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# COTTON :
# Review of the World Situation

International
Cotton
Advisory
Committee

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ICAC

# SUPPLY AND DISTRIBUTION OF COTTON
## October 1, 2015

Seasons begin on August 1

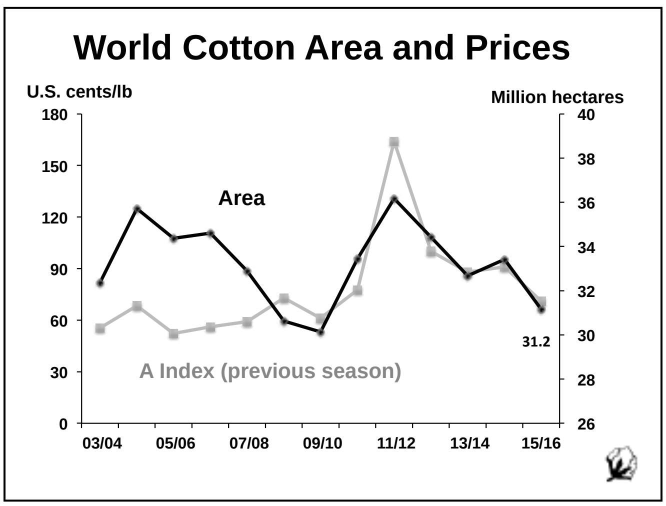
| | 2010/11 | 2011/12 | 2012/13 | 2013/14 Est. | 2014/15 Est. | 2015/16 Proj. |
|---|---|---|---|---|---|---|
| | Million Metric Tons | | | | | |
| **BEGINNING STOCKS** | | | | | | |
| **WORLD TOTAL** | **9.362** | **10.203** | **15.236** | **17.981** | **20.31** | **21.79** |
| CHINA | 2.688 | 2.087 | 6.181 | 9.607 | 12.09 | 12.66 |
| USA | 0.642 | 0.566 | 0.729 | 0.903 | 0.65 | 0.98 |
| **PRODUCTION** | | | | | | |
| **WORLD TOTAL** | **25.453** | **27.845** | **26.704** | **26.287** | **26.11** | **23.84** |
| INDIA | 5.865 | 6.239 | 6.205 | 6.770 | 6.51 | 6.37 |
| CHINA | 6.400 | 7.400 | 7.300 | 6.929 | 6.48 | 5.41 |
| USA | 3.942 | 3.391 | 3.770 | 2.811 | 3.55 | 3.17 |
| PAKISTAN | 1.948 | 2.311 | 2.002 | 2.076 | 2.31 | 2.05 |
| BRAZIL | 1.960 | 1.877 | 1.310 | 1.734 | 1.53 | 1.52 |
| UZBEKISTAN | 0.910 | 0.880 | 1.000 | 0.940 | 0.89 | 0.89 |
| OTHERS | 4.429 | 5.746 | 5.117 | 5.028 | 4.85 | 4.44 |
| **CONSUMPTION** | | | | | | |
| **WORLD TOTAL** | **24.607** | **22.786** | **23.588** | **23.611** | **24.48** | **25.01** |
| CHINA | 9.580 | 8.635 | 8.290 | 7.517 | 7.70 | 7.74 |
| INDIA | 4.470 | 4.231 | 4.817 | 4.939 | 5.43 | 5.60 |
| PAKISTAN | 2.170 | 2.121 | 2.216 | 2.476 | 2.53 | 2.58 |
| EAST ASIA | 1.833 | 1.780 | 2.139 | 2.312 | 2.49 | 2.65 |
| EUROPE & TURKEY | 1.550 | 1.498 | 1.560 | 1.611 | 1.58 | 1.65 |
| BRAZIL | 0.958 | 0.897 | 0.910 | 0.862 | 0.81 | 0.79 |
| USA | 0.849 | 0.718 | 0.762 | 0.773 | 0.78 | 0.81 |
| CIS | 0.577 | 0.550 | 0.561 | 0.590 | 0.60 | 0.60 |
| OTHERS | 2.620 | 2.357 | 2.333 | 2.531 | 2.56 | 2.60 |
| **EXPORTS** | | | | | | |
| **WORLD TOTAL** | **7.690** | **9.827** | **9.986** | **8.998** | **7.72** | **7.62** |
| USA | 3.130 | 2.526 | 2.836 | 2.293 | 2.45 | 2.23 |
| INDIA | 1.085 | 2.159 | 1.685 | 2.014 | 0.91 | 1.22 |
| AUSTRALIA | 0.545 | 1.010 | 1.305 | 1.037 | 0.52 | 0.47 |
| BRAZIL | 0.435 | 1.043 | 0.938 | 0.485 | 0.85 | 0.77 |
| CFA ZONE | 0.476 | 0.597 | 0.829 | 0.978 | 0.89 | 1.02 |
| UZBEKISTAN | 0.600 | 0.550 | 0.653 | 0.650 | 0.59 | 0.57 |
| **IMPORTS** | | | | | | |
| **WORLD TOTAL** | **7.727** | **9.785** | **9.614** | **8.647** | **7.58** | **7.62** |
| CHINA | 2.609 | 5.342 | 4.426 | 3.075 | 1.80 | 1.58 |
| EAST ASIA | 1.826 | 1.997 | 2.355 | 2.355 | 2.63 | 2.72 |
| EUROPE & TURKEY | 0.973 | 0.725 | 0.833 | 1.078 | 1.01 | 0.88 |
| BANGLADESH | 0.843 | 0.680 | 0.631 | 0.967 | 0.97 | 0.97 |
| PAKISTAN | 0.314 | 0.190 | 0.411 | 0.247 | 0.20 | 0.43 |
| **TRADE IMBALANCE 1/** | **0.037** | **-0.042** | **-0.372** | **-0.351** | **-0.15** | **0.00** |
| **STOCKS ADJUSTMENT 2/** | **-0.041** | **0.018** | **0.001** | **0.000** | **0.00** | **0.00** |
| **ENDING STOCKS** | | | | | | |
| **WORLD TOTAL** | **10.203** | **15.236** | **17.981** | **20.307** | **21.79** | **20.62** |
| CHINA | 2.087 | 6.181 | 9.607 | 12.088 | 12.66 | 11.91 |
| USA | 0.566 | 0.729 | 0.903 | 0.651 | 0.98 | 1.12 |
| **ENDING STOCKS/MILL USE (%)** | | | | | | |
| **WORLD-LESS-CHINA 3/** | **54** | **64** | **55** | **51** | **54** | **50** |
| **CHINA 4/** | **22** | **72** | **116** | **161** | **164** | **154** |
| **COTLOOK A INDEX 5/** | **164** | **100** | **88** | **91** | **71** | |

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

# SUMMARY OF THE OUTLOOK FOR COTTON

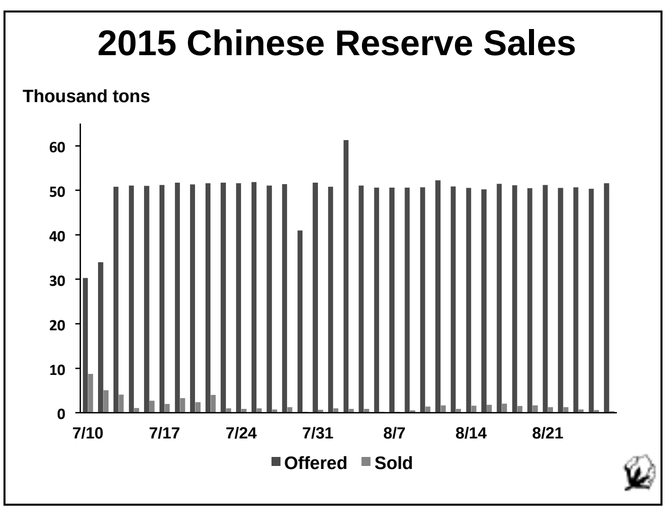
## Stable World Cotton Trade Expected in 2015/16

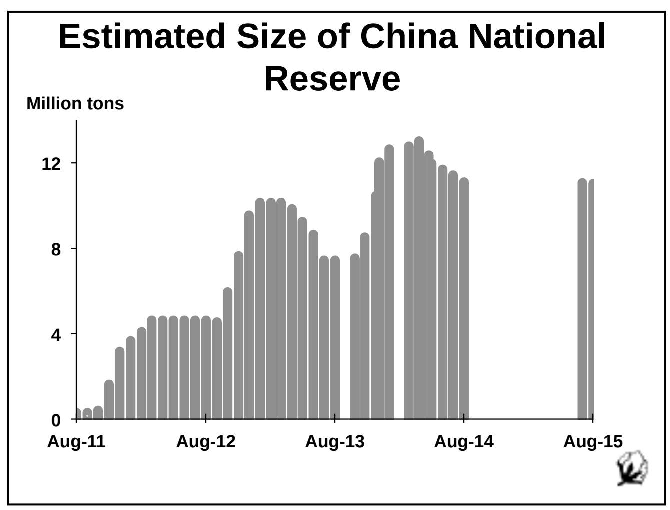
World cotton area is projected to fall 7% to 31.2 million hectares in 2015/16 due to significantly lower cotton prices in 2014/15. The world average yield is expected to decrease by 2% to 765 kg/ha due to disparate impacts of El Niño. As a result, world cotton production is expected to fall by 9% to 23.9 million tons. India's cotton area is estimated down 5% to 11.6 million hectares. India's average yield is forecast up 3% to 547 kg/ha, due to more timely monsoon weather, and production down 2% to 6.4 million tons. China's cotton production is set to decline by 16% to 5.4 million tons due to a 12% reduction in area and a 5% decrease in the average yield as a result of unfavorable weather in its largest cotton producing province, Xinjiang. After a 24% expansion in 2014/15, cotton area in the United States has receded 13% to 3.3 million hectares with production declining 11% to 3.2 million tons. Pakistan's production is projected down 11% to 2.1 million.




World cotton imports are projected to remain unchanged at 7.6 million tons in 2015/16. A decrease in imports by China is expected to be offset by increases in other countries. While China is likely to remain the world's largest importer in 2015/16, its imports are forecast to fall by 12% to 1.6 million tons. This represents 30% of its peak volume of imports in 2011/12. In 2015, the Chinese government restricted imports to the minimum volume required by the World Trade Organization to encourage mills to purchase domestic cotton. It also sold cotton from its reserve in July and August 2015, and total sales reached nearly 60,000 tons. However, the government still holds 11 million tons. Given the large volume of production and reserves, imports are likely to be restricted again in 2016. Meanwhile, imports by other countries are expected to grow 5% to 6 million tons. Imports in Bangladesh, Vietnam, and Indonesia, the next three largest importing countries, are all projected to grow in 2015/16. Mill use in these three countries has been steadily growing, but their sectors must rely on imports since all three produce little to no cotton. Bangladesh imports are forecast to increase 1% to 972,000 tons while Vietnam's imports are forecast up 2% to 956,000 tons. After decreasing in 2013/14, Indonesia's imports recovered 13% to 735,000 tons in 2014/15, and are expected to increase 6% to 782,000 tons in 2015/16.

The United States is forecast to lead in export volume,

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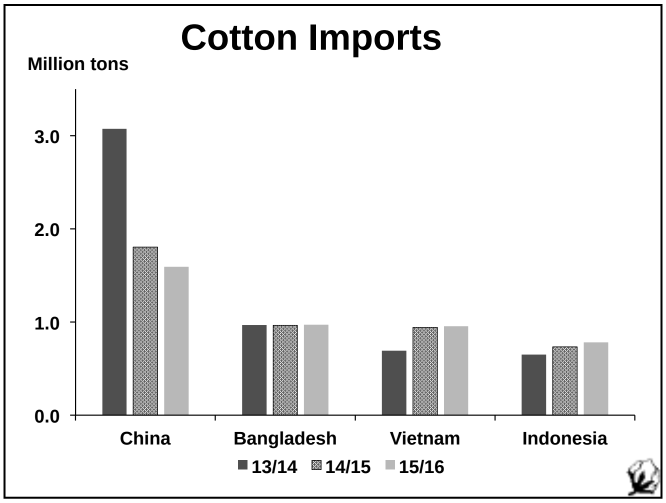
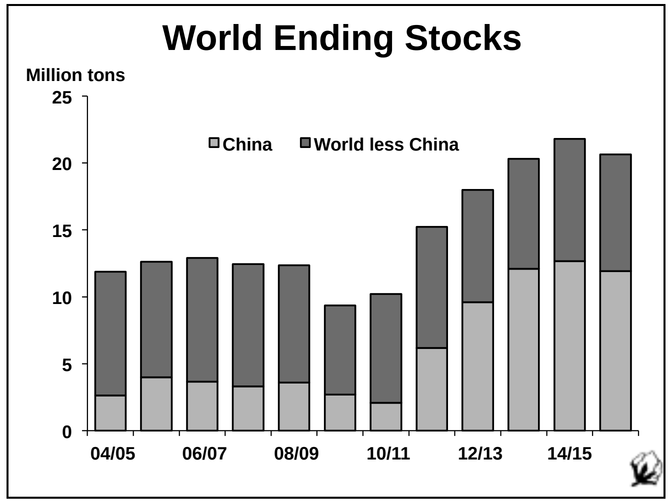



although its exports are projected down 9% to 2.2 million tons due to a smaller volume of production in 2015/16. After declining 55% in 2014/15, India's exports may recover 34% to 1.2 million tons. Exports in the next three largest exporting countries are all likely to decrease due to reductions in their exportable surplus. Brazil's exports are forecast down 10% to 766,000 tons, Uzbekistan's down 5% to 565,000 tons and Australia's down 10% to 467,000 tons.

World cotton consumption could grow 2% in 2015/16 to 25 million tons with consumption growth remaining flat or slowing in many countries compared with last season. Consumption in China, the largest cotton consuming country, is expected to remain flat in 2015/16 at 7.7 million tons. India's consumption growth is expected to slow to 3%, reaching 5.6 million tons, while Pakistan's consumption growth remains steady at 2%, reaching 2.6 million tons. Turkey's consumption declined 2% in 2014/15 due to financial losses in some of its larger textile companies, but it is projected to recover 5% to 1.4 million tons in 2015/16. Consumption in Bangladesh rose by 6% to 937,000 tons in 2014/15, and is forecast to increase by 4% to 974,000 tons in 2015/16. Similarly, Vietnam's consumption rose by 22% to 847,000 tons in 2014/15, and is expected to increase by 13% to 953,000 tons in 2015/16.

World ending stocks may decrease by 5% to 20.6 million tons after 5 seasons of growth. After an 11% increase in 2014/15, stocks held outside of China are also projected to decrease by 5% to 8.7 million tons.

# COTTON PRICE TRENDS IN 2014/15

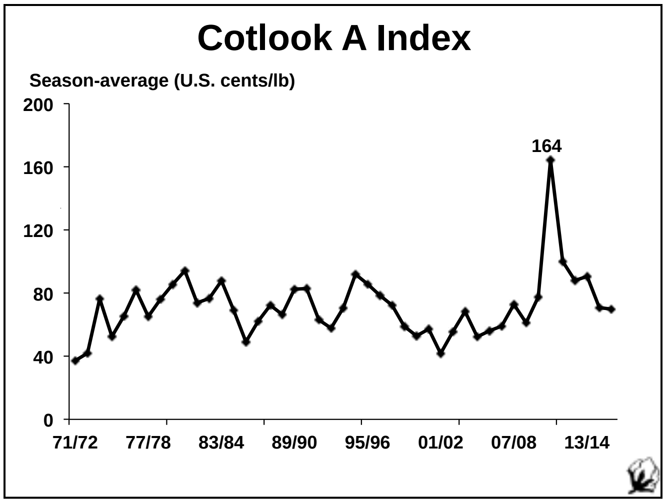
*By Rebecca Pandolph, ICAC*

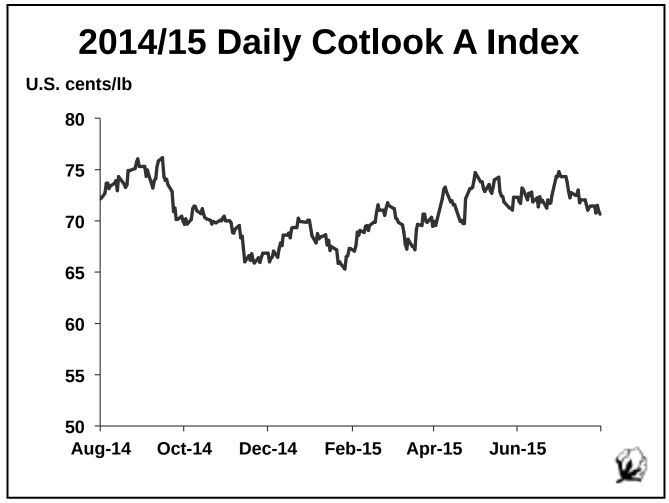
## International Cotton Prices Decrease, Lower Price Volatility

International cotton prices declined significantly in 2014/15. The Cotlook A Index, the most widely used measure of the price of cotton on the physical market, averaged 71 cents per pound, 21% lower than in 2013/14.

For five consecutive seasons, world cotton production has exceeded consumption. The 2014/15 season began with a record stock of 20.3 million tons of cotton, up 13% from 2013/14. However, beginning stocks outside of China fell by 2%, from 8.4 million tons in 2013/14 to 8.2 million tons in 2013/14. The A Index entered the season at 72.15 cts/lb on August 1, 2014, down nearly 20 cents from last season. Averaging 74 cts/lb in August 2014, the A Index peaked at 76.05 cts/lb on August 28, 2014. In September 2014, the A Index declined slightly, averaging 73.38 cts/lb and then fell further to 70.34 cts/lb in October 2014. The A Index was at its lowest for the season in November 2014, December 2014, and January 2015, averaging 67.53, 68.30 and 67.35 cts/lb, respectively. On January 26, 2015, the A Index reached its lowest point for the season at 65.30 cts/lb. From February 2015 through May 2015, the A Index grew modestly from an average of 69.84 to 72.86 cts/lb. In June and July 2015, the A Index declined slightly from the May average, and remained stable. It averaged 72.35 cts/lb in June 2015 and 72.38 cts/lb in July 2015. On July 31, 2015, the A Index reached 70.65 cts/lb, and world-ending stocks were at a record 21.8 million tons, or nearly 90% of world consumption in 2014/15.

