



Extra-Fine Cotton Update

22 April 2021

**Changes in Supply and Demand Estimates from the February 2021 Report
(Producing Countries)**

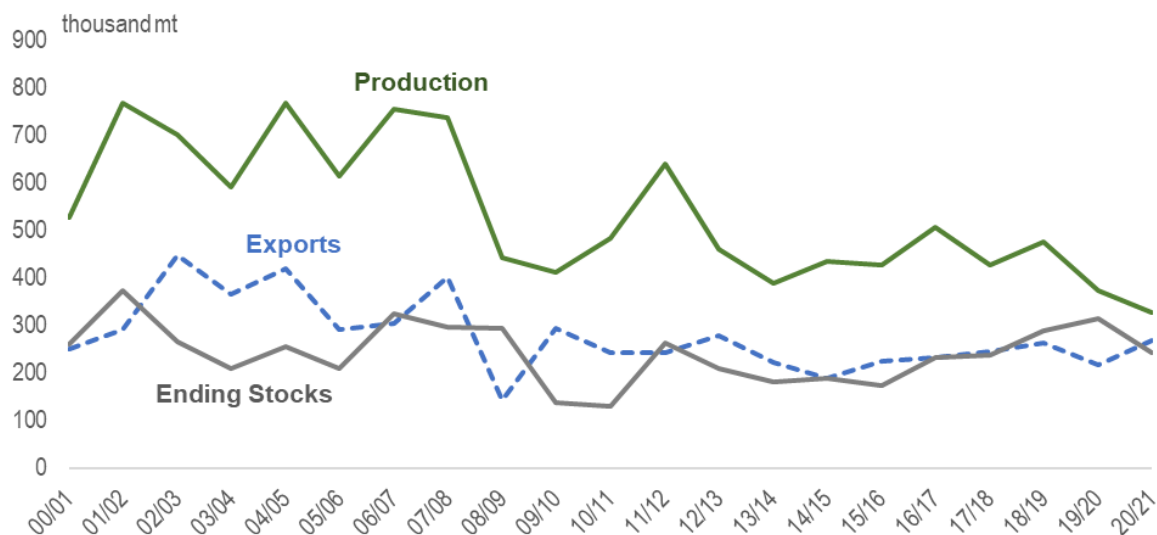
2020/21

World production: 327,540 tonnes (- 3,700 tonnes)

United States 16,480 tonnes (-3,700 tonnes)

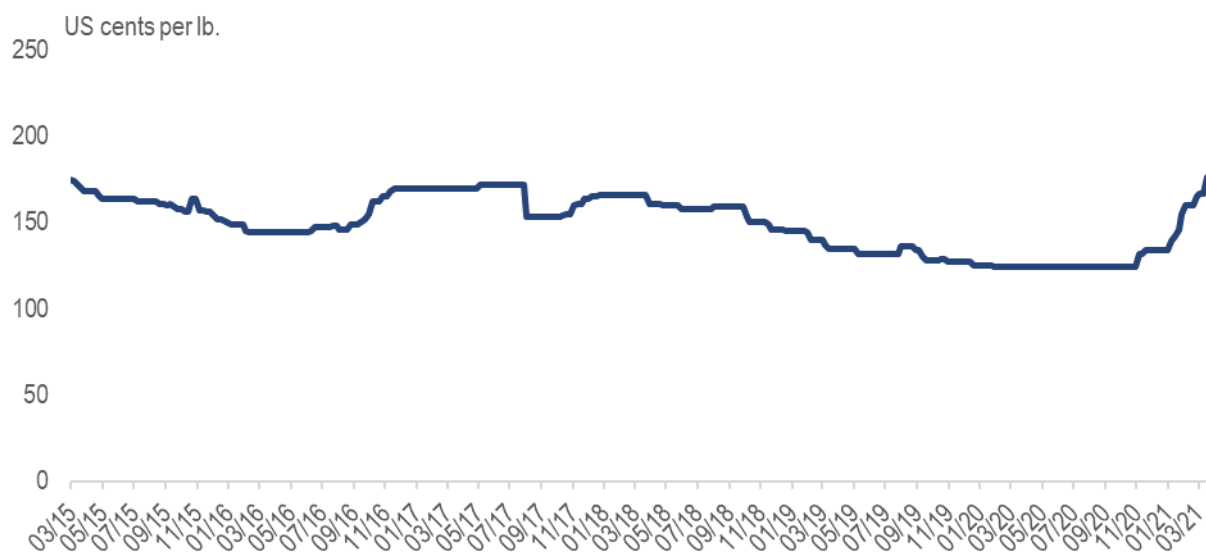
The global supply of extra-fine cotton continues to decrease with estimates this month revised down to 327,000 tonnes for the 2020/21 season, a third consecutive year of decline. Over the past two decades, extra-fine production has more than halved, under pressure from low prices and high production costs. Improvements in medium staple cotton qualities and spinning technology continue to put pressure on the niche extra-fine sector. The United States remains the leading global producer with 116,000 tonnes. China, where production was as high as 200,000 tonnes in 2016, is expected to have production reach only 24,000 tonnes this season. Extra-fine cotton in China is grown mainly in the Xinjiang region, where farmers have continued to move to upland cotton. Extra-fine cotton is largely hand-picked to maintain fibre integrity. Harvest mechanisation continues to increase in the Xinjiang region. Global exports are expected to recover with an increase in demand in 2020/21 following the economic shut down last season. Demand for luxury products fell more sharply and have recovered more slowly from the pandemic induced shutdown. Global exports are expected to be led by the United States with 169,000 tonnes with exports largely destined for China. Under the US-China Phase One agreement, China has agreed to import large value quantities of US agricultural products opening the Chinese market for US Pima cotton. As demand recovers and production falls, prices for extra-fine have increased to the highest level in over six years.

