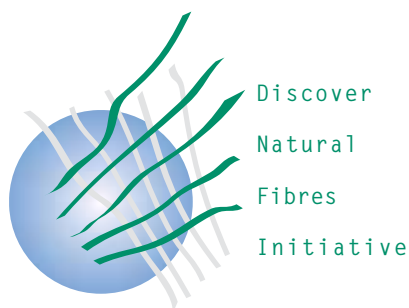




COTTON :

Review of the World Situation

International
Cotton
Advisory
Committee

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SUPPLY AND DISTRIBUTION OF COTTON

October 1, 2012

Seasons begin on August 1

	2007/08	2008/09	2009/10	2010/11	2011/12 Est.	2012/13 Proj.
	Million Metric Tons					
BEGINNING STOCKS						
WORLD TOTAL	12.806	12.257	11.939	8.638	9.380	13.78
CHINA	3.653	3.321	3.585	2.688	2.087	6.19
USA	2.064	2.188	1.380	0.642	0.566	0.73
PRODUCTION*						
WORLD TOTAL	26.073	23.455	22.168	25.210	27.282	25.48
CHINA	8.071	8.025	6.925	6.400	7.400	6.86
INDIA	5.219	4.930	5.185	5.865	6.001	5.45
USA	4.182	2.790	2.654	3.942	3.391	3.73
PAKISTAN	1.900	1.926	2.070	1.907	2.294	2.15
BRAZIL	1.602	1.214	1.194	1.960	1.884	1.49
UZBEKISTAN	1.206	1.000	0.850	0.910	0.880	0.90
OTHERS	3.894	3.569	3.290	4.227	5.432	4.92
CONSUMPTION*						
WORLD TOTAL	26.687	23.817	25.470	24.517	22.779	23.55
CHINA	10.900	9.265	10.192	9.580	8.635	8.64
INDIA	4.053	3.872	4.300	4.594	4.421	4.77
PAKISTAN	2.649	2.519	2.393	2.100	2.163	2.34
EAST ASIA & AUSTRALIA	1.889	1.714	1.892	1.796	1.666	1.80
EUROPE & TURKEY	1.747	1.413	1.550	1.499	1.445	1.51
BRAZIL	0.993	1.000	1.024	0.958	0.888	0.90
USA	0.998	0.771	0.773	0.849	0.718	0.74
CIS	0.664	0.596	0.604	0.570	0.553	0.57
OTHERS	2.794	2.666	2.743	2.570	2.290	2.30
EXPORTS						
WORLD TOTAL	8.465	6.609	7.805	7.625	9.716	7.58
USA	2.968	2.887	2.621	3.130	2.526	2.50
INDIA	1.630	0.515	1.420	1.085	2.295	0.62
AUSTRALIA	0.265	0.261	0.460	0.545	1.035	0.82
BRAZIL	0.486	0.596	0.433	0.435	1.043	0.67
UZBEKISTAN	0.915	0.650	0.820	0.600	0.532	0.57
CFA ZONE	0.603	0.469	0.560	0.476	0.578	0.71
IMPORTS						
WORLD TOTAL	8.536	6.647	7.928	7.725	9.603	7.58
CHINA	2.511	1.523	2.374	2.609	5.342	2.54
EAST ASIA & AUSTRALIA	1.928	1.714	1.989	1.825	1.849	1.99
EUROPE & TURKEY	1.081	0.862	1.170	0.972	0.711	0.95
PAKISTAN	0.851	0.417	0.342	0.314	0.195	0.38
CIS	0.267	0.231	0.209	0.132	0.129	0.12
TRADE IMBALANCE 1/	0.071	0.038	0.123	0.100	-0.113	0.00
STOCKS ADJUSTMENT 2/	-0.005	0.007	-0.122	-0.051	0.013	0.00
ENDING STOCKS						
WORLD TOTAL	12.257	11.939	8.638	9.380	13.782	15.72
CHINA	3.321	3.585	2.688	2.087	6.188	6.94
USA	2.188	1.380	0.642	0.566	0.729	1.21
ENDING STOCKS/MILL USE (%)						
WORLD-LESS-CHINA 3/	57	57	39	49	54	59
CHINA 4/	30	39	26	22	72	80
COTLOOK A INDEX 5/	72.90	61.20	77.54	164.26	100	84**

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.

* Turkey's production and consumption estimates are currently under review within the Secretariat.

** Average for the first two months of 2012/13 (August to September 2012).

SUMMARY OF THE OUTLOOK FOR COTTON

Trends in Cotton Prices: China and the Rest of the World

International cotton prices remained relatively stable during the first two months of 2012/13. The Cotlook A Index fluctuated 3% above and 4% below an average of 84 cents per pound. The A Index climbed in August but declined in September. Chinese domestic cotton prices also remained relatively stable during the August and September, averaging 132 cents per pound (CC Index 328), but Chinese prices trended upward: the China Cotton Index rose by 3% from early August to late September.

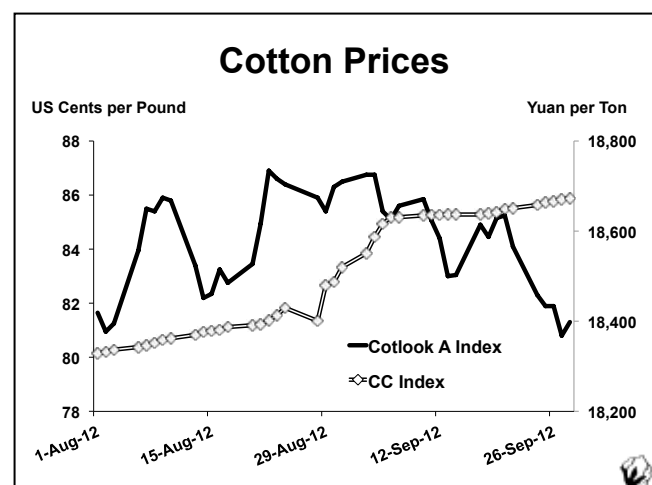
The recent differences in trends for Chinese prices (up) and international prices (down) might indicate price directions over the next few months. In China, cotton prices in 2012/13 will be supported by the minimum support price policy, under which the government organizes daily purchases of new crop cotton between September 2012 and March 2013. In the rest of the world, the pressure of accumulating stocks, combined with weak demand, could drive cotton prices down.

In 2011/12, the Chinese government supported both domestic and international prices via significant purchases of domestic and foreign cotton for the rebuilding of its national reserve. However, it may not be able to provide such support to international prices in 2012/13. The Chinese national reserve had already reached an estimated 4.6 million tons at the end of August 2012, and it could grow further this season due to the government's commitment to support domestic prices. A total of 383,000 tons of cotton from the 2012/13 crop were purchased in September. In the same time, the Chinese government auctioned 466,000 tons of older cotton to domestic spinning mills, below market prices. More cotton could be sold in the same manner later in the season. Therefore, cotton imports by China will likely drop sharply in 2012/13. The Secretariat expects China to import 2.5 million tons this season, less than half the record quantity purchased last season.

With the projected sharp decline in Chinese imports, the 2012/13 outlook in the rest of the world is conducive to lower international prices. Cotton production outside China is forecast down by 6% to 18.6 million tons in 2012/13, as a result of the significant drop in prices last season. Weather

was overall favorable to plant growth. Cotton production is expected to reach 5.4 million tons in India (-9%), 3.7 million tons in the United States (+10%) and 2.1 million tons in Pakistan (-6%). Cotton mill use is expected to increase by 5% to 14.9 million tons outside of China, encouraged by lower prices. Taking into account reduced shipments to China, stocks in the rest of the world could grow by 16% to 9 million tons in 2012/13.

China is expected to remain the largest cotton importer in 2012/13. This will prevent international and Chinese cotton prices from diverging too much. The regular annual tariff-rate import quota of 894,000 tons should be opened as usual in January 2013; Chinese spinners can and will import foreign cotton with the maximum 40% duty if the price difference makes it worthwhile; the Chinese government will likely allow imports of cotton for processing purposes, as it has done in the past. In addition, international cotton prices will eventually receive some support from the expected lower plantings in the southern hemisphere at the end of 2012 and in the northern hemisphere in 2013/14. Cotton production in the southern hemisphere is projected down by 17% to 3 million tons in 2012/13 as a result of the fall in cotton prices since last year. The decline in production will be more pronounced in Brazil (-21% to 1.5 million tons) and Argentina (-22% to 164,000 tons, respectively) than in Australia (down by 8% to 991,000 tons).



THE 2012 FARM BILL – TO BE CONTINUED – MAYBE?

*Neal P. Gillen, ICAC Permanent Representative to the United Nations
Commission on International Trade Law*

The U.S. House of Representatives adjourned until after the November elections without taking action on the pending comprehensive five-year measure to follow the 2008 law that expires on September 30, 2012. Whether and when it will act depends upon the outcome of the Presidential and Congressional elections.

