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COTTON : Review of the World Situation

International Cotton Advisory Committee

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SUMMARY OF THE OUTLOOK FOR COTTON

Fifth Season of Cotton Production Surplus

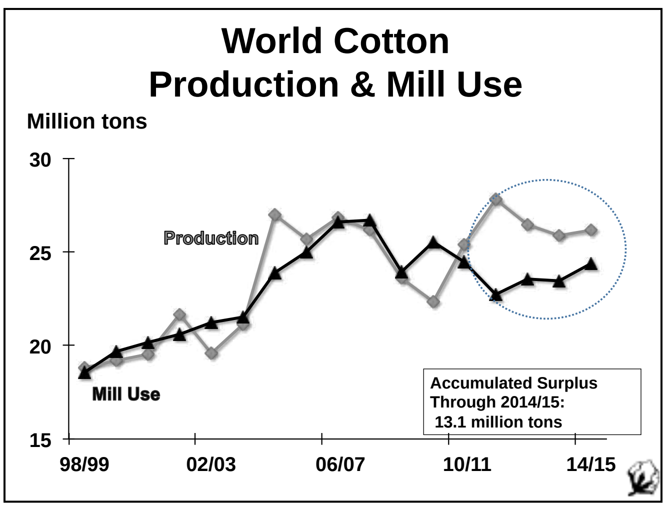
In 2014/15, the world cotton industry is expected to enter its fifth consecutive season in which production exceeds consumption. World production is forecast to increase by 300,000 tons to 26.2 million tons while consumption will grow by 4% to 24.4 million tons, resulting in a surplus of 1.8 million tons. Since 2010/11, world production will have exceeded consumption by a cumulative 11.4 million tons and by the end of 2014/15, would reach over 13.1 million tons, which would be 54% of the projected world consumption in 2014/15. Much of the surplus is held by the Chinese government, but this season, more of the surplus will shift to the private sector in China and other producing countries.

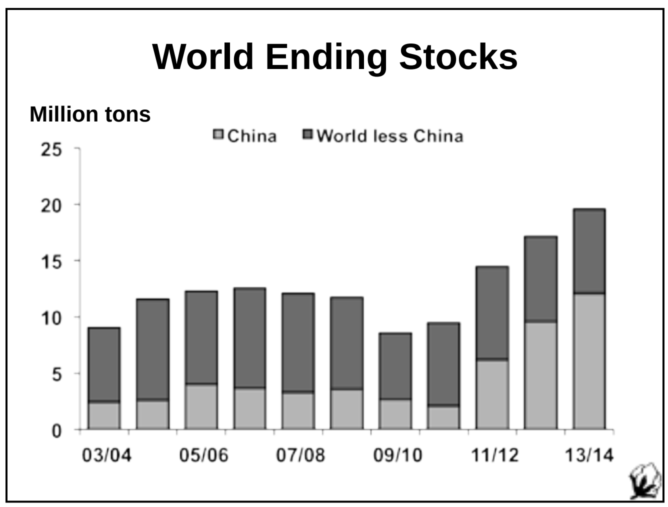
World cotton production in 2013/14 is estimated at 26.2 million tons, of which 52% was produced in China and India. In 2014/15, China and India will vie for the title of largest producer of cotton, as the full impact of this year's monsoon on India's yields is unknown. In 2013/14, the extended monsoon season in India increased the national average yield to 570 kilograms per hectare resulting in a record production of 6.63 million tons. Due to the late arrival of the monsoon this season, the planting season was extended and area in India is estimated at 12.3 million hectares, up by 5% from 2013/14. Assuming a yield based on the 3-year average of 536 kilograms per hectare, India's production will decline by 1% to 6.56 million tons. In response to the ending of government support outside Xinjiang, China decreased area by 8% to 4.2 million hectares. China's production in 2014/15 will decline to 6.4 million tons, assuming an average yield of 1,500 kilograms of lint per hectare. After several years of drought in the United States, much needed rain arrived this summer, which should reduce the abandonment rate and improve yields. Production in the United States is forecast to reach 3.7 million tons with an average yield of 933 kilograms per hectare.

As with production, China and India accounted for more than half of world cotton consumption in 2013/14, estimated at 23.5 million tons. While world consumption in 2013/14 experienced no growth from 2012/13, it is predicted to expand by 4% in 2014/15. Consumption in China could rise to 7.9 million tons in 2014/15, up from 7.5 million tons in 2013/14 given the fall in both international and domestic prices as well as improved demand overseas for downstream goods. India's demand is projected to gain 5% and reach 5.3 million tons in 2014/15, which is the third season of demand growth. Pakistan, the third largest consumer of cotton in 2013/14, is forecast to increase consumption by 1.5% to 2.3 million tons in 2014/15.

World trade is projected to decline by 1 million tons to 8 million tons in 2014/15, which is largely accounted for by a 30% decrease in Chinese imports to 2 million tons. Bangladesh and Vietnam's imports are forecast to increase by 2% to 1 million tons and 730,000 tons, respectively. With bumper crops anticipated in the United States and India, these two countries will remain the largest exporters in 2014/15. Exports from the United States may grow by 7% to 2.4 million tons, while India's exports will fall by 45% to 1.1 million tons.

World ending stocks are projected to increase for the fifth season, amounting to 21.4 million tons at the end of 2014/15. Ending stocks outside China are forecast to reach 8.8 million





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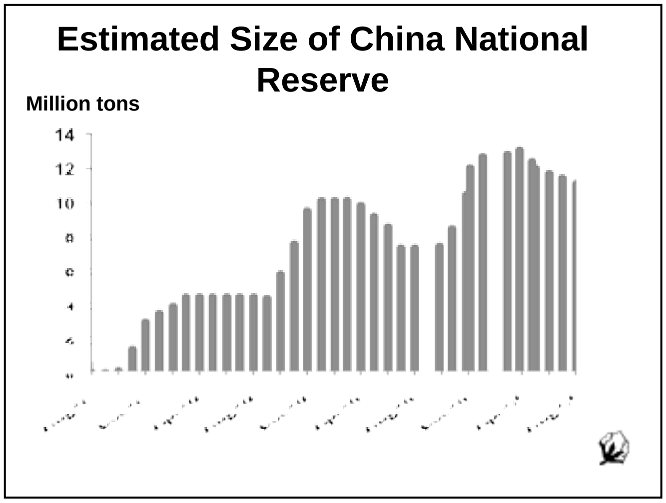
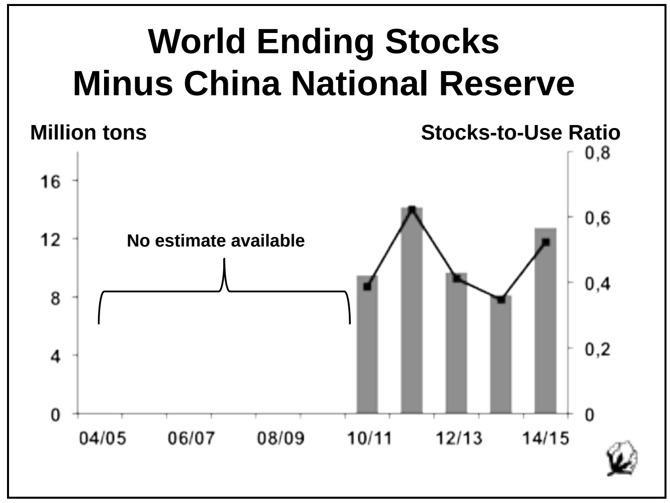




tons, increasing by 17% from 7.5 million tons in 2013/14. This expansion in world ending stocks outside China will put negative pressure on prices this season as China continues to liquidate its significant stocks. Sales from the Chinese reserve reached 2.3 million tons in 2013/14. During August, the Chinese government sold an additional 300,000 tons, decreasing the estimated quantity of cotton stocks held by the Chinese government to around 11 million tons. The Secretariat expects that over the next few years, the Chinese government will maintain sales from the reserve at a pace of 2-3 million tons a year. Reserve auction sales are not likely to start again until late this year or early next year so as not to compete directly with the new crop. Additionally, as reported by cncotton.com, the chinese government announced this summer that it would be collecting seed cotton price information from September through November 2014.

COTTON PRICE TRENDS IN 2013/14

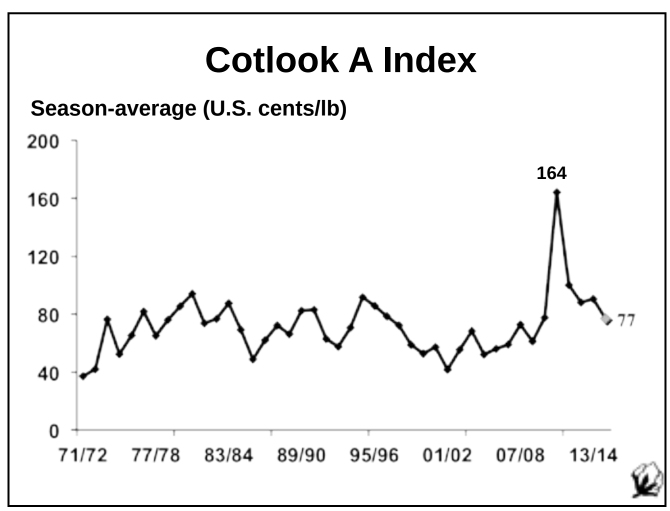
By Rebecca Pandolph, ICAC

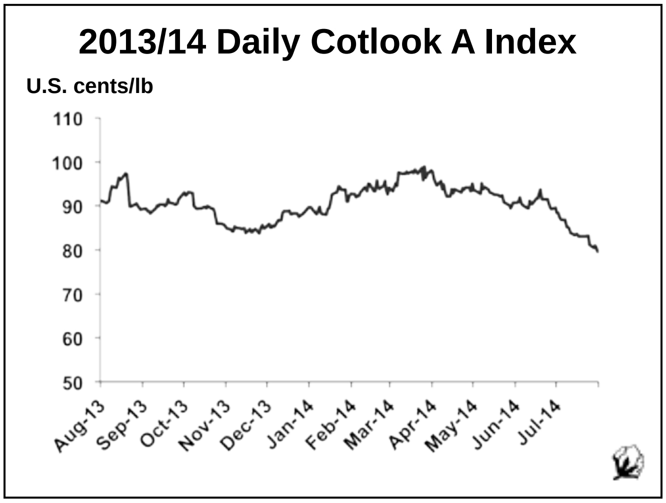
International Cotton Prices Decrease, Lower Price Volatility

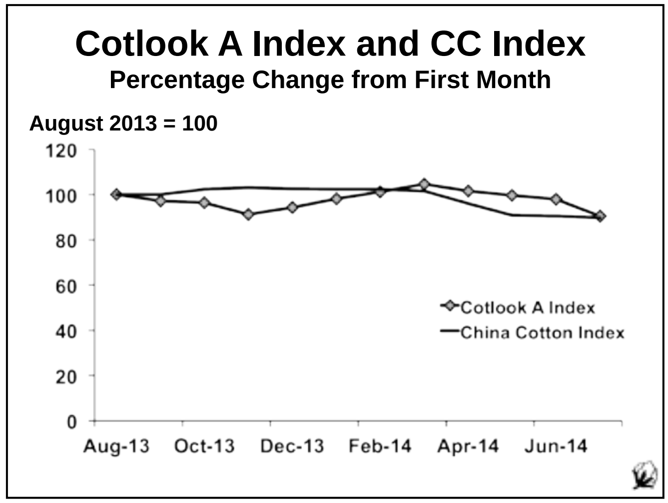
International cotton prices rose moderately in 2013/14. The Cotlook A Index (from now on referred to as the “A Index”) averaged 91 cents per pound, 3% higher than in 2012/13.

For four consecutive seasons, world cotton production has exceeded consumption. The 2013/14 season began with a record stock of 17 million tons of cotton. However, beginning stocks outside of China fell 9% from 8.3 million tons in 2012/13 to 7.5 million tons in 2013/14. This decrease in stocks outside China reversed the downward trend of the A Index observed in the last two seasons. The A Index entered the season at 91.10 cents per pound on August 1, 2013, up nearly 10 cents from last season. It then decreased to an average of 84.65 cents per pound in November 2013 before slowly climbing up to a high of 98.90 cents per pound on March 26, 2014. For the rest of the season the A Index declined steadily, averaging 94.20 cents per pound in April, 92.41 cents per pound in May, 90.91 cents per pound in June and 83.86 cents per pound in July 2014. On July 31, 2014, the A Index was at its lowest point of the season at 79.60 cents per pound, and world ending stocks were at a record 20 million tons, or 80% of world consumption in 2013/14.

The trend in international cotton prices during 2013/14 was driven by global cotton stocks and China’s changing cotton policy. In 2013/14, world production exceeded world consumption by 2.4 million tons resulting in a cumulative surplus of 11.4 million tons since 2010/11. The estimated 83% stocks-to-use ratio is not indicative of the supply available to the market because 2013/14 global ending stocks were split







between China and the rest of the world at a ratio of 60:40. China's stocks-to-use ratio was above 100% in 2013/14 while the stocks-to-use ratio was only 30% for the rest of the world, which is slightly below the 20-year average. However, the ending of the reserve procurement policy means that the significant stockpile held in China may move into the world market and that China's imports of cotton are likely to fall in 2014/15, which contributed to the decline in prices at the end of the season.

Trends in Domestic Cotton Prices

At the beginning of 2013/14, the decrease in beginning stocks buoyed both international and domestic cotton prices. Domestic cotton price trends generally mimic international cotton price trends unless a trading country is insulated from the rest of the world due to government intervention. Intervention measures include import or export restrictions, domestic price support, and systems with fixed farmers' prices as observed in China and countries in Francophone Africa.

In the United States, the U.S. spot price followed the movement of the A Index closely between August 2013 and May 2014, falling from around 90 cents per pound for the first three months to an average of 84.65 cents per pound in November 2013 before slowly rising to 96.95 cents per pound in March 2014. In April 2014, the U.S. spot price began another downward trend similar to the monthly A index average, but fell more quickly in the last two months of the seasons than the A index. Price data for other countries also showed similar price movements during this period, such as Brazil where the monthly average spot price declined from around 2.13 Brazilian Real (R$) per pound in the first months to R$1.90 per pound in June and then to R$1.81 per pound in July 2014.

Farmer's seedcotton prices in the cotton producing countries of Francophone Africa are fixed at the beginning of the season by the cotton companies and the organizations representing farmers, for example the Union Nationale des Producteurs de Coton du Burkina (UNPCB) in Burkina Faso. At the end of the season, depending on the prices actually received by cotton companies and the trend in international prices, farmers sometimes obtain a premium over the initial price. The non-weighted average seedcotton price paid to farmers across Francophone Africa was around 247 CFA francs/kg in 2013/14,[1] including any bonuses from Burkina Faso and Côte d'Ivoire. This was 1% lower than in 2012/13. The prices in Burkina Faso (with the bonus included), Cameroon, Chad, and Togo are unchanged from last season. Benin increased its price by 5 CFA francs/kg, and the price in Côte d'Ivoire is 2 CFA francs/kg higher than in 2012/13 with the bonus included. Prices decreased in only two countries: Mali by 5 CFA francs/ kg and Senegal by 15 CFA francs/kg.

In 2012/13 and 2013/14, the Chinese government purchased a significant volume of cotton (around 14 million tons) with the objective of keeping Chinese domestic prices around or above the support price. As a result, Chinese domestic cotton prices have been fairly stable, but much higher than international cotton prices. However, at the end of January 2014, China announced it was ending its reserve policy and implementing a trial target price subsidy in its largest cotton producing region, Xinjiang. From August 2013 through February 2014, cotton prices in China, as represented by the China Cotton Index[2] (CC Index), averaged 19,416 yuan per ton, or 143.7

1) Non-weighted average calculated based on guaranteed procurement price data from Benin (265 CFAF/kg), Burkina Faso (235 CFAF/kg and a bonus of 10 CFAF/kg), Cameroon (265 CFAF/kg), Chad (215 CFAF/kg), Cote d'Ivoire (263 CFAF/kg and a 4.5 CFAF/kg bonus), Mali (250 CFAF/kg), Senegal (240 CFAF/kg), and Togo (230 CFAF/kg).
2) The China Cotton Index represents the price level of Type 3128B under the new cotton national standard GB1103-2012 since September 1, 2013. Type 3128B represents white cotton grade 3, length of 28mm, and micronaire B. More information is available at: http://www.chinacotton.org/english/enewsshow.php?articleid=1155. The CC Index includes the local transportation cost (delivered mill price).

U.S. cents per pound, ranging between 140.9 cents per pound and 146.6 cents per pound. In early April 2014, China lowered the starting reserve auction price and the reserve transaction price was included into the CCI Index. Since then, Chinese domestic prices steadily declined from 19,454 yuan per ton in February 2014 to 17,155 yuan per ton (126.3 cents per pound) in the last week of the season. Chinese domestic prices are expected to fall further in 2014/15 as the effects from the change in China's cotton policy unfold.

