



INTERNATIONAL COTTON ADVISORY COMMITTEE

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EXTRA-FINE COTTON THIS MONTH

From the Secretariat of the ICAC
December 21, 2004

Supply and Demand Estimates (producing countries):

2004/05

Production 774,000 tons (+1,000 from last month's estimate):

Sudan 51,000 tons (-1,000); USA 157,000 tons (+1,000).

Consumption 448,000 tons (+34,000):

China (M) 100,000 tons (+20,000); Egypt 170,000 tons(+12,000); India 137,000 tons (+3,000).

Exports: 417,000 tons (-22,000):

China (M) 35,000 tons (-15,000); Egypt 105,000 tons (-20,000); USA 152,000 tons (+12,000).

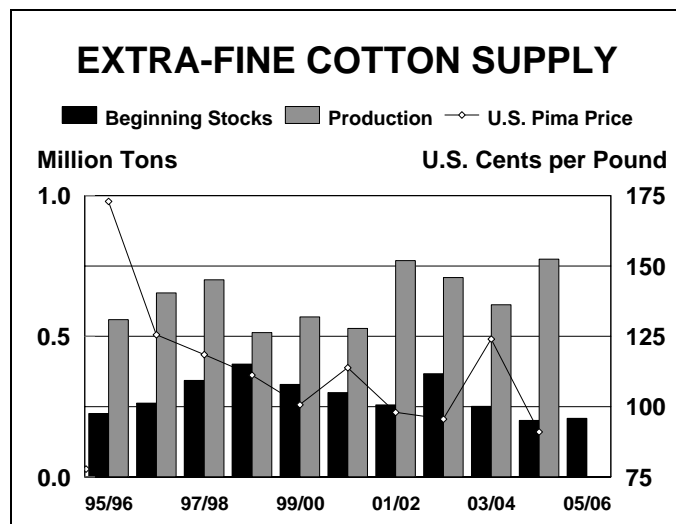
Ending Stocks: 203,000 tons (-6,000).

Production Up, Prices Down

World production of extra-fine cotton is rising 26% from 612,000 tons last season to an estimated 774,000 tons in 2004/05, about the same as in 2001/02. In comparison, world production of upland cotton is forecast up 20% from 20 million tons to a record of 24 million tons this season.

U.S. Pima quotes in Cotton Outlook dropped to 87 cents per pound in mid-December 2004, down 39% from 142 cents per pound on the year. During the same period, the Cotlook A Index fell from 72 to 47.5 cents per pound, down 34%. As a result, the premium for U.S. Pima over the A Index shrank from 70 to 40 cents per pound (97% to 83%). U.S. Pima loan rate for grade 2 staple 1-7/16" is 81.75 cents per pound.

World exports of extra-fine cotton are expected to reach 417,000 tons in 2004/05, up from 386,000 tons last season. Consumption in producing countries is forecast sharply up from 370,000 tons in 2003/04 to an estimated 448,000 tons this season.



Sales of Extra-fine Cotton

World extra-fine cotton export commitments for 2004/05 rose by an estimated 94,000 tons between November 10 and December 20, 2004 and reached 304,000 tons, or 73% of projected exports for the season.

U.S. Pima export sales for 2004/05 rose by 36,000 tons and reached 105,000 tons, or 69% of projected sales. Shipments of U.S. Pima advanced to 46,000 tons. The ELS competitiveness payment rate rose to 40 cents per pound in mid-December, up from 33 cents per pound during the first week of November, and provided a major stimulus to 2004/05 Pima sales.

Export registrations by Egypt for 2004/05 rose by 57,000 tons and reached an estimated 97,000 tons, including 24,000 tons of carryover from 2003/04. Sales accounted for 92% of projected exports for the season. Sales of Sudanese Barakat advanced by 11,000 tons and reached an estimated 44,000 tons.

	Total Exports (Forecast)	Commitments Mid-December (Estimated)	Sales Remaining	
				000 Tons
CHINA (MAINLAND)	35	15	43%	20
EGYPT	105	97	92%	8
ISRAEL	14	14	100%	0
SUDAN	55	44	80%	11
TAJIKISTAN	17	9	53%	8
TURKMENISTAN	25	12	48%	13
UNITED STATES	152	105	69%	47
UZBEKISTAN	10	6	60%	4
OTHERS	3	2	67%	1
WORLD TOTAL	417	304	73%	113

Commitments include carryover from 2003/04 and new crop sales for shipment before July 31, 2005.