Awaiting consideration is the action taken on cotton by the Senate and the House Agriculture Committees. Under the pending provisions, the Upland Cotton program's direct and counter-cyclical payments are repealed, the marketing loan is maintained, and a new shallow loss (STAX) compensation feature designed to address revenue losses on an area-wide basis is adopted. While the STAX insurance coverage is in addition to a producer's individual buy-up coverage, the producer is not required to purchase individual coverage.

In return for the shallow loss program, U.S. cotton producers have agreed to lower the loan rate from the current minimum of 52 cents to 47 cents with the rate fluctuating between 47 and 52 cents based on the average of the prevailing world price (AWP) in the two years prior to planting. While the Senate Payment limitations provision for price or revenue programs will be \$50,000 per person or legal entity and the House provision is \$125,000, there is no limitation on STAX payments, which could be set at the higher of a designated futures month price or 68 cents. The Senate payment limitation for marketing loan gains is \$75,000 in contrast to the House which has no limit. The Senate Adjusted Gross Income requirement for payment eligibility is \$750,000, while the House provision is \$950,000. The ELS Program will remain unchanged by continuing the loan at 0.7977 cents per pound. The 3 cent domestic mill economic adjustment payment is also maintained.

The question remains, "Will there be new farm legislation?" A month ago I would have said yes, believing that the Republican leadership would yield to demands to pass the measure from Farm Belt media and county, state, and national producer and commodity organizations.

Since the Farm Bill passed the Senate by a 64-35 vote and cleared the House Agriculture Committee by a 35-11 vote, it normally would be difficult for a House Member to ignore the political realities of such numbers as he or she seeks re-election. There is, however, a new normal in Washington, or at least in the House of Representatives, where the support of 87 new Tea Party Republicans – 36 percent of the 241 Republican majority – is needed to assure the passage of legislation.

These conservatives strongly oppose the various food and nutrition components of the Farm Bill that make up 80 percent of its costs. Representative Paul Ryan (R-WI), the House Budget Committee Chairman and Republican nominee for Vice President, critical of the rising costs of the Food Stamp program, has called for \$134 billion in cuts. The House opponents of these programs want the opportunity to vote against them. The Republican leadership, however, was reluctant to provide that opportunity for fear that a vote to cut these programs in tough economic times would jeopardize their control of the House.

Since the early 1970s, the key to the passage of farm legislation has been the linkage of farm programs with food benefits that tied together rural and urban interests. Rather than try to resolve their conundrum, the House Republican leadership decided to avoid inter-party conflict and wait until after the elections. In failing to act they risk reinstating the costly and disruptive alternative of the commodity provisions of suspended permanent law, which in the view of Library of Congress analysts at the Congressional Research Service "are so radically different from current policy—and inconsistent with today's farming practices, marketing system, and international trade agreements—as well as potentially costly to the federal government."¹

Under the permanent law, planting restrictions would be implemented and loan rates would soar with cotton rising to \$1.34 per pound, while the rates for wheat would be set at \$13.58 per bushel, corn at \$5.90 per bushel, and rice at \$20.90 per bushel.

The threat of permanent law becoming a reality should be sufficient to give the House conservatives reason to reconsider their opposition to the Agriculture Committee measure. Only time will tell. In previous post election sessions little has been accomplished, therefore, the best case scenario is an extension of the current law leaving it up to the next Congress to begin anew with the pending work product. Keep in mind that enacting farm bills after the end of the fiscal year that a prior farm bill expired is the rule rather than the exception. In the past 40 years, only the 1973 and 1977 farm bills were enacted before September 30. The 1981, 1985, and 1990 laws were enacted by December 31, a few months after the end of the fiscal year but still before spring-planted crops covered by the new law were planted. The most recent three farm bills have been enacted later, in April (1996), May (2002), and June (2008), prior to the first crop harvested and covered by the farm bill.

1) Possible Extension or Expiration of the 2008 Farm Bill, Monke, Stubbs, & Aussenberg, July 25, 2012, Congressional Research Service 7-5700.
<<http://farmpolicy.com/wp-content/uploads/2012/09/R42442.pdf>>

HOW LONG CAN CHINA MAINTAIN HIGH STOCKS?

By Alejandro Plastina, ICAC

The Chinese government policy over the public national cotton reserve has become the big question mark on which all market analyses are contingent upon. At the end of August 2012, the volume of the national reserve was estimated at 4.6 million tons, equivalent to half the total Chinese projected mill use in 2012/13. It is therefore not surprising that all eyes are fixed on China.

Chinese ending stocks marked a new record high at 6.2 million tons in 2011/12 (figure 1). World ending stocks also marked a new record high in 2011/12, at 14.0 million tons. The previous records were registered in 1998/99 at 5.8 million tons for China and 11.7 million tons for the world.

However, when compared to mill use, Chinese stocks were substantially lower than record highs (figure 2). In 2011/12, the stocks to mill use ratio in China amounted to 72%. Three

periods in history (adding to 10 seasons) registered stocks-to-use ratios higher than 70%: 1984/85 and 1985/86, 1991/92, and 1994/95 through 2000/01. On the other hand, the stocks-to-use ratio in the World-less-China never exceeded the 64% reached in 1974/75.

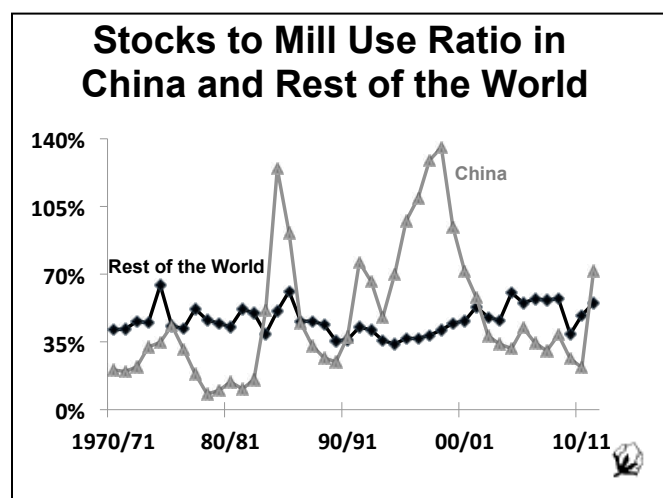
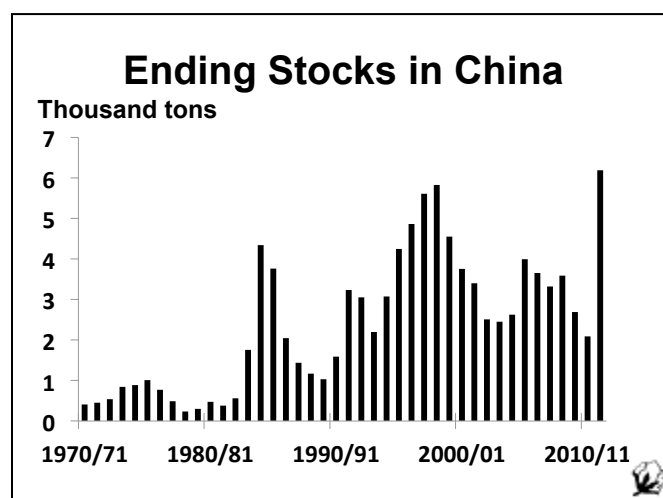
The first period can be described as market driven, since the generalized increase in stocks (both in China and the rest of the world) coincided with substantial declines in international prices. The second and third periods were policy driven. The increase in the Chinese stockpile from 1991/92 to 1998/99 and the disposal of surplus stocks during the following six seasons were due to policy decisions and not to changes in market conditions. During seasons when Chinese reserves were mainly market driven, a 5% increase in the stocks to mill use ratio in China would only induce, on average, a 0.36% decline in world prices. However, during that special 12 year period, stockpiling policies had a strong effect on international prices through trade: if net imports into China increased from zero to 5% of world gross imports, the Cotlook A Index would increase by 8.4%.²

In 2011/12, the Chinese government put in place a minimum price mechanism to support domestic producers in a scenario of declining prices. The China National Cotton Reserve Corporation (CNCRC) purchased 3.1 million tons of domestic cotton and imported a large quantity of foreign cotton. As a result, 90% of the gain in global cotton stocks in 2011/12 took place in China. The Chinese national reserve grew from less than 300,000 tons at the end of July 2011 to about 4.6 million tons at end of August 2012. Over the same period, stocks in the rest of the world increased by only 5% to 7.6 million tons.

The Chinese government announced a slightly higher minimum price for 2012/13 and is expected to buy a large portion of the new cotton crop. This suggests that the size of the Chinese national cotton reserve may increase in 2012/13, even if the government rotates some of its old stocks during the season.

Textile manufacturers in China have been negatively affected by the resulting high domestic cotton prices. To mitigate that effect, the Chinese government has recently issued more quotas for imported cotton through the National Development and Reform Commission (NRDC) and sold cotton from its reserves. However, the CNCRD has not set clear goals on how much cotton from the reserve it plans to sell nor on how much cotton from the new crop it plans to buy.