The difference between the A Index (Far East) and the CC Index averaged 50 cents per pound in 2013/14, remaining the same as in 2012/13. Even with import duties, the price spread suggests that prices of imported cotton were more attractive than prices of Chinese cotton. This partially explains why China imported a relatively large volume of cotton in 2012/13 and 2013/14 despite the significant size of their cotton reserves.

Cotton More Attractive than Competing Crops This Season

Farmers' crop choices depend on several factors, including expected net revenues from alternative crops. Major crops that compete with cotton in the short term include maize, wheat, soybeans, rice and sugarcane.

Season-average prices for all competing crops declined in 2013/14 with the largest declines in average prices occurring for maize and rice[3]. After an increase in prices in 2012/13, prices for maize fell by 32%, soybeans by 22% and wheat by 8%. Given the rise in cotton prices, the price ratios of cotton to maize, soybeans and wheat rebounded in 2013/14 after two seasons of decline.

Prices of rice and sugar continued to decrease in 2013/14 with decrease in their average prices from 2012/13 of 22% for rice and 7% for sugar. As a result, the relative attractiveness of rice and sugar vs. cotton decreased modestly in 2013/14 compared to the previous season.

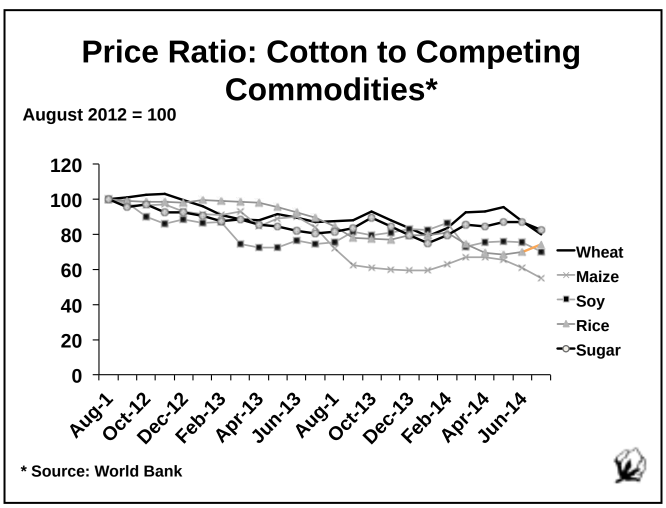
Spinning Margin Declined in 2013/14

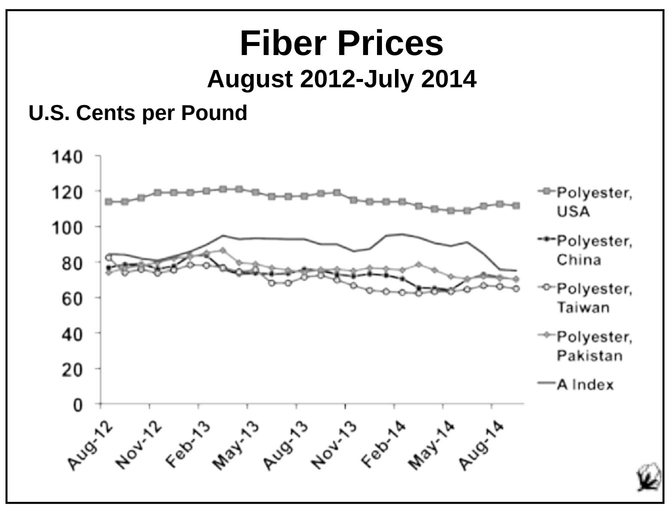
The Cotlook Yarn Index is an indicator of export prices of 20s and 30s count cotton yarns from India, Pakistan, Indonesia, China and Turkey. In 2013/14, the Yarn Index and cotton prices adhered to a similar downward trend followed by a small increase in the spring of 2014 before falling further in the last two months of the season. Altogether, the relative fluctuations in the prices of yarn and cotton, as measured by the published indexes, suggest that the spinning margin decreased in 2013/14 compared to the previous season.

Cotton Price Uncompetitive vis-à-vis Polyester for Much of the Season

On the demand side, polyester fiber is the main competitor for cotton lint. Cotton's share of the textile fiber market (end-use) declined from about 68% in 1960 to about 28% in 2013. Cotton's share is expected to continue to decline in 2014. Since 2006, the share of cotton in textile fiber end-use has decreased every year.

Polyester prices declined during 2013/14 and remained more competitive than cotton prices. The China polyester quote published by Cotlook decreased from 76 cents per pound in August 2013 to 73 cents per pound in July 2014 (-4%). The U.S. polyester quote declined from 117 cents per pound





3) Season-average prices for commodities are estimated by averaging monthly quotes published by The World Bank in the "Pink Sheet" up to July 2014 (Soybeans (US), c.i.f. Rotterdam; Maize (US), no. 2, yellow, f.o.b. US Gulf ports; Wheat (US), no. 1, hard red winter, ordinary protein, export price delivered at the US Gulf port for prompt or 30 days shipment; Rice (Thailand), 5% broken, white rice (WR), milled, indicative price based on weekly surveys of export transactions, government standard, f.o.b. Bangkok; Sugar (world), International Sugar Agreement (ISA) daily price, raw, f.o.b. and stowed at greater Caribbean ports.

in August 2013 to 109 cents per pound in June 2014 before rebounding to 113 cents per pound in July 2014. The Taiwan polyester quotes followed a similar trend to U.S. polyester prices, falling from 71 cents per pound in August 2013 to 63 cents per pound through most of the first half of 2014 until bouncing up to 67 cents per pound July 2014. The Pakistan polyester quote decreased from 74 cents per pound to 72 cents per pound over the same period (-3%). For the first four and half months of the season, the spread between the A Index and the average international price of price of polyester (calculated using each country's share in chemical fiber yarn production as weights) hovered around 13 cents per pound before rising to around 26 cents per pound in the spring of 2014 when polyester prices fell while cotton prices rose. However, in the last two months of 2013/14 cotton prices declined greatly while polyester prices remained firm, narrowing the spread between the A Index and the international polyester price to around 9 cents per pound in the last month of the season.

REVIEW OF 2013/14

By Rebecca Pandolph, ICAC

Summary

The 2013/14 season began with global cotton stocks estimated at a record 17.1 million tons, up 18% from 2012/13. The season-average Cotlook A Index increased 3% to 91 cents per pound in 2013/14, rebounding from the fall in prices observed in in the last two season. Poor returns in 2012/13 and higher prices for competing crops at planting time in the Northern Hemisphere, where 90% of cotton is produced, drove cotton farmers to plant less cotton in 2013/14. Consequently, cotton area receded 4% to 32.7 million hectares, and production fell by just 2% to 25.9 million tons in 2013/14 due to a 1% improvement in the world average yield to 792 kg/ha. After a season of 4% growth in 2012/13, demand for cotton by spinners was unchanged at 23.5 million tons in 2013/14, which is the second smallest in ten years. Despite the decrease in production, world ending stocks jumped 14% to 19.6 million tons, setting a new record. The global stocks-to-use ratio rose from 73% in 2012/13 to 83%, the highest level since World War II. World cotton trade contracted by 10% to 9 million tons as Chinese imports dropped by 31% from 4.4 million tons in 2012/13 to 3.1 million tons in 2013/14. Shipments to the rest of the world increased 9% from 5.4 million to 5.9 million tons.

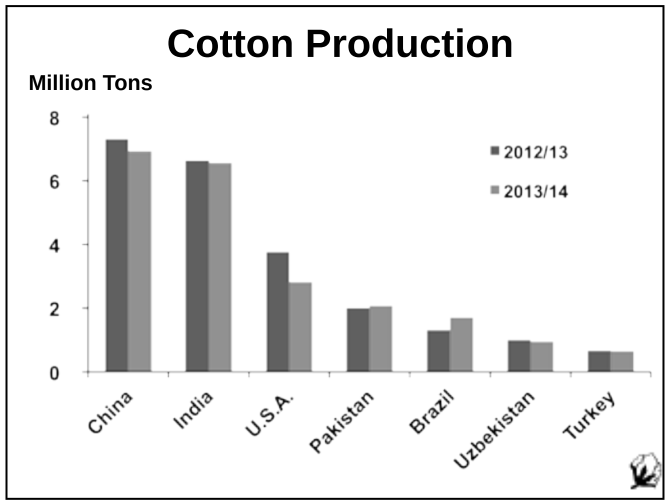
Introduction

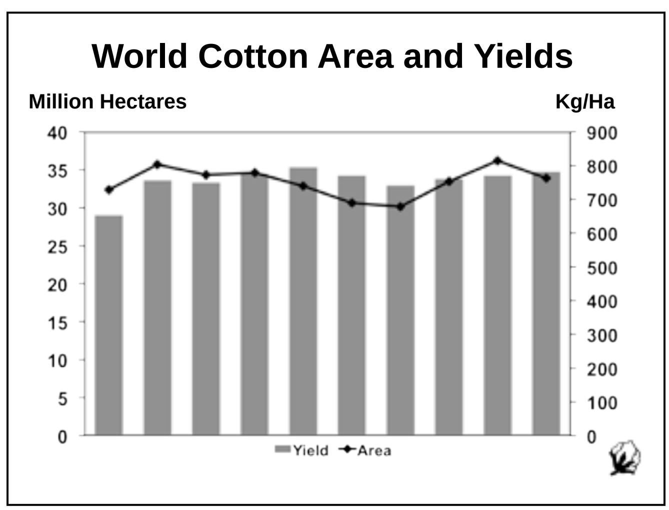
World cotton production fell 2% to 25.9 million tons in 2013/14 after reaching a record of 27.8 million tons in 2011/12, slightly above the previous record set in 2004/05. The decrease in production was driven by reduced plantings, in reaction to lower prices received by cotton farmers in 2012/13. World cotton area shrank 4% to 32.7 million hectares in 2013/14.

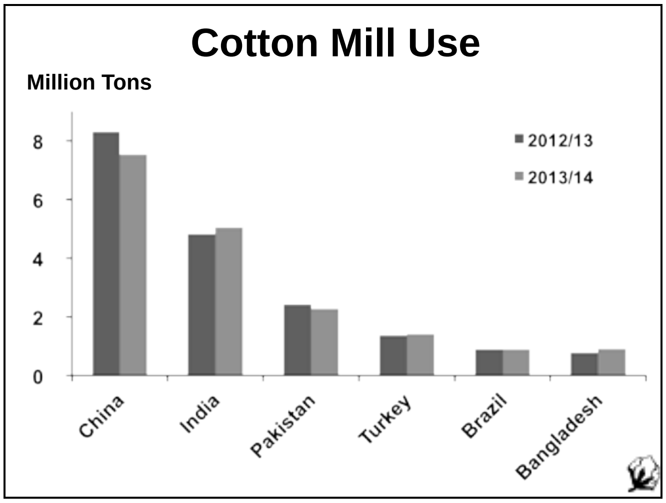
Figure 5. World Cotton Production

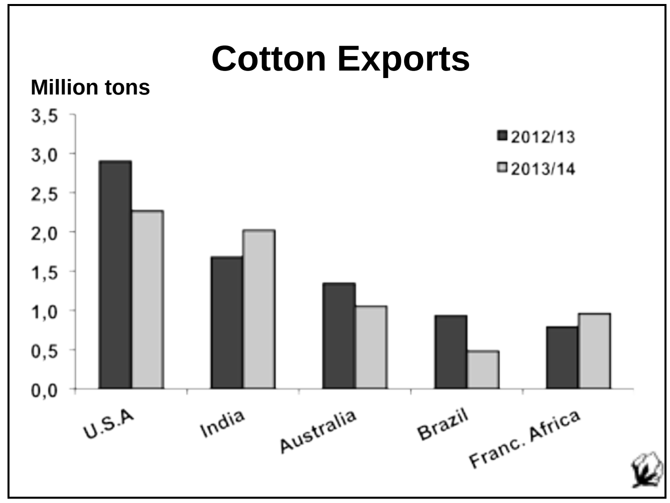
The average yield improved by 1% to 792 kg/ha in 2013/14. Cotton yields increased in three of the five largest producing countries, **Brazil**, China and **India** by 4%, 3%, and 9% respectively, while yields declined 4% in **Pakistan** and 7% in the **U.S.A**.

The global production decrease in 2013/14 was driven mainly by China, where the crop dropped to 6.9 million tons from 7.3 million tons the previous year. The **U.S.A** also experienced a tremendous decline in production to 2.8 million tons, 25% less than in the previous year. Production in **Australia, Turkey** and **Uzbekistan** dropped 105,000 tons, 60,000 tons and 20,000 tons respectively for a second season. In contrast, production in **Brazil** rose by 30% to 1.7 million tons, in **India** by 9% to 6.6 million tons and in **Pakistan** by 4% to 2.1 million









tons. Production in Francophone Africa was little changed in 2013/14, reaching 934,000 tons.

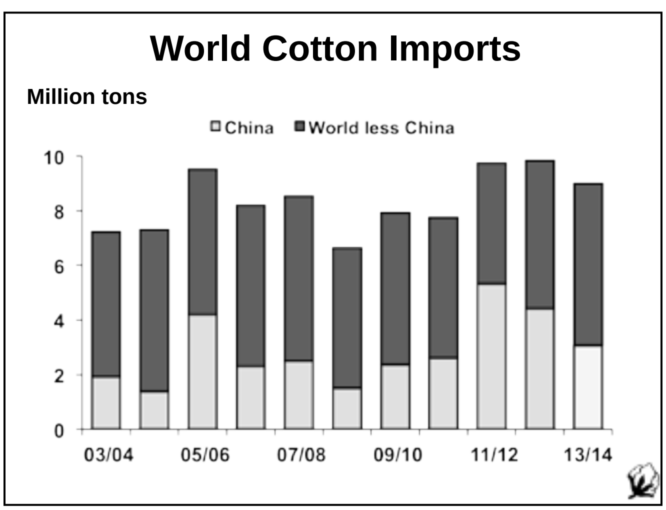
World cotton consumption remained stable in 2013/14 at 23.5 million tons. Higher cotton prices for most of the season offset the 3% gain in the global GDP. All but three of the ten largest consuming countries expanded mill use in 2013/14. Consumption in China, the world's largest consuming country, contracted 9% to 7.5 million tons and in **Pakistan** by 6% to 2.3 million tons. **Brazil**'s consumption remained stable at 889,000 tons. Notably, **India**, **Turkey** and Bangladesh saw consumption grow to 5 million tons, 1.4 million tons, and 900,000 tons, respectively. In 2013, the share of cotton in global textile fiber end-use fell to 28%, continuing its downward trend for the fifth year.

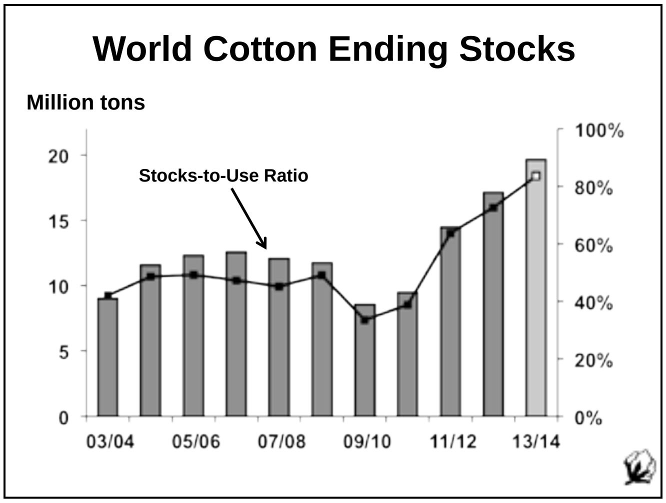
In 2013/14, the volume of cotton traded internationally contracted by 10% to 9 million tons, though still above the 10-year average of 8.1 million tons per season. The high trade volume was sustained by a total shipment of 3.1 million tons of cotton to China. Shipments to other countries (world less China) increased by 9% to 5.9 million tons for the second season, further reducing China's share of imports from its record of 55% in 2011/12. Exports from the **U.S.A** fell 22% to 2.3 million tons, accounting for 30% of world cotton exports in 2013/14. Exports from **Australia** and **Brazil** dropped 21% to 1.1 million tons and 48% to 485,000 tons respectively. **India**, on the other hand, saw exports rise 20% to 2 million tons.

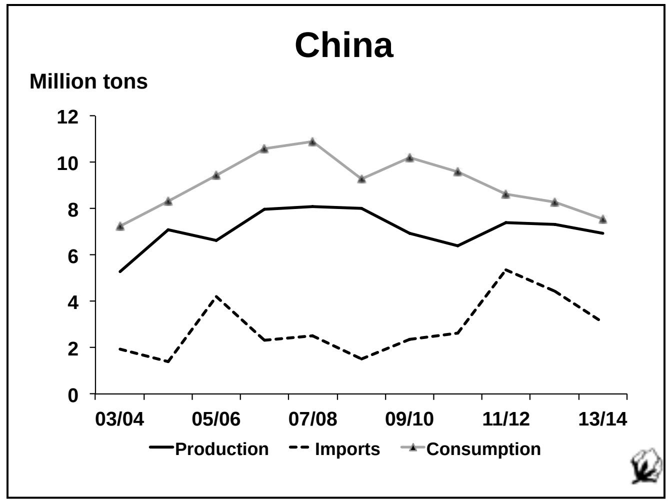
In 2013/14, global cotton production exceeded consumption by 2.4 million tons. Following three consecutive seasons of surplus, global cotton stocks jumped 14% to 19.6 million tons, surpassing the previous record. The gain in world stocks is accounted for by China. At a record of 12.1 million tons in 2013/14, China's ending cotton stocks rose 26% while stocks in the rest of the world decreased by 1% to 7.5 million tons.