ICAC

SUPPLY OF EXTRA-FINE COTTON *

December 21, 2004

Years Beginning August 1

	1995	1996	1997	1998	1999	2000	2001	2002	2003 Est.	2004 Proj.	2005 Proj.
	Thousand Metric Tons										
BEGINNING STOCKS*											
CHINA (MAINLAND)	18.6	6.6	11.8	23.1	7.0	3.0	12.0	29	19	43	36
EGYPT, ELS	35.8	22.0	43.5	81.7	95.7	63.7	33.5	25	9	12	13
EGYPT, L. STPL.	71.1	107.9	185.7	186.7	101.5	78.8	83.6	140	53	34	53
INDIA	33.9	41.3	17.0	23.0	48.5	46.5	45.5	23	22	22	25
AUSTRALIA, ISRAEL & PERU	7.4	8.7	23.0	22.0	14.8	15.3	16.4	18	16	10	7
SUDAN	17.4	23.5	21.8	23.4	17.4	17.4	19.8	35	44	26	23
TAJIKISTAN	5.6	5.6	5.6	4.3	4.3	4.3	4.3	7	12	5	0
TURKMENISTAN	5.0	5.0	1.8	1.8	1.8	1.8	1.8	5	7	8	9
UNITED STATES	13.5	14.4	11.0	14.2	22.4	54.4	26.3	71	53	26	26
UZBEKISTAN	5.0	14.0	9.0	9.0	3.6	3.6	1.6	3	6	5	3
OTHER PRODUCERS	12.0	13.3	13.3	12.2	12.0	10.9	10.8	10	11	9	8
TOTAL	225.3	262.3	343.4	401.2	329.0	299.7	255.5	367	251	201	203
PRODUCTION											
CHINA (MAINLAND)	8.0	17.2	31.0	13.9	16.7	61.6	97.1	70	114	98	
EGYPT, ELS	37.5	55.1	72.8	56.4	25.9	31.0	51.3	66	58	68	
EGYPT, L. STPL.	200.7	286.4	265.1	169.9	203.8	176.8	261.9	221	139	227	
INDIA	122.6	63.4	110.0	115.0	100.0	85.0	80.0	65	80	90	
AUSTRALIA, ISRAEL & PERU	36.0	50.0	25.8	13.1	24.2	24.4	33.9	21	13	24	
SUDAN	18.2	22.7	17.8	12.8	11.6	18.5	26.5	45	48	51	
TAJIKISTAN	21.0	19.0	13.1	10.2	7.0	11.4	17.8	33	18	15	
TURKMENISTAN	9.4	2.0	17.0	12.0	17.0	20.0	30.0	20	28	29	
UNITED STATES	80.0	115.1	119.3	96.2	146.8	84.7	152.5	148	94	157	
UZBEKISTAN	20.0	18.0	25.0	9.0	12.0	11.0	14.5	17	16	10	
OTHERS	5.5	4.7	4.5	4.4	4.4	3.9	3.9	4	4	4	
TOTAL	558.8	653.6	701.4	512.8	569.4	528.3	769.3	709	612	774	
CONSUMPTION*											
CHINA (MAINLAND)	22.0	20.0	22.0	22.0	15.0	40.0	45.0	50	75	100	
EGYPT, ELS	18.9	15.3	15.0	16.2	14.2	17.7	14.0	16	21	12	
EGYPT, L. STPL.	186.5	183.2	216.1	170.5	129.8	117.6	131.3	174	103	158	