For how long can the Chinese government support domestic prices through stockpiling policies?



2) ICAC. 2007. "The New ICAC Cotton Price Forecasting Model." Cotton: Review of the World Situation 60 (6): 11- 22.

I will not try to answer this important question directly, but to provide some rough estimates of how costly it is for the government to maintain stocks, and to put it into perspective by comparing its magnitude with total expenditures of the general government. The calculation does not involve cash flow considerations about gains or losses due to the timing of purchases and sales, but its only focus is on maintenance costs.

In order to present a historical perspective, the following calculations assume that:

- all Chinese ending stocks are owned by the Chinese government (of course this is highly unrealistic, but it results in an upper bound estimate of the cost of stockpiling),
- the season-average Cotlook A Index is a reasonable measure of the opportunity cost of maintaining the stockpile throughout the season, and
- insurance, interest, and warehousing costs averaged 0.6 cents per pound per month of storage, or \$159 per ton of cotton per year.

Therefore, the estimated maintenance cost by season is obtained by multiplying ending stocks by the sum of the season-average A Index and the insurance, interest and warehousing costs. In 2011/12, the estimated maintenance cost amounted to \$ 14.5 billion. That amount was 48% higher than the previous record of \$ 9.8 billion from 1997/98.

In order to gain perspective, maintenance costs are compared to total expenditures of the general government. Expenditures are calculated by multiplying annual values of the gross domestic product (GDP) expressed in current prices by the share of GDP represented by general government total expenditures.³ Expenditures by seasons are obtained as weighted averages of expenditures by calendar years. While maintenance costs grew 14-fold between the early 1980s and 2011/12, government expenditures grew 22-fold over the same period. As a result, while maintaining the stockpile would have consumed 8% of total expenditures of the general government in 1997/98, it would only have consumed 1% of them in 2011/12 (table 1). The season in which maintenance stocks represented the largest share of government outlays (9%) was 1995/96.

According to these ballpark figures, the stockpiling policy represents a very small amount of total government expenditures, and maintaining high stocks should not represent a severe fiscal burden to China. So the fiscal ability of the Chinese government to support high domestic cotton prices through stockpiling exists. For how long will the government maintain the stockpile? That answer can only be answered by the decision-makers, and they are well known for keeping that information secret. For the Secretariat's short term outlook on Chinese stocks and imports, please refer to the first article in this publication.

Table 1. Maintenance Costs of Chinese Ending Stocks

Season	Cotlook A Index (US cents/lb) a	Ending Stocks in China (thousand tons) b	Insurance, interest and warehousing costs (million US\$) c = 0.159 * b	Maintenance Costs (million US\$) d = a*b + c	Government expenditures* (billion US\$) e	Maint. Costs as a share of Govt. Expenditures (%) f = d / e *100
82/83	76.7	559	89	1,033	82.5	1.3
83/84	87.7	1,756	279	3,673	84.4	4.4
84/85	69.2	4,337	690	7,302	81	9
85/86	49	3,760	598	4,659	77.5	6
86/87	62.1	2,048	326	3,128	76.1	4.1
87/88	72.3	1,439	229	2,522	80.8	3.1
88/89	66.4	1,170	186	1,897	91.5	2.1
89/90	82.4	1,028	163	2,031	88	2.3
90/91	82.9	1,589	253	3,157	79.6	4
91/92	63.1	3,235	514	5,011	80.5	6.2
92/93	57.7	3,049	485	4,363	89.6	4.9
93/94	70.6	2,198	350	3,771	85.8	4.4
94/95	94.3	3,070	488	6,871	87.2	7.9
95/96	85.6	4,244	675	8,683	100.1	8.7
96/97	78.6	4,864	773	9,196	117	7.9
97/98	72.2	5,604	891	9,812	140.9	7
98/99	58.9	5,824	926	8,489	169.4	5
99/00	52.8	4,554	724	6,025	195	3.1
00/01	57.2	3,755	597	5,333	223.5	2.4
01/02	41.8	3,397	540	3,670	259	1.4
02/03	55.4	2,506	398	3,459	292.4	1.2
03/04	68.3	2,449	389	4,078	331.5	1.2
04/05	52.2	2,622	417	3,434	390.9	0.9
05/06	56.2	3,991	635	5,575	474.2	1.2
06/07	59.2	3,653	581	5,344	598.9	0.9
07/08	72.9	3,321	528	5,865	803.6	0.7
08/09	61.2	3,585	570	5,407	1,049.90	0.5
09/10	77.5	2,688	427	5,022	1,257.70	0.4
10/11	164.3	2,087	332	7,888	1,559.20	0.5
11/12	99.3	6,188	984	14,531	1,842.30	0.8

*Author's calculations based on the IMF World Economic Outlook Database, April 2012.

3) International Monetary Fund. World Economic Outlook Database, April, 2012.

SUMMARY OF WOMEN IN COTTON: RESULTS OF A GLOBAL SURVEY

By Alejandro Plastina, ICAC

This article is a summary of a technical paper published by the International Trade Centre (ITC) and authored by Matthias Knappe, Senior Officer and Programme Manager – Cotton, Textiles and Clothing, ITC.⁴

Introduction

As women represent around 70% of the poorest people in the world, a better understanding of their role in and contribution to the different agricultural sectors is crucial in order to address poverty reduction as well as gender inequality issues. The ‘feminization’ of agriculture has been amplified by the large-scale migration of men seeking higher-paid work in urban areas.

This study addresses a gap in the literature about the role of women in agriculture and particularly in the cotton sector by outlining the role of women in various cotton production activities in Africa and Asia.⁵ It also discusses how to improve their role while improving the sector’s competitiveness.

The analysis is based on surveys collected from a wide network of ITC partners (cotton companies, associations and public institutions) around the world and compiled on a no-cost basis. Questions focused on women’s involvement along the value chain (field, ginning, trading, support services) relative to men. Around 38 companies, associations or institutions participated in the survey, representing a large number of cotton stakeholders, especially in Africa, where the cotton companies of all major producing countries participated. The information collected is subjective and is not based on scientific investigations.

However, results constitute an important first step in understanding the role of women in cotton production around the world. The countries covered in Africa include Cameroon, Central African Republic, Côte d’Ivoire, Ethiopia, Kenya, Malawi, Mali, Nigeria, Uganda, Senegal, Togo, United Republic of Tanzania, Zambia, and Zimbabwe. The countries covered in the Middle East and Asia include India, Pakistan, and Turkey.

A major result is that women tend to work in the same activities across regions: picking, catering (preparing food for cotton farmers and workers), planting and field management. The study also highlights that women are paid less than men (around 90% of the average salary for men), although there

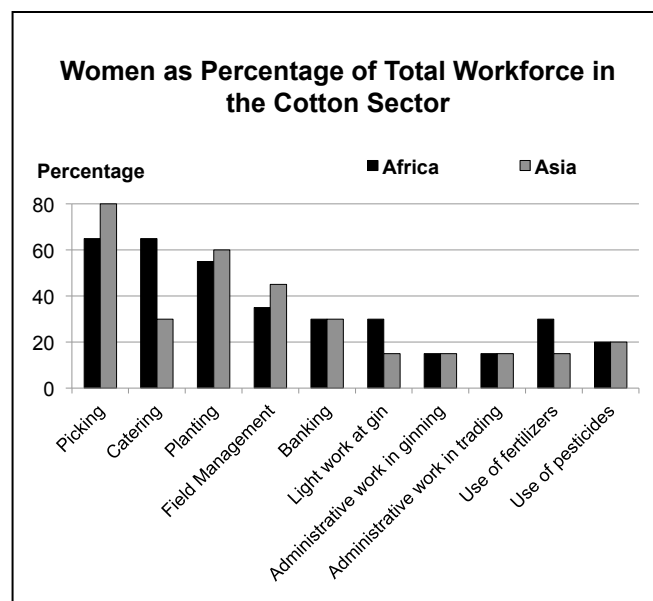
are high disparities across countries.

Using a combination of literature review and survey responses, the study also highlights ways to empower women in the cotton sector. Promoting their involvement in women’s associations or cooperative unions, and strengthening land ownership rights seem to have tangible impacts on women’s incomes and involvement in decision-making processes.

Women’s Participation in Africa and Asia

The figure below indicates the main cotton-related activities in which women are mostly involved in Africa and Asia, in terms of women’s participation as a percentage of the total workforce. Overall, the chart shows that women working in cotton in these regions are mostly involved in picking (over 65% of participation) and planting (over 55% of participation), while catering to cotton workers and farmers also employs a majority of women in Africa (65%). Women account for more than one-third of the total workforce in field management in both regions, but their role is relatively stronger in Asia (45%).