The global stocks-to-use ratio jumped to a new record of 83% in 2013/14, the highest level since World War II. In China, the stocks-to-use ratio jumped from 116% to 160%, its highest level on record. Outside China, the stocks-to-use ratio remained unchanged from 2012/13 at 30%.

The season-average Cotlook A Index increased 3% to $0.91/lb in 2013/14. Despite the decrease in world production in 2013/14, the value of world cotton production remained at $51 billion due to higher international cotton prices in 2013/14.







Last Season of Stockpiling by the National Cotton Reserve in China

In 2013/14, China was the world's largest producer, consumer, and importer of cotton, accounting for 27% of world production, 32% of the world's consumption, and 35% of world imports. Chinese cotton area declined from 6.3 million hectares in 2007/08 for three consecutive seasons to 5.2 million hectares in 2010/11 due to lower revenues received by farmers and the increased attractiveness of competing crops. The sharp rise in seedcotton prices in 2010/11 reversed the downward trend, and cotton plantings in China rose by 7% to 5.5 million hectares in 2011/12, but then cut 10% to 5 million hectares in 2012/13. In 2013/14, area decreased further to 4.6 million hectares. Despite the official announcement of unlimited reserve procurement at 19,800 RMB/ton ($1.50/lb) in 2011/12 and at 20,400 RMB/ ton ($1.47/lb) in 2012/13 and 2013/14, production shrank as grains became more profitable and production costs rose (labor in particular as farmworkers are migrating to cities searching for urban employment).

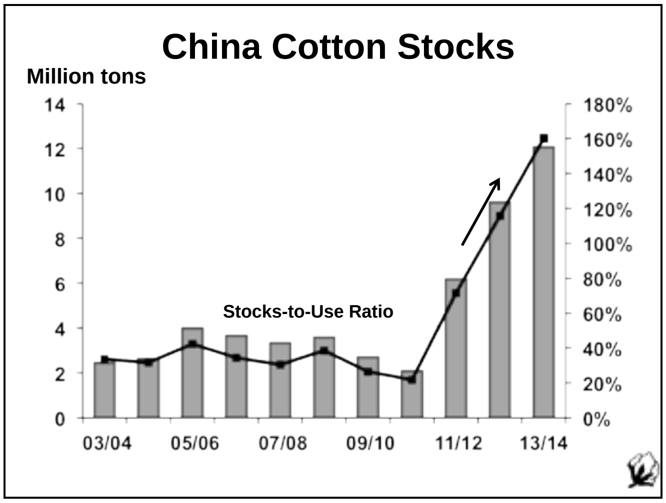
In 2013/14, weather varied across the many cotton regions in China, but was generally favorable during the growing season. The average yield increased by 3% to 1,506 kg/ha. Production fell 5% from 7.3 million tons in 2012/13 to 6.9 million tons in 2013/14. All of the five largest producing provinces saw losses in production in 2013/14, though in Xinjiang, the largest producing province in China, production declined by only 1% to 3.5 million tons.

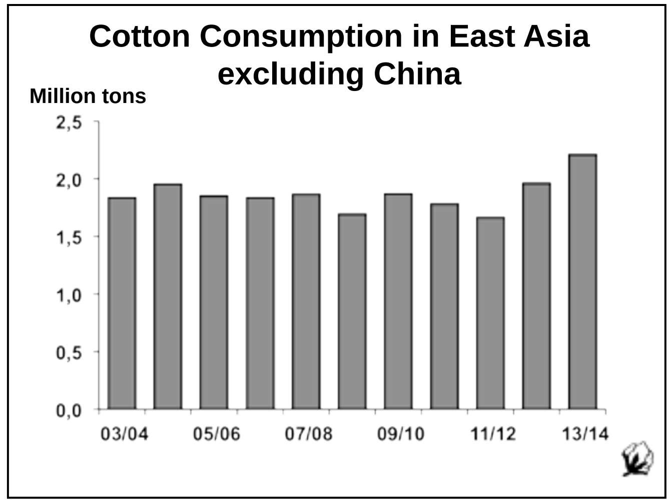
Between September 2013 and March 2014, the China National Cotton Reserve Corporation bought a total of 6.3 million tons of cotton, or 91% of the 2013/14 Chinese cotton crop, and 41% of the purchases came from Xinjiang. The China Cotton Index averaged 19,424 yuan/ton ($1.44/lb) for the season through the end of March 2014. Since then, the China Cotton Index steadily declined to 17,139 yuan/ton ($1.26/lb) at the end of 2013/14 due to the end of reserve purchases for the season and the announcement earlier in the year that China was making its cotton policy more market-oriented.

After exceeding 10 million tons in 2006/07, 2007/08, and 2009/10, cotton consumption in China has trended down. Several factors affect the competitiveness of its textile industry, including rising production costs (labor, energy and credit), labor shortages, currency appreciation, and the high price of domestic cotton. In 2012/13, the lackluster economic situation in Europe and in the **U.S.A.** (the two major export destinations for China's textile products) and the continuing uncertainty of the government's domestic cotton policy and financial policy contributed to a reduction in cotton spinning activity in China. As a result, cotton consumption contracted 4% to 8.3 million tons in 2012/13. With higher international and domestic prices in 2013/14, consumption fell a further 9% in 2013/14 to 7.5 million tons. Unlike cotton lint which is subjected to the annual 1% tariff-rate import quota (TRQ) of 894,000 tons, there is neither quota nor tax on imports of cotton yarn. Thus, yarn imports have been on the rise, mostly from other countries in Asia. At the same time, Chinese textile manufacturers are switching to polyester at a rapid pace, further undermining the competitiveness of cotton.

China imported 3.1 million tons of cotton in 2013/14, down from 4.4 million tons in 2012/13. The gap between domestic and world cotton prices stimulated a record import of 5.3 million tons of cotton in 2011/12. The Chinese government continued to stockpile its national cotton reserve with domestic and imported cotton in 2012/13 and 2013/14, maintaining the gap between prices. However, declining mill use in China has led to a reduction in imports.

The **U.S.A.** is the largest cotton exporter to China, and U.S. shipments increased from 50,000 tons in 2001/02 to 1.3 million tons in 2011/12 during which **India** overtook the **U.S.A.**, exporting 1.94 million tons of cotton to that destination. Indian shipments dropped below 1 million ton in 2012/13 while the U.S. shipments were close to the previous season's level. However, with record production in **India** and a 25% reduction in the **U.S.A**, **India** surpassed the **U.S.A.** again with **India** exporting over 1.1 million tons to China and the **U.S.A.**, 575,000 tons. Other major suppliers of Chinese cotton imports





include **Australia**, **Uzbekistan**, and **Brazil**. For the past five seasons, African countries contributed on average 10% of total exports to China. The top three exporting countries were **Burkina Faso**, **Cameroon** and **Mali**.

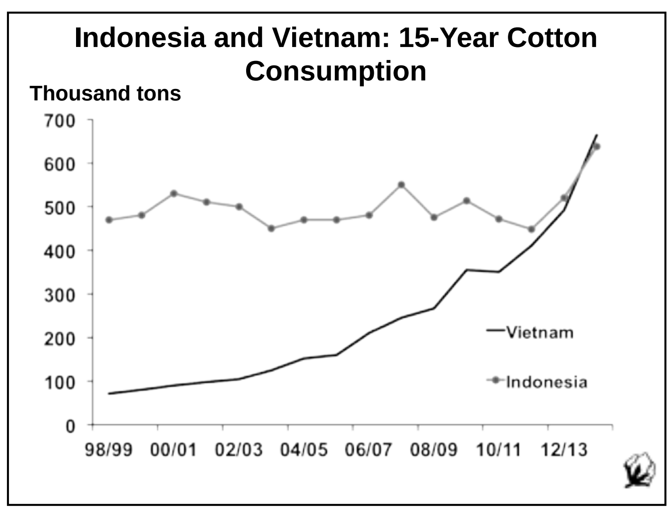
In late January 2014, the Chinese government announced that it would be implementing a target price program for cotton limited only to cotton grown in Xinjiang. At the time of this writing, it has not announced how it will handle the large volume of cotton stocks it holds, except to say that they would not be released unless to calm a rising market in a period of tightened supply. At its peak in March 2014, stocks in the Chinese cotton reserve were estimated to exceed 13 million tons. The government reduced the reserve through auction sales, but only 1.7 million tons were sold between March and the end of July 2014, which is about half the amount sold during the same time period last season. The government held an extended auction through the end of August, but only 330,000 tons were sold. In August 2014, the government cotton reserves stood at just over 11 million tons. At the end of 2013/14, the private sector in China was estimated to hold just under 1 million tons, and China's ending stocks for the season are estimated at 12.1 million tons, up 26% from the preceding seasons and more than sufficient for one year of use. China's stocks-to-use ratio jumped from 116% to 160% by the end of 2013/14 while the stocks-to-use ratio for the rest of the world was 30%, unchanged from 2012/13.

Second Season of Consumption Growth in the Rest of East Asia

East Asia (excluding China) accounted for 8% of world cotton mill use in 2013/14. Cotton consumption in the region has slowly decreased since the end of the 1980s, affected by competition from other countries with lower yarn production costs, though the trend does not apply to Vietnam. After a rebound in 2009/10 to 1.9 million tons, consumption resumed its decline in 2010/11 and 2011/12 when it reached 1.6 million tons. However, mill use grew in 2012/13 by 18% to 2 million tons and in 2013/14, by 13% to 2.2 million tons. The growth in consumption is attributed to significant development in Vietnam and Indonesia, with little change in other countries. East Asian countries produce very little cotton and therefore import most of their requirements. Cotton imports rose from 2.3 million tons in 2012/13 to 2.4 million tons in 2013/14. Cotton production in the region was stable at 13,000 tons.

Cotton mill use in Indonesia slowly declined in the first decade of the 21st century, due to increased competition in both domestic and export markets. The advanced age of machinery and relatively high energy costs continue to lower the competitiveness of Indonesia's textile industry. After a brief recovery in 2009/10, cotton consumption was reduced by 8% to 472,000 tons in 2010/11 and by 5% to 448,000 tons in 2011/12. The trend reversed in 2012/13, when cotton consumption rose 16% to 520,000 tons and in 2013/14, when it grew 23% to 638,000 tons. Cotton imports are estimated at 655,000 tons in 2013/14, down 4% from the previous season. Indonesia was the fifth largest importer of cotton 2013/14. Cotton production is minimal in Indonesia, but has been stable at 6,000 tons in the last few seasons.

Thailand's cotton mill use had contracted since the record of 460,000 tons achieved in 2004/05, due to competition from



other Asian countries. After a brief revival in 2009/10 and a slight decline in 2010/11, cotton consumption dropped by 30% in 2011/12 to 270,000 tons. This was the smallest level of cotton mill use in over two decades. Severe floods in the last quarter of 2011 forced many spinners to temporarily halt their activities. This, combined with the high cotton prices at that time, greatly affected cotton mill use. The situation improved in 2012/13, and cotton consumption rose 33% to 360,000 tons. However, ongoing labor shortages and higher international cotton prices pushed consumption down 2% to 353,000 tons in 2013/14. Thai spinners have increased the share of manmade fibers in their blends, and some are moving their investments to other, more competitive Asian countries. As cotton production has nearly disappeared, averaging around 1,000 tons a season in the last five seasons, Thailand relies on imports. In 2013/14, cotton imports to Thailand reached 352,000 tons.

With the exception of a small drop in 2010/11, cotton consumption in Vietnam has been increasing steadily for the past 20 years from 18,000 tons in 1992/93 to 664,000 tons in 2013/14. Vietnam's accession to the World Trade Organization in 2006 encouraged investments, particularly from **Korea** and **Taiwan**, in the domestic textile industry which drove the escalation in cotton mill use, resulting in double digit growth in most years. In the last few years, the number of spindles has expanded considerably, allowing for a 35% increase in consumption in 2013/14. Cotton production in Vietnam remains small and was estimated at 6,000 tons in 2013/14. Given the production shortfall, Vietnam imports most of the cotton it spins. In 2011/12, imports only rose 8% to 379,000 tons despite the 17% growth in consumption as mills canceled contracts due to difficulty with financing, and instead, stocks were drawn down. Cotton imports rebounded 36% to 517,000 tons in 2012/13 and a further 34% to 691,000 tons in 2013/14. Vietnam became the fourth largest importer of cotton in 2013/14, passing Indonesia, and sourced more than 30% of its imports from the **U.S.A**.

After almost two decades of continuous decline, cotton consumption in **Korea** reversed the trend in 2009/10. Korea's consumption of cotton increased from 220,000 tons in 2009/10 to 272,000 tons in 2012/13. The surviving spinning companies have invested, renovated and reduced costs, which is supporting the increase in cotton consumption. **Korea** has maintained strong knitting and weaving and garment manufacturing industries, and 90% of yarn production is sold domestically for eventual export. With slightly higher international cotton prices in 2013/14, cotton consumption is unchanged from 2012/13 at 272,000 tons. **Korea** imports all the cotton it spins, and in 2013/14, its cotton imports were estimated at 280,000 tons, down 2% from the previous season.

After a recovery in 2009/10 to 220,000 tons, cotton mill use in **Taiwan** contracted in the following two seasons, but grew 10% to 204,000 tons in 2012/13. However, as **Taiwan** must import all cotton for its spinning industry, mill use declined 5% in 2013/14 to 193,000 tons due to higher international cotton prices. Like some other countries in the region, cotton consumption has gradually decreased since the mid to late 1980s. Imports of cotton increased 17% to 205,000 tons in 2012/13 as spinning mills took advantage of the fall in cotton prices, but fell 9% to 186,000 tons in 2013/14. Since 2004, the number of spindles in **Taiwan** has shrunk from 4.5 million to 1.5 million in 2011. During the past decade, **Taiwan** gradually upgraded its spinning equipment and improved its operating efficiency, while relocating older spindles to mills in other Asian countries to take advantage of lower production costs. Increasing emphasis is being placed on the production of value-added functional and eco-textiles. The textile industry of **Taiwan** is heavily export-oriented.

Since the late 1980s, when it reached a peak of 760,000 tons, cotton mill use in Japan has declined almost without interruption. Cotton consumption in Japan dropped 24% to 95,000 tons in 2008/09 as the world economic recession hit, and slid to 63,000 tons by 2011/12. Consumption in 2012/13 remained stable, but in 2013/14, fell 5% to 60,000 tons, which is the smallest volume since the 1940s. Imports of cotton, after increasing in 2010/11 to 82,000 tons as mills rebuilt their stocks that were depleted in 2009, fell to 65,000 tons in 2011/12. Imports then increased 6% to 69,000 tons to take advantage of slightly lower international prices before falling again in 2013/14 by 12% to 61,000 tons. The gradual long-term reduction in manufacturing of cotton products in Japan is due mainly to a larger volume of imports of finished products and a high cost of production. While the Japanese economy has started recovering from the devastating earthquake and tsunami of March 2011, the textile industry is continuing to contract due to depressed retail consumption. The relocation of Japanese spinning capacity to Southeast Asia and South America, to take advantage of lower production costs, is also continuing. About 1 million spindles were still operating in Japan in 2011. Japanese traders are not only supplying raw cotton to their overseas joint-venture textile mills, but have also expanded their activities to become true international traders, selling cotton to non-Japanese mills.

Cotton mill use in the Philippines has declined almost every year since a peak of 77,000 tons in 1996/97 to an estimated 12,000 tons in 2007/08, but remained relatively stable in following years. In 2011/12, cotton mill use more than halved to 6,000 tons, but partially recovered to 9,000 tons in 2012/13. The Philippine spinning industry is highly dependent on cotton imports as local cotton production has almost completely disappeared and suffers from competition from textile imports. In 2013/14, due to higher international cotton prices, cotton consumption in the Philippines fell 20% to 7,000 tons.

Cotton mill use in Hong Kong has steadily declined from a high of 245,000 tons in the late 1980s to 20,000 tons in 2009/10. It continued to slide, reaching 18,000 tons in 2010/11 and 2011/12, and then rebounded briefly to 26,000 tons in

2012/13 upon increased demand from China. However, Hong Kong's spinning industry was dependent on imports and hurt by higher international cotton prices in 2013/14. Furthermore, demand from China also weakened during the same time period. On April 2014, Hong Kong closed its last spinning mill, which had produced only 10,000 tons of cotton in 2013/14. In the next few seasons, Hong Kong is expected to sell off its remaining stocks of cotton, which are estimated at around 33,000 tons.

