



INTERNATIONAL COTTON ADVISORY COMMITTEE
1629 K Street NW, Suite 702, Washington, DC 20006 USA
Telephone (202) 463-6660 • Fax (202) 463-6950 • email secretariat@icac.org



From the Secretariat

ICAC Press Release, June 1, 2011

Global Cotton Stocks to Rebound in 2011/12

After seven consecutive months of increase, cotton prices fell in April 2011 and have since stabilized at levels that remain very high by historical standards. This season started with a firm demand from spinning mills, which were looking to rebuild their stocks depleted in 2009/10, but is ending with weaker demand, mainly due to high cotton prices. Global cotton mill use is projected to reach 25.0 million tons in 2010/11, almost unchanged from 2009/10. Global mill use is expected to resume increasing in 2011/12, driven by a projected robust global economic growth and boosted by increased production, but moderated by relatively high cotton prices and competition from chemical fibers.

As a result of higher prices in 2010/11, global cotton area is forecast up by 8% to 36.3 million hectares in 2011/12. Assuming a small increase in yield, global production could reach 27.3 million tons, 9% more than in 2010/11. World cotton production is projected to exceed mill use by 1.6 million tons in 2011/12. As a result, ending stocks are expected to jump from 8.7 million tons at the end of July 2011 to 10.2 million tons by the end of July 2012. The world ending stocks-to-use ratio could rebound to 40% in 2011/12.

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. It is also possible that price volatility, which has been extremely high this season, will decline in 2011/12, as increased global cotton supplies may give more confidence to market players.

WORLD COTTON SUPPLY AND DISTRIBUTION

	2009/10	2010/11	2011/12	2009/10	2010/11	2011/12
	Million Tons			Million Bales		
Production	22.0	25.1	27.3	101	115	126
Consumption	25.0	25.0	25.8	115	115	118
Exports	7.8	8.0	8.3	36	37	38
Ending Stocks	8.6	8.7	10.2	40	40	47
Cotlook A Index*	0.78	1.65**		0.78	1.65**	

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

** The price projection for 2010/11 is not based on the ICAC price model.

(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.