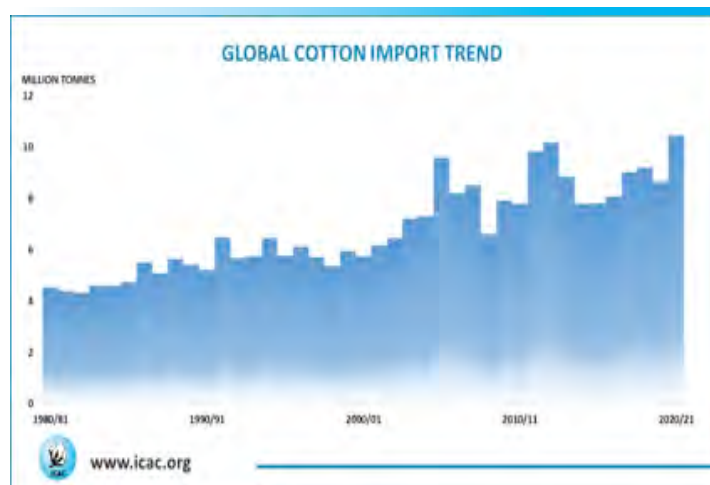


Global imports increased by 20.6% to 10.4 million tonnes, the highest level ever. After falling by 5.8% in the previous season due to supply chain fractures and low consumption demand, this increase was a welcome recovery for the cotton trade.



China remained the biggest importer at 2.8 million tonnes, a 80% increase from last season and one of the highest import totals in the last 7 years. China's imports alone amounted to 27% of the total global imports. The increase in cotton imports can be explained by several factors, such as:

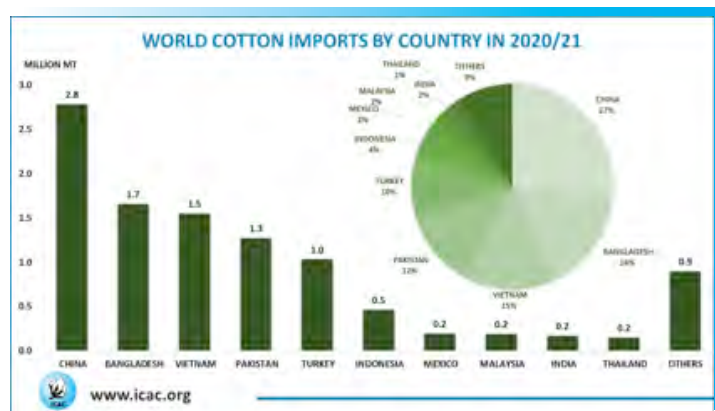
- The improving situation in textiles and apparel sector and the global revival of demand for textile products,
- The US-China Phase One Economic and Trade Agreement signed in January 2020, which covers cotton and mandates that China increase its imports (of agriculture and other sectors) from USA, or
- The early 2021 US ban and the rising concerns amongst other governments and leading brands in the textile sector, regarding the use of cotton from the Xinjiang region, which may force domestic textile manufacturers to use imported cotton for producing their textile products.



China was followed by Bangladesh (1.7 million tonnes), Vietnam (1.5 million tonnes), Pakistan (1.1 million tonnes), and Turkey (1 million tonnes). With production shortfalls in Pakistan, the domestic textile industry will require additional quantities to meet mill needs. Since the start of the 2020/21 season, the pace of imports increased, with the largest share of increased imports coming from the US and Brazil.

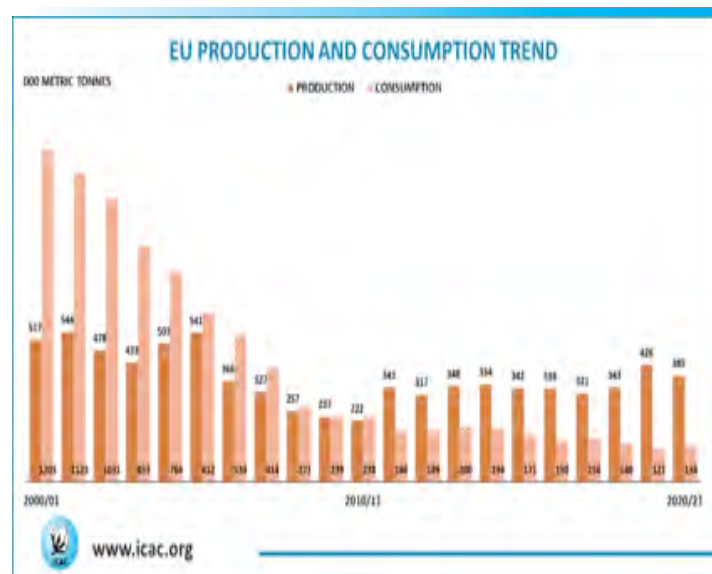


While factory operations revived in consuming countries like Bangladesh and Vietnam, mounting concerns about the spread of Covid-19's delta variant still pose a threat to the recovering of the cotton sector. While cotton consumption is showing a revival, the growing number of Covid cases may cause a slowdown in manufacturing industries' operations and retail sales. Recent news from Bangladesh and Vietnam indicates that Covid infections are on the rise, so are lockdown-induced factory closures and shipping problems, leaving manufacturers scrambling to fill their orders.

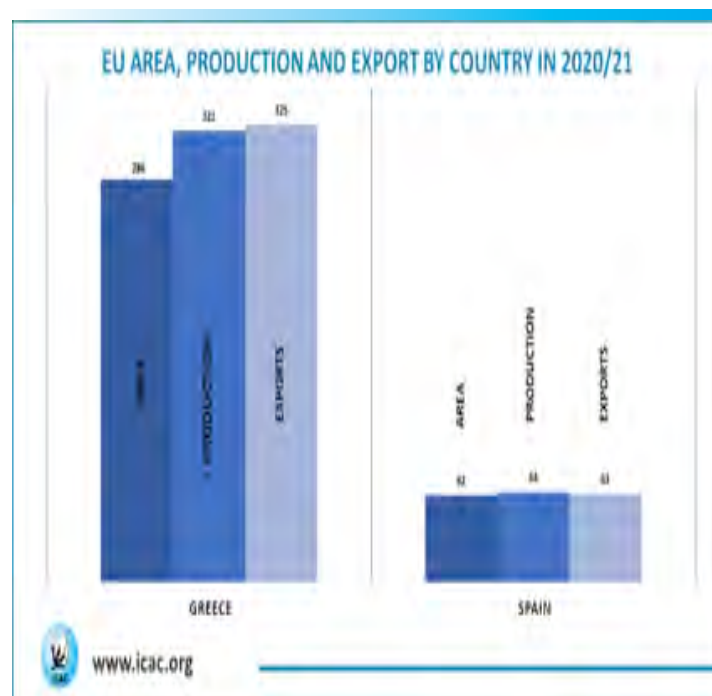


Fall in production for EU in 2020/21

EU's cotton production fell by 9% to 385,000 tonnes in 2020/21. Amongst the EU nations, Greece and Spain have the largest levels of cotton production. EU exports most of its produce, in the 2020/21 season, EU exported a total of 396,000 tonnes of cotton.



In 2020/21 season, Spain's production was 8% lower than the previous year at 64,000 tonnes. In the same season, the exports fell by 9% to be 63,000 tonnes. Spain's production was above the 100,000 tonnes levels in the late 90's and early 2000's but since then it had fallen down. Although its cotton production has recently recovered, it hasn't reached the early 2000's levels. While earlier most of Spain's production was used for domestic consumption, in the last decade, Spain has been exporting most of its production and consuming very less levels of cotton.

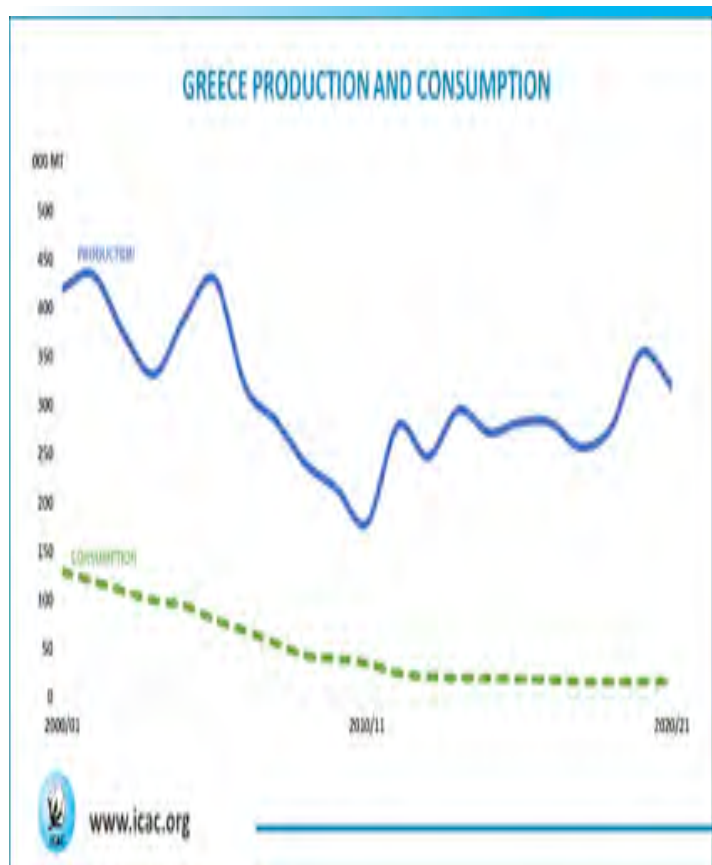
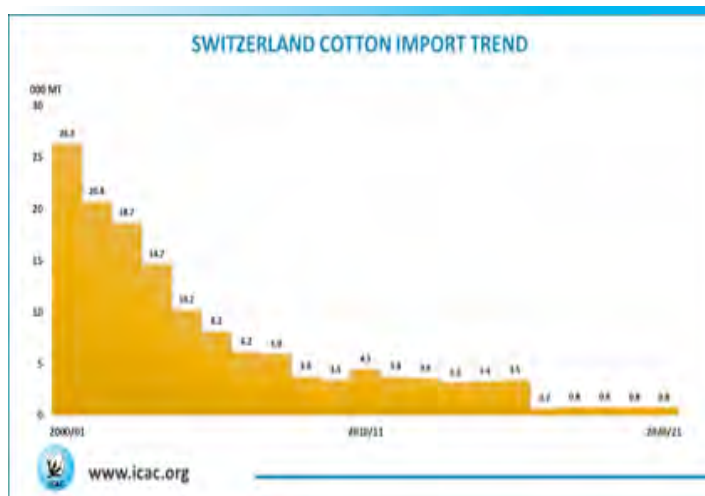
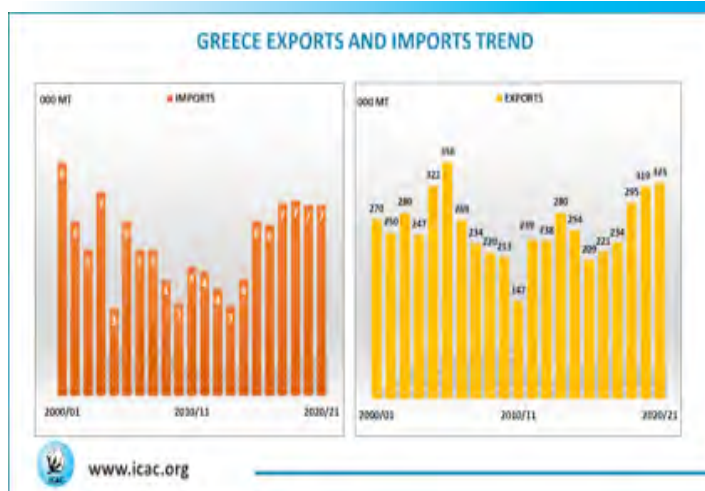


Decline in Production and Revival of Exports for Greece in 2020/21

Greece's cotton production declined in 2020/21 by 10% to 321,000 tonnes, harvested over an area of 286,000 hectares, 2% lower than the previous season. In this season, Greece also witnessed a drop in its yield by 8% to 1,121 kg/ha compared to the previous season. On the trade front, exports revived by 2% to 325,000 tonnes. Greece's production has been doing well in the last four seasons; despite falling in 2020/21, it has still remained higher than its decadal average.

Greece was the 4th-largest exporter of cotton lint in the world, amounting to almost 4% of total world exports in 2019/20, an increase of 8% compared to 2018/19. Major exporting partners for Greece in 2019/20 were Turkey (51.7%), Egypt (17%) and Indonesia (7.5%), with around 77% of their total exports been made to Asia.

In 2020/21, Greece was the 6th largest exporter and its major exporting partners were Turkey (46%) and Egypt (25%) amongst others, with Asia also an important export destination.



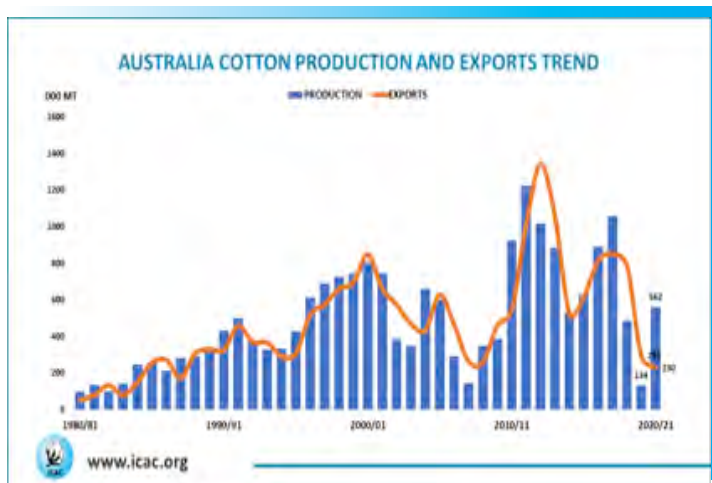
Increase in Production and a Decrease in Exports for Australia in 2020/21

For the 2019/20 season, Australia experienced a drop of 62.6% in cotton lint exports and also predicted a continued drop in exports for the 2020/21 season. It had also stated that while cotton production recovered in 2020/21, this crop will not be exported until 2021/22. Australia's production for the 2020/21 season increased by more than 300% to 562,000 tonnes, harvested over an area of 295,000 hectares, showing an impressive yield of 1905 kg/ha. Whereas its exports fell by 22% to 230,000 tonnes.



Since the early 2000s Turkey remained a significant export destination for Greece, with at least 30% of their total cotton lint exports being shipped to Turkey every year in the last 2 decades. Another relevant exporting partner since the early 2000s was Egypt, with Turkey and Egypt together accounting for approx. 50% or more of Greece's cotton lint exports every year in the last two decades.

Australia exported 62% of its total cotton lint in 2019/20 to China, gaining from the ChAFTA free trade agreement signed by both the countries in 2015. The 2020/21 season also witnessed increasing exports to Vietnam and Bangladesh. As most cotton produced in Australia is exported, the Australian cotton sector relies on demand in other countries. The potential for further disruption to production and logistics outside Australia may continue to constrain demand for Australian cotton.

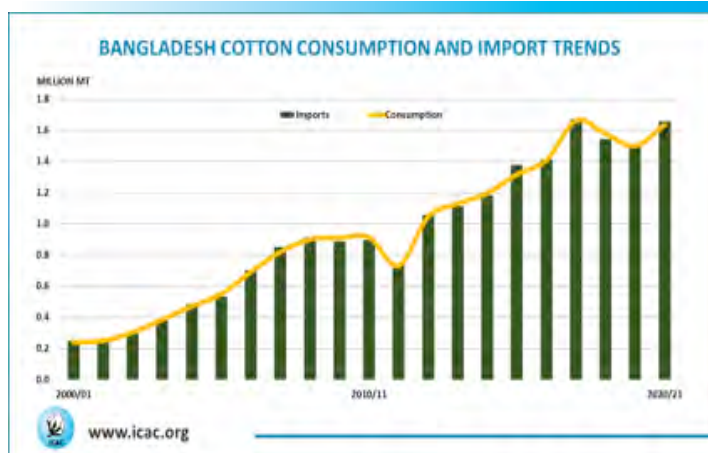


Bangladesh Remains the Second-Largest Importer in 2020/21

Bangladesh was the 2nd-largest importer of cotton lint in the world after China in 2019/20. In 2020/21, Bangladesh retained its position by importing 1.7 million tonnes of cotton, amounting to 16% of total global imports and 10% higher than in the previous season.



The major importing partners for Bangladesh in the recent seasons were Africa (37%), India (26%) and USA (11%) amongst others. Within individual countries, the largest supplier of cotton lint to Bangladesh is usually India, probably because of its price competitiveness, short delivery times, and the quality characteristics preferred by spinners. Bangladesh relies heavily on imports of cotton lint to cater to the domestic demand for their textile industry.



Cotton Production in Latin America

Cotton area fell by 22% to 2 million hectares. The average yield for the region decreased by 7% to 1,462 kg/ha and cotton production fell by 22% to 2.9 million tonnes. Cotton mill use in the region shrank by 5% to just over 1.2 million tonnes while exports grew by 17% to 2.4 million tonnes and imports increased by 31% to 287,000 tonnes.

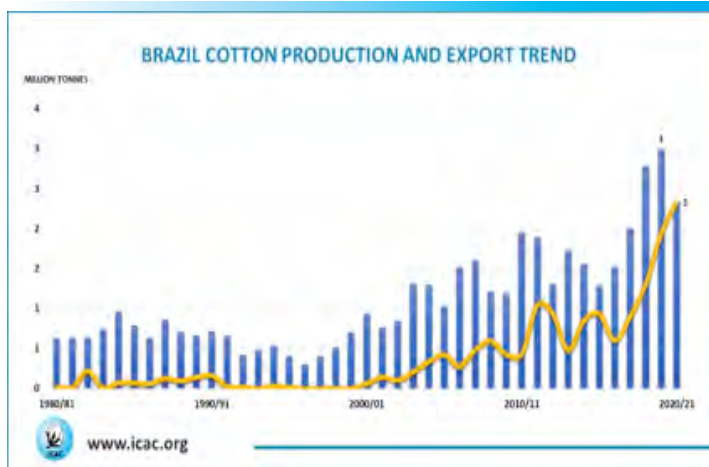
Brazil's Exports at All-time High Levels

In 2019/20, Brazil recorded a 49% increase in cotton lint exports, while production increase by 8% and consumption fell by 16%. The 2020/21 season witnessed an 18% fall in Brazil's harvested area of cotton to 1.3 million hectares, in return reducing its cotton production by 22% to 2.3 million tonnes. Consumption in the same period increased by 17% to 715,000 tonnes and exports increased by 20% to 2.3 million tonnes.

This season had proved to be the best season for Brazilian exports, becoming Brazil's highest exported quantity ever and maintaining its position as the 2nd-largest cotton lint exporter in the world. Major exporting partners for Brazil were China (30%), Vietnam (17%), Pakistan (12%), Turkey (12%) and Bangladesh (11%), exporting around 98% of its cotton lint to the continent of Asia and making it Brazil's most important exporting destination. By country, China remained its top destination for exports.



Brazil has emerged as one of leaders in cotton lint exports over the last 2 decades. In the 2000/01 season, Brazil had cotton lint exports of 68,000 tonnes which has phenomenally increased to the level of 2.3 million tonnes in the season of 2020/21. While world exports declined due to Covid-19 lockdown and shipment delays, Brazil managed to increase its cotton lint exports.



After an increase in 2019/20, cotton area and production in Argentina declined in 2020/21, reaching 294,000 tonnes on an area of 406,000 hectares. The average yield remained relatively stable at 724 kg/ha. Cotton mill use in Argentina declined by 18% to 110,000 tonnes — the lowest level since the 2003/03 season. Since 2009/10, Argentina switched from being a net importer to a net exporter of cotton lint. Exports declined by 44% to 122,500 tonnes in 2020/21, with 47% of exports going to Pakistan, 22% to Vietnam and the remaining 31% of cotton exports distributed amongst Turkey, Indonesia, Thailand, Colombia and China.



In Mexico, cotton area decreased by 35% to 145,000 hectares in 2020/21. Cotton area in Chihuahua — the largest producer of cotton in Mexico — fell to 103,700 hectares. Mexican cotton farmers have been struggling

to find seeds for sowing, after the government restricted new approvals of GM seeds varieties. The Secretariat of Environment and Natural Resources-SERMANAT, has not approved any GM cotton seed planting permits since 2019. Additionally, Mexico has been relying on seed imports for planting and there is no longer any conventional seed or research to develop these varieties in the country. The average cotton yield in Mexico decreased by 4% to 1,584 kg/ha, and cotton production fell by 38% to nearly 230,000 tonnes in 2020/21. As a result of the limited availability of domestic cotton in 2020/21, Mexico's imports grew by 54% to 198,000 tonnes. Most of Mexico's imports come from the US.



Phenomenal Increase in China's Imports

China's cotton production increased in 2020/21 to 5.9 million tonnes and increased yields by a modest 6%, as the area under cotton fell by 4%. In the same period, cotton consumption grew by 15.8% to 8.4 million tonnes. To meet this demand, China imported 2.8 million tonnes, a quantity 80% higher than the previous season and the highest in the past 7 years.