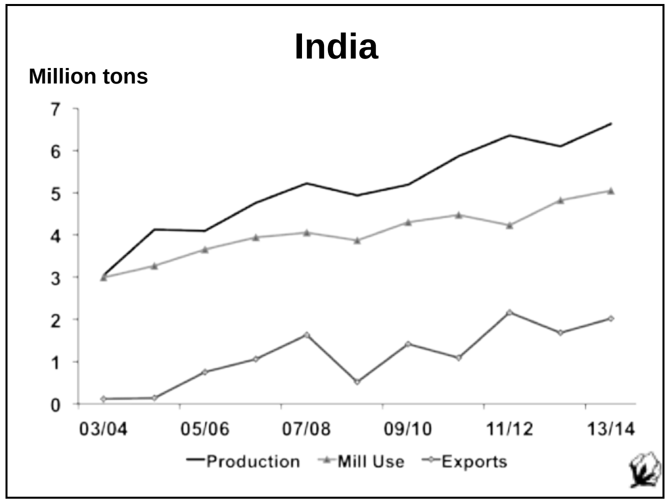
Higher Production and Record Consumption in South Asia

South Asia is the largest cotton producing region and the second largest consuming region after China. In 2013/14, it accounted for 34% of global cotton production and 36% of world cotton mill use. Most production and consumption take place in **India** and **Pakistan**, but Bangladesh also spins significant quantities of cotton. Cotton production and mill use in South Asia have increased regularly over the last several decades, most of the time balancing each other. Cotton production escalated in the last few years. In 2011/12, it reached a record of 8.9 million tons, then retreated slightly to 8.3 million tons during 2012/13, before climbing back up to 8.9 million tons in 2013/14. After declining 3% to 7.3 million tons in 2011/12, cotton mill use grew in the last two seasons, reaching 8.4 million tons in 2013/14, up 3% from 2012/13. Much of the yarn in the last two seasons has been exported to China, where consumption has fallen and cotton yarn imports are not taxed, but domestic yarn consumption is also growing. Exports from South Asian countries (mostly **India**), including intra-regional shipments, reached a record of 2.4 million tons in 2011/12, but fell 26% to 1.8 million tons due to a smaller exportable surplus in 2012/13. In 2013/14, exports increased 18% to 2.1 million tons. Imports by South Asian countries (mostly Bangladesh and **Pakistan**) also grew, reaching 1.5 million tons, up 13% from 2012/13.

Record Consumption in India

India is the second largest cotton producing country after China, accounting for 26% of global production in 2013/14 and holds the largest share (36%) of global cotton area. In 2011/12, **India** produced a record of 6.3 million tons, but output dropped 4% to 6 million tons in 2012/13. Low seedcotton prices pushed farmers to switch to alternative food crops, and area receded 60,000 hectares to 11.7 million hectares in 2013/14. However, cotton output achieved a record volume of 6.6 million tons in 2013/14 due to the timely arrival of the monsoon and continued rainfall throughout the season where roughly 70% of India's crop is rain-fed. Given the beneficial weather, the average yield improved 9% to 567 kg/ha, the highest on record.

India is the second largest industrial consumer of cotton behind China, accounting for 21% of world cotton consumption. After two seasons of advancement, cotton consumption fell 5% in 2011/12 to 4.2 million tons due to the high raw material prices. However, in the last two season, mill use has recovered, rising 13% to 4.8 million tons in 2012/13 and 5% to 5 million tons in 2013/14 as a result of strong demand for yarn from China and the local textile industry.

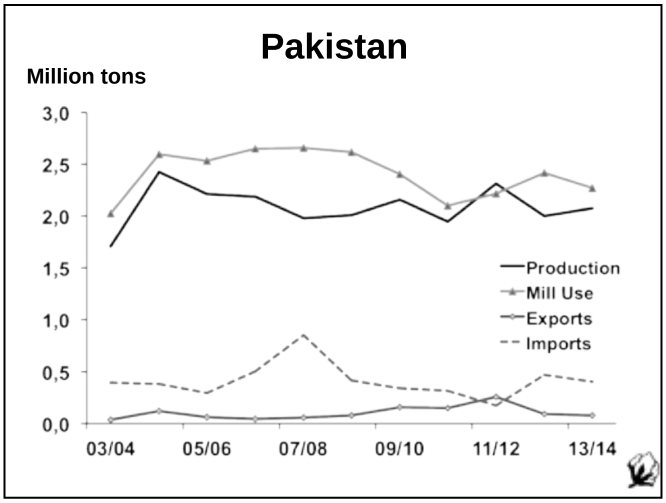


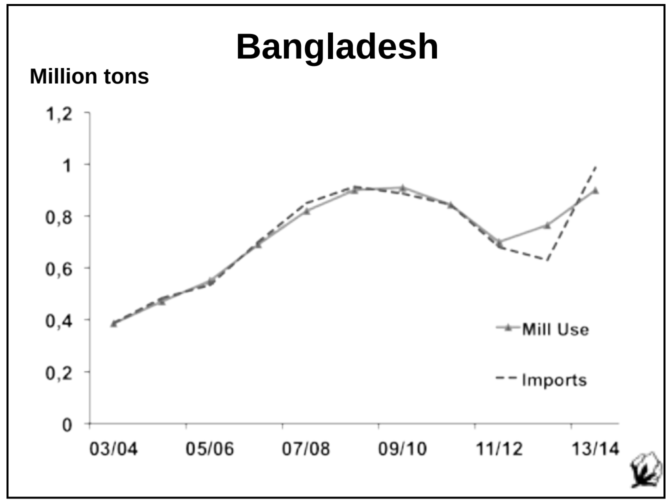
India has become a substantial net exporter of cotton since 2005/06 due to considerable increases in cotton production. However, cotton exports have fluctuated in the last few years, depending in part on government export policies. After falling by 24% to 1.1 million tons in 2010/11 due to an export cap, cotton shipments grew to a record of 2.2 million tons in 2011/12, then fell 22% to 1.7 million tons in 2012/13. Given the large exportable surplus in 2013/14, exports rose 20% to 2 million tons. **India** is the second largest exporter of cotton in the world, accounting for 23% of all exports. India's imports of cotton are estimated at around 142,000 tons in 2013/14, down 45% from the previous season. Imports are comprised almost entirely of qualities not available in **India**.

Production Up and Exports Down in Pakistan

Lower seedcotton prices in 2012/13 led to a 2% reduction in area to 2.9 million hectares in **Pakistan**. In 2012/13, the average yield decreased by 16% to 676 kg/ha due to infestation of Cotton Leaf Curl Virus and wet weather during crop maturity, but recovered 5% in 2013/14 to 712 kg/ha. The rebound in yield offset the decline in plantings, and cotton production grew 4% to 2.1 million tons in 2013/14, making **Pakistan** the fourth largest producer of cotton in the world.

Pakistan is the third largest consumer of cotton after China and **India**, accounting for 10% of global cotton mill use in 2013/14. **Pakistan** has been one of the largest exporters of cotton yarn since 1988, in particular to China. Cotton mill use in **Pakistan** expanded by 6% to 2.2 million tons in 2011/12 and 9% to 2.4 million tons in 2012/13. Access to a large domestic cotton crop at prices lower than prices of imported cotton, increased demand for yarn (in particular from China), duty-free imports of textile machinery and a reduction in stocks of cotton yarn contributed to this growth. However, weakened demand for cotton yarn, high cotton prices and power outages





in the Punjab region, where many spinning mills are located, have hurt mill use in 2013/14. **Pakistan'**s cotton consumption fell to 2.3 million tons, down 6% from the previous season.

Pakistan is a significant net importer of cotton as it needs extra cotton lint to make up for the domestic production shortfall. In 2013/14, it was the world's sixth largest importer, accounting for 4% of all imports. Except for 2011/12, when production reached 2.3 million tons, **Pakistan** has been a net importer of cotton since 2001/02. After dropping to 173,000 tons in 2011/12, cotton imports in **Pakistan** more than doubled in 2012/13 to 470,000 tons. In 2013/14, imports shrank by 14% to 402,000 tons due to the larger domestic supply available and higher international cotton prices. Initially, cotton exports from **Pakistan** followed an opposite trend, expanding 74% in 2011/12 to 257,000 tons before shrinking 64% to 92,000 tons in 2012/13. However, in 2013/14, exports fell 13% to 80,000 tons as the rise in cotton consumption and the appreciation of the Pakistani rupee made exports relatively more expensive to international buyers.

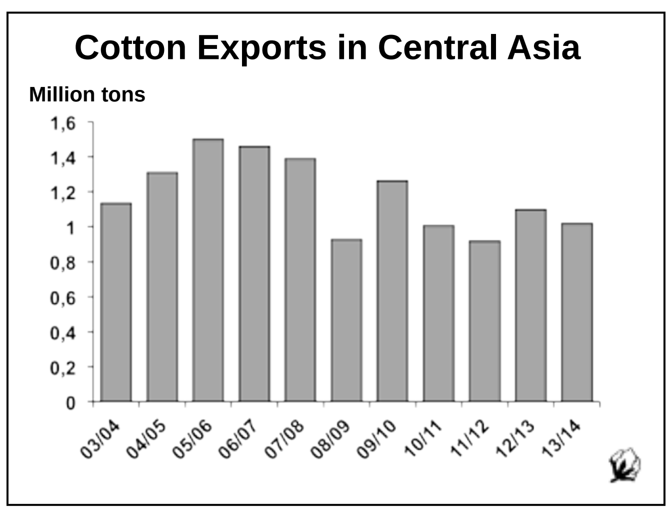
Everything is on the Rise in Bangladesh

Bangladesh became the fifth largest cotton consumer in 2013/14, surpassing Brazil's consumption by around 10,000 tons. After the spike in cotton prices, cotton mill use contracted by 19% to 680,000 tons in 2011/12. Large stocks of cotton bought at high prices, large stocks of yarn made from the same high-priced cotton, competition from lower-priced cotton yarn imports from **India** and China, energy shortages, high interest rates, difficulty in obtaining credit to buy imported cotton, and challenges in meeting contractual obligations entered when cotton prices were high, forced many mills to reduce their activity or shut down during the second half of 2011. With lower volatility of yarn prices in the first half of 2012, declining international cotton prices and smaller stocks of cotton and yarn, the situation of spinners improved in 2012/13, when cotton mill use jumped 14% to 800,000 tons. Consumption grew a further 18% in 2013/14 to 900,000 tons due to the recovery in the world economy and strong demand for cotton by the local textile industry.

Bangladesh was the second largest importer of cotton in 2013/14, accounting for 11% of global imports. After several seasons of minimal imports, stocks had diminished greatly by 2013/14, and imports increased 58% from the previous season to 987,000 tons. Cotton production in Bangladesh remains small relative to its mill use, but has grown over the last few years with support from the Cotton Development Board. However, in 2013/14, cotton is estimated down 16% to 25,000 hectares due to competition from food crops. Production reached 25,000 tons, up 8% from 2012/13 due to beneficial weather and better production practices improved yield to 998 kg/ha.

Cotton Production and Exports Fall in Central Asia

Cotton area in Central Asia has been shrinking since 2008/09, when cotton covered 2.5 million hectares, due to competition from food crops. In 2013/14, cotton area in Central Asia remained unchanged from 2012/13 at 2.2 million hectares. Production in 2013/14 fell 7% to 1.5 million tons due to a 7% reduction in the average yield to 672 kg/ha. This was still above the 10-year average yield of 650 kg/ha for the region.



Cotton mill use increased for the fifth season to 523,000 tons, up 6% from 2012/13. In line with production, cotton exports from the region fell 7% to 1 million tons.

Uzbekistan remains the sixth largest cotton producing country, accounting for 4% of global cotton production. All aspects of production are managed by the government of **Uzbekistan**. After jumping 14% to 1 million tons in 2012/13, cotton production in **Uzbekistan** fell 6% to 940,000 tons. Cotton area was down by 10,000 hectares to 1.28 million hectares. The average yield decreased by 5% to 737 kg/ha, due to problems with irrigation water supplies and high temperatures during the summer. Cotton mill use is estimated up 6% to 345,000 tons. Despite the smaller exportable surplus, **Uzbekistan**'s exports are stable at 650,000 tons in 2013/14. However, stocks of cotton at the end of July 2014 were likely approaching 305,000 tons, down 15% from the previous season.

After gaining for several seasons, Turkmenistan's cotton production fell 16% in 2009/10 to 250,000 tons and since then has seen alternating seasons of growth and retraction. After increasing 2% to 335,000 tons in 2012/13, cotton production is estimated down 2% to 329,000 tons in 2013/14. While cotton area expanded 5% in 2013/14 to 550,000 hectares, the harvest suffered a 6% yield loss, averaging 597 kg/ha. Exports are estimated at 195,000 tons, down 15% from the previous season. Cotton mill use in Turkmenistan is estimated at 144,000 tons, up by 10% from 2011/12. Stocks of cotton at the end of July 2013 were estimated at almost 287,000 tons, the same level as 2011/12 and the highest since they were first recorded in the early 1990s.

After advancing two seasons, cotton production in Tajikistan declined 16% to 105,000 tons in 2013/14. Erratic weather during the growing season and a shortage of inputs caused yield to fall 13% to 556 kg/ha. Mill consumption of cotton is estimated up 56% to 11,000 tons, while exports are down 40% to 83,000 tons.

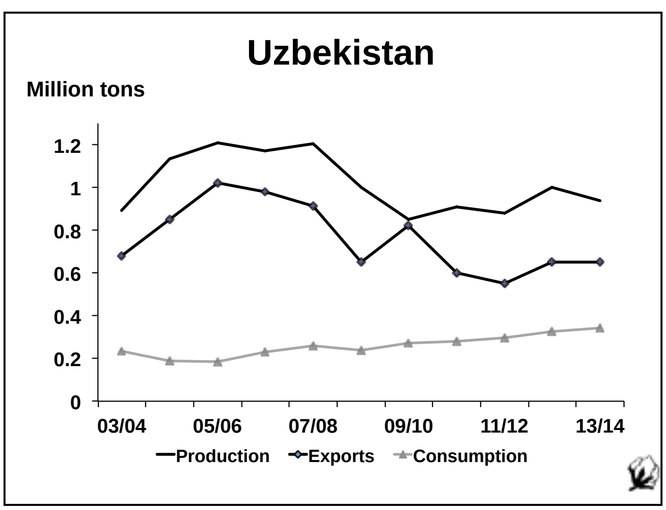
Kazakhstan's cotton output declined continuously between 2004/05 and 2010/11, from 153,000 tons to 60,000 tons, the lowest level in over a decade. Production then partially recovered to 80,000 tons in 2011/12 and further to 90,000 tons in 2012/13. However, in 2013/14 production dropped 18% to 74,000 tons. While cotton area increased 5% to 140,000 tons, cotton yield fell 21% to 530 kg/ha due to adverse weather at the start of the season. Cotton consumption was reduced by 25% to 11,000 tons while exports climbed 36% to 61,000 tons in 2013/14.

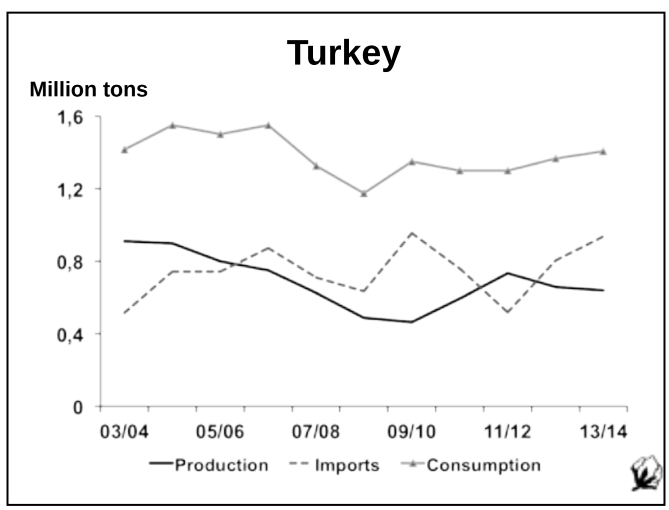
Cotton area in Azerbaijan receded in the last two seasons, by 31% in 2012/13 to 33,000 hectares and by 15% in 2013/14 to 28,000 hectares due to the fall in cotton prices and higher producing costs. Better seed varieties in recent years have led to a slower loss in production than in area in the past few seasons. However, due to poor weather, yield declined 4% to 536 kg/ha from 562 kg/ha in 2012/13, resulting in a 19% drop in production to 15,000 tons in 2013/14. Consumption is estimated at 12,000 tons, up 2,000 tons from the previous season. Exports gained 28% to 7,000 tons, which is the highest level in four seasons.

Turkey: Higher Production and Consumption

After several seasons of decline in yields in **Turkey**, better seed varieties were introduced to improve yields in 2010. Additionally, **Turkey** has renovated its irrigation system in the last few years. The average yield in **Turkey** has advanced in the last four seasons, except 2012/13 when it remained stable due to less favorable weather. In 2013/14, yield grew 5% to 1,420 kg/ha, the highest level since 2002/03. Cotton area contracted in 2013/14 by 8% to 451,000 hectares due to flooding early in the season resulting in multiple plantings. However, production reached 639,000 tons, down 3% from 2012/13, as losses were minimized by a higher yield.

