INTERNATIONAL COTTON
ADVISORY COMMITTEE

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Extra-Fine Cotton Update **24 April 2020**

Changes in Supply and Demand Estimates from the February 2020 Report
(Producing Countries)

2019/20

World production: 378,000 tonnes (- 20,000 tonnes)

Egypt 80,000 tonnes (- 9,000 tonnes)
United States 146,000 tonnes (- 11,000 tonnes)

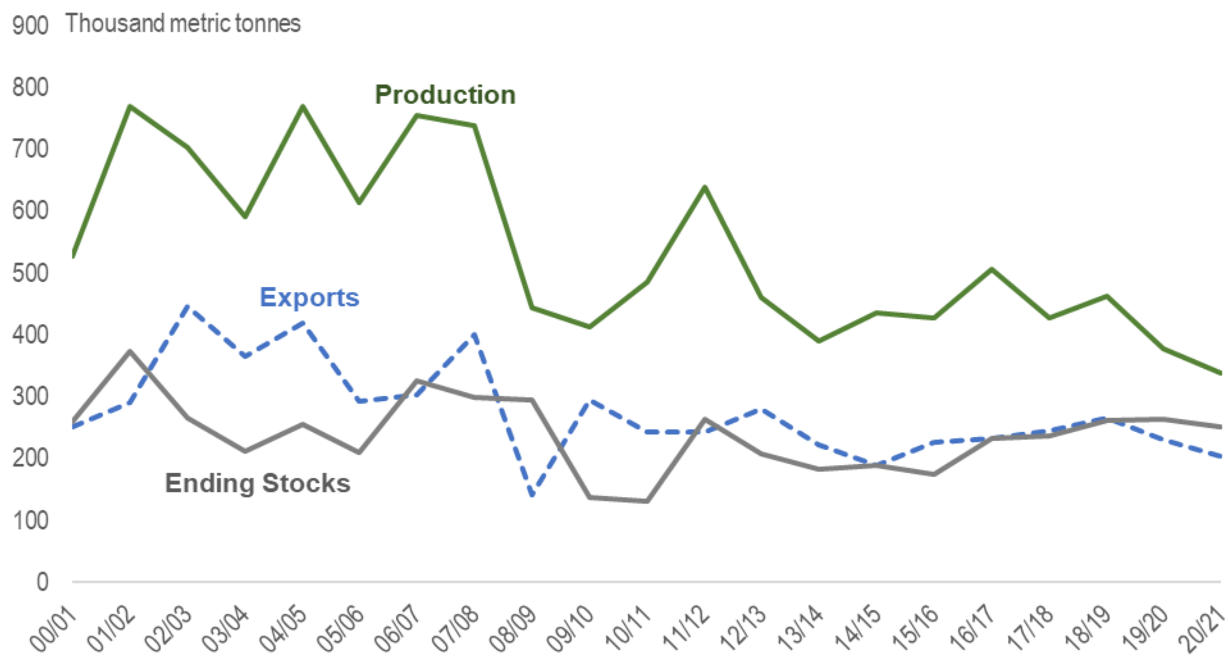
World exports: 230,000 tonnes (- 36,200 tonnes)

Egypt 61,000 tonnes (- 8,000 tonnes)
Israel 8,200 tonnes (- 700 tonnes)
United States 125,000 tonnes (- 27,500 tonnes)