China reported area, yield and production decreases in 2019/20. Global trade tensions escalated throughout the course of the season with tariff threats on a range of products including cotton. In 2016/17, China imported over 1 million tonnes of cotton, with imports from the United States at 500,000 tonnes representing approximately 46% of total imports. In 2017/18, as tariffs and retaliatory tariffs increased between the United States and China, supply chains began shifting. Of the 1.3 million tonnes imported by China, 45% or 559,000 tonnes came from the US in 2017/18. In 2018/19 season, of the 2.1 million tonnes imported by China, 18% or 370,000 tonnes came from the US. Season on season, imports to China from the United States fell by 34% as Chinese imports overall grew by 69%.

In 2020, the US-China Phase One Economic and Trade Agreement that came into force. In order to expand agriculture trade between the two countries, the Agreement

specifies that for agricultural goods (identified in Annex 6.1 of the Agreement), no less than \$12.5 billion above the corresponding 2017 baseline amount is to be purchased and imported into China from the USA in 2020; this value for 2021 is \$19.5 billion. It was also decided that the trajectory of increase in the amount of goods imported into China will continue from 2022 through 2025 and that the purchases will be made at market prices based on commercial considerations and that market conditions, particularly in the case of agricultural goods, may dictate the timing of purchases within any given year. Imports to China that had shifted from 2018 to 2020, shifted once again with US exports to China increasing through the end of the season.



In the middle on the on-going trade Agreement, US announced sanctions against cotton products from western China's Xinjiang region over allegations that they are made with forced labour from detained Uighur Muslims: These restrictions were imposed by the US Customs and Border Protection over raw fibres, apparel and textiles made from Xinjiang-grown cotton. The Department of Homeland Security (DHS) estimates that about \$9 billion of cotton products were imported from China into the United States in the past year.



Central and West African Cotton Production and Exports

Cotton production in West Africa remains a dominant smallholder cash crop; it declined by 20% to 1 million tonnes in 2020/21 compared to the previous season, harvested over an area of 2.4 million hectares, with the yield of 430 kg/ha. Cotton exports from West African countries increased by 32% to 1.3 million tonnes. Despite the pandemic-related demand losses, the region remained the third-largest source of global cotton exports behind the United States and Brazil.



Benin continued to lead the region in cotton production with 317,000 tonnes, 2% higher than the previous season. It also reported a high beginning stock in the 2020/21 season of 234,000 tonnes, 58% higher than the previous season. It also led the region in exports, shipping 357,000 tons in 2020/21. Benin was the 5th-largest cotton exporter in the world in 2020/21 season. This was followed by Côte d'Ivoire with 215,000 tonnes of production and 246,000 tonnes of exports.



Côte d'Ivoire was the 8th-largest cotton lint exporter in 2020/21, amounting to about 2% of total world exports. Côte d'Ivoire exported more than 90% of its production to the continent of Asia, making it Cote d'Ivoire's most important export destination. As businesses were disrupted in Asia due to the covid-19 pandemic, it affected the export of cotton lint from Cote d'Ivoire.

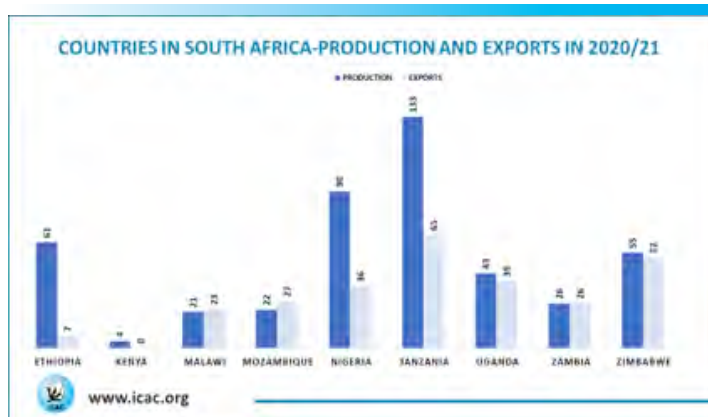
Many buyers from Asia postponed their orders and some of them completely cancelled their orders. This led to:

- Increase in cotton stocks in storage;
- Less space for storage;
- Increase in the cost for this storage;
- Diminishing quality of the cotton in storage.

Côte d'Ivoire's cotton farmers also plant cashew and other food crops. This allows the producers to earn extra income. A decline in sales of the other crops also eroded any source of extra income for the cotton farmers.



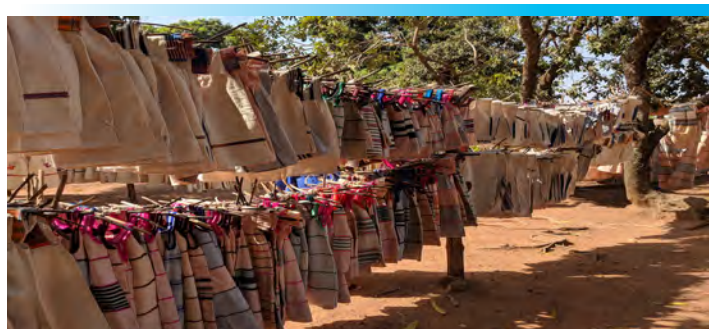
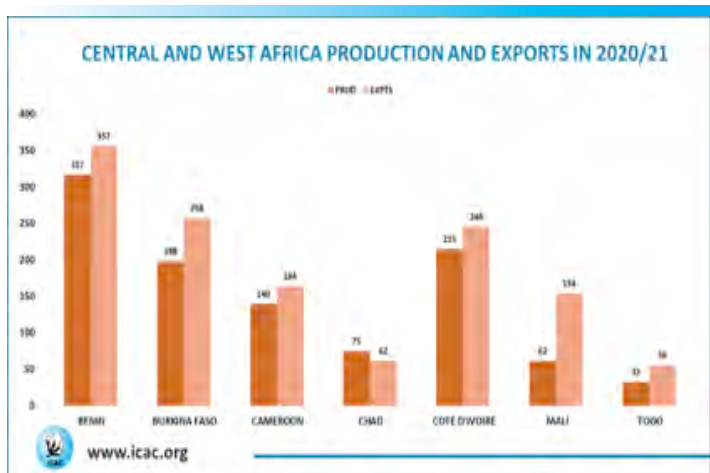
While Cameroon's production remained constant at 140,000 tonnes, beginning stocks for the 2020/21 season were 35% higher than in the previous season to be 89,000 tonnes due to the fall in the Cameroon's exports during the 2019/20 season by 8% to be at 115,000 tonnes. The exports revived in the 2020/21 season by 43% to 164,000 tonnes. In the 2020/21 season Burkina Faso's production was at 198,000 tonnes and exports were 67% higher than in the previous season to be 258,000 tonnes.



In 2019/20, Mali faced multiple problems in trading its cotton. Due to the closing of its exporting partner countries' ports, Mali's cotton exports decreased by 24%. As a result, cotton ending stocks in Mali increased to over 100,000 tonnes. In 2020/21, the government of Mali reduced the price seed cotton by 9%, from 275 CFA francs/kg to 250 CFA francs/kg. As a result, Mali's production in 2020/21 fell by 79% to 62,000 tonnes, the lowest levels in more than three decades. In the same period, exports fell by 33% to 154,000 tonnes. Amongst other West African countries, Chad's cotton production increased by 2% to 75,000 tonnes and exports revived by 26% to 62,000 tonnes. Togo's production remained at 33,000 tonnes with exports at 56,000 tonnes.

Countries in South Africa: - production and exports in 2020/21 season

The beginning stocks for Mozambique was 20% higher than in the previous season, while the production remained 1% lower than in the previous season, exports were 50% higher at 27,000 tonnes in the 2020/21 season. Ethiopia's cotton production remained at 61,000 tonnes with exports at 7,000 tonnes in the season of 2020/21 season. Malawi cotton production is at 21,000 tonnes with exports at 23,000 tonnes for the 2020/21 season, 65% higher than in the previous season.

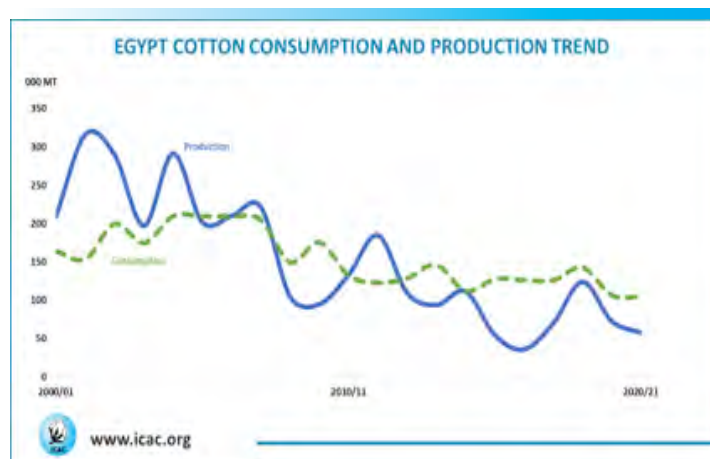


In the season of 2020/21, Nigeria experienced an increase in production to be at 90,000 tonnes and the exports were 50% higher than in the previous season to be 36,000 tonnes. As the exports were less than the production, the ending stocks for Nigeria was high at 40,000 tonnes.

Tanzania cotton production reduced by 22% compared to the previous season to be 133,000 tonnes. Exports for Tanzania increase by 59% to be 65,000 tonnes, one of the highest levels experienced. Production for Uganda increased by 16% compared to the previous season to 43,000 tonnes with the exports reviving by 66% in 2020/21 after falling by 30% in the season of 2019/20.

Beginning Stocks for Zambia in the 2020/21 season was 14% higher at 35,000 tonnes. While the production remained stable at 26,000 tonnes, exports increased by 30% to be 26,000 tonnes. Zimbabwe production was 38% higher than in the previous season at 55,000 tonnes and exports were 83% higher than the past season at 52,000 tonnes.

Egyptian government ended cash subsidies to farmers and spinners and required farmers to enter contracts with third parties, such as spinning companies, to receive seeds and other subsidised inputs. Cotton production in 2015/16 fell by 51% to 55,000 tonnes. Cotton production increased for the next three seasons from 70,000 tonnes to 124,000 tonnes between 2017-2019.



Cotton mill use in 2019/20 fell by 25% to reach 107,000 tonnes. In 2020/21, mill use saw a further fall of 2% to 105,000 tonnes, marking the lowest levels of consumption since the 1960s. Exports in 2020/21 season recovered by 37% to 92,000 tonnes. Similarly, cotton imports were up by 70% to 139,000 tonnes. In the 2020/21 season, Egypt did well in trade with exports at the highest levels of the past 13 years and imports at all-time-high levels. Egypt had reported a 22% decrease in cotton lint exports (in quantities) in 2019/20 compared to 2018/19.



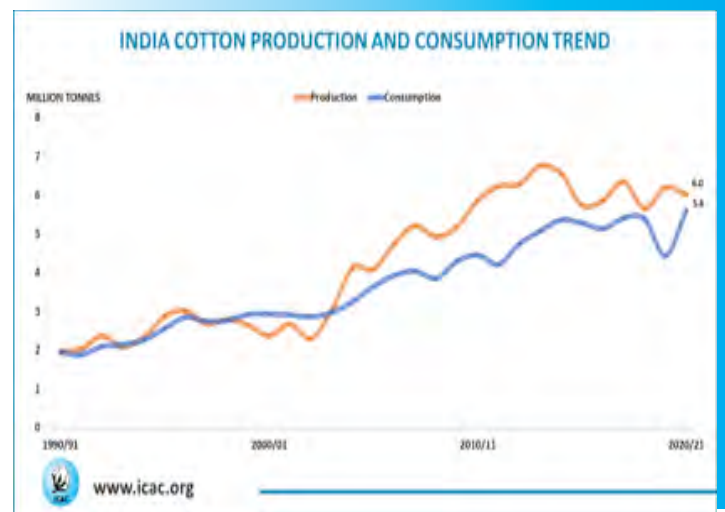
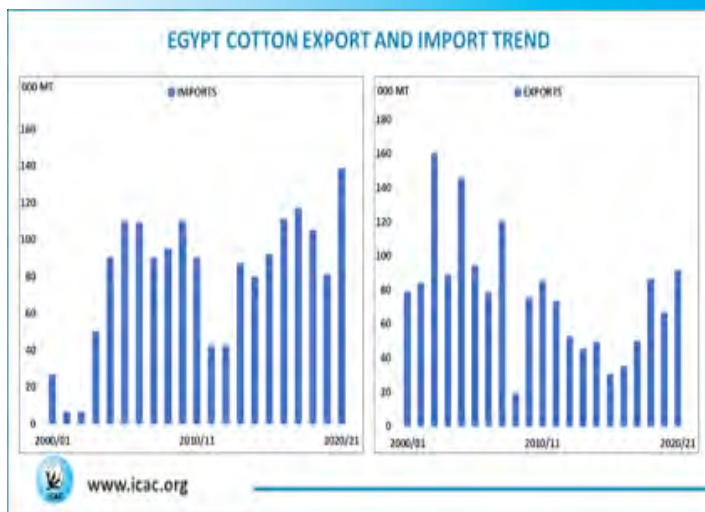
A Good Year for Egypt's Cotton Trade

Egypt saw its cotton production decline by 20% to 58,000 tonnes in 2020/21 compared to the previous season. Cotton production in Egypt had been declining over the years, peaking in the 1970s and '80s but on a downward trajectory since the 2000s.

After the price spike in 2011/12, area and production fell sharply in 2012/13 and 2013/14 as farmers preferred to plant other crops and the announcement of indicative cotton prices by the government of Egypt was delayed until the autumn, when planting had already been completed. High cotton prices at planting time and cash subsidies from the government encouraged farmers to plant more cotton in 2014/15. The planted area expanded by 29% to 158,000 hectares and production rose by 19% to 112,000 tonnes. However, area contracted in subsequent seasons due to uncertainty over returns under the new support policy and low prices received for cotton in the previous season, despite the subsidies. In 2015, the



In the previous season, Egypt exported around 86% of its total cotton lint to Asia, making it Egypt's most important exporting destination. While cotton lint exports from Egypt to China declined in 2019/20, Egypt had reported an increase in the amount of cotton lint exports to countries like Greece and Turkey. The major exporting partners for Egypt in 2019/20 were India (43%), Pakistan (25%), Bangladesh (12%) and Greece (8%) amongst others. In 2020/21, Egypt exported about 60% of its total exports to India, followed by Pakistan (20%) and Bangladesh (7%).



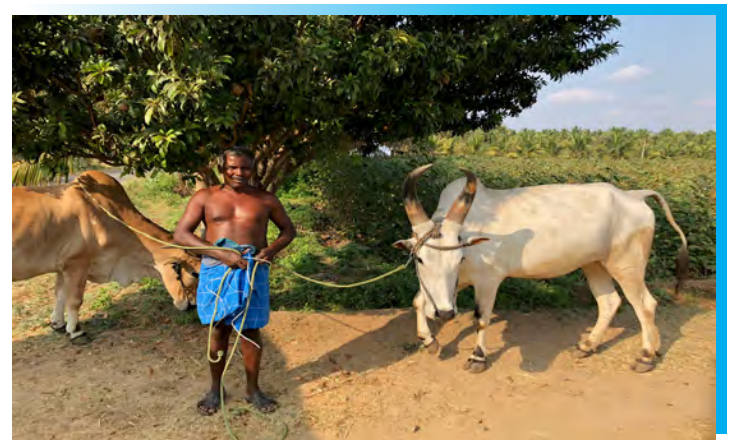
Consumption in India at an All-time-high Level in 2020/21

Despite a decline of 4% in cotton yields, India remained the highest producer of cotton in 2020/21 with 6 million tonnes, amounting to 25% of the global production. This production was a consequence of the increase in area under cotton which was 1% greater than in the previous season at 13.5 million hectares. Although higher area partly compensated the lower yield, India still witnessed a poor yield of 447 kg/ha, much lower than its decadal average.



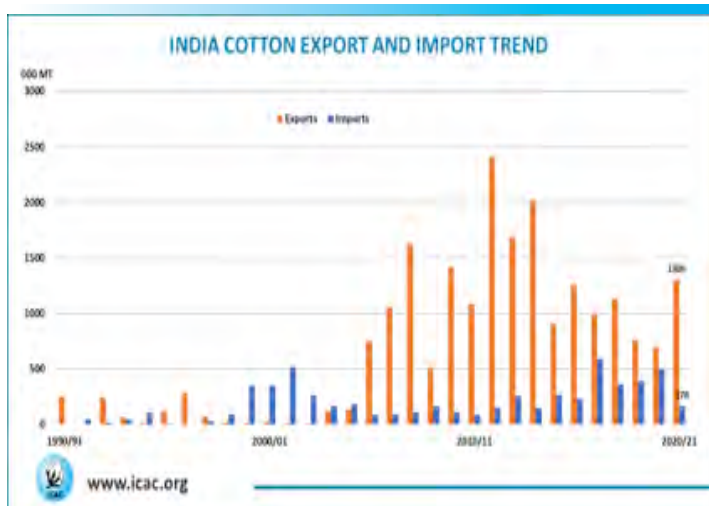
India exports and imports cotton lint. Despite productivity challenges, the country remains a net exporter of cotton with demand from neighbouring Asian and South Asian countries with strong spinning and textile sectors. Exports in 2020/21 jumped 88% to 1.3 million tonnes while imports declined by 66% to 170,000 tonnes.

In 2019/20, India was the 3rd-largest exporter of cotton. In the same season it was the 7th-largest importer of cotton lint, amounting to 6% of total world imports. In 2020/21, India retained its position as the 3rd-largest exporter, accounting for 12% of global exports, while it slipped its rank to be the 9th largest importer, mounting to 2% of global imports.



India is both a producing and consuming market for cotton. Although production declined in 2020/21 by 2% to 6 million tonnes, consumption recovered by 24% to 5.5 million tonnes, an all-time-high. Consumption in India returned to its pre-pandemic levels after being negatively affected by the first and second waves of the Covid-19 pandemic. Lockdown measures and the movement of the migrant workforces to their native villages had slowed down the cotton processing industry. Following the total manufacturing shutdown in March/April 2020, factories resumed activity by the end of 2020 with the pace of textile production improving through the end of the season.

India has been exporting cotton since the mid-1970s; these exports gained intensity in the 2000s, reaching their highest level of around 2 million tons in 2011/12. Since then, India has been exporting mostly to its regional partners like Bangladesh, China, Indonesia, Pakistan and Vietnam. In 2014/15, when China reduced its level of cotton lint imports, India witnessed a sharp drop in its shipments to China (more than 60%), yet China has remained as one of the major exporting partners for India. While India largely exports Indian cotton with a staple length of 28.5 mm, it imports cotton (other than Indian) of all staple lengths.

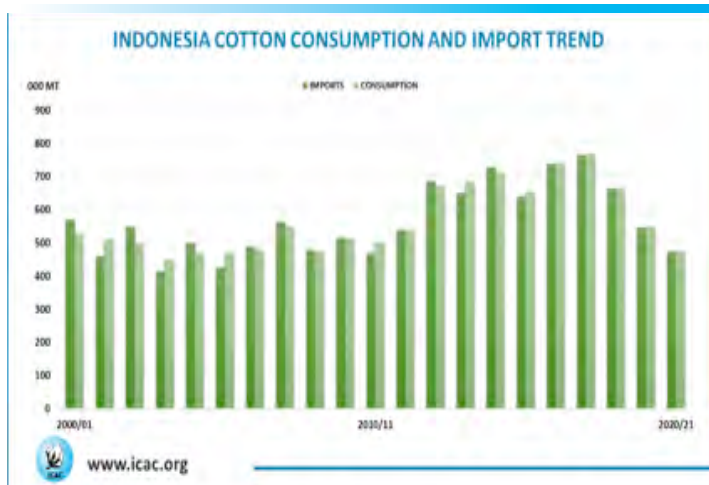


expected that the country will rely on increased imports. Despite the drop in production, consumption increased by 9% to 2.2 million tonnes in 2020/21.



Fall in consumption and imports for Indonesia in 2020/21 season

Indonesia has a very small production of 3,000 tonnes and its cotton demand is met but its imports. Cotton trade was impacted in Indonesia in the 2019/20 season, with the imports decreasing by 18% to 547,000 tonnes and consumption falling by 18% to be 549,000 tonnes. The season of 2020/21 remained the same as the past season for Indonesia, with the consumption declining further by 13% to be 477,000 tonnes and imports falling by 13% to 475,000 tonnes.