In 2014/15, cotton prices experienced less variability than in recent seasons. The ICAC Secretariat usually reports volatility measures in terms of the relative spread and the coefficient of variation of prices during the season. These volatility measures indicate the dispersion of prices relative to the season average price. The relative spread is the ratio of the difference between the maximum price and the minimum price to the average price observed during a season. The maximum value of the Cotlook A Index during 2014/15 was reached on September




15, 2014 at 76.15 cts/lb, while the minimum was reached on January 26, 2015 at 65.30 cts/lb. The relative spread of the A Index amounted to 15%, the third lowest level observed in the last decade. The coefficient of variation of the A Index during 2014/15 was 3.57%, lower than the value observed during 2012/13 (5.80%) and 2013/14 (4.54%), and the lowest level observed since 1996/97.

The trend in international cotton prices during 2014/15 was driven by global cotton stocks and China's changing cotton policy. In 2014/15, world production exceeded world consumption by 1.6 million tons resulting in a cumulative surplus of 13.3 million tons since 2010/11. The estimated 89% stocks-to-use ratio is not indicative of the supply available to the market because 2014/15 global ending stocks were split between China and the rest of the world at a ratio of 58:42. China's stocks-to-use ratio was above 100% in 2014/15, while the stocks-to-use ratio climbed to 37% for the rest of the world, which represents an 11% increase in the volume of ending stocks outside of China from 2013/14. In order to encourage demand for domestic cotton, the Chinese government restricted its cotton import quota to the minimum level required by its commitments to the World Trade Organization. As a result, some countries that had been able to export surplus production were left with greater stocks, which contributed to lower cotton prices this season.

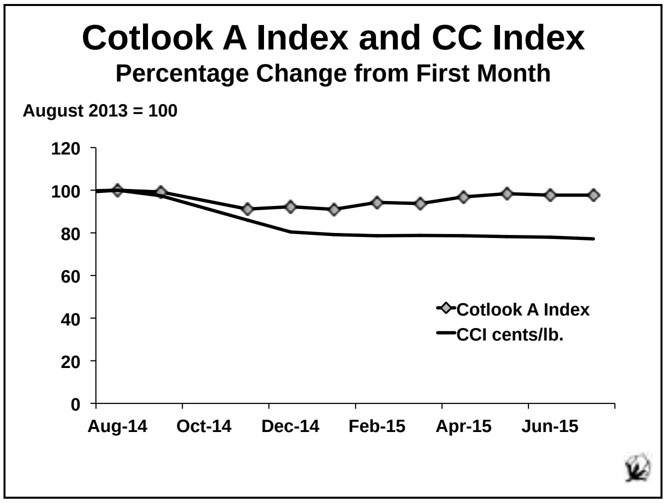
## Trends in Domestic Cotton Prices

The decrease in beginning stocks held outside of China maintained both international and domestic cotton prices for the first month and half of 2014/15. However, large volumes of production and weak demand led to a sharp upturn in these stocks by the end of 2014/15, with prices falling during much of 2014/15. 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 prices to farmers.

In the United States, the U.S. spot price generally followed the movement of the A Index throughout the season, falling from 65 cts/lb in August 2014 to an average of 59 cts/lb in December 2014 through January 2015. From April to June 2015, the U.S. spot price hovered around 63 cts/lb before declining slightly in July 2015 to 62 cts/lb. 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 reais (R$) per pound in the first two months to an average of R$1.64/lb from October to December 2014. Prices slowly rose from R$1.67 in January 2015 to R$2.14 in April 2015 before falling to R$2.07 in the next two months. In July 2015, the Brazilian spot price increased to R$2.09. While the spot price in Brazilian reais rose in the last five months of the season, the price in terms of U.S. dollars, which affects export earnings, did not increase due to the depreciation of the currency during the same period. Spot prices in Pakistan also followed a similar trend, falling from 5,409 rupees/maund (37.32 kg) in August 2014 to 4,738 rupees/maund in December 2014 before slowly climbing to 5,434 rupees/maund in May 2015. However, the spot price fell in the next two months to 5,367 rupees/maund in June 2015 and 4,715 rupees/maund in July 2015.

Prices of seedcotton to farmers in Francophone Africa are usually fixed at the beginning of the season by government cotton agencies 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 agencies and international price trends, farmers sometimes obtain a premium over the initial price. The non-weighted average seedcotton price paid to farmers across Francophone Africa was around 244 CFA francs/kg in 2014/15.[1] This was 2% lower than in 2013/14. Prices in Cameroon, Chad, Côte

1) Non-weighted average calculated based on guaranteed procurement price data from Benin (250 CFAF/kg), Burkina Faso (225 CFAF/kg), Cameroon (265 CFAF/kg), Chad (240 CFAF/kg), Cote d'Ivoire (250 CFAF), Mali (235CFAF/kg), Senegal (255 CFAF/kg), and Togo (230 CFAF/kg).




d'Ivoire (excluding the bonus awarded in 2013/14), Senegal and Togo are unchanged from last season. Prices decreased in Benin by 15 CFA francs/kg, in Burkina Faso by 10 CFA francs/kg, and in Mali by 15 CFA francs/kg.

In 2012/13 and 2013/14, the government of China purchased a significant volume of cotton (around 14 million tons) with the objective of keeping domestic prices around or above the support price. As a result, Chinese domestic cotton prices were 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. In early April 2014, China lowered the starting reserve auction price and the reserve transaction price was included into the China Cotton Index[2]. Since then, Chinese domestic prices, as measured by the CC Index, have declined sharply. At the start of 2014/15, the CC Index measured 17,138 yuan/ton (126 cts/lb) and fell to an average of 13,446 yuan/ton (99.3 cts/lb) in February 2015. The CC Index rose in March 2015, averaging 13,465 yuan/ton (99.6 cts/lb). In April 2015, the CC Index decreased to 13,425 yuan/ton, but due to the appreciation of the Chinese currency, the average price in terms of the US dollar rose to 99.9 cts/lb. The CC Index declined modestly for the remainder of 2014/15 and averaged 13,186 yuan/ton (98.2 cts/lb) in July 2015.

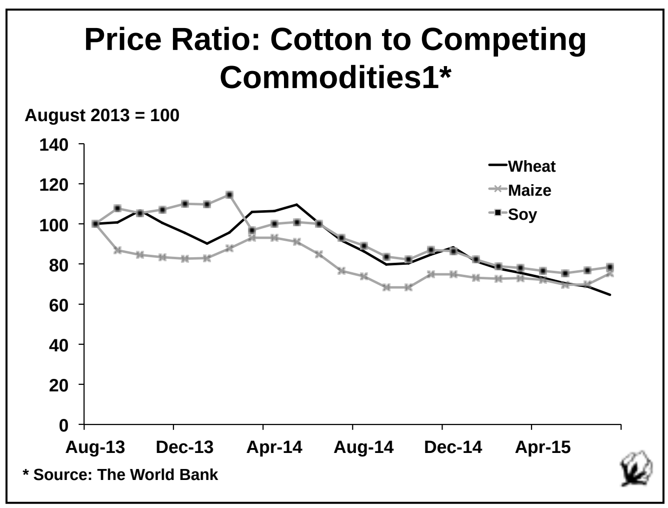
The difference between the A Index (Far East) and the CC Index averaged 32 cts/lb in 2014/15, falling below the average of 50 cts/lb in 2013/14. The narrowing of the price spread suggests that prices of imported cotton are less attractive than prices of Chinese cotton this season, particularly when import duties are added. This partially explains why the volume of imports by China decreased by 41% in 2014/15.

## Cotton Less Attractive than Most 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, sorghum and sugarcane.

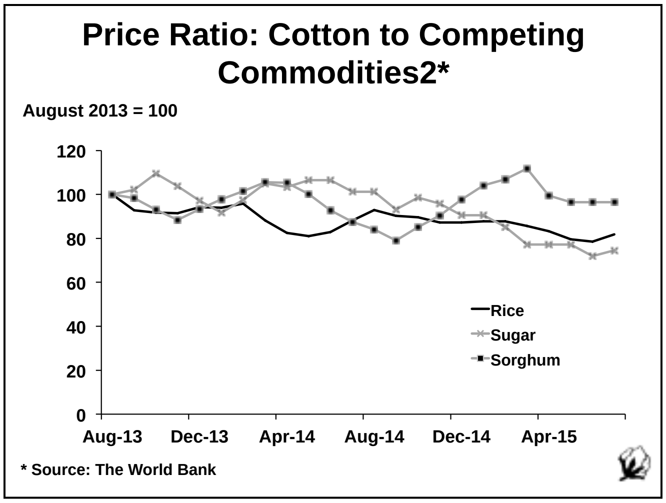
Season-average prices for competing crops declined for the second consecutive season in 2014/15 with the largest declines in average prices occurring for wheat and soybeans, decreasing by 23% and 22%, respectively.[3] Prices for maize fell by 17%, sugar by 16% and rice by 5%. After a sharp rise in prices from August 2014 through March 2015, the price for sorghum fell, so that the season-average price declined by just 1% from 2013/14. However, as discussed above, cotton prices also fell this season, and the price ratio of Cotlook A Index to most competing crops decreased, making cotton less attractive.

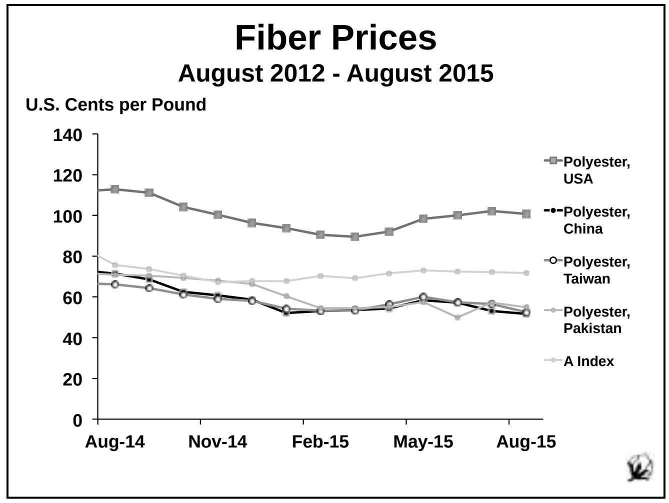
The price ratios for maize, rice, sugar, and sorghum all decreased in 2014/15 with the greatest reduction in the price ratios for sorghum and rice. After increasing in 2013/14, the season-average price ratio of the Cotlook A Index to soybeans remained stable in 2014/15. As in 2013/14, cotton was more attractive than wheat, as the price ratio of cotton to wheat increased for the second consecutive season.




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 local transportation costs (delivered mill price).

3) Season-average prices for commodities are estimated by averaging monthly quotes published by The World Bank in the "Pink Sheet" from August 2014 through July 2015: (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.




## Spinning Margin Continued to Decline in 2014/15 After Increase

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 2014/15, the Cotlook Yarn Index and cotton prices adhered to a similar downward trend in the first few months of the season before stabilizing. Altogether, the relative fluctuations in the prices of yarn and cotton, as measured by the published indices, suggest that compared to previous seasons, the spinning margin increased during the first six months, and decreased for the remainder of the 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 27.6% in 2014. Cotton's share is expected to continue to decline in 2015. Since 2009, the share of cotton in textile fiber end-use has decreased every year.

The drop in cotton prices at the end of 2013/14 narrowed the gap between cotton and polyester prices, which remained through the end of November 2014. However, in December 2014, polyester prices started to fall, widening the gap between the two prices once again through the end of the season. The China polyester quote published by Cotlook decreased from 72 cts/lb in August 2014 to 53 cts/lb in July 2015 (-26%). The U.S. polyester quote declined from 113 cts/lb in August 2014 to 90 cts/lb in February and March 2015 before rebounding to 102 cts/lb in July 2015. The Taiwan polyester quote followed a similar trend to U.S. polyester prices, falling from 66 cts/lb in August 2014 to 53 cts/lb in February and March 2015 before rebounding to an average of 58 cts/lb over the next four months. Taiwan polyester prices fell to 52 cts/lb in July 2015. Like Chinese polyester prices, the Pakistan polyester quote also decreased significantly from 71 cts/lb in August 2014 to 55 cts/lb in July 2015 (-23%). For the first five months of the season, the spread between the A Index and the average international price of polyester (calculated using each country's share in chemical fiber yarn production as weights) hovered around 2 cents per pound before rising to around 7 cts/lb in January 2015. Over the next fourth months, cotton prices rose to an average of 16 cts/lb greater than average international polyester price. In June 2015, the spread between the two prices increased to 22 cts/lb before falling to 14 cts/lb in the last month of the season, though remaining greater than at the start of the season.

# REVIEW OF 2014/15

*By Rebecca Pandolph, ICAC*

## Summary

The 2014/15 season began with global cotton stocks estimated at a record 20.3 million tons, up 13% from 2013/14. The season-average Cotlook A Index decreased by 21% to 71 cents per pound in 2014/15, reversing the rise in prices observed in 2013/14. Higher earnings in 2013/14 and lower prices for competing crops at planting time in the Northern Hemisphere, where 90% of cotton is produced, encouraged cotton farmers to plant more cotton in 2014/15. Consequently, cotton area expanded 2% to 33.4 million hectares. However, production fell by 1% to 26.1 million tons in 2014/15 due to a 3% decline in the world average yield to 781 kg/ha. After a season of no growth in 2013/14, demand for cotton by spinners rose 4% to 24.5 million tons in 2014/15, which is the highest volume in four seasons. Despite the decrease in production, world ending stocks increased by 7% to 21.8 million tons, setting a new record. The global stocks-to-use ratio rose from 86% in 2013/14 to 89%, the highest level since World War II. World cotton trade contracted by 13% to 7.6 million tons as Chinese imports dropped by 41% from 3.1 million tons in 2013/14 to 1.8 million tons in 2014/15. Shipments to the rest of the world increased 3% from 5.6 million to 5.8 million tons.

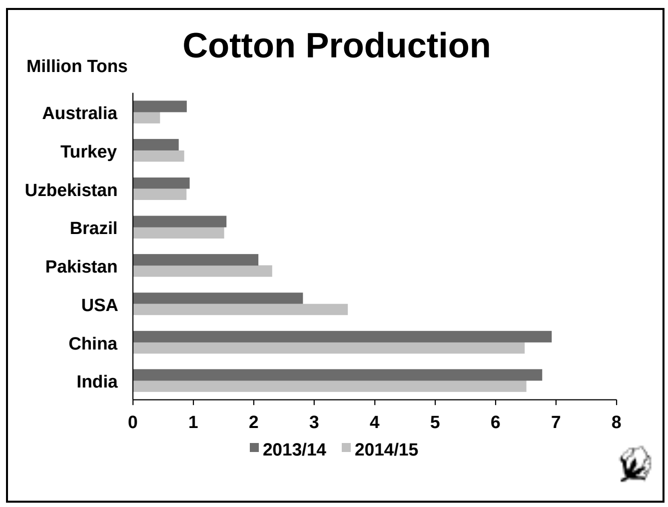
## Introduction

International cotton prices improved in 2013/14, which encouraged some farmers to plant more cotton in 2014/15 and world cotton area expanded 2% to 33.4 million hectares. Nevertheless, world cotton production fell 1% to 26.1 million tons in 2014/15 due to lower yields.

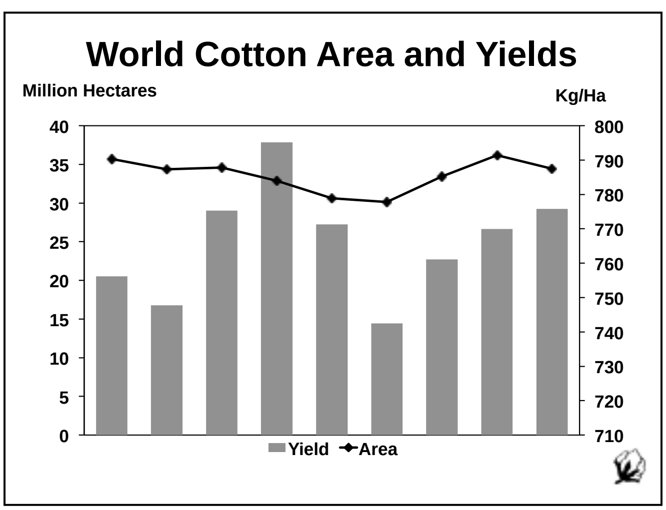
The world average yield declined by 3% to 781 kg/ha in 2014/15. Cotton yields increased in three of the five largest producing countries, China, **Pakistan**, and the **USA,** by 2%, 14%, and 2% respectively, while declining by 9% in **India** and 3% in **Brazil**.

The global production decrease in 2014/15 was driven mainly by China, reacting to reduced subsidies in 2014/15, and countries in the Southern Hemisphere, reacting to the fall in prices at the start of the season. Production in **Brazil,** the largest producer in the Southern Hemisphere and fifth largest producer globally, decreased by 12% to 1.5 million tons. In **Australia**, the second largest producer in the Southern Hemisphere, production dropped by 440,000 tons due to both prices and drought conditions. Despite record area, **India**'s production also decreased to 6.5 million tons due to lower yields. Production in the **USA** rose by 26% to 3.6 million tons and in **Pakistan** by 11% to 2.3 million tons. In **Uzbekistan** production was unchanged from 2013/14 while in **Turkey** production gained 87,000 tons.