Cotton mill use in **Turkey** increased 3% to 1.4 million tons in 2013/14, a second season of growth. As Asian competitors (Bangladesh, **India** and **Pakistan**) increasingly switched to the Chinese market, Turkish spinners became the dominant players in the European market. **Turkey**'s imports went





up 16% to 935,000 tons to fill the production gap. **Turkey** remained the third largest importer of cotton in 2013/14, after China and Bangladesh, accounting for 10% of the world imports.

Middle East: Cotton Production Falls While Consumption Rises

Since 2004/05, cotton production in the Middle East has generally declined, though a 24% revival in 2011/12 to 302,000 tons interrupted this trend. In the last two seasons, cotton production further decreased, by 22% in 2012/13 to 236,000 tons and by 19% to 191,000 tons in 2013/14. Cotton mill use on the other hand has slowly developed since the 1990s, though the economic recession in 2008/09 and spike in cotton prices in 2009/10 reversed the general upward trend. In 2011/12, cotton mill use in the Middle East dropped by 16% to 295,000 tons and then fell a further 29% to 208,000 tons in 2012/13. However, in 2013/14 cotton consumption recovered 25% to 260,000 tons.

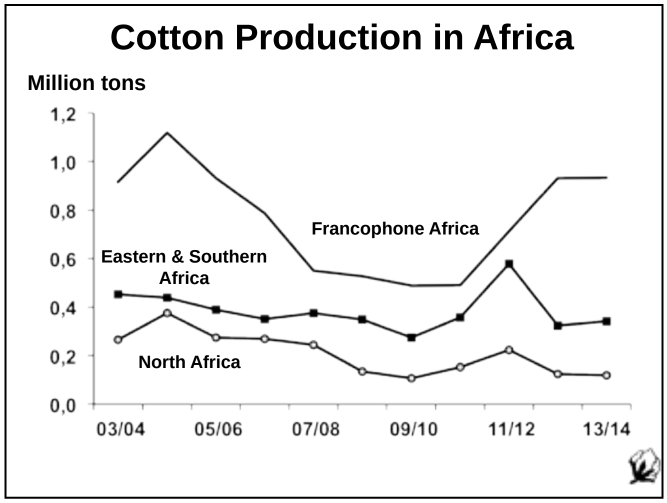
The downturn in the world economy and the ongoing political crisis in Syria has had a negative effect on cotton production, which has been declining since 2008/09. Syria's production is estimated down 33% to 100,000 tons in 2013/14 on an area of 103,000 hectares with an average yield of 976 kg/ha. A ban on cotton imports means that cotton consumption is limited by the volume of production. However, the local textile industry's demand was strong in 2013/14, and consumption increased from 88,000 tons in 2012/13 to 100,000 tons in 2013/14.

Cotton production in **Iran** fell 25% to 59,000 tons in 2011/12, and another 5% to 53,000 tons in 2012/13, but rebounded 40% to 65,000 tons in 2013/14. Cotton mill use saw no growth for three seasons before falling 4% in 2011/12 to 130,000 tons and then dropping 30% to 91,000 tons in 2012/13. Insufficient production and obstacles with importing cotton have made it difficult for the spinning industry in **Iran** to expand despite demand for domestically-produced cotton yarn. However, the larger crop in 2013/14 allowed consumption to advance 44% to 131,000 tons.

Production in Israel more than doubled to 17,000 tons in 2011/12, the largest crop in four seasons, before falling the next two seasons to 15,000 tons in 2012/13 and then to 11,000 tons in 2013/14. Relatively low extra-fine cotton prices spurred some farmers to plant more profitable alternative crops. As a result, cotton area contracted 25% to 6,000 hectares in 2013/14. Similarly to previous years, almost all the area was planted to extra-fine cotton (Pima and Acalpi). The average yield improved 1% to 1,810 kg/ha. As Israel does not consume cotton locally, most of the crop is exported and in 2013/14, exports reached 11,000 tons.

Africa: Cotton Production Returns to Recovery

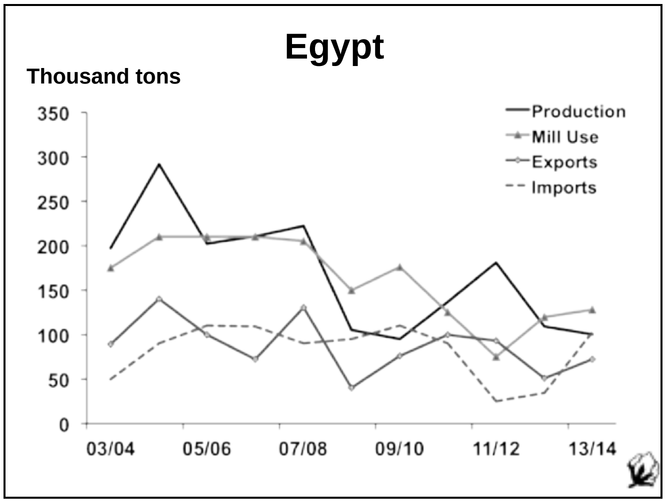
African cotton production declined continuously and significantly from 2.0 million tons in 2004/05 to 918,000 tons in 2009/10, the smallest in almost five decades. However, production slightly recovered to 1.1 million tons in 2010/11, then jumped to 1.6 million tons in 2011/12, before falling 9% to 1.45 million tons in 2012/13. African production grew 1% in 2013/14 to 1.46 million tons. In 2013/14, a production decrease in North Africa and stagnant growth in Francophone Africa was offset by an increase in regional output in Eastern and Southern Africa.

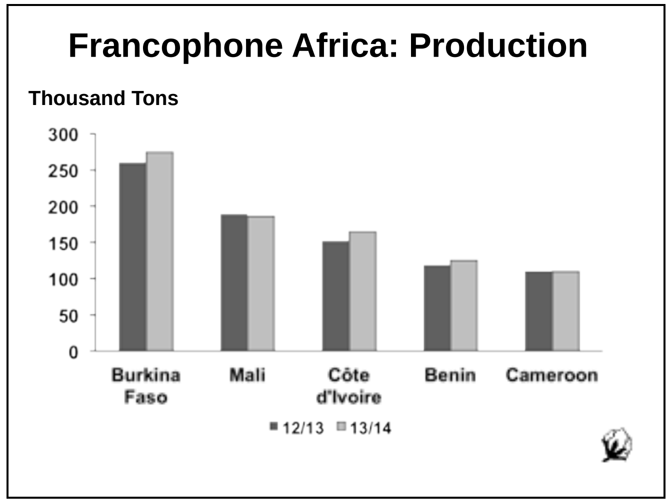


Africa accounted for 13% of world cotton area in 2013/14 (4.6 million hectares). However, the estimated average yield of 331 kg/ha is 40% of the world average, though variations exist within countries and regions. This is partly explained by the fact that most cotton area in Africa is rainfed, while almost two-thirds of the world cotton area is irrigated. Additionally, many countries in Africa do not have reliable access to inputs or financing for inputs. Production in Africa accounted for 6% of the global output in 2013/14. Total cotton mill use in Africa rose 3% to 367,000 tons, or 2% of world cotton mill use.

Northern Africa

Cotton production in **Egypt** has been on a long downward trend since the early 1980s. Following a drop to 95,000 tons in 2009/10, the smallest crop in at least a century, cotton production rebounded to 137,000 tons in 2010/11 and then to181,000 in 2011/12. However, cotton production in the last two seasons has returned to a downward trend with production decreasing 40% in 2012/13 to 109,000 tons and 8% in 2013/14 to 100,000 tons. Due to low returns for cotton given the high production costs, farmers switched to more profitable alternative crops like, corn and rice. Consequently, cotton area dropped 15% to 122,000 hectares in 2013/14. Although cotton area and production declined, average yield improved 7% to 821kgs/ha in 2013/14 from to 765 kg/ha in 2012/2013. Exports increased from 51,000 tons in 2012/13 to 72,000 tons in 2013/14 due to higher demand for Egyptian cotton varieties. **Egypt** is the largest African cotton consumer, though like its production, cotton consumption in **Egypt** has generally been declining from an average of 300,000 tons per





season in the 1980s to less than 200,000 tons a season in the last five seasons. One of the challenges for spinning mills in **Egypt** is the high price of domestically produced cotton and imports in 2013/14. Additionally, the equipment employed by local spinning mills is suited to shorter staple cotton rather than the longer staple cotton types produced domestically. However, the Egyptian government provided a subsidy to spinners for purchasing domestic cotton and as a result, consumption rose from 120,000 tons in 2012/13 to 128,000 tons in 2013/14.

Cotton production in **Sudan** partially recovered from the 65% drop to 15,000 tons in 2012/13, harvesting 19,000 tons of cotton in 2013/14. Cotton area expanded 9% to 53,000 hectares in 2013/14 and yield improved 19% to 360 kg/ha due to the commercial adoption of new early-maturing and pest resistant varieties of seed, which also helped reduce the costs of production. **Sudan**'s cotton exports remained flat at 17,000 tons in 2013/14. After reaching a low of 1,000 tons in 2009/10, cotton consumption has been slowly recovering. In 2013/14, consumption increased 5% to 4,000 tons.

Francophone Africa[4]

After five consecutive seasons of decline followed by one season of stability, cotton production in Francophone Africa jumped 45% to 714,000 tons in 2011/12. In 2012/13, cotton production grew 31% to 931,000 towns, but remained flat in 2013/14 at 934,000 tons. Cotton plantings contracted by 2% to 2.4 million hectares in 2013/14 due to lower or flat seedcotton prices in most countries. The average yield, however, advanced 2% to 384 kg/ha. Cotton mill use in Francophone African countries remains small and has been stable for the last 3 seasons at 17,000 tons. It accounts for less than 2% of local production. Exports, however, gained 16%, reaching 923,000 tons in 2013/14, the highest volume in seven seasons.

Burkina Faso was again the largest producer in Francophone Africa in 2013/14, after reclaiming the title in 2012/13. Given the 5% reduction in area to 557,000 hectares due to the low prices paid to producers in 2012/13 and erratic rainfall, production declined 5% to 247,000 tons. The average yield remained stable in 2013/14, estimated at 444 kg/ha. **Burkina Faso** consumes around 4,000 tons of cotton every year. Cotton exports rose 22% to 262,000 tons in 2013/14.

Lower rainfall during planting in **Mali** led to a 12% reduction in cotton area to 481,000 hectares after four seasons of expansion. Furthermore, the seedcotton price announced to producers prior to planting decreased from 255 FCFA in 2012/13 to 250 FCFA in 2013/14. Though still below the 15-year average of 406 kg/ha, average yield improved 12% to 387 kg/ha in 2013/14 because farmers received inputs in a timely manner. As a result, production declined only 2% to 186,000 tons. The government continued to subsidize fertilizers used on cotton at the same level as in 2012/13, contributing to better yields. In 2013/14, exports, including some carryover stock, increased 16% from 2012/13 to 199,000 tons. This was the largest volume since 2006/07.

In 2013/14, production in **Côte d'Ivoire** represented 18% of all cotton produced in Francophone Africa. Between 2006/07 and 2011/12, **Côte d'Ivoire**'s production ranged between 50,000 and 113,000 tons. However, more support from its government for technical assistance and better prices paid to farmers saw production rise to 152,000 tons in 2012/13. Cotton area expanded 5% to 358,000 hectares in 2013/14 and yield advanced 3% to 461 kg/ha. As a result, production grew 9% to 165,000 tons, the largest volume of production since 2002/03. This rebound was driven by an enlargement in cotton plantings, encouraged by government subsidies for fertilizers and technical assistance provided by the government. After the end of the electoral crisis in April 2011, the government aimed to reverse the trend of falling cotton harvests by boosting production. A series of reforms designed

4) Francophone Africa includes Benin, **Burkina Faso**, **Cameroon**, Central African Republic, **Chad**, **Côte d'Ivoire**, Guinea, Madagascar, **Mali**, Niger, Senegal and **Togo**.

to provide a swift, significant and sustainable boost to each of the key parameters (production, productivity, profitability) was adopted in March 2013. The main aspects were: to strengthen the role of the regulating authority, to update the sector strategy and associated action plans and to facilitate interdisciplinary process to seek compromises among different stakeholders. **Côte d'Ivoire** consumes around 2,000 tons of cotton per season, making most of its crop available for export. In 2013/14, exports grew to 175,000 tons from 130,000 tons in 2012/13.

Growth in Benin's cotton production slowed to 6% in 2013/14, reaching 48,000 tons. Cotton area expanded 8% to 380,000 hectares, driven by rising prices paid to farmers, among the highest in the region. However, yield declined 3% to 329 kg/ha in 2013/14 following a 6% decrease to 337 kg/ha in 2012/13. In both seasons, farmers had difficulty obtaining inputs such as fertilizer. As Benin consumes only 4,000 tons of cotton per year, much of its crop is exported. In 2013/14, exports from Benin reached 140,000 tons.

The Cameroonian cotton sector is articulated by two major actors, namely: SODECOTTON (Cameroon Cotton Development Company) and CNPC Cameroon (National Confederation of Cameroonian Cotton Farmers). SODECOTON is a joint venture public company, with 59% of shares belonging to the Cameroonian State and 41% to private partners. Cotton area in **Cameroon** continued to spread for the fourth consecutive season, reaching 214,000 hectares in 2013/14, an increase of 10% from 2012/13. After declining from 271 FCFA in 2011/12 to 265 in 2012/13, producer prices remained stable in 2013/14. However, pockets of drought and the late arrival of inputs caused average yields to fall 9% to 514 kg/ha, the highest in Sub-Saharan Africa with the exception of **South Africa**. Production remained unchanged from 2012/13 at 110,000 tons. Cotton exports from **Cameroon** decreased from 61,000 tons in 2012/13 to 58,000 tons in 2013/14.

Production in **Togo** declined 12% to 37,000 tons after three seasons of growth due to a 5% contraction in area to 116,000 hectares and yield decreasing 7% to 320 kg/ha. As with other countries in the region, the late arrival of rains hurt production this season. Exports fell 12% to 35,000 tons in 2013/14.

Due to the late arrival of the rainy season and delay in sowing, the cotton area in **Chad** receded 5% to 257,000 hectares. However, yield improved greatly to 160 kg/ha from 127 kg/ha in 2012/13 because precipitation was regular and more nocturnal after the start of the rainy season, allowing for better photosynthesis and application of pesticide. Additionally, subsidies for fertilizers increased slightly from 2012/13. Exports from **Chad** are estimated at 32,000 tons in 2013/14.

Production and consumption in Senegal both fell in 2013/14. A reduction in area by 2% and in yield by 10%, led to a total output of 12,000 tons, down 11% from 2012/13. The late arrival of the rainy season caused farmers to replant several times in 2013/14. Senegal's consumption w from 14,000 tons in 2012/13 to 9,000 tons in 2013/14 while exports rose from 2,000 tons to 4,000 tons.

Anglophone West Africa

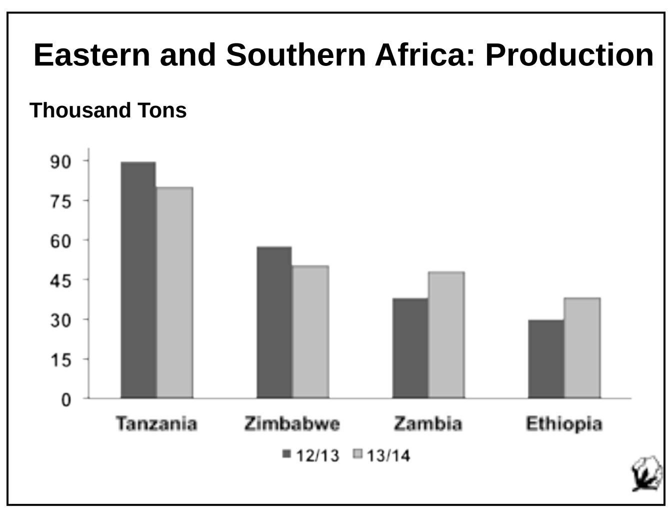
Cotton production in **Nigeria** is estimated at 57,000 tons in 2013/14, compared with 62,000 tons in 2012/13. Mill use remained stable at 19,000 tons. The Nigerian textile industry has been severely affected in recent years by competition from Asia and smuggling of imported textile products into the country. High production costs for yarn and frequent electricity shortages have also undermined mill use of cotton.

Ghana's cotton production was estimated at 6,000 tons in 2013/14, down 10% from 2012/13. In comparison to its neighbors (**Burkina Faso**, **Côte d'Ivoire**, **Togo**), Ghana underperformed in terms of its volume of output. Furthermore, Ghana's average yield in 2013/14 was 363 kg/ha, below the average yield for both **Burkina Faso** and **Côte d'Ivoire**. The government is looking into ways to revive the cotton sector, including the introduction of *Bt* cotton.