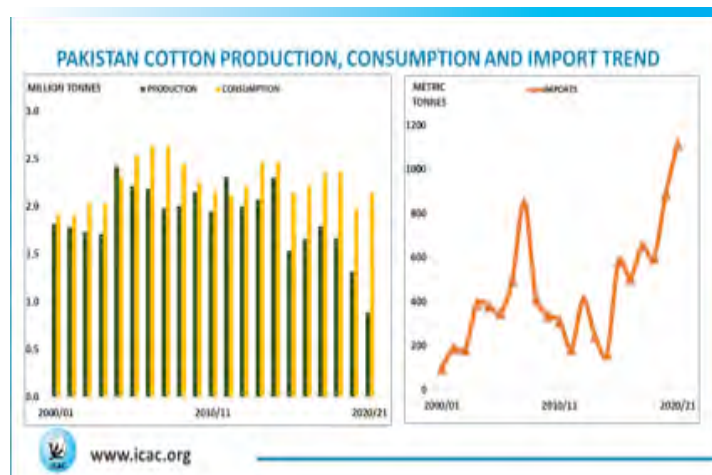


To feed the domestic demand for cotton, Pakistan increased its imports by 26% to 1.1 million tonnes, the highest level ever recorded, and its imports surpassed production for the first time in 2020/21. Pakistan was the 5th-largest cotton lint importer in the world in 2019/20, accounting for 7% of total world imports. In 2020/21, Pakistan became the 4th-largest importer, accounting for 12% of total global imports. Significant demand for cotton yarn, especially from China — in addition to increasing demand for textiles as the result of the European Union's (EU) granting of duty-free status for Pakistan's textile exports under the Generalised System of Preferences (GSP) — support cotton mill use in Pakistan.

Since 2019, Pakistan hasn't imported cotton from India due to the country's decision to suspend bilateral trade with India in August 2019. Earlier that year, India had also applied a 200% tariff on Pakistan imports after it revoked Pakistan's Most Favoured Nation (MFN) status. However, in April 2021, Pakistan lifted the two-year ban on the import of cotton from India, in order to guarantee enough raw material for its domestic textile sector.

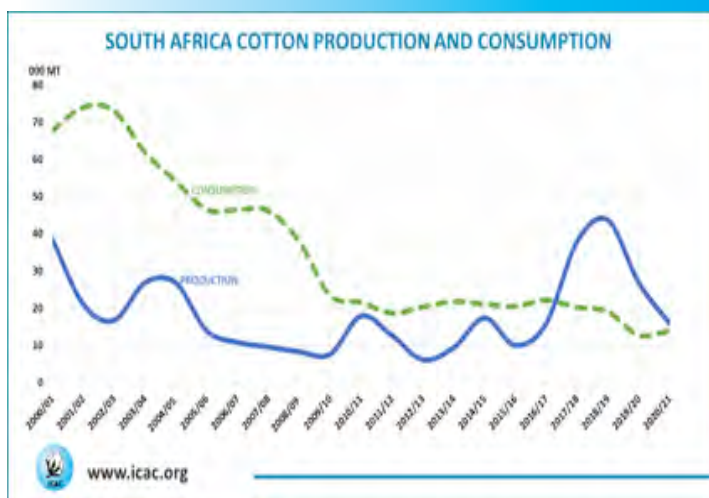
Pakistan's Imports Surpass Production for the First Time in 2020/21

It was not a good season for Pakistan's cotton production with a record drop of 21% in harvested area and a 15% drop in yields, which lowered cotton production by 33% to 890,000 tonnes — the lowest since 1983/84. This reduction was mainly due to uncertain climate conditions, pest attacks and better prices and government support for competing crops which prompted farmers to shift to other crops like sugarcane and maize. Pakistan's cotton production is expected to remain at the same level for 2021/22. To support Pakistan's domestic demand, it is

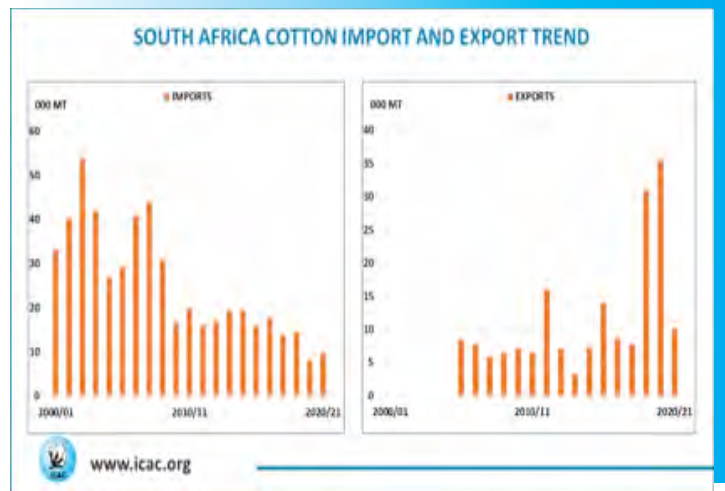


Decline in Production and Exports for South Africa in 2020/21

South Africa recorded a 39% decline in harvested area under cotton to 17,000 hectares and a reduction of 40% in cotton production to 16,000 tonnes in 2020/21 compared to the previous season. Imports increased to 10,000 tonnes.



South Africa average yield declined for the third consecutive season and reached 946 kg/ha in 2020/21, 14% lower compared to their average decadal yield (1,098 kg/ha). Further, exports declined by 71% to 10,000 tonnes compared to the previous season due to lower production, shipment and transport delays caused by pandemic-induced lockdown measures amongst other reasons.



Fall in Imports for Taiwan in 2020/21

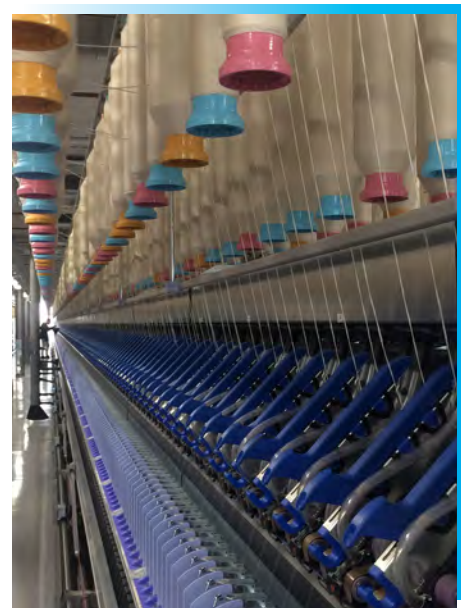
Taiwan has no cotton production of its own but its textile industry consumes a significant amount of cotton annually. It consumed about 85,000 tonnes in 2020/21, 1% higher than in the previous season. To cater to the demand of its textile industry, Taiwan imported 56,000 tonnes of cotton in 2020/21, 36% lower than in the previous season.

Mainly due supply chain fractures caused by pandemic-induced lockdowns that delayed or cancelled shipments to Taiwan, Taiwan's imports in 2019/20 were 87,000 tonnes, 33% lower than the previous season with a value that declined 43% to \$125 million. This number was the lowest recorded import level for Taiwan in the last five decades until 2020, which recorded an even lower level of 56,000 tonnes.

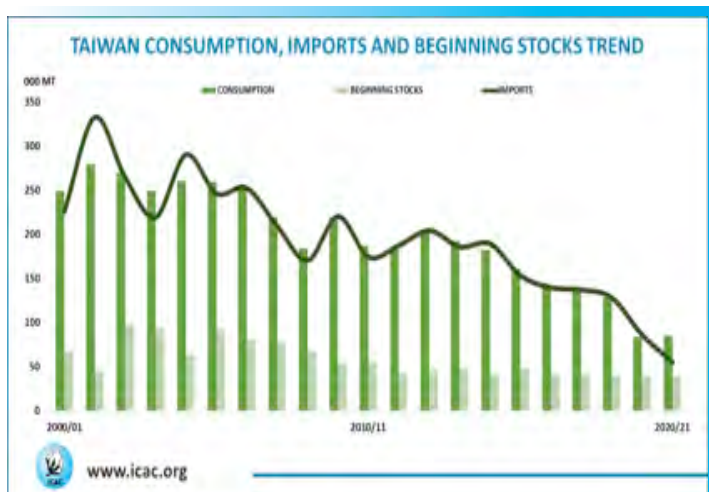


Some issues facing the South African cotton industry include:

- Availability of new seed varieties — regulatory process and timeframe to register new technology and varieties.
- Harvesting equipment cost and capacity.
- Availability of contractors.
- High input costs, finance of inputs and financing criteria.
- Competition from higher-value commodities.
- Capital requirements for investment in the domestic spinning capacity.



In 2019/20, Taiwan's gross export and import values for its textiles and apparel sector were \$9.18 billion and \$3.56 billion, respectively, and as a result, Taiwan's textile industry recorded a total trade surplus of US\$5.62 billion, ranking it fourth among all sectors in Taiwan.



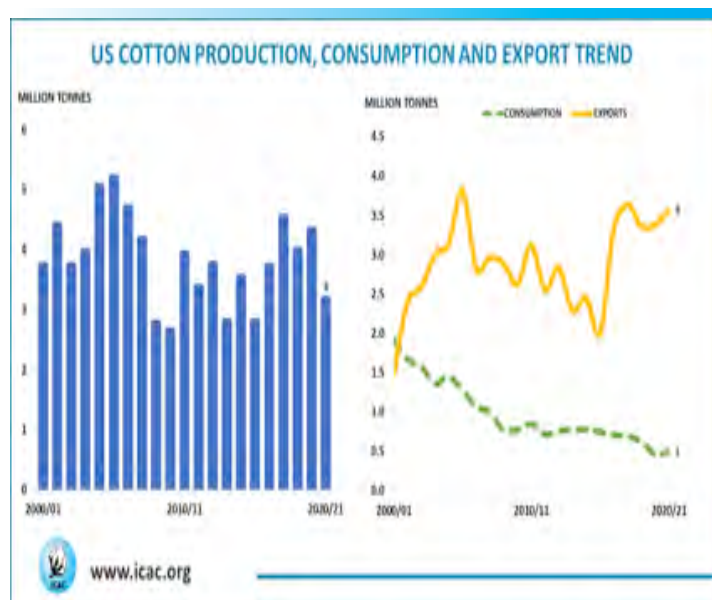
2020/21, the ending stocks of the season declined by 68% to 424,000 tonnes.



Strengthening Exports and Consumption for USA in 2020/21

The United States experienced a decline of 29% in its harvested area to 3.4 million hectares in 2020/21, resulting to a 27% decline in production to 3.2 million tonnes. Although production declined, yields improved by 3% to 949 kg/ha and the country remained the third-largest producer of cotton in the world. The fall in area could be a result of the economic uncertainties caused by the pandemic together with lower prices in February-March 2020, when farmers in the US made planting decisions for the 2020/21 crop year. In 2021/22, US cotton production is projected to be 18% higher at 3.8 million tonnes. The increase in production is mainly explained by a projected 25% surge in harvested area to 4.2 million hectares.

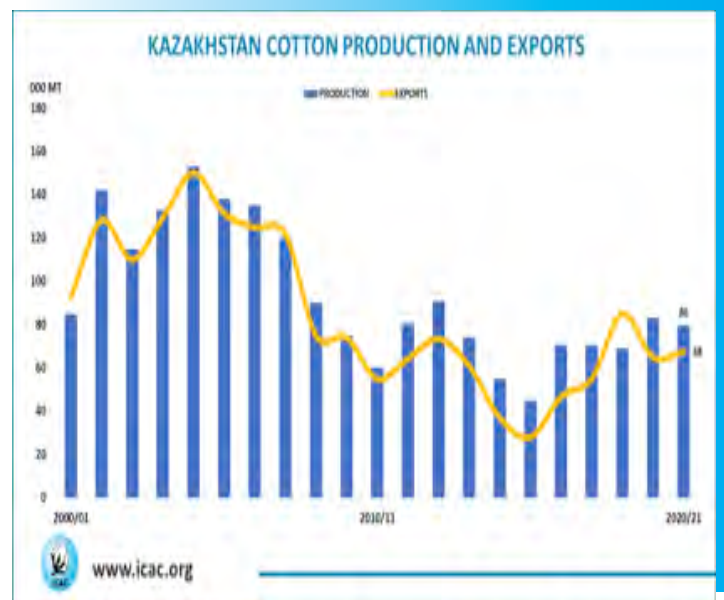
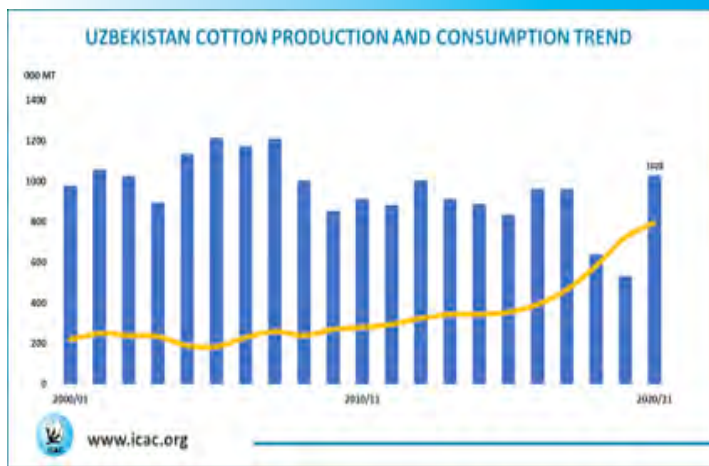
In 2019/20 compared to the previous season, record exports were made to China and Pakistan. The increase in exports to China could be a result of the US-China Phase One Economic and Trade Agreement that came into force in 2020. As for Pakistan, due to the unavailability of cotton domestically, the country's textile industry is becoming increasingly reliant on imported fibre, mostly from the USA, which remains the world's largest exporter with the 2020/21 exports 6% higher at 3.6 million tonnes.



The United States remains the largest cotton lint exporter in the world, exporting around 34% of the world total. In 2020/21, USA recorded a 6% increase in the quantity of its cotton lint exports to 3.5 million tonnes, highest in the last three years. The increased production and decreased consumption in 2019/20 led to a 59% jump in ending stocks to 1.3 million tonnes. However, due to the exceptional increase in exports and consumption in

Increase for Uzbekistan's cotton production in 2020/21 season

Uzbekistan production increased by 94% to 1.02 million tonnes and the consumption revived by 10% compared to the previous season to 796,000 tonnes in the 2020/21 season. The same season saw the exports fall by 88% to 12,000 tonnes.



Revival in imports and consumption for South Korea in 2020/21

South Korea has no cotton production of its own and it caters all of its cotton demand from imports. Imports and consumption have steadily declined in South Korea over the past five seasons after a period of growth from 2008 to 2015. Imports which follow mill demand, decreased by 27% to 124,000 tonnes in 2019/20, before increasing by 11% to 138,000 tonnes in 2020/21.

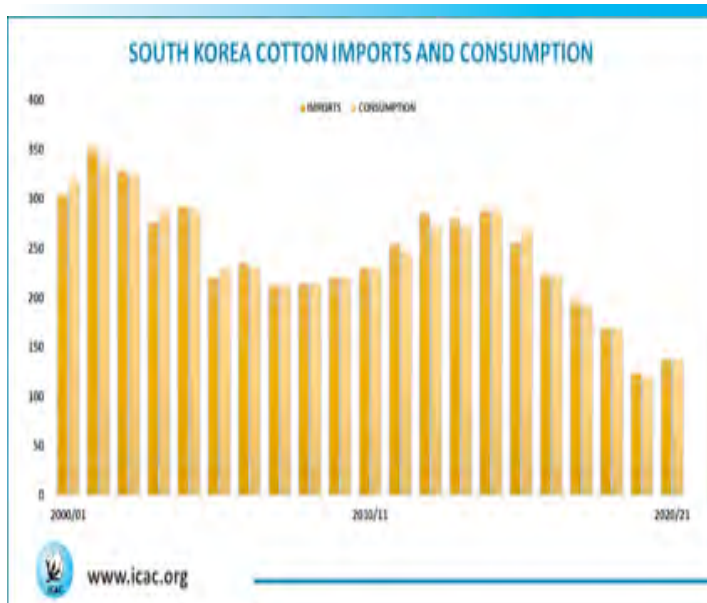


Fall in production and rise in exports for Kazakhstan in the 2020/21 season

Kazakhstan exports did not do well in 2019/20. Cotton exports fell by 24% to 65,000 tonnes. This fall in exports also led to a 50% increase in its beginning stocks to 18,000 tonnes in 2020/21. Cotton area fell by 4% to 126,000 hectares in 2020/21, leading to a reduction in its cotton production by 4% to 80,000 tonnes. Total cotton exports in Kazakhstan recovered by 4% to 68,000 tonnes in 2020/21.

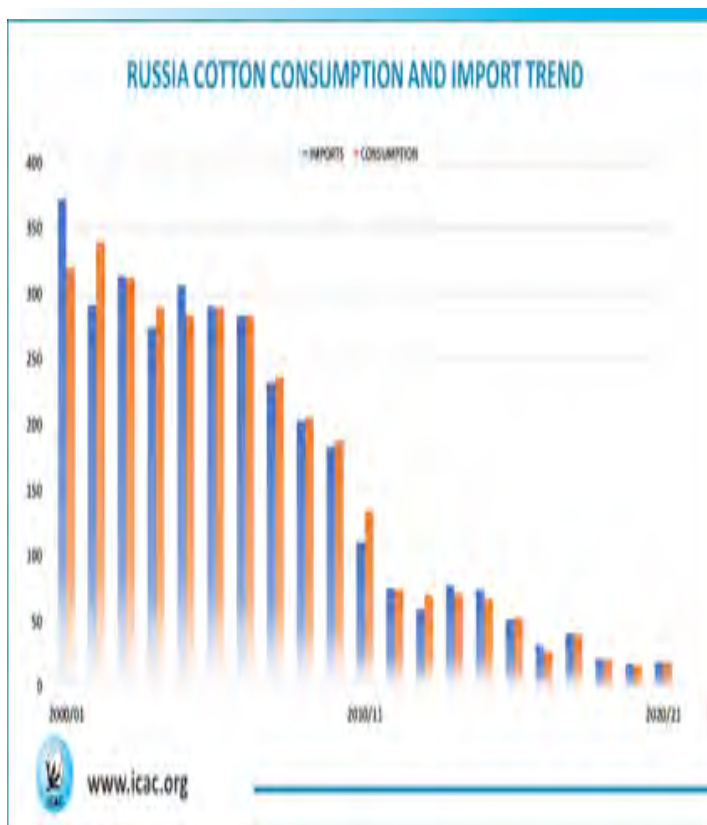


Over the course of the past five seasons imports have continued to decrease from the ten-year peak of 288,000 tonnes in 2014/15. Competition from lower cost countries, the appreciation of the Korean won and a move towards the production of smart-textiles, digital printing and nanotechnology are the main drivers of the decline in cotton spinning.



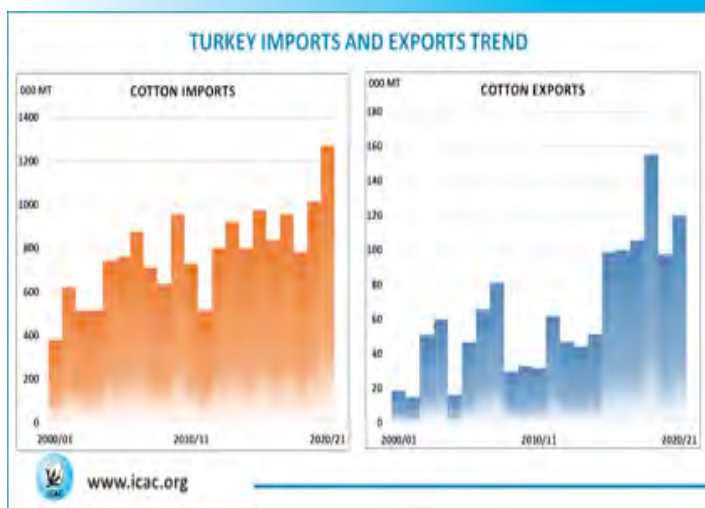
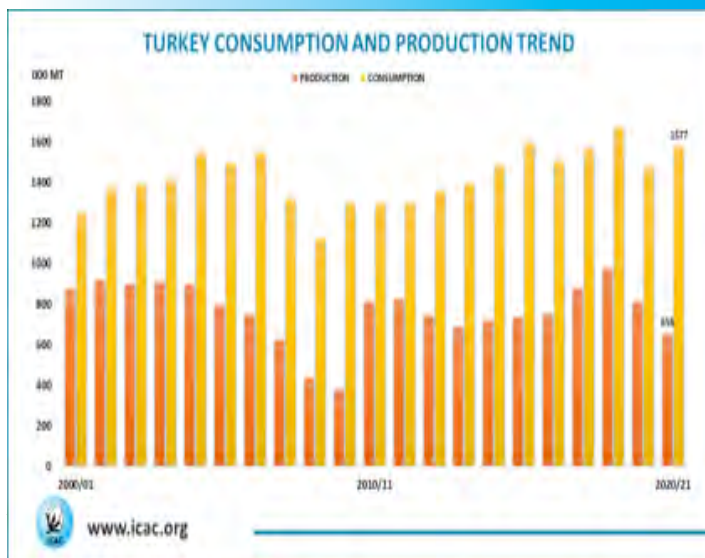
A small revival in the downward trajectory for consumption in Russia in 2020/21

Since Russia produces no cotton, its spinning sector relies on imports from Central Asia. Cotton consumption in Russia has been on the decline over the past decade. The 2020/21 season saw a small revival in cotton imports and consumption for Russia, while imports recovered by 7% from the previous season to 19,000 tonnes, consumption increased by 15% to 19,000 tonnes. Despite the recover, the season of 2020/21 was one of the lowest recorded seasons with respect to consumption and imports for Russia.