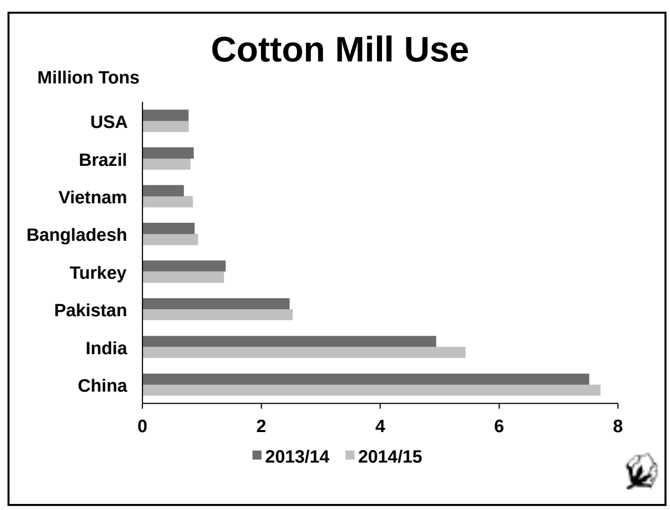
World cotton consumption grew by 4% in 2014/15 to 24.5 million tons, boosted by lower cotton prices for most of the season and higher polyester prices at the start of the season. In 2014/15, mill use expanded in all but three of the ten largest



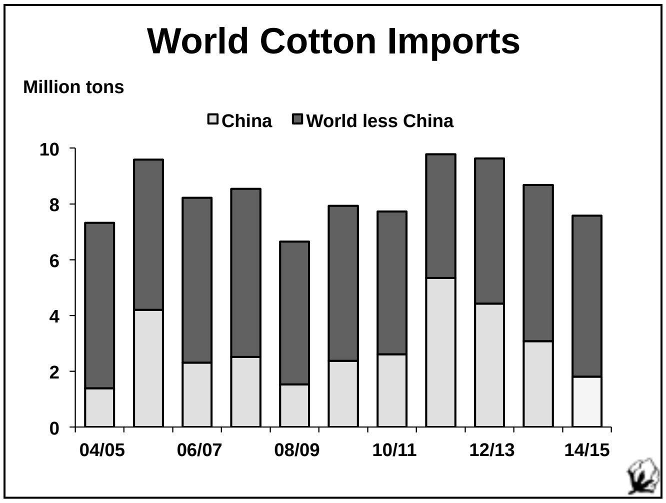
Cotton Production



World Cotton Area and Yields



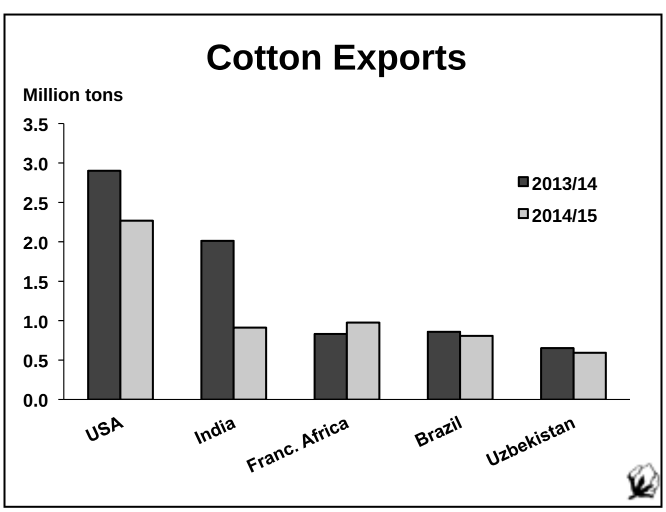
Cotton Mill Use




consuming countries. Consumption in China, the world's largest consuming country, grew by 2% to 7.7 million tons and in **India** by 10% to 5.4 million tons. In **Turkey**, **Brazil**, and Mexico, consumption fell by 28,000 tons, 54,000 tons, and 4,000 tons respectively.

**Pakistan**'s consumption grew by 2% to 2.5 million tons while mill use in the **USA** grew by 1% to 778,000 tons. Notably, Bangladesh, Vietnam, and Indonesia saw consumption grow to 937,000 tons, 847,000 tons, and 711,000 tons, respectively. After six years of decline, the share of cotton in global textile fiber end-use was 27.6% in 2014, unchanged from 2013.

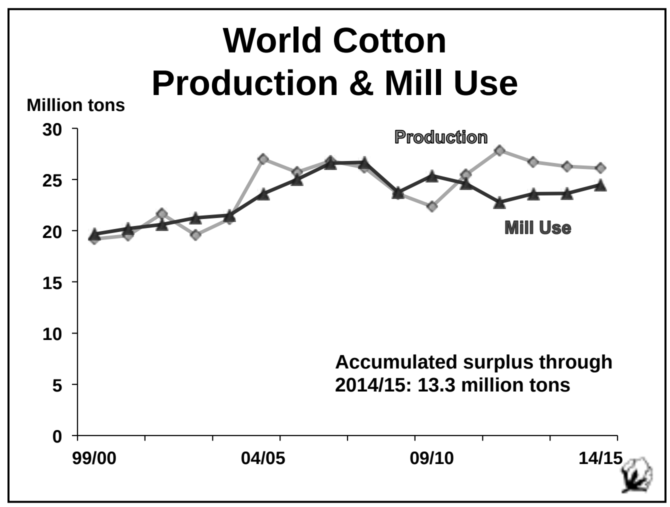
In 2014/15, the volume of cotton traded internationally contracted by 13% to 7.6 million tons, the lowest volume since 2008/09. A sharp reduction in imports by China, the largest importing country, left higher volumes of cotton stocks in many producing countries than in the last three seasons. While imports by other countries (world less China) increased by 3% to 5.8 million tons, this did not offset the 41% decrease in China's imports. Exports from the **India** and **Australia** fell 55% to 914,000 tons and 50% to 467,000 tons, respectively. The **USA**, on the other hand, saw exports rise 7% to 2.5 million tons, accounting for 32% of world cotton exports in 2014/15. After resolving logistical difficulties that prevented cotton from reaching ports at the end of 2013/14, exports from **Brazil** increased by 75% to 851,000 tons in 2014/15.

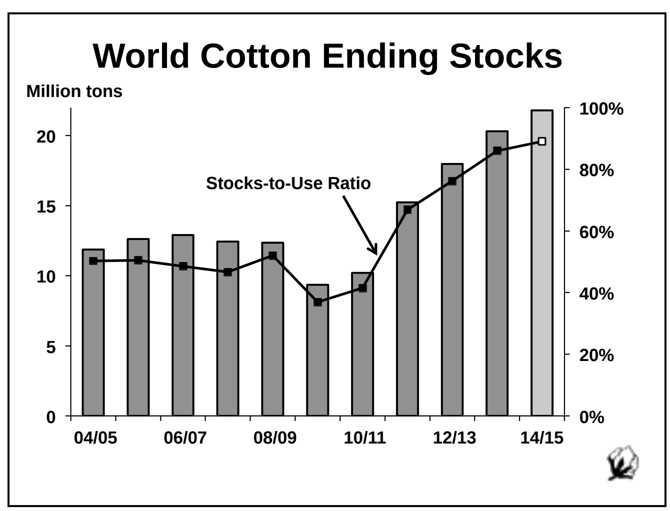



In 2014/15, global cotton production exceeded consumption by 1.6 million tons. Following four consecutive seasons of surplus, global cotton stocks jumped 7% to 21.8 million tons, surpassing the previous record. However, unlike in previous seasons where China held most of the surplus stocks, many producing countries also saw their stocks increase by the end of the season. At a record of 12.7 million tons in 2014/15, China's ending cotton stocks rose 5%, while stocks in the rest of the world increased by 11% to 9.1 million tons.

The global stocks-to-use ratio climbed to a new record of 89% in 2014/15, the highest level since World War II. In China, the stocks-to-use ratio rose from 161% to 164%, its highest level on record. Outside China, the stocks-to-use ratio increased from 33% to 37%.

The season-average Cotlook A Index dropped 21% to $0.71/lb in 2014/15. Given the decrease in world production and prices in 2014/15, the value of world cotton production dropped to $41 billion.



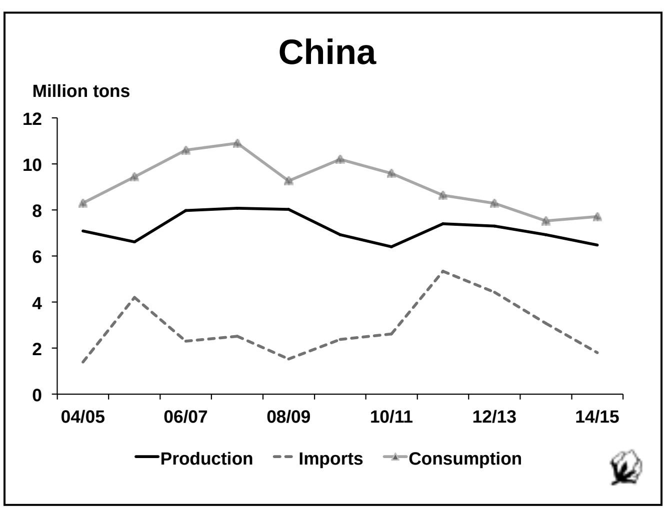



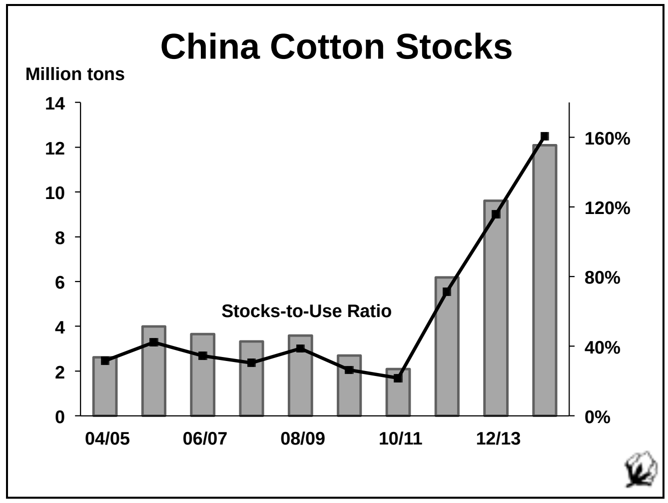
## First Season of China's New Cotton Policy

In 2014/15, China was the world's largest consumer, and importer of cotton, accounting for 32% of the world's consumption, and 22% of world imports. While it had been the world's largest producer for some years, India's production caught up with China's in 2014/15, when the two countries each accounted for 25% of the world's production. In early 2014, the Chinese government announced that it would be implementing a target price program for cotton limited only to cotton grown in Xinjiang. No subsidy was announced for regions outside of Xinjiang until after harvesting for the 2014/15 crop had begun, and this subsidy was limited to around 2,000 yuan/ton, or about one third of the payment to farmers in Xinjiang. Chinese cotton area declined from 4.7 million hectares in 2013/14 to 4.3 million hectares in 2014/15, which represents the smallest area planted to cotton since 2000/01 when area reached 4.1 million hectares.

In 2014/15, weather varied across the many cotton regions in China, but was generally favorable with heavy rains alleviating drought in several regions. The average yield increased by 2% to 1,503 kg/ha. Production fell 6% from just under 7 million tons in 2013/14 to 6.5 million tons in 2014/15.

After exceeding ten million tons in 2006/07, 2007/08, and 2009/10, cotton consumption in China has trended down. Several factors affect the competitiveness of the Chinese textile industry, including rising production costs (labor, energy and credit), labor shortages, and the high price of domestic cotton. In 2013/14, higher international and domestic prices and the continuing uncertainty over the government's domestic cotton and financial policies contributed to a reduction in cotton spinning activity in China. As a result, cotton mill use contracted 10% to 7.5 million tons in 2013/4. However, in 2014/15, consumption rose 2% in 2014/15 to 7.7 million tons, boosted by economic growth in Europe and the **USA** in the latter half of the season. Additionally, domestic cotton prices fell significantly due to the changes in cotton policy, while polyester prices remained firm during the first few months of the season.




The gap between domestic and world cotton prices stimulated record imports of 5.3 million tons of cotton in 2011/12. However, import volume has fallen in each of the following seasons. In 2014/15, China imported 1.8 million tons of cotton, down from 3.1 million tons in 2013/14. The Chinese government stopped its stockpiling policy, which had boosted imports in previous seasons, and limited its import quota to the volume required under its commitments to the World Trade Organization in order to encourage consumption of domestic cotton.

The **USA** is the largest exporter of cotton 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 **USA**, exporting 1.9 million tons of cotton to that destination. Indian shipments dropped below one million tons in 2012/13 while the U.S. shipments were close to the previous season's level. The following season, 2013/14 was marked by record production in **India** and a 25% reduction in the **USA India**'s exports to China again surpassed the **USA**, with **India** shipping over 1.1 million tons and the **USA** 639,000 tons. However, in 2014/15, the **USA** overtook **India** as the largest supplier to cotton with shipments from the **USA** totaling 587,000 tons and from **India**, 286,000 tons. Despite its smaller production in 2014/15, **Australia** was the second largest supplier of cotton to China, with shipments reaching 366,000 tons. Other major suppliers of Chinese cotton imports include **Uzbekistan**, and **Brazil**. For the past five seasons, African countries contributed on average 10% of total exports to China. The top three exporting countries in 2014/15 were **Cameroon**, **Burkina Faso** and **Cote d'Ivoire**.

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, including an extended auction in August 2014, but only 1.8 million tons were sold. In August 2014, the government cotton reserves stood at 11.1 million tons. No purchases were made in

2014/15, but sales did not begin until July 2015. Between July and August 2015, total sales were just below 60,000 tons, reducing the total stocks to slightly more than 11 million tons. At the end of 2014/15, the private sector in China was estimated to hold 1.6 million tons, and China's ending stocks for the season are estimated at 12.7 million tons, up 5% from the preceding season and more than sufficient for one year of use. China's stocks-to-use ratio rose from 161% to 164% by the end of 2014/15.

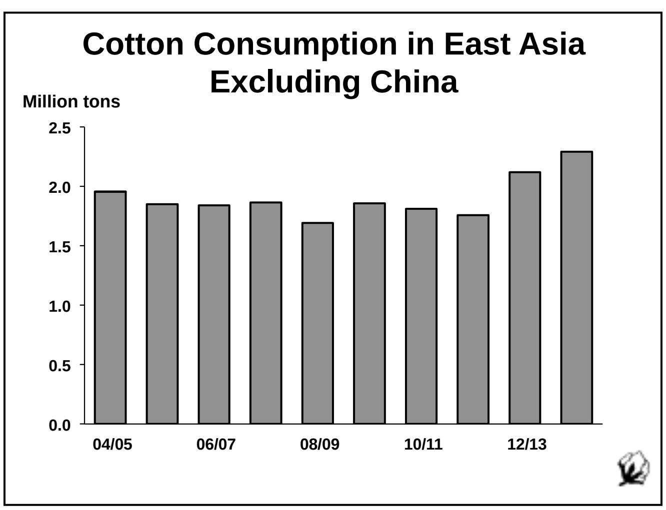
## Third Season of Consumption Growth in the Rest of East Asia

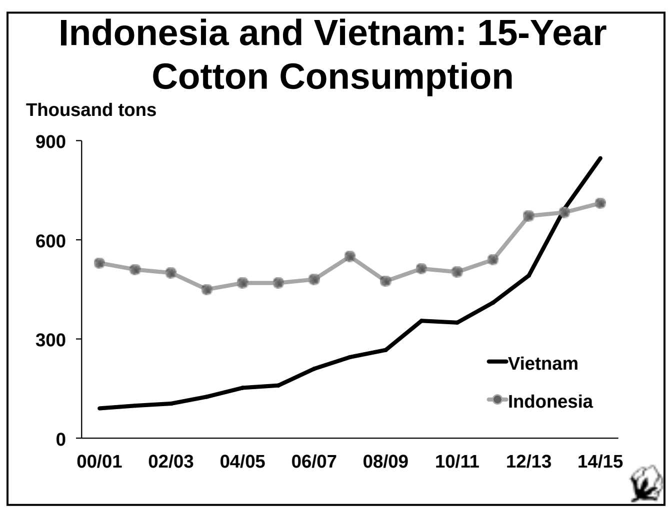
East Asia (excluding China) accounted for 10% of world cotton mill use in 2014/15. Cotton consumption in the region has slowly decreased since the end of the 1980s, affected by competition from other countries with lower yarn production costs, though this trend does not apply to Vietnam and Indonesia. In recent years, consumption growth in these two countries has offset declines or stagnation in the other East Asian countries. After a rebound in 2009/10 to two million tons, consumption resumed its decline in 2010/11 and 2011/12. However, mill use grew in 2012/13 by 20% to 2.3 million tons due to strong demand in China for cotton yarn. In 2013/14, growth slowed, and mill use reached 2.3 million tons, 8% higher than in the previous season. In 2014/15, the region maintained its growth rate, and mill use surpassed 2.5 million tons. East Asian countries produce very little cotton and therefore import most of their requirements. Cotton imports rose from 2.4 million tons in 2013/14 to 2.6 million tons in 2014/15. Cotton production in the region was stable at 12,000 tons.

Cotton mill use in Indonesia grew steadily from 104,000 tons in 1980/81 to 530,000 tons in 2000/01. In the next decade, growth fluctuated from year to year, and annual mill use ranged from 450,000 to 550,000 tons. After a 2% drop in 2010/11 due to high cotton prices, mill use grew from 540,000 tons in 2011/12 to 711,000 tons in 2014/15. While the depreciation of the Indonesian rupee made cotton lint imports more expensive, the decline in cotton prices this season help to offset these costs as well as making cotton yarn and textile exports more competitive. Cotton imports are estimated at 735,000 tons in 2014/15, up 13% from the previous season. Indonesia was the fifth largest importer of cotton in 2014/15. Cotton production is minimal in Indonesia, but is estimated at 5,000 tons, unchanged from last season.

Thailand's cotton mill use 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 lowest level of cotton mill use in over two decades. Conditions improved in 2012/13, and cotton consumption rose 33% to 360,000 tons. However, ongoing labor shortages, higher international cotton prices, and a slowdown in the domestic economy pushed consumption down 6% to 337,000 tons in 2013/14. Weaker prices and partial recovery of the local economy led to modest growth in consumption, which increased 1% to 340,000 tons in 2014/15. As cotton production has nearly disappeared, averaging around 1,000 tons a season in the last five seasons, Thailand relies on imports. In 2014/15, cotton imports to Thailand reached 320,000 tons.

