



INTERNATIONAL COTTON ADVISORY COMMITTEE

1629 K Street NW, Suite 702, Washington DC 20006 USA

Telephone +1-202-463-6660 • Fax +1-202-463-6950 • email secretariat@icac.org



From the Secretariat

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The Role of Cotton in Economic Development and Ensuring
Food Security During a Period of Global Economic Crisis
68TH PLENARY MEETING OF THE INTERNATIONAL COTTON ADVISORY COMMITTEE
During the International Year of Natural Fibres: "Discover Natural Fibres"
Cape Town, South Africa

Outlook for World Cotton Supply and Use: Stabilization and Concentration

After declining significantly in 2008/09, both world cotton mill use and production are expected to stabilize in 2009/10. World cotton production is forecast slightly down at 23.3 million tons due to reduced area. As the world economy gradually stabilizes and economic prospects for 2010 improve in most parts of the world, global cotton mill use is expected to recover by a small amount to 23.6 million tons. World cotton imports are expected to rebound by 5% to 6.8 million tons in 2009/10, driven by increased demand. World ending stocks are forecast slightly lower, at 12.0 million tons.

The world cotton market is experiencing increased concentration. In the last decade, production and spinning of cotton have continued to grow faster in Asia than in the rest of the world. In addition, in the last few years trade of cotton became more concentrated amongst the largest merchants and this trend will continue during 2009/10. Nevertheless, global cotton trade remains very competitive.

The season-average Cotlook A Index experienced a significant drop in 2008/09, to 61 cents per pound, due to falling consumption. In addition, cotton prices were extremely volatile during that season due to the global economic crisis. The season-average Cotlook A Index is expected to recover slightly in 2009/10, to 63 cents per pound with a 95% confidence interval ranging from 55 cents per pounds to 73 cents per pounds.

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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 via email, \$225 per year in hard copy. A monthly outlook is available by email for \$295 per year. Access to the latest weekly estimates of world cotton supply and use by the Secretariat is available on the Internet for \$460 per year. Access Secretariat reports at [<www.icac.org>](http://www.icac.org).