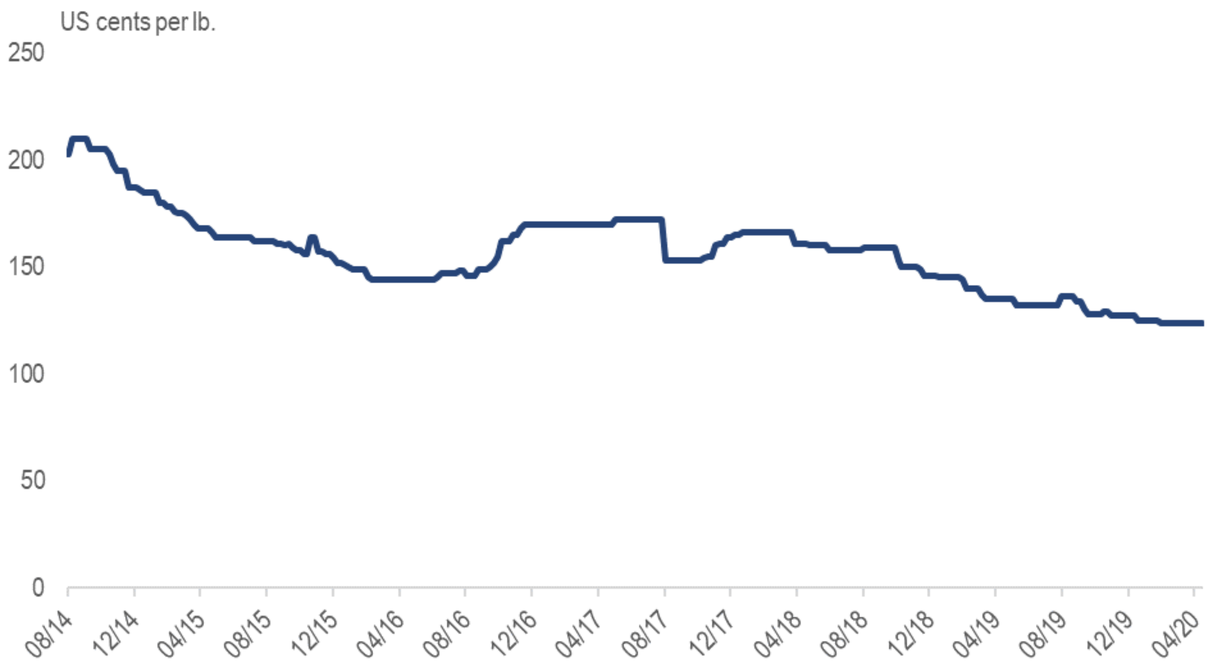
World production of extra-fine cotton has been reduced by 20,000 tonnes for the current 2019/20 season as trade has slowed under the impacts of Covid-19 on the global economy. Prior to the pandemic outbreak, trade for the year had already been under pressure from mounting global trade tensions since 2018. The effect of containment measures in the shutting down of businesses has slowed considerably the demand of textiles and apparel of which cotton and the extra-fine cotton have also been impacted with reduced demand from manufacturers who have halted spinning activities. The US production of extra-fine has been revised to 146,000 tonnes following a reduced area in the major producing area in California due to heat stress and lack of water available for irrigation. Global production is expected at 378,000 tonnes for 2019/20, an 18% decrease from the previous season. Exports from the US are currently expected at 125,000 tonnes for the season. US exports of extra-fine have slowed as trade to China, the main destination, had been impacted by trade tensions in the first half of the season and by the containment measures for Covid-19 more recently. Total world exports are expected to fall to 230,000 tonnes, representing a 13% decrease from the previous season.

The outlook for the 2020/21 season is forecast under the unprecedented environment and a challenging recovery from Covid-19. Under price pressure like the rest of cotton market, extra-fine cotton prices have remained low for several seasons. Production costs for extra-fine cotton remain high compared to upland cotton as yields to extra fine tend to be more variable leading to higher production costs. Global area under extra-fine is expected to continue to decrease to 514,000 hectares, representing a 6% contraction from the previous season. Area in the US is expected to decrease to 73,000 hectares. Area under extra-fine cotton in California is expected to decrease by 20% while small increases in area are expected in Arizona. While water availability and growing conditions in California appear to have improved for the 2020/21 season, continual low prices and a switch to food crops. Global production for the 2020/21 season is expected to decrease 10% to 339,000 tonnes based on reduced global area. Extra-fine cotton, a superior fibre with long fibrous threads, is used to produce high quality textile and apparel goods. The demand side shocks on the cotton sector coming from the Covid-19 containment measures may have longer term effects that may have longer lasting effect on slowing consumer demand. Global exports are expected to decline in the coming season to 204,000 tonnes. The US is expected to remain the leading global exporter at 112,000 tonnes.

Extra-Fine Cotton Global Production, Exports and Ending Stocks
2000/01 – 2020/21



Cotlook Quote for American Pima
2014/15 – 2019/20



Extra-Fine Export Commitments for 2019/20

	Total exports	Commitments		Sales remaining
	February			
	thousand tonnes			
China	10	9	90%	1
Egypt	75	72	96%	3
Israel	8	8	100%	0
Sudan	1	1	100%	0
Turkmenistan	17	16	94%	1
United States	146	121	82%	25
Uzbekistan	1			1
Others	9	8	89%	2
World total	267	235	88%	32

Commitments include sales for shipment between August 1, 2019 and July 31, 2020.