With the exception of a small drop in 2010/11, cotton consumption in Vietnam has been increasing steadily over the past twenty years, from 18,000 tons in 1992/93 to 847,000 tons in 2014/15. Vietnam's accession to the World Trade Organization in 2006 encouraged investments, particularly from **Korea** and **Taiwan**, in the domestic textile industry that drove an 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 36% increase in consumption to 847,000 tons in 2014/15. Additionally, Vietnam has been one of the main beneficiaries of the decline in spinning in China, since some of that country's industry has shifted to Vietnam. Cotton production in Vietnam remains small and is estimated at 6,000 tons in 2014/15. Given its small production, 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 difficulties with financing, and instead, stocks were drawn down. Cotton imports rebounded by 36% to 517,000 tons in 2012/13 and a further 34% to 691,000 tons in 2013/14. Low cotton prices in 2014/15 boosted imports by 36% to 941,000 tons in 2014/15, more than six times the volume in 2004/05. Vietnam became the third largest importer of cotton in 2014/15, passing **Turkey**, and sourced more than 40% of its imports from the **USA**

After almost two decades of continuous decline, cotton consumption in **Korea** reversed the trend in 2009/10, increasing by 2% to 220,000 tons. In subsequent years, **Korea**'s consumption of cotton has steadily grown. In 2013/14, consumption was unchanged at 272,000 tons due to the increase in international cotton prices. Current spinning companies have invested, renovated and reduced costs, which supports 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 significantly lower international cotton prices in 2014/15, cotton consumption grew 7% to 290,000 tons in 2014/15. **Korea** imports all of the cotton it spins, and in 2014/15, its cotton imports were estimated at 288,000 tons, up 3% from the previous season. Nearly all of the cotton it purchases comes from the **USA** (50%), **Brazil** (34%), and **Australia** (12%).

During the past decade, **Taiwan** gradually upgraded its spinning equipment and improved its operating efficiency, while relocating older spindles to 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. With two exceptions (2009/10 and 2012/13), cotton mill use in **Taiwan** has declined over the last ten years. In 2013/14 and 2014/15, mill use fell by 5% to 193,000 tons and 183,000 tons respectively, as the textile sector has focused more on downstream products rather than cotton yarn. Cotton imports have followed the same trend as mill use, decreasing by 13% to 187,000 tons in 2013/14 and by 1% to 184,000 tons in 2014/15. Nearly 80% of its cotton imports were sourced from the **USA** (47%), **Brazil** (21%), and **India** (11%) in 2014/15.

At its peak, Japan's spinning sector represented 7% of world mill use, but its share is now less than half of a percent of that total. Japan's consumption decreased by 3% to 82,000 tons in 2010/11 after international cotton prices jumped to 164 cents/lb. However, imports rose by 26% to 83,000 tons as Japan competed with other importers due to low global cotton stocks. With persistent high prices and reduced demand, cotton imports decreased by 22% to 64,000 tons in 2011/12 and consumption by 19% to 67,000 tons. Additionally, the aftermath of the March 2011 earthquake and tsunami in Japan also reduced demand in 2011/12, particularly because energy costs soared after several nuclear power plants were deactivated. Consumption recovered partially in 2012/13 to 69,000 tons and remained stable in 2013/14. In 2014/15, consumption is estimated at 68,000 tons.

Cotton mill use in the Philippines has been on a downward trend since its peak of 77,000 tons in 1996/97 to an estimated 14,000 tons in 2007/08. In the following seasons, consumption has ranged between 6,000 and 18,000 tons per year. After falling 14% to 8,000 tons in 2013/14, mill use climbed to 18,000 tons in 2014/15. The Philippine spinning industry is highly dependent on cotton imports, since local cotton production has almost completely disappeared, and suffers from competition from textile imports. In recent seasons, the sector has focused on functional textiles and nonwovens. In December 2014, the Philippines was formally accepted into the European Union's General System of Preferences Plus tariff scheme, which may stimulate textile exports in the future.

After several decades of decline, Hong Kong closed its last spinning mill, which had produced only 10,000 tons of cotton in 2013/14. At the end of 2013/14, stocks were around 35,000 tons. Due to the low prices of cotton in 2014/15, relative to the purchase price, very little of the cotton stock was exported. In July 2015, stocks were estimated at 33,000 tons.

## Stable Production and Record Consumption in South Asia

South Asia is the world's largest cotton producing and consuming region. In 2014/15, it accounted for 35% of global cotton production and 37% of world cotton mill use. Most production and consumption takes place in **India** and **Pakistan**, although Bangladesh also spins significant quantities of cotton. Cotton production and mill use in South Asia have increased regularly over recent decades, most of the time balancing each other except in 2011/12, the season after a significant hike in cotton prices. In 2011/12, production grew 9% to 8.8 million tons while consumption fell 5% to 7.3 million tons, creating a gap of 1.5 million tons. However, that gap narrowed to a third of that volume in the next two seasons. In 2014/15, consumption overtook production by 56,000 tons, for the first time since 2009/10. In 2014/15, production reached 9.1 million tons, which is about 30,000 tons lower than in 2013/14. On the other hand, mill use increased by 7% to 9.1 million tons in 2014/15, making this the third season of consumption growth and marking a new record for the region. Much of the yarn in the last few seasons has been exported to China, where consumption has fallen and cotton yarn imports are not taxed, but domestic yarn consumption is also growing. With strong demand for cotton lint overseas and large exportable surpluses, exports from South Asian countries (notably **India**), including intra-regional shipments, increased 19% in 2013/14 to 2.1 million tons. This was the second highest volume on record since 2011/12 when exports reached 2.4 million tons. However, weaker demand and higher consumption in 2014/15 led to a 52% fall in regional exports to 1 million tons. Nevertheless, imports by South Asian countries (mostly Bangladesh and **Pakistan**) grew, reaching 1.4 million tons, up 6% from 2013/14.

## Record Consumption in India

For several seasons, **India** has been the second-largest cotton producing country after China. However, while China's production has steadily decreased since 2009/10, **India**'s has grown. In 2009/10, **India** produced 5.2 million tons, 1.7 million less than China. However, by 2013/14, **India**'s production increased by 30%, reaching a record production of 6.7 million tons that was only 159,000 tons lower than that of China. In 2014/15, due to high cotton prices and the late monsoon weather preventing planting of some competing crops, **India** planted a record area of 12.3 million hectares, accounting for the largest share of global cotton area (37%). However, the late start and erratic nature of the monsoon weather caused the average yield to fall 9% to 531 kg/ha, after achieving a record yield of 581 kg/ha in 2013/14. As a result, **India** produced 6.5 million tons in 2014/15, which accounts for 25% of global cotton production and is around the same volume of production as China.

**India** is the second largest industrial consumer of cotton behind China, accounting for 22% of world cotton consumption. After falling 5% in 2011/12 to 4.2 million tons due to the high raw material prices, cotton consumption has steadily grown over the next three seasons as a result of strong demand for yarn from China, **Pakistan** and the local textile industry. Mill use jumped 10% in 2014/15 to 5.4 million tons.

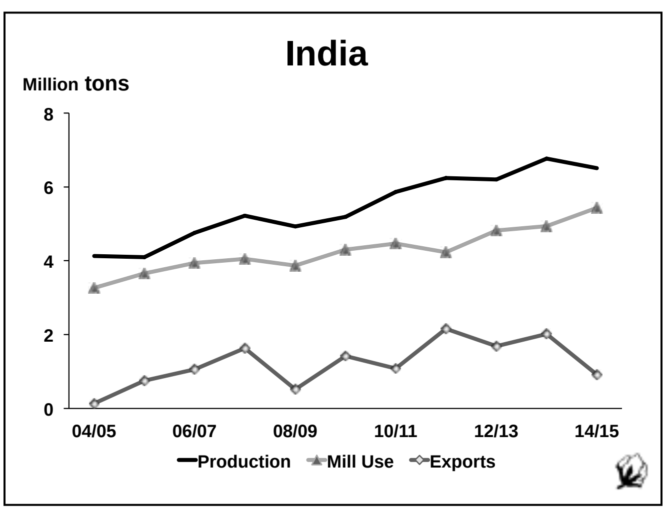
**India** has become a substantial net exporter of cotton since 2005/06 due to considerable increases in cotton production. However, cotton exports have fluctuated in the last few years, depending on government export policies, overseas demand and growth in mill use in **India**. Cotton shipments grew to a record of 2.2 million tons in 2011/12 before decreasing by 22% to 1.7 million tons in 2012/13. Exports increased 20% to two million tons in 2013/14 because of strong overseas demand and a large exportable surplus. Due to weak overseas demand, particularly in China, exports fell 55% to 918,000 tons, representing the first season when exports fell below one million tons since 2008/09. **India** is the second largest exporter of cotton in the world and accounted for 12% of all exports in 2014/15. **India**'s imports of cotton are estimated at around 267,000 tons in 2014/15, up 82% from the previous season. Imports are comprised almost entirely of qualities not produced in **India**.

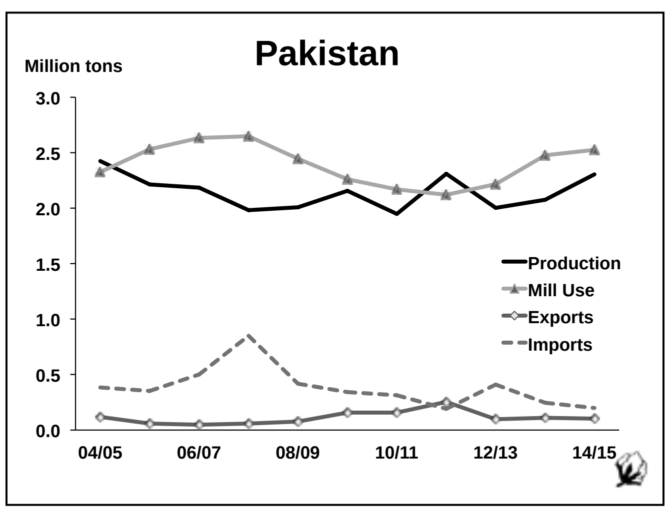
## Record Yield Achieved in Pakistan

Lower seedcotton prices in the last two seasons, competition from other crops and the late start to sowing led to a 3% reduction in area to 2.8 million hectares in **Pakistan**. In 2014/15, **Pakistan** achieved record yield, improving 13% to 812 kg/ha due to ideal seasonal weather and few pest infestations. The rebound in yield more than offset the decline in plantings, and cotton production grew 11% to 2.3 million tons in 2014/15, making **Pakistan** the fourth largest producer of cotton in the world. The Trading Corporation of Pakistan also undertook operations to buy a small percentage of the 2014/15 crop to help stabilize prices.

**Pakistan** is the third largest consumer of cotton after China and **India**, accounting for 10% of global cotton mill use in 2014/15. **Pakistan** has been one of the largest exporters of cotton yarn since 1988, in particular to China. Cotton mill use in **Pakistan** expanded by 4%, to 2.2 million tons, in 2012/13 and 12%, to 2.5 million tons, in 2013/14. 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, competition from Indian yarn imports and ongoing electricity shortages leading to higher energy costs curbed consumption growth in 2014/15. **Pakistan's** cotton consumption grew 2% to 2.5 million tons.

**Pakistan** is a significant net importer of cotton, since it needs extra cotton lint to make up for the domestic production



shortfall. 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 190,000 tons in 2011/12, cotton imports in **Pakistan** more than doubled in 2012/13 to 411,000 tons. In 2013/14, imports shrank by 40% to 247,000 tons and in 2014/15 a further 19% to 200,000 tons, due to the larger domestic supply available in both years. Initially, cotton exports from **Pakistan** followed an opposite trend, expanding 62% in 2011/12 to 253,000 tons before retreating 62% to 97,000 tons in 2012/13. In 2013/14, exports grew 15% to 111,000 tons. However, in 2014/15, exports fell 7% to 103,000 tons as more of the crop was used locally. **Pakistan**'s cotton stocks at the end of July 2015 are estimated at 738,000 tons, down 15% from the previous season.

### Bangladesh Mill Use Still Growing, but at a Slower Pace

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 17% to 700,000 tons in 2011/12. Large stocks of cotton bought at high prices, substantial 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, difficulties in obtaining credit to buy imported cotton, and challenges in meeting contractual obligations entered into when cotton prices were high, forced many mills to reduce their activity or shut down during the second half of 2011. Consumption grew 15% in 2013/14 to 880,000 tons due to the recovery in the world economy and strong demand for cotton by the local textile industry. Weaker demand for cotton yarn and political disruption in early 2015 caused consumption growth to slow, and mill use in Bangladesh is now estimated at 937,000 tons, up 6% from 2013/14.

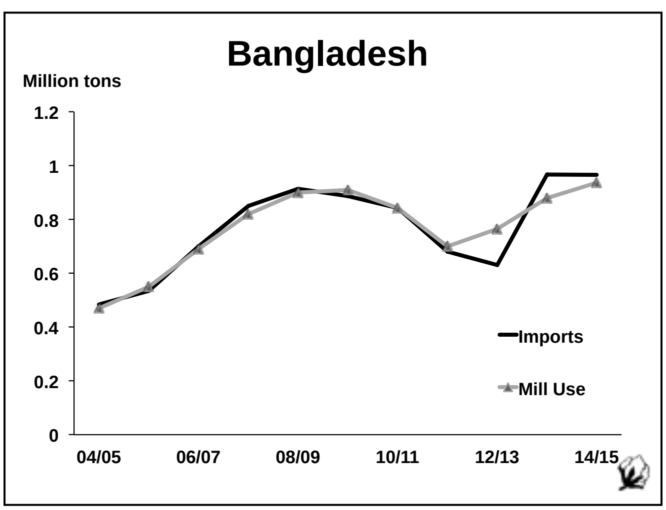
Cotton production in Bangladesh remains small relative to its mill use, but has grown over the last few years with support from the Cotton Development Board in order to reduce requirements for cotton imports by the spinning and textile sectors. In 2014/15, area is estimated at 25,000 hectares, up 250 hectares from last season. Production reached 25,100 tons, up 1% from 2013/14 with yield at 998 kg/ha, unchanged from last season.

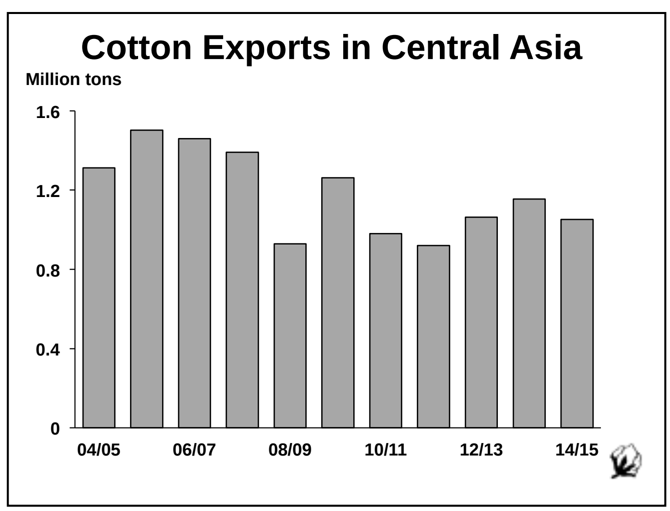
Bangladesh was the second largest importer of cotton in 2014/15, accounting for 11% of global imports, though imports remained unchanged from 2013/14 at 966,000 tons. After several seasons of decreasing imports, stocks had diminished greatly by 2013/14, and imports increased 53% from the previous season to 967,000 tons in 2013/14. However, large stocks of cotton purchased in 2013/14 at high prices have hurt spinners' profitability and purchases are currently limited to meeting immediate needs. Imports in 2014/15 are estimated at 966,000 tons.

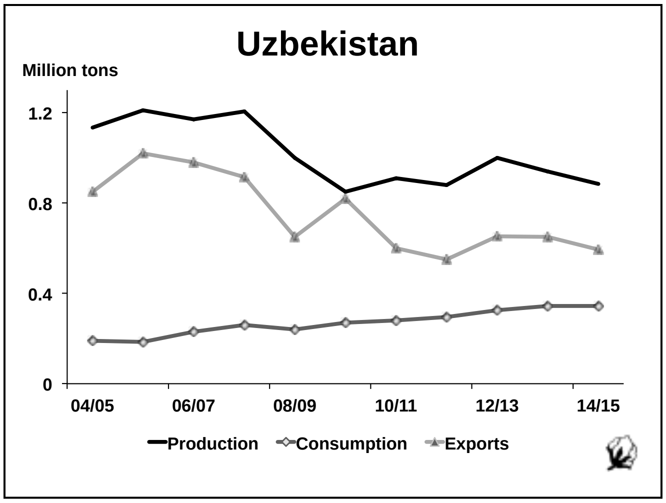
## Cotton Production and Exports Fall in Central Asia

Cotton area in Central Asia has been shrinking since 2011/12, when it reached 2.3 million hectares, due to competition from food crops. In 2014/15, the area planted to cotton in Central Asia fell by 1% to 2.2 million hectares. Production in 2014/15 fell 6% to 1.4 million tons due to a 6% reduction in the average yield to 636 kg/ha, well below the 10-year average yield of 663 kg/ha for the region. Cotton mill use increased for the sixth season to 532,000 tons, up 1% from 2013/14. In line with production, cotton exports from the region fell 9% to 1.1 million tons.

**Uzbekistan** remains the sixth largest cotton-producing country, accounting for 3% of global cotton production in 2014/15. All aspects of production are managed by the government of **Uzbekistan**. After a late start to planting, cotton area increased by 2% to 1.3 million hectares in 2014/15. However, the average yield decreased by 8% to 682 kg/ha. As a result, cotton production in **Uzbekistan** fell 6% to 885,000 tons. After two seasons of growth, cotton mill use remained flat at 345,000 tons. Due to the smaller exportable surplus, **Uzbekistan**'s exports are expected to fall by 9% to 594,000 tons in 2014/15. Stocks of cotton at the end of July






2015 approached 253,000 tons, down 17% from the previous season.

After three seasons of stability, the cotton area in Turkmenistan decreased by 1% to 545,000 hectares in 2014/15. The average yield declined marginally by less than 1% to 606 kg/ha and production fell by 1% to 330,000 tons. After increasing by 74% to 337,000 tons in 2013/14, exports are expected to fall by 9% to 307,000 tons due to a much smaller exportable surplus in 2014/15. Cotton mill use in Turkmenistan is estimated at 149,000 tons, up by 3% from 2013/14. Stocks of cotton at the end of July 2015 were estimated at almost 39,000 tons, the lowest since they were first recorded in the early 1990s.

Less than ideal weather conditions during planting led to a 7% decline in cotton area to 175,000 hectares in Tajikistan in 2014/15. Production fell by 10% to 94,000 tons with yields averaging 537 kg/ha, down 3% from 2013/14, due to difficulty with financing and inability to obtain sufficient inputs. Mill consumption of cotton is estimated up 10% to 9,000 tons, while exports increased 5% to 87,000 tons.

