



INTERNATIONAL COTTON ADVISORY COMMITTEE

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From the Secretariat

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Record 2006/07 Production Forecast in South America

South American cotton production is forecast at a record 1.7 million tons in 2006/07, up 28% from last season. Production is expected to increase in Brazil to 1.4 million tons (+33%) and in Argentina to 177,000 tons (+35%) but is forecast stable or down in most other South American countries.

World cotton production is expected to remain stable at 25.4 million tons in 2007/08. World cotton consumption is forecast at 26.6 million tons in 2007/08, based on a continued but slower growth. Chinese mill use is expected to continue to drive world mill use and imports in 2007/08. Global cotton imports are projected to increase by 7% to 9.2 million tons in 2007/08, the second highest up to date after the record of 9.8 million tons in 2005/06.

World cotton ending stocks are forecast down by 3% to 11.6 million tons in 2006/07 and down by 7% to 10.7 million tons in 2007/08. Stocks are expected to decline more significantly in China (Mainland) than in the rest of the world in 2007/08.

WORLD COTTON SUPPLY AND DISTRIBUTION

	2005/06	2006/07	2007/08	2005/06	2006/07	2007/08
	Million Tons			Million Bales		
Production	24.67	25.3	25.4	113.3	116	117
Consumption	24.97	26.0	26.6	114.7	119	122
Exports	9.80	8.7	9.2	45.0	40	42
Ending Stocks	11.91	11.6	10.7	54.7	53	49
Stocks Adjustment	0.30	0.3	0.3	1.4	1	1
Cotlook A Index*	56.15	59**	67***	56.15	59*	67**

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

** **Not a projection.** Average for the first seven months of 2006/07 (August 1, 2006 to February 28, 2007).

*** The projection for 2007/08 is based on current estimates of supply and use.

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

The International Cotton Advisory Committee is an association of 42 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.