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SUPPLY OF EXTRA-FINE COTTON*

24 April 2020

Years Beginning August 1

	2014	2015	2016 Est.	2017 Est.	2018 Est.	2019 Est.	2020 Proj.	2021 Proj.
BEGINNING STOCKS*								
CHINA	70	60	86	160	160	150	140	130
EGYPT, ELS	5	3	3	3	3	5	6	7
EGYPT, L. STPL.	16	13	11	11	1	9	1	1
INDIA	27	27	27	27	27	27	27	27
ISRAEL	1	1	2	2	2	2	2	2
PERU	4	2	6	6	6	6	6	6
SUDAN	8	1	0	0	0	0	0	0
TAJIKISTAN	1	0	0	0	1	2	2	3
TURKMENISTAN	21	21	6	8	13	12	10	9
UNITED STATES	27	56	30	14	22	47	63	63
UZBEKISTAN	1	1	0	0	0	0	0	0
OTHER PRODUCERS	2	2	2	3	3	4	5	6
TOTAL	**183**	**189**	**174**	**233**	**238**	**263**	**263**	**252**
PRODUCTION								
CHINA	65	125	197	70	60	40	40	
EGYPT, ELS	4	2	2	3	6	4	4	
EGYPT, L. STPL.	106	52	33	65	105	76	68	
INDIA	88	94	91	78	72	68	67	
ISRAEL	14	17	14	13	9	8	8	
PERU	6	11	9	9	9	9	9	
SUDAN	0	0	1	1	1	1	1	
TAJIKISTAN	0	1	1	1	1	1	1	
TURKMENISTAN	20	23	26	28	17	17	17	
UNITED STATES	123	94	124	152	174	146	116	
UZBEKISTAN	2	1	1	1	1	1	1	
OTHERS	9	8	8	7	8	8	8	
TOTAL	**436**	**427**	**507**	**427**	**463**	**378**	**339**	
CONSUMPTION*								
CHINA	123	130	135	139	170	160	144	
EGYPT, ELS	3	2	1	1	1	1	0	
EGYPT, L. STPL.	36	34	31	25	25	25	25	
INDIA	146	146	147	147	147	118	106	
ISRAEL	0	0	0	0	0	0	0	
PERU	13	13	13	13	13	13	13	
SUDAN	0	0	0	0	0	0	0	
TAJIKISTAN	1	0	0	0	0	0	0	
TURKMENISTAN	1	1	2	2	2	2	2	
UNITED STATES	5	5	6	6	5	4	4	
UZBEKISTAN	1	1	0	0	0	0	0	
OTHER PRODUCERS	6	6	6	5	4	3	2	
TOTAL	**334**	**338**	**342**	**338**	**367**	**326**	**297**	
EXPORTS								
CHINA	10	18	20	10	10	10	10	
EGYPT, ELS	3	1	0.6	2	3	3	3	
EGYPT, L. STPL.	36	25	30	50	72	58	44	
INDIA	3	3	3	3	3	3	3	
ISRAEL	14	17	14	13	8	8	8	
PERU	0	0	0	0	0	0	0	
SUDAN	6	1	1	1	1	1	1	
TAJIKISTAN	0	0	0	0	0	0	0	
TURKMENISTAN	19	37	23	22	17	17	17	
UNITED STATES	89	116	134	138	146	125	112	
UZBEKISTAN	1	1	1	1	1	1	1	
OTHER PRODUCERS	7	7	7	5	6	6	6	
TOTAL	**189**	**226**	**232**	**245**	**267**	**231**	**204**	
IMPORTS*								
TOTAL IMPORTS 1/	131	116	100	160	196	179	152	
STOCKS ADJUSTMENT 2/	-37	6	27	0	0	0	0	
ENDSTOCKS/USE, EGYPT	**0.21**	**0.23**	**0.22**	**0.05**	**0.14**	**0.09**	**0.10**	
ENDSTOCKS/USE, USA	**0.60**	**0.24**	**0.10**	**0.16**	**0.31**	**0.49**	**0.54**	
ENDSTOCKS/USE, TOTAL	**0.36**	**0.31**	**0.41**	**0.41**	**0.41**	**0.47**	**0.50**	
COTLOOK QUOTE, AM. PIMA	**182**	**151**	**166**	**160**	**146** **			
COTLOOK QUOTE, GIZA 88 3/	**111**	**114**	**162**	**144**	**118** **			
RATIO: AM. PIMA/GIZA 88	**1.63**	**1.33**	**1.03**	**1.11**	**1.23**			
RATIO: AM. PIMA/A INDEX	**2.57**	**2.19**	**2.01**	**1.82**	**1.71** **			

* Producing countries only. Stocks include all cotton physically present in the country, either committed or uncommitted.
** Am. Pima, Giza 88 and Cotlook A Index through April 24,2020.
1/ Imports of extra-fine cotton by producing countries.
2/ Difference between calculated stocks and actual; amounts for forward seasons are anticipated.
3/ For 2013/14, 2014/15 and 2015/16 the quote is for Giza 86 as there were no quotes available for Giza 88.