After increasing 5% to 140,000 hectares in 2013/14, cotton area in **Kazakhstan** decreased 8% to 129,000 hectares due mainly to farmers switching area to other crops. Adverse seasonal weather and shortages of water for irrigation led to a decline in yield of 20% to 426 kg/ha. As a result, production fell by 26% to 55,000 tons. A shortage of labor and machines for picking also contributed to the lower production this season. Consumption remained stable at 11,000 tons in 2014/15, while exports decreased by 28% to 44,000 tons due to the smaller exportable surplus.

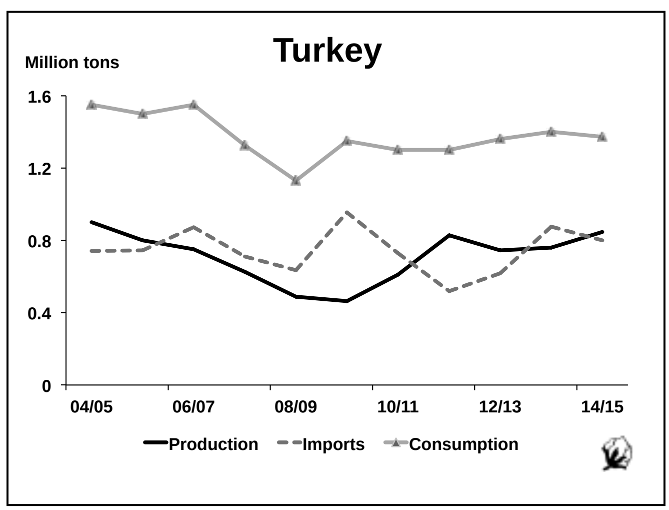
Since 2011/12, cotton area in Kyrgyzstan has been contracting and is estimated down 16% to 23,000 hectares in 2014/15. The national average yield decreased by 1% to 822 kg/ha due to dry weather, and production fell 17% to 19,000 tons. As only around 1,000 tons of cotton lint are used locally, most of Kyrgyzstan's crop is exported. Exports in 2014/15 decreased 11% to 21,000 tons, which included some of last season's crop.

The cotton area in Azerbaijan remained unchanged from 2013/14 at 28,000 hectares due to improved prices last season. Better seed varieties in recent years have led to a slower loss in production than in area in the past few seasons, and yield improved by less than 1% to 538 kg/ha. As a result, production was stable at just over 15,000 tons in 2014/15. Consumption is estimated at 17,000 tons, up 15% from the previous season. The volume of cotton exports is minimal since nearly all of the cotton produced is consumed locally.

## Turkey: Higher Production but Lower Consumption

After several seasons of declining yields in **Turkey**, better seed varieties were introduced in 2010. Additionally, **Turkey** has renovated its irrigation system in the last few years. Average yields in **Turkey** have risen in the last four seasons, except 2012/13 when they remained stable due to unfavorable weather. In 2014/15, yield grew by 7% to 1,809 kg/ha. Cotton area expanded in 2014/15 by 4% to 468,000 hectares due to higher prices last season. As a result, production reached 847,000 tons, up 11% from 2013/14.

Cotton mill use in **Turkey** decreased by 2% to 1.4 million tons in 2014/15, after two seasons of growth, due to financial difficulties in some of the largest spinning and textile firms. As Asian competitors (Bangladesh, **India** and **Pakistan**) increasingly switched to the Chinese market, Turkish spinners became dominant players in Europe. **Turkey**'s imports fell by 9% to 800,000 tons due to uncertainty created by an antidumping case filed against cotton from the **USA**, its largest source for imports. **Turkey** was the fourth largest importer of cotton in 2014/15, after China, Bangladesh, and Vietnam, accounting for 11% of world imports.



## Middle East: Both Cotton Production and Consumption Fall

Cotton production in the Middle East has generally declined since 2005/06, though a 24% revival in 2011/12 to 302,000 tons interrupted this trend. In the last two seasons, cotton production decreased even further, by 19% in 2013/14 to 191,000 tons and by 15% to 163,000 tons in 2014/15. Cotton mill use, on the other hand, has slowly developed since the 1990s, though the economic recession in 2008/09 and the 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. Consumption recovered 25% to 261,000 tons, but receded 2% to 256,000 tons in 2014/15.

The downturn in the world economy and the ongoing civil war in Syria has had a negative effect on cotton production, which has been declining since 2008/09, except in 2011/12. Syria's production is estimated down 30% to 70,000 tons in 2014/15 on an area of 72,000 hectares, with an average yield of 981 kg/ha due to difficulties in obtaining inputs in much of the country. A ban on cotton imports means that cotton consumption is limited by the volume of production, and consumption decreased from 100,000 tons in 2013/14 to 95,000 tons in 2014/15.

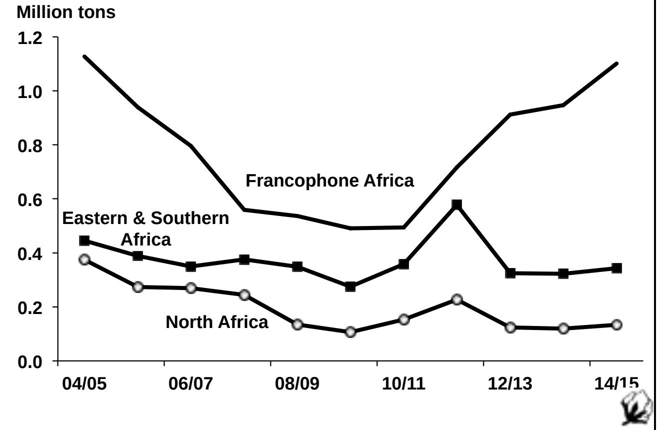
Cotton production in Iran remained stable at 66,000 tons in 2014/15. Cotton mill use saw no growth for three seasons before falling 4% in 2011/12 to 130,000 tons and then dropping 30% to 91,000 tons in 2012/13. Insufficient production and obstacles to imports of cotton have made it difficult for the spinning industry in Iran to expand despite demand for domestically produced cotton yarn. With stable domestic supplies, consumption is estimated at 131,000 tons in 2014/15, unchanged from the previous season.

Production in Israel more than doubled to 17,000 tons in 2011/12, the largest crop in four seasons, before falling to 15,000 tons in 2012/13 and then to 11,000 tons in 2013/14. As a result of higher prices for extra-fine cotton, area expanded by 11% to 7,000 hectares in 2014/15. Similarly to previous years, almost all the area was planted to extra-fine cotton (Pima and Acalpi). The average yield declined 1% to 1,786 kg/ha. Since Israel does not consume cotton locally, exports reached 13,000 tons in 2014/15.

## Africa: Cotton Production Continues to Grow

African cotton production declined continuously and significantly from two million tons in 2004/05 to 918,000 tons in 2009/10, the smallest level in almost five decades. However, production recovered slightly to 1.1 million tons in 2010/11, then jumped to 1.6 million tons in 2011/12, before falling by 9% to 1.43 million tons in 2012/13. African production grew by 2% to 1.45 million tons in 2013/14 and a further 13% in

**Cotton Production in Africa**




2014/15 to 1.6 million tons. In 2014/15, production increased in all regions of Africa.

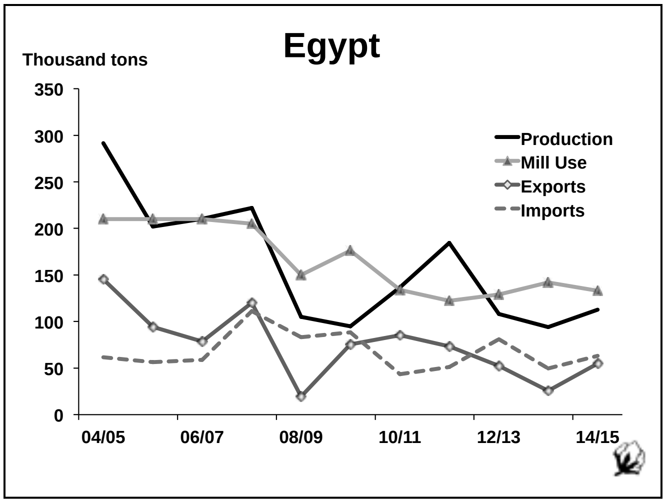
Africa accounted for 14% of world cotton area in 2014/15 (4.5 million hectares). However, while the estimated average yield of 364 kg/ha improved 12% from last season, it is 46% of the world average, although significant variations exist within countries and regions. Low yields are partly explained by 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 or financing for inputs. Production in Africa accounted for 6% of the global output in 2014/15. Total cotton mill use in Africa declined 2% to 384,000 tons, or 2% of world cotton mill use.

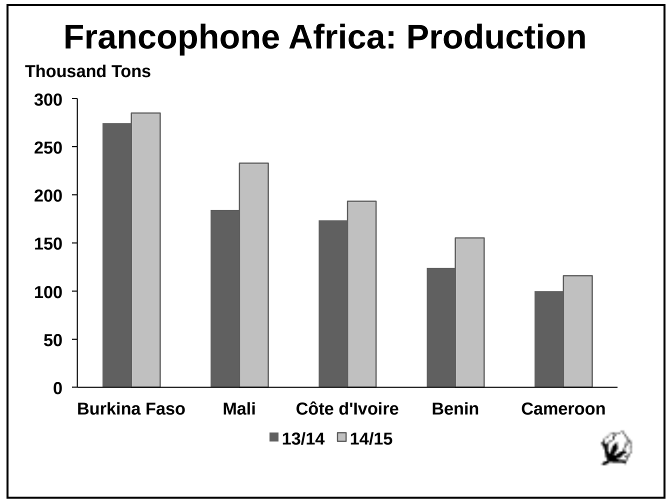
### Northern Africa

Cotton production in **Egypt** has been on a long downward trend since the early 1980s. After the spike in 2011/12, area and production fell sharply in 2012/13 because farmers preferred to plant maize and rice and the announcement of indicative cotton prices by the government of **Egypt** was delayed until the fall, when planting had already finished. The planted area contracted by 35% to 143,000 hectares, and production declined by 41% to 108,000 tons. In 2013/14, area decreased by 15% to 122,000 hectares and production by 13% to 94,000 tons. Both area and production were barely above the record lows experienced in 2009/10.

High cotton prices at planting time in 2014/15, particularly in comparison to maize and rice, encouraged increased cotton planting. For the first time, the government also provided cash subsidies to cotton farmers for the harvested 2014 cotton crop. Area rose by 29% to 158,000 hectares and production is estimated up 20% to 113,000 tons. Although cotton area and production improved, the national average yield declined by 7% to 714kgs/ha in 2014/15, well below its ten-year average of 833 kg/ha.

Exports increased from 26,000 tons in 2013/14 to 55,000 tons in 2014/15. **Egypt** remains 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. In addition, many spinners use imports and **Egypt** was a net importer of cotton in seven of the last ten seasons, including 2014/15. Imports were 68,000 tons in 2014/15 while consumption was 133,000 tons.

After a recovery in 2013/14, cotton production in **Sudan** decreased by 18% to 21,000 tons. While the cotton area contracted by 19% to 50,000 hectares in 2014/15, yield improved 1% to 415 kg/ha due to growing use of new early-maturing and pest resistant varieties of seed, which also helped reduce production costs. **Sudan**'s cotton exports dropped 29% to 5,000 tons in 2014/15. After reaching a low of 1,000 tons in 2009/10, cotton consumption has been steadily recovering. In 2014/15, consumption increased 3% to 19,000 tons.

## Francophone Africa[4]

After five consecutive seasons of decline, cotton production in Francophone Africa recovered by 1% to 494,000 tons in 2010/11, and has grown in each of the subsequent seasons. Cotton plantings expanded by 7% to 2.7 million hectares in 2014/15 due to stable seedcotton prices in most countries. The average yield for the region advanced 8% to 412 kg/ha. Cotton mill use in Francophone African countries remains small and has been stable for the last four seasons, at 17,000 tons. In recent years, it has accounted for less than 2% of local production. While in the last few seasons, export volume has grown, in 2014/15, exports fell by 9%, reaching 892,000 tons due to weak overseas demand.

**Burkina Faso** was again the largest producer in Francophone Africa in 2014/15, after reclaiming the title in 2012/13. Despite the lower prices paid to producers in 2013/14, area remained unchanged at 644,000 hectares. However, yield improved 4% to 443 kg/ha, and production increased 4% to 285,000 tons, which is the second highest volume of production since the 300,000 tons registered in 2005/06. **Burkina Faso** consumes around 4,000 tons of cotton every year. Despite the sizeable crop, cotton exports fell by 31% to 188,000 tons due to low demand.

Cotton area in **Mali** increased 19% to 570,000 hectares as a result of higher international cotton prices just ahead of planting. Despite the sporadic rains during planting, the average yield increased by 6% to 408kg/ha, which is above the ten-year average of 387 kg/ha. As a result, production in **Mali** grew by 26% to 233,000 tons. Higher input subsidies, lower fertilizer prices that encouraged greater usage, and less pest pressure contributed to the improved yield. Mill use in **Mali** is limited, averaging around 3,000 tons per year, and the majority of its production is thus exported. In 2014/15, exports increased 6% from 2013/14 to 209,000 tons. This was the largest volume since 2006/07.

In 2014/15, 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 fluctuated between 50,000 and 113,000 tons. However, greater government support for technical assistance and better prices paid to farmers has caused production to rise in the last three seasons. In 2014/15, production reached 193,000 tons, up 11% from 2013/14. Cotton area expanded 15% to 415,000 hectares in 2014/15, but yield declined 3% to 466 kg/ha. Higher seedcotton prices encouraged more farmers to plant cotton. **Côte d'Ivoire** consumes around 2,000 tons of cotton per season, making most of its crop available for export. In 2014/15, exports grew 4% to 188,000 tons.

Despite a small increase in the price for seedcotton, cotton area in Benin is estimated at 379,000 hectares, unchanged from 2013/14. In 2014/15, three new cotton seed varieties,

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

which are adapted to the growing conditions in the different regions of Benin, were introduced for commercial sowing to help improve yields. As a result, the average yield advanced 25% to 409 kg/ha and production increased by 25% to 155,000 tons, the largest volume since 2004/05. As Benin consumes only 4,000 tons of cotton per year, the vast majority of its crop is exported. In 2014/15, exports from Benin fell 26% to 104,000 tons due to a slow start to ginning and weaker foreign demand.

The Cameroonian cotton segment involves two major actors, namely SODECOTON (Cameroon Cotton Development Company) and CNPC Cameroon (National Confederation of Cameroonian Cotton Farmers). Since 2012/13, producer prices have remained stable at 265 CFA/kg of first quality seedcotton. However, ongoing support from government and sufficient supply of inputs have encouraged farmers to expand planting and improve yields. As a result, area increased by 9% to 227,000 hectares and the average yield grew by 6% to 511 kg/ha. **Cameroon**'s average yield is the highest in sub-Saharan Africa with the exception of **South Africa**. Production grew 16% to 116,000 tons. Cotton exports from **Cameroon** fell 6% to 95,000 tons in 2014/15, due primarily to weaker demand from China, which has in recent years been one of its main buyers.

Production in **Togo** jumped 30% to 44,000 tons due to a 5% increase in area to 122,000 hectares and yield improving 24% to 362 kg/ha. Seedcotton prices, which had increased by 15% in 2013/14, remained unchanged in 2014/15, encouraging farmers to expand cotton plantings. Exports grew 17% to 38,000 tons in 2014/15.

Due to improved seedcotton prices last in 2013/14 and 2014/15, the cotton area in **Chad** expanded 25% to 256,000 hectares. The average yield improved 28% to 199 kg/ha because of ongoing support from the new company Cotontchad SN. In additio, subsidies for fertilizers remained stable. Exports from **Chad** are estimated at 39,000 tons in 2014/15.

While production in Senegal fell in 2014/15, exports grew. A reduction in area by 5% and in yield by 8%, led to a total output of 11,000 tons, down 1,000 tons from 2013/14. Late arrival of the rainy season and intermittent rain caused yield and production to decline. Senegal's consumption remains unchanged from 2013/14 at 1,000 tons, but exports rose by 17% to 10,000 tons.

## Anglophone West Africa

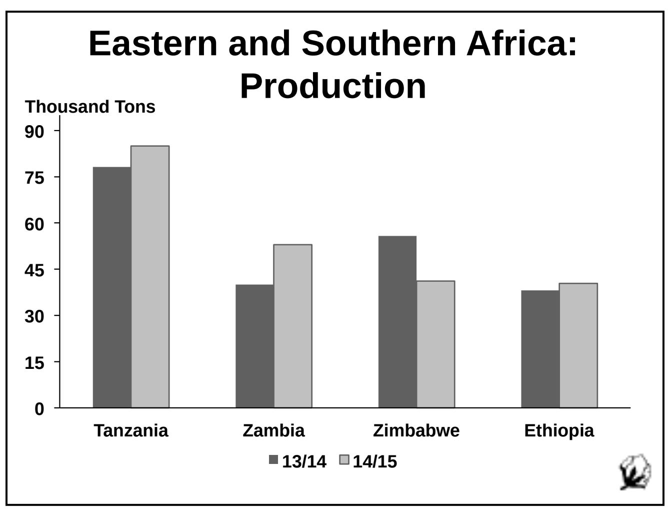
Cotton production in Nigeria is estimated at 61,000 tons in 2014/15, compared with 57,000 tons in 2013/14. Mill use remained stable at 19,000 tons. Area expanded 5% to 298,000 hectares due to firm prices in 2013/14 and government support for the industry. The Nigerian textile industry has been affected by high production costs for yarn, while frequent electricity shortages have also undermined mill use of cotton.

Ghana's cotton production was estimated at 6,000 tons in 2014/15, unchanged from 2013/14. 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 2014/15 improved by 1% to 366 kg/ha, but remains below the figure for both **Burkina Faso** and **Côte d'Ivoire**. The government continues to look for ways to revive its cotton sector, including private investment, and last spring appointed nine members to the Board of Directors for the Cotton Development Authority (CDA) to help implement its cotton revival strategy.