INDIA	113.6	123.0	110.0	111.0	116.0	110.0	125.0	128	130	137	
AUSTRALIA, ISRAEL & PERU	14.6	15.0	12.9	12.7	11.0	11.0	12.5	10	11	13	
SUDAN	1.2	1.5	0.9	0.0	0.0	0.3	0.5	0	0	0	
TAJIKISTAN	5.3	5.3	5.0	4.0	3.0	3.0	3.0	3	3	3	
TURKMENISTAN	2.0	2.0	3.0	2.0	2.0	2.0	2.0	2	3	3	
UNITED STATES	23.7	23.1	25.0	32.0	31.6	27.2	22.7	22	14	13	
UZBEKISTAN	7.0	10.0	12.0	7.0	7.0	5.0	5.0	4	2	2	
OTHER PRODUCERS	5.0	5.9	6.1	6.2	6.4	6.1	6.7	6	8	8	
TOTAL	399.8	404.4	428.0	383.6	336.1	340.0	367.6	416	370	448	
EXPORTS											
CHINA (MAINLAND)	0.0	0.0	0.0	10.0	12.0	15.0	40.1	50	38	35	
EGYPT, ELS	18.8	18.1	19.5	23.8	38.8	40.3	34.5	54	35	55	
EGYPT, L. STPL.	0.0	28.4	50.0	84.7	58.5	38.4	50.5	105	54	50	
INDIA	4.6	8.7	2.0	0.6	0.5	0.0	2.0	0	0	0	
AUSTRALIA, ISRAEL & PERU	21.2	23.8	20.6	14.6	15.7	12.3	20.9	21	13	16	
SUDAN	10.8	9.1	15.3	15.0	11.6	8.6	9.0	31	65	55	
TAJIKISTAN	15.7	13.7	9.4	6.2	4.0	8.4	12.0	25	22	17	
TURKMENISTAN	7.4	3.3	14.0	10.0	15.0	18.0	25.0	16	24	25	
UNITED STATES	65.3	101.5	95.8	62.7	97.3	95.1	86.4	138	118	152	
UZBEKISTAN	13.0	13.0	13.0	7.4	5.0	8.0	8.0	10	15	10	
OTHER PRODUCERS	2.3	2.1	1.3	1.3	1.2	1.2	1.2	1	2	2	
TOTAL	159.1	221.5	240.9	236.3	259.7	245.4	289.5	452	386	417	
TOTAL IMPORTS 1/	15.7	34.6	44.7	56.4	55.8	57	63	145	134	133	
STOCKS ADJUSTMENT 2/	21.5	18.8	-19.5	-21.5	-58.7	-44	-63	-103	-40	-40	
ENDSTOCKS/USE, EGYPT	0.58	0.94	0.89	0.67	0.59	0.55	0.72	0.18	0.21	0.24	
ENDSTOCKS/USE, USA	0.16	0.09	0.12	0.24	0.42	0.22	0.65	0.33	0.20	0.16	
ENDSTOCKS/USE, TOTAL	0.47	0.55	0.60	0.53	0.50	0.44	0.56	0.29	0.27	0.23	
COTLOOK QUOTE, AM. PIMA	173	126	118	111	101	114	98	96	124	91	**
COTLOOK QUOTE, GIZA 70		161	142	125	113	122	109	100	137	91	
RATIO: AM. PIMA/GIZA 70		0.78	0.83	0.89	0.89	0.93	0.90	0.96	0.91	1.00	
RATIO: AM. PIMA/A INDEX	2.02	1.60	1.64	1.89	1.91	1.99	2.34	1.73	1.82	1.78	**