Besides these top four activities, women also play smaller roles in activities traditionally reserved for men in banking, light



4) Knappe, M. Women in Cotton: Results of a Global Survey. Geneva: International Trade Centre (ITC), 2011.xii, 23 p. (Technical paper), Doc. No. SC-11-208.E. Available online at: http://www.intracen.org/uploadedFiles/intracenorg/Content/Exporters/Sectors/Food_and_agri_business/Cotton/AssetPDF/Women%20in%20cotton%20-%209%2011%2011%20FINAL.pdf

5) The study also covers Latin America, but since all data for that region was collected from organic cooperatives, results for Latin America are not directly comparable to results from Asia and Africa. However, readers are strongly encouraged to read the full original article.

work at gin, and the use of fertilizers in Africa, and catering to cotton workers and farmers in Asia (all around 30% of the total workforce in each activity). The role of women in other activities is even smaller in both regions.

There is a high degree of variability across both countries and sectors of activity in terms of remuneration and salaries. Women are paid less than men, earning -on average- about 90% of men's salaries in Africa and Asia. Preliminary results of the survey indicate that most women work in farming, and remuneration for farm work is lower than in the ginning, trading or services sectors. This is due, to some extent, to the higher skill levels needed in these occupations.

Empowering Women in the Cotton Sector

There are various ways to empower women in the cotton sector, and some of them are mutually exclusive. For example, organic cotton production seems suitable to empower resource-poor women that own land (conditional on the existence of a buyer for their production), while biotech cotton seems to increase women's earnings by raising yields and creating more employment in cotton harvesting, higher incomes and better working conditions. The study discusses five ways to empower women in the cotton sector.

The advantages of organic cotton production for women who own land are the reduction in production costs (compared to the more input-intensive traditional production system), less exposure to chemicals, and a potentially more inclusive social environment, with women being more directly involved in cotton campaigns and workshops, growing cotton on their own land, and making decisions on how to work it. A further benefit is price stabilization through the payment of a premium. However, the latter benefit only applies when cotton can be sold as organic (which is not always the case). Overall, organic cotton represents less than 1% of world cotton production. Its global impact on the improvement of the situation of women in the cotton sector is therefore limited.

The use of Bt cotton can also help to empower women in the cotton sector. A study carried out by the University of Warwick in the United Kingdom found that Bt cotton can generate higher incomes and more employment, especially for hired female labor. The research, which focused on India, showed that Bt cotton raised the total wage income by US\$40 per hectare compared with conventional cotton. The largest increase was for hired women, who gained 55% in average income. In fact, the increase in returns is mostly related to higher yields in Bt cotton, because of the additional labor employment for picking the increased cotton production. In addition, Bt cotton improves women's working conditions as it reduces the application of pesticides. It also leads to labor saving in activities other than picking, for both women and men, therefore meaning that labor saved can be reallocated to other household economic activities previously carried out by women. Overall, Bt cotton can enhance the quality of life

of women by giving them higher incomes, more employment opportunities and better working conditions. However, it did not seem to have empowered them in participating more equally in decision making processes nor in moving women up the value chain.

Another way to empower women is by promoting their participation in cooperatives or associations. Within an association, educated women can act as a role model for others. Moreover, special workshops of topics that are of special interest to women, such as cotton cultivation, can be organized. According to experiences in Latin America, women participating in organic cotton cooperatives are more involved in decision-making and other activities along the value chain (e.g. banking or trading). In addition to having equal responsibilities and involvement, they receive the same salary as men.

As fair trade is based on paying producers a guaranteed minimum price that covers the cost of production, women can obtain a steadier and higher income from their certified cotton production when they can sell their cotton through the fair trade program (which is not always the case). To earn the fair trade cotton label, producers agree to strict standards, including avoiding biotech seeds, limiting the use of pesticides, enriching the soil, practicing crop rotation and hand-picking. Fair trade certification therefore prevents women from health risks. However, fair trade cotton like organic cotton is a small niche market that has no substantial impact on the role of women in the cotton sector in global terms.

Finally, among the possible ways to empower women in the cotton sector, ownership of land and property is one major issue to be addressed as ownership provides the ability to make decisions. Land ownership empowers women, ensures more equality with men and provides income and security. Without resources such as land, women have limited influence in household decision-making. However, women continue to own just a fraction of land worldwide. Despite existing laws that protect their rights to property, men and women often are unaware of them. Meanwhile, prevailing social norms reinforce attitudes that discourage women from owning land or other assets.

ICAC's Production Practices 2011

To complement the previous summary of the ITC report, additional data on the role of women in cotton growing is provided in the following short note.

The survey on Cotton Production Practices is undertaken by the Technical Information Section of the ICAC every three years. In the latest survey published in 2011 with data from the crop year 2010/11, a question about the percentage of female growers was added to the questionnaire for the first time. The term "grower" in this survey is understood as the head of household that grows cotton. It does not include hired or family labor.

According to the 26 responses for that particular question, female cotton growers account for 17% of all cotton growers in the survey's countries. That average hides strong dissimilarities across countries and regions. Kyrgyzstan and Kazakhstan top the list of countries with high percentage of female growers, at more than 70% each. Zimbabwe, Kenya, Uganda, Sudan, Zambia, and Australia follow with more than 25% of female growers, but less than 60% each.

However, in terms of numbers of female growers, Zimbabwe and Kazakhstan jointly account for about half of all female growers on the list. Zambia, Uganda and Kyrgyzstan jointly account for about an additional 30% of the count of female growers on the list.

The study conducted by ITC and the question addressed by the ICAC in Cotton Production Practices are very important first steps towards a better understanding of the role of women in the cotton sector and how to improve it. Further research should be undertaken to gain deeper inside into the topic.

**Table 1: Total and Female Cotton Growers,
for selected countries and regions**

Country (Region)	Number of total cotton growers	Female growers as % of total cotton growers
Argentina (Santiago del Estero)	4,600	2%
Australia (National)	1,350	40%
Brazil (Savannas)	384	5%
Brazil (Northeast)	9,750	<1%
Burkina Faso (Sofitex)	220,000	<1%
Cameroon (National)	206,000	6%
Chad (National)	350,000	10%
Colombia (National)	6,700	5%
Egypt (National)	100,000	5%
Israel (National)	100 (farms)	40%
Kazakhstan (National)	250,000	70%
Kenya (Eastern)	39,000	50%
Kenya (Western & Nyanza)	58,045	40%
Kyrgyzstan (National)	70,000	71%
Mozambique (National)	170,061	11%
Pakistan (Punjab)	1,300,000	<1%
Pakistan (Sindh)	237,000	<1%
Sudan (Gezira Scheme)	15,000	30%
Turkey (Aegean Region)	12,645	20%
Uganda (National)	150,000	40%
United States (Far West)	1,156	3%
United States (Mid South)	3,830	3%
United States (South East)	2,500	2%
United States (South West)	5,000	3%
Zambia (National)	250,000	25%
Zimbabwe (National)	250,000	55%
Total (except Israel)	3,713,000	17%

COTTON FUTURES EXCHANGES IN CHINA, INDIA AND BRAZIL

By Andrei Guitchounts, ICAC

Cotton Futures Volumes in China are Volatile

Between September 2010 and September 2011 volumes of cotton futures contracts traded at the Zhengzhou Commodity Exchange (ZCE) rose dramatically and monthly volumes averaged 26 million contracts, or 130 million tons. Record monthly volumes of almost 50 million contracts, or 250 million tons, were reached during both March and May 2011. Monthly volumes averaged 1.2 million contracts, or 5.9 million tons between June 2004 (when cotton trading in Zhengzhou began) and August 2010. Between October 2011 and August 2012 monthly volumes declined and averaged 3.7 million contracts or 19 million tons. The record volumes of contracts traded at the ZCE during 2010/11 was caused by a record run-up in international prices resulting from panic buying by trade and speculators.

There was an increase in volumes of cotton futures traded at the Intercontinental Exchange in New York (ICE) as well during 2010/11, but the increase was nowhere near the magnitude of the ZCE volume spike. Average monthly volumes at the ICE were close to 480,000 contracts (11 million tons) during 2010, 440,000 contracts (10 million tons) in 2011 and 534,000 contracts (12 million tons) in 2012 (January-August). Higher monthly volumes were recorded in November 2010 (890,000 contracts, or 20 million tons), and in February-April 2011 (averaged 640,000 contracts, or 14 million tons). The ICE cotton futures contract is almost five times larger than the ZCE contract.

The major reason for the sharper volatility in volumes at the ZCE is explained by a dominance of speculators at the exchange. Speculators migrate quickly to contracts that exhibit higher volatility, be it sugar, wheat or cotton. High volatility in volumes is a feature of the Chinese exchanges. Exchanges are sparing no effort in an attempt to attract more hedgers to participate in the futures markets.

The ZCE in China launched a futures contract called Cotton # 1 Contract on June 1, 2004 and quickly achieved large volumes of contracts traded. The ZCE is one of three futures exchanges in China. Wheat, sugar, cotton, rapeseed oil, rice, methanol and pure terephthalic acid (PTA), used in the production of polyester, are the major commodities traded at the exchange currently. There were more than fifty futures exchanges in operation in China during the first half of the 1990s, but their number was reduced by the government to fifteen in 1994 and then to just three in 1998. In addition to the ZCE, the Shanghai Futures Exchange and the Dalian

Commodity Exchange are trading futures contracts in copper, aluminum, rubber, soybeans and soybean meal.

