Discover Natural Fibres Initiative

COTTON :
Review of the World Situation

International Cotton Advisory Committee

Volume 67 - Number 3
January-February 2014

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ICAC

SUPPLY AND DISTRIBUTION OF COTTON

February 3, 2014

Seasons begin on August 1

	2009/10	2010/11	2011/12	2012/13 Est.	2013/14 Proj.	2014/15 Proj.
	Million Metric Tons					
BEGINNING STOCKS						
WORLD TOTAL	**11.755**	**8.569**	**9.465**	**14.611**	**17.79**	**19.94**
CHINA	3.585	2.688	2.087	6.181	9.61	11.55
USA	1.380	0.642	0.566	0.729	0.85	0.65
PRODUCTION						
WORLD TOTAL	**22.334**	**25.409**	**28.041**	**26.838**	**25.74**	**25.41**
CHINA	6.925	6.400	7.400	7.300	6.70	6.15
INDIA	5.185	5.865	6.354	6.095	6.31	6.31
USA	2.654	3.942	3.391	3.770	2.87	3.12
PAKISTAN	2.158	1.948	2.311	2.204	2.10	2.09
BRAZIL	1.194	1.960	1.877	1.261	1.64	1.65
UZBEKISTAN	0.850	0.910	0.880	1.000	0.92	1.00
OTHERS	3.369	4.385	5.828	5.208	5.20	5.09
CONSUMPTION						
WORLD TOTAL	**25.529**	**24.502**	**22.796**	**23.340**	**23.60**	**24.54**
CHINA	10.192	9.580	8.635	8.290	7.88	7.80
INDIA	4.300	4.509	4.340	4.845	5.10	5.51
PAKISTAN	2.402	2.100	2.217	2.416	2.49	2.61
EAST ASIA & AUSTRALIA	1.892	1.796	1.646	1.858	2.00	2.21
EUROPE & TURKEY	1.600	1.549	1.495	1.532	1.58	1.71
BRAZIL	1.024	0.958	0.888	0.887	0.93	0.93
USA	0.773	0.849	0.718	0.751	0.78	0.82
CIS	0.604	0.577	0.550	0.561	0.58	0.60
OTHERS	2.743	2.583	2.306	2.201	2.27	2.36
EXPORTS						
WORLD TOTAL	**7.798**	**7.686**	**9.870**	**10.027**	**8.57**	**8.02**
USA	2.621	3.130	2.526	2.902	2.29	2.24
INDIA	1.420	1.085	2.159	1.685	1.30	1.09
AUSTRALIA	0.460	0.545	1.010	1.345	1.03	0.74
BRAZIL	0.433	0.435	1.043	0.938	0.76	0.81
CFA ZONE	0.560	0.476	0.597	0.796	0.88	0.93
UZBEKISTAN	0.820	0.600	0.550	0.653	0.68	0.59
IMPORTS						
WORLD TOTAL	**7.928**	**7.725**	**9.759**	**9.708**	**8.57**	**8.02**
CHINA	2.374	2.609	5.342	4.426	3.13	2.17
EAST ASIA & AUSTRALIA	1.989	1.825	1.998	2.264	2.37	2.36
EUROPE & TURKEY	1.170	0.972	0.724	1.015	0.77	1.01
BANGLADESH	0.887	0.843	0.680	0.593	0.86	0.85
CIS	0.209	0.132	0.098	0.062	0.07	0.07
TRADE IMBALANCE 1/	**0.130**	**0.039**	**-0.111**	**-0.319**	**0.00**	**0.00**
STOCKS ADJUSTMENT 2/	**-0.122**	**-0.051**	**0.013**	**0.000**	**0.00**	**0.00**
ENDING STOCKS						
WORLD TOTAL	**8.569**	**9.465**	**14.611**	**17.790**	**19.94**	**20.81**
CHINA	2.688	2.087	6.181	9.607	11.55	12.07
USA	0.642	0.566	0.729	0.848	0.65	0.71
ENDING STOCKS/MILL USE (%)						
WORLD-LESS-CHINA 3/	**38**	**49**	**60**	**54**	**53**	**52**
CHINA 4/	**26**	**22**	**72**	**116**	**147**	**155**
COTLOOK A INDEX 5/	**78**	**164**	**100**	**88**		

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/ U.S. cents per pound.

SUMMARY OF THE OUTLOOK FOR COTTON

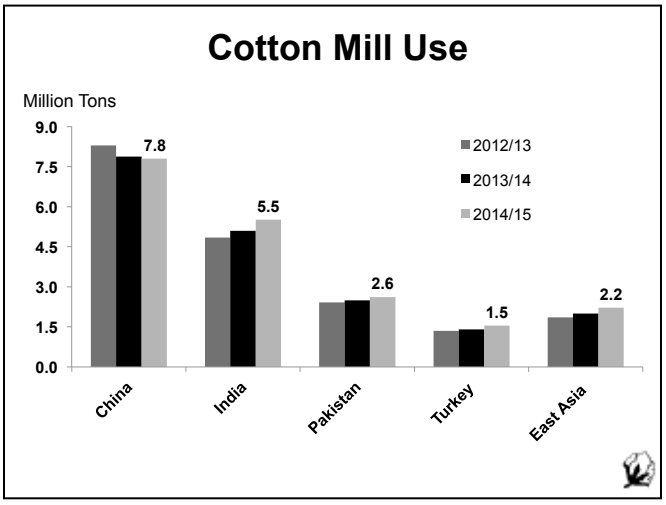
World Prices High Despite Excess Production

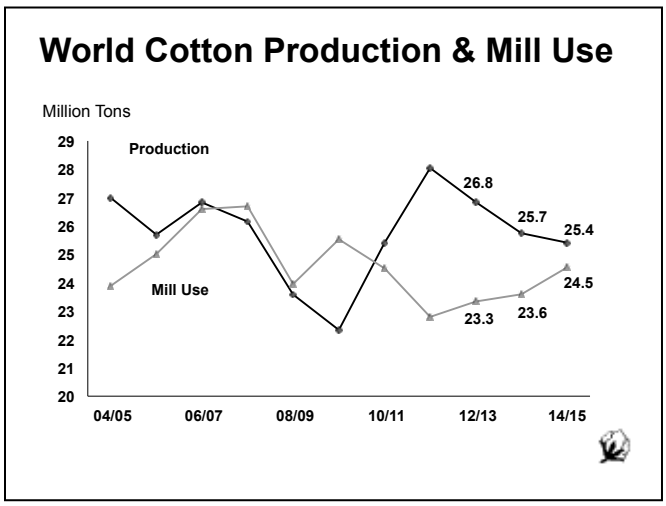
In 2010/11, world production exceeded consumption and this trend has continued into this season, though declining production and a slight rise in consumption is closing the gap. In 2013/14, world production is forecast at 25.7 million tons, a decrease of 4% from 2012/13 and 8% from peak production of 28 million tons in 2011/12. This is due principally to lower yields and less area planted with cotton. The world average yield in 2013/14 is forecast at 777 kilograms per hectare, down 2% from last season and world area is forecast at 33.1 million tons, also down 2% from last season.

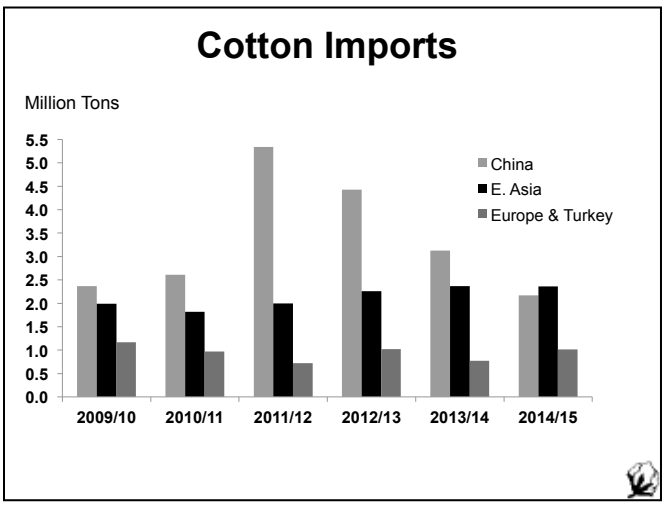
Aside from India, harvesting in the northern hemisphere has mostly come to a close. Production in the northern hemisphere, which accounts for close to 90% of world production, is estimated at 22.5 million tons in 2013/14, a decrease of 7% from 2012/13. Planting in the southern hemisphere is fully underway with area under cotton forecast at 3.4 million hectares, 10% greater than in 2012/13 and production at 3.2 million tons, up from 2.7 million tons in 2012/13 due in large part to Brazil, Argentina.

World cotton mill use is projected up by 1% this season to 23.6 million tons, reversing the downward trend in cotton consumption since 2009/10. World cotton mill use should continue to grow in 2014/15 (by 4%) if the health of the global economy continues to improve. World economic growth, which is the main factor affecting end-use textile consumption and cotton mill use, is projected to further recover in 2014. The International Monetary Fund's latest projections, published in January 2014, indicate world economic growth at 3.7% in 2014, up from 3.0% in 2013 and 3.1% in 2012. The IMF forecasts for 2014 are up for the United States, 2.8%, and the Euro Area, 1.0% from 2013, which traditionally have been large markets for end-use textiles and clothing. Growth in developing Asia, which is where most cotton is consumed is forecast at 6.7%, up slightly from 6.5% in 2013. In 2014, China's economic growth is expected to slow down to 7.5% from 7.7% in 2013 while India's will increase to 5.4% from 4.4% in 2013.

World cotton trade is forecast at 8.6 million tons this season. Although China is expected to be the largest importer of cotton this season, accounting for 37% of all imports, East Asia's volume of imports has been growing in the last four seasons from just under 2 million tons (25%) in 2009/10 to an expected 2.3 million tons (27%) in 2013/14. East Asia's







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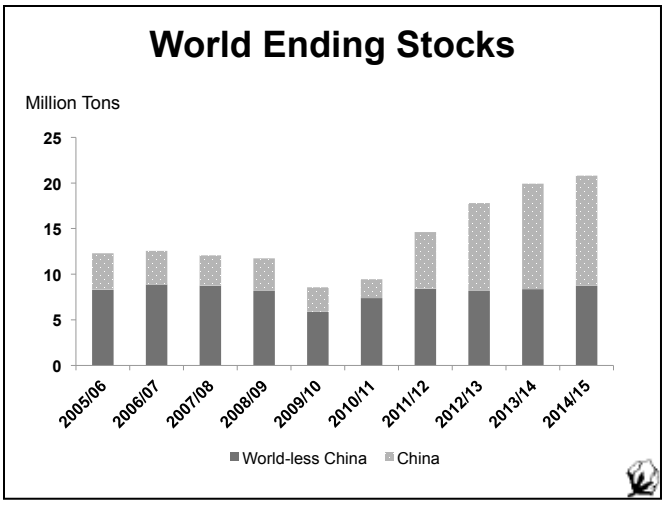
imports are expected to remain stable in 2014/15 at 2.4 million tons, but its share will increase to 30%, largely due to an expected decline in China's imports to 1.9 million tons. Despite a smaller crop, the United States will remain the largest exporter, with expected shipments of 2.3 million tons this season, followed by India with 1.3 million tons.

In 2013/14, world ending stocks are forecast to be 19.9 million tons, more than 2 million tons higher than last season. Despite the excess of cotton stock in the world, the Cotlook A Index for January has averaged about 91 cents per pound, up from 85 cents per pound seen in November and early December 2013. This is due in part to China's cotton policy, which has removed much of the excess cotton from the world market. Given China's share of world cotton stocks, if it decides to offload its reserve stock onto the world market, price is expected to decrease. At the end of 2013/14, China is expected to hold 58% of world stocks with an expected ending stock of 11.5 million tons. Currently, the government of China holds about 12.6 million tons. During the current season it has purchased more than 5.6 million tons and sold just over 400,000 tons. All sales and procurement are on hold for spring holidays in China, but sales from the reserve will start again on February 7.

