



INTERNATIONAL COTTON ADVISORY COMMITTEE

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From the Secretariat

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Global Cotton Consumption Down in 2010/11

World cotton consumption is estimated at 24.5 million tons in 2010/11, 3% lower than in 2009/10, despite firm global economic growth. Demand from spinning mills was strong in the first half of this season, but is now much weaker. Spinners, faced with high prices of cotton and difficulties to access credit on the one side, and declining prices of cotton yarn on the other side, have reduced their activity. Stocks of cotton yarn have accumulated at many mills. Prices of chemical fibers have remained much lower than cotton prices, encouraging an increased switch to chemical fibers at the spinning level. Cotton mill use is expected to rise by 3% to 25.2 million tons in 2011/12, driven by projected global economic growth and boosted by increased production, but moderated by relatively high cotton prices and competition from chemical fibers.

World cotton production is expected to increase by 11% to 27.4 million tons in 2011/12, driven by the high cotton prices received by farmers in 2010/11. Production will grow in most large producing countries, with the exception of the United States.

Global cotton trade is projected up by 5% to 8.2 million tons in 2011/12, fueled by larger production and consumption. Imports by China are expected to increase by 24% to 3.3 million tons, assuming a rebound in mill use and a rebuilding of stocks from historically low levels. The increase in exports will be driven by Brazil and Australia, while U.S. exports could decrease due to reduced exportable supplies.

The Cotlook A Index averaged \$1.64 in 2010/11, 112% higher than in the previous season. The Secretariat believes that the season-average Cotlook A Index will decline significantly in 2011/12, although it will probably remain above the ten-year average of \$0.60 per pound (2000/01 to 2009/10).

WORLD COTTON SUPPLY AND DISTRIBUTION

	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12
	Million Tons			Million Bales		
Production	22.0	24.8	27.4	101	114	126
Consumption	25.2	24.5	25.2	116	113	116
Exports	7.8	7.8	8.2	36	36	37
Ending Stocks	8.5	8.7	10.9	39	40	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.