



From the Secretariat

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### **World Cotton Production Expected to Decline in 2008/09**

World cotton production is expected to decrease by 5% to 24.9 million tons in 2008/09, due to declines in both area and yield. This projected decrease is driven by a fall of more than one million tons in U.S. production, to 3.1 million tons.

World cotton mill use is expected to decline by 1% in 2008/09 to 26.4 million tons, due to slower global economic growth and higher prices of cotton relative to polyester.

World imports are expected to increase by 6% to 8.8 million tons in 2008/09, driven by larger imports by China (Mainland). Exports from the United States, India and Brazil are expected to increase.

World cotton stocks are forecast to decrease by 12% to 10.7 million tons in 2008/09. The largest decline in stocks is expected to occur in the United States, where considerable supplies that accumulated during the previous two seasons will fuel exports.

The Secretariat forecasts an increase in the season-average Cotlook A Index from 73 cents per pound in 2007/08 to 83 cents per pound in 2008/09 (the 95% confidence interval is between 69 and 97 cents per pound).

#### **WORLD COTTON SUPPLY AND DISTRIBUTION**

	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
	<b>Million Tons</b>			<b>Million Bales</b>		
<b>Production</b>	26.65	26.28	24.9	122.4	120.7	114
<b>Consumption</b>	26.66	26.67	26.4	122.5	122.5	121
<b>Exports</b>	8.13	8.19	8.8	37.3	37.6	40
<b>Ending Stocks</b>	12.41	12.10	10.7	57.0	55.6	49
<b>Cotlook A Index*</b>	59.15	73	83**	59.15	73	83**

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

\*\* The price projection for 2008/09 is based on the ending stocks/consumption ratio in the world-less-China (Mainland) in 2006/07, in 2007/08 (estimate), and in 2008/09 (projection), and on the ending stocks/consumption ratio in China (Mainland) in 2006/07 and in 2007/08 (estimate). 95% confidence interval: 69 to 97 cents per pound.

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The International Cotton Advisory Committee is an association of 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, \$180 per year. A monthly outlook is available on the Internet for \$285 per year. Access to the weekly estimates of world cotton supply and use by the Secretariat is also available on the Internet for \$450 per year.