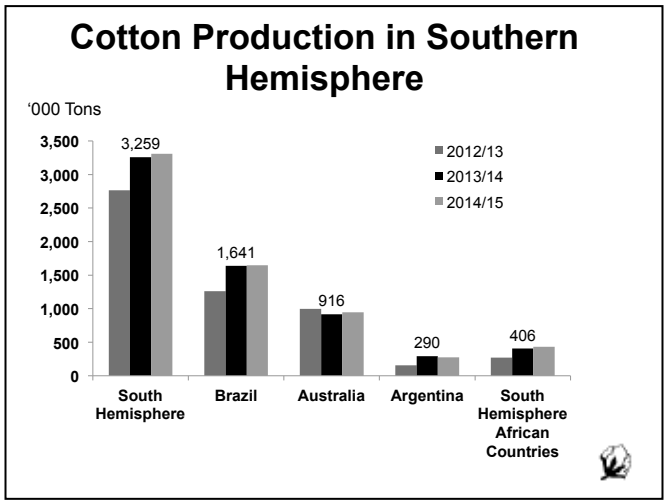


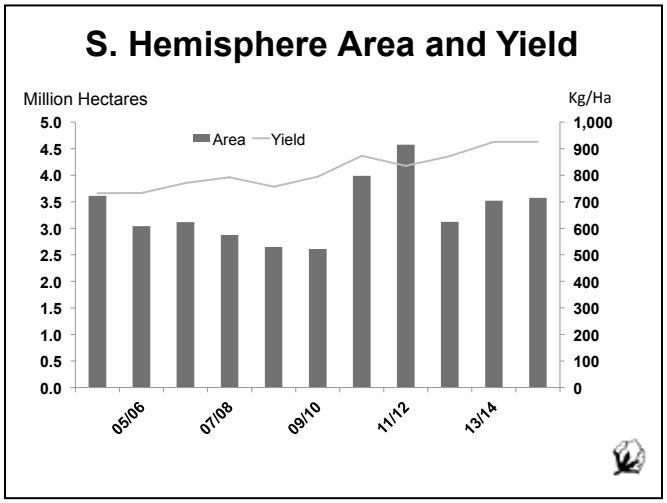
COTTON PRODUCTION IN THE SOUTHERN HEMISPHERE

By Rebecca Pandolph, ICAC

Most of the southern hemisphere's 2013/14 cotton plantings took place between October 2013 and December 2013. Given the high returns received by farmers in 2012/13 and better prices for cotton relative to other crops at planting time, cotton area in the southern hemisphere is expected to increase by 13% to 3.5 million hectares. At this stage, weather is closely watched as it is a determining factor in final yields and production. Assuming a slight increase in the average yield, production in the southern hemisphere is forecast at 3.3 million tons, 20% higher than in 2012/13. The share of the Southern Hemisphere in global production is expected to increase to 13% in 2013/14, up from 10% in 2012/13.

The increase in production in the southern hemisphere this season is driven by Brazil, where the crop could reach a record of 1.6 million tons, up 30% from last season. Production in Argentina could reach 290,000 tons this season, nearly doubling production from 2012/13. Australia's production is expected to decline by 8% to 916,000 in 2013/14 due to tight water supplies. In Eastern and Southern Africa, cotton production is forecast significantly up as many governments are encouraging producers to plant more cotton this season.



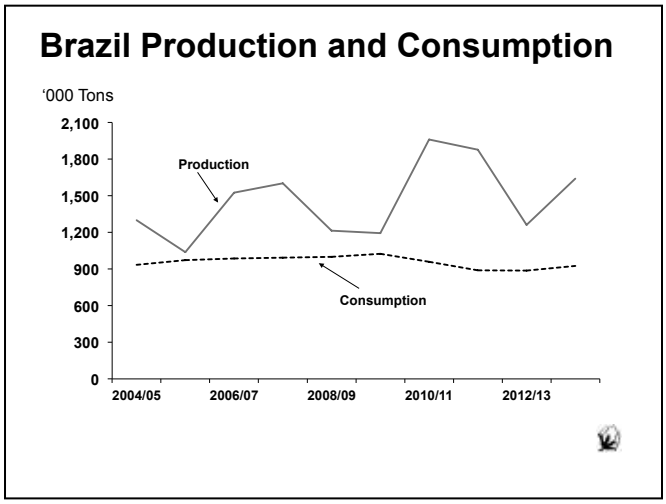


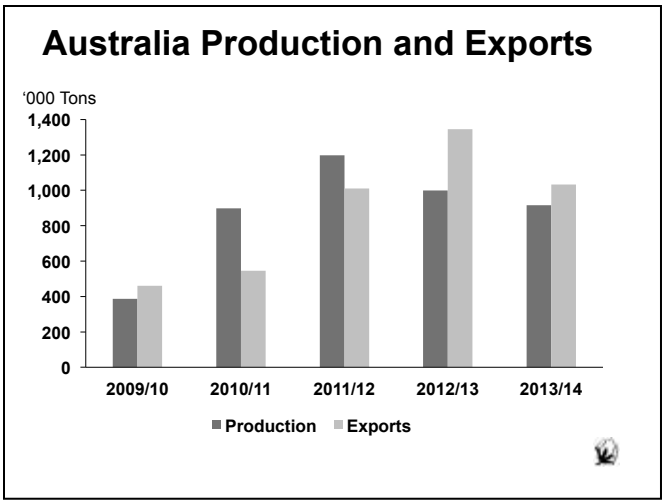
Brazil

Cotton area in Brazil declined to 870,000 hectares in 2012/13, after two seasons of 1.4 million hectares, due to high international cotton prices at planting time in 2010/11 and 2011/12, and the large volume of forward sales already contracted.

Cotton area has seen a recovery in 2013/14, reaching 1.1 million hectares. Farmers in Mato Grosso (the largest producing state) are optimistic this season due to high profits earned the previous season. Production costs were slightly lower in 2013, but are still relatively high, making cotton production riskier than other crops. Furthermore many farmers in Brazil are upset over the fact that the Brazilian government has not adjusted the guaranteed minimum price for cotton since 2003, which is now significantly below the cost of production. Despite this, expectations for good prices this season and plentiful rainfall, which will increase yields, have encouraged farmers to plant more cotton this season. Additionally, the cotton crop in 2012/13 suffered from an unexpected attack of Helicoverpa armigera (a bollworm), causing a loss of about U.S. $ 4 billion. However, after national consultations and more insecticide available, farmers are better prepared this season to combat Helicoverpa armigera. Production in Brazil is expected to reach 1.6 million tons, an increase of 30% from 2012/13 and an increase of 9% over the 5-year average. The average yield for 2013/14 is forecast to be 1543 kilograms per hectare due to adequate soil moisture during planting and plentiful rains during the growing season.

Brazil is the fifth largest consumer of raw cotton in the world and the largest consumer of raw cotton in the southern hemisphere. Cotton mill use peaked at over one million tons in 2008/09 and 2009/10, and then trended down to about 890,000 tons for the next two seasons due to high cotton prices and a very strong real, which affects the competitiveness of the domestic textile sector. However, cotton mill use is expected to increase to 925,000 tons in 2013/14. Most of the textile industry's output is sold domestically.





Exports from Brazil are expected to decline by 19% to 764,000 tons this season, but to remain higher than the 5 year average of 689,000 tons. Imports are expected to reach 48,000 tons this season after 2 seasons of imports with volumes under 20,000 tons.

Australia

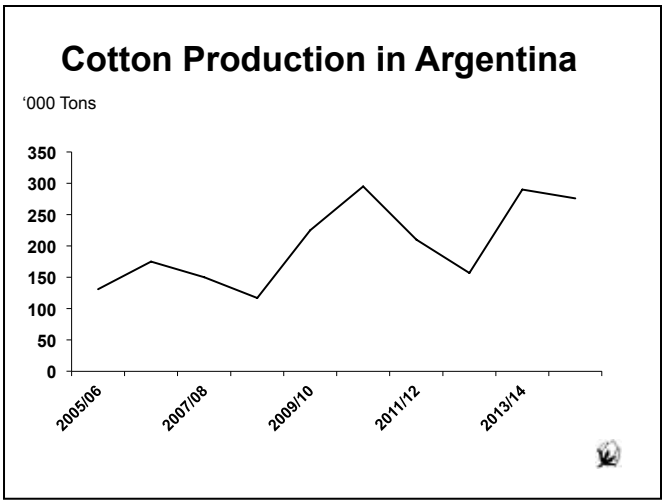
Availability of water is an important factor for production of cotton in Australia, which farms cotton on both irrigated and dryland area. Plentiful rain in 2008 increased production from a 25-year low of 126,000 tons in 2007/08 to 387,000 tons in 2009/10, and jumped to a record of 1.2 million tons in 2011/12 in response to high cotton prices in the first half of 2011 and adequate availability of irrigation water. In 2012/13, production declined to 999,000 tons due to lower world prices for cotton at planting time.

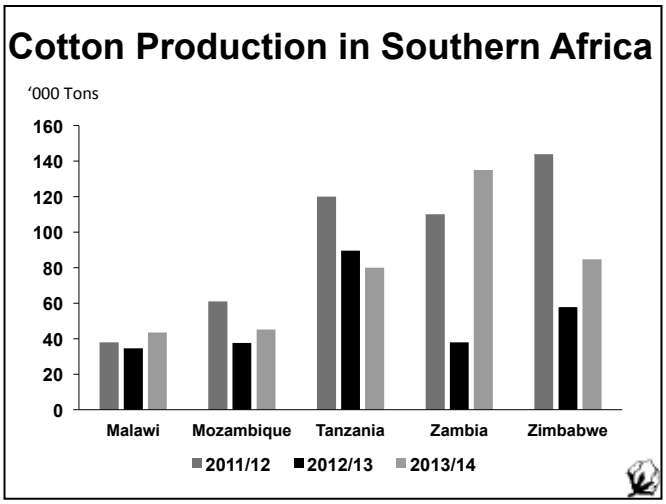
In 2013/14, world prices for cotton were slightly higher compared to last season at planting time. As a result, total cotton area is expected to increase by 3% to 433,000 hectares. However, rainfall is greatly needed to restore soil moisture levels and replenish low reserves in public irrigation dams if yield is to remain high. As a result, total cotton production is expected to decrease by 8% to 916,000 tons. Most of this cotton will be harvested between March and May 2014.

Australia exports nearly all the cotton it produces. 2013/14 exports are expected to reach just over 1 million tons, a decrease of 23% from 2012/13 due to a smaller crop. However, this is almost double the ten-year average of 588,000 tons for exports.

Argentina

Cotton area in Argentina is expected to reach 600,000 hectares in 2013/14, 40% greater than cotton area in 2012/13 and 30% greater than the average cotton area for the last five seasons due to very favorable weather at planting and poor results for other crops grown this season. Yield this season is expected to increase to 483 kg/ha up from 434 kg/ha in 2012/13 due to plentiful rains combined with warm weather in January.





Production is projected at 290,000 tons, up from 157,000 tons produced in 2012/13. This would be the second highest level of production in the last 15 years after 2010/11, which reached 295,000 tons. Cotton mill use is expected to remain stable at 142,000 tons in 2013/14, most of it for the domestic market.

Other South American Countries

Cotton production in the rest of South America is forecast down by 3% to 87,000 tons in 2013/14, due to a decrease in area. In 2013/14, production in Peru is expected to be 38,000, continuing its decline from 46,000 tons reached in 2010/11. Cotton production in Colombia is forecast up by 40% to 35,000 ton and just below its 10-year average of 39,000 tons. This would be the largest crop in six years. Production in Paraguay has declined from 26,000 tons in 2012/13 to an expected 11,000 tons in 2013/14 due to a decrease in area of 64% to 25,000 hectares.

Southern African Countries

Cotton area in Eastern and Southern Africa is expected to increase by 3% to 761,000 hectares in 2013/14, driven by an expansion in plantings. Cotton production in the region is expected to increase this season to 406,000 tons from 273,000 tons in 2012/13 due to the larger area and better expected yields in some countries. Production in Zimbabwe is projected to increase significantly from 58,000 tons to 85,000 tons in 2013/14 due to larger area planted with cotton and sufficient rainfall at the early stages of growth. Production in Tanzania is expected to decline by 11% to 80,000 tons[1]. Production in Zambia could increase significantly to 135,000 tons due to farmers replanting on more area after the arrival of much needed rainfall in late December. Malawi's production could continue to recover to 43,000 tons. Mozambique production is projected slightly higher at 45,000 tons due to support by the Mozambique Institute for Cotton, which has allocated technicians to mobilize farmers to plant cotton and increase production this season.

COTTON PRICE FORECASTS UNDER ALTERNATIVE SCENARIOS

By Alejandro Plastina and Rebecca Pandolph, ICAC

This article reviews the methodology used by the ICAC Secretariat to forecast cotton prices. The first section summarizes the price model implemented between 2007 and 2011. The second section explains the current price model and presents forecasts for 2013/14 and 2014/15. The third section presents forecasts under alternative scenarios, namely a fast release of the Chinese reserve, a slow release of the Chinese reserve, and a slowdown in cotton demand.

The 2007 Price Model

The ICAC Secretariat has been forecasting season-average cotton prices since 1988. In 2007, after two seasons of unsatisfactory forecasting results, the Secretariat adopted a new econometric model, based on fundamental factors of the world cotton economy, which is explained in detail at <http://www.icac.org/econ/Price-Model>. The model uses four explanatory variables, which are themselves combinations

1) In Tanzania, cotton is planted between mid-November and mid-December, and harvested in May-June of the following year. The Secretariat considers that cotton planted between mid-November and mid-December 2013 belongs to the 2013/14 season

of estimates and projections of stocks and mill use, trade, and judgment on whether Chinese trade is dominated by government actions or by private activity:

$$\ln(A_t/A_{t-1})=a*\ln(X_t/X_{t-1})+b*\ln(X_{t-1}/X_{t-2})+m_t*c*\ln(Y_{t-1}/Y_{t-2}) +(1-m_t)*d*\ln(Z_t/Z_{t-1}) \quad (1)$$

where A_t is the average value of the Cotlook A Index in season t; X_t represents ending stocks as a percentage of mill use in season t for the world minus China; Y_{t-1} represents ending stocks as a percentage of mill use in season t-1 for China; Z_t equals 100 * (1- net imports into China/world imports); m_t is a dummy variable equal to 0 for 1991/92 through 2002/03, 2008/09 through 2009/10, and 2011/12 through 2013/14 and 1 for all other seasons; and a, b, c, and d are the parameters to be estimated. The dummy variable indicates whether changes in Chinese stocks are mainly motivated by policy decisions (m_t = 0) or changes in market conditions (m_t = 1).