Increased Consumption and Imports for Turkey in 2020/21 season

Turkey plays a very important role in the cotton market. Since the early 2000s Turkey's consumption has been on an upward trajectory, peaking to 1.6 million tonnes in 2018/19. A same trajectory can be seen in its production, as cotton output has been trending upward since the early 2000s, to reach 977,000 tonnes in 2018/19. Nevertheless, Turkey's production has decreased in recent years and falls short compared to its domestic needs. In the 2020/21 season, Turkey imported 1.2 million tonnes of cotton, a level 25% higher than the previous season — highest ever for Turkey. In 2020/21, Turkey's area under cotton and production declined for the second year in a row to reach 400,000 hectares and 656,000 tonnes respectively. In the same season cotton consumption increased by 7% to 1.5 million tonnes. In 2020/21, Turkey became the 5th largest consumer of cotton, 7th largest producer of cotton and the 5th largest importer of cotton.

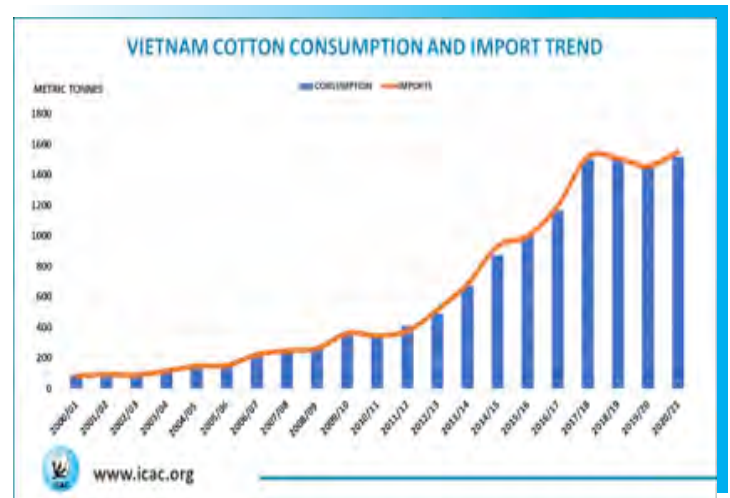


Revived Consumption and Imports for Vietnam in 2020/21

Vietnam has very little cotton production of its own — about 2,000 tonnes in 2020/21 — while consumption was 1.5 million tonnes, 5% higher than the previous season and the highest ever recorded. Vietnam was the 3rd-largest cotton lint importer in the world, accounting for 17% of total world imports in 2019/20. However, it recorded a fall in its imports in 2019/20 compared to 2018/19, both in quantity and in value.



In 2020/21, Vietnam retained its spot as the 3rd-largest importer in the world, totalling 1.55 million tonnes which accounted for 15% of total global imports. In prior years, the textile industry in Vietnam attracted substantial investment, including spinning, weaving and knitting, dyeing and finishing. Cotton mill use in Vietnam continues to show robust growth. Major textile industry growth factors for Vietnam include the granting of most favoured nation (MFN) status by the USA in 2001 and the admission of Vietnam to the World Trade Organisation in 2007. The government of Vietnam provides sizeable incentives for foreign investments in textile production. Since 2000, spinning capacity in Vietnam has tripled. Strong demand for cotton yarn from China and Turkey is another factor causing Vietnam to increase its imports in recent seasons.



For the future, the revival of the cotton sector might still be affected by:

- The growing number of new variants of Covid and the increase in infections that are causing slowdowns in manufacturing industries' operations and retail sales. Recent news from Bangladesh and Vietnam indicates that Covid infections are on the rise — which means lockdown-induced factory closures and shipping problems, might leave manufacturers scrambling to fill their orders.
- While the fundamentals of the market support an increase in price, the early 2021 US ban and the rising concerns amongst other governments and leading brands in the textile sector regarding the use of cotton from the Xinjiang region may force domestic textile manufacturers in China to use imported cotton for their textile products. Although short-term impacts on the market for this issue have not yet appeared, a greater long-term concern is that cotton apparel and textiles are increasingly being placed under greater pressure to demonstrate identity, production practices and chain of custody, while competing textiles including synthetic fibres do not face the similar challenges.



Cotton Price Trends in 2020/21

Lorena Ruiz

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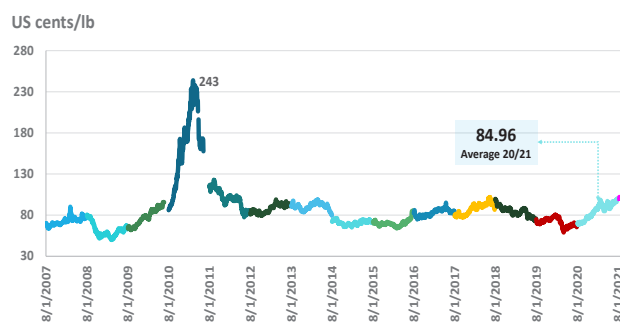
Economist at the International Cotton Advisory Committee (ICAC) with 18 years of experience in the cotton sector. At the ICAC, Lorena is the editor of the World Textile Fibre Demand Report, the Government Measures Affecting Cotton Production Report, the 'Cotton: Review for the World Situation' Report, co-editor of the Cotton Trade Report and collaborator of the trade data for the ICAC Cotton Data Book.

Higher Prices but also Higher Volatility

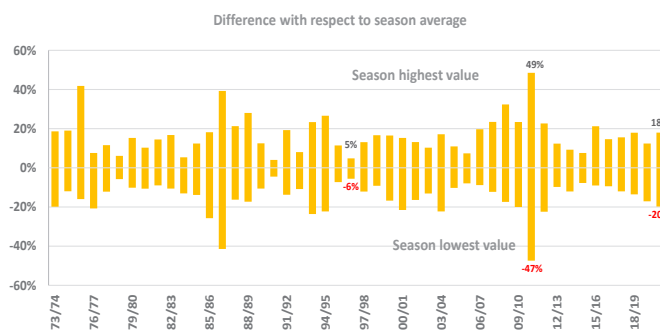
International cotton prices increased significantly in 2020/21. The Cotlook A Index (from now on referred to as the 'A Index') averaged 84.96 cents per pound, up by 19% from the previous season and the second-highest average in the past seven years. It is well known that 2020 was an atypical and unique year. The unanticipated changes in world demand and disrupted supply affected commodity markets in general. Although cotton prices were pretty close to the long-term average between August and September 2020, the development and release of multiple vaccines against Covid-19 coupled with the lifting of lockdown restrictions and quarantine measures imposed by governments undoubtedly helped the economy to get back on track, increasing the demand for commodities and supporting higher prices.

For cotton, the jump in prices in 2020/21 was mainly caused by a strong demand recovery and a tightening situation in terms of stocks and supplies. Global cotton production declined by 7% to 24.2 million tonnes, whereas global cotton mill use rebounded by 13% to 25.7 million tonnes, greatly exceeding production for the first time in four consecutive seasons. The Covid-19 pandemic heavily affected cotton mill use in 2019/20. Major cotton-consuming countries had to reduce their operating rates and were faced with order cancellations, as well as delayed or reneged payments. Cotton mill use plummeted to 22.8 million tonnes — the lowest in eight years — and as a result, world cotton ending stocks increased by 16%, before falling by 7% to 20.7 million tonnes in 2020/21. The stocks-to-mill-use ratio decreased from 122% in 2019/20 to 109% in 2020/21 in China, and from 54% to 41% in the rest of the world.

Daily Cotlook A Index



Price Volatility - Cotlook A Index



In 2020/21, cotton prices experienced more variability than in the previous season. The ICAC Secretariat usually reports volatility measures in terms of the relative spread and the coefficient of variation of prices during the season (the relative spread is the ratio of the difference between the maximum price and the minimum price to the average price observed during a season). These volatility measures have the advantage of measuring the dispersion of prices relative to the season average price. The maximum value of the A Index during 2020/21 was reached on 29 July 2021 at 100.25 cents per pound, while the minimum value was registered on 13 August 2020 at 68.2 cents per pound. The relative spread of the A Index amounted to 37.7%, the highest level observed since 2011/12 when the relative spread reached 45.1%. The coefficient of variation of the A Index during 2020/21 was 11.3%, 4.4 percentage points higher than the value observed in 2019/20.



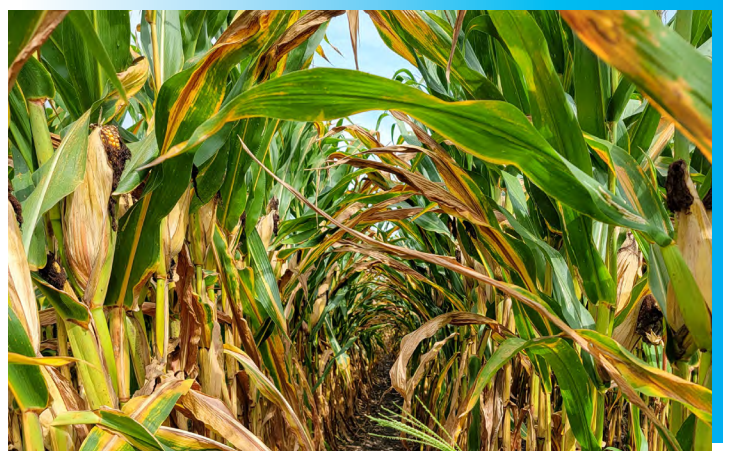
It is worth mentioning that the last time international cotton prices were above 100 cents/lb was in June 2018, when global mill use for the 2017/18 season was estimated at 26.4 million tonnes — one of the three highest levels ever recorded. In the United States — the world's largest cotton exporter — cotton production is expected to increase to 3.8 million tonnes in 2021/22, up by 22% from the previous year but nearly 500,000 tonnes less than in 2019/20. With world cotton demand increasing and stocks-to-use ratio in the world-less-China projected to be lower, volatility in cotton prices may continue. Additionally, tighter stocks will likely continue to support prices in 2021/22. As we get closer the harvest season, better data will become available on how much cotton will be produced whilst cotton demand should prove how strong it is despite the spread of the new Delta variant of the Covid-19 virus.

Prices for Competing Crops¹

Cotton was not the only commodity experiencing high-

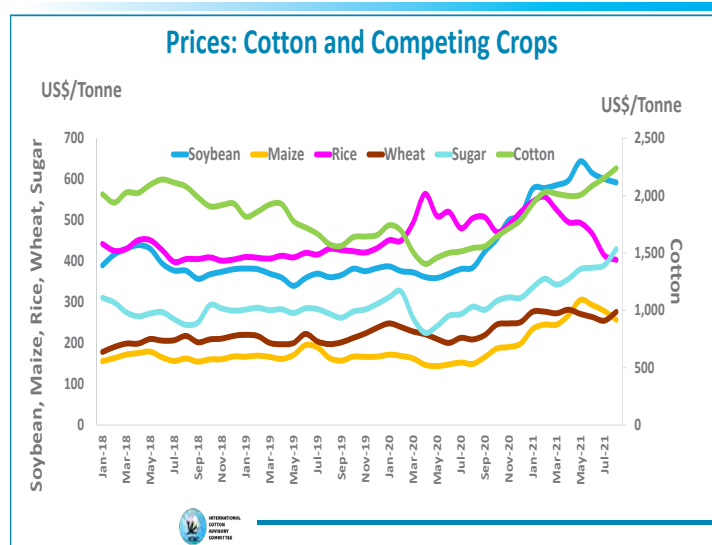
er prices during the second half of the 2020/21 season. Most food commodity prices rose substantially driven by demand shocks, problems with supply chains and strong demand from China.

Farmers' planting decisions depend on several factors, including the prevalent market prices of cotton and expected net revenues from alternative crops. Given the considerable drop in cotton prices at planting time (between February and March 2020) in the Northern Hemisphere (which accounts for 90% of world cotton production), world cotton area decreased by 7% to 32 million hectares in 2020/21. At the same time, global area for soybean, wheat, maize and rice increased by 4.2%, 2.6%, 1.6% and 1.3%, respectively.

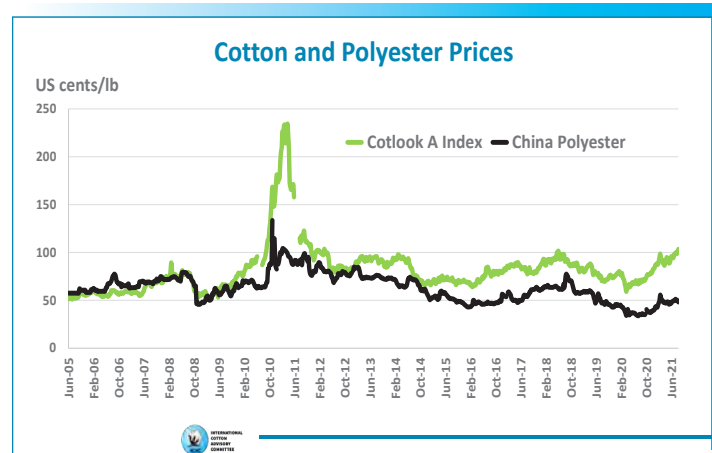


¹ Season-average prices for competing crops are estimated by averaging monthly quotes published by the World Bank in the 'Pink Sheet' (Soybeans, from January 2021, US Gulf Yellow Soybean #2, CIF Rotterdam; December 2007 to December 2020, US No. 2 yellow meal, CIF Rotterdam; previously US origin, nearest forward; Wheat (US), no. 2, soft red winter, ordinary protein, export price delivered at the US Gulf port for prompt or 30 days shipment; Rice (Thailand), 5% broken, white rice (WR), milled, indicative price based on weekly surveys of export transactions, government standard, f.o.b. Bangkok; Sugar (world), International Sugar Agreement (ISA) daily price, raw, f.o.b. and stowed at greater Caribbean ports.

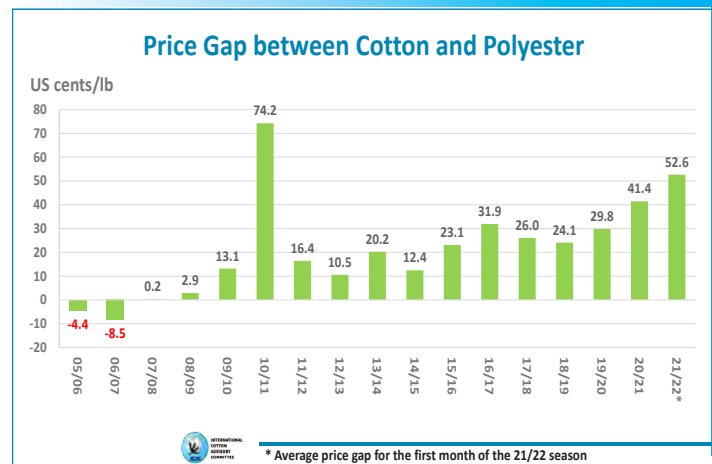
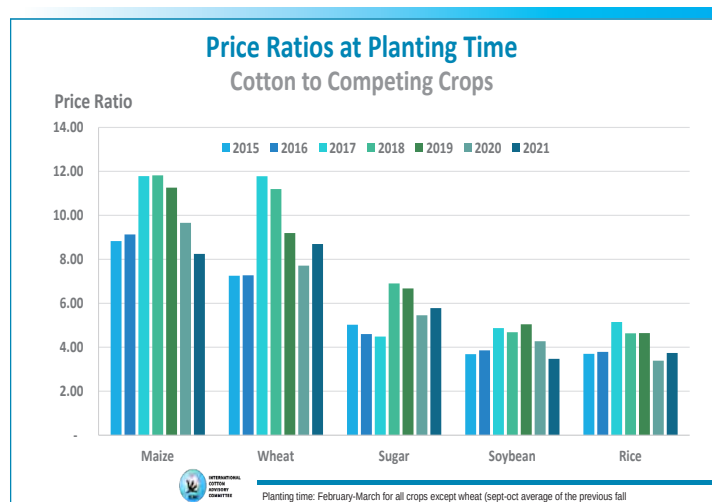
Season average prices for major crops that compete with cotton, such as maize, wheat, soybeans, rice, sorghum and sugarcane, significantly increased in 2020/21. Compared to 2019/20, average soybean prices rose by 45%, average maize prices by 44% and average sugar and wheat prices by 23% and 17%, respectively; average rice prices increased only slightly, by 7%. Nevertheless, a recovery in world cotton area is expected in 2021/22 as cotton prices rose to more than 90 cents/lb in February-March 2021, which is when farmers in the Northern Hemisphere made planting decisions for the 2021/22 season.



caused many cotton-consuming countries, including China, to turn to synthetic fibres as substitutes, reducing the global demand for cotton, which fell to 22.4 million tonnes in 2011/12.



The China polyester quote published by Cotlook increased from 35 cents per pound in August 2020 to 50 cents per pound in July 2021 (+42%). For the first three months of the 2020/21 season, the spread between the A Index and the China polyester price hovered around 35 cents per pound before rising to around 44 cents per pound in January 2021. In the last month of 2020/21, the spread between the two prices increased substantially to nearly 48 cents per pound — a level not seen since June 2011.



Cotton Less Competitive vis-à-vis Polyester

It is important to note that the extent of cotton price fluctuations and the gap between cotton and polyester prices have long-term adverse effects due to the uncertainty created throughout the cotton value chain. Furthermore, in previous years, the cotton industry has seen how higher cotton prices in comparison to polyester encouraged spinners to reduce the proportion of cotton in their blends in favour of polyester. In 2010/11-2011/12, the price of cotton rose to an all-time high. This price spike

Trends in Domestic Cotton Prices

The uncertainty surrounding the spread of coronavirus, coupled with an initial bearish demand scenario for cotton products and a decline on retail apparel sales worldwide, kept international and domestic cotton prices at around 70 cents/lb at the start of the 2020/21 season. However, as time passed the outlook for cotton supply and demand indicated that stocks held outside China would decrease by the end of the season, which normally puts upward pressure on prices. As countries were approaching the harvesting stage, production figures were adjusted at the same time that the demand for textiles

fibres started showing signs of recovery. International cotton prices increased from the third quarter of 2020 and remained firm for the rest of the season. Domestic cotton prices generally follow international cotton price trends unless a trading country is insulated from the rest of the world due to government intervention. Intervention measures include import or export restrictions, domestic price support and systems with fixed prices to farmers. Most domestic prices followed a similar trend to the Cotlook A Index in 2020/21.

In the United States, the US spot price followed the movement of the A Index during the 2020/21 season. It increased from 58.6 cents per pound in August 2020 to 82.79 cents per pound in February 2021. It dropped over the next two months, reaching 79.89 cents/lb in April 2021, before increasing to 85.03 cents/lb by the end of the season. Overall, the season-average US spot price rose by 28% compared to the previous year, increasing from 57.58 cent/lb in 2019/20 to 73.86 in 2020/21.



Small countries that import and export cotton are price takers, which means that variations in their purchases and sales of cotton do not significantly affect international prices. Unless a country is insulated through the use of measures such as trade barriers and/or a system of price control, their internal cotton prices move in parallel with international cotton prices.

The spot price of Shankar-6 cotton² — the main variety of cotton exported from India — increased considerably in 2020/21 compared to the prior season, rising from 35,422 Rupees per candy³ in August 2020 to 53,911 Rupees per candy in July 2021 (+52%). Overall, cotton prices in India increased by a greater amount than the A Index in 2020/21. The government of India increased the Minimum Support Price (MSP) for cotton farmers by 5% to 5,775 per 100kg of seed cotton in 2020/21, thus supporting cotton prices.



² Spot prices refer to values for the immediate exchange of cotton for cash. India and Pakistan have some of the most active spot markets in the world. Average daily prices in these markets are reported by cotton organisations in each of these countries. It is important to note that spot prices do not include any delivery costs whilst the A Index and CC Index describe prices inclusive of delivery to the Far East and to Chinese spinning mills.

³ Indian candy = 346 kg of cotton lint. Prices reported by the Cotton Association of India.

Spot prices in Pakistan followed a similar trend to prices the Cotlook A Index for much of the season, rising from 8,962 rupees per 40 kg in August 2020 to 12,980 rupees in March 2021, before declining to 11,847 rupees in April 2021. Nevertheless, similarly to the Cotlook A Index, Pakistan spot prices started an upward trend by the end of the 2020/21 season, increasing from 12,314 rupees per 40 kg in May 2021 to 13,848 rupees in July 2021. The season-average spot price in Pakistan increased by 23% in 2020/21 compared to the previous year, rising from 9,295 in 2019/20 to 11,394 rupees per 40 kg in 2020/21.

R\$5.16/lb. In the last six months of 2020/21, prices averaged R\$4.96/lb. The season-average spot price in Brazil increased by 22% in 2020/21, reaching an all-time at R\$5.26/lb.

