



# INTERNATIONAL COTTON ADVISORY COMMITTEE

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From the Secretariat

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## Cotton Prices Rising

The Cotlook A Index has increased significantly since mid-May 2007. Domestic Chinese prices also increased in June due to tighter domestic supplies and increased domestic demand. A continued increase in Chinese domestic prices could result in sales of reserve stocks by the China National Cotton Reserve Corporation and/or increased Chinese imports.

World cotton production is forecast at 25.3 million tons in 2007/08, slightly lower than this season. World cotton mill use is projected to increase by 650,000 tons to 26.9 million tons in 2007/08. Asia is expected to consume 4% more cotton in 2007/08 whereas the rest of the world is expected to consume 2% less.

World cotton trade is expected to rebound in 2007/08 to over 9 million tons, up 11% from 2006/07, driven by projected higher Chinese imports. U.S. exports are expected to jump by almost one million tons in 2007/08 to 3.7 million tons.

World cotton ending stocks are forecast to decrease by 13% in 2007/08 to 10.6 million tons. The 2007/08 season-average Cotlook A Index is expected to be above the 2006/07 average.

## WORLD COTTON SUPPLY AND DISTRIBUTION

	2005/06	2006/07	2007/08	2005/06	2006/07	2007/08
	Million Tons			Million Bales		
<b>Production</b>	24.97	25.7	25.3	114.7	118	116
<b>Consumption</b>	24.91	26.2	26.9	114.4	120	123
<b>Exports</b>	9.75	8.2	9.1	44.8	38	42
<b>Ending Stocks</b>	12.70	12.2	10.6	58.3	56	49
<b>Stocks Adjustment</b>	0.04	0.0	0.0	0.2	0	0
<b>Cotlook A Index*</b>	56.15	58**	65***	56.15	58**	65***

\* Season-average Cotlook A Index (U.S. cents per pound).

\*\* **Not a projection.** Average for the first eleven months of 2006/07 (August 1, 2006 to June 30, 2007).

\*\*\* The projection for 2007/08 represents the Secretariat's judgment based on projections for net China (Mainland) trade and the world-less-China (Mainland) ending stocks-to-use ratio.

(Press releases are available via e-mail. For further information, please contact us at [Publications@icac.org](mailto:Publications@icac.org))

The International Cotton Advisory Committee is an association of 43 governments of cotton producing and consuming countries. The Secretariat of the Committee publishes information related to world cotton production, supply, demand and prices, and provides technical information on cotton production technology. Detailed statistics are found bimonthly in COTTON: Review of the World Situation, \$170 per year. A monthly outlook by fax is also available for \$315 per year or on the Internet for \$265 per year. Access to the weekly estimates of world cotton supply and use by the Secretariat is also available on the Internet for \$420 per year.