* Producing countries only.

** Through December 16, 2004

1/ Imports of extra-fine cotton by producing countries

2/ Difference between calculated stocks and actual; amounts for forward seasons are anticipated

SUPPLY OF EXTRA-FINE COTTON *

December 21, 2004

Years Beginning August 1

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
									Est.	Proj.	Proj.
	Thousand 480-Lb. Bales										
BEGINNING STOCKS*											
CHINA (MAINLAND)	85	30	54	106	32	14	55	133	87	199	167
EGYPT, ELS	165	101	200	375	440	293	154	116	42	55	59
EGYPT, L. STPL.	327	495	853	857	466	362	384	645	242	156	244
INDIA	156	190	78	106	223	214	209	104	101	101	117
AUSTRALIA, ISRAEL & PERU	34	40	106	101	68	70	75	84	71	47	31
SUDAN	80	108	100	108	80	80	91	162	201	122	105
TAJIKISTAN	26	26	26	20	20	20	20	32	57	25	2
TURKMENISTAN	23	23	8	8	8	8	8	22	31	36	40
UNITED STATES	62	66	51	65	103	250	121	328	245	119	119
UZBEKISTAN	23	64	41	41	16	16	7	14	26	21	12
OTHER PRODUCERS	55	61	61	56	55	50	50	47	49	43	37
TOTAL	1,035	1,205	1,577	1,843	1,511	1,377	1,174	1,687	1,153	923	933
PRODUCTION											
CHINA (MAINLAND)	37	79	142	64	77	283	446	322	521	450	
EGYPT, ELS	172	253	335	259	119	142	235	302	268	312	
EGYPT, L. STPL.	922	1,315	1,218	780	936	812	1,203	1,013	636	1,043	
INDIA	563	291	505	528	459	390	367	299	367	413	
AUSTRALIA, ISRAEL & PERU	165	230	118	60	111	112	155	99	58	111	
SUDAN	84	104	82	59	53	85	122	208	220	236	
TAJIKISTAN	96	87	60	47	32	52	82	153	83	69	
TURKMENISTAN	43	9	78	55	78	92	138	92	129	133	
UNITED STATES	368	529	548	442	674	389	700	678	432	720	
UZBEKISTAN	92	83	115	41	55	51	67	76	73	46	
OTHERS	25	22	21	20	20	18	18	18	20	20	
TOTAL	2,567	3,002	3,222	2,355	2,615	2,426	3,534	3,258	2,809	3,554	
CONSUMPTION*											
CHINA (MAINLAND)	101	92	101	101	69	184	207	230	344	459	
EGYPT, ELS	87	70	69	74	65	81	64	75	95	55	
EGYPT, L. STPL.	857	841	993	783	596	540	603	800	475	725	
INDIA	522	565	505	510	533	505	574	586	597	627	
AUSTRALIA, ISRAEL & PERU	67	69	59	58	51	51	57	46	50	60	
SUDAN	6	7	4	0	0	1	2	0	0	0	
TAJIKISTAN	24	24	23	18	14	14	14	14	14	14	
TURKMENISTAN	9	9	14	9	9	9	9	9	14	14	
UNITED STATES	109	106	115	147	145	125	104	103	64	60	
UZBEKISTAN	32	46	55	32	32	23	23	18	9	9	
OTHER PRODUCERS	23	27	28	29	30	28	31	28	35	35	
TOTAL	1,837	1,857	1,966	1,762	1,544	1,561	1,688	1,909	1,698	2,059	
EXPORTS											
CHINA (MAINLAND)	0	0	0	46	55	69	184	230	175	161	
EGYPT, ELS	86	83	89	109	178	185	158	250	161	253	
EGYPT, L. STPL.	0	130	230	389	269	176	232	482	248	230	
INDIA	21	40	9	3	2	0	9	0	0	0	
AUSTRALIA, ISRAEL & PERU	97	109	95	67	72	57	96	95	62	72	
SUDAN	49	42	70	69	53	40	41	144	300	253	
TAJIKISTAN	72	63	43	28	18	39	55	115	101	78	
TURKMENISTAN	34	15	64	46	69	83	115	73	110	115	
UNITED STATES	300	466	440	288	447	437	397	634	541	700	
UZBEKISTAN	60	60	60	34	23	37	37	46	69	46	
OTHER PRODUCERS	11	10	6	6	6	6	5	5	7	7	
TOTAL	731	1,018	1,106	1,085	1,193	1,127	1,329	2,074	1,774	1,914	
TOTAL IMPORTS 1/	72	159	205	259	256	261	289	666	616	612	
STOCKS ADJUSTMENT 2/	99	87	(89)	(99)	(270)	(201)	(291)	(474)	(184)	(184)	
ENDSTOCKS/USE, EGYPT	0.58	0.94	0.89	0.67	0.59	0.55	0.72	0.18	0.21	0.24	
ENDSTOCKS/USE, USA	0.16	0.09	0.12	0.24	0.42	0.22	0.65	0.33	0.20	0.16	
ENDSTOCKS/USE, TOTAL	0.47	0.55	0.60	0.53	0.50	0.44	0.56	0.29	0.27	0.23	
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