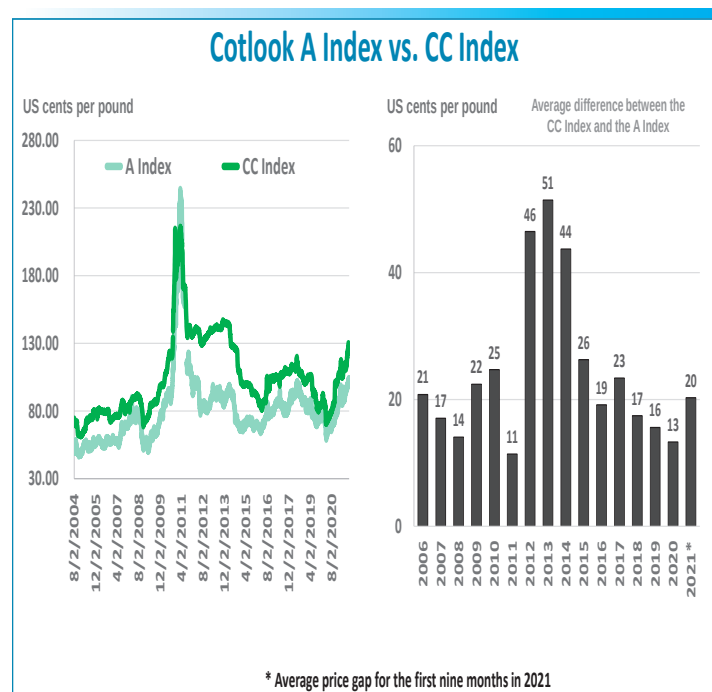


Brazil is another large exporter, accounting for about 23% of global exports. However, unlike most other exporters, the bulk of its harvest reaches the international market in September through to January, which is when the Northern Hemisphere starts picking its cotton. The monthly average spot prices rose from an average of R\$3.09/lb in August 2020 to R\$3.90/lb in November 2020. The monthly average spot price then fell over the next month before increasing for the remainder of the season. Prices rose from R\$3.84/lb in December 2020 to R\$4.98/lb in July 2021. The largest increase occurred in May 2021 when prices rose by 4.4% from R\$4.9/lb to

Farmers' seed-cotton prices in many of the cotton-producing African countries in the CFA franc zone are usually fixed at the beginning of the season by government cotton agencies and the organisations representing farmers. At the end of the season — depending on the prices actually received by cotton agencies and international price trends — farmers sometimes obtain a premium over the initial price. The non-weighted average seed-cotton price for first quality⁴ cotton paid to farmers across the CFA franc zone was around 258 CFA francs/kg in 2020/21. This was 5% lower than in 2019/20. Prices in Benin, Côte d'Ivoire and Senegal remained unchanged from last season, whilst prices decreased in Burkina Faso by 25 CFA francs/kg, in Mali by 25 CFA francs/kg and in Togo by 40 CFA francs/kg.



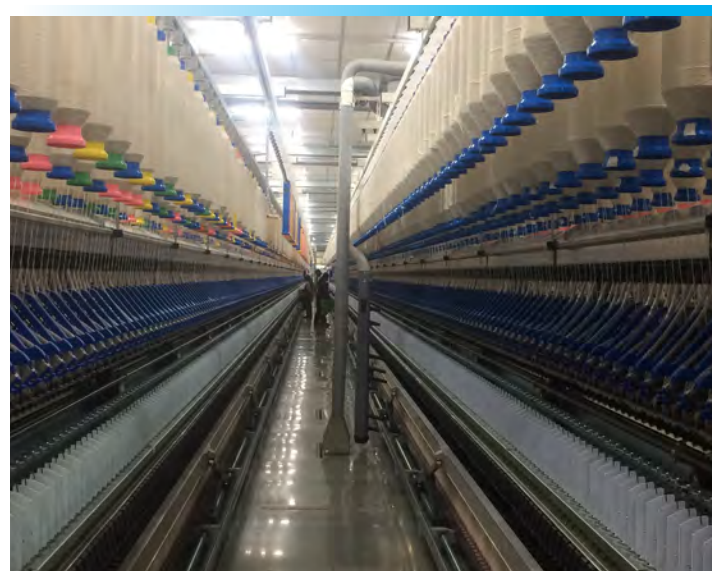
in 2019/20 and by 3.4% from 17.95 cents per pound in 2018/19. The correlation between the Cotlook A Index and the CC Index was 96% in 2020/21, higher than in 2019/20 (87%) and 2018/19 (80%).



Cotton Spinning Margin Down

The Cotlook Yarn Index is an indicator of export prices of 20s and 30s count cotton yarns from India, Pakistan, Indonesia, China and Turkey — with the average in 2005 equal to 100.

Following a trend similar to cotton prices, the Yarn Index increased from 105.85 in August 2020 to 155.42 in March 2021, then decreased to 146.25 in May 2021 before rising again to 150.54 in the last month of 2020/21. Altogether, the relative fluctuations in the prices of yarn and cotton, as measured by the published indices, suggest that the average cotton spinning margin remained stable in 2020/21.



Chinese domestic cotton prices, as represented by the China Cotton Index (CC Index)⁵, averaged 15,004.32 yuan per tonne (103.52 US cents per pound) in 2020/21, 18.4% higher than the previous season. Chinese cotton prices followed a trend comparable to the trend in international cotton prices during the season. Similar to the Cotlook A Index, the CC Index increased almost without interruption throughout the season. After reaching a record of 15,947.9 yuan per tonne in March 2021, it declined by 2.4% to 15,566.4 in April, before climbing to 16,945.32 yuan per tonne in July 2021. The CC Index fluctuated between 12,281 and 17,753 yuan per tonne throughout 2020/21, an interval equal to 36.4% of the season average and proportionally larger than in the previous season (23.5%). The difference between the Cotlook A Index and the CC Index averaged 18.6 US cents per pound in 2020/21, up by 82% from 10.2 cents per pound

⁴ First pick

⁵ The China Cotton Index (CC Index 3128B) stands for white cotton grade 3, length of 28mm, micronaire B, representing middle quality cotton. CC Index refers to prices for cotton within China. It is a simple average of prices of Chinese cotton offered by Chinese merchants for cotton delivered to Chinese spinning mills.



Review of the Supply and Demand for Cellulosic and Other Natural Fibres

Andreas Engelhardt



President

The Fibre Year GmbH

www.thefibreyear.com

Andreas has worked in several departments of an international fibre producing company (formerly Glanzstoff). After graduation in business management and marketing, Andreas joined Barmag in 1992 and moved to Saurer Headquarters in 2001. End of 2010, Andreas founded his own company to continue producing the globally accepted brand „The Fibre Year“, a textile yearbook delivering a world survey on fibres, yarns and nonwovens. Andreas has been quoted or appeared in

various news publications including AVR, Bio-based News, Bloomberg, Chemical Fibre International, China Textile Magazine, China Textile Leader, Der Spiegel, Der Standard, eco Institut, FAZ Frankfurter Allgemeine Zeitung, Fibre2Fashion, Forward Textile Technology, Indian Textile Journal, International Fibre Journal, Knitting Trade Journal, Kohan Journal, Melliand, Nonwovens Industry, NZZ Neue Zürcher Zeitung, Schweizerische Umweltstiftung, Sustainable Nonwovens, Technical Textiles, Tecoya Trend, TEXTILplus, TextilWirtschaft, U.S. Congressional Research Service, WirtschaftsWoche, Zeit Online and others.

Market Review for Cellulosic and Other Natural Fibres in 2020 and the Outlook for 2021

Fibre Market

World fibre supply in 2020 was razor-thin in the red, subsequent fabric processing plummeted sharply and the projection of final demand at the retail stage, based on 15 markets with a joint population of 3.1 billion, was even a little stronger than the previous year. Diverging dynamics along the value chain came as a surprise because the production of man-made fibres can quickly be adjusted to match demand. Thus, a holistic approach is increasingly gaining acceptance.

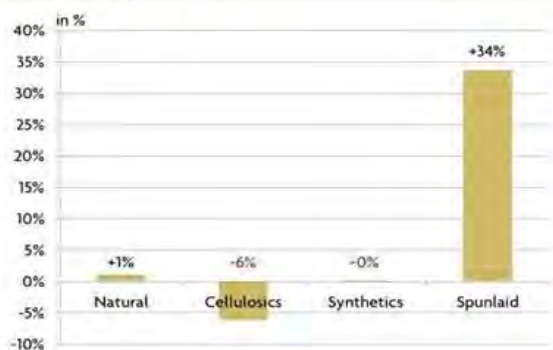
Fibre and yarn supply was projected 10% down and finally came in tolerably stable after unexpected strong official output data from Beijing indicating a speculative rebound from mid-2020 with substantial inventory accumulation. World fibre supply experienced a modest

recovery in natural fibres, mostly cotton, that is projected to drop in the current season. Manmade fibres recorded an almost unchanged volume of synthetics despite the first decline in filaments after the financial crisis while wood-based cellulose suffered from contraction of both filament and staple fibre. In total, the manmade fibre industry saw surprisingly robust production in China while other industries across the world jointly contracted at double-digit rate.

The scope of global supply last year was enlarged by polymer-based nonwovens. Spunlaid¹ enjoyed its most dynamic growth this century with an average annual growth rate of 9.5% to exceed 9 million tonnes last year. Surging demand in disposable products for cleaning and disinfecting wipes, medical fabrics, filtration and face masks lifted global nonwovens demand with unprecedented speed following massive investments across the globe and strong gains of Chinese textile article exports due to face mask shipments increased almost tenfold.

¹ Manufacturing, in which fibres are spun and then directly dispersed into a web by deflectors or air streams.

Dynamics in Supply 2020



Next to the demand shortfall that resulted in most fibre types entering negative growth territory, the synthetic fibre industry was affected by an alarming surge of force majeure⁴ declarations and technical issues that continued into 2021 causing a temporary shutdown of spinning lines across all synthetic fibres.

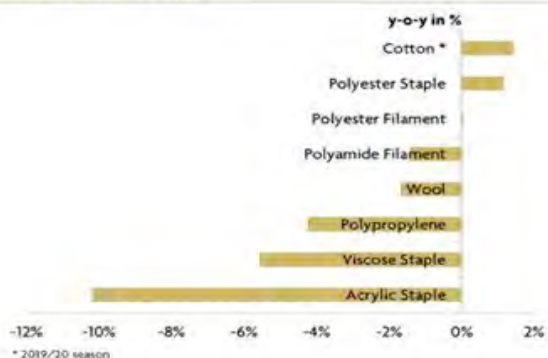


A closer look into mainstream fibre types reveals fastest dynamics for cotton output as the decision for planting was already made ahead of pandemic outbreak. Polyester was the only manmade staple fibre (apart from small-scale nylon) with growth in 2020 even though stronger growth was initially projected. However, Chinese expansion was comparatively slow according to the China Chemical Fibres Association due to lower recycled fibre volumes following a further narrowing of the virgin material price spread. Both segments benefited from an increasing preference of retailers and brands for standard blends such as CO/PES² at lower prices as consumers cut spending for necessary pieces of garment given losses in disposable income and uncertainty about the future economic outlook and their job security.

Stagnation in polyester filament³, hitting a 12-year low in growth, was primarily caused by the slow movement of textile and industrial yarns while carpet yarns witnessed excess demand — and supply could have been even higher if more resin would have been available. Consumption levels benefited from a surging number of home improvement projects as people spent more time at home and less money on vacation.

Natural fibre production increased by 1% to 32 million tonnes with cotton production rising by 1%, as decisions about planting were made ahead of the pandemic outbreak. Wool supply softened for the third consecutive year, down almost 2%; bast fibres are projected to also have declined by nearly 1% for the third year in a row while other natural fibres modestly rose 1% including growth in all types such as abaca, agave, coir, kapok, silk and sisal.

Dynamics in Production 2020

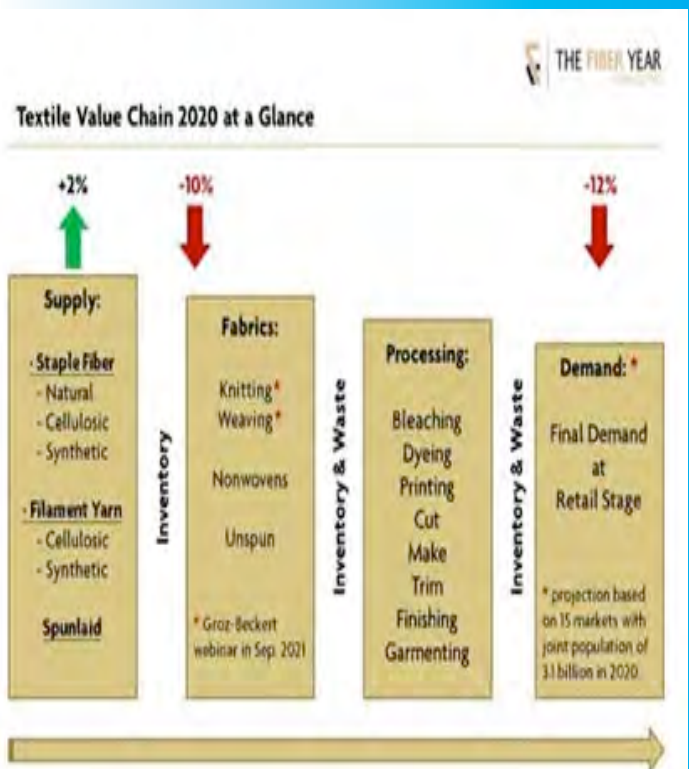
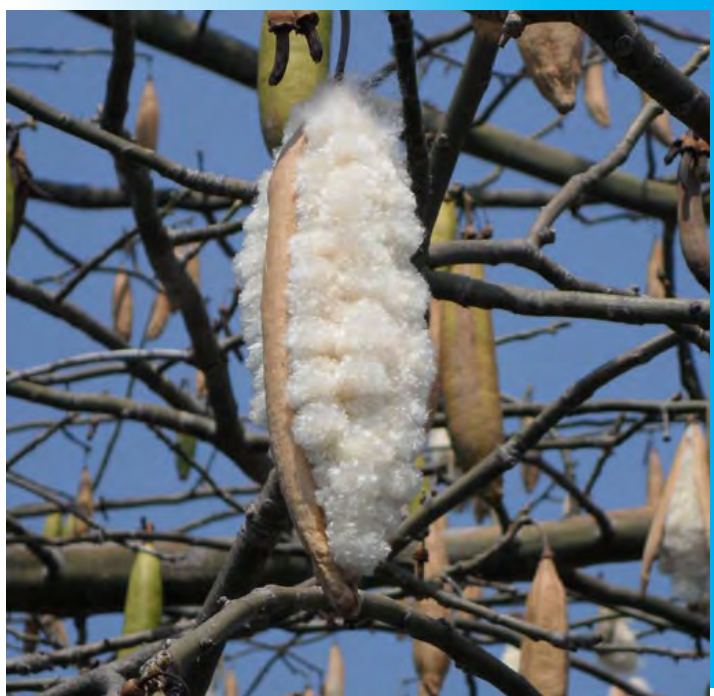


² Cotton/Polyester.

³ Polyester filament: widely used in various clothing and decoration materials. Polyester can be used in industry for conveyor belts, tents, canvases, cables, fishing nets, etc.

Polyester staple fiber: mainly used in the cotton spinning industry, spinning alone or blended with cotton, viscose fiber, linen, wool, vinylon, etc. The resulting yarn is mainly used for clothing weaving, but also for home decoration fabrics and packaging cloth, filling and thermal insulation material.

⁴ Force majeure is a common clause in contracts which essentially frees both parties from liability or obligation when an extraordinary event or circumstance beyond the control of the parties.



Outlook

Simultaneous crises of supply and demand posed a life-threatening burden for the entire world. The pandemic will have a long-term economic impact and economic activity is anything but normalised despite heavy policy support.

Freight costs are at an elevated level and rising further due to container shortages and a deficit in semiconductor supply — just two examples that a smooth material flow is still missing. Furthermore, economic uncertainties like inflationary pressure and sovereign debt levels in many regions must not be neglected.

Modest demand growth this year seems possible despite changing consumption patterns with expenditures for travel and entertainment gaining weight and uncertainties like spread of Covid-19 variants, vaccine rollout and willingness for vaccination are making any forecast highly speculative.

In a nutshell, the fibre industry will lose around two years, worse than the one-year loss during the 2008/09 financial crisis in which we saw a rapid V-shape recovery.

Apparel demand may expand when people gradually return to the office and when schools and universities are reopened and social events go ahead as scheduled. However, a growing risk becomes apparent during the summer months with the number of infections increasing in Europe and Southeast Asia. Any potential lockdown measures including store closures would inevitably choke off demand and lead to another decline in prices, changing from the current polymer-driven prices to demand-driven prices.

The carpets and home textiles sector has experienced

Key figures along the textile value chain illustrate diverging dynamics from supply to demand at the retail stage. Supply of natural fibres rose marginally, manmade fibres and filaments inched down while surging spunlaid production overcompensated the drop in the fibre side and brought global supply into positive growth territory.

Calculations of the processed volume at fabric stage revealed significant losses for knitting and drastic contractions of weaving operations while fibre-based nonwovens recorded robust growth that ultimately did not succeed to reach its century's average growth dynamics. Thanks to the long-term cooperation with Groz-Beckert, the world's leading provider of industrial machine needles and precision parts for fabrics production, The Fibre Year has access to national fabric volumes as presented in a virtual webinar ('The Fabric Year 2020' at YouTube) organised by Groz-Beckert in November 2020. Just send an email to info@thefibreyear.com and we will add you to the invitation list and a link to join the event in September 2021 will be provided timely.

positive signs from mass work-from-home policies that inspired people to refurbish their homes. However, growing private residential expenditures for a certain period cannot compensate for declining commercial investments.

Demand recovery for mobility segments will take the longest to recover. Global vehicle production already began to decline in 2018, went down another 16% last year, and commercial aircraft deliveries plummeted 42% to a 15-year low. It appears that the car industry first needs to overcome a structural crisis that got worse last year with falling disposable incomes and consumers' increasing wait-and-see attitude on emissions-free mobility. Companies heavily invested in remote work tools, which may lead to reduced traffic between home and office as well as less business traveling and increasing use of digital tools that we all got familiar with by now. Accordingly, in early July, the German auto industry association VDA cut its production growth forecast for 2021 in Germany to 3% from 13% after production had fallen significantly below expectations in recent months.

Sustainability issues are increasingly gaining importance as the fashion industry in particular has been dubbed as one of the most wasteful industries on earth. We need to act sooner rather than later and the textile industry growth model offers plenty of options.

Estimated production losses account for more than 10 billion kilograms yearly from waste along the entire value chain for different processing technologies at various degrees. In addition, we have microfibre shedding when garments are used or washed. Additionally, the vast majority of apparel products end up at landfills or incinerated. Currently less than 1% of textiles are being recycled in a closed-loop system.

Investments are noticeable not only in sustainable fibre growth but also in sustainable manufacturing to reduce greenhouse gas emissions and in recycling capacity additions for pre- and post-consumer waste. Subsequently, we will focus on promising fibre investments.

Lyocell, a fibre with excellent comfort, is likely to see strong investment. Fibres produced in a closed-loop system — recovering and reusing solvents — significantly minimise the environmental impact of production. Back in the 1990s, Lenzing started commercial lyocell production and leads the industry in production. The company is in the process of constructing a new plant in Thailand, with an annual capacity of 100,000 tonnes from its first production line alone, that is expected to come on-stream this year and up to three additional lines could be coming. The other two large-scale viscose manufacturers, Birla and Sateri, both have lyocell capacity at their disposal by now. Sateri in March 2021 announced plans to expand its lyocell production in China to an annual capacity of up to

500,000 tonnes by 2025. Further investments in Turkey, and China from smaller producers, is also in the pipeline.



There are a number of bio-based fibres⁵ such as nylon, polyester or PTT⁶ but in terms of market size and dynamics, it seems best to focus on PLA⁷.



PLA⁸ is a dedicated fully bio-based polymer. What is the meaning of 'dedicated'? They are bio-based chemicals or polymers that are produced commercially via a dedicated pathway and do not have an identical fossil-fuel-based counterpart. As such, they can be used to make products that cannot be obtained through traditional chemical processes. Their products may offer unique and superior properties that are unattainable with fossil-based alternatives. PLA capacity last year expanded by 30%, or nearly 100,000 tonnes, following investments in the Chinese industry and a global capacity level exceeding 600,000 tonnes is projected for 2025. Two Chinese projects will add another 50,000 tonnes, a further 75,000 tonnes capacity will come on-stream in Thailand by 2024, a 15,000-tonnes increase is expected for the USA and a new 100,000 tonnes plant in France is expected to be operational in 2024.

⁵ A biosynthetic fiber consists of polymers made from renewable resources, either wholly or partly.

⁶ Polytrimethylene terephthalate-PTT is a thermoplastic that can be spun into both fibers and yarns — in both carpet and textile markets

⁷ Polylactic Acid (PLA) has been used to replace PES. PLA is biodegradable, compostable, and obtained from renewable resources.

