



INTERNATIONAL COTTON ADVISORY COMMITTEE
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From the Secretariat

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LOWER WORLD COTTON PRICES IN 2011/12

The season-average Cotlook A Index reached a record of \$1.64 per pound in 2010/11, twice as high as the 2009/10 average. However, the season-average A Index will decline in 2011/12, as an increase in production will replenish stocks.

World cotton production is expected to rise by 8% to 26.9 million tons in 2011/12, driven by the high cotton prices received by farmers in 2010/11. Production will rise in most large producing countries, with the exception of the United States. Production could reach records in India and Australia. Despite a significant increase in U.S. planted area, severe drought conditions in Texas will not only increase abandonment but also limit yields. U.S. cotton production is forecast at 3.5 million tons in 2011/12, down 12% from the previous season.

World cotton mill use is expected to resume increasing in 2011/12 if projected global economic growth materializes, boosted by increased availability of cotton, but moderated by relatively high cotton prices and competition from chemical fibers. Cotton mill use is forecast at 25.0 million tons in 2011/12, 2% up from last season.

As a result of the surplus of 1.8 million tons expected in 2011/12, world ending stocks could rebound by 20% to 10.9 million tons. The global stocks-to-use ratio could recover from 37% in 2010/11 to 43% in 2011/12.

WORLD COTTON SUPPLY AND DISTRIBUTION

	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12
	Million Tons			Million Bales		
Production	22.0	25.0	26.9	101	115	123
Consumption	25.2	24.5	25.0	116	113	115
Exports	7.8	7.6	8.0	36	35	37
Ending Stocks	8.5	9.0	10.9	39	41	50
Cotlook A Index*	0.78	1.64		0.78	1.64	

* Season-average Cotlook A Index (U.S. \$ 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.