The Cotton # 1 Contract is 5 tons (about one-fifth of the size of the NY contract) for deliverable grade 328 at exchange-appointed warehouses, for saw ginned cotton. Trading delivery months are January, March, May, July, September and November. The lowest margin rate is 5% of contract value (less than half of what is currently set in New York).

The contract proved very successful at the start, and during the first year and a half of existence the contract attracted large volumes, exceeding at times volumes of cotton traded in New York. Between June 2004 and December 2005, the average monthly volume traded was 1.5 million contracts, or 7.5 million tons.

The major elements of success of the ZCE Cotton # 1 Contract lie in the integrity of the contract design making it easy to make and to take delivery of cotton with assured quality. The China Fiber Inspection Bureau (CFIB) tests cotton quality at the warehouse entry point and at delivery. Widespread familiarity with futures obtained during the 1990s when more than fifty futures exchanges were operating, and a large number of speculators helped to create large liquidity for cotton futures from the opening day of the # 1 contract.

The ZCE has 278 members. All trading is done electronically with no open-outcry. A number of the largest international merchants such as Louis Dreyfus, Cargill Cotton, Ecom and Olam registered their affiliates in China and entered domestic trade in that country. The registered traders received access to ZCE cotton futures trading, using the exchange to hedge their positions and adding additional volume. Physical delivery in all contracts at the ZCE remains as small as in New York, or less than 1% of traded volume. The ZCE cotton prices are an important factor in determining domestic prices for physical cotton in China, are taken into account by most of the mills when making purchasing decisions and have a good correlation with the China Cotton Index (cash price).

Cotton Futures Trade Volumes in India are Rising

Efforts to promote futures trading were renewed in India in the early 2000s, and futures contracts for cotton and many other commodities were launched at three commodity exchanges: the National Multi-Commodity Exchange (NMCE), Ahmedabad; the National Commodity & Derivatives Exchange (NCDEX), Mumbai; and the Multi Commodity Exchange (MCX), Mumbai.

Between 2004 and 2008, several cotton futures contracts were traded at the National Commodity & Derivatives Exchange (NCDEX), one of largest commodity exchange in India offering about 60 commodities, including 4 cotton contracts. The mostly active contract was Medium Staple Cotton, which started trading in October 2004. The contract size is set at 55 bales (9.35 tons). Total volumes of all cotton contracts traded through February 2008 reached 2.2 million bales or 371,400 tons. The largest cotton futures trade volume of 35,455 tons was reached in December 2004. Relatively large volumes were also traded between December 2005 and July 2006, totaling 150,300 tons. Starting with August 2006, trading volumes declined substantially. During all of 2007 a total of 18,500 bales or 3,100 tons were traded at the exchange. By 2008, no sizable volume of cotton contracts was recorded at the exchange.

MCX offers more than 40 commodities including a cotton contract (29 mm fiber length). MCX started operations in 2003 and now has 2,170 registered members operating through 346,000 terminals in 1,577 cities. The cotton contract was launched in October 2011. The contract size is 25 bales (170 kg each) and a maximum order size is 1,200 bales (204 tons). The initial margin is 5% and there are 6 delivery centers in Gujarat, Maharashtra, Punjab, Haryana, Madhya Pradesh and Andhra Pradesh. Quality specifications are based on HVI parameters for roller ginned Middling 31-3 grade; premiums and discounts are applied to other grades. A very elaborate mechanism of delivery is prescribed in the contract specification.

During the launch month of October 2011, 33,300 tons were traded at the exchange. The volume was rising steadily and reached a maximum of 271,000 tons in July 2012. In August 2012, cotton contract volume declined to 160,000 tons. Between October 2011 and August 2012 a total of 1.4 million tons of cotton contracts were traded at the MCX exchange.

The exchange provides a trading platform and price discovery mechanism. It is estimated that more than 80% of contracts are closed by physical delivery of commodities. For comparison, less than 1% of contracts at the ZCE in China are settled by physical delivery. This means that there are few speculators participating in the Indian market, and as a result a limited number of hedging operations exist at this exchange. Rather, participants use this market mostly as a trading platform, price discovery tool and physical forward contracting.

Cotton Futures Contract in Sao Paulo

The Bolsa de Mercadorias & Futuros (BM&F) in Sao Paulo, Brazil launched a cotton futures contract in 1996. Initially, the BM&F contract size was just 10,000 pounds, or one-fifth of the New York cotton futures contract. During the first year of existence, the contract was regularly traded on a daily basis. However, trading volume remained relatively small and averaged just 58 contracts a day, an equivalent of about 290 tons of cotton. The BM&F cotton futures contract failed to attract significant interest and has not become a popular instrument for hedging and speculation in Sao Paulo. Contract volumes traded during the 2000s were small. The largest volume of cotton contracts traded at the exchange was recorded in 2005, when monthly volumes averaged 3,500 tons. In 2008 the BM&F merged with the Sao Paulo Stock Exchange and became BM&FBOVESPA. No cotton contracts have been traded at the exchange since 2008.

One of the reasons the contract has not attracted sufficient volumes could be explained by direct competition from the ICE (NYBOT) cotton futures market. The design of the BM&F is very similar to the ICE cotton # 2 contract. Cotton market participants operating in Brazil, as well as speculators, have access to both markets, in New York and in Sao Paulo.

LINT AND YARN PRICES IN TAIWAN

By Alejandro Plastina, ICAC

Introduction

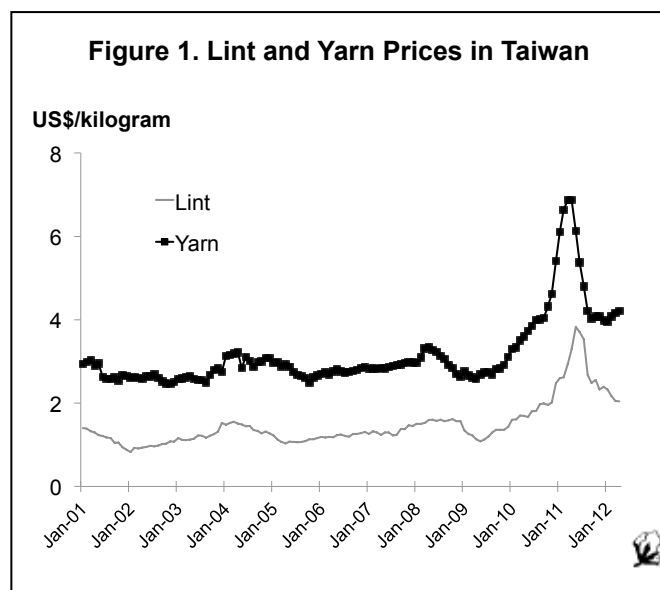
Record volatility in cotton lint prices resulted in record volatility in cotton yarn prices in 2010/11. However, while buyers and sellers of cotton lint can use futures and options as risk management tools, such tools are not available for buyers and sellers of cotton yarn. Spinning mills, for example, can hedge their input price risks but cannot hedge their output price risks. The ICAC Secretariat received a request from the Private Sector Advisory Panel (PSAP) to analyze the relationship between lint and yarn prices in an effort to evaluate potential risk management tools for the yarn market.

Previous analyses by the ICAC Secretariat focused on the relationship between the Cotlook A Index and the Cotlook Yarn Index to analyze the correlation between lint and yarn prices. However, both indexes are calculated from quotations and do not reflect transacted prices. In fact, according to unpublished research by the Secretariat and Cotton Incorporated, transacted lint and yarn prices tend to lag the corresponding indexes by several months and be less volatile. The purpose of this article is to complement previous analyses with a study of the relationship between transacted prices for cotton lint and cotton yarn in Taiwan. The selection of Taiwan as a case study was based on data availability on transacted

yarn prices, kindly facilitated by a textile mill. That data is of proprietary nature and the textile mill requested to remain anonymous.

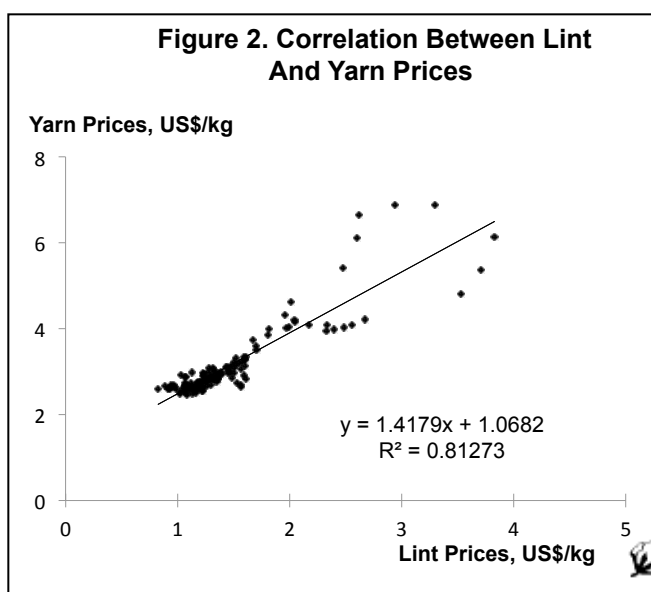
All cotton in Taiwan is imported, since Taiwan produces no cotton at all. Monthly transacted prices for cotton were calculated as the unit import prices of cotton into Taiwan, using value and volume data from the Global Trade Atlas database. Cotton lint prices are expressed in U.S. dollars per kilogram of lint.

