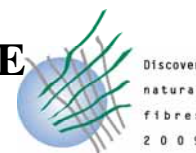




INTERNATIONAL COTTON ADVISORY COMMITTEE

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From the Secretariat

ICAC Press Release, April 1, 2010

Global Cotton Production to Rebound in 2010/11

World cotton area is expected to increase by 8% to 32.6 million hectares in 2010/11, driven by a significant rise in cotton prices during 2009/10, coinciding with a loss of competitiveness by major alternative crops and improved planting conditions in some areas. The expansion in cotton area expected in 2010/11 will be driven by the United States. Assuming average weather, the world average yield is forecast to increase by 4% to 759 kg/ha. World cotton production is projected up by 12% to 24.7 million tons.

World cotton mill use is expected to continue to recover in 2010/11, growing by 2% to 24.6 million tons, driven by continued improvement in global economic growth, but limited by high cotton prices. World cotton trade is expected to increase slightly to 7.6 million tons. Chinese imports are forecast to grow by 21% to 2.4 million tons. After dropping by 16% in 2009/10, global cotton ending stocks are expected to increase by 2% in 2010/11, to 10.5 million tons.

The Secretariat of the ICAC forecasts a 2010/11 season-average Cotlook A Index of 82 cents per pound, with a 95% confidence interval ranging from 70 to 96 cents per pound. However, major uncertainties pose substantial downward risks to this forecast. The Secretariat of the ICAC believes that the 2010/11 season-average Cotlook A Index is more likely to be within the range of 70 to 82 cents per pound.

WORLD COTTON SUPPLY AND DISTRIBUTION

	2008/09	2009/10	2010/11	2008/09	2009/10	2010/11
	Million Tons			Million Bales		
Production	23.42	22.0	24.7	107.5	101	114
Consumption	23.25	24.1	24.6	106.8	111	113
Exports	6.55	7.4	7.6	30.1	34	35
Ending Stocks	12.37	10.3	10.5	56.8	47	48
Cotlook A Index*	61.20	75**	82***	61.20	75**	82***

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

** The price projection for 2009/10 is based on the ending stocks/consumption ratio in the world-less-China in 2007/08 (estimate), in 2008/09 (estimate) and in 2009/10 (projection), on the ratio of Chinese net imports to world imports in 2008/09 (estimate) and 2009/10 (projection), and on the average price for the first eight months of 2009/10. 95% confidence interval: 71 to 80 cents per pound.

*** The price projection for 2010/11 is based on the ending stocks/consumption ratio in the world-less-China in 2008/09 (estimate), in 2009/10 (estimate) and in 2010/11 (projection), and on the ratio of Chinese net imports to world imports in 2009/10 (estimate) and 2010/11 (projection). 95% confidence interval: 70 to 96 cents per pound.

(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 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, \$185 per year. A monthly outlook is available on the Internet for \$295 per year. Access to the weekly estimates of world cotton supply and use by the Secretariat is also available on the Internet for \$460 per year.