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



Cotlook Quote for American Pima

2014/15 – 2020/21



Extra-Fine Export Commitments for 2020/21

	Total exports	Commitments	Sales remaining
	April		
	thousand tonnes		
CHINA	10	8	80%
EGYPT	55	55	100%
ISRAEL	8	6	80%
SUDAN	1	1	93%
TURKMENISTAN	17	15	89%
UNITED STATES	169	169	100%
UZBEKISTAN	1		
OTHERS	9	7	80%

Commitments include sales for shipment between 1 August 2020 and 31 July 2021.

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SUPPLY OF EXTRA-FINE COTTON*

22 April 2021

Years Beginning August 1

	2014	2015	2016	2017	2018	2019 Est.	2020 Proj.	2021 Proj.
BEGINNING STOCKS*								
CHINA	70	60	86	160	160	150	140	130
EGYPT, ELS	5	3	3	3	3	6	4	2
EGYPT, L. STPL.	16	13	11	11	1	35	34	30
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	83	28
UZBEKISTAN	1	1	0	0	0	0	0	1
OTHER PRODUCERS	2	2	2	3	3	4	5	6
TOTAL	183	189	174	233	238	289	314	
PRODUCTION								
CHINA	65	125	197	70	60	40	24	
EGYPT, ELS	4	2	2	3	6	3	3	
EGYPT, L. STPL.	106	52	33	65	118	69	55	
INDIA	88	94	91	78	72	68	85	
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	149	116	
UZBEKISTAN	2	1	1	1	1	1	1	
OTHERS	9	8	8	7	8	8	8	
TOTAL	436	427	507	427	476	375	327	
CONSUMPTION*								
CHINA	123	130	135	139	170	160	144	
EGYPT, ELS	3	2	1	1	1	2	2	
EGYPT, L. STPL.	36	34	31	25	16	10	7	
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	3	3	
UZBEKISTAN	1	1	0	0	0	0	0	
OTHER PRODUCERS	6	6	6	5	4	3	2	
TOTAL	334	338	342	338	358	311	280	
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	68	60	52	
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	110	169	
UZBEKISTAN	1	1	1	1	1	1	1	
OTHER PRODUCERS	7	7	7	5	6	6	6	
TOTAL	189	226	232	245	262	218	268	
IMPORTS*								
TOTAL IMPORTS 1/	131	116	100	160	196	179	150	
STOCKS ADJUSTMENT 2/	-37	6	27	0	0	0	0	
ENDSTOCKS/USE, EGYPT	0.21	0.23	0.22	0.05	0.46	0.51	0.50	
ENDSTOCKS/USE, USA	0.60	0.24	0.10	0.16	0.31	0.73	0.16	
ENDSTOCKS/USE, TOTAL	0.36	0.31	0.41	0.41	0.47	0.59	0.44	
COTLOOK QUOTE, AM. PIMA	182	151	166	159	143	126	176 **	
COTLOOK QUOTE, GIZA 88 3/	113	114	162	144	118	110	156 **	
RATIO: AM. PIMA/GIZA 88	1.61	1.33	1.03	1.10	1.21	1.15	1.13	
RATIO: AM. PIMA/A INDEX	2.57	2.14	2.01	1.81	1.69	1.68	1.92 **	

* 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 10 December 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.