Higher Cotton Production in Eastern and Southern Africa

Cotton production in Eastern and Southern African countries rose 5% to 341,000 tons in 2013/14 after a 44% drop to 203,000 tons in 2012/13. While cotton area in the region contracted 7% to 1.5 million hectares, the average yield improved by 13% to 229 kg/ha. **Mozambique** and **South Africa** were the only countries in the region that saw expansion in area this season, to 157,000 hectares and 12,000 hectares, respectively. Competition from other crops and difficulties with financing led to area shrinkage in the other countries. Cotton mill use saw a moderate growth to 146,000 tons, up 3% from the 142,000 tons estimated in 2012/13. Cotton imports rose 11% to 56,000 tons. Despite the increase in production, cotton exports from East and Southern African countries, including intra-regional shipments, are estimated at 260,000 tons in 2013/14, down 28% from the previous season.

In 2012/13, **Tanzania** passed **Zimbabwe** as the largest producer in the region when cotton lint output reached 90,000 tons. In 2013/14, cotton area in **Tanzania** declined by three



percent to 409,000 hectares, in part due to complications with reinstating contract farming arrangements, and resulted in 80,000 tons of cotton production. **Tanzania**'s cotton consumption remained stable at around 32,000 tons and its exports are down 7% to 56,000 tons.

Zimbabwe's cotton production plummeted 60% from 144,000 tons in 2011/12 to 58,000 tons in 2012/13 and a further 13% in 2013/14 to 50,000 tons. Zimbabwe's area decreased by 5% to 230,000 hectares for the second season in a row due to competition from tobacco, which had higher returns last season, and uncertainty over contractual arrangements this season. Because of the limited crop and weak demand overseas, exports fell 25% to 56,000 tons, which is the smallest volume since 1995/96 when exports were only 29,000 tons. **Zimbabwe**'s cotton mill use was estimated around 4,000 tons, down 33% from 2012/13.

Zambia is the third largest producer in the region. After peaking at a record of 512,000 hectares in 2011/12, cotton area declined in to 330,000 hectares in 2012/13 and 290,000 hectares in 2013/14. **Zambia**'s production suffered in 2012/13 due to the late onset of rains and irregular precipitation throughout the production cycle, which led to one of the worst yields on record, 115 kg/ha, and production only reached 38,000 tons. In 2013/14, yield improved to 166 kg/ha as the weather was more cooperative, but remains below the 10-year average of 220 kg/ha due to a late start to planting and a dry spell at the start of the season. However, cotton production in **Zambia** attained 48,000 tons due to better yields. Cotton exports, including shipments of the previous season's crop, are estimated down 47% at 44,000 tons in 2013/14.

In 2013/14, cotton production in Ethiopia increased to 38,000 tons, up 27% from the previous season due to a considerable advancement in yields. The average yield improved 34% to 311 kg/ha in 2013/14, which is the highest yield in five seasons. Ethiopia was the largest cotton consuming country in the region in 2013/14 with mill use averaging around 40,000 tons in the last three seasons. In 2013/14, consumption climbed 10% to 44,000 tons. The Ethiopian government has established a support program to assist cotton industries since 2010.

Cotton production in **Uganda** fell 20% to 15,000 tons in 2013/14, following a 61% decrease to 19,000 tons in 2012/13. Nearly all of **Uganda**'s production is exported and in 2013/14, its exports, including shipments of cotton from previous crops, are estimated at 16,000 tons in 2013/14.

Despite a 10% contraction in area to 162,000 hectares, cotton production in Malawi reached a record 43,000 tons as the result of a significant gain in yield to 268 kg/ha, up from 192 kg/ha in 2012/13 due to better availability of inputs.

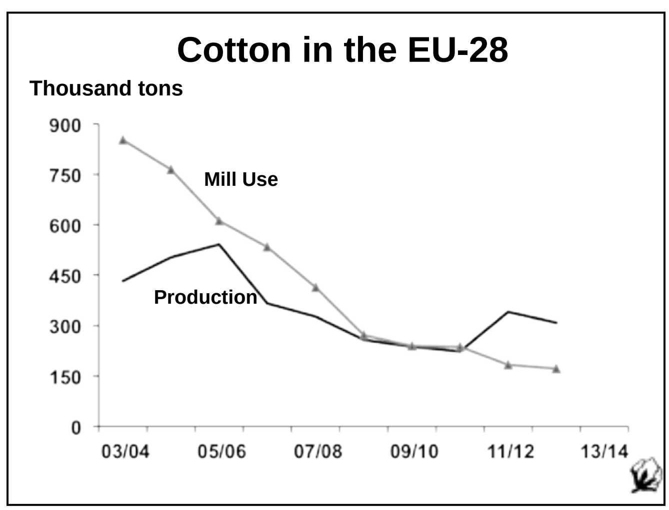
As noted above, area in **South Africa** increased. Additionally, yields jumped to 837 kg/ha in 2013/14 after a 10-year low in 2012/13 of 586 kg/ha. Due to the advancement in area and yield, cotton production in **South Africa** achieved 10,000 tons, up 60% from the preceding season. Cotton mill use in **South Africa** climbed 8% to 22,000 tons in 2013/14 after two seasons of decline. However, it is still well below the volumes of 60,000-80,000 tons seen from 1980/81 through 2003/04. As cotton consumption exceeds mill use, **South Africa** is a net importer of cotton. In 2013/14, imports are estimated at 19,000 tons while exports are estimated 5,000 tons.

After dropping to a low of 4,000 tons in 2010/11, **Kenya**'s production recovered slightly during the most recent two years to 6,000 tons in 2011/12, and 7,000 tons in 2012/13. However, plantings fell by 10% from 39,000 hectares in 2012/13 to 35,000 hectares in 2013/14. The yield grew moderately from 170 kg/ha to 185 kg/ha driven by better production practices. Nearly all of its cotton production is consumed by the domestic spinning industry and is estimated at 7,000 tons in 2013/14.

Europe: Rise in Cotton Production and Decline in Mill Use

In the European Union (28 countries), cotton is produced principally in **Greece** and **Spain**. Production in in Bulgaria is now negligible. Cotton growers in **Greece**, **Spain** and Bulgaria obtain assistance through the Common Agricultural Policy (CAP) of the European Union (EU). Changes were introduced in the EU CAP starting in 2009/10. As before, cotton producers receive 65% of EU support as a single decoupled payment (income aid) and the remaining 35% as an area payment (coupled or production aid) unlike with other crops. However, the national base areas benefiting from the production aid were reduced and are now set at 250,000 hectares for **Greece** and 48,000 hectares for **Spain**. The aid is paid for cotton of sound, fair and merchantable quality. The aid is paid per hectare of eligible area by multiplying fixed reference yields by the reference amounts for each country. If the eligible area exceeds the maximum base area, the aid per hectare is reduced proportionally.

European cotton production declined since 2005/06, until a rebound to 340,000 tons in 2011/12, driven by higher cotton prices. Cotton production fell 8% in 2012/13 to 313,000 tons



in line with the fall in cotton prices. In 2013/14, however, production increased 5% to 330,000 tons due to improved yields in **Greece**.

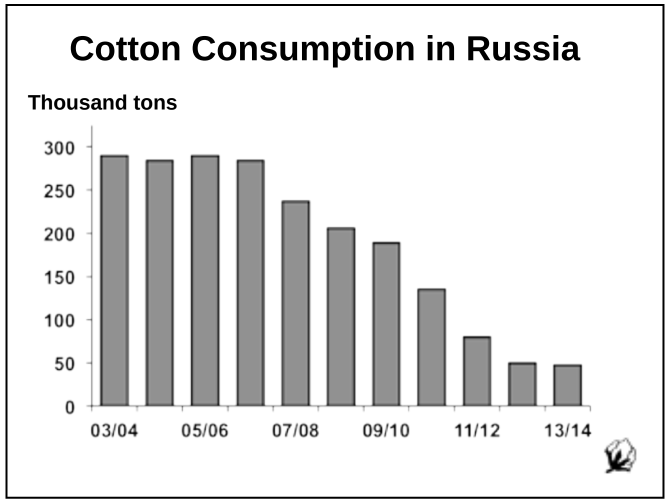
In 2013/14 **Greece** produced 85% of the EU cotton crop. While cotton area declined 11% to 250,000 hectares the average cotton yield jumped 26% to 1,120 kg/ha. As a result, production increased 13% to 280,000 tons. **Greece**'s cotton mill use has been declining since 2000 with the sharpest drop observed in 2011/12 when consumption fell 29% to 25,000 tons, which is less than a fifth of consumption in the 1980s and early 1990s. In 2013/14, consumption receded a further 6% to 20,000 tons. Exports are estimated at 261,000 tons, up by 10% from the previous season due to the larger exportable surplus and strong demand from other countries. **Turkey**, **Egypt**, China and Indonesia were major destinations in 2013/14.

In 2013/14 cotton area in **Spain** is estimated at 64,000 hectares, down 9% from the previous season. The average yield dropped 17% to 775 kg/ha caused by a later planting date than usual and pest pressure. As a result, production declined by 24% to 50,000 tons. Exports from **Spain** are estimated at 44,000 tons, down 23% from 2012/13.

Cotton consumption in the EU-27 declined continuously since 1995/96 when the Multi-Fiber Arrangement ended. In the prior decade, EU cotton consumption averaged 1.7 million tons per season, but by 2013/14 reached only 162,000 tons. The ongoing European financial crisis and the ensuing mild economic recession greatly affected end-use consumption of textile products in the region. Five countries (**Italy**, **Germany**, **Greece**, Portugal and **France**) accounted for 80% of cotton mill use in the EU-28 in 2013/14. Cotton mill use contracted in most countries in the EU-28, including the five largest.

Italy is the largest cotton consumer in the EU-28, accounting for a quarter of EU mill use. Italian cotton mill use declined in 2013/14 to 41,000 tons, the smallest amount of cotton spun in the country since the 1940s. While domestic cotton mill use has shrunk over the last few years, an important part of its cotton yarn spinning activities has been relocated to other countries though still owned by Italian companies. In **Germany**, the second largest consumer and accounting for 22% of EU consumption, cotton mill use was reduced by 7% to 35,000 tons. Cotton mill use fell by 5% to 21,000 tons in Portugal and by 3% to 14,000 tons in **France**.

In Austria and **Belgium**, cotton consumption has remained at around 4,000 tons a season from 2011/12 until 2013/14. **Belgium** re-exports half of its cotton imports to other European countries. Mill use in the Czech Republic was around 5,400 tons in 2013/14, 200 tons less than the previous season. **Poland**'s mill use fell by more than half to 2,400 tons in 2011/12, but after an additional fall to 1,600 tons in 2012/13, it remained flat in 2013/14. Consumption of cotton waste has increased in recent years, to produce medical, hygienic and cosmetic products. After a 40% drop in 2011/12, Spain's consumption decreased by 3% in both 2012/13 to 5,800 tons and in 2013/14 to 5,600 tons. In **Switzerland**, cotton use has declined 3% to around 3,300 tons. One cotton spinning mill operates in **Switzerland** that produces high-count cotton yarns. **Switzerland** is the location of many organizations servicing the cotton industry, including merchants, controllers, and banks. On June 20, 2014, Croatia, a small cotton-consuming country (less than 500 tons per season), joined the European Union. In 2013/14, Croatia imported cotton from **India**, Tajikistan and **Uzbekistan**.



The Netherlands imports and consumes small quantities of cotton for niche markets. Consumption of cotton in Finland has stopped since the major spinning mill closed in 1998. Both Finland and the Netherlands import cotton fabrics for finishing and dyeing, and both countries have manufacturing industries that use cotton products.

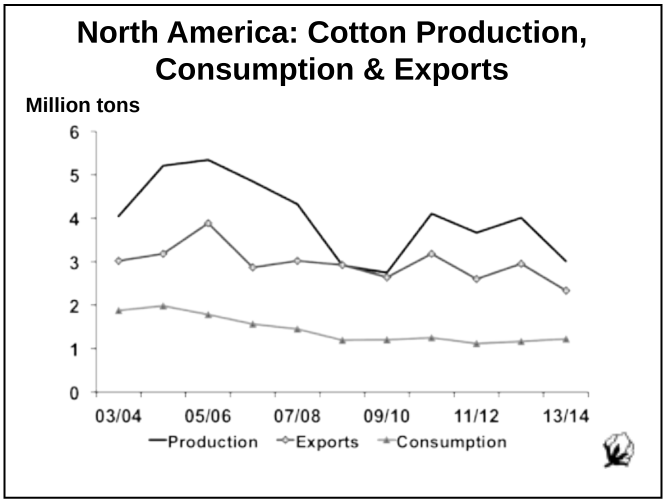
Cotton use in the United Kingdom has been less than 1,000 tons since 2010/11, down from 465,000 tons in the 1950s to 490 tons in 2013/14. However, the United Kingdom remains the location of the International Cotton Association (ICA) and many companies servicing the cotton industry.

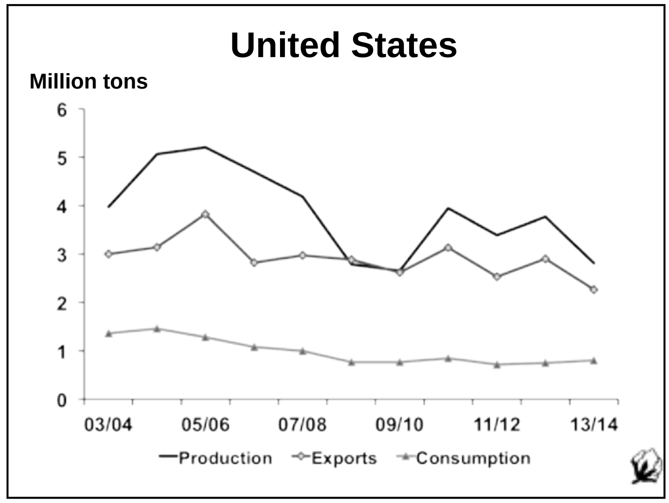
Cotton mill use in **Russia** has experienced year-on-year contractions since 2005/06. The most significant decrease occurred in 2011/12 when consumption fell 41% to 80,000 tons and in 2012/13 when it fell by 38% to 50,000 tons. The decline slowed in 2013/14 to a 5% reduction, reaching 48,000 tons.

Cotton Production Drops in North America

Most of the cotton produced in North America comes from the **U.S.A** and Mexico. Since the worldwide economic recession in 2008/09, cotton production in North America has been alternating between growth and contraction from season to season. After a rebound in production to 4 million tons in 2012/13, production fell 25% to 3 million tons. Cotton consumption in North America grew 5% to 1.2 million tons in 2013/14.

Since 2011/12, planted cotton area has been dwindling in the





U.S.A, and in 2013/14, fell 15% to 4.2 million hectares due to the continued deterioration in prices in the previous season and the relatively low price of cotton compared to alternative crops at planting time. Continued drought in Texas, the largest cotton producing state, and water shortages for states that rely on irrigation resulted in an abandonment rate of 28% and a harvested area of 3.1 million hectares. The average cotton yield decreased by 7% to 921 kg/ha, after a record yield of 994 kg/ha in 2012/13, though still above the ten-year average of 902 kg/ha. Due to less acreage planted and lingering water and drought issues, cotton production declined 25% to 2.8 million tons in 2013/14 following an 11% increase in 2012/13 – Upland cotton production fell 26% to 2.7 million tons, and Pima cotton production to 138,000 tons.

U.S. cotton mill use expanded again in 2013/14 reaching 803,000 tons, up by 7% from the preceding season. The current level is a third of the peak mill use of 2.4 million tons in 1997/1998. Nonetheless, the **U.S.A** was the seventh largest consumer of raw cotton in 2013/14.

The **U.S.A** is the largest exporter of cotton, and the share of the **U.S.A** in global exports changed from 29% in 2012/13 to 25% in 2013/14. Given the smaller exportable surplus in 2013/14, cotton exports in the **U.S.A** decreased 22% to 2.3 million tons. The top U.S. cotton export destinations in 2013/14 were China, **Turkey**, Mexico, Indonesia and Vietnam.

Cotton production in Mexico declined in 2012/13 to 231,000 tons and further fell to 193,000 tons in 2013/14 due to lower cotton prices and high production costs. After five seasons of falling or stagnant growth, cotton mill use in Mexico grew 3% in 2012/13 to 402,000 tons and an additional 3% in 2013/14 to 412,000 tons. Mexico's imports remained stable in 2013/14 at 243,000 tons despite lower production due to higher international prices for cotton in 2013/14 and instead, mills reduced stocks. Most of Mexico's imports come from the **U.S.A**, but Mexico also purchased a small volume from **Egypt** in 2013/14.