## Moderate Growth in Production in Eastern and Southern Africa

Cotton production in Eastern and Southern African countries rose by 4% to 337,000 tons in 2014/15 after two seasons of decline. While cotton area in the region contracted 13% to 1.3 million hectares, the average yield improved by 20% to 257 kg/ha. Ethiopia, **South Africa**, and **Uganda** were the only countries in the region that saw expansion in area this season, to 129,000 hectares, 15,000 hectares and 61,000 hectares, respectively. Competition from other crops, difficulties with financing, and falling cotton prices ahead of planting for countries in the Southern Hemisphere led to a shrinkage in area in the other countries. Cotton mill use saw a moderate growth to 148,000 tons, up 3% from the 144,000 tons estimated in 2013/14. Cotton imports rose 14% to 62,000 tons. Despite the increase in production, cotton exports from East and Southern African countries, including intra-regional shipments, fell by 3% from the previous season, reaching 236,000 tons in 2014/15.

In 2012/13, when cotton lint output reached 90,000 tons, **Tanzania** passed **Zimbabwe** as the largest producer in the region and has remained in that position in both 2013/14 and 2014/15. Farmers were less enthusiastic about planting cotton in 2014/15, due to the decrease in cotton prices relative to competing crops, and area decreased by 6% to 376,000 hectares. However, the average yield advanced by 16% to 226 kg/ha, and production increased by 9% to 85,000 tons. **Tanzania**'s cotton consumption grew 5% to 34,000 tons, while its exports are down 12% to 46,000 tons.



After climbing to 144,000 tons in 2011/12, **Zimbabwe**'s cotton production has fallen to less than half that volume in the last three seasons. Cotton area in 2014/15 declined 28% to 180,000 hectares due to adverse seasonal weather that saw erratic rains during planting and better prices for competing crops. Mid-season flooding washed away fertilizer and slowed growth of the established crop. However, yield improved 2% to 228 kg/ha among the surviving crop, which limited the loss of production, which reached 41,000 tons, a fall of 26% from the last season. **Zimbabwe**'s cotton mill use is estimated around 4,000 tons, unchanged from 2013/14. Due to the smaller exportable surplus, exports from **Zimbabwe** fell 20% to 47,000 tons, including crop remaining from last season.

**Zambia** moved from third largest producer in the region to second in 2014/15. After peaking at a record of 512,000 hectares in 2011/12, cotton area declined to 330,000 hectares in 2012/13 and to 290,000 hectares in 2013/14. However, improved prices and difficulties in the maize market, one of cotton's competing crops, encouraged farmers to plant more cotton, and area expanded 5% to 305,000 hectares. More ginners supplied inputs and extension support in 2014/15, which helped advance the average yield 26% to 174 kg/ha, and as a result, production grew 33% to 53,000 tons. The depreciation of its currency helped to boost exports, which increased 2% to 39,000 tons.

In 2014/15, cotton production in Ethiopia increased to 40,000 tons, up by 6% from the previous season, due to increases in planted area and yield. Higher prices and ongoing government support encouraged farmers to expand cotton area, which rose by 5% to 129,000 hectares, while the average yield improved by 1% to 314 kg/ha. Foreign direct investment has supported growth in Ethiopia's textile sector and Ethiopia remains the largest cotton consuming country in the region. Ethiopia's mill use grew by 3% to 45,000 tons, marking the fifth season of growth. As cotton production has not kept up with demand, Ethiopia has been a net importer since 2011/12, and imports more than doubled to 15,000 tons in 2014/15.

After expanding 5% in 2013/14, cotton area in **Mozambique** contracted 24% to 120,000 hectares due to the falling international prices and some flooding earlier in the season. The average yield improved by 12% to 222 kg/ha, limiting the losses to production, which reached 27,000 tons in 2014/15. As no cotton is consumed locally, all production is exported. Exports from **Mozambique** are estimated at 31,000 tons in 2014/15.

Firm international cotton prices and beneficial weather encouraged farmers to expand planting in **Uganda**, and area rose 15% to 61,000 hectares. Sufficient rains boosted yields, which increased by 55% to 431 kg/ha. As a result, production grew 79% to 26,000 tons. Nearly all of **Uganda**'s production is exported and exports are estimated up by 8% to 22,000 tons in 2014/15.

Area contracted for a third season in Malawi, down by 17% to 134,000 hectares, though it remains above its 10-year average of 99,000 hectares. A slight improvement in yield, up by 1% to 271 kg/ha, attenuated the fall in production, which reached 36,000 tons, a reduction of 16% in comparison with the record production of 43,000 tons in 2013/14. Consumption in Malawi has remained stable at 3,000 tons a year since 2010/11. In 2014/15, exports reached 38,000 tons, including remnants from the 2013/14 crop.

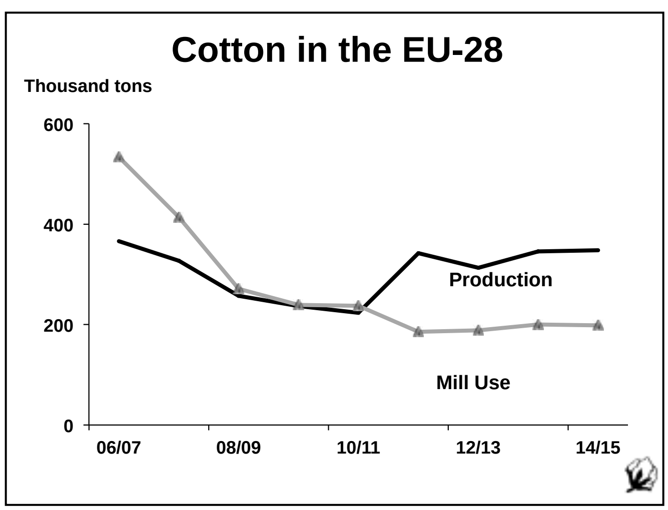
As noted above, area in **South Africa** increased. Additionally, yields rose by 3% to 1,209 kg/ha in 2014/15 after a 5-year low in 2012/13 of 777 kg/ha. In 2014, a National Cluster was established by the South African Cotton Producers Organisation and Cotton South Africa to build and improve the cotton sector in **South Africa** in order to better compete in the global market for sustainable textiles and apparel.

Due to the advancement in area and yield, cotton production in **South Africa** more than doubled to 19,000 tons from the preceding season. Cotton mill use in **South Africa** was unchanged at 22,000 tons in 2014/15. As a result of the growth in production, **South Africa**'s imports decreased 13% to 8,000 tons while its exports tripled to 9,000 tons.

After reaching 43,000 hectares in 2011/12, the cotton area in **Kenya** fell in the next two seasons, but recovered by 9% to 38,000 hectares in 2014/15 when farmers were encouraged by better rainfall at time of planting. The average yield was stable at 184 kg/ha after two seasons of advancement, and as a result, production grew 8% to 7,000 tons. Nearly all of Kenya's cotton production is consumed by the domestic spinning industry, which has absorbed around 7,000 tons a year since 2012/13.

## 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 negligible. Cotton growers in **Greece**, **Spain** and Bulgaria obtain assistance through the Common Agricultural Policy (CAP) of the European Union (EU). After two seasons of



decline, European cotton area expanded by 14% to 355,000 hectares in 2014/15, due to higher international prices. However, production was limited to 348,000 tons, up by 1% from last season as increases in **Spain**'s production offset production losses in **Greece**. The average yield decreased by 11% to 979 kg/ha.

In 2014/15 **Greece** produced 79% of the EU cotton crop. While the area under cotton increased by 11% to 275,000 hectares, the average yield fell by 16% to 997 kg/ha. As a result, production decreased by 7% to 274,000 tons. **Greece**'s cotton mill use has been declining since 1999/00. The sharpest drop was 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 2014/15, consumption receded a further 5% to 19,000 tons. Exports are estimated at 254,000 tons, down by 9% from the previous season due to a smaller exportable surplus and weak demand from China. **Turkey**, **Egypt**, Indonesia and Japan were major destinations of exports in 2014/15.

In 2014/15 cotton area in **Spain** is estimated at 80,000 hectares, up by 25% from the previous season. The average yield improved 18% to 918 kg/ha due to ample water for irrigation and overall beneficial weather. As a result, production rose by 48% to 73,000 tons. After a 40% drop in 2011/12, **Spain**'s consumption has been steadily decreasing at a slower pace. In 2014/15, its mill use declined 3% to 5,500 tons. Exports from **Spain** are estimated at 70,000 tons, up 56% from 2013/14, due to the larger exportable surplus.

Cotton consumption in the EU has 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 2014/15 reached only 198,000 tons. The ongoing European financial crisis and ensuing economic slowdown greatly affected end-use consumption of textile products in the region. Five countries (Italy, **Germany**, **Greece**, Portugal and **France**) accounted for 81% of cotton mill use in the EU-28 in 2014/15. Cotton mill use contracted in most countries in the EU-28.

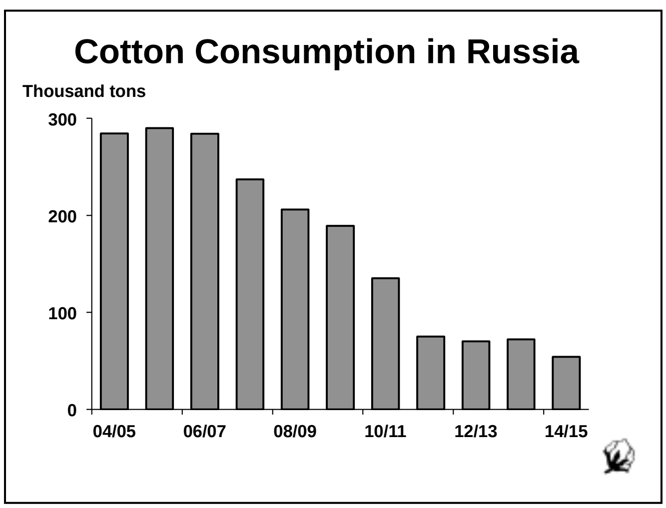
Italy is the largest cotton consumer in the EU-28, accounting for a quarter of EU mill use. After reaching a record low in 2013/14, Italian cotton mill use partially recovered in 2014/15 to 48,300 tons, up 7% from the previous season. While domestic cotton mill use has shrunk over the last few years, an important part of its cotton yarn spinning activities has been relocated to other countries, although still under Italian ownership. In **Germany**, the second largest consumer and accounting for 24% of EU consumption, cotton mill use was reduced by 7% to 48,000 tons. Cotton mill use remained unchanged at 33,000 tons in Portugal, but rose by 3% to 13,500 tons in **France**.

In Belgium, cotton consumption remained at around 4,000 tons a season from 2011/12 until 2014/15. Belgium re-exports half of its cotton imports to other European countries. Austria's cotton consumption grew from 4,000 tons a year in 2012/13 to 5,000 tons a year in 2013/14, and remains at 5,000 tons in 2014/15. Mill use in the Czech Republic was around 2,600 tons in 2014/15, approximately 200 tons less than the previous season. **Poland**'s mill use fell by more than half to 2,400 tons in 2011/12, but recovered to 6,900 tons in 2012/13. In 2014/15, mill use remained unchanged from the previous season at 7,000 tons. Consumption of cotton waste has increased in recent years, for use in the production of medical, hygienic and cosmetic products. In **Switzerland**, cotton use declined by 3% to around 3,000 tons. Only one cotton-spinning mill operates in **Switzerland**, specializing in 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 300 tons per season), joined the European Union. In 2014/15, Croatia imported cotton from **India**.

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 400 tons in 2014/15. 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 44% to 75,000 tons. As **Russia** produces almost no cotton, its spinning sector relies on imports, but the depreciation of the ruble made cotton imports more expensive. As a result, imports fell by 29% to 55,000 and consumption by 25% to 54,000 tons in 2014/15.



## Cotton Production Drops in North America

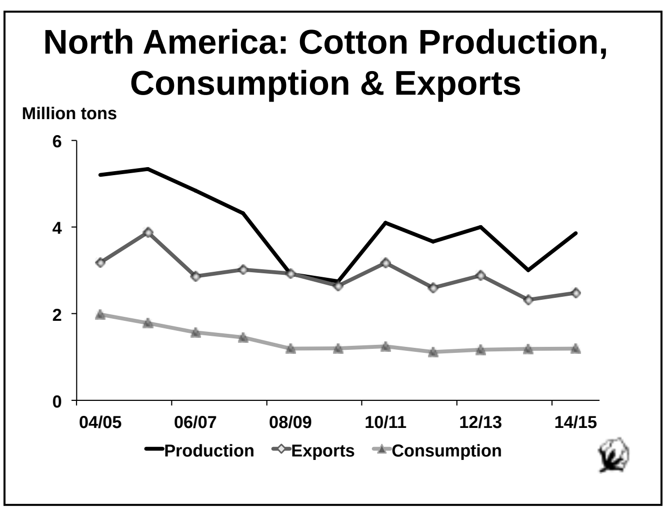
Nearly all of the cotton produced in North America comes from the **USA** and Mexico. Since the worldwide economic recession in 2008/09, cotton production in North America has been alternating between growth and contraction from season to season. After a 25% drop in production to three million tons in 2013/14, production grew by 28% to 3.9 million tons in 2014/15. Cotton consumption in North America remained flat at 1.2 million tons in 2014/15.

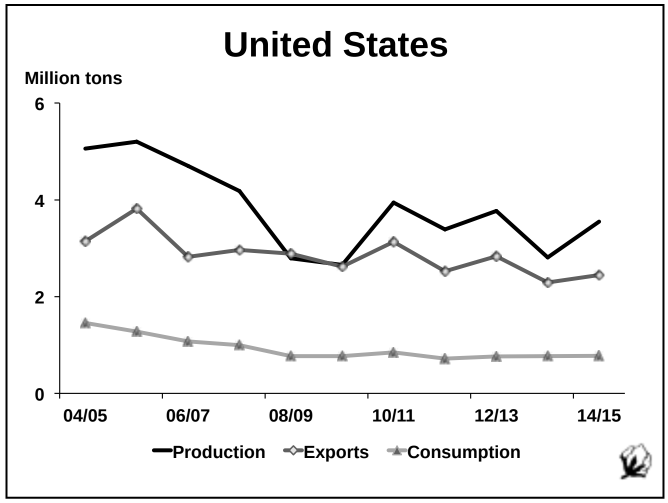
The area planted to cotton has been dwindling in the **USA** since 2011/12 and fell 19% to 3.1 million hectares in 2013/14. However, higher prices last season encouraged farmers to expand cotton plantings, and area increased 24% to 3.8 million hectares. Heavy rains in late spring allowed the largest cotton-producing state, Texas, to recover from several years of drought and boosted productivity in many other states. However, drought is an ongoing concern in the state of California where most of the **USA**'s Pima cotton is grown.

The average cotton yield increased by 2% to 939 kg/ha, and the abandonment rate was reduced from 27.5% in 2013/14 to 15.3% in 2014/15. Due to greater acreage planted and the lower abandonment rate, cotton production rose 26% to 3.6 million tons in 2014/15 following a 25% decrease in 2013/14. Upland cotton production increased 28% to 3.4 million tons while Pima production fell 11% 123,000 tons.

U.S. cotton mill use expanded again in 2014/15 to 778,000 tons, up by 1% from the preceding season. The current level is a third of the peak mill use of 2.4 million tons registered in 1997/1998. Nonetheless, the **USA** was the eighth largest consumer of raw cotton in 2014/15.

The **USA** is the largest exporter of cotton, and the share of the **USA** in global exports rose from 25% in 2013/14 to 32% in 2014/15. Given the larger exportable surplus in 2014/15, cotton exports in the **USA** increased 7% to 2.4 million tons. The top U.S. cotton export destinations in 2014/15 were China, Vietnam, **Turkey**, Indonesia and Mexico.




After a 17% decrease in production in 2013/14, cotton production in Mexico increased in 2014/15 to 302,000 tons due to higher international cotton prices. After two seasons of growth, cotton mill use in Mexico contracted 1% in 2014/15 to 408,000 tons. As a result of the greater availability of domestic cotton in 2014/15, Mexico's imports fell by 15% in 2014/15 to 198,000 tons. Most of Mexico's imports come from the **USA**, but Mexico also purchased small volumes from **Egypt** and **India** in 2014/15.

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 slowly declining from around 1,000 tons in 2011/12 to less than 700 tons in 2014/15.

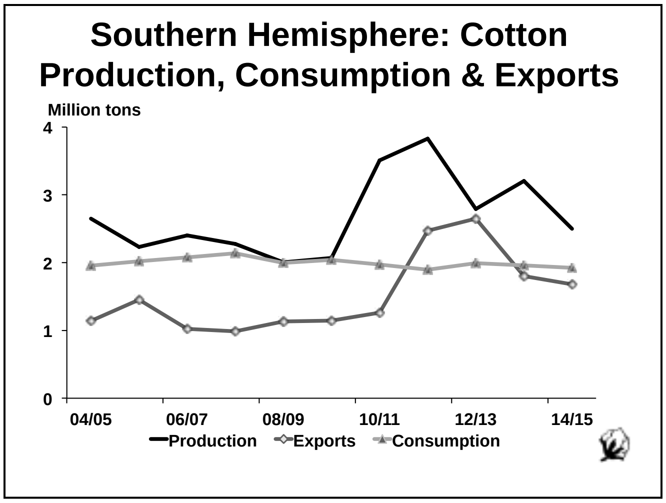
Mill consumption in Central America occurs mainly in El Salvador and Guatemala. In El Salvador, mill use remained flat at 27,400 tons in 2014/15 while in Guatemala mill use fell to 21,000 tons in 2014/15 after increasing to 23,000 tons in 2013/14. Central American spinning mills use cotton imported mostly from the **USA** as well as some shipments from Mexico.