The model assumes all explanatory variables are given (even though some are projections) and finds the price that would need to exist in order to support the levels of the explanatory variables. This single equation model does not retro-fit the impact of prices on the other variables, neither does it directly account for the impact of variables outside the model (such as the price for polyester or other competing fibers, economic growth, or inflation).

The goodness of fit of the model, *i.e.*, how well the model "explains" prices, is measured by the coefficient of determination (R^2). If the goodness of fit is 1.0, the model "explains" all changes in prices, while if the goodness of fit is 0.0, the model cannot "explain" changes in prices at all. The goodness of fit of the model declined from 0.885 in August 2007 to 0.803 in April 2011 (figure 1), when model results became highly unsatisfactory within an environment of record-high-volatility.

The Expanded Model

The Secretariat conducted a series of statistical tests on how to improve the explanatory power of the model. No variable was found to add explanatory power to the model by correlating with cotton prices in 2007/08, 2009/10 and 2010/11 and not correlating with the other explanatory variables. By adding dummy variables for 2007/08 (D07), 2009/10 (D09) and 2010/11 (D10) to the ICAC Price Model, the explanatory power of the "expanded model" increases substantially. However, this tweak of the model does not improve its predicting power, and virtually the same forecast of the season-average Cotlook A Index is obtained with or without the dummy variables. Formally, the expanded model is:

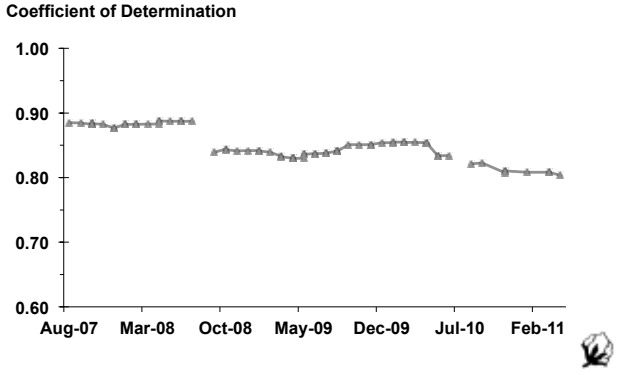
$$\ln(A_t/A_{t-1})=a*\ln(X_t/X_{t-1})+b*\ln(X_{t-1}/X_{t-2})+m_t*c*\ln(Y_{t-1}/Y_{t-2}) +(1-m_t)*d*\ln(Z_t/Z_{t-1})+e*D07+f*D09+g*D10 \quad (2)$$

Similarly to the previous model, the expanded model can be used to produce same-season forecasts and one-season ahead forecasts.

In February 2012, the expanded model forecasted a 2011/12 season-average A Index ranging from US$1.15 to US$1.43 with a midpoint of US$1.28, while the actual 2011/12 season-average A Index amounted to US$1.00 per pound. The main drivers of the error were the differences between the projected and the realized 2011/12 levels of Chinese imports (3.3 million tons vs. 5.3 million tons), mill use in the world minus China (14.5 million tons vs. 13.5 million tons), and ending stocks in the world minus China (8.6 million tons vs. 9.1 million tons).

The forecast presented to the 521st Meeting of the ICAC Standing Committee on December 13, 2012 for 2012/13 was 84 cents per pound, with a 95% confidence interval ranging from 70 cents to 103 cents. The 2012/13 season concluded with the actual season-average A Index at 88 cents per pound. The main drivers of the error were the differences between the projected and the realized 2012/13 levels of Chinese imports (2.57 million tons vs. 4.4 million tons) and ending stocks in the world minus China (9.6 million tons vs. 8.2 million tons).

Figure 1. Goodness of Fit of the Model, by Date of Publication



2013/14 Season Forecast

As of January 2, 2014, the expanded model forecasts the A Index to average 91 cents per pound in 2013/14, with a 95% confidence interval ranging from 81 cents to 103 cents. It assumes that the ending stocks-to-mill use ratio in the world minus China will fall slightly from 54% in 2012/13 to 53% in 2013/14, and that Chinese imports will fall by 30% from 4.4 million tons in 2012/13 to 3.1 million tons in 2013/14. Furthermore, the forecast of 91 cents is a weighted average of the raw forecast from the model and the average A Index observed since the beginning of the season. The confidence interval is also adjusted periodically to reflect the additional information about the realized values of the A Index since the previous forecast. Figure 2 illustrates the evolution of the A Index and the same-season forecasts since then.

The fitted parameters of the expanded model to data from 1975/76 to 2013/14 (Appendix 1) are reported in Table 1. The coefficient of determination, *i.e.*, the goodness of fit of the model, is 0.860. The statistical fit is good as shown in Figure 3.

Figure 2. A Index in 2013/14: Forecast versus Actual, Ordered by Publication Date

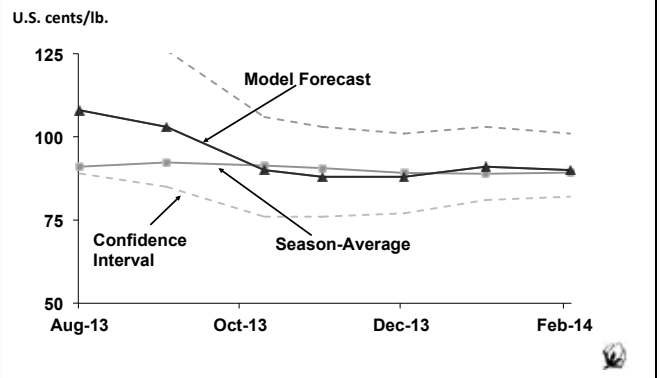
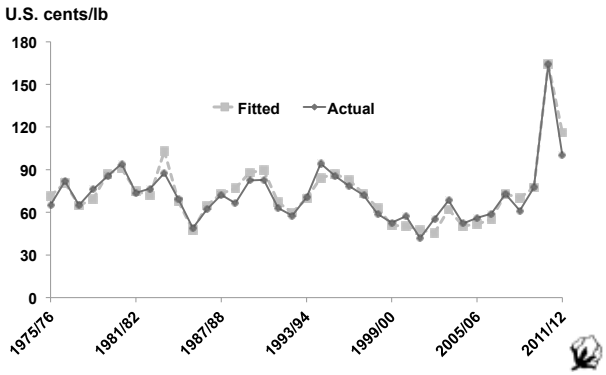


Figure 3. Fitted and Actual Values of the Cotlook A Index, 1975/76 – 2012/13



According to Table 1 below, the change in the stocks-to-mill use ratio for the world less China in season t, $\ln(X_t/X_{t-1})$, is the most important explanatory variable. With an elasticity coefficient of -1.2, a 5% increase in the stocks-to-mill use ratio in the world less China induces a 6% price decline in the same season. The second most important explanatory variable is the change in the stocks-to-mill use ratio for the world less China in season t-1, $\ln(X_{t-1}/X_{t-2})$: with an elasticity coefficient of -0.46, a 5% increase in the stocks-to-mill use ratio in the world less China in the preceding season induces a 2.3% price decline in the current season. Consequently, if the stocks-to-mill use ratio in the world less China increases by 5% in season t-1 and again by 5% in season t, the Cotlook A Index will fall, on average, by 8.3% in season t.

The dummy variables D07, D09 and D10 are all significant at the 5% level and account for most of the changes in the A Index in 2007/08, 2009/10, and 2010/11. The variables that attempt to capture changes in the market fundamentals and government decisions in China, mt*ln(Yt-1/Yt-2) and (1-mt)*ln(Zt/Zt-1), are not significant at the 10% level, but are kept in the model because the fit of the model to the data is better with them than without them: the Akaike Information Criteria is greater (in absolute value) with the variables than without them (1.787 vs 1.779). A 5% increase in the Chinese stocks-to-mill use ratio would only induce a 0.2% decline in world prices in the following season. Finally, during seasons when changes in Chinese stocks were mainly driven by government decisions instead of market forces, increases in net imports into China resulted in increases in cotton prices during the same season; for example, if net imports into China increased from zero to 5% of world gross imports, the value of the explanatory variable Z would fall from 100 to 95 and the A Index would increase by 1.7%.

2014/15 Season Forecast (Base Scenario)

In the scenarios discussed below, we are forecasting the season-average Cotlook A Index for the 2014/15 season. However, the 2013/14 forecast serves as the basis to forecast the 2014/15 season average. The fitted parameters of the expanded model to data from 1975/76 to 2013/14, assuming the true A Index in 2013/14 is 89 cents per pound, are reported in Table 2. The coefficient of determination, *i.e.*, the goodness of fit of the model, is 0.860. The fitted value for the A Index in 2013/14 is 91 cents, or 2 cents higher than the reference value.

Fitted parameters in table 2 are very similar to those in table 1. However, the variable capturing the effect of net imports into China due to government decisions, $\ln(Z_t/Z_{t-1})$, becomes significant at the 5% level.

Table 1. Estimated Coefficients of the Extended Model, 1975/76-2011/12

Explanatory Variable	ln(Xt/Xt-1)	ln(Xt-1/Xt-2)	mt*ln(Yt-1/Yt-2)	(1-mt)*ln(Zt/Zt-1)	D07	D09	D10
Fitted Parameter	-1.202	-0.462	-0.045	-0.332	0.203	-0.25	0.858
t-statistic	-10.87	-4.66	-1.02	-1.54	2.22	-2.39	8.39

Table 2. Estimated Coefficients of the Extended Model, 1975/76-2013/14

Explanatory Variable	ln(Xt/Xt-1)	ln(Xt-1/Xt-2)	mt*ln(Yt-1/Yt-2)	(1-mt)*ln(Zt/Zt-1)	D07	D09	D10
Fitted Parameter	-1.204	-0.514	-0.045	-0.218	0.205	-0.239	0.91
t-statistic	-9.87	-5	-0.95	-1.05	2.08	-2.14	8.16

Assuming that in 2014/15 (a) world cotton mill use will increase by 807,000 tons to 24.6 million tons despite a 241,000 tons decline in Chinese mill use, (b) ending stocks will increase by 553,000 tons in the world and by 86,000 tons in China, (c) international trade will decline by 686,000 tons where a 1.2 million tons reduction in Chinese imports is offset primarily by imports in the rest of Asia, then the forecast of the season-average A Index for 2014/15 ranges from 74 cents to 111 cents, with a midpoint at 90 cents per pound.

At that level, international cotton prices would be competitive with domestic cotton prices in China if the import duty is low. Adding 18% to 90 cents to account for taxes and fees applied to imported cotton into China, the resulting 106 cents are 28 cents below the average Chinese reserve selling price of 18,000 yuan per ton (or 134.1 cents per pound assuming an exchange rate of 6.089 yuan per US dollar). However, if a 40% tariff is applied, the resulting price would be 142 cents, which is 8 cents higher and not competitive with domestic cotton prices in China. Therefore, out of quota imports would not be competitive with domestic prices with a 40% tariff.

Forecasts Under Alternative Scenarios

Given the structure of the expanded model, the following forecasts are based on different assumptions about the explanatory variables. The ICAC Secretariat first chooses reasonable estimates (for past seasons) and forecasts (for the current and the following season) of ending stocks, mill use, imports and exports; then makes a judgment about the impact of government policy on Chinese stocks; and finally runs the price model to obtain the price forecast. The price forecast is not retro-fitted into the model to analyze its impact on the explanatory variables.

Given that most of the variability of price forecasts through time stem from the variability inherent in the estimates and forecasts of the explanatory variables (since coefficient estimates change very little through time) (Plastina 2012), it seems reasonable to analyze alternative scenarios by changing the levels of the explanatory variables and comparing the resulting price forecast with the Base Scenario described in the previous section. As China is expected to change its cotton policy in the next season, the focus of the analysis is 2014/15.

Scenario 1: Fast Release of Chinese Reserve and China Remains Net Importer

In this scenario, the Chinese government is assumed to liquidate reserves at prices lower than those at which the cotton was purchased, until reaching a target 5.5 million tons in stock. This would result in considerable losses for the Chinese government, but in substantial support for Chinese textile mills.

Ending stocks in the Chinese private sector are assumed at 1 million tons. Therefore, total ending stocks in China in 2014/15 are assumed at 6.5 million tons, or 5 million tons lower than in the base scenario. It is assumed that liquidated cotton from the reserve would displace 1.5 million tons of imported cotton and create an additional 3.5 million tons of mill use in China.