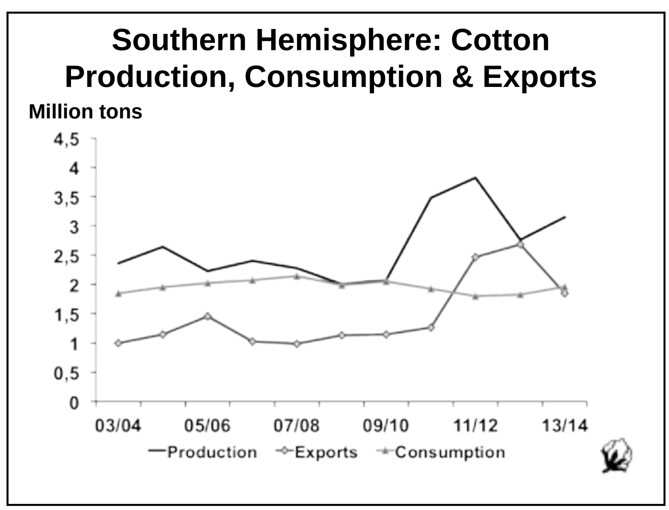
After the sharp drop in 2007/08 to 9,000 tons from 25,000 tons in the previous season, cotton consumption and imports in Canada have been fairly stable at around 1,000 tons in 2011/12, 2012/13, and 2013/14. Mill consumption in Central America occurs mainly in El Salvador and Guatemala. In El Salvador, mill use grew 5% to 27,400 tons in 2013/14 while in Guatemala mill use has remained flat at 21,000 tons since 2010/11. Central American spinning mills use cotton imported mostly from the **U.S.A**.

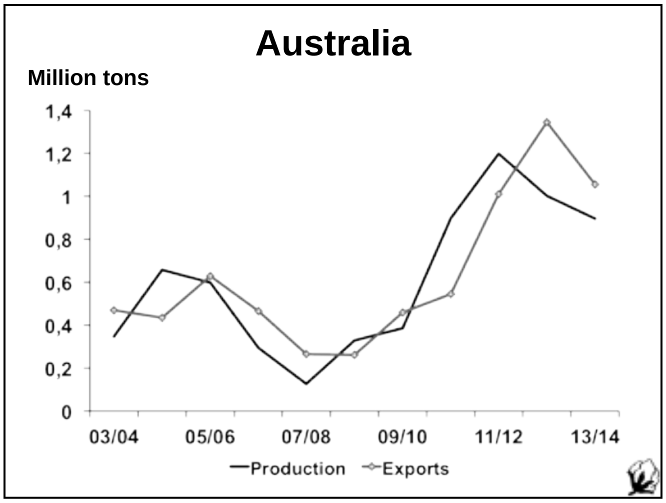
Cotton Production Rises in the Southern Hemisphere

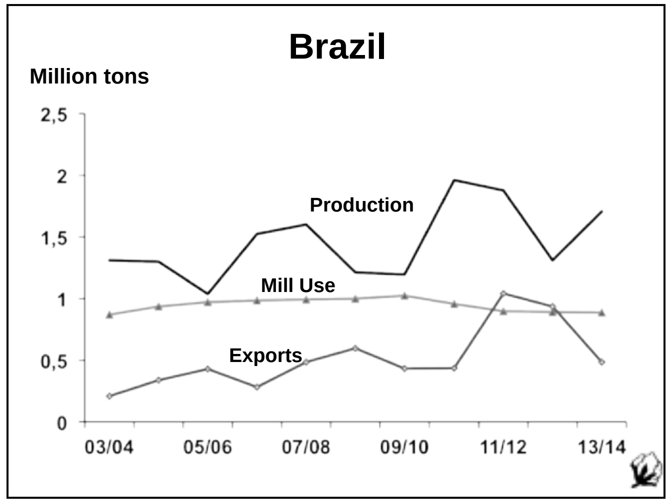
In 2013/14, the Southern Hemisphere, returned to an upward trajectory, rising 14% to 3.1 million tons. The increase came mostly from **Brazil**, where production rose 30% to 1.7 million tons of cotton, representing more than half of the region's total production. Production in the rest of South America also grew, increasing 42% to 341,000 million tons. Production gains in South America more than offset an 11% fall in production in **Australia**, estimated at 897,000 tons.

Production Falls in Australia

While production in **Australia** shrank 11% to 897,000 tons, the volume is still above historical levels. Sufficient irrigation







supplies and better returns compared to alternative crops kept farmers interested in planting cotton and area remained flat at 420,000 hectares. In addition, insufficient water in dryland areas has limited growth. The average yield fell 9% to 2,136 kg/ha from 2,354 kg/ha in 2012/13. **Australia** was the seventh largest cotton producer in 2013/14, harvesting around 3% of the world's production.

After hitting a record 1.3 million tons in 2012/13, export shipments during 2013/14, including the unshipped balance of the 2012/13 crop, are estimated at 1.1 million tons, down 21% from the previous season. **Australia** was the third largest exporter of cotton in 2013/14.

Higher Cotton Production in South America

After a sharp drop in area and production in 2012/13, production rebounded in South America to 2 million tons, the third highest level of production in the last 20 years. Area in South America reached 1.8 million hectares, higher than the 10-year average of 1.7 million hectares. The average yield improved 3% to 1,138 kg/ha, the second highest average yield since 2007/08. Cotton mill use in the region remained flat at 1.2 million tons.

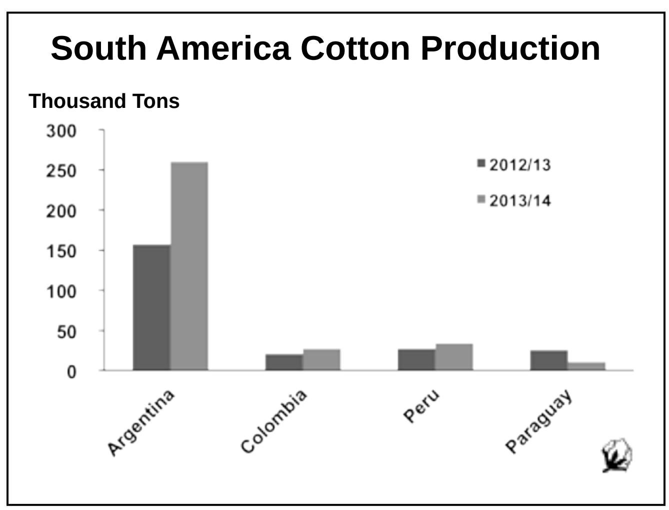
After a slow start due to heavy rains, cotton area in **Brazil** increased by 25% to 1.1 million hectares in 2013/14. A raise in the minimum support price encouraged some farmers to plant more cotton. A reduction in the pressure from a boll worm infestation and plentiful rains improved yield and production in 2013/14. Production in **Brazil** jumped 30% in 2013/14 to 1.7 million tons, and yield improved by 4% to 1,520 kg/ha. **Brazil** has been the fifth largest producer of cotton since 2006/007, except 2010/11 when it was the fourth largest.

Cotton mill use in **Brazi**l remained flat in at 890,000 tons, making it the sixth largest consumer of cotton in 2013/14. Most cotton mill use is directed towards the domestic market. However, a considerable boost in imports of yarn and finished textile products from Asia helped by a strong real, competition from other fibers, and the high cost of production resulted in a slowing of spinning operations and/or an increase in the share of polyester in blends.

Cotton exports from **Brazil** dropped 48% to 485,000 tons in 2013/14. This decrease reflected weak export demand in the second half of the season when most of the Brazilian crop was available and issues with logistics. Despite the significant fall in exports, **Brazil** was the fifth largest exporter of cotton during 2013/14. While cotton imports more than doubled to 32,000 tons in 2013/14, **Brazil** remained a net exporter.

After a sharp fall in 2012/13, cotton area and production in **Argentina** recovered in 2013/14, reaching 260,000 tons of production on an area of 559,000 hectares. The average yield also grew by 7% to 465 kg/ha improved by timely rains at the start of the season. Cotton mill use in **Argentina** is estimated down 4% to 135,000 tons in 2013/14, a second season of decline after three years of stability around 170,000 tons per season. **Argentina** switched from being a net cotton importer between 2002/03 and 2009/10 to being a net exporter since 2010/11. In 2013/14, with a reduction in consumption while production rose, cotton imports dropped 59% to 3,000 tons while exports rose 10% to 60,000 tons.

Cotton production in **Colombia** is estimated at 27,000 tons in



2013/14, up by 32% from the previous season. Production in 2013/14 recovered partially due to improvements in domestic demand in 2013/14, but was limited by reduced financial support from the government and farmers planting other more easily managed crops. Area increased 7% to 31,000 hectares with an average yield of 884 kg/ha 2013/14. Cotton mill use in **Colombia** rose 48% in 2013/14 to 83,000 tons due to better financing for spinning mills and higher demand for cotton yarn. Imports are estimated at 43,000 tons, 36% higher than in the previous season, as a result of insufficient domestic production to meet the higher demand for cotton.

Cotton production in **Peru** was estimated at 34,000 tons in 2013/14 up 24% from 2012/13. The partial recovery in production since 2009/10 has been led by an expansion in planted area for both upland and extra-long staple cotton. Consumption was estimated around 92,000 tons in 2013/14, unchanged from 2012/13. **Peru**'s cotton imports remained stable at 59,000 tons in 2012/13 and 2013/14. Most imported cotton comes from the **U.S.A**.

After reaching a 50-year low of 5,000 tons in 2009/10, production in **Paraguay** partially recovered in the next three seasons, peaking at 28,000 tons in 2011/12 before declining to 26,000 tons in 2012/13. However, insufficient quality planting seed and low profitability caused a large drop in cotton area from 70,000 hectares in 2012/13 to 25,000 hectares in 2013/14. The average yield increased to 432 kg/ha from 370 kg/ha, resulting in 11,000 tons of cotton production in 2013/14. Cotton mill use in **Paraguay** was estimated at 8,000 tons in 2012/13 and 2013/14; and exports at 5,000 tons in 2013/14, down 14,000 tons from 2012/13 due to the smaller volume of production in 2013/14.

2012/13 SUPPLY AND USE OF COTTON BY COUNTRY September 16, 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	0.26	0.26
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	169	343	57	137	0.34	0.40
USA	3,815	987	3,764	729	1	740	2,830	924	0.26	1.25
N. America	**3,977**	**1,005**	**3,998**	**868**	**174**	**1,090**	**2,887**	**1,063**	**0.27**	**0.98**
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	370	459	170	222	8	173	33	195	0.95	1.13
BOLIVIA	5	536	3	1	1	3		1	0.21	0.21
BRAZIL	887	1,425	1,263	1,352	216	897	936	998	0.54	1.11
CHILE				0	1	1		0	0.18	0.18
COLOMBIA	30	785	23	24	51	74	0	24	0.33	0.33
ECUADOR	1	440	1	3	14	14		3	0.18	0.18
PARAGUAY	70	370	26	9		8	15	12	0.50	1.45
PERU	45	878	40	29	54	92	2	29	0.31	0.31
URUGUAY				0	0	0		0	0.26	0.26
VENEZUELA	15	368	6	1	2	8		1	0.17	0.17
S. America	**1,423**	**1,076**	**1,531**	**1,641**	**347**	**1,270**	**986**	**1,263**	**0.56**	**0.99**
ALGERIA				1	3	3		1	0.19	0.19
EGYPT	143	735	105	83	86	86	76	112	0.69	1.30
MOROCCO				8	36	36		8	0.22	0.22
SUDAN	50	527	27	19		2	24	19	0.73	8.77
TUNISIA				3	13	13		3	0.21	0.21
N. Africa	**193**	**681**	**132**	**114**	**138**	**140**	**100**	**143**	**0.59**	**1.02**
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	200	500	100	24		2	76	46	0.59	24.26
CENT. AFR. REP.	38	237	9	4			9	4	0.40	
CHAD	257	187	48	14		1	32	30	0.92	59.17
COTE D'IVOIRE	340	412	140	35		2	125	48	0.38	24.03
GUINEA	14	289	4	2			4	2	0.40	
MADAGASCAR				3				3		
MALI	548	376	206	70		3	180	93	0.51	30.90
NIGER	5	448	2	0		1	1	0	0.11	0.25
SENEGAL	34	553	19	3		1	15	5	0.34	7.03
TOGO	122	344	42	3			40	5	0.13	
F. Africa	**2,494**	**380**	**948**	**251**		**17**	**790**	**392**	**0.49**	**22.88**
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	1	1	5	4	0.59	2.97
KENYA	39	170	7	2	2	9		2	0.21	0.21
MALAWI	180	192	35	24		3	34	22	0.59	7.20
MOZAMBIQUE	150	250	37	42			53	27	0.50	
NIGERIA	315	182	57	29	1	19	38	30	0.52	1.56
SOUTH AFRICA	11	673	7	16	41	19	18	27	0.73	1.44
TANZANIA	454	213	97	132		32	67	130	1.31	4.06
UGANDA	74	375	28	21		1	30	17	0.55	15.07
CONGO, DR				2	8	8		2	0.27	0.27
ZAMBIA	370	200	50	103			86	66	0.77	
ZIMBABWE	397	279	111	71		5	105	71	0.65	14.27
S. Africa	**2,131**	**221**	**470**	**471**	**76**	**168**	**442**	**407**	**0.67**	**2.43**
KAZAKHSTAN	133	601	80	13	1	15	64	15	0.19	1.01
KYRGYZSTAN	19	758	14	3	3	2	15	3	0.17	1.46
TAJIKISTAN	196	550	108	37		7	105	33	0.30	4.91
TURKMENISTAN	525	638	335	287		138	238	247	0.66	1.79
UZBEKISTAN	1,285	778	1,000	335	1	325	718	293	0.28	0.90
C. Asia	**2,158**	**712**	**1,537**	**675**	**5**	**486**	**1,141**	**590**	**0.36**	**1.21**

2012/13 SUPPLY & USE OF COTTON BY COUNTRY (cont'd) September 16, 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	4	4		1	0.26	0.26
AZERBAIJAN	33	450	19	11		10	11	9	0.41	0.86
BELARUS				4	11	11		4	0.34	0.34
BELGIUM				2	13	4	9	2	0.13	0.43
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	2	2	0.14	0.17
GERMANY				8	45	38	5	10	0.22	0.25
GREECE	270	930	251	57	2	21	240	49	0.19	2.30
HUNGARY				0	1	1		0	0.15	0.15
IRELAND				0	0	0		0	0.21	0.21
ITALY				10	47	43	4	10	0.21	0.23
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				4	22	22		4	0.20	0.20
ROMANIA				0	1	1		0	0.13	0.13
RUSSIA	1	519	1	17	100	95		23	0.24	0.24
SLOVAK REP.										
SPAIN	67	845	57	9	4	6	53	12	0.20	2.00
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**	**880**	**328**	**134**	**303**	**306**	**326**	**133**	**0.23**	**0.43**
Including EU-28	**338**	**912**	**308**	**98**	**174**	**172**	**314**	**93**	**0.19**	**0.54**
CHINA	4,975	1,467	7,300	6,181	3,760	8,290	20	8,931	1.07	1.08
TAIWAN				46	207	204		50	0.24	0.24
HONG KONG				9	40	11	29	9	0.22	0.79
Sub total	**4,975**	**1,467**	**7,300**	**6,236**	**4,007**	**8,504**	**49**	**8,990**	**1.05**	**1.06**
AUSTRALIA	442	2,138	948	639	0	8	1,100	479	0.43	60.15
INDONESIA	9	714	6	217	501	471	4	249	0.52	0.53
JAPAN				21	62	63		20	0.32	0.32
KOREA, D.R.				1	5	5		1	0.24	0.24
KOREA, REP.				51	280	272		59	0.22	0.22
MALAYSIA				41	249	15	223	52	0.22	3.50
PHILIPPINES	0	566	0	2	7	8		2	0.23	0.23
SINGAPORE				2	1		1	1	0.80	
THAILAND	2	516	1	83	370	360		94	0.26	0.26
VIETNAM	11	463	5	83	429	412		104	0.25	0.25
E. Asia	**484**	**2,000**	**968**	**1,141**	**1,904**	**1,621**	**1,329**	**1,064**	**0.36**	**0.66**
AFGHANISTAN	50	410	20	20		4	18	18	0.80	4.34
BANGLADESH	36	402	14	188	851	800		254	0.32	0.32
INDIA	11,773	507	5,967	2,520	250	5,000	1,200	2,537	0.41	0.51
MYANMAR	349	584	204	104		201		107	0.53	0.53
PAKISTAN	2,900	740	2,093	451	410	2,444	80	429	0.17	0.18
SRI LANKA				0	2	2		0	0.11	0.11
S. Asia	**15,111**	**549**	**8,301**	**3,286**	**1,513**	**8,454**	**1,298**	**3,347**	**0.34**	**0.40**
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	496	1,109	550	285	827	1,325	52	285	0.21	0.22
Sub total	**844**	**985**	**831**	**446**	**917**	**1,617**	**78**	**499**	**0.68**	0.31
WORLD TOTAL	**34,145**	**771**	**26,336**	**15,270**	**9,426**	**23,709**	**9,426**	**17,898**	**0.75**	**0.75**