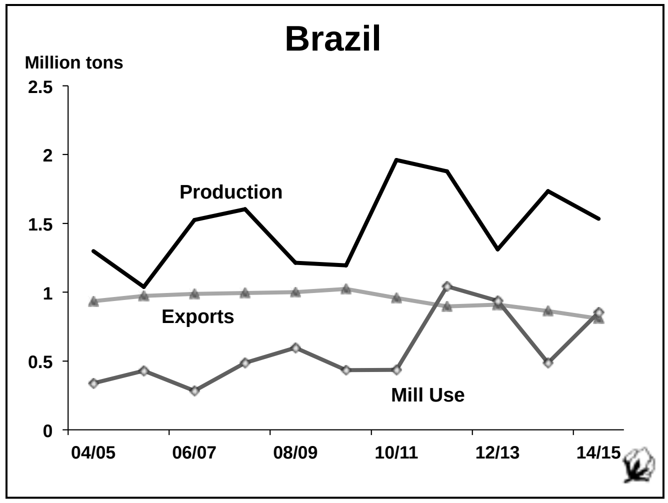
## Cotton Production Declines in the Southern Hemisphere

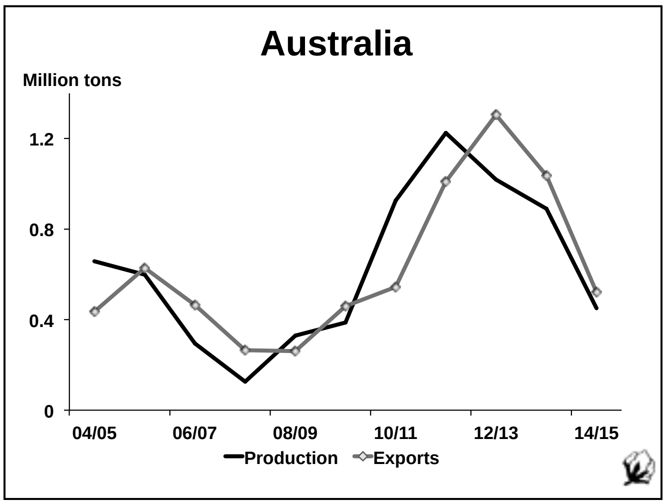
In 2014/15, production in the Southern Hemisphere, is estimated down by 22% to 2.5 million tons after a 15% increase to 3.2 million tons in 2013/14. The decrease came mostly from **Australia**, where production fell by 49% to 450,000 tons of cotton, and **Brazil**, where production dropped by 12% to 1.5 million tons. Production in South America outside of **Brazil** also fell by 16% to 321,000 tons.

### Production Falls in Australia

Cotton production in **Australia** shrank by 49% to 450,000 tons, the lowest volume in five seasons. Ongoing dry weather and low soil moisture severely restricted growth in dryland areas, while the fall in prices coupled with limited availability of irrigation supplies led to total cotton area contracting by




48% to 202,000 hectares in 2014/15. The average yield fell 2% to 2,228 kg/ha from 2,270 kg/ha in 2013/14. **Australia** was the seventh largest cotton producer in 2014/15, harvesting around 2% of the world's production.

After three seasons of export volumes over one million tons, export shipments during 2014/15 are estimated at 521,000 tons, down 50% from the previous season. Due to the significant decline in export volume, Australia moved from third to fifth largest exporter in 2014/15.

## Lower Cotton Production in South America

The drop in international prices just before planting in the Southern Hemisphere led to an 11% fall in cotton area, which reached 1.5 million hectares in 2014/15. Average yields declined by 3% to 1,197 kg/ha, the third highest average yield in the last 25 years. Cotton mill use in the region shrank by 5% to one million tons.

Late sowing of the soybean crop that is planted before a second crop of cotton, low international prices and increased input prices discouraged farmers in **Brazil** from planting cotton, and area decreased 9% to 1 million hectares. Pressure from a bollworm infestation diminished yield and production in 2014/15. Production in **Brazil** fell by 12% in 2014/15 to 1.5 million tons, and yield declined by 3% to 1,507 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 **Brazil** shrank by 6% to 808,000 tons, making it the seventh largest consumer of cotton in 2014/15. Most mill use is directed towards the domestic market. However, a considerable boost in imports of yarn and finished textile products from Asia, high domestic cotton prices, and competition from other fibers resulted in a slowing of spinning operations and/or an increase in the share of polyester in blends.

Cotton exports from **Brazil** recovered in 2014/15, growing 75% to 851,000 tons. Logistical issues with moving the crop to ports were partially solved, helping to boost exports in 2014/15. Additionally, the appreciation of the Brazilian real against the U.S. dollar made cotton exports from **Brazil** more competitive in the second half of the season. With the significant growth in exports, **Brazil** moved from fifth largest exporter in 2013/14 to third largest during 2014/15. Cotton imports decreased 83% to 5,000 tons in 2014/15, which is the lowest volume in the last thirty years.

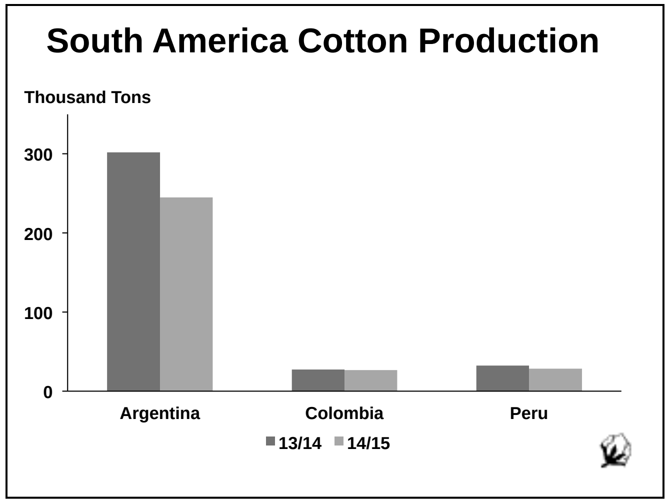
After a sharp increase in 2013/14, cotton area and production in **Argentina** declined in 2014/15, reaching 245,000 tons of production on an area of 456,000 hectares. The average yield also decreased by 10% to 537 kg/ha, due to boll weevil infestations. Cotton mill use in **Argentina** grew 5% to 142,000 tons in 2014/15, following two seasons of decline. Since 2009/10, **Argentina** switched from being a net importer to a net exporter, and imports fell 4% to 2,000 tons. Exports nearly doubled to 84,000 tons in 2014/15 compared to last season, with 60% of exports going to Indonesia, **Turkey**, and Vietnam.

Cotton production in **Colombia** is estimated at 27,000 tons in 2014/15, unchanged from 2013/14. Area increased 3% to 32,000 hectares with an average yield of 836 kg/ha, down 6%

from 2013/14. Production and area in 2014/15 diminished due to competition from other crops, such as rice and maize, while adverse weather lowered yields. Cotton mill use in **Colombia** decreased 14% in 2014/15 to 52,000 tons. Imports are estimated at 20,000 tons, 41% lower than in the previous season, as a result of declining mill use and better management of inventory.

Cotton production in Peru is estimated at 29,000 tons in 2014/15, a reduction of 12% from 2013/14. After a 24% jump in cotton area to 39,000 hectares in 2013/14, cotton area in Peru contracted by 7% to 36,000 hectares in 2014/15. Consumption is estimated around 82,000 tons in 2014/15, down 10% from 2013/14. Peru's cotton imports fell by 7% to 54,000 tons in 2014/15. Most imported cotton comes from the **USA**

Cotton area in **Paraguay** contracted 35% to 16,000 hectares, the lowest level on record in the last fifty years. Insufficient quality planting seed, low profitability, a lack of technical assistance and competition from other crops all contributed to the loss in cotton area. The average yield remained stable at 430 kg/ha, and production decreased 35% to 7,000 tons in 2014/15. Cotton mill use in **Paraguay** is estimated at 8,000 tons and imports at 1,000 tons in 2014/15. Most of the cotton crop is used by domestic industry, although small amounts of extra fine cotton, estimated at 3,000 tons in 2014/15 and the lowest volume in the last 25 years, are exported.



## 2014/15 SUPPLY AND USE OF COTTON BY COUNTRY  October 1, 2015

| | 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 | 0.11 | 0.11 |
| CUBA | 4 | 272 | 1 | 1 | 2 | 3 | | 1 | 0.19 | 0.19 |
| DOM. REP. | | | | | 1 | 1 | | 0 | 0.47 | 0.47 |
| MEXICO | 181 | 1,668 | 302 | 146 | 198 | 408 | 33 | 205 | 0.46 | 0.50 |
| USA | 3,783 | 939 | 3,553 | 651 | 3 | 778 | 2,449 | 980 | 0.30 | 1.26 |
| **N. America** | **3,973** | **971** | **3,857** | **799** | **204** | **1,192** | **2,482** | **1,186** | **0.32** | **0.99** |
| EL SALVADOR | | | | 8 | 29 | 27 | | 10 | 0.35 | 0.35 |
| GUATEMALA | | | | 7 | 20 | 21 | | 6 | 0.29 | 0.29 |
| HONDURAS | 0 | 319 | 0 | 0 | | | | 0 | | |
| **C. America** | **2** | **514** | **1** | **16** | **49** | **49** | **0** | **16** | **0.33** | **0.33** |
| ARGENTINA | 456 | 537 | 245 | 285 | 2 | 142 | 84 | 306 | 1.36 | 2.16 |
| BOLIVIA | 5 | 537 | 3 | 1 | 1 | 3 | 1 | 1 | 0.21 | 0.26 |
| BRAZIL | 1,017 | 1,507 | 1,533 | 1,239 | 5 | 808 | 851 | 1,117 | 0.67 | 1.38 |
| CHILE | | | | 0 | 0 | 0 | | 0 | 0.15 | 0.15 |
| COLOMBIA | 32 | 836 | 27 | 30 | 20 | 52 | 2 | 23 | 0.42 | 0.44 |
| ECUADOR | 1 | 440 | 1 | 2 | 13 | 13 | | 2 | 0.13 | 0.13 |
| PARAGUAY | 16 | 430 | 7 | 9 | 1 | 8 | 3 | 6 | 0.55 | 0.73 |
| PERU | 36 | 792 | 29 | 17 | 54 | 82 | 1 | 15 | 0.18 | 0.19 |
| URUGUAY | | | | 0 | 0 | 0 | | 0 | 0.59 | 0.59 |
| VENEZUELA | 15 | 368 | 6 | 1 | 7 | 8 | | 6 | 0.68 | 0.68 |
| **S. America** | **1,579** | **1,171** | **1,849** | **1,583** | **104** | **1,117** | **943** | **1,476** | **0.72** | **1.32** |
| ALGERIA | | | | 1 | 3 | 3 | | 1 | 0.19 | 0.19 |
| EGYPT | 158 | 714 | 113 | 63 | 68 | 133 | 55 | 56 | 0.30 | 0.42 |
| MOROCCO | | | | 4 | 30 | 30 | | 4 | 0.14 | 0.14 |
| SUDAN | 50 | 415 | 21 | 9 | | 19 | 5 | 6 | 0.27 | 0.34 |
| TUNISIA | | | | 3 | 13 | 13 | | 3 | 0.21 | 0.21 |
| **N. Africa** | **208** | **642** | **134** | **80** | **114** | **198** | **60** | **70** | **0.27** | **0.35** |
| BENIN | 379 | 409 | 155 | 15 | | 4 | 104 | 62 | 0.58 | 15.52 |
| BURKINA FASO | 644 | 443 | 285 | 60 | | 4 | 188 | 153 | 0.80 | 38.20 |
| CAMEROON | 227 | 511 | 116 | 48 | | 2 | 95 | 67 | 0.69 | 35.08 |
| CENT. AFR. REP. | 36 | 230 | 8 | 3 | | | 8 | 3 | 0.40 | |
| CHAD | 256 | 199 | 51 | 12 | | 1 | 39 | 24 | 0.62 | 48.51 |
| COTE D'IVOIRE | 415 | 466 | 193 | 35 | | 2 | 188 | 39 | 0.20 | 18.95 |
| GUINEA | 12 | 272 | 3 | 1 | | | 4 | 1 | 0.36 | |
| MADAGASCAR | | | | 3 | | | | 3 | | |
| MALI | 570 | 408 | 233 | 69 | | 3 | 209 | 89 | 0.42 | 29.72 |
| NIGER | 5 | 448 | 2 | 0 | | 1 | 1 | 0 | 0.11 | 0.25 |
| SENEGAL | 31 | 343 | 11 | 4 | | 1 | 10 | 4 | 0.33 | 4.71 |
| TOGO | 122 | 362 | 44 | 7 | | | 38 | 13 | 0.35 | |
| **F. Africa** | **2,696** | **408** | **1,101** | **258** | | **17** | **883** | **459** | **0.51** | **26.70** |
| 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 | 184 | 7 | 1 | 0 | 7 | | 2 | 0.24 | 0.24 |
| MALAWI | 146 | 271 | 39 | 26 | | 3 | 39 | 24 | 0.56 | 7.90 |
| MOZAMBIQUE | 120 | 222 | 27 | 20 | | | 31 | 16 | 0.52 | |
| NIGERIA | 298 | 205 | 61 | 26 | 1 | 19 | 43 | 26 | 0.42 | 1.35 |
| SOUTH AFRICA | 15 | 1,209 | 19 | 8 | 17 | 22 | 9 | 13 | 0.42 | 0.59 |
| TANZANIA | 376 | 226 | 85 | 114 | | 34 | 46 | 120 | 1.51 | 3.56 |
| UGANDA | 61 | 431 | 26 | 20 | | 2 | 22 | 22 | 0.90 | 9.20 |
| CONGO, DR | | | | 2 | 8 | 8 | | 2 | 0.27 | 0.27 |
| ZAMBIA | 305 | 174 | 53 | 62 | | | 39 | 75 | 1.92 | |
| ZIMBABWE | 180 | 228 | 41 | 34 | | 4 | 47 | 24 | 0.47 | 6.36 |
| **S. Africa** | **1,710** | **240** | **410** | **324** | **63** | **170** | **285** | **343** | **0.75** | **2.01** |
| KAZAKHSTAN | 129 | 679 | 55 | 45 | 0 | 11 | 44 | 45 | 0.82 | 4.00 |
| KYRGYZSTAN | 23 | 822 | 19 | 4 | 3 | 1 | 21 | 4 | 0.18 | 4.24 |
| TAJIKISTAN | 175 | 539 | 94 | 33 | | 9 | 87 | 30 | 0.31 | 3.18 |
| TURKMENISTAN | 545 | 478 | 330 | 164 | | 149 | 307 | 39 | 0.09 | 0.26 |
| UZBEKISTAN | 1,298 | 682 | 885 | 305 | 1 | 345 | 594 | 253 | 0.27 | 0.73 |
| **C. Asia** | **2,170** | **3,200** | **1,383** | **551** | **4** | **515** | **1,052** | **371** | **1.67** | **0.72** |

## 2014/15 SUPPLY & USE OF COTTON BY COUNTRY (cont'd) October 1, 2015

| | AREA | YIELD | PROD | BEG STKS | IMPORTS | CONS | EXPORTS | END STKS | S/U * | S/MU ** |
|---|---|---|---|---|---|---|---|---|---|---|
| | 000 Ha | Kgs/Ha | 000 Metric Tons | | | | | | Ratio | Ratio |
| AUSTRIA | | | | 1 | 5 | 5 | 1 | 1 | 0.13 | 0.15 |
| AZERBAIJAN | 28 | 538 | 15 | 14 | | 17 | 0 | 12 | 0.70 | 0.70 |
| BELARUS | | | | 4 | 11 | 11 | | 4 | 0.34 | 0.34 |
| BELGIUM | | | | 5 | 10 | 4 | 6 | 5 | 0.51 | 1.33 |
| BULGARIA | 0 | 324 | 0 | 1 | 5 | 5 | 0 | 1 | 0.11 | 0.12 |
| CZECH REP. | | | | 0 | 3 | 3 | 0 | 0 | 0.13 | 0.13 |
| DENMARK | | | | | 0 | 0 | | | | |
| ESTONIA | | | | | | | | | | |
| FINLAND | | | | | | | | | | |
| FRANCE | | | | 3 | 17 | 13 | 3 | 3 | 0.20 | 0.24 |
| GERMANY | | | | 16 | 48 | 48 | 6 | 11 | 0.20 | 0.22 |
| GREECE | 275 | 997 | 274 | 49 | 3 | 19 | 254 | 53 | 0.20 | 2.81 |
| HUNGARY | | | | 0 | 1 | 1 | | 0 | 0.57 | 0.57 |
| IRELAND | | | | 0 | 0 | 0 | | 0 | 0.06 | 0.06 |
| ITALY | | | | 6 | 53 | 48 | 2 | 8 | 0.16 | 0.16 |
| LATVIA | | | | 0 | 0 | 0 | 0 | 0 | 0.52 | 1.00 |
| LITHUANIA | | | | 0 | | | | 0 | | |
| MOLDOVA | | | | 1 | 2 | 2 | | 1 | 0.34 | 0.34 |
| NETHERLANDS | | | | 0 | 5 | 5 | | 0 | 0.10 | |
| NORWAY | | | | | | | | | | |
| POLAND | | | | 0 | 8 | 7 | | 2 | 0.25 | 0.25 |
| PORTUGAL | | | | 8 | 34 | 33 | | 10 | 0.29 | 0.29 |
| ROMANIA | | | | 0 | 1 | 1 | | 0 | 0.05 | 0.05 |
| RUSSIA | 1 | 521 | 1 | 17 | 55 | 54 | 1 | 18 | 0.32 | 0.32 |
| SLOVAK REP. | | | | | | | | | | |
| SPAIN | 80 | 918 | 73 | 19 | 3 | 5 | 70 | 20 | 0.27 | 3.70 |
| SWEDEN | | | | 0 | | | | 0 | | |
| 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 | 0.21 | 0.21 |
| FORMER YUGOSLAVIA | | | | 1 | 6 | 6 | | 1 | 0.23 | 0.23 |
| **Europe** | **386** | **943** | **364** | **148** | **279** | **296** | **342** | **152** | | **0.51** |
| **Including EU-28** | **355** | **979** | **348** | **110** | **197** | **199** | **342** | **115** | **0.21** | **0.58** |
| CHINA | 4,310 | 1,503 | 6,480 | 12,088 | 1,804 | 7,705 | 4 | 12,662 | 1.64 | 1.64 |
| TAIWAN | | | | 42 | 184 | 183 | | 43 | 0.23 | 0.23 |
| HONG KONG | | | | 35 | 1 | | 3 | 33 | 12.65 | |
| **Sub total** | **4,310** | **1,503** | **6,480** | **12,164** | **1,989** | **7,888** | **7** | **12,738** | **1.61** | **1.61** |
| AUSTRALIA | 202 | 2,228 | 450 | 244 | 0 | 7 | 521 | 166 | 0.31 | 23.13 |
| INDONESIA | 9 | 603 | 5 | 86 | 735 | 711 | 2 | 114 | 0.16 | 0.16 |
| JAPAN | | | | 16 | 66 | 65 | | 17 | 0.26 | 0.26 |
| KOREA, D.R. | | | | 1 | 5 | 5 | | 1 | 0.24 | 0.24 |
| KOREA, REP. | | | | 72 | 288 | 290 | 2 | 68 | 0.24 | 0.24 |
| MALAYSIA | | | | 33 | 73 | 16 | 37 | 54 | 1.02 | 3.41 |
| PHILIPPINES | 0 | 569 | 0 | 2 | 18 | 16 | | 4 | 0.26 | 0.26 |
| SINGAPORE | | | | 0 | 0 | | 0 | 0 | 0.20 | |
| THAILAND | 2 | 518 | 1 | 53 | 320 | 340 | | 35 | 0.10 | 0.10 |
| VIETNAM | 12 | 465 | 6 | 83 | 941 | 847 | | 182 | 0.22 | 0.22 |
| **E. Asia** | **244** | **1,920** | **470** | **594** | **2,446** | **2,305** | **562** | **643** | **0.22** | **0.28** |
| AFGHANISTAN | 45 | 414 | 19 | 16 | | 4 | 16 | 14 | 0.66 | 3.15 |
| BANGLADESH | 25 | 998 | 25 | 194 | 966 | 937 | | 248 | 0.26 | 0.26 |
| INDIA | 12,250 | 531 | 6,507 | 1,817 | 267 | 5,434 | 914 | 2,243 | 0.35 | 0.41 |
| MYANMAR | 299 | 650 | 195 | 99 | 11 | 201 | | 104 | 0.52 | 0.52 |
| PAKISTAN | 2,840 | 812 | 2,305 | 864 | 200 | 2,528 | 103 | 738 | 0.28 | 0.29 |
| SRI LANKA | | | | 0 | 2 | 2 | | 0 | 0.11 | 0.11 |
| **S. Asia** | **15,462** | **585** | **9,052** | **2,991** | **1,446** | **9,108** | **1,034** | **3,348** | **0.33** | **0.37** |
| 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 | | 95 | 3 | 155 | 1.59 | 1.63 |
| TURKEY | 468 | 1,809 | 847 | 581 | 800 | 1,372 | 51 | 804 | 0.57 | 0.59 |
| **Sub total** | **696** | **2,980** | **1,018** | **805** | **886** | **1,636** | **67** | **1,005** | **1.58** | **0.61** |
| **WORLD TOTAL** | **33,417** | **781** | **26,110** | **20,311** | **7,583** | **24,484** | **7,717** | **21,804** | **0.89** | **0.89** |

*/ Ending stocks divided by consumption plus exports.