Mill use would amount to 11.3 million tons in China, and 17.3 million tons in the world less China (500,000 tons higher than in the base scenario because the 1 million tons of additional stocks outside China would put downward pressure on prices and stimulate additional cotton consumption). World mill use would reach 28.5 million tons. Imports by China would amount to 444,000 tons, and world imports would reach 6.3 million tons. World ending stocks would amount to 16.9 million tons, or 4 million tons lower than in the base scenario. Table 3 compares the assumed levels of mill use, ending stocks and trade in Scenario 1 with those from the Base Scenario.

Under Scenario 1, the forecast of the 2014/15 season-average A Index ranges from 68 cents to 102 cents, with a midpoint at 83 cents per pound. Therefore, under this scenario, there is a 62% chance that prices will decline in 2014/15.

Scenario 2: Fast Release of Chinese Reserve and China Becomes a Net Exporter

This scenario is similar to Scenario 1 in that the Chinese government is assumed to liquidate reserves at lower prices until reaching a target 5.5 million tons in stock. The main difference stems from the assumption about how liquidated cotton affects Chinese mill use and trade. In Scenario 2, liquidated cotton is assumed to create an additional 1.5 million tons of mill use in China (instead of 3.5 million tons assumed in Scenario 1), generate 2 million tons of exports by China, and displace 1.5 million tons of imported cotton into China.

Table 3. Fundamentals in 2014/15 Under Scenario 1 and Base Scenario

Region	Variable	Base Scenario (in thousand tons)	Scenario 1 (in thousand tons)	Difference (in thousand tons)
China	Imports	1,944	444	-1,500
	Mill Use	7,800	11,269	3,469
	Exports	7	7	0
	Ending Stocks	11,469	6,500	-4,969
World	Imports	5,806	5,806	0
Minus China	Mill Use	16,774	17,274	500
	Exports	7,759	6,259	-1,500
	Ending Stocks	9,400	10,400	1,000
World Total	Imports	7,749	6,249	-1,500
	Mill Use	24,573	28,542	3,969
	Exports	7,766	6,266	-1,500
	Ending Stocks	20,869	16,900	-3,969

Table 4. Fundamentals in 2013/14 Under Scenario 2 and Base Scenario

Region	Variable	Base Scenario (in thousand tons)	Scenario 2 (in thousand tons)	Difference (in thousand tons)
China	Imports	1,944	444	-1,500
	Mill Use	7,800	9,269	1,469
	Exports	7	2,007	2,000
	Ending Stocks	11,469	6,500	-4,969
World	Imports	5,806	7,806	2,000
Minus China	Mill Use	16,774	17,274	500
	Exports	7,759	6,259	-1,500
	Ending Stocks	9,400	12,400	3,000
World Total	Imports	7,749	8,249	500
	Mill Use	24,573	26,542	1,969
	Exports	7,766	8,266	500
	Ending Stocks	20,869	18,900	-1,969

Table 5. Fundamentals in 2013/14 Under Scenario 3 and Base Scenario

Region	Variable	Base Scenario (in thousand tons)	Scenario 3 (in thousand tons)	Difference (in thousand tons)
China	Imports	1,944	1,000	-944
	Mill Use	7,800	7,800	0
	Exports	7	7	0
	Ending Stocks	11,469	10,525	-944
World	Imports	5,806	5,806	0
Minus China	Mill Use	16,774	16,774	0
	Exports	7,759	6,815	-944
	Ending Stocks	9,400	10,344	944
World Total	Imports	7,749	6,805	-944
	Mill Use	24,573	24,573	0
	Exports	7,766	6,822	-944
	Ending Stocks	20,869	20,869	0

Ending stocks in the Chinese private sector are assumed at 1 million tons and total ending stocks in China are assumed at 6.5 million tons in 2014/15. Mill use would amount to 9.3 million tons in China, and 17.3 million tons in the world less China (500,000 tons higher than in the base scenario because the 3 million additional stocks outside China and the 2 million tons exported by China would put downward pressure on prices and stimulate additional cotton consumption). World mill use would reach 26.5 million tons. Imports by China would amount to 444,000 tons, China would become a net exporter, and world imports would reach 8.3 million tons. World ending stocks would amount to 18.9 million tons, or 2 million tons lower than in the base scenario. Table 4 compares the assumed levels of mill use, ending stocks and trade in Scenario 2 with those from the Base Scenario.

Under Scenario 2, the forecast of the 2014/15 season-average A Index ranges from 54 cents to 80 cents, with a midpoint at 66 cents per pound. Therefore, under this scenario, prices would decline with certainty in 2014/15.

Scenario 3: Slow Release of Chinese Reserve

In this scenario, the Chinese government is assumed to liquidate reserves at prices that would result in an annual stock reduction of 1 million tons. Furthermore, it is assumed that the Chinese government would allow textile mills to import one bale out-of-quota for every three bales of cotton bought from the reserve.

It is assumed that the extra 1 million tons of cotton available from the liquidated reserves is absorbed by domestic mills, displacing 1 million tons of imported in-quota cotton. However, Chinese imports of out-of-quota cotton would increase by 56,000 tons, resulting in a net decline in Chinese imports of 944,000 tons.

Since mill use is assumed unchanged from the base scenario, the 944,000 tons not exported to China would add to ending stocks in the rest of the world. Table 5 compares the assumed levels of mill use, ending stocks and trade in Scenario 3 with those in the Base Scenario.

Under Scenario 3, the forecast of the 2014/15 season-average A Index ranges from 66 cents to 99 cents, with a midpoint at 81 cents per pound. Therefore, under this scenario, there is a 70% chance that prices will decline in 2014/15.

Concluding Remarks

As with all models, the model used by the ICAC Secretariat is limited by construction to reflect the impact of a few explanatory variables on some dependent variable. The variability of forecasts from the ICAC price model is mainly explained by the variability of its explanatory variables, in particular the projected changes in stocks and mill use outside China. Therefore, price forecasts ultimately depend on the Secretariat's forecasts of those variables.

As an attempt to better inform readers about the consequences of changes in policies or the economic environment on price forecasts, three scenarios are presented in this article: a fast release of the Chinese reserve with China remaining a net importer or becoming a net exporter, and a slow release of the Chinese reserve. Across scenarios, the role of China's cotton policy, particularly the release of its reserves, as the main driver of prices is significant. Even when China chooses a slower release of reserves, as outlined in the third scenario, the surplus of cotton on the market has a dampening effect on prices.

Reference

Plastina, A. 2012. "Update on the ICAC Price Model," *Cotton: Review of the World Situation* 65(3) p.8-12.

Appendix 1. Basic Data 1970/71 Through 2013/14

Season	A	X	Y	Z	ln(At/At-1)	ln(Xt/Xt-1)	ln(Yt-1/Yt-2)	ln(Zt/Zt-1)	D07	D09	D10
1970/71	31.1	41.28	20.43	97.88					0	0	0
1971/72	37.2	41.67	19.81	96.78	0.178	0.009	-0.031	-0.011	0	0	0
1972/73	42	45.5	22.13	90.9	0.122	0.088	0.111	-0.063	0	0	0
1973/74	76.5	44.91	32.5	91.64	0.601	-0.013	0.384	0.008	0	0	0
1974/75	52.5	64.31	34.75	97.1	-0.376	0.359	0.067	0.058	0	0	0
1975/76	65.3	43.23	43.47	96.9	0.218	-0.397	0.224	-0.002	0	0	0
1976/77	81.9	41.91	31.11	98.38	0.226	-0.031	-0.335	0.015	0	0	0
1977/78	65.1	52.13	18.49	93.16	-0.23	0.218	-0.52	-0.055	0	0	0
1978/79	76.1	46.35	8.15	89.7	0.156	-0.117	-0.819	-0.038	0	0	0
1979/80	85.4	44.74	9.82	82.34	0.116	-0.035	0.186	-0.086	0	0	0
1980/81	94.2	42.83	14.44	83.06	0.098	-0.044	0.385	0.009	0	0	0
1981/82	73.8	51.93	10.67	89.14	-0.244	0.193	-0.303	0.071	0	0	0
1982/83	76.7	49.93	15.34	94.94	0.038	-0.039	0.364	0.063	0	0	0
1983/84	87.7	39.1	51.34	100.45	0.134	-0.244	1.208	0.056	0	0	0
1984/85	69.2	51.01	124.49	104.24	-0.237	0.266	0.886	0.037	0	0	0
1985/86	49	61.16	91.33	112.73	-0.344	0.181	-0.31	0.078	0	0	0
1986/87	62.1	45.7	44.85	112.45	0.236	-0.291	-0.711	-0.003	0	0	0
1987/88	72.3	45.75	32.93	109.56	0.153	0.001	-0.309	-0.026	0	0	0
1988/89	66.4	43.95	26.73	100.73	-0.086	-0.04	-0.209	-0.084	0	0	0
1989/90	82.4	35.54	24.77	95.96	0.217	-0.213	-0.076	-0.048	0	0	0
1990/91	82.9	36.04	37.61	94.68	0.006	0.014	0.418	-0.013	0	0	0
1991/92	63.1	42.58	76.12	96.55	-0.274	0.167	0.705	0.02	0	0	0
1992/93	57.7	41.12	66.28	101.69	-0.089	-0.035	-0.138	0.052	0	0	0
1993/94	70.6	35.75	47.79	99.82	0.202	-0.14	-0.327	-0.019	0	0	0
1994/95	94.3	33.86	69.78	86.94	0.289	-0.054	0.379	-0.138	0	0	0
1995/96	85.6	36.81	97.55	88.62	-0.097	0.083	0.335	0.019	0	0	0
1996/97	78.6	36.88	109.3	87.21	-0.086	0.002	0.114	-0.016	0	0	0
1997/98	72.2	38.41	128.84	93.1	-0.084	0.041	0.164	0.065	0	0	0
1998/99	58.9	41.25	135.45	101.31	-0.204	0.071	0.05	0.084	0	0	0
1999/00	52.8	44.72	94.21	105.68	-0.109	0.081	-0.363	0.042	0	0	0
2000/01	57.2	45.87	71.41	100.78	0.08	0.025	-0.277	-0.048	0	0	0
2001/02	41.8	53.19	57.87	99.62	-0.314	0.148	-0.21	-0.012	0	0	0
2002/03	55.4	47.78	37.96	91.96	0.282	-0.107	-0.422	-0.08	0	0	0
2003/04	68.3	46.1	33.91	73.87	0.209	-0.036	-0.113	-0.219	0	0	0
2004/05	52.2	60.38	31.59	81.04	-0.269	0.27	-0.071	0.093	0	0	0
2005/06	56.2	55.22	42.28	56.26	0.073	-0.089	0.292	-0.365	0	0	0
2006/07	59.2	57.27	34.46	72.15	0.052	0.037	-0.205	0.249	0	0	0
2007/08	72.9	56.61	30.46	70.75	0.209	-0.012	-0.123	-0.02	1	0	0
2008/09	61.2	57.25	38.69	77.37	-0.175	0.011	0.239	0.089	0	0	0
2009/10	77.5	39.07	26.37	70.12	0.237	-0.382	-0.383	-0.098	0	1	0
2010/11	164.1	53.33	21.78	66.62	0.75	0.311	-0.191	-0.051	0	0	1
2011/12	100	63.62	71.58	45.39	-0.495	0.176	1.19	-0.384	0	0	0
2012/13	88	58.67	115.89	54.53	-0.128	-0.081	0.482	0.183	0	0	0
2013/14	**91**	**56.81**	**141.56**	**63.05**	**0.033**	**-0.032**	**0.2**	**0.145**	**0**	**0**	**0**

f: Forecasts as of December 27, 2013 in bold.

A_t = average value of the Cotlook A Index in current U.S. cents/pound in season t.

X_t = ending stocks as a percentage of mill use in season t for the world minus China.

Y_{t-1} = ending stocks as a percentage of mill use in season t-1 for China.

Z_t = 100 * (1- net imports into China/world imports).

THE STRUCTURE OF THE WORLD COTTON TRADE

By Andrei Guitchounts, ICAC

The world cotton trade operated in conditions of price stability during the past two seasons, marking a return to relative "normalcy" after experiencing extreme price volatility in 2010/11. Record market volatility had a profound negative effect on the world cotton trade, triggering a record number of contract defaults, as a result of increasing counter-party risks and financial stress caused by limited availability, as well as raising costs of trade finance and hedging.

The tighter credit environment confronting many cotton merchants in the aftermath of very volatile markets had a significant effect on the structure of world cotton trade. Many merchants incurred substantial losses during the past three years, and a number of cotton firms of all sizes were forced into bankruptcy, merger or closure. The departed companies were mostly mono-commodity, family-owned and family-operated businesses. Market concentration continued to increase, and multi-commodity trading houses with wider access to resources have become more prominent in cotton trading.

A stable market situation resulted in a reduction of defaults and arbitration cases during 2013, when the number of applications for technical arbitration filed with the International Cotton Association (ICA) declined to 76 cases, compared with 247 in 2012 and 242 in 2011. The ICA is projecting that about 70 new cases will be filed during calendar 2014. This number of arbitrations is closer to levels recorded before 2011. Between 2005 and 2010, the ICA handled between 40 and 73 arbitration cases per year.