*/ 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 September 16, 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	0.10	0.10
CUBA	4	272	1	1	2	3		1	0.19	0.19
DOM. REP.					1	1		0	0.47	0.47
MEXICO	119	1,625	193	161	243	412	63	122	0.26	0.30
USA	3,053	921	2,811	848	3	803	2,268	590	0.19	0.73
N. America	**3,181**	**945**	**3,006**	**1,011**	**250**	**1,221**	**2,331**	**714**	**0.20**	**0.58**
EL SALVADOR				7	29	27		8	0.31	0.31
GUATEMALA				7	23	21		9	0.45	0.45
HONDURAS	0	319	0	0				0		
C. America	**2**	**515**	**1**	**14**	**52**	**49**	**0**	**18**	**0.37**	**0.37**
ARGENTINA	559	465	260	158	3	135	60	226	1.16	1.67
BOLIVIA	5	532	3	1	2	3	1	1	0.16	0.20
BRAZIL	1,122	1,520	1,705	840	32	889	485	1,202	0.87	1.35
CHILE				0		0		0	0.11	0.11
COLOMBIA	31	884	27	40	43	83	0	28	0.33	0.33
ECUADOR	1	436	1	2	11	12		2	0.14	0.14
PARAGUAY	25	432	11	10	0	8	5	9	0.68	1.06
PERU	39	877	34	20	59	92	1	20	0.21	0.21
URUGUAY				0	0	0		0	0.49	0.49
VENEZUELA	15	365	6	1	2	8		1	0.17	0.17
S. America	**1,797**	**1,138**	**2,045**	**1,072**	**152**	**1,230**	**552**	**1,487**	**0.83**	**1.21**
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	380	329	125	48		4	140	29	0.20	7.26
BURKINA FASO	557	444	247	108		4	262	89	0.33	22.25
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	358	461	165	44		2	130	77	0.59	38.73
GUINEA	13	270	4	2			4	1	0.38	
MADAGASCAR				3				3		
MALI	481	387	186	85		3	199	69	0.34	23.16
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	**2,447**	**383**	**937**	**365**		**17**	**927**	**358**	**0.38**	**20.90**
ANGOLA	3	299	1	0		1	0	0	0.24	0.34
ETHIOPIA	123	311	38	3	6	44	1	3	0.06	0.07
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	12	837	10	3	19	22	5	5	0.19	0.23
TANZANIA	409	195	80	124		32	56	115	1.31	3.61
UGANDA	50	300	15	11		1	16	9	0.52	7.81
CONGO, DR				2	8	8		2	0.27	0.27
ZAMBIA	290	166	48	57			44	61	1.39	
ZIMBABWE	230	218	50	40		4	56	30	0.50	8.05
S. Africa	**1,790**	**226**	**404**	**331**	**58**	**166**	**312**	**316**	**0.66**	**1.90**
KAZAKHSTAN	140	530	74	43	0	11	61	45	0.63	4.08
KYRGYZSTAN	27	831	23	3	3	1	24	4	0.16	4.01
TAJIKISTAN	189	556	105	21		11	83	33	0.35	3.12
TURKMENISTAN	550	485	329	135		144	195	124	0.36	0.86
UZBEKISTAN	1,275	737	940	358	1	345	650	305	0.31	0.88
C. Asia	**2,181**	**674**	**1,471**	**560**	**4**	**511**	**1,013**	**511**	**0.33**	**1.00**

2013/14 SUPPLY & USE OF COTTON BY COUNTRY (cont'd) September 16, 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				2	4	4	1	2	0.48	0.54
AZERBAIJAN	28	536	15	15		12	7	11	0.62	0.98
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				0	2	2		0	0.20	0.20
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	64	775	50	17	3	6	44	20	0.41	3.61
SWEDEN				0	0	0		0	0.10	0.10
SWITZERLAND				0	3	3	0	0	0.11	0.11
UKRAINE				0	3	2		0	0.19	0.19
UNITED KINGDOM				0	0	0		0	0.48	0.48
FORMER YUGOSLAVIA				1	6	6		1	0.21	0.21
Europe	**345**	**1,002**	**345**	**172**	**237**	**248**	**330**	**177**	**0.12**	**0.71**
Including EU-28	**314**	**1,049**	**330**	**139**	**163**	**162**	**323**	**146**	**0.30**	**0.90**
CHINA	4,600	1,506	6,929	9,607	3,075	7,531	6	12,074	1.60	1.60
TAIWAN				48	186	193		41	0.22	0.22
HONG KONG				32	39	10	28	33	0.88	3.34
Sub total	**4,600**	**1,506**	**6,929**	**9,687**	**3,300**	**7,734**	**34**	**12,148**	**1.56**	**1.57**
AUSTRALIA	420	2,136	897	288	0	8	1,056	121	0.11	16.05
INDONESIA	9	714	6	385	655	638		409	0.64	0.64
JAPAN				27	61	60		28	0.46	0.46
KOREA, D.R.				1	5	5		1	0.24	0.24
KOREA, REP.				64	280	272	1	72	0.26	0.26
MALAYSIA				17	166	15	144	24	0.15	1.61
PHILIPPINES	0	566	0	2	7	7		2	0.29	0.29
SINGAPORE				0	12		12	0	0.02	
THAILAND	2	516	1	52	352	353		52	0.15	0.15
VIETNAM	12	465	6	81	691	664		113	0.17	0.17
E. Asia	**463**	**1,982**	**918**	**920**	**2,229**	**2,029**	**1,213**	**825**	**0.25**	**0.41**
AFGHANISTAN	45	414	19	18		4	17	16	0.76	3.80
BANGLADESH	25	998	25	82	987	900		194	0.22	0.22
INDIA	11,700	567	6,634	1,857	142	5,042	2,023	1,569	0.22	0.31
MYANMAR	332	421	140	107		201		45	0.23	0.23
PAKISTAN	2,914	712	2,076	290	402	2,271	80	417	0.18	0.18
SRI LANKA				0	2	2		0	0.11	0.11
S. Asia	**15,018**	**592**	**8,895**	**2,356**	**1,533**	**8,423**	**2,119**	**2,242**	**0.21**	**0.27**
IRAN	91	713	65	38	61	131		33	0.25	0.25
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	451	1,419	639	350	935	1,406	46	472	0.32	0.34
Sub total	**708**	**1,182**	**838**	**581**	**1,013**	**1,675**	**61**	**696**	**0.81**	**0.42**
WORLD TOTAL	**32,687**	**792**	**25,900**	**17,146**	**8,984**	**23,479**	**8,978**	**19,573**	**0.83**	**0.83**

*/ Ending stocks divided by consumption plus exports. Subtotals and total include countries not shown.

**/ Ending stocks divided by consumption.

2014/15 SUPPLY AND USE OF COTTON BY COUNTRY September 16, 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	0.10	0.10
CUBA	4	272	1	1	2	3		1	0.19	0.19
DOM. REP.					1	1		0	0.47	0.47
MEXICO	180	1,475	266	122	291	412	65	202	0.42	0.49
USA	3,915	933	3,655	590	1	827	2,422	997	0.31	1.20
N. America	**4,105**	**956**	**3,923**	**714**	**296**	**1,245**	**2,487**	**1,200**	**0.32**	**0.96**
EL SALVADOR				8	27	27		8	0.31	0.31
GUATEMALA				9	21	21		9	0.45	0.45
HONDURAS	0	319	0	0				0		
C. America	**2**	**515**	**1**	**18**	**48**	**49**	**0**	**18**	**0.37**	**0.37**
ARGENTINA	560	442	247	226	5	142	57	280	1.41	1.97
BOLIVIA	5	537	3	1	2	3	1	1	0.16	0.20
BRAZIL	1,099	1,522	1,673	1,202	84	893	733	1,332	0.82	1.49
CHILE				0	0	0		0	0.11	0.11
COLOMBIA	41	772	32	28	63	87	0	35	0.40	0.40
ECUADOR	1	440	1	2	11	12		2	0.14	0.14
PARAGUAY	26	436	11	9		8	6	6	0.38	0.69
PERU	39	886	34	20	62	95	1	20	0.20	0.21
URUGUAY				0	0	0		0	0.49	0.49
VENEZUELA	15	368	6	1	7	8		6	0.68	0.68
S. America	**1,786**	**1,123**	**2,007**	**1,487**	**234**	**1,250**	**798**	**1,680**	**0.82**	**1.34**
ALGERIA				1	3	3		1	0.19	0.19
EGYPT	158	802	126	58	110	128	89	78	0.36	0.61
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	**213**	**688**	**147**	**83**	**158**	**180**	**104**	**102**	**0.36**	**0.57**
BENIN	379	329	125	29		4	127	23	0.17	5.66
BURKINA FASO	562	453	254	89		4	233	107	0.45	26.63
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	386	471	182	77		2	175	82	0.46	40.21
GUINEA	12	272	3	1			4	1	0.36	
MADAGASCAR				3				3		
MALI	570	379	216	69		3	212	71	0.33	23.60
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	**2,552**	**386**	**985**	**358**		**17**	**959**	**366**	**0.38**	**21.33**
ANGOLA	3	302	1	0		1	0	0	0.25	0.41
ETHIOPIA	129	314	40	3	15	45	1	12	0.26	0.27
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	12	841	10	5	18	23	5	5	0.18	0.22
TANZANIA	434	197	86	115		34	47	120	1.49	3.58
UGANDA	52	303	16	9		1	14	9	0.62	8.19
CONGO, DR				2	8	8		2	0.27	0.27
ZAMBIA	305	167	51	61			34	78	2.29	
ZIMBABWE	219	218	48	30		4	59	15	0.25	4.10
S. Africa	**1,860**	**228**	**424**	**316**	**65**	**171**	**297**	**337**	**0.72**	**1.98**
KAZAKHSTAN	129	556	72	45	0	11	60	45	0.63	4.00
KYRGYZSTAN	27	835	23	4	3	1	23	6	0.26	6.19
TAJIKISTAN	175	597	104	33		11	94	33	0.31	3.05
TURKMENISTAN	545	482	327	124		152	171	128	0.40	0.84
UZBEKISTAN	1,275	737	940	305	1	345	628	273	0.28	0.79
C. Asia	**2,151**	**3,208**	**1,466**	**511**	**4**	**519**	**976**	**485**	**1.88**	**0.93**

2014/15 SUPPLY & USE OF COTTON BY COUNTRY (cont'd) September 16, 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				2	4	4		2	0.56	0.56
AZERBAIJAN	28	538	15	11		13	4	9	0.53	0.69
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				0	2	2		0	0.20	0.20
PORTUGAL				14	20	20		14	0.72	0.72
ROMANIA				0	1	1		0	0.23	0.23
RUSSIA	1	521	1	12	49	49		13	0.26	0.26
SLOVAK REP.										
SPAIN	74	887	66	20	3	5	59	24	0.38	4.47
SWEDEN				0	0	0		0	0.11	0.11
SWITZERLAND				0	3	3	0	0	0.11	0.12
UKRAINE				0	2	2		0	0.19	0.19
UNITED KINGDOM				0	0	0		0	0.45	0.45
FORMER YUGOSLAVIA				1	6	6		1	0.21	0.21
Europe	**380**	**3,451**	**390**	**177**	**229**	**244**	**356**	**196**	**14.22**	**0.80**
Including EU-28	**349**	**1,070**	**374**	**146**	**153**	**155**	**352**	**166**	**0.33**	**1.07**
CHINA	4,216	1,518	6,398	12,074	2,018	7,934	4	12,551	1.58	1.58
TAIWAN				41	194	183		52	0.29	0.29
HONG KONG				33	4		28	9	0.32	#DIV/0!
Sub total	**4,216**	**1,518**	**6,398**	**12,148**	**2,216**	**8,117**	**32**	**12,613**	**1.55**	**1.55**
AUSTRALIA	323	2,106	687	121	0	7	631	170	0.27	23.66
INDONESIA	9	718	6	409	599	687		327	0.48	0.48
JAPAN				28	60	60		28	0.46	0.46
KOREA, D.R.				1	5	5		1	0.24	0.24
KOREA, REP.				72	287	285		74	0.26	0.26
MALAYSIA				24	168	16	144	32	0.20	2.05
PHILIPPINES	0	569	0	2	7	7		2	0.30	0.30
SINGAPORE				0	12		13	0	0.00	
THAILAND	2	518	1	52	384	363		74	0.20	0.20
VIETNAM	12	465	6	113	730	697		151	0.22	0.22
E. Asia	**366**	**1,932**	**708**	**825**	**2,253**	**2,135**	**788**	**862**	**0.29**	**0.40**
AFGHANISTAN	45	414	19	16		4	16	14	0.66	3.15
BANGLADESH	25	998	25	194	968	954		233	0.24	0.24
INDIA	12,250	536	6,562	1,569	179	5,294	1,108	1,907	0.30	0.36
MYANMAR	332	423	140	45	11	181		15	0.09	0.09
PAKISTAN	2,891	731	2,114	417	520	2,308	33	710	0.30	0.31
SRI LANKA				0	2	2		0	0.11	0.11
S. Asia	**15,546**	**570**	**8,862**	**2,242**	**1,679**	**8,745**	**1,158**	**2,881**	**0.29**	**0.33**
IRAN	91	720	66	33	69	131		36	0.28	0.28
IRAQ	19	362	7	1	6	13		1	0.09	0.09
ISRAEL	7	1,786	13	1			13	1	0.10	
SYRIA	72	981	70	182		102	55	96	0.61	0.94
TURKEY	464	1,489	691	472	781	1,448	25	472	0.32	0.33
Sub total	**692**	**2,660**	**862**	**696**	**867**	**1,719**	**93**	**613**	**1.03**	**0.36**
WORLD TOTAL	**33,850**	**773**	**26,164**	**19,573**	**8,049**	**24,384**	**8,049**	**21,352**	**0.88**	**0.88**

*/ Ending stocks divided by consumption plus exports.

**/ Ending stocks divided by consumption.

Subtotals and total include countries not shown.

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SUPPLY AND DISTRIBUTION OF COTTON

September 16, 2014

Seasons begin on August 1

	2009/10	2010/11	2011/12	2012/13 Est.	2013/14 Est.	2014/15 Proj.
	Million Metric Tons					
BEGINNING STOCKS						
WORLD TOTAL	11.756	8.568	9.482	14.477	17.15	19.57
CHINA	3.585	2.688	2.087	6.181	9.61	12.07
USA	1.380	0.642	0.566	0.729	0.85	0.59
PRODUCTION						
WORLD TOTAL	22.334	25.408	27.833	26.480	25.90	26.16
CHINA	6.925	6.400	7.400	7.300	6.93	6.40
INDIA	5.185	5.865	6.354	6.095	6.63	6.56
USA	2.654	3.942	3.391	3.770	2.81	3.65
PAKISTAN	2.158	1.948	2.311	2.002	2.08	2.11
BRAZIL	1.194	1.960	1.877	1.310	1.70	1.67
UZBEKISTAN	0.850	0.910	0.880	1.000	0.94	0.94
OTHERS	3.368	4.384	5.620	5.003	4.81	4.82
CONSUMPTION						
WORLD TOTAL	25.529	24.478	22.735	23.566	23.48	24.38
CHINA	10.192	9.580	8.635	8.290	7.53	7.93
INDIA	4.300	4.470	4.231	4.817	5.04	5.29
PAKISTAN	2.402	2.100	2.217	2.416	2.27	2.31
EAST ASIA & AUSTRALIA	1.892	1.801	1.685	1.981	2.23	2.32
EUROPE & TURKEY	1.600	1.549	1.495	1.546	1.58	1.61
BRAZIL	1.024	0.958	0.897	0.890	0.89	0.89
USA	0.773	0.849	0.718	0.751	0.80	0.83
CIS	0.604	0.577	0.550	0.561	0.59	0.60
OTHERS	2.743	2.592	2.307	2.314	2.55	2.60
EXPORTS						
WORLD TOTAL	7.798	7.722	9.867	10.087	8.98	8.05
USA	2.621	3.130	2.526	2.902	2.27	2.42
INDIA	1.420	1.085	2.159	1.685	2.02	1.11
AUSTRALIA	0.460	0.545	1.010	1.345	1.06	0.63
BRAZIL	0.433	0.435	1.043	0.938	0.49	0.73
CFA ZONE	0.000	0.476	0.597	0.796	0.92	0.96
UZBEKISTAN	0.820	0.600	0.550	0.653	0.65	0.63
IMPORTS						
WORLD TOTAL	7.928	7.756	9.752	9.843	8.98	8.05
CHINA	2.374	2.609	5.342	4.426	3.07	2.02
EAST ASIA & AUSTRALIA	1.989	1.825	1.998	2.352	2.45	2.45
EUROPE & TURKEY	1.170	1.003	0.724	1.014	1.11	0.94
BANGLADESH	0.887	0.843	0.680	0.631	0.99	0.97
CIS	0.209	0.132	0.098	0.062	0.07	0.07
TRADE IMBALANCE 1/	0.130	0.034	-0.116	-0.244	0.01	0.00
STOCKS ADJUSTMENT 2/	-0.122	-0.051	0.013	0.000	0.00	0.00
ENDING STOCKS						
WORLD TOTAL	8.568	9.482	14.477	17.146	19.57	21.35
CHINA	2.688	2.087	6.181	9.607	12.07	12.55
USA	0.642	0.566	0.729	0.848	0.59	1.00
ENDING STOCKS/MILL USE (%)						
WORLD-LESS-CHINA 3/	38	50	59	49	47	54
CHINA 4/	26	22	72	116	160	158
COTLOOK A INDEX 5/	78	164	100	88	91	

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.