⁸ Information was provided by nova-Institut, Germany, which offers unique support for the transition of businesses into a climate neutral future



Arbitration During Lock-Down

John Gibson

Head of ICA Arbitration

ICA

ica-ltd.org/



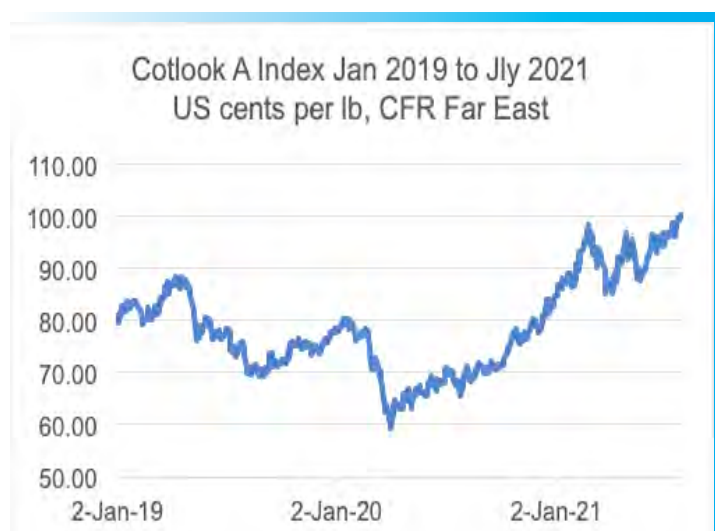
John is Head of the Arbitration team as well as being secretary to the Arbitration Strategy and Rules Committee. He is also Company Secretary and Executive Officer of the ICA Mutual Ltd..

ICA Arbitration During Lock-Down

During the past 18 months, national and international responses to prevent the spread of Covid-19 have affected every aspect of the supply chain. All have been impacted, from the seed producer and farmer right through to the textile manufacturer and retailer. And the effect on market prices has also prompted an increase in the use of ICA arbitration.

Following the global lockdown, the demand for cotton plummeted. Many textile mills in China, Bangladesh and elsewhere in the world initially refused to take the cotton they had bought. This was largely due to the collapse in demand from the retail sector, with many buyers rescinding or putting 'their textile contracts on hold'.

Despite lockdowns, cotton production remained largely constant during this period. With an excess of supply and little demand, the price of raw cotton fell markedly in the first half of 2020. As lockdowns eased during the summer of 2020, prices picked up in the 3rd quarter of 2020 as shown in the chart from Cotlook A Index.



ICA and Safe Trading¹

The ICA makes two principal contributions to the international cotton market: We represent a global community that is committed to safe trading and we manage the trade rules under which most raw cotton is traded internationally. This community includes partner organisations such as ICAC, Better Cotton Initiative, International Textile Manufacturers Federation, and many national cotton associations. We have remained committed to maintaining a dialogue and collaborating throughout a difficult period characterised by handling and logistic delay, uncertain demand and price volatility. None anticipated this complex combination of characteristics.

The ICA trading rules continue to stand the test of time. They have been in existence for nearly 180 years and the fundamental principles are now well-established. Shippers whose counterparties did not perform initiated arbitrations. It should be noted that the protections under the ICA trading rules are not available to those at the end the supply chain. Cotton buyers rarely have any remedy against the retailer who cancels the contract².

Technical arbitrations commonly arise from the non-performance of a contract, leading to its closure under the ICA Rules. If either party closes a contract, then it is to be 'invoiced back'. The resulting settlement is payable regardless of which party, if any, is responsible for non-performance or is in breach of the contract. Either party can therefore close a contract at any point and trigger the invoicing back process.

The invoicing back settlement is calculated as the difference between the contract price and the market price at the date of closure. The date of closure is the date when both parties knew, or should have known, that the contract would not be performed.

If the invoicing back settlement is claimed in arbitration, the ICA tribunal will normally seek evidence to establish the available market price. The tribunal will not share its sources, but the parties are given the opportunity to comment on the price information that it obtains.

Force Majeure and Covid

ICA trading rules contain no provision for 'force majeure'. We recommend dialogue, mutual understanding and open communication between parties. Should either party wish to define exceptional circumstances under which a contract may be cancelled, then it is for the trading parties to provide for them in their contracts. In the event of disagreement, the conduct and responsibilities of the parties must be guided by the conditions contained in the contract. In all circumstances under ICA Bylaws and Rules, when a contract is not completed it is to be invoiced back in accordance with Bylaw 201.

Market Conditions and Arbitration

The ICA experience is that there is usually a time-lag after the market adjustment before arbitrations commence. We estimate approximately a six months delay is usual before an arbitration is commenced, though some start earlier or later. The following chart illustrates the rise in application numbers in the second and third quarter of 2020.

ICA Arbitration applications by quarter 2019-2021

2019		2020		2021	
Quarter 1	7	Quarter 1	19	Quarter 1	6
Quarter 2	14	Quarter 2	40	Quarter 2	23
Quarter 3	25	Quarter 3	37	Quarter 3	
Quarter 4	22	Quarter 4	14	Quarter 4	
Total applications for year	68	Total applications for year	110		

The ICA authorised a temporary change in the number of cases each arbitrator may hold to increase capacity. This temporary measure was removed after three months. Electronic arbitration awards were issued and paper submissions significantly declined in favour of e-transmission of claims documents in arbitrations. Set out below are arbitration cases that were active during the period January 2020 to June 2021, showing a rise in active cases from Spring until Autumn 2020. It also shows a significant rise in the rate of publication of cases. Throughout the period, ICA mediation services have not been decisive in settling disputes.

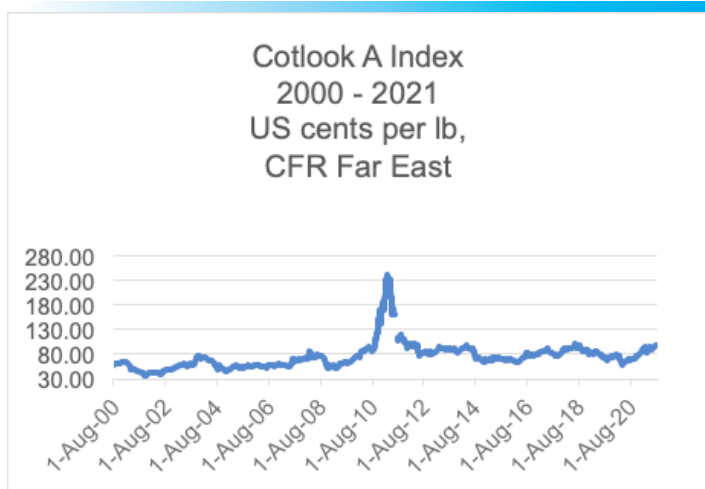
	Jan 20	Feb 20	Mar 20	April 20	May 20	June 20	July 20	Aug 20	Sep 20	Oct 20	Nov 20	Dec 20	Jan 21	Feb 21	Mar 21	April 21	May 21	June 21
No. of awards published in month	4	3	4	4	9	7	4	5	10	8	11	8	6	4	2	8	4	5
No. 1 st Tier active	39	40	48	59	65	68	64	65	72	59	52	38	36	29	33	35	31	33
Cases settled, closed or withdrawn	3	2	1	2	1	2	7	12	1	9	5	6	6	2	0	3	1	0

Comparison with the 'Black Swan' Period of just over 10 Years ago

We can show a similar rise in arbitrations following the cotton price spike of 2010/11. However, in that earlier period, the market movement was far more pronounced and arbitration applications increased from 50-60 to well over 200 per year.

¹ It should be noted that the protections under the ICA trading rules cover the trade of raw cotton and therefore are not available to spinners trading yarn or those at the end the supply chain such as retailers.

² It should be noted that arbitration only covers contracts of trade in raw cotton. Yarn defaults are not covered by the ICA rules.



there were 248 — significantly more than the 110 received in 2020.

Defaulters and the List of Unfulfilled Awards

We have started to note a slight increase in companies who default on arbitration awards. This usually leads to the listing of their names on the ICA 'List of Unfulfilled Awards Part 1' (LOUA1). Once again, this does not compare to the earlier period at the beginning of the last decade where for some months, where 20 or 30 names were added to the LOUA1.

Conclusion

The ICA arbitration system was once more successfully 'stress tested' by the Covid emergency. The global community of companies who are committed to safe trading, represented by the ICA, remains active and is increasing in number. There are no plans to make significant changes to the ICA arbitration system.

So, sharper and more extreme market movement in 2010/11 led to more arbitrations whilst in 2020 the global pandemic is what led to an increase, albeit a smaller one than the rise in 2011/12. For example, in 2011 there were 242 arbitration applications and in 2012





World Cotton Day

Mike McCue

Director of Communications

ICAC

www.icac.org



Mike has been a communications professional for more than 30 years, most of it spent running variety of trade press magazines, including Cotton International magazine and The Cotton Yearbook. At the ICAC, he is responsible for marketing, all external and internal communications including the Annual Report and organising World Cotton Day events. The International Cotton Advisory Committee-ICAC is an organisation of currently 29 members with an interest in cotton and the textile value chain. The ICAC, formed in 1939, is the only inter-governmental body for cotton producing, consuming and trading countries and is one of only seven International Commodity Bodies recognised by the United Nations. The ICAC was formed by government consensus to deal exclusively with technical, statistical and policy matters related to cotton.

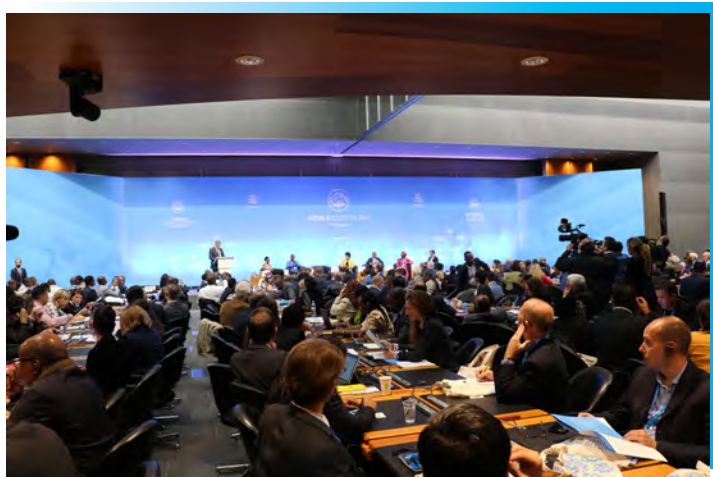
Sometimes it feels like every time we look at the upcoming week in our calendars, there's a new 'dedicated day' you've never heard of. January 31, for example, is National Bubble Wrap Appreciation Day. September 22 is International Hobbit Day. October 2 is National Name Your Car Day.

Don't get me wrong — I love bubble wrap, am a big fan of JRR Tolkien's 'Lord of the Rings' series, and while I've never actually named any of my cars, I have no problem with people who do.

When we get to 7 October of each year, though, things get serious because that's when, since 2019, the secretariats of the ICAC and the other founding organisations — the World Trade Organization (WTO), International Trade Centre (ITC), United Nations Conference on Trade and Development (UNCTAD) and Food and Agricultural Organization (FAO) — recruit their members and millions of people around the world to hold celebrations to mark a 'World Cotton Day'. Cotton provides income to hundreds of millions of people around the world each year, including some of the poorest farmers in Africa whose livelihood depends on it. It is a natural fibre that doesn't pollute the environment with microfibres and provides many more useful things beyond the fibre it's famous for, including cooking oil and feed for livestock.



That was the mindset when the ICAC and its partners and allies came up with the theme for World Cotton Day 2021: 'Cotton for Good'. Although cotton is a major part of our daily lives, plenty of people don't know just how important and flexible the cotton plant can be, and that's the primary reason World Cotton Day was invented by FAO, ICAC, ITC, UNCTAD and the WTO, with a massive launch event at WTO headquarters in Geneva two years ago.



Shortly before press time, the cotton industry received some fantastic news: The United Nations confirmed it will pass a resolution during its General Assembly on 15 September to officially recognise 7 October as World Cotton Day on its permanent calendar. It is indicative of how important cotton is to the global economy and worldwide employment that World Cotton Day went from a concept in 2018 to having its own dedicated day on the official UN calendar.



Why Do We Need World Cotton Day?

This is the first question most people ask when they hear that 7 October has been officially recognised as World Cotton Day on the permanent United Nations Calendar.

It's a fair question to ask — and an easy one to answer. This is why we are working so hard to ensure the world recognises cotton on 7 October:

- To raise awareness on the challenges and opportunities involved in the production and commercialisation of cotton.
- To support WTO Members in their efforts to build more open, efficient, fair, predictable and resilient cotton international markets, including through multilateral trade negotiations aimed at reducing trade and production distorting subsidies
- To support the development of sustainable and economically viable cotton sectors in vulnerable developing countries, particularly in Africa, including through technical assistance and development projects
- To raise governments' awareness and ensure their support to address the challenges and opportunities faced by the cotton and textile industries.
- To increase cotton's visibility and importance in the eyes of NGOs with the hopes of securing increased funding for projects.
- To increase global demand for cotton fibre and its by-products.
- To educate consumers about the social and environmental benefits of natural fibres.
- To counter the many (often ridiculous) myths about cotton that are so prevalent in today's media.

In short, we need World Cotton Day because cotton is good: for the global economy, for the environment, for fighting climate change, and for consumers. With that in mind, it's pretty easy to see why the group settled on 'Cotton for Good'.



Cotton touches all of us

When people think of cotton, they usually think of the plant in the field or the clothing in their favourite store. But the cotton supply chain is longer and more complex than it is for most other commodities so there are millions of people working between the farm gate and the retailer's shelf, including ginners, logistics and insurance professionals, merchants, spinners and garment manufacturers and providers of finished goods. Directly or indirectly, cotton provides all of them with the ability to earn a living.

The Earth needs cotton's help.

Our planet's air, water and wildlife are all under assault from microfibres, the microscopic pieces of plastic that clothing made from synthetic fibres sheds when washed. Invisible to the naked eye, they pollute our waterways by the billions every day and enter our food chain when they're ingested by fish and shellfish. They also can be carried vast distances through the air and have been found as far away as the Arctic Circle and atop snow-capped mountains in the Himalayas. And that doesn't even take into account the greenhouse gases generated by oil extraction and conversion into polyester and other synthetic fibres, or the horrific damage to wildlife and the environment caused by oil spills.

Cotton means life or death in many least-developed countries

Earlier, we touched on how many different types of people earn their living, directly or indirectly, from cotton. But for people in many LDCs, cotton represents more than money — it's life. Among cotton's many wonderful qualities is the fact it is a xerophyte, which means it thrives in dry conditions. Many small holder farmers in India and Africa live in arid regions where most other crops can't grow, so without cotton they would literally have no way to feed their families.

Cotton can help us with climate change — as long as we protect it in return

Cotton isn't perfect and we need to accept that. The global industry has been making good strides and getting better but water consumption and chemical inputs are still issues. That having been said, cotton actually has a negative cotton footprint. Each kg of cotton fibre emits about 1.7 kg of greenhouse gases (GHGs) during its production but then it sequesters 2.2 kg of GHGs, removing them from our atmosphere and storing them in its soil and biomass. Unfortunately, cotton is also at risk from climate change and its unpredictable weather patterns but as long as we protect cotton by developing ever-more-resilient strains, it will keep protecting us by scrubbing GHGs from the air.

In addition to all the above points, we need a World Cotton Day because, frankly, people love cotton. Research from Cotton Incorporated over the decades has consistently

shown that consumers prefer the feel of cotton to the feel of synthetic fibres against their skin. Choosing natural fibres over their petroleum-based competitors is definitely something to celebrate!

That leads to the next question, which is 'What can I do to help on World Cotton Day?' For the most part, the answer is 'whatever you think is best'. During World Cotton Days in the last 2 years people supported cotton through a variety of events and activities. The ICAC made a series of videos dispelling myths about cotton, for example. Some held conferences, both virtual and in-person, while others held a parade through the neighbourhood to show how crucial cotton is to the lives of its residents. There were fashion shows, field visits and research papers, so be creative and focus on what cotton means to you. Everyone has a different perspective so the most important thing is not what you do, it's that you do something.

The ICAC is committed to supporting cotton as much as possible on 7 October, so Communications Director Mike McCue (mike@icac.org) is standing by to help anyone who requests assistance in arranging something for World Cotton Day, whether it's coming up with ideas about what to do or providing some official ICAC data to be used in marketing collaterals.

The official World Cotton Day logo is available in any language upon request and can be posted on a website or added to an email signature. Please plan to support cotton on 7 October because every little bit helps!



You can find more information at:

www.worldcottonday.com

www.wto.org/worldcottonday

And don't forget to use #WorldCottonDay in your social media posts and advertisements so the entire global cotton community can see your achievements.



Cotton Portal

Wenjing Wu

Economic Affairs Officer
WTO
www.wto.org

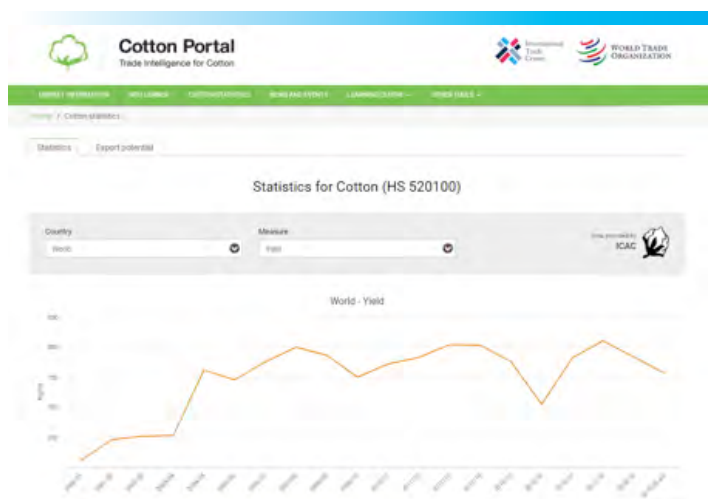


Wenjing Wu serves as an economic affairs officer in the Agriculture and Commodities Division. Since 2011, her responsibilities have covered areas including the regular Committee on Agriculture, agriculture notifications, technical assistance activities related to the WTO Agreement on Agriculture, and the WTO agriculture database. She is also one of the five core members of the cotton team led by Ms. Marième Fall and she is in charge of the cotton biannual trade related dedicated discussions and assists Members with WTO trade negotiations on cotton addressing trade distorting subsidies and trade barriers for cotton. This article is drafted by the author with the support of the WTO cotton team and inputs by the International Trade Centre and the International Cotton Advisory Committee.

Colour photo of the author: attached

In December 2017, at the 11th World Trade Organization (WTO) Ministerial Conference held in Buenos Aires, Argentina, a remarkable digital tool known as the Cotton Portal was launched jointly by the WTO and the International Trade Centre (ITC) in close cooperation with the International Cotton Advisory Committee (ICAC). This dedicated Cotton Portal provides a single online entry point for all the cotton-specific information available in WTO, ITC as well as ICAC databases. It includes information on market access, trade statistics, cotton production, country-specific business contacts, development-assistance-related information as well as links to other relevant documents and web pages. All cotton stakeholders including exporters, importers, investors, trade institutions and governments can benefit from this one-stop shop and use it to search for business opportunities and market requirements for cotton products.

The dedicated page for ICAC statistics provides historical data on cotton supply and use by country and key statistics including harvested area, production, consumption, trade and stocks. A new user guide has also been made available on the Portal to help visitors navigate through the platform.



Why a Cotton Portal?

Cotton is one of the world's most actively traded commodities. Because literally nothing is wasted during cotton production and transformation, farmers and traders — in countries at all levels of economic development — see the opportunity to produce, buy or sell cotton and its related products across borders as a way to increase income and boost productivity.

Cotton is also a production of vital importance to the economies, rural development and poverty-reduction strategies of developing countries including Africa, and in particular among least-developed countries. Through induced effects on infrastructure development, education and basic health services, cotton production acts as an essential link within these countries' development strategies.

To be exchanged internationally, cotton products such as lint, seeds, husks and oil have to overcome various hurdles. These include both custom duties and an array of non-tariff requirements.

The cotton dossier was brought to the WTO, a global international organization dealing with trade rules between nations, by four West African cotton producing countries: Benin, Burkina Faso, Chad and Mali. The four, known as the 'Cotton Four' or 'C4', first wrote to WTO Director-General Supachai Panitchpakdi on 30 April 2003, introducing a 'Sectoral Initiative in Favour of Cotton'. The initiative described the damage that the four countries believe has been caused to them by cotton subsidies in richer countries, called for the subsidies to be eliminated, and asked that compensation be paid to the four while the subsidies remain, to cover the economic losses they caused.

Since then, cotton has become an important focus of the WTO negotiating agenda to reform trade rules and is the only agriculture commodity with a specific mandate in negotiations at the WTO. WTO members have decided that cotton should be addressed 'ambitiously, expeditiously and specifically' within the agriculture trade negotiations.

With this mandate and since 2003, WTO members delivered a number of significant and encouraging outcomes for cotton, including:

- The agreement to eliminate export subsidies for cotton, and export measures with equivalent effect;
- A specific transparency and monitoring process to examine the relevant trade-related developments for cotton through bi-annual dedicated discussions; and
- A reaffirmation of the commitment to grant duty free quota free market access for exports of cotton and cotton-related agricultural products from least-developed countries.

In addition, the launch of the Cotton Portal is an important milestone in the organisation's efforts to help the global cotton community achieve its development goals.