Confidence in the cotton trading system has been significantly undermined by defaults, and tighter trade finance has exerted a strong negative influence on the cotton trade. Many large banks, traditional lenders for commodity trading, have cut financing facilities significantly in an effort to reduce risk exposure, causing tougher capital requirements. This affects the ability of many smaller firms to receive credit. Many of the largest trading houses have their own credit resources, but such is often not the case with smaller traders. In current market conditions, it is estimated that merchants need to provide 25-35 percent in equity to borrow money for trading. This is almost double the requirement that prevailed five years ago. Tighter credit makes it more expensive to warehouse commodities and to hedge, and is a factor leading to market concentration.

The Secretariat has studied the structure of world trade in cotton since 1994 and compiles a list of cotton-trading companies active as of the end of each year. Most of the firms are members of the 18 associations comprising the Committee for International Cooperation between Cotton Associations (CICCA). The latest list was compiled from annual surveys mailed to all members of CICCA, industry publications and personal knowledge. The list of cotton trading companies consists of 443 firms engaged, at least in part, in the international trade of cotton in 2013. The total number of companies that replied to the surveys is 110. Companies are divided into four categories by annual sales volume: largest (more than 200,000 tons); large (50,000-200,000 tons); medium (20,000-50,000 tons); and specialized (less than 20,000 tons) Organizations are also grouped by type of ownership: government, cooperative or private. The latest list of cotton trading organizations consists of 26 government organizations, 11 cooperatives and 406 private firms.

Largest

The most recent estimates of the volume traded by the largest companies in 2013 indicate that there are currently 10 organizations with annual volumes of more than 200,000 tons. The group of largest companies includes 4 government organizations, including 3 from Uzbekistan under the same roof of the Ministry of Foreign Economic Relations Investment and Trade (MFERIT), and which are counted as one organization for the purposes of this study.

This group of largest companies traded an estimated 6.2 million tons, or 23% of world production in 2013. Eight privately-owned cotton trading organizations in the largest category handled 5.2 million tons in 2013, or 20% of world production. There was almost no change in the volume and the share of world production handled by this group of companies compared with 2012. In 2013, four of the world's largest cotton trading companies are based in the United States, three in Uzbekistan, and one each in Japan, China, Singapore, Switzerland, and the United Kingdom.

The first study, conducted in 1994, indicated that the 19 largest cotton organizations handled 6.8 million tons, or 36% of world production. 14 of the largest organizations were private or cooperative cotton companies, accounting for an estimated 5.5 million tons, or 29% of world cotton production. The conclusions of the study were that the world cotton trade was not highly concentrated by the standards of industrial markets and was highly competitive. Since 1994, the composition of the group of the largest cotton trading organizations has changed. As a sign of market concentration, a smaller number of the largest firms handle a higher combined volume than in 1994.

Louis Dreyfus Commodities is among the largest multi-commodity traders and has close to $60 billion in annual sales. Louis Dreyfus, the world's largest cotton merchant, acquired most of the Dunavant Enterprises' subsidiaries in 2010, which was one of the largest family-owned cotton merchants.

Cargill Cotton is another of the largest cotton merchants and is a subsidiary of Cargill Inc., a leading producer and trader of food, agricultural, financial and industrial products and services. Cargill is active in grains, oilseeds, sugar, meats, poultry, fuels and other commodities. Cargill's revenues are estimated at $136.7 billion during fiscal 2013. Cargill Cotton

operates in all major cotton markets in merchandising, ginning and warehousing.

Olam International is a Singapore-based company and one of the world's largest commodity and cotton traders. Olam International was founded in Singapore in 1989 as a large spinner/merchant. Olam is engaged in ginning, warehousing and trading cotton from Central Asia, West and East Africa, the Americas and China. Olam acquired Queensland Cotton Corporation of Australia in 2007. Olam completed several acquisitions and investments in many commodities including rice, sugar, grains, coffee, cocoa, cashew, peanuts, beans, dairy, wool and others. Olam's annual revenues are estimated at $20 billion.

Ecom, Noble, Glencore and Multigrain are other examples of large multi-commodity trading houses that are becoming more prominent in the cotton trade. It is evident that consolidation in the agricultural commodities sector is accelerating as the largest traders expand across commodities to take advantage of booming demand generated by population and income growth, especially in fast-growing emerging economies. However, analysis of the structure of cotton trade indicates that, based on the number of companies operating and volumes of cotton traded, the sector remains highly competitive.

Large

The past five years have seen a significant reduction in the number of large merchants. The number of large cotton traders is estimated to have declined from 44 in 2008 to 38 in 2013. The volume handled by the current group of large companies declined sharply from 4.4 million tons in 2008 to an estimated 3 million tons in 2013, accounting for 12% of world production (17% in 2008). Compared with 2008, the volume traded by large companies in 2012 declined by 1.2 million tons.

The composition of organizations defined as large companies has changed the most since 1994. The number of large government organizations declined from 15 to 2 as a result of privatization, mostly in Africa. The 1994 study indicated that there were 51 large cotton-trading companies handling 4.1 million tons, including 35 privately-owned large organizations accounting for 2.5 million tons, or 13% of world production.

As of 2013, 36 private large companies account for 2.8 million tons, or 11% of world production. The 44 largest and large privately-owned cotton trading companies account for 31% of world shipments in 2013, compared with 42% handled by 49 firms in the same categories in 1994.

Eight of the 38 large cotton traders are based in the United States. Seven large firms are based in India, three each in France and Brazil, two each in Switzerland, Japan and Singapore.

With increased production, mill use and exports in India, a number of Indian merchants have become more active internationally, entering other markets, such as China, opening offices in other countries and trading a variety of growths directly to mills.

Medium

There are currently 38 firms in the medium category, four less than in 2008, with an estimated combined volume of 1 million tons. The volume traded by medium-sized companies has declined slightly during the last few years. The number of medium-sized companies fell as a result of shifts between the groups of larger and largest companies. In 1994, there were 50 medium companies with approximately 1.5 million tons of combined volume. Among the 38 medium-sized companies, 4 each are based in the United States and in Turkey and 3 in Switzerland.

Specialized

The most recent survey includes 355 firms in the category of specialized companies, which accounted for 1.7 million tons of combined volume in 2013. The composition of this group has changed significantly. A number of European companies went out of business during the past decade, while some companies were added to this group from larger categories as a result of smaller volumes traded. A very large number of specialized cotton trading companies are based in the United States, Turkey, India, Switzerland, Germany, Egypt, Brazil and Italy.

Banks and Ocean Freight Organizations

A list of banks and ocean freight organizations involved in providing services to the cotton trade was first compiled in 2003. The list was expanded during the following years and now includes 45 banks from 12 countries and 40 shipping and freight forwarding organizations from 17 countries.

Banks provide important services to the cotton trade, including finance, cash management, letter of credit issuance and collection and processing of documents, lending, bill collection, freight financing, foreign exchange, price risk management instruments, bonds and guaranties, inventory financing, tolling and barter trade financing, clearing, custodian and other services. Banks provide local, urban transaction banking infrastructure for large and small producers as well as services to international merchants financing international transactions. There are banks specializing in certain markets and there are international banking institutions providing a wide range of banking services globally.

Insurance Companies

During the past several years a list of insurance companies providing services to the cotton industry has been compiled. The list contains 16 insurance companies from 8 countries, many with a global presence and affiliated with banking services.

A large number of brokers provide insurance services to the cotton industry on standard terms, such as the American Institute Cargo Clauses or the Lloyds of London clauses, but are also able to offer special coverage above and beyond standard clauses in unique situations. Among insurance

companies specializing in providing full service in marine cargo insurance to cotton shippers are: Rekerdres & Sons Insurance Agency, Cotton Fire and Mar. Underwriters, based in the United States; Lampe + Schwartze KG, C. Wm Konig GmbH, H. Kraft & Co., and NHA Hamburger Assekuranz-Agentur GmbH, based in Germany; and Windsor Insurance Brokers Ltd., based in the United Kingdom. There are also large financial/insurance providers with hundreds of offices in tens of countries with a wide range of products and services, including insurance products in demand by the cotton industry, such as AXA, Zurich and AIG.

A full list of cotton trading companies, banking, ocean freight and insurance organizations with contact information can be found in: "Structure of World Cotton Trade" by ordering at: https://www.icac.org/login?url=%2Fpubdetail.php%3Fid%3DP0000086 at www.icac.org.

COTTON TRADING ORGANIZATIONS

(FIRMS ARRANGED BY SIZE, ESTIMATES MADE BY THE SECRETARIAT *)

Company Name	Country	Type
Largest Organizations (annual volume: more than 200,000 tons)		
Louis Dreyfus Commodities, Cordova	USA	Private
Cargill Cotton, Cordova	USA	Private
Olam International Ltd, Singapore 1/	SINGAPORE	Private
Staple Cotton Cooperative Association, Greenwood	USA	Cooperative
Ecom USA Inc, Dallas 2/	USA	Private
Chinatex, Beijing, China	CHINA (MAINLAND)	Government
Paul Reinhart AG, Winterthur 3/	SWITZERLAND	Private
Toyo Cotton (Japan) Co, Osaka 4/	JAPAN	Private
Joint-Stock Company Uzinterimpex, Tashkent	UZBEKISTAN	Government
State Joint Stock Foreign Trade Company "Uzmarkazimpex," Tashkent	UZBEKISTAN	Government
Uzprommashimpeks, Tashkent	UZBEKISTAN	Government
Plexus Cotton Ltd, Liverpool 5/	UK	Private
Large Organizations (annual volume: 50,000 tons to 200,000 tons)		
Namoi Cotton Cooperative Ltd, Wee Waa, NSW	AUSTRALIA	Cooperative
Calcot Ltd, Bakersfield	USA	Cooperative
The Cotton Corporation of India Ltd, Mumbai	INDIA	Government
Khimji Visram & Sons	INDIA	Private
C.A. Galiakotwala & Co Ltd, Mumbai	INDIA	Private
Gill & Co Ltd, Mumbai	INDIA	Private
Kotak & Co Pvt Ltd, Mumbai	INDIA	Private
Toyoshima & Co Ltd, Nagoya 6/	JAPAN	Private
Carolinas Cotton Growers Cooperative, Inc	USA	Cooperative
Otto Stadtlander Gmbh, Bremen	GERMANY	Private
Jess Smith & Sons Cotton, Llc, Bakersfield	USA	Private
Multigrain SA, Sao Paulo	BRAZIL	Private
EISA – Empresa Ineragricola S.A, São Paulo 2/	BRAZIL	Private
Agro Industrias Unidas De Mexico SA De Cv Amsa, Mexico City 2/	MEXICO	Private
Devcot SA, Lille	FRANCE	Private
International Cotton and Textile Trading Co Ltd, Lugano	SWITZERLAND	Private
Allbright Cotton, Fresno	USA	Private
Noble Resources Group, Singapore	SINGAPORE	Private
Texas Cotton Marketing Corp., Austin	USA	Private
Cottip SA, Geneva	SWITZERLAND	Private
Komal Amin Export Pvt. Ltd.	INDIA	Private
Mambo Commodities, Paris	FRANCE	Private
Violar SA, Larisa	GREECE	Private
SA Goenka, Barcelona	SPAIN	Private
ACG Cotton Marketing, Lubbock	USA	Private
Agrocorp International PTE Ltd	SINGAPORE	Private
Arco Cotton Agents (I.C.T. International Cotton Trading), Milan	ITALY	Private
Baumann Hinde & Co Ltd, Southport	UK	Private
Bhadresh Trading Corporation Ltd	INDIA	Private
CGG Trading SA Sao Paulo	BRAZIL	Private
Chang Zhou World Cotton Co Ltd	CHINA	Private
Compagnie Cotonnière Copaco, Paris 7/	FRANCE	Private
Gap Pazarlama A.S., Istanbul	TURKEY	Private
Loeb & Company, Inc, Montgomery	USA	Private
Montgomery Co, Inc, Opelika	USA	Private
Omnicotton Inc., Plano	USA	Private
Yamachu Mengyo Co Ltd Osaka, Osaka	JAPAN	Private
Dubai Cotton Centre, Dubai	UAE	Government

(continued)

Medium-Sized Organizations (annual volume: 20,000 to 50,000 tons)