The collaborating textile mill provided monthly average prices for 30 count 100% cotton yarn sold from January 2001 to April 2012 in New Taiwanese dollars per 400 pound bale of yarn. Prices were re-expressed in U.S. dollars per kilogram of cotton yarn using monthly average exchange rates from the U.S. Federal Reserve (figure 1).



Results

- First, the correlation between prices in levels is analyzed to determine whether lint and yarn prices move in tandem. A perfect positive association between prices would yield a correlation coefficient of 1. No association between the prices would yield a correlation coefficient of 0. The contemporaneous correlation of the levels of cotton prices and yarn prices over the entire sample was 0.9, indicating a high degree of association of those prices in levels in the long term (figure 2). As expected, yarn prices tend to be high when lint prices are high, and vice versa.
- Second, a correlation analysis of the monthly changes in prices expressed in US cents per kilogram is conducted to determine whether lint and yarn prices change on a cent-by-cent basis. If a 1-cent increase in lint prices results in a 1-cent increase in yarn prices and vice versa, then the correlation coefficient is 1. Graphically, such correlation would result in all the data points in figure 3 aligned over



a line passing through the origin with a slope of 1 (i.e., a 45 degree line). The regression line in figure 3 has a slope of 0.42, indicating that –on average– a \$1 increase in the price of lint only results in a \$0.42 increase in the price of yarn in the same month. However, most of the data points are not aligned over the regression line: the correlation coefficient between monthly changes in lint prices and monthly changes in yarn prices amounted to 0.29 over the entire sample. Such a low correlation indicates that there is no consistent pattern between the two prices, and that the average is a poor indicator of how one price might react to a change in the other price. It must be noted that if daily prices were available, the correlation of daily changes in lint prices and daily changes in yarn prices would be even lower.

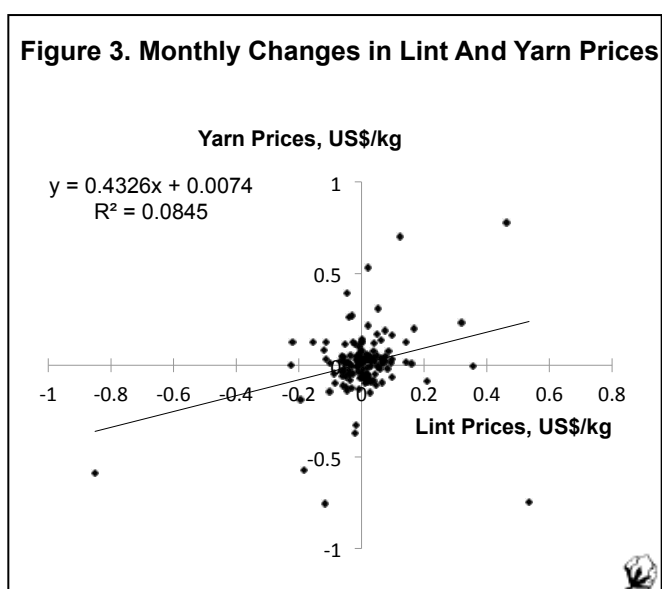
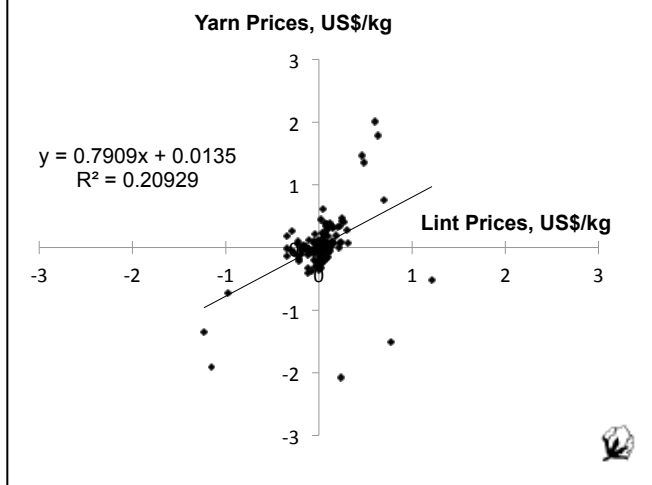


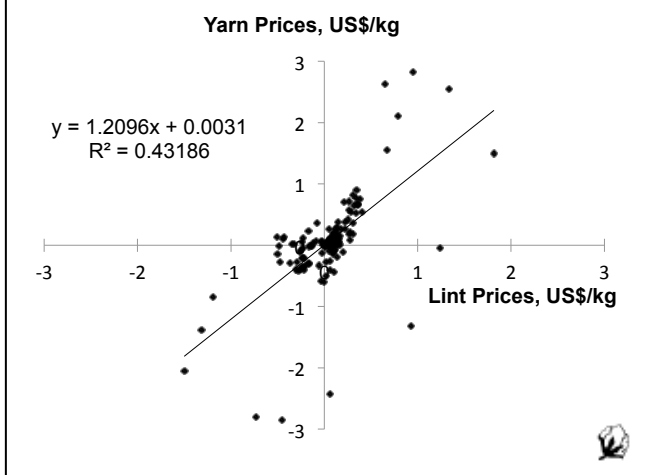
Figure 4. Three-month Cumulative Changes in Lint And Yarn Prices



- Third, the correlation of the cumulative changes in prices over 3- and 6-month periods is analyzed to determine whether lint and yarn prices change on a cent-by-cent basis over those periods. The slope of the regression line in figure 4 is 0.79, indicating that (on average) a \$1 cumulative increase in lint prices over a 3-month period results in a \$0.79 increase in yarn prices over that period. However, the representativeness of that average is low due to the high degree of dispersion of the data points with respect to the regression line: the correlation of the cumulative changes in prices over 3-month periods amounted to 0.46.

The slope of the regression line in figure 5 indicates that (on average) a \$1 cumulative increase in lint prices over a 6-month period results in a \$1.21 increase in yarn prices over that period. The correlation of the cumulative changes in prices over 6-month periods amounted to 0.66. While the degree of dispersion of the data with respect to the

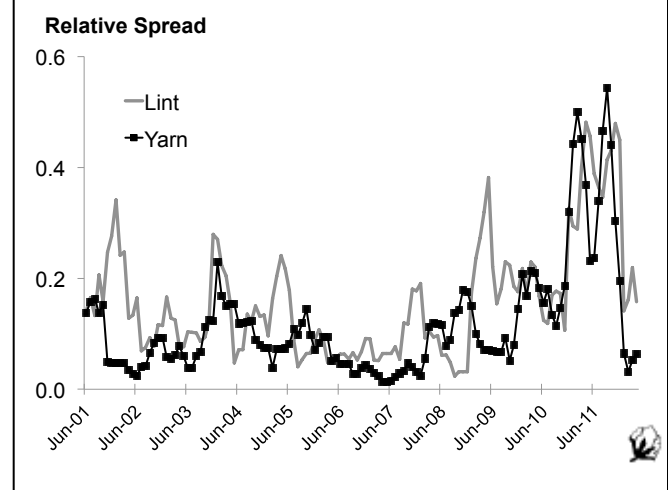
Figure 5. Six-month Cumulative Changes in Lint And Yarn Prices



regression line is lower in figure 5 than in figure 4, they are high enough to regard those average relationships as non-representative for the purpose of hedging. Changes in lint prices are only mildly correlated with changes in yarn prices even when aggregating price changes over 6-month periods.

- Fourth, the volatility of lint and yarn prices is analyzed through the temporal profile of the relative spread. The relative spread measures the dispersion of prices with respect to the average price over a period of time, and it is calculated as the ratio of the difference between the maximum price and the minimum price to the average price over a 6 month period. The temporal profiles of the relative spreads for cotton and lint prices indicate that lint prices were more volatile than yarn prices 74% of the time between 2001 and 2012 (figure 6). The periods in which yarn prices were more volatile than lint prices were concentrated in May-September 2004, July 2005-April 2006, March-December 2008, May-July 2010, November-March 2011, and August-October 2011. It is important to note that after reaching record highs in 2011, the volatility of both lint and yarn prices declined to more normal levels in 2012.

Figure 6. Price Volatility of Lint And Yarn Prices



Conclusions

Although a case study is insufficient to draw general conclusions about the functioning of the world markets for cotton lint and cotton yarn, it is still relevant to understand that between January 2001 and April 2012 in Taiwan:

- There was no consistent correlation pattern between cotton lint prices and cotton yarn prices on a monthly basis.
- Cotton lint prices were usually more volatile than cotton yarn prices.
- It would not have been possible to manage price risk from the cotton yarn market based solely on cotton lint prices.