The Cotton Portal can contribute to a more efficient cotton trading system thanks to:

- Improved transparency and accessibility of trade-related information on cotton products and
- Relevant information for the daily activities of cotton producers, traders and policy makers.

The Portal also helps to deliver on the call from the C4 for improved and accessible market access information.

And, by making available relevant information, it helps to better monitor the implementation of the Market Access commitments made by WTO members at the Nairobi 2015 Ministerial Conference.

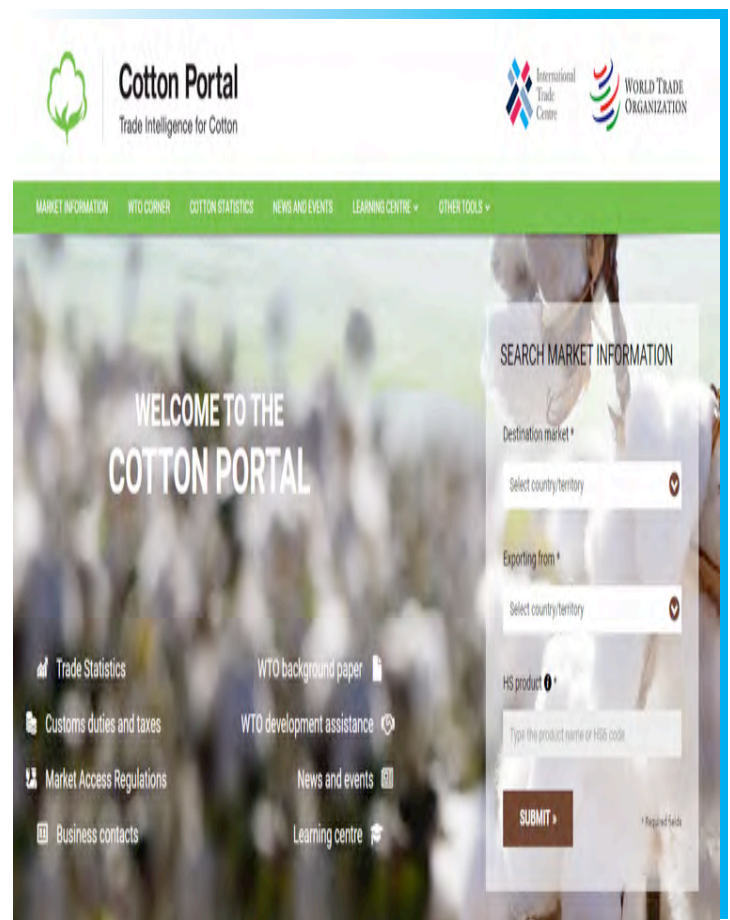
Improvements to the Cotton Portal

With the objective to continuously enhance the Cotton Portal, the WTO and the ITC have developed a survey to assess the needs and expectations of users from the private sectors, WTO members and institutional partners, particularly those in Africa. The results of the survey will help determine if the Portal should be further updated and if so, how to do it.

To that end, we seek your help and ask that you take a few minutes to answer the questions in the survey. Your input/feedback in this regard will be crucial to making this tool more useful. You can click on the following link to access the survey: [Cotton Portal User Survey](#)

If you have any questions about the survey or the Cotton Portal, please write to marketanalysis@intracen.org. To learn more about ITC market analysis information and services, please refer to www.intracen.org/marketanalysis.

For more information about the cotton related work at the WTO, please refer to: https://www.wto.org/english/tratop_e/agric_e/cotton_e.htm or contact agcd_mailbox@wto.org.





Helping Cotton Production Meet Its Textiles Potential in Cameroon

Mike McCue

Director of Communications

ICAC

www.icac.org



Mike has been a communications professional for more than 30 years, most of it spent running variety of trade press magazines, including Cotton International magazine and The Cotton Yearbook. At the ICAC, he is responsible for marketing, all external and internal communications including the Annual Report and organising World Cotton Day events. The International Cotton Advisory Committee-ICAC is an organisation of currently 29 members with an interest in cotton and the textile value chain. The ICAC, formed in 1939, is the only inter-governmental body for cotton producing, consuming and trading countries and is one of only seven International Commodity Bodies recognised by the United Nations. The ICAC was formed by government consensus to deal exclusively with technical, statistical and policy matters related to cotton.

It's widely accepted that the best way to extract the maximum amount of revenue from cotton is by moving it through the supply chain in-country and processing the lint into textiles, apparel and finished goods. Unfortunately, for almost all of its history, African nations have had to settle for whatever income they could get from exporting raw cotton fibre.

'Unfortunately, many farmers were never in control of their own production', largely due to the extended periods of colonisation many African countries were forced to endure, according to Barrister Mary Concilia Anchang, founder of the African Chamber of Trade and Commerce (ACC). ACC is based in Yaoundé, Cameroon, which is the fifth-largest cotton producer in sub-Saharan Africa.



'Pre-colonisation, most of the farmers' production was limited and went to local uses, such as for making garments for cultural and traditional ceremonies. After the colonisers left, monopolies stepped in and exerted their own control over the market because they saw how profitable it could be, although they did not seek to create elaborate and sustainable local transformation capabilities', she says. 'Previously, investment in the sector came mostly from foreign and state-owned monopolies. No one ever bothered to sufficiently invest in building the resilient infrastructure and training needed to do that in-country — until now'.

Before that could happen, Cameroon needed to create an environment of both competition and collaboration, which it did (with help from the International Monetary Fund) with partial success in 1997. Sodecoton, the Cotton Development Corporation, had a monopoly but is now a quasi-private enterprise that stopped producing cotton in its own fields and now works with Cameroon's local farmers.

With newly liberalised laws creating local opportunities for cotton production and transformation, the monopoly era has been broken. Current laws require that 20%-30% of cotton be transformed into finished and semi-finished goods locally to provide added value throughout the supply chain. This has made possible the development of

in-country cotton production and transformation infrastructure and the creation of multiple new cotton businesses. The EU studies have shown that cotton can be grown in other parts of the country — not only in the traditional farming regions in Cameroon.



Ms Anchang intended to encourage improvements like those when she created the International Forum for Transformation of African Cotton, Textiles & Accessories (FICOTA), a project to benchmark efforts to grow the local cotton production and transformation value chain. 'The mission of FICOTA is to encourage local enterprises to work together and appreciate doing business together for collective profit in a true spirit of "vivre ensemble"', she says. 'It is a unique and innovative platform aimed at facilitating sustained contact between major and junior entrepreneurs and creating the potential for lucrative partnerships'.



Without training, investment and knowledge transfer from established foreign businesses, start-ups in most sectors in the African textile industry are faced with so many challenges and obstacles that the majority of them have to shut down after they have barely started.

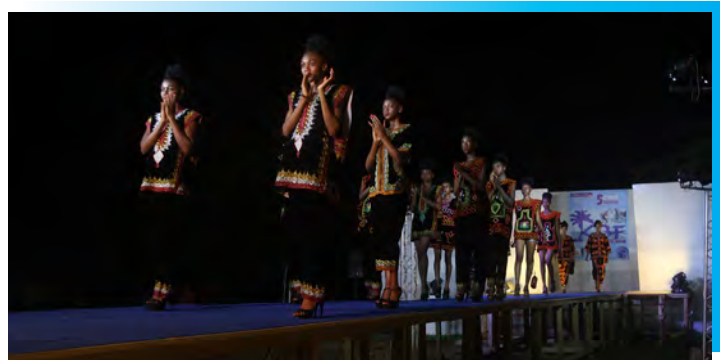
'This negatively affects the growth rate of businesses and our markets, so our work is to change that status-quo and enable start-ups to thrive with the proper support and access to resources', Ms Anchang says. There is one thing she makes very clear: No one in Cameroon's cotton industry is looking for charity. FICOTA is about creating relationships and establishing profitable businesses, not asking for a handout.



'We are so loaded with opportunity here that if we take a collaborative, win-win approach with outside partners ... then everybody will be winning. We are rich in cotton as a raw material so we have our own resources. Now, we need businesses to bring their resources so we can work together to amplify those resources for everyone involved'.

Africa's Cotton and Textile Industry on Display

The flagship event for FICOTA is a week-long exhibition and trade show, including a four-day educational conference for networking and knowledge transfer, held in Kribi, Cameroon. On the side-lines of this event is the Kribi Beach Fashion Week (KBFWWeek) featuring entertainment, awards and fashion shows. It has been held annually since 2016 (except for last year due to Covid-19). The theme for this year's event, scheduled for 10-19 December, is 'African Cotton, Textiles, Fabric & Things: From the Farm to the Market for Jobs and Wealth Creation'.



Throughout those 10 days, KBFWWeek will provide a platform for exhibitors from a variety of sectors — agriculture and animal husbandry, brewing, cooking, fishing, sewing, spinning, banking, finance and insurance, training institutes, dyeing, weaving, printing, telecommunications, audiovisual, IT, intellectual property, cosmetics, hairdressing, aesthetics and more — from all over the world to showcase their products, services and brands.



In addition to preparing for the event in Kribi, FICOTA spent the early months of 2021 developing a new private-sector initiative called the African Fashion Project (AFP), an incubator for talented people in fashion, design, artisanal trades, and creative small and medium-sized businesses to provide the machinery, resources, and knowledge they need to build a career in the fashion and textile industries. Its mission is to multiply the African cotton industry's transformation of local smallholder production and isolated skills and talents into African fashion products and sustainable small and medium enterprises by blending ancestral knowledge with modern business models.

Through initiatives like ACC, FICOTA and AFP, Ms Anchang is using her knowledge and experience to draw attention to the possibilities that exist in Africa's slumbering fashion and textile industries. If successful, her dedication, creativity and tenacity might — for the first time ever — awaken that sleeping giant and begin writing an exciting new chapter for the global cotton industry.

LINKS:

ACC: <https://www.facebook.com/theafricanchamberoftradeandcommerce/>

FICOTA: <https://www.ficota.org/>

Register for FICOTA 2021: <https://www.ficota.org/registration>

Kribi Fashion Week: <https://www.facebook.com/KRIBI-BEACH-fashion-week-top-mod%C3%A8le-1598374367129185/>



'AFP creates opportunities for participants to become designers, brands, artisans, creative players and business owners', Ms Anchang explains. 'If the project can provide training and resources to ambitious creatives with the tools they need to succeed, it won't just benefit the individual — it will help to lift up the entire community and provide an easy path for others to follow in those footsteps'.



02 September 2021

Supply and Distribution of Cotton

Seasons begin on August 1

Seasons begin on August 1	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
				Est.	Est	Proj.
	million metric tonnes					
Beginning stocks						
World Total	20.40	18.73	19.25	19.11	22.13	20.66
China	12.65	10.35	9.03	8.88	8.94	9.22
USA	0.83	0.60	0.82	0.83	1.31	0.42
Production						
World Total	23.35	26.96	25.96	26.12	24.19	24.93
India	5.87	6.35	5.66	6.21	6.03	5.90
China	4.90	5.89	6.04	5.80	5.91	5.73
USA	3.74	4.56	4.00	4.34	3.18	3.76
Pakistan	1.66	1.80	1.67	1.32	0.89	0.98
Brazil	1.53	2.01	2.78	3.00	2.34	2.17
Uzbekistan	0.96	0.96	0.64	0.53	1.03	0.94
Others	4.70	5.40	5.18	4.92	4.81	5.46
Consumption						
World Total	24.90	26.35	26.01	22.75	25.66	25.87
China	8.28	8.50	8.25	7.25	8.40	8.20
India	5.15	5.42	5.40	4.45	5.61	5.89
Pakistan	2.22	2.35	2.36	1.98	2.15	2.15
Europe and Turkey	1.66	1.73	1.82	1.60	1.70	1.74
Bangladesh	1.41	1.66	1.58	1.50	1.64	1.66
Vietnam	1.17	1.51	1.51	1.45	1.52	1.54
USA	0.71	0.70	0.63	0.47	0.50	0.55
Brazil	0.69	0.68	0.73	0.61	0.72	0.70
Others	3.62	3.80	3.73	3.44	3.43	3.44
Exports						
World Total	8.29	9.14	9.30	9.03	10.48	10.21
USA	3.33	3.64	3.37	3.38	3.57	3.29
India	0.99	1.13	0.76	0.70	1.31	1.12
CFA Zone	1.00	1.06	1.18	0.97	1.32	1.44
Brazil	0.61	0.91	1.31	1.95	2.34	2.01
Uzbekistan	0.38	0.22	0.16	0.10	0.01	0.01
Australia	0.81	0.85	0.79	0.30	0.24	0.59
Imports						
World Total	8.09	9.04	9.22	8.68	10.48	10.21
Bangladesh	1.41	1.67	1.54	1.50	1.66	1.65
Vietnam	1.20	1.52	1.51	1.46	1.55	1.56
China	1.10	1.32	2.10	1.55	2.80	2.64
Turkey	0.84	0.96	0.79	1.02	1.27	1.12
Indonesia	0.74	0.77	0.66	0.55	0.47	0.51
Trade Imbalance 1/	-0.20	-0.10	-0.08	-0.35	0.00	0.00
Stocks Adjustment 2/	0.07	0.00	0.00	-0.01	0.00	0.00
Ending Stocks						
World Total	18.73	19.25	19.11	22.13	20.66	19.72
China	10.35	9.03	8.88	8.94	9.22	9.36
USA	0.60	0.82	0.83	1.31	0.42	0.35
Ending Stocks/Mill Use (%)						
World less China 3/	50	57	58	85	66	59
China 4/	125	106	108	123	110	114
Cotlook Index A 5/	82.77	87.98	84.35	71.33	84.96	

1/ Includes Argentina, China (Mainland), Colombia, Mexico, Pakistan, Turkey and traditional importers.
 1/ The inclusion of linters and waste, changes in weight during transit, differences in reporting periods and measurement error account for differences between world imports and exports.
 2/ Difference between calculated stocks and actual; amounts for forward seasons are anticipated.
 3/ World-less-China's ending stocks divided by world-less-China's mill use, multiplied by 100.
 4/ China's ending stocks divided by China's mill use, multiplied by 100.
 5/ US cents per pound.



2019/20 Supply and Use of Cotton by Country

	Area	Yield	Prod	Beg Stocks	Imports	Cons	Exports	End Stocks	S/U *	S/MU **
	000 Ha	Kgs/Ha	000 Metric Tonnes						Ratio	Ratio
Canada				0	0	0	0	0	0.34	0.36
Cuba	4	269	1	1	2	3	0	1	0.19	0.19
Dom. Rep.					1	1	0	0	0.47	0.47
Mexico	223	1,650	368	226	129	440	144	138	0.24	0.31
USA	4,700	923	4,336	826	1	468	3,381	1,314	0.34	2.81
N. America	4,932	954	4,706	1,053	133	914	3,525	1,454	0.33	1.59
El Salvador				7	27	27	0	7	0.25	0.25
Guatemala				7	27	27	0	6	0.23	0.23
Honduras	0	318	0	0		0	0	0		
Nicaragua	2	543	1	0	0	0	1	0	0.12	0.24
C. America	1	522	0	14	61	62	0	13	0.22	0.22
Argentina	413	746	308	320	1	134	85	410	1.88	3.06
Bolivia	4	641	3	2	1	3	0	2	0.50	0.53
Brazil	1,666	1,802	3,002	2,340	1	610	1,946	2,787	1.09	4.57
Chile	0		0	0	0	0	0	0	0.41	0.41
Colombia	21	847	17	5	14	27	0	10	0.36	0.36
Ecuador	1	439	1	3	9	9	0	3	0.30	0.30
Paraguay	10	420	4	1	0	2	3	1	0.29	0.84
Peru	24	819	20	25	42	61	0	25	0.40	0.40
Uruguay				0	0	0	0	0	0.06	0.06
Venezuela	14	392	6	3	5	10	0	3	0.30	0.30
S. America	2,153	1,560	3,360	2,699	72	856	2,034	3,240	1.12	3.78
Algeria				0	1	1	0	0	0.07	0.07
Egypt	100	726	73	54	81	107	67	34	0.19	0.32
Morocco				1	6	6	0	2	0.40	0.40
Sudan	180	722	130	16	0	18	79	49	0.50	2.72
Tunisia				3	2	12	0	3	0.22	0.22
N. Africa	283	755	214	74	90	144	146	88	0.30	0.61
Benin	666	467	311	147	0	1	224	234	1.04	243.16
Burkina Faso	579	333	193	116	0	3	154	152	0.96	50.57
Cameroon	250	560	140	66	0	2	115	89	0.76	47.01
Cent. Afr. Rep.	34	252	9	4	0	0	9	4	0.44	
Chad	248	298	74	14	0	0	49	39	0.78	192.61
Cote d'Ivoire	408	516	211	61	0	2	140	130	0.92	63.67
Guinea	12	287	4	2	0	0	4	2	0.44	
Madagascar	20		30	3	0	0	30	3	0.00	
Mali	738	404	299	40	0	2	229	107	0.46	53.49
Niger	5	470	2	0	0	1	1	0	0.11	0.25
Senegal	16	408	6	1	0	0	6	2	0.34	
Togo	181	265	48	28	0	0	38	38	0.99	
F. Africa	3,157	420	1,326	483	0	11	998	799	0.79	72.22
Angola	3	308	1	0	0	1	0	0	0.33	0.48
Ethiopia	82	741	60	22	3	54	7	24	0.40	0.45
Ghana	15	375	6	12	0	1	4	12	2.14	9.24
Kenya	40	100	4	2	3	4	0	5	1.34	1.36
Malawi	85	249	21	12	0	3	14	16	0.98	5.44
Mozambique	135	165	22	15	0	1	18	18	0.92	
Nigeria	130	342	44	17	1	25	23	15	0.30	0.59
South Africa	28	970	27	41	8	13	35	28	0.57	2.15
Tanzania	441	247	109	18	0	45	41	40	0.47	0.90
Uganda	89	416	37	22	0	4	23	32	1.18	8.65
Congo, Dr				2	7	7	0	2	0.30	0.30
Zambia	137	190	26	30	0	2	20	35	1.60	
Zimbabwe	174	230	40	25	0	3	28	34	1.09	12.10
S. Africa	1,379	291	401	224	44	186	217	266	0.66	1.43
Kazakhstan	131	634	83	12	1	13	65	18	0.23	1.35
Kyrgyzstan	14	855	12	5	3	1	13	5	0.36	5.41
Tajikistan	196	538	106	36	0	15	82	45	0.47	3.04
Turkmenistan	545	519	283	105	0	141	149	98	0.34	0.69
Uzbekistan	1,034	513	531	601	0	724	100	308	0.37	0.43
C. Asia	1,921	528	1,015	758	4	894	409	474	1.77	0.53



2019/20 Supply and Use of Cotton by Country (cont'd)

	Area	Yield	Prod	Beg Stocks	Imports	Cons	Exports	End Stocks	S/U *	S/MU **
	000 Ha	Kgs/Ha							Ratio	Ratio
Armenia	0	0	0		0	0	0			
Austria				2	2	3	0	1	0.23	0.23
Azerbaijan	146	677	99	44	0	29	63	51	0.55	1.73
Belarus				4	7	7	0	4	0.48	0.48
Belgium				1	6	4	2	1	0.12	0.17
Bulgaria	1	324	0	2	2	2	0	2	0.92	1.00
Czech Rep.				0	1	1	0	0	0.34	0.34
Denmark										
Estonia										
Finland										
France				2	8	8	1	2	0.21	0.23
Germany				7	18	15	2	5	0.27	0.31
Greece	291	1,219	355	146	7	16	319	173	0.51	10.74
Hungary				0	0	0	0	0	0.00	
Ireland				0	0	0	0	0	0.12	0.12
Italy				6	28	27	1	6	0.22	0.23
Latvia				0	0	0	0	0	0.03	0.04
Lithuania				0	0	0	0	0		
Moldova				1	2	2	0	1	0.34	0.34
Netherlands				0	3	3	0	0	0.17	
Norway										
Poland				0	3	3	0	0	0.14	0.15
Portugal				6	32	31	1	6	0.20	0.21
Romania				0	0	0	0	0	0.11	0.11
Russia	0	1,759	0	10	18	17	0	10	0.58	0.62
Slovak Rep.										
Spain	66	1,061	70	30	2	3	52	30	0.42	10.87
Sweden				0	0	0	0	0		
Switzerland				0	1	0	0	0	0.19	0.34
Ukraine				0	2	2	0	0	0.27	0.27
United Kingdom				0	0	0	0	0	0.25	0.74
Former Yugoslavia				1	7	7	0	1	0.19	0.19
Europe	504	1,040	524	264	153	184	442	295	0.47	1.60
Including EU-27	358	1,188	426	204	117	121	297	228	0.54	1.89
China	3,300	1,758	5,800	8,885	1,554	7,250	30	8,938	1.22	1.23
Hong Kong				30	1	0	0	30	34.96	
Australia	60	2,245	134	183	0	2	295	20	0.07	12.58
Indonesia	5	621	3	95	547	549	1	95	0.17	0.17
Japan				7	49	49	0	7	0.14	0.14
Korea, D.R.				1	5	5	0	1	0.24	0.24
Korea, Rep.				54	124	120	5	54	0.43	0.45
Malaysia				13	153	105	48	13	0.09	0.13
Philippines	0	573	0	3	6	6	0	3	0.56	0.56
Singapore				0	6	0	6	0	0.05	
Taiwan				40	87	84	1	40	0.47	0.48
Thailand	1	2,000	2	49	153	153	0	51	0.33	0.33
Vietnam	1	3,000	3	200	1,459	1,446	0	216	0.15	0.15
E. Asia	67	2,129	142	646	2,588	2,518	356	501	0.17	0.20
Afghanistan	36	387	14	4	0	4	11	3	0.19	0.68
Bangladesh	46	772	35	422	1,500	1,500	0	458	0.31	0.31
India	13,373	464	6,205	1,878	496	4,453	696	3,430	0.67	0.77
Myanmar	239	634	152	99	8	163	7	88	0.52	0.54
Pakistan	2,527	522	1,320	593	890	1,984	9	810	0.41	0.41
Sri Lanka				0	2	2	0	0	0.11	0.11
S. Asia	16,224	476	7,728	2,996	2,896	8,108	1,184	4,789	0.54	0.59
Iran	71	711	50	58	48	98	0	49	0.50	0.50
Iraq	9	362	3	2	5	8	0	2	0.24	0.24
Israel	4	1,851	8	2	0	0	8	2	0.28	
Syria	18	968	17	9	0	14	3	9	0.51	0.63
Turkey	478	1,705	815	911	1,017	1,474	98	1,172	0.75	0.79
Sub Total	583	1,536	895	985	1,085	1,610	110	1,236	0.72	0.77
World Total	34,521	757	26,118	19,114	8,683	22,748	9,029	22,127	0.97	0.97

*/ Ending stocks divided by consumption plus exports.