Auscott Ltd, Sydney NSW 8/	AUSTRALIA	Private
Glencore International Ag, Baar	SWITZERLAND	Private
J.G. Boswell Company, Pasadena 8/	USA	Private
Etem Ozsoy Tarim Ticaret Ve Sanayi As, Izmir	TURKEY	Private
Jaume Artigas, Barcelona	SPAIN	Private
Central Cotton Company Limited, Liverpool 5/	UK	Private
Eastern Trading Co, Inc, Greenville	USA	Private
M. Schiefer Trading Co, Lubbock	USA	Private
Sekhsaria Exports, Mumbai	INDIA	Private
Plains Cotton Cooperative Association, Lubbock	USA	Cooperative
Cukurova Cotton Cooperatives Association Cukobirlik, Adana	TURKEY	Cooperative
Société Cotonniere du Tchad Cotontchad, Paris	CHAD	Government
Societe d'Importation et de Commission, Le Havre	FRANCE	Private
Taris Pamuk Tarim Satis Koop.Birligi, Izmir	TURKEY	Private
The Cotton Company of Zimbabwe Ltd, Harare	ZIMBABWE	Private
Daewoo Corporation, Seoul	R. of KOREA	Private
Lyons Cotton, Inc, Memphis	USA	Private
Pamteks A.S., Adana	TURKEY	Private
Santista Textil SA, Sao Paulo	BRAZIL	Private
Bangladesh Textile Mills Corporation, Dhaka	BANGLADESH	Government
Battistel Amiotti Srl, Milan	ITALY	Private
Compagnie Cotonniere du Benin, Cotonou 7/	BENIN	Government
Compagnie Ivoirienne pour le Developpement des Textiles CIDT	COTE D'IVOIRE	Government
Cotton Distributors Inc, Lausanne	SWITZERLAND	Private
Egycot for International Trading	Egypt	Private
FCA Comexim Ltd, Moscow	RUSSIA	Private
Industrie Cotonniere Beninoise, Cotonou	BENIN	Government
Indutech Spa, Milano	ITALY	Private
Label Coton, Cotonou	BENIN	Private
Modern Nile Cotton Co, Alexandria	EGYPT	Private
Newcot Ltd, Chene-Bougeries	SWITZERLAND	Private
Rhein-Schelde Handelgesellschaft Fp Mostert Kg, Neuss	GERMANY	Private
Ritis International, Cotonou	BENIN	Private
Société Beninoise de Representation Sobere, Cotonou	BENIN	Government
Société Nationale pour la Promotion Agricole Sonapra, Cotonou	BENIN	Private
Taevertex, Ghent	BELGIUM	Private
TCT United SA	URUGUAY	Private
The Sudan Cotton Company Ltd, Khartoum	SUDAN	Government

* A full list, including specialized firms and contact information, is available from the Secretariat of the ICAC.

1/ Anderson Clayton Corp., Fresno and Queensland, Australia are affiliated with Olam, Singapore.
2/ Ecom USA Inc, Dallas is affiliated with Ecom Agroindustrial Corp Ltd., Switzerland, Ecom Commodities Pty Ltd., Australia, EISA, Brazil and Agroindustrias Unidas de Mexico.
3/ Paul Reinhart AG, Winterthur is affiliated Cottagon Italia Srl.
4/ Toyo Cotton (Japan) Co, Osaka is affiliated with Toyo Cotton Co., Dallas.
5/ Plexus Cotton Ltd, is affiliated with Central Cotton Company Limited, Liverpool.
6/ Toyoshima & Co Ltd, Nagoya is affiliated with Toyoshima USA, Inc, Cordova.
7/ Compagnie Cotonnière Copaco, Paris is affiliated with Compagnie Cotonniere du Benin, Cotonou.
8/ J.G. Boswell Company, Pasadena is affiliated with Auscot, Australia.

COTTON BANKING ORGANIZATIONS *

Company Name	Country	Type
ANZ Banking Group Limited, Sydney	Australia	Private
Commonwealth Bank Of Australia, Sydney	Australia	Private
Macquarie Bank Limited, Sydney	Australia	Private
National Australia Bank Group	Australia	Private
B.N.P. Paribas, Paris	France	Private
Banque Nationale De Paris, Le Havre	France	Private
Bred, Paris	France	Private
Calyon Group. Paris	France	Private
Crédit Agricole SA, Paris	France	Private
Crédit Lyonnais, Le Havre	France	Private
Natexis Banque, Le Havre	France	Private
Societe Generale, Le Havre	France	Private
Bankhaus Carl F. Plump & Co., Bremen	Germany	Private
Bankhaus Neelmeyer Aktiengesellschaft, Bremen	Germany	Private
Bremer Bank, Landesbank, Kreditanstalt,Oldenburg, Bremen	Germany	Private
Bremer Bank, Niederlassung Der Dresdner Bank AG, Bremen	Germany	Private
Bremische Volksbank AG, Bremen	Germany	Private
Commerzbank Aktiengesellschaft, Bremen	Germany	Private
Deutsche Bank AG Filiale Bremen, Bremen	Germany	Private
DG Bank Deutsche Genossenschaftsbank AG, Frankfurt Am Main	Germany	Private
Die Sparkasse Bremen AG, Bremen	Germany	Private
Dresdner Bank AG, Frankfurt	Germany	Private
ABN AMRO Bank, Mumbai	India	Private
UniCredit S.p.A., Milano	Italy	Private
Tokai Bank, Ltd., Osaka	Japan	Private
Banco Comercial e de Investimentos, SARL, Maputo	Mozambique	Private
ING Groep N.V., Amsterdam	Netherlands	Private
Rabobank International, Utrecht	Netherlands	Private
Fortis, Brussels	Netherlands, Belgium	Private
Novikombank, Moscow	Russia	Private
Rosbank, Moscow	Russia	Private
Crédit Lyonnais, (SUISSE) S.A., Geneva	Switzerland	Private
Crédit Suisse, Zurich	Switzerland	Private
Barclays Bank PLC, Liverpool	UK	Private
HSBC Bank PLC, Traders Services, Manchester	UK	Private
Royal Bank of Scotland Group, Manchester	UK	Private
Standard Chartered, London	UK	Private
KeyBank NA, Bellevue, WA	USA	Private
National Bank of Commerce, Memphis	USA	Private
PNB Financial, Lubbock	USA	Private
Regions Bank, Montgomery	USA	Private
SunTrust Banks, Inc., Memphis	USA	Private
U.S. Bank International Banking Group	USA	Private
Union Planters National Bank, Memphis	USA	Private
Wells Fargo Bank, Fresno	USA	Private

* A full list, contact information, is available on the web at www.icac.org
Banks that finance cotton trade.

OCEAN FREIGHT ORGANIZATIONS

Company Name	Country*	Type
Transportes Fast SA., Maipu	Argentina	Private
ANL Container Line Pty Ltd., Sydney	Australia	Private
Logisticsnew Ltd., Sao Paulo	Brazil	Private
Maersk, Copenhagen	Denmark	Private
CMA- CGM The French Line, Marseille	France	Private
Delmas, Le Havre	France	Private
GETMA International, Paris	France	Private
Transports Terrestres Maritimes Et Fluviaux (T.M.F.), Docelles	France	Private
WAL West-Africa Linen-Dienste Gmbh & Co., Hamburg	Germany	Private
George A. Callitsis Succsrs S.A., Thessaloniki	Greece	Private
Interforex Shipping Agency Ltd., Piraeus	Greece	Private
Sarlis Container Services SA, Piraeus	Greece	Private
Sea Levant (Hellas) Ltd., Thessaloniki	Greece	Private
Expo Freight Pvt Ltd., Nungambakkam, Chennai	India	Private
Veneta Lombarda Spedizioni, Venice	Italy	Private
American President Lines, Osaka	Japan	Private
Kamix Corporation, Kobe	Japan	Private
Kawasaki Kisen Kaisha, Ltd., Osaka	Japan	Private
Meiko Trans Co., Ltd., Nagoya	Japan	Private
Mitsubishi Logistics Corporation, Kobe	Japan	Private
Mitsui O.S.K. Lines, Ltd., Osaka	Japan	Private
Nippon Yusen Kaisha, Osaka	Japan	Private
Shiota Kingyo Co., Ltd., Yokohama	Japan	Private
Toyo Logistics Co., Ltd, Nagoya	Japan	Private
Cignals-P Ltd., Riga	Latvia	Private
A.J. Goncalves De Moraes, Lda., Leca da Palmeira	Portugal	Private
Cargomaris Shipping & Trading Ltd.	Portugal	Private
Cargonautic AG, Zurich	Switzerland	Private
DHL Danzas Air & Ocean Tas. Tic Ltd., Izmir	Turkey	Private
Maya International Trading Co Ltd., Mersin	Turkey	Private
RJJ Worldwide Ltd., Berkshire	UK	Private
Ilyichevskvneshtrans, Ilyichevsk	Ukraine	Private
Allways Transportation Inc., Memphis, TN	USA	Private
Coppersmith Inc., El Segundo, CA	USA	Private
Logisource Inc., Mattews, NC	USA	Private
Mallory Alexander Int. Logistics, Memphis, TN	USA	Private
Mediterranean Shipping Co., Dallas, TX	USA	Private
The Kearney companies Inc., New Orleans, LA	USA	Private
TMM Lines, Houston, TX	USA	Private
Transales, Inc., Sumter SC	USA	Private

* Location of Headquarters.

COTTON INSURANCE ORGANIZATIONS

Company Name	Country*	Type
Centralia Argentina S.A., Buenos Aires	Argentina	Private
Agririsk Services PTY Limited, Sydney	Australia	Private
Activa Assurances, Douala	Cameroon	Private
AXA Group, Paris	France	Private
C. Wm. Konig Gmbh & Co. KG, Bremen	Germany	Private
H. Kraft & Co., Bremen	Germany	Private
Lampe + Schwartze KG, Bremen	Germany	Private
NHA Hamburger Assekuranz-Agentur Gmbh, Hamburg	Germany	Private
Agri Insurance Company	India	Government
National Agricultural Insurance Company	India	Government
Windsor Insurance Brokers Ltd., London	UK	Private
Agri Insurance Southeast, Inc., Tifton, GA	USA	Private
AIG Global Marine, New Yourk, NY	USA	Private
Cotton Fire & Mar. Uderwriters	USA	Private
Rekerdres & Sons, Dallas, TX	USA	Private
Zurich NA, Schaumburg, IL	USA	Private

* Location of Headquarters.

2012/13 SUPPLY AND USE OF COTTON BY COUNTRY February 3, 2014

	AREA	YIELD	PROD	BEG STKS	IMPORTS	CONS	EXPORTS	END STKS	S/U *	S/MU **
	000 Ha	Kgs/Ha	000 Metric Tons						Ratio	Ratio
CANADA				0	1	1		0	0.03	0.03
CUBA	4	269	1	1	2	3		1	0.19	0.19
DOM. REP.					1	1		0	0.47	0.47
MEXICO	153	1,511	231	137	245	236	49	327	1.15	1.38
USA	3,793	994	3,770	729	2	751	2,902	848	0.23	1.13
N. America	**3,955**	**1,012**	**4,003**	**868**	**251**	**994**	**2,951**	**1,177**	**0.30**	**1.18**
EL SALVADOR				5	28	22		11	0.52	0.52
GUATEMALA				4	23	21		7	0.33	0.33
HONDURAS	0	316	0	0				0		
C. America	**2**	**510**	**1**	**9**	**52**	**43**	**0**	**18**	**0.42**	**0.42**
ARGENTINA	362	434	157	190	6	140	55	158	0.81	1.13
BOLIVIA	5	536	3	1	1	3		1	0.21	0.21
BRAZIL	870	1,450	1,261	1,352	14	887	938	803	0.44	0.90
CHILE				0	0	0		0	0.20	0.20
COLOMBIA	28	746	21	28	32	74	0	6	0.08	0.08
ECUADOR	1	440	1	3	11	12		2	0.14	0.14
PARAGUAY	70	370	26	10	1	8	19	10	0.37	1.24
PERU	45	878	40	29	59	92	1	34	0.37	0.37
URUGUAY				0	0	0		0	0.49	0.49
VENEZUELA	15	368	6	1	2	8		1	0.17	0.17
S. America	**1,396**	**1,084**	**1,513**	**1,613**	**126**	**1,225**	**1,012**	**1,015**	**0.45**	**0.83**
ALGERIA				1	3	3		1	0.19	0.19
EGYPT	122	895	109	83	34	120	51	56	0.33	0.46
MOROCCO				8	32	36		4	0.10	0.10
SUDAN	49	301	15	25		4	19	17	0.78	4.52
TUNISIA				3	13	13		3	0.21	0.21
N. Africa	**171**	**726**	**124**	**120**	**82**	**176**	**70**	**80**	**0.33**	**0.46**
BENIN	351	450	118	27		4	93	48	0.49	12.00
BURKINA FASO	586	444	260	67		4	215	108	0.50	27.09
CAMEROON	194	567	110	24		2	82	51	0.61	26.63
CENT. AFR. REP.	38	237	9	4			9	4	0.40	
CHAD	270	127	34	14		1	34	13	0.38	26.61
COTE D'IVOIRE	340	447	152	30	0	2	136	44	0.32	22.04
GUINEA	14	289	4	2			4	2	0.40	
MADAGASCAR				3				3		
MALI	548	345	189	70		3	171	85	0.49	28.35
NIGER	5	448	2	0		1	1	0	0.11	0.25
SENEGAL	33	420	14	3		1	14	2	0.12	2.24
TOGO	122	344	42	3			40	5	0.13	
F. Africa	**2,500**	**374**	**935**	**247**	**0**	**17**	**799**	**365**	**0.45**	**21.30**
ANGOLA	3	302	1	0		1	0	0	0.23	0.34
ETHIOPIA	98	251	30	22	1	45	3	4	0.09	0.10
GHANA	18	364	7	3	0	1	6	2	0.23	1.31
KENYA	39	170	7	1	0	7		1	0.16	0.16
MALAWI	180	192	35	24		3	34	22	0.59	7.20
MOZAMBIQUE	150	250	37	42			53	27	0.50	
NIGERIA	315	197	62	29	1	19	40	33	0.56	1.72
SOUTH AFRICA	10	586	6	16	49	19	5	47	2.01	2.50
TANZANIA	420	213	90	132		32	66	124	1.26	3.86
UGANDA	74	253	19	21		1	28	11	0.40	9.97
CONGO, DR				2	8	8		2	0.27	0.27
ZAMBIA	168	226	38	103			83	57	0.69	
ZIMBABWE	397	145	58	72		5	84	40	0.45	8.02
S. Africa	**1,895**	**207**	**393**	**471**	**81**	**166**	**404**	**376**	**0.66**	**2.26**
KAZAKHSTAN	133	677	90	13	0	15	45	43	0.72	2.92
KYRGYZSTAN	31	874	27	3	3	1	29	3	0.10	2.92
TAJIKISTAN	196	550	130	39		7	136	26	0.18	3.90
TURKMENISTAN	525	638	335	203		138	171	230	0.75	1.67
UZBEKISTAN	1,285	778	1,000	335	1	325	653	358	0.37	1.10
C. Asia	**2,170**	**729**	**1,582**	**594**	**4**	**485**	**1,034**	**661**	**0.44**	**1.36**