2011/12 SUPPLY AND USE OF COTTON BY COUNTRY

October 1, 2012

	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	0.25	0.25
CUBA	4	269	1	1	2	3		1	0.19	0.19
DOM. REP.					1	1			0.47	0.47
MEXICO	195	1,407	274	106	220	390	74	136	0.29	0.35
USA	3,829	886	3,391	566	4	718	2,526	729	0.22	1.02
N. America	4,032	909	3,667	674	228	1,115	2,600	867	0.23	0.78
EL SALVADOR				7	19	22		5	0.22	0.22
GUATEMALA				5	20	21		4	0.21	0.21
HONDURAS	0	316	0		0			0		
C. America	2	510	1	13	39	43	0	9	0.21	0.21
ARGENTINA	540	389	210	253	8	135	57	279	1.46	2.07
BOLIVIA	5	531	3	1	1	4	0	1	0.16	0.17
BRAZIL	1,393	1,352	1,884	1,400	6	888	1,043	1,359	0.70	1.53
CHILE				1	0	1		0	0.18	0.18
COLOMBIA	52	784	41	41	18	75	0	24	0.32	0.33
ECUADOR	1	435	1	3	13	14		3	0.18	0.18
PARAGUAY	56	500	28	8		8	19	9	0.34	1.14
PERU	55	808	44	31	46	94	2	26	0.27	0.28
URUGUAY				0	0	0		0	0.26	0.26
VENEZUELA	15	365	6	2	2	8		1	0.17	0.17
S. America	2,118	1,046	2,216	1,739	95	1,226	1,121	1,702	0.73	1.39
ALGERIA				1	4	4		1	0.20	0.20
EGYPT	221	821	181	45	25	100	93	58	0.30	0.58
MOROCCO				8	36	36		8	0.22	0.22
SUDAN	111	395	44	10		2	2	49	12.04	23.52
TUNISIA				2	13	13		3	0.21	0.21
N. Africa	331	678	225	66	78	155	95	119	0.48	0.77
BENIN	208	360	75	16		4	60	27	0.42	6.71
BURKINA FASO	429	404	174	50		4	152	67	0.43	16.81
CAMEROON	149	523	78	17		2	69	24	0.34	12.74
CENT. AFR. REP.	38	235	9	2			7	4	0.52	
CHAD	172	183	32	14		1	24	21	0.85	41.60
COTE D'IVOIRE	261	396	103	24		2	93	32	0.34	16.17
GUINEA	14	276	4	1			4	2	0.42	
MADAGASCAR				3				3		
MALI	478	390	187	16		3	130	70	0.52	23.25
NIGER	5	444	2	0		1			0.11	0.25
SENEGAL	27	406	11	1		1	9	3	0.28	3.46
TOGO	99	333	33	3			33	3	0.10	
F. Africa	1,881	376	707	147		17	581	256	0.43	14.93
ANGOLA	3	299	1	0		1		0	0.22	0.27
ETHIOPIA	89	239	21	24	1	23	2	22	0.87	0.96
GHANA	20	360	7	1	1	1	6	3	0.42	2.17
KENYA	43	130	6	3	2	9		2	0.23	0.23
MALAWI	200	200	40	13		3	24	25	0.92	8.38
MOZAMBIQUE	189	171	32	17			26	23	0.89	
NIGERIA	350	180	63	16	1	20	32	29	0.56	1.46
SOUTH AFRICA	13	1,001	13	14	17	18	20	7	0.18	0.38
TANZANIA	500	240	120	66		29	45	112	1.52	3.87
UGANDA	100	470	47	6		1	31	21	0.65	18.39
CONGO, DR				2	8	8		2	0.27	0.27
ZAMBIA	512	193	104	45			60	89	1.48	
ZIMBABWE	450	292	131	71		7	103	92	0.83	13.09
S. Africa	2,491	237	590	283	52	144	351	431	0.87	3.00
KAZAKHSTAN	140	571	80	8	1	15	62	13	0.17	0.87
KYRGYZSTAN	20	754	15	3	3	2	16	3	0.16	1.46
TAJIKISTAN	201	597	120	44		7	120	37	0.29	5.49
TURKMENISTAN	550	600	330	199		125	118	287	1.18	2.29
UZBEKISTAN	1,316	669	880	307	1	273	532	383	0.48	1.40
C. Asia	2,227	640	1,425	561	5	421	848	722	0.57	1.71



2011/12 SUPPLY & USE OF COTTON BY COUNTRY (cont'd) October 1, 2012

	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	5	4		1	0.16	0.20
AZERBAIJAN	48	500	24	2		10	2	14	1.19	1.43
BELARUS				4	11	11		4	0.34	0.34
BELGIUM				2	14	4	10	1	0.10	0.32
BULGARIA	1	321	0	1	2	2		1	0.34	0.34
CZECH REP.				2	5	6	0	1	0.21	0.21
DENMARK										
ESTONIA										
FINLAND										
FRANCE				2	19	15	3	3	0.15	0.18
GERMANY				8	43	36	8	7	0.17	0.20
GREECE	300	933	280	17	3	25	200	75	0.33	2.99
HUNGARY				0	2	2		0	0.15	0.15
IRELAND				0	0	0		0	0.19	0.19
ITALY				12	52	49	5	10	0.19	0.21
LATVIA				0	0	0		0	0.32	0.32
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	2	2		0	0.08	0.08
PORTUGAL				5	23	23		5	0.22	0.22
ROMANIA				0	1	1		0	0.13	0.13
RUSSIA	1	516	1	20	107	105		23	0.22	0.22
SLOVAK REP.										
SPAIN	67	890	60	8	4	6	56	10	0.16	1.69
SWEDEN				0	0	0		0	0.24	0.24
SWITZERLAND				1	4	4	0	1	0.22	0.23
UKRAINE				1	4	4		1	0.21	0.21
UNITED KINGDOM				0	0	0		0	0.22	0.22
FORMER YUGOSLAVIA				1	6	6		1	0.22	0.22
Europe	417	874	365	92	317	327	285	161	0.23	0.49
Including EU-27	368	924	340	61	181	183	283	116	0.25	0.64
CHINA	5,528	1,339	7,400	2,087	5,342	8,635	5	6,188	0.72	0.72
TAIWAN				43	188	185		46	0.25	0.25
HONG KONG				12	40	12	32	9	0.20	0.75
Sub total	5,528	1,339	7,400	2,143	5,570	8,832	37	6,243	0.70	0.71
AUSTRALIA	600	1,800	1,080	459	0	8	1,035	496	0.48	59.18
INDONESIA	9	711	6	124	440	448	4	117	0.26	0.26
JAPAN				19	61	63		17	0.27	0.27
KOREA, D.R.				1	5	5		1	0.24	0.24
KOREA, REP.				43	255	247		51	0.20	0.20
MALAYSIA				34	200	35	170	29	0.14	0.83
PHILIPPINES	0	563	0	3	5	7		1	0.21	0.21
SINGAPORE				2	1		1	2	1.21	
THAILAND	2	513	1	77	275	270		83	0.31	0.31
VIETNAM	10	461	5	77	379	378		83	0.22	0.22
E. Asia	641	1,716	1,100	841	1,621	1,469	1,211	883	0.33	0.60
AFGHANISTAN	50	410	20	20		4	16	20	0.99	4.87
BANGLADESH	36	400	14	194	680	700		188	0.27	0.27
INDIA	12,178	493	6,001	1,765	120	4,421	2,295	1,170	0.17	0.26
MYANMAR	349	581	203	93		192		104	0.54	0.54
PAKISTAN	2,800	819	2,294	382	195	2,163	250	458	0.19	0.21
SRI LANKA				0	2	2		0	0.11	0.11
S. Asia	15,416	554	8,535	2,456	997	7,484	2,561	1,943	0.19	0.26
IRAN	117	504	59	28	67	130		24	0.18	0.18
IRAQ	20	358	7	1	5	13		1	0.09	0.09
ISRAEL	9	1,930	17	1			17	1	0.08	
SYRIA	186	1,140	212	54		135	3	128	0.93	0.95
TURKEY***	542	1,384	750	275	519	1,250	7	287	0.23	0.23
Sub total	912	1,162	1,060	366	602	1,552	27	448	0.50	0.29
WORLD TOTAL	35,977	758	27,282	9,380	9,603	22,779	9,716	13,782	0.61	0.61

*/ Ending stocks divided by consumption plus exports.

Subtotals and total include countries not shown.