Subtotals and total include countries not shown.

**/ Ending stocks divided by consumption.



2020/21 Supply and Use of Cotton by Country

	Area	Yield	Prod	Beg Stocks	Imports	Cons	Exports	End Stocks	S/U *	S/MU **
	000 Ha	Kgs/Ha	000 Metric Tonnes						Ratio	Ratio
Canada	0	0	0	0	0	0	0	0	0.32	0.33
Cuba	4	271	1	1	2	3	0	1	0.19	0.19
Dom. Rep.	0	0	0		1	1	0	0	0.47	0.47
Mexico	145	1,584	229	138	198	297	100	168	0.42	0.57
USA	3,352	949	3,181	1,314	1	501	3,571	424	0.10	0.85
N. America	3,507	973	3,413	1,454	203	804	3,671	594	0.13	0.74
El Salvador	0	0	0	7	27	27	0	7	0.25	0.25
Guatemala	0	0	0	6	27	27	0	6	0.21	0.21
Honduras	0	318	0	0	0	0	0	0	0.00	
Nicaragua	0	550	0	0	0	0	0	0	0.20	0.21
C. America	1	515	0	13	87	88	1	13	0.15	0.15
Argentina	406	724	294	410	1	110	103	492	2.31	4.47
Bolivia	4	641	3	2	1	3	0	2	0.50	0.53
Brazil	1,367	1,714	2,342	2,787	1	715	2,336	2,080	0.68	2.91
Chile	0	0	0	0	0	0	0	0	0.41	0.41
Colombia	18	847	16	10	11	27	0	10	0.36	0.36
Ecuador	1	440	1	3	9	9	0	3	0.30	0.30
Paraguay	10	420	4	1	0	2	2	2	0.35	0.81
Peru	23	819	19	25	42	61	0	25	0.40	0.40
Uruguay	0	0	0	0	0	0	0	0	0.06	0.06
Venezuela	14	392	6	3	5	10	0	3	0.31	0.31
S. America	1,844	1,455	2,684	3,240	70	938	2,442	2,615	0.77	2.79
Algeria	0	0	0	0	1	1	0	0	0.07	0.07
Egypt	76	763	58	34	139	105	92	34	0.17	0.32
Morocco	1	1,000	1	2	5	6	0	2	0.41	0.41
Sudan	180	722	130	49	0	18	104	57	0.46	3.15
Tunisia	2	5,001	10	3	2	12	0	3	0.22	0.22
N. Africa	259	768	199	88	146	142	196	96	0.28	0.68
Benin	614	516	317	234	0	1	357	193	0.54	200.59
Burkina Faso	556	356	198	152	0	3	258	89	0.34	29.74
Cameroon	250	560	140	89	0	2	164	63	0.38	33.16
Cent. Afr. Rep.	34	252	9	4	0	0	9	4	0.45	
Chad	252	298	75	39	0	0	62	52	0.83	257.52
Cote d'Ivoire	445	483	215	130	0	2	246	97	0.39	47.43
Guinea	13	287	4	2	0	0	4	2	0.45	
Madagascar	20	0	0	3	0	0	0	3	0.00	
Mali	165	375	62	107	0	2	154	12	0.08	6.18
Niger	5	470	2	0	0	1	1	0	0.11	0.25
Senegal	18	457	8	2	0	0	8	2	0.27	
Togo	100	328	33	38	0	0	56	15	0.26	
F. Africa	2,471	430	1,062	799	0	11	1,319	531	0.40	48.05
Angola	3	308	1	0	0	1	0	0	0.34	0.48
Ethiopia	82	741	61	24	3	55	7	27	0.43	0.49
Ghana	15	375	6	12	1	1	6	12	1.75	9.24
Kenya	40	100	4	5	3	8	0	4	0.55	0.55
Malawi	84	249	21	16	0	3	23	12	0.45	3.87
Mozambique	134	166	22	18	0	1	27	11	0.40	8.81
Nigeria	264	342	90	15	1	30	36	40	0.61	1.35
South Africa	17	946	16	28	10	14	10	29	1.19	2.06
Tanzania	622	214	133	40	0	45	65	63	0.57	1.40
Uganda	101	426	43	32	0	4	39	32	0.74	7.44
Congo, Dr	0	0	0	2	7	7	0	2	0.30	0.30
Zambia	136	190	26	35	0	2	26	33	1.18	18.27
Zimbabwe	240	230	55	34	0	3	52	34	0.62	12.10
S. Africa	1,758	274	482	266	47	198	292	305	0.62	1.54
Kazakhstan	126	634	80	18	1	13	68	18	0.22	1.35
Kyrgyzstan	14	855	12	5	3	1	14	5	0.34	5.41
Tajikistan	196	538	111	45	0	15	96	45	0.41	3.04
Turkmenistan	556	519	289	98	0	143	121	123	0.46	0.86
Uzbekistan	1,034	994	1,028	308	0	796	12	528	0.65	0.66
C. Asia	1,926	789	1,520	474	4	968	311	719	2.09	0.74



2020/21 Supply and Use of Cotton by Country (cont'd)

	Area	Yield	Prod	Beg Stocks	Imports	Cons	Exports	End Stocks	S/U *	S/MU **
	000 Ha	Kgs/Ha							Ratio	Ratio
Armenia	0	0	0		0	0	0			
Austria	0	0	0	1	3	3	0	1	0.22	0.22
Azerbaijan	100	677	68	51	0	29	38	51	0.75	1.72
Belarus	0	0	0	4	7	7	0	4	0.48	0.48
Belgium	0	0	0	1	6	4	2	1	0.12	0.17
Bulgaria	1	324	0	2	2	2	0	2	0.92	1.00
Czech Rep.	0	0	0	0	1	1	0	0	0.34	0.34
Denmark	0	0	0		0	0	0	0	0.00	0.00
Estonia	0	0	0	0	13	13	0	0	0.00	
Finland	0	0	0	0	0	0	0	0	0.00	
France	0	0	0	2	8	8	1	2	0.21	0.23
Germany	0	0	0	5	17	15	2	5	0.28	0.32
Greece	286	1,121	321	173	7	16	325	159	0.47	9.89
Hungary	0	0	0	0	0	0	0	0	0.00	
Ireland	0	0	0	0	0	0	0	0	0.12	0.12
Italy				6	27	26	1	6	0.23	0.24
Latvia	0	0	0	0	0	0	0	0	0.03	0.04
Lithuania	0	0	0	0	0	0	0	0	0.00	
Moldova	0	0	0	1	2	2	0	1	0.34	0.34
Netherlands	0	0	0	0	3	3	0	0	0.15	0.15
Norway	0	0	0	0	0	0	0	0	0.00	
Poland	0	0	0	0	4	4	0	0	0.12	0.13
Portugal	0	0	0	6	31	31	1	5	0.17	0.18
Romania	0	0	0	0	0	0	0	0	0.11	0.11
Russia	0	1,759	0	10	19	19	1	9	0.45	0.48
Slovak Rep.	0	0	0	0	0	0	0	0	0.00	
Spain	62	1,041	64	30	2	3	78	31	0.47	11.15
Sweden	0	0	0	0	0	0	0	0	0.81	0.81
Switzerland	0	0	0	0	1	0	0	0	0.19	0.34
Ukraine	0	0	0	0	2	2	0	0	0.27	0.27
United Kingdom	0	0	0	0	0	0	0	0	0.74	0.74
Former Yugoslavia	0	0		6	7	7	1	5	0.66	0.76
Europe	449	1,010	453	299	162	195	451	283	0.44	1.45
Including EU-27	349	1,105	385	227	131	134	430	213	0.40	1.59
China	3,170	1,864	5,910	8,938	2,801	8,400	30	9,219	1.09	1.10
Hong Kong				30	1	0	0	30	34.08	75.09
Australia	295	1,905	562	20	0	2	240	340	1.41	214.27
Indonesia	5	621	3	95	475	477	1	95	0.20	0.20
Japan	0	0	0	7	51	51	0	6	0.12	0.12
Korea, D.R.	0	0	0	1	5	5	0	1	0.15	0.15
Korea, Rep.	0	0	0	54	138	138	0	54	0.39	0.39
Malaysia	0	0		13	192	139	53	13	0.07	0.10
Philippines	0	573	0	3	7	7	0	3	0.47	0.47
Singapore	0	0	0	0	6	0	6	0	0.05	
Taiwan	0	0	0	40	56	85	0	11	0.13	0.13
Thailand	1	1,500	2	51	151	153	0	51	0.33	0.33
Vietnam	1	720	2	216	1,550	1,518	0	248	0.16	0.16
E. Asia	302	1,883	568	501	2,629	2,574	300	824	0.29	0.32
Afghanistan	36	387	14	3	0	4	10	3	0.20	0.68
Bangladesh	46	772	35	458	1,657	1,635	0	515	0.31	0.31
India	13,477	447	6,026	3,430	170	5,610	1,309	2,707	0.39	0.48
Myanmar	239	634	152	88	17	163	16	78	0.44	0.48
Pakistan	2,000	445	890	810	1,118	2,152	9	656	0.30	0.30
Sri Lanka	0	0	0	0	2	2	0	0	0.11	0.11
S. Asia	15,801	451	7,119	4,789	2,964	9,569	620	3,959	0.36	0.41
Iran	98	816	80	49	70	150	0	49	0.33	0.33
Iraq	9	362	3	2	5	8	0	2	0.24	0.24
Israel	4	1,693	8	2	0	0	8	2	0.19	
Syria	25	973	24	9	0	15	8	9	0.39	0.61
Turkey	400	1,641	656	1,172	1,271	1,577	120	1,402	0.83	0.89
Sub Total	539	1,433	772	1,236	1,361	1,767	137	1,466	0.77	0.83
World Total	32,045	755	24,189	22,131	10,478	25,662	10,478	20,659	0.81	0.81

*/ Ending stocks divided by consumption plus exports.

Subtotals and total include countries not shown.

**/ Ending stocks divided by consumption.



2021/22 Supply and Use of Cotton by Country

	Area	Yield	Prod	Beg Stocks	Imports	Cons	Exports	End Stocks	S/U *	S/MU **
	000 Ha	Kgs/Ha	000 Metric Tonnes						Ratio	Ratio
Canada	0	0	0	0	0	0	0	0	0.29	0.30
Cuba	4	272	1	1	2	3	0	1	0.19	0.19
Dom. Rep.	0	0	0		1	1	0	0	0.47	0.47
Mexico	145	1,592	231	168	171	303	100	168	0.42	0.56
USA	4,194	896	3,758	424	1	545	3,292	346	0.09	0.64
N. America	4,350	918	3,992	594	176	853	3,392	517	0.12	0.61
El Salvador	0	0	0	7	27	27	0	7	0.25	0.25
Guatemala	0	0	0	6	28	28	0	6	0.21	0.21
Honduras	0	320	0	0	0	0	0	0	0.00	
Nicaragua	0	550	0	0	0	0	0	0	0.20	0.21
C. America	1	509	0	13	55	55	0	13	0.23	0.23
Argentina	406	728	296	492	1	111	102	576	2.71	5.21
Bolivia	4	647	3	2	1	3	0	2	0.51	0.54
Brazil	1,264	1,714	2,167	2,080	1	700	2,007	1,541	0.57	2.20
Chile	0	0	0	0	0	0	0	0	0.41	0.41
Colombia	18	855	16	10	11	27	0	10	0.36	0.36
Ecuador	1	444	1	3	9	9	0	3	0.30	0.30
Paraguay	10	424	4	2	0	2	2	2	0.41	0.94
Peru	23	827	19	25	42	60	0	25	0.42	0.42
Uruguay	0	0	0	0	0	0	0	0	0.06	0.06
Venezuela	14	396	6	3	5	10	0	3	0.33	0.33
S. America	1,742	1,441	2,511	2,615	70	922	2,112	2,162	0.71	2.34
Algeria	0	0	0	0	1	1	0	0	0.07	0.07
Egypt	84	833	70	34	89	103	56	34	0.21	0.33
Morocco	1	1,010	1	2	5	5	0	3	0.59	0.59
Sudan	180	730	131	57	0	18	127	43	0.29	2.36
Tunisia	2	5,051	10	3	2	12	0	3	0.23	0.23
N. Africa	267	796	212	96	97	139	183	82	0.26	0.59
Benin	620	521	323	193	0	1	370	146	0.39	151.52
Burkina Faso	663	398	264	89	0	3	231	119	0.51	39.53
Cameroon	253	616	156	63	0	2	147	70	0.47	36.84
Cent. Afr. Rep.	33	255	8	4	0	0	8	4	0.44	
Chad	252	358	90	52	0	0	83	58	0.70	291.33
Cote d'Ivoire	460	522	240	97	0	3	277	57	0.20	18.55
Guinea	13	288	4	2	0	0	4	2	0.45	
Madagascar	20	0	0	3	0	0	0	3	0.00	
Mali	824	413	340	12	0	2	283	68	0.24	34.02
Niger	5	473	2	0	0	1	1	0	0.11	0.25
Senegal	18	459	8	2	0	0	7	4	0.55	
Togo	100	329	33	15	0	0	33	15	0.45	
F. Africa	3,259	450	1,468	531	0	12	1,443	544	0.37	45.08
Angola	3	311	1	0	0	1	0	0	0.33	0.48
Ethiopia	83	745	62	27	1	56	7	27	0.43	0.48
Ghana	15	377	6	12	1	1	6	12	1.71	9.24
Kenya	42	101	4	4	3	8	0	3	0.43	0.43
Malawi	86	250	22	12	0	3	19	12	0.54	3.87
Mozambique	138	166	23	11	0	1	22	11	0.50	8.81
Nigeria	272	343	93	40	1	30	64	40	0.43	1.35
South Africa	17	951	17	29	10	14	12	29	1.11	2.06
Tanzania	641	220	141	63	0	45	96	63	0.45	1.40
Uganda	104	428	45	32	0	4	40	32	0.72	7.44
Congo, Dr	0	0	0	2	7	7	0	2	0.30	0.30
Zambia	140	192	27	33	0	2	26	32	1.14	17.71
Zimbabwe	247	232	57	34	0	3	54	35	0.61	12.32
S. Africa	1,810	277	501	305	44	199	348	304	0.56	1.53
Kazakhstan	126	638	80	18	1	13	68	18	0.23	1.38
Kyrgyzstan	14	860	12	5	3	1	14	5	0.35	5.47
Tajikistan	202	540	109	45	0	15	96	43	0.39	2.93
Turkmenistan	573	522	299	123	0	144	155	123	0.41	0.85
Uzbekistan	945	994	940	528	0	836	14	618	0.73	0.74
C. Asia	1,860	774	1,440	719	4	1,009	346	808	2.10	0.80



2021/22 Supply and Use of Cotton by Country (cont'd)

	Area	Yield	Prod	Beg Stocks	Imports	Cons	Exports	End Stocks	S/U *	S/MU **
	000 Ha	Kgs/Ha	000 Metric Tonnes						Ratio	Ratio
Armenia	0	0	0		0	0	0			
Austria	0	0	0	1	3	3	0	0	0.15	0.16
Azerbaijan	100	681	68	51	0	30	38	51	0.74	1.70
Belarus	0	0	0	4	7	7	0	4	0.48	0.48
Belgium	0	0	0	1	6	4	2	1	0.12	0.17
Bulgaria	1	325	0	2	2	2	0	2	0.92	1.00
Czech Rep.	0	0	0	0	1	1	0	0	0.34	0.34
Denmark	0	0	0		0	0	0	0	0.00	0.00
Estonia	0	0	0	0	0	0	0	0	0.00	
Finland	0	0	0	0	0	0	0	0	0.00	
France	0	0	0	2	8	8	1	2	0.21	0.23
Germany	0	0	0	5	17	15	2	5	0.28	0.32
Greece	272	1,121	305	159	7	16	300	154	0.49	9.58
Hungary	0	0	0	0	0	0	0	0	0.00	
Ireland	0	0	0	0	0	0	0	0	0.12	0.12
Italy				6	27	26	1	6	0.23	0.24
Latvia	0	0	0	0	0	0	0	0	0.03	0.04
Lithuania	0	0	0	0	0	0	0	0	0.00	
Moldova	0	0	0	1	2	2	0	1	0.34	0.34
Netherlands	0	0	0	0	3	3	0	0	0.12	0.13
Norway	0	0	0	0	0	0	0	0		
Poland	0	0	0	0	4	4	0	0	0.12	0.13
Portugal	0	0	0	5	31	31	1	4	0.14	0.15
Romania	0	0	0	0	0	0	0	0	0.11	0.11
Russia	0	1,768	0	9	19	19	1	8	0.40	0.42
Slovak Rep.	0	0	0	0	0	0	0	0	0.00	
Spain	63	1,046	66	31	2	3	78	29	0.41	10.45
Sweden	0	0	0	0	0	0	0	0	0.81	0.81
Switzerland	0	0	0	0	1	0	0	0	0.19	0.34
Ukraine	0	0	0	0	2	2	0	0	0.27	0.27
United Kingdom	0	0	0	0	0	0	0	0	0.73	0.73
Former Yugoslavia	0	0		5	7	7	1	4	0.56	0.64
Europe	436	1,008	440	283	149	183	426	273	0.45	1.50
Including EU-27	336	1,105	372	213	140	119	430	205	0.41	1.71
China	3,107	1,844	5,730	9,219	2,638	8,200	30	9,357	1.14	1.14
Hong Kong				30	1	0	0	29	33.88	74.65
Australia	380	2,011	764	340	0	2	588	515	0.87	324.06
Indonesia	4	621	3	95	512	486	1	123	0.25	0.25
Japan	0	0	0	6	55	51	0	11	0.21	0.21
Korea, D.R.	0	0	0	1	5	5	0	0	0.07	0.07
Korea, Rep.	0	0	0	54	138	138	0	54	0.39	0.39
Malaysia	0	0		13	195	143	53	13	0.07	0.09
Philippines	0	576	0	3	7	7	0	3	0.46	0.46
Singapore	0	0	0	0	6	0	6	0	0.05	
Taiwan	0	0	0	11	81	81	0	11	0.13	0.13
Thailand	1	1,508	2	51	153	156	0	50	0.32	0.32
Vietnam	1	724	2	248	1,556	1,541	0	265	0.17	0.17
E. Asia	386	1,993	770	824	2,708	2,609	648	1,044	0.32	0.40
Afghanistan	36	389	14	3	0	4	10	3	0.21	0.69
Bangladesh	46	776	36	515	1,654	1,660	0	545	0.33	0.33
India	12,650	466	5,900	2,707	190	5,891	1,122	1,784	0.25	0.30
Myanmar	241	634	153	78	27	165	16	78	0.43	0.48
Pakistan	2,100	467	981	656	1,180	2,152	9	656	0.30	0.30
Sri Lanka	0	0	0	0	2	2	0	0	0.11	0.11
S. Asia	15,077	470	7,086	3,959	3,054	9,875	620	3,067	0.28	0.31
Iran	98	820	80	49	70	150	0	49	0.33	0.33
Iraq	9	364	3	2	5	8	0	2	0.24	0.24
Israel	4	1,701	8	2	0	0	8	2	0.21	
Syria	26	978	25	9	0	15	8	11	0.47	0.73
Turkey	400	1,641	656	1,402	1,122	1,617	119	1,445	0.83	0.89
Sub Total	540	1,433	774	1,466	1,212	1,806	135	1,512	0.78	0.84
World Total	32,852	759	24,931	20,659	10,211	25,873	10,211	19,717	0.76	0.76

*/ Ending stocks divided by consumption plus exports.

Subtotals and total include countries not shown.

**/ Ending stocks divided by consumption.