2012/13 SUPPLY & USE OF COTTON BY COUNTRY (cont'd) February 3, 2014

	AREA	YIELD	PROD	BEG STKS	IMPORTS	CONS	EXPORTS	END STKS	S/U *	S/MU **
	000 Ha	Kgs/Ha	000 Metric Tons						Ratio	Ratio
AUSTRIA				1	6	4		3	0.88	0.88
AZERBAIJAN	33	450	19	11		10	5	15	0.96	1.45
BELARUS				4	11	11		4	0.34	0.34
BELGIUM				2	13	4	6	5	0.50	1.25
BULGARIA	1	321	0	1	5	2		4	2.01	2.01
CZECH REP.				1	5	6	0	0	0.05	0.05
DENMARK					0					
ESTONIA										
FINLAND										
FRANCE				3	17	15	3	3	0.15	0.18
GERMANY				20	49	38	6	25	0.55	0.65
GREECE	279	930	248	57	3	21	237	50	0.19	2.36
HUNGARY				0	1	1		0	0.42	0.42
IRELAND				0	0	0		0	2.78	2.78
ITALY				10	54	43	5	16	0.33	0.37
LATVIA				0	1	1		0	0.10	0.10
LITHUANIA				0	0	0		0	0.56	0.56
MOLDOVA				1	2	2		1	0.34	0.34
NETHERLANDS				0	5	5		0	0.09	
NORWAY										
POLAND				0	3	2		1	0.28	0.28
PORTUGAL				4	33	22	1	14	0.64	0.66
ROMANIA				0	1	1		0	0.22	0.22
RUSSIA	1	519	1	17	43	50		11	0.23	0.23
SLOVAK REP.										
SPAIN	67	845	57	9	3	6	57	7	0.11	1.18
SWEDEN				0	0	0		0	0.10	0.10
SWITZERLAND				1	4	4	0	0	0.08	0.09
UKRAINE				1	2	2		0	0.09	0.09
UNITED KINGDOM				0	1	0		0	1.23	1.23
FORMER YUGOSLAVIA				1	6	6		1	0.20	0.20
Europe	**382**	**850**	**324**	**147**	**271**	**259**	**320**	**163**	**0.09**	**0.63**
Including EU-27	**347**	**878**	**305**	**110**	**201**	**171**	**315**	**130**	**0.27**	**0.76**
CHINA	4,975	1,467	7,300	6,181	4,426	8,290	10	9,607	1.16	1.16
TAIWAN				46	205	204		48	0.24	0.24
HONG KONG				22	86	12	38	58	1.16	4.98
Sub total	**4,975**	**1,467**	**7,300**	**6,250**	**4,717**	**8,505**	**49**	**9,713**	**1.14**	**1.14**
AUSTRALIA	442	2,138	999	639	0	8	1,345	285	0.21	35.80
INDONESIA	9	714	6	217	683	493	1	412	0.83	0.84
JAPAN				21	69	63		27	0.42	0.42
KOREA, D.R.				1	5	5		1	0.24	0.24
KOREA, REP.				51	286	272	1	64	0.24	0.24
MALAYSIA				41	151	15	160	17	0.10	1.14
PHILIPPINES	0	566	0	2	9	8		4	0.48	0.48
SINGAPORE				2	12		14	0	0.02	
THAILAND	2	516	1	83	329	360	1	52	0.14	0.15
VIETNAM	11	463	5	83	429	412		104	0.25	0.25
E. Asia	**484**	**2,106**	**1,019**	**1,142**	**1,973**	**1,643**	**1,522**	**969**	**0.31**	**0.59**
AFGHANISTAN	50	410	20	20		4	19	18	0.79	4.32
BANGLADESH	40	591	23	193	593	800		9	0.01	0.01
INDIA	11,760	518	6,095	1,858	258	4,845	1,685	1,681	0.26	0.35
MYANMAR	349	584	204	104		201		107	0.53	0.53
PAKISTAN	2,960	740	2,204	326	430	2,416	92	452	0.18	0.19
SRI LANKA				0	2	2		0	0.11	0.11
S. Asia	**15,162**	**564**	**8,549**	**2,503**	**1,283**	**8,271**	**1,795**	**2,270**	**0.23**	**0.27**
IRAN	110	509	56	24	49	91		38	0.42	0.42
IRAQ	20	360	7	1	5	13		1	0.09	0.09
ISRAEL	8	1,786	15	1			15	1	0.09	
SYRIA	137	1,100	150	128		88	7	184	1.95	2.11
TURKEY	488	1,759	858	489	804	1,350	47	754	0.54	0.56
Sub total	**802**	**1,374**	**1,102**	**650**	**869**	**1,566**	**70**	**985**	**0.99**	0.63
WORLD TOTAL	**33,872**	**792**	**26,838**	**14,611**	**9,708**	**23,340**	**10,027**	**17,790**	**0.76**	**0.76**

*/ Ending stocks divided by consumption plus exports.

**/ Ending stocks divided by consumption.

Subtotals and total include countries not shown.

2013/14 SUPPLY AND USE OF COTTON BY COUNTRY February 3, 2014

	AREA	YIELD	PROD	BEG STKS	IMPORTS	CONS	EXPORTS	END STKS	S/U *	S/MU **
	000 Ha	Kgs/Ha	000 Metric Tons						Ratio	Ratio
CANADA				0	1	1		0	0.03	0.03
CUBA	4	272	1	1	2	3		1	0.19	0.19
DOM. REP.					1	1		0	0.47	0.47
MEXICO	119	1,526	181	327	114	238	49	334	1.16	1.40
USA	3,149	912	2,871	848	2	784	2,286	652	0.21	0.83
N. America	**3,277**	**932**	**3,054**	**1,177**	**120**	**1,029**	**2,335**	**987**	**0.29**	0.96
EL SALVADOR				11	22	22		11	0.52	0.52
GUATEMALA				7	23	21		9	0.45	0.45
HONDURAS	0	319	0	0				0		
C. America	**2**	**515**	**1**	**18**	**45**	**43**	**0**	**21**	**0.49**	0.49
ARGENTINA	600	483	290	158	6	142	31	281	1.63	1.98
BOLIVIA	5	532	3	1	2	3	1	1	0.16	0.20
BRAZIL	1,063	1,543	1,641	803	48	925	764	803	0.48	0.87
CHILE				0	0	0		0	0.20	0.20
COLOMBIA	44	792	35	6	43	78	0	6	0.08	0.08
ECUADOR	1	436	1	2	11	12		2	0.14	0.14
PARAGUAY	25	432	11	10	1	8	11	3	0.14	0.34
PERU	43	894	38	34	54	92	1	34	0.37	0.37
URUGUAY				0	0	0		0	0.49	0.49
VENEZUELA	15	365	6	1	2	8		1	0.17	0.17
S. America	**1,796**	**1,126**	**2,023**	**1,015**	**168**	**1,268**	**807**	**1,131**	**0.54**	0.89
ALGERIA				1	3	3		1	0.19	0.19
EGYPT	122	821	100	56	103	128	72	58	0.29	0.46
MOROCCO				4	36	36		4	0.10	0.10
SUDAN	53	360	19	17		4	15	17	0.92	4.30
TUNISIA				3	13	13		3	0.21	0.21
N. Africa	**175**	**682**	**119**	**80**	**154**	**184**	**87**	**83**	**0.31**	0.45
BENIN	333	285	95	48		4	105	34	0.31	8.50
BURKINA FASO	557	444	247	108		4	253	99	0.39	24.70
CAMEROON	214	514	110	51		2	101	58	0.56	30.36
CENT. AFR. REP.	36	228	8	4			8	3	0.38	
CHAD	257	160	41	13		1	38	16	0.41	31.80
COTE D'IVOIRE	362	449	163	44		2	130	75	0.57	37.61
GUINEA	13	270	4	2			4	1	0.38	
MADAGASCAR				3				3		
MALI	548	375	205	85		3	199	89	0.44	29.67
NIGER	5	444	2	0		1	1	0	0.12	0.25
SENEGAL	32	378	12	2		1	9	4	0.44	5.47
TOGO	116	320	37	5			35	7	0.20	
F. Africa	**2,473**	**374**	**924**	**365**		**17**	**882**	**390**	**0.43**	22.77
ANGOLA	3	299	1	0		1	0	0	0.24	0.34
ETHIOPIA	123	303	37	4	4	42	3	1	0.02	0.02
GHANA	16	363	6	2	1	1	6	2	0.25	1.31
KENYA	35	185	6	1	0	7	0	1	0.08	0.08
MALAWI	162	268	43	22		3	36	26	0.68	8.75
MOZAMBIQUE	157	287	45	27			42	29	0.69	
NIGERIA	284	203	57	33	1	19	47	26	0.40	1.40
SOUTH AFRICA	9	957	9	47	19	21	10	44	1.43	2.12
TANZANIA	409	195	80	124		32	56	115	1.31	3.61
UGANDA	52	383	20	11		1	18	12	0.64	10.68
CONGO, DR				2	8	8		2	0.27	0.27
ZAMBIA	300	450	135	57			95	98	1.04	
ZIMBABWE	333	282	85	40		4	76	44	0.55	11.86
S. Africa	**1,903**	**278**	**529**	**376**	**56**	**163**	**391**	**407**	**0.73**	2.50
KAZAKHSTAN	126	588	74	43	0	15	59	43	0.58	2.92
KYRGYZSTAN	27	831	23	3	3	1	25	3	0.11	2.92
TAJIKISTAN	186	537	118	26		7	98	40	0.39	5.99
TURKMENISTAN	550	485	329	230		144	195	219	0.65	1.52
UZBEKISTAN	1,246	738	920	358	1	345	680	255	0.25	0.74
C. Asia	**2,136**	**685**	**1,464**	**661**	**4**	**511**	**1,057**	**560**	**0.36**	1.10