**/ Ending stocks divided by consumption.

***/ Turkey's production and consumption estimates are currently under review within the Secretariat.



2012/13 SUPPLY AND USE OF COTTON BY COUNTRY

October 1, 2012

	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	0.26	0.26
CUBA	4	269	1	1	2	3		1	0.19	0.19
DOM. REP.					1	1			0.47	0.47
MEXICO	153	1,323	202	136	219	351	63	142	0.34	0.41
USA	4,226	878	3,725	729	1	740	2,504	1,211	0.37	1.64
N. America	4,388	895	3,929	867	224	1,098	2,567	1,355	0.37	1.23
EL SALVADOR				5	22	22		5	0.22	0.22
GUATEMALA				4	21	21		4	0.21	0.21
HONDURAS	0	316	0	0				0		
C. America	2	510	1	9	42	43	0	9	0.21	0.21
ARGENTINA	350	470	164	279	8	135	52	265	1.41	1.96
BOLIVIA	5	536	3	1	1	3		1	0.21	0.21
BRAZIL	1,045	1,426	1,490	1,359	17	897	666	1,303	0.83	1.45
CHILE				0	1	1		0	0.18	0.18
COLOMBIA	33	788	26	24	46	72	0	24	0.34	0.34
ECUADOR	1	440	1	3	14	14		3	0.18	0.18
PARAGUAY	50	370	19	9		8	13	7	0.33	0.87
PERU	50	816	40	26	53	92	2	26	0.28	0.29
URUGUAY				0	0	0		0	0.26	0.26
VENEZUELA	15	368	6	1	2	8		1	0.17	0.17
S. America	1,549	1,129	1,749	1,702	143	1,230	734	1,630	0.83	1.32
ALGERIA				1	4	4		1	0.20	0.20
EGYPT	143	812	116	58	86	115	76	69	0.36	0.60
MOROCCO				8	36	36		8	0.22	0.22
SUDAN	100	399	40	49		2	27	60	2.08	27.35
TUNISIA				3	13	13		3	0.21	0.21
N. Africa	243	642	156	119	139	170	103	141	0.52	0.83
BENIN	250	360	90	27		4	75	38	0.48	9.49
BURKINA FASO	600	350	210	67		4	185	88	0.47	22.09
CAMEROON	200	464	93	24		2	72	43	0.58	22.55
CENT. AFR. REP.	38	237	9	4			9	4	0.40	
CHAD	270	175	47	21		1	38	29	0.76	58.57
COTE D'IVOIRE	274	396	108	32		2	99	40	0.40	20.08
GUINEA	14	289	4	2			4	2	0.40	
MADAGASCAR				3				3		
MALI	546	380	207	70		3	181	93	0.51	31.12
NIGER	5	448	2	0		1			0.11	0.25
SENEGAL	35	375	13	3		1	12	4	0.28	4.49
TOGO	110	336	37	3			36	5	0.13	
F. Africa	2,340	351	821	256		17	711	349	0.48	20.36
ANGOLA	3	302	1	0		1		0	0.23	0.34
ETHIOPIA	80	241	19	22	1	21	3	17	0.70	0.81
GHANA	18	364	7	3	1	1	5	4	0.59	2.97
KENYA	39	170	7	2	2	9		2	0.21	0.21
MALAWI	180	202	36	25		3	36	23	0.59	7.59
MOZAMBIQUE	170	173	29	23			31	21	0.68	
NIGERIA	315	182	57	29	1	19	38	30	0.52	1.56
SOUTH AFRICA	11	960	10	7	27	18	20	7	0.18	0.38
TANZANIA	400	242	97	112		29	88	93	0.80	3.20
UGANDA	70	270	19	21		1	27	12	0.41	10.06
CONGO, DR				2	8	8		2	0.27	0.27
ZAMBIA	307	200	61	89			87	63	0.73	
ZIMBABWE	405	278	112	92		5	118	81	0.65	16.15
S. Africa	2,020	228	461	431	62	140	455	359	0.60	2.56
KAZAKHSTAN	133	574	76	13	1	15	60	15	0.20	1.01
KYRGYZSTAN	19	758	14	3	3	2	15	3	0.17	1.46
TAJIKISTAN	196	550	108	37		7	99	39	0.37	5.82
TURKMENISTAN	550	618	340	287		138	169	321	1.05	2.33
UZBEKISTAN	1,285	700	900	383	1	281	568	435	0.51	1.55
C. Asia	2,183	659	1,439	722	5	442	911	813	0.60	1.84



2012/13 SUPPLY & USE OF COTTON BY COUNTRY (cont'd) October 1, 2012

	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	4	4		1	0.21	0.21
AZERBAIJAN	33	450	15	14		10	7	12	0.67	1.16
BELARUS				4	11	11		4	0.34	0.34
BELGIUM				1	14	4	10	1	0.10	0.33
BULGARIA	1	321	0	1	2	2		0	0.24	0.24
CZECH REP.				1	6	6	0	1	0.21	0.22
DENMARK										
ESTONIA										
FINLAND										
FRANCE				3	17	15	3	3	0.15	0.17
GERMANY				7	39	33	6	7	0.17	0.21
GREECE	270	930	251	75	2	21	205	102	0.45	4.79
HUNGARY				0	1	1		0	0.15	0.15
IRELAND				0	0	0		0	0.21	0.21
ITALY				10	50	47	4	10	0.20	0.22
LATVIA				0	0	0		0	0.32	0.32
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	2	2		0	0.08	0.08
PORTUGAL				5	22	22		5	0.23	0.23
ROMANIA				0	1	1		0	0.13	0.13
RUSSIA	1	519	1	23	98	97		25	0.25	0.25
SLOVAK REP.										
SPAIN	67	800	54	10	4	6	50	12	0.22	2.12
SWEDEN				0	0	0		0	0.25	0.25
SWITZERLAND				1	4	4	0	1	0.23	0.23
UKRAINE				1	4	4		1	0.22	0.22
UNITED KINGDOM				0	0	0		0	0.23	0.23
FORMER YUGOSLAVIA				1	6	6		1	0.22	0.22
Europe	372	861	321	161	300	307	286	189	0.23	0.61
Including EU-27	338	903	305	116	173	171	279	144	0.32	0.84
CHINA	4,975	1,379	6,860	6,188	2,535	8,635	5	6,943	0.80	0.80
TAIWAN				46	178	176		49	0.28	0.28
HONG KONG				9	40	11	29	9	0.22	0.79
Sub total	4,975	1,379	6,860	6,243	2,753	8,822	34	7,001	0.79	0.79
AUSTRALIA	515	1,924	991	496	0	8	818	661	0.80	83.04
INDONESIA	9	714	6	117	475	471	4	124	0.26	0.26
JAPAN				17	56	57		16	0.28	0.28
KOREA, D.R.				1	5	5		1	0.24	0.24
KOREA, REP.				51	249	247		53	0.21	0.21
MALAYSIA				29	200	35	170	24	0.12	0.69
PHILIPPINES	0	566	0	1	7	7		1	0.21	0.21
SINGAPORE				2	1		1	1	0.80	
THAILAND	2	516	1	83	359	360		83	0.23	0.23
VIETNAM	11	463	5	83	416	412		91	0.22	0.22
E. Asia	557	1,816	1,011	883	1,768	1,609	994	1,059	0.41	0.66
AFGHANISTAN	50	410	20	20		4	18	18	0.80	4.34
BANGLADESH	36	402	14	188	789	749		243	0.32	0.32
INDIA	11,540	472	5,447	1,170	120	4,775	618	1,344	0.25	0.28
MYANMAR	349	584	204	104		192		117	0.61	0.61
PAKISTAN	2,900	740	2,146	458	381	2,336	120	529	0.22	0.23
SRI LANKA				0	2	2		0	0.11	0.11
S. Asia	14,878	527	7,834	1,943	1,292	8,060	756	2,252	0.26	0.28
IRAN	110	509	56	24	74	130		24	0.18	0.18
IRAQ	20	360	7	1	5	13		1	0.09	0.09
ISRAEL	8	1,786	15	1			15	1	0.09	
SYRIA	171	1,100	188	128		125	10	181	1.34	1.45
TURKEY***	407	1,550	630	287	765	1,325	7	350	0.26	0.26
Sub total	755	1,208	911	448	855	1,617	33	564	0.68	0.35
WORLD TOTAL	34,242	744	25,484	13,782	7,584	23,548	7,584	15,718	0.67	0.67

*/ Ending stocks divided by consumption plus exports.

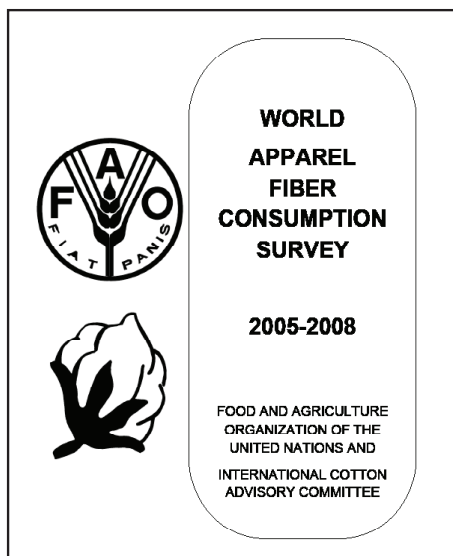
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