**/ Ending stocks divided by consumption.

Subtotals and total include countries not shown.

## 2015/16 SUPPLY AND USE OF COTTON BY COUNTRY October 1, 2015

| | 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 | 130 | 1,449 | 188 | 205 | 234 | 412 | 34 | 181 | 0.41 | 0.44 |
| USA | 3,291 | 963 | 3,168 | 980 | 2 | 806 | 2,225 | 1,119 | 0.37 | 1.39 |
| **N. America** | **3,430** | **979** | **3,358** | **1,186** | **240** | **1,224** | **2,259** | **1,301** | **0.37** | **1.06** |
| EL SALVADOR | | | | 10 | 27 | 27 | | 10 | 0.35 | 0.35 |
| GUATEMALA | | | | 6 | 21 | 21 | | 6 | 0.27 | 0.27 |
| HONDURAS | 0 | 319 | 0 | 0 | | | | 0 | | |
| **C. America** | **2** | **514** | **1** | **16** | **48** | **49** | **0** | **16** | **0.32** | **0.32** |
| ARGENTINA | 447 | 537 | 240 | 306 | 2 | 144 | 154 | 250 | 0.84 | 1.73 |
| BOLIVIA | 5 | 537 | 3 | 1 | 1 | 3 | 1 | 1 | 0.21 | 0.26 |
| BRAZIL | 1,007 | 1,506 | 1,517 | 1,117 | 5 | 792 | 766 | 1,081 | 0.69 | 1.36 |
| CHILE | | | | 0 | 0 | 0 | | 0 | 0.15 | 0.15 |
| COLOMBIA | 29 | 849 | 25 | 23 | 23 | 55 | 1 | 15 | 0.26 | 0.26 |
| ECUADOR | 1 | 440 | 1 | 2 | 13 | 13 | | 2 | 0.13 | 0.13 |
| PARAGUAY | 16 | 430 | 7 | 6 | 0 | 7 | 2 | 5 | 0.56 | 0.72 |
| PERU | 32 | 792 | 26 | 15 | 58 | 82 | 1 | 15 | 0.18 | 0.19 |
| URUGUAY | | | | 0 | 0 | 0 | | 0 | 0.59 | 0.59 |
| VENEZUELA | 15 | 368 | 6 | 6 | 3 | 8 | | 6 | 0.68 | 0.68 |
| **S. America** | **1,553** | **1,174** | **1,823** | **1,476** | **105** | **1,105** | **925** | **1,374** | **0.68** | **1.24** |
| ALGERIA | | | | 1 | 3 | 3 | | 1 | 0.19 | 0.19 |
| EGYPT | 106 | 766 | 81 | 56 | 57 | 126 | 35 | 32 | 0.20 | 0.25 |
| MOROCCO | | | | 4 | 30 | 30 | | 4 | 0.14 | 0.14 |
| SUDAN | 120 | 415 | 50 | 6 | | 19 | 23 | 14 | 0.34 | 0.75 |
| TUNISIA | | | | 3 | 13 | 13 | | 3 | 0.21 | 0.21 |
| **N. Africa** | **226** | **579** | **131** | **70** | **103** | **191** | **58** | **54** | **0.22** | **0.28** |
| BENIN | 372 | 395 | 147 | 62 | | 4 | 129 | 76 | 0.57 | 18.98 |
| BURKINA FASO | 631 | 431 | 272 | 153 | | 4 | 275 | 146 | 0.52 | 36.43 |
| CAMEROON | 222 | 520 | 116 | 67 | | 2 | 117 | 63 | 0.53 | 33.17 |
| CENT. AFR. REP. | 35 | 230 | 8 | 3 | | | 8 | 3 | 0.40 | |
| CHAD | 251 | 178 | 45 | 24 | | 1 | 47 | 22 | 0.46 | 43.33 |
| COTE D'IVOIRE | 401 | 464 | 186 | 39 | | 2 | 177 | 46 | 0.26 | 22.40 |
| GUINEA | 12 | 273 | 3 | 1 | | | 3 | 1 | 0.41 | |
| MADAGASCAR | | | | 3 | | | | 3 | | |
| MALI | 573 | 380 | 218 | 89 | | 3 | 228 | 76 | 0.33 | 25.49 |
| NIGER | 5 | 448 | 2 | 0 | | 1 | 1 | 0 | 0.11 | 0.25 |
| SENEGAL | 32 | 378 | 12 | 4 | | 1 | 11 | 4 | 0.37 | 5.48 |
| TOGO | 110 | 332 | 37 | 13 | | | 37 | 13 | 0.35 | |
| **F. Africa** | **2,644** | **395** | **1,045** | **459** | | **17** | **1,033** | **454** | **0.43** | **26.40** |
| ANGOLA | 3 | 302 | 1 | 0 | | 1 | 0 | 0 | 0.35 | 0.48 |
| ETHIOPIA | 129 | 314 | 41 | 12 | 22 | 46 | 1 | 28 | 0.61 | 0.62 |
| GHANA | 16 | 366 | 6 | 2 | 1 | 1 | 6 | 2 | 0.25 | 1.31 |
| KENYA | 21 | 184 | 4 | 2 | 2 | 7 | 0 | 1 | 0.16 | 0.16 |
| MALAWI | 124 | 271 | 34 | 24 | | 3 | 34 | 20 | 0.53 | 6.61 |
| MOZAMBIQUE | 120 | 222 | 27 | 16 | | | 27 | 16 | 0.60 | |
| NIGERIA | 253 | 205 | 52 | 26 | 1 | 19 | 37 | 22 | 0.39 | 1.14 |
| SOUTH AFRICA | 15 | 1,209 | 18 | 13 | 9 | 23 | 6 | 11 | 0.39 | 0.49 |
| TANZANIA | 338 | 212 | 72 | 120 | | 34 | 55 | 103 | 1.15 | 2.99 |
| UGANDA | 61 | 431 | 26 | 22 | | 2 | 38 | 8 | 0.21 | 3.49 |
| CONGO, DR | | | | 2 | 8 | 8 | | 2 | 0.27 | 0.27 |
| ZAMBIA | 298 | 146 | 44 | 75 | | | 51 | 68 | 1.35 | |
| ZIMBABWE | 181 | 228 | 41 | 24 | | 4 | 41 | 21 | 0.46 | 5.51 |
| **S. Africa** | **1,582** | **232** | **368** | **343** | **65** | **171** | **296** | **308** | **0.66** | **1.80** |
| KAZAKHSTAN | 103 | 441 | 45 | 45 | 0 | 11 | 48 | 32 | 0.53 | 2.77 |
| KYRGYZSTAN | 23 | 822 | 19 | 4 | 4 | 1 | 20 | 5 | 0.24 | 5.39 |
| TAJIKISTAN | 154 | 533 | 82 | 30 | | 9 | 75 | 27 | 0.32 | 2.88 |
| TURKMENISTAN | 534 | 515 | 300 | 39 | | 152 | 120 | 66 | 0.24 | 0.44 |
| UZBEKISTAN | 1,272 | 701 | 892 | 253 | 1 | 346 | 565 | 234 | 0.26 | 0.68 |
| **C. Asia** | **2,086** | **3,013** | **1,338** | **371** | **5** | **520** | **829** | **364** | **1.59** | **0.70** |

## 2015/16 SUPPLY & USE OF COTTON BY COUNTRY (cont'd) October 1, 2015

| | AREA | YIELD | PROD | BEG STKS | IMPORTS | CONS | EXPORTS | END STKS | S/U * | S/MU ** |
|---|---|---|---|---|---|---|---|---|---|---|
| | 000 Ha | Kgs/Ha | 000 Metric Tons | | | | | | Ratio | Ratio |
| AUSTRIA | | | | 1 | 5 | 5 | | 1 | 0.10 | 0.10 |
| AZERBAIJAN | 28 | 538 | 15 | 12 | | 17 | | 10 | 0.58 | 0.58 |
| BELARUS | | | | 4 | 11 | 11 | | 4 | 0.34 | 0.34 |
| BELGIUM | | | | 5 | 9 | 4 | 6 | 4 | 0.41 | 1.08 |
| BULGARIA | 0 | 324 | 0 | 1 | 5 | 5 | 0 | 1 | 0.11 | 0.12 |
| CZECH REP. | | | | 0 | 4 | 3 | 0 | 1 | 0.54 | 0.54 |
| DENMARK | | | | | 0 | 0 | | | | |
| ESTONIA | | | | | | | | | | |
| FINLAND | | | | | | | | | | |
| FRANCE | | | | 3 | 16 | 13 | 3 | 3 | 0.16 | 0.19 |
| GERMANY | | | | 11 | 53 | 48 | 5 | 11 | 0.20 | 0.22 |
| GREECE | 248 | 997 | 247 | 53 | 3 | 19 | 231 | 53 | 0.21 | 2.82 |
| HUNGARY | | | | 0 | 0 | 0 | | 0 | 0.38 | 0.38 |
| IRELAND | | | | 0 | 0 | 0 | | 0 | 0.06 | 0.06 |
| ITALY | | | | 8 | 50 | 48 | 4 | 6 | 0.11 | 0.12 |
| LATVIA | | | | 0 | 0 | 0 | 0 | 0 | 0.52 | 1.00 |
| LITHUANIA | | | | 0 | | | | 0 | | |
| MOLDOVA | | | | 1 | 2 | 2 | | 1 | 0.34 | 0.34 |
| NETHERLANDS | | | | 0 | 4 | 4 | | 0 | 0.10 | |
| NORWAY | | | | | | | | | | |
| POLAND | | | | 2 | 7 | 7 | | 2 | 0.26 | 0.26 |
| PORTUGAL | | | | 10 | 29 | 32 | | 6 | 0.20 | 0.20 |
| ROMANIA | | | | 0 | 1 | 1 | | 0 | 0.06 | 0.06 |
| RUSSIA | 1 | 521 | 1 | 18 | 52 | 52 | 1 | 17 | 0.32 | 0.33 |
| SLOVAK REP. | | | | | | | | | | |
| SPAIN | 76 | 775 | 59 | 20 | 3 | 5 | 57 | 20 | 0.32 | 3.77 |
| SWEDEN | | | | 0 | | | | 0 | | |
| SWITZERLAND | | | | 0 | 3 | 3 | 0 | 0 | 0.12 | 0.12 |
| UKRAINE | | | | 0 | 2 | 2 | | 0 | 0.20 | 0.20 |
| UNITED KINGDOM | | | | 0 | 0 | 0 | | 0 | 0.20 | 0.20 |
| FORMER YUGOSLAVIA | | | | 1 | 6 | 6 | | 1 | 0.23 | 0.23 |
| **Europe** | **354** | **908** | **322** | **152** | **269** | **293** | **307** | **142** | | **0.49** |
| **Including EU-28** | **324** | **945** | **306** | **115** | **191** | **197** | **307** | **108** | **0.21** | **0.55** |
| | | | | | | | | | | |
| CHINA | 3,793 | 1,427 | 5,411 | 12,662 | 1,593 | 7,743 | 4 | 11,918 | 1.54 | 1.54 |
| TAIWAN | | | | 43 | 168 | 174 | | 36 | 0.21 | 0.21 |
| HONG KONG | | | | 33 | 1 | | 3 | 32 | 12.03 | |
| **Sub total** | **3,793** | **1,427** | **5,411** | **12,738** | **1,761** | **7,917** | **7** | **11,986** | **1.51** | **1.51** |
| | | | | | | | | | | |
| AUSTRALIA | 214 | 2,196 | 470 | 166 | 0 | 7 | 467 | 162 | 0.34 | 22.97 |
| INDONESIA | 8 | 603 | 5 | 114 | 782 | 760 | | 140 | 0.18 | 0.18 |
| JAPAN | | | | 17 | 64 | 65 | | 16 | 0.24 | 0.24 |
| KOREA, D.R. | | | | 1 | 5 | 5 | | 1 | 0.24 | 0.24 |
| KOREA, REP. | | | | 68 | 285 | 290 | | 64 | 0.22 | 0.22 |
| MALAYSIA | | | | 54 | 73 | 16 | 58 | 54 | 0.73 | 3.41 |
| PHILIPPINES | 0 | 569 | 0 | 4 | 16 | 16 | | 4 | 0.26 | 0.26 |
| SINGAPORE | | | | 0 | 0 | | 0 | 0 | 2.17 | |
| THAILAND | 2 | 518 | 1 | 35 | 370 | 354 | | 52 | 0.15 | 0.15 |
| VIETNAM | 9 | 465 | 4 | 182 | 956 | 953 | | 190 | 0.20 | 0.20 |
| **E. Asia** | **253** | **1,930** | **488** | **643** | **2,553** | **2,474** | **525** | **685** | **0.23** | **0.28** |
| | | | | | | | | | | |
| AFGHANISTAN | 45 | 414 | 19 | 14 | | 4 | 14 | 14 | 0.74 | 3.15 |
| BANGLADESH | 25 | 998 | 25 | 248 | 972 | 974 | | 271 | 0.28 | 0.28 |
| INDIA | 11,638 | 547 | 6,371 | 2,243 | 267 | 5,597 | 1,224 | 2,060 | 0.30 | 0.37 |
| MYANMAR | 239 | 653 | 156 | 104 | 51 | 207 | | 104 | 0.50 | 0.50 |
| PAKISTAN | 2,670 | 768 | 2,050 | 738 | 433 | 2,583 | 84 | 554 | 0.21 | 0.21 |
| SRI LANKA | | | | 0 | 2 | 2 | | 1 | 0.36 | 0.36 |
| **S. Asia** | **14,619** | **590** | **8,623** | **3,348** | **1,725** | **9,370** | **1,322** | **3,004** | **0.28** | **0.32** |
| | | | | | | | | | | |
| IRAN | 91 | 720 | 66 | 36 | 66 | 131 | | 36 | 0.28 | 0.28 |
| IRAQ | 19 | 362 | 7 | 1 | 7 | 13 | | 2 | 0.18 | 0.18 |
| ISRAEL | 9 | 1,786 | 16 | 1 | | | 15 | 2 | 0.14 | |
| SYRIA | 44 | 883 | 39 | 155 | | 86 | 5 | 103 | 1.13 | 1.20 |
| TURKEY | 440 | 1,845 | 812 | 804 | 680 | 1,441 | 56 | 800 | 0.53 | 0.56 |
| **Sub total** | **642** | **2,972** | **954** | **1,005** | **764** | **1,695** | **77** | **951** | **1.38** | 0.56 |
| | | | | | | | | | | |
| **WORLD TOTAL** | **31,163** | **765** | **23,854** | **21,804** | **7,637** | **25,020** | **7,637** | **20,638** | **0.82** | **0.82** |

*/ Ending stocks divided by consumption plus exports.

**/ Ending stocks divided by consumption.

Subtotals and total include countries not shown.

# Cotton: World Statistics

## December 2015

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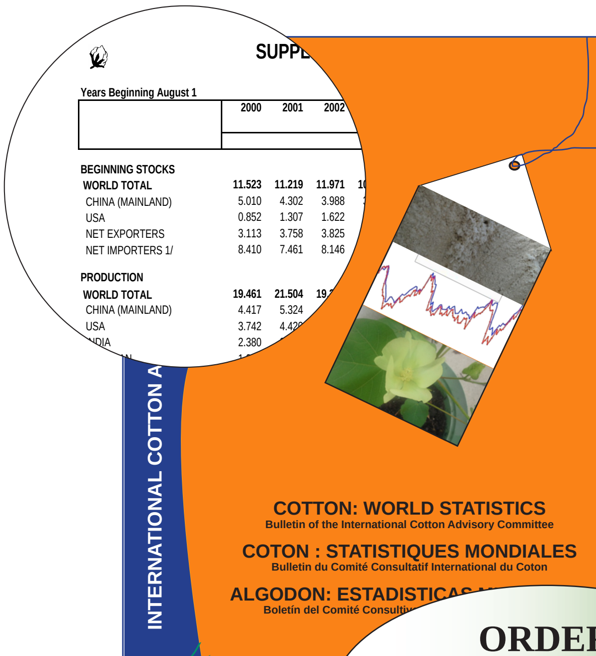


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