2013/14 SUPPLY & USE OF COTTON BY COUNTRY (cont'd) February 3, 2014

	AREA	YIELD	PROD	BEG STKS	IMPORTS	CONS	EXPORTS	END STKS	S/U *	S/MU **
	000 Ha	Kgs/Ha	000 Metric Tons						Ratio	Ratio
AUSTRIA				3	3	3		3	0.90	0.90
AZERBAIJAN	25	499	15	15		10	8	11	0.62	1.11
BELARUS				4	11	11		4	0.34	0.34
BELGIUM				5	10	4	6	5	0.51	1.29
BULGARIA	0	324	0	4	2	2		4	2.11	2.11
CZECH REP.				0	5	5	0	0	0.05	0.05
DENMARK										
ESTONIA										
FINLAND										
FRANCE				3	16	14	2	3	0.17	0.19
GERMANY				25	40	35	5	24	0.60	0.68
GREECE	250	1,120	280	50	1	20	261	50	0.18	2.51
HUNGARY				0	1	1		0	0.44	0.44
IRELAND				0	0	0		0	3.09	3.09
ITALY				16	50	41	4	21	0.46	0.51
LATVIA				0	1	1		0	0.10	0.10
LITHUANIA				0	0	0		0	0.56	0.56
MOLDOVA				1	2	2		1	0.34	0.34
NETHERLANDS				0	5	5		0	0.10	
NORWAY										
POLAND				1	2	2		1	0.29	0.29
PORTUGAL				14	21	21		14	0.69	0.69
ROMANIA				0	1	1		0	0.22	0.22
RUSSIA	1	519	1	11	48	48		12	0.26	0.26
SLOVAK REP.										
SPAIN	61	824	50	7	3	6	42	13	0.26	2.23
SWEDEN				0	0	0		0	0.10	0.10
SWITZERLAND				0	4	4	0	0	0.08	0.09
UKRAINE				0	3	2		0	0.19	0.19
UNITED KINGDOM				0	0	0		0	1.27	1.27
FORMER YUGOSLAVIA				1	6	6		1	0.20	0.20
Europe	**339**	**1,022**	**346**	**163**	**237**	**247**	**329**	**171**	**0.09**	0.69
Including EU-27	**311**	**1,061**	**330**	**130**	**162**	**162**	**320**	**140**	**0.29**	0.86
CHINA	4,600	1,456	6,700	9,607	3,127	7,875	9	11,549	1.46	1.47
TAIWAN				48	214	204		58	0.29	0.29
HONG KONG				58	45	11	35	58	1.26	5.04
Sub total	**4,600**	**1,456**	**6,700**	**9,713**	**3,386**	**8,090**	**44**	**11,665**	**1.43**	1.44
AUSTRALIA	420	2,181	916	285	0	8	1,033	160	0.15	21.22
INDONESIA	9	714	6	412	699	600		518	0.86	0.86
JAPAN				27	61	60		28	0.46	0.46
KOREA, D.R.				1	5	5		1	0.24	0.24
KOREA, REP.				64	311	272		103	0.38	0.38
MALAYSIA				17	166	15	144	24	0.15	1.61
PHILIPPINES	0	566	0	4	9	8		5	0.72	0.72
SINGAPORE				0	12		12	0	0.02	
THAILAND	2	516	1	52	366	353		67	0.19	0.19
VIETNAM	12	465	6	104	480	453		137	0.30	0.30
E. Asia	**463**	**2,023**	**937**	**969**	**2,110**	**1,780**	**1,189**	**1,046**	**0.35**	0.59
AFGHANISTAN	45	414	19	18		4	17	16	0.76	3.80
BANGLADESH	48	561	27	9	857	800		93	0.12	0.12
INDIA	11,878	532	6,315	1,681	277	5,100	1,304	1,869	0.29	0.37
MYANMAR	332	421	140	107		201		45	0.23	0.23
PAKISTAN	2,914	720	2,097	452	463	2,488	80	444	0.17	0.18
SRI LANKA				0	2	2		0	0.11	0.11
S. Asia	**15,219**	**565**	**8,599**	**2,270**	**1,599**	**8,598**	**1,401**	**2,469**	**0.25**	0.29
IRAN	100	601	76	38	80	131		63	0.48	0.48
IRAQ	19	360	7	1	6	13		1	0.09	0.09
ISRAEL	6	1,809	11	1			11	1	0.11	
SYRIA	103	976	100	184		100	2	182	1.79	1.82
TURKEY	500	1,380	843	754	599	1,404	38	754	0.52	0.54
Sub total	**767**	**1,373**	**1,052**	**985**	**695**	**1,673**	**52**	**1,008**	**0.91**	0.60
WORLD TOTAL	**33,129**	**777**	**25,741**	**17,790**	**8,574**	**23,596**	**8,574**	**19,935**	**0.84**	0.84

*/ Ending stocks divided by consumption plus exports.

**/ Ending stocks divided by consumption.

Subtotals and total include countries not shown.

2014/15 SUPPLY AND USE OF COTTON BY COUNTRY February 3, 2014

	AREA	YIELD	PROD	BEG STKS	IMPORTS	CONS	EXPORTS	END STKS	S/U *	S/MU **
	000 Ha	Kgs/Ha	000 Metric Tons						Ratio	Ratio
CANADA				0	1	1		0	0.03	0.03
CUBA	4	272	1	1	2	3		1	0.19	0.19
DOM. REP.					1	1		0	0.47	0.47
MEXICO	119	1,533	182	334	133	250	47	351	1.18	1.40
USA	3,401	916	3,117	652	2	823	2,241	706	0.23	0.86
N. America	**3,528**	**935**	**3,301**	**987**	**139**	**1,080**	**2,288**	**1,059**	**0.31**	**0.98**
EL SALVADOR				11	22	22		11	0.52	0.52
GUATEMALA				9	21	21		9	0.45	0.45
HONDURAS	0	319	0	0				0		
C. America	**2**	**515**	**1**	**21**	**42**	**43**	**0**	**21**	**0.49**	**0.49**
ARGENTINA	600	459	276	281	5	142	38	382	2.12	2.69
BOLIVIA	5	537	3	1	2	3	1	1	0.16	0.20
BRAZIL	1,063	1,551	1,649	803	87	925	811	803	0.46	0.87
CHILE				0	0	0		0	0.20	0.20
COLOMBIA	45	796	36	6	46	82	0	6	0.08	0.08
ECUADOR	1	440	1	2	11	12		2	0.14	0.14
PARAGUAY	26	436	11	3		8	4	2	0.19	0.28
PERU	43	903	39	34	58	95	1	34	0.36	0.36
URUGUAY				0	0	0		0	0.49	0.49
VENEZUELA	15	368	6	1	7	8		6	0.68	0.68
S. America	**1,798**	**1,123**	**2,019**	**1,131**	**217**	**1,276**	**855**	**1,235**	**0.58**	**0.97**
ALGERIA				1	3	3		1	0.19	0.19
EGYPT	128	825	106	58	103	134	70	63	0.31	0.47
MOROCCO				4	32	32		4	0.11	0.11
SUDAN	55	363	20	17		4	16	17	0.87	4.10
TUNISIA				3	13	13		3	0.21	0.21
N. Africa	**184**	**686**	**126**	**83**	**151**	**187**	**86**	**87**	**0.32**	**0.47**
BENIN	317	288	91	34		4	95	26	0.27	6.62
BURKINA FASO	562	453	254	99		4	243	107	0.43	26.68
CAMEROON	203	519	106	58		2	114	47	0.41	25.00
CENT. AFR. REP.	34	230	8	3			8	3	0.39	
CHAD	259	160	41	16		1	41	16	0.39	32.13
COTE D'IVOIRE	362	472	171	75		2	187	57	0.30	27.96
GUINEA	12	272	3	1			4	1	0.36	
MADAGASCAR				3				3		
MALI	521	382	199	89		3	195	90	0.45	30.00
NIGER	5	448	2	0		1	1	0	0.11	0.25
SENEGAL	31	382	12	4		1	11	4	0.34	5.25
TOGO	110	323	36	7			34	9	0.26	
F. Africa	**2,416**	**382**	**923**	**390**		**17**	**931**	**365**	**0.38**	**21.23**
ANGOLA	3	302	1	0		1	0	0	0.25	0.41
ETHIOPIA	129	306	39	1	4	43	1	0	0.01	0.01
GHANA	16	366	6	2	1	1	6	2	0.25	1.31
KENYA	38	185	7	1	0	7	0	1	0.09	0.10
MALAWI	170	271	46	26		3	41	28	0.63	9.32
MOZAMBIQUE	165	290	48	29			46	31	0.68	
NIGERIA	298	205	61	26	1	19	41	28	0.47	1.46
SOUTH AFRICA	10	962	9	44	22	22	10	44	1.40	2.05
TANZANIA	434	197	86	115		34	47	120	1.49	3.58
UGANDA	55	387	21	12		1	19	13	0.64	11.37
CONGO, DR				2	8	8		2	0.27	0.27
ZAMBIA	315	454	143	98			90	151	1.68	
ZIMBABWE	316	282	89	44		4	74	56	0.71	14.83
S. Africa	**1,969**	**285**	**561**	**407**	**59**	**167**	**378**	**482**	**0.88**	**2.89**
KAZAKHSTAN	126	591	75	43	0	16	59	43	0.58	2.78
KYRGYZSTAN	27	835	23	3	3	1	25	3	0.11	2.92
TAJIKISTAN	186	539	100	40		7	94	40	0.40	5.87
TURKMENISTAN	550	582	320	219		152	168	219	0.69	1.45
UZBEKISTAN	1,284	745	1,005	255	1	345	585	331	0.36	0.96
C. Asia	**2,174**	**3,292**	**1,523**	**560**	**4**	**520**	**931**	**637**	**2.13**	**1.23**

2014/15 SUPPLY & USE OF COTTON BY COUNTRY (cont'd) February 3, 2014

	AREA	YIELD	PROD	BEG STKS	IMPORTS	CONS	EXPORTS	END STKS	S/U *	S/MU **
	000 Ha	Kgs/Ha	000 Metric Tons						Ratio	Ratio
AUSTRIA				3	3	3		3	0.93	0.93
AZERBAIJAN	25	502	13	11		11	4	9	0.62	0.87
BELARUS				4	11	11		4	0.34	0.34
BELGIUM				5	10	4	6	5	0.51	1.33
BULGARIA	0	324	0	4	1	2		4	2.10	2.10
CZECH REP.				0	5	5	0	0	0.05	0.05
DENMARK								0		
ESTONIA										
FINLAND										
FRANCE				3	15	14	1	2	0.16	0.18
GERMANY				24	37	34	4	24	0.64	0.71
GREECE	275	1,120	308	50	1	19	277	63	0.21	3.31
HUNGARY				0	1	1		0	0.47	0.47
IRELAND				0	0	0		0	3.43	3.43
ITALY				21	48	39	4	25	0.58	0.64
LATVIA				0	1	1		0	0.10	0.10
LITHUANIA				0	0	0		0	0.56	0.56
MOLDOVA				1	2	2		1	0.34	0.34
NETHERLANDS				0	5	5		0	0.10	
NORWAY										
POLAND				1	2	2		1	0.30	0.30
PORTUGAL				14	20	20		14	0.72	0.72
ROMANIA				0	1	1		0	0.23	0.23
RUSSIA	1	521	1	12	50	50		13	0.26	0.26
SLOVAK REP.										
SPAIN	59	803	48	13	3	5	45	13	0.27	2.46
SWEDEN				0	0	0		0	0.11	0.11
SWITZERLAND				0	4	4	0	0	0.09	0.09
UKRAINE				0	2	2		0	0.19	0.19
UNITED KINGDOM				0	0	0		0	1.31	1.31
FORMER YUGOSLAVIA				1	6	6		1	0.20	0.20
Europe	**362**	**3,330**	**369**	**171**	**231**	**243**	**342**	**186**	**0.09**	**0.77**
Including EU-27	**335**	**1,063**	**356**	**140**	**154**	**155**	**337**	**157**	**0.32**	**1.01**
CHINA	4,200	1,464	6,148	11,549	2,172	7,796	7	12,065	1.55	1.55
TAIWAN				58	193	193		58	0.30	0.30
HONG KONG				58	42	11	31	58	1.38	5.30
Sub total	**4,200**	**1,464**	**6,148**	**11,665**	**2,407**	**8,001**	**38**	**12,181**	**1.52**	**1.52**
AUSTRALIA	433	2,192	948	160	0	7	736	366	0.49	50.93
INDONESIA	9	718	6	518	648	690		483	0.70	0.70
JAPAN				28	60	60		28	0.46	0.46
KOREA, D.R.				1	5	5		1	0.24	0.24
KOREA, REP.				103	285	285		103	0.36	0.36
MALAYSIA				24	168	16	144	32	0.20	2.05
PHILIPPINES	0	569	0	5	9	8		6	0.84	0.84
SINGAPORE				0	12		13	0	0.00	
THAILAND	2	518	1	67	387	388		67	0.17	0.17
VIETNAM	12	465	6	137	548	544		146	0.27	0.27
E. Asia	**476**	**2,038**	**969**	**1,046**	**2,122**	**2,010**	**892**	**1,234**	**0.43**	**0.61**
AFGHANISTAN	45	414	19	16		4	16	14	0.66	3.15
BANGLADESH	48	564	27	93	853	880		93	0.11	0.11
INDIA	11,878	532	6,315	1,869	288	5,508	1,095	1,869	0.28	0.34
MYANMAR	332	423	140	45	5	181		10	0.06	0.06
PAKISTAN	2,856	723	2,090	444	564	2,613	61	425	0.16	0.16
SRI LANKA				0	2	2		0	0.11	0.11
S. Asia	**15,161**	**567**	**8,593**	**2,469**	**1,712**	**9,190**	**1,172**	**2,412**	**0.23**	**0.26**
IRAN	100	607	61	63	71	131		63	0.48	0.48
IRAQ	19	362	7	1	6	13		1	0.09	0.09
ISRAEL	7	1,963	13	1			13	1	0.10	
SYRIA	72	981	70	182		102	55	96	0.61	0.94
TURKEY	490	1,473	722	754	849	1,544	38	742	0.47	0.48
Sub total	**726**	**2,592**	**888**	**1,008**	**936**	**1,815**	**107**	**910**	**1.26**	**0.50**
WORLD TOTAL	**32,976**	**771**	**25,413**	**19,935**	**8,020**	**24,541**	**8,020**	**20,807**	**0.85**	**0.85**

*/ Ending stocks divided by consumption plus exports.

**/ Ending stocks divided by consumption.

Subtotals and total include countries not shown.