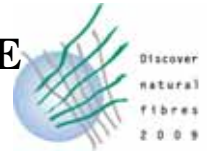




INTERNATIONAL COTTON ADVISORY COMMITTEE

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, January 4, 2010

Production and Consumption Rising in 2010/11

2010/11 world cotton production is forecast at 24.2 million tons up nearly 10%. 2010/11 production in China is forecast at 7.7 million tons, one million tons higher than in the current season. Most of the gain is expected to come from increased area in response to higher domestic prices. 2010/11 Production in India is estimated little changed from 2009/10 as most of the gain in yields tied to improved technology has already been achieved. U.S. production is expected to climb by one-tenth to reach three million tons, primarily because of increased cotton area. Production in Pakistan, Brazil and Uzbekistan, collectively, is estimated at 4.6 million tons in 2010/11. The three countries are accounting for 4.3 million tons of production in 2009/10.

Forecasts by the IMF, UNCTAD, the U.S. Federal Reserve and OECD all indicate that the recovery in world GDP growth during 2010 and 2011 will be gradual. Accordingly, since income growth is an important explanatory variable in models of fiber use, projections of world fiber use at the consumer level for 2010 and 2011 indicate only modest growth.

Based on the expected change in the ratio of ending stocks to use outside China and the average Cotlook A Index to date, the 2009/10 Cotlook A Index is estimated at 70 cents per pound. The 95% confidence level extends from 64 cents to 77 cents.

WORLD COTTON SUPPLY AND DISTRIBUTION

	2008/09	2009/10	2010/11	2008/09	2009/10	2010/11
	Million Tons			Million Bales		
Production	23.40	22.2	24.1	107.5	102	111
Consumption	23.24	23.8	24.2	106.7	109	111
Exports	6.56	7.1	6.9	30.1	33	32
Ending Stocks	12.34	10.75	10.75	56.7	49	49
Cotlook A Index*	61.20	70**		61.20	70**	

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

** The price projection for 2009/10 is based on the ending stocks/consumption ratio in the world-less-China in 2007/08 (estimate), in 2008/09 (estimate) and in 2009/10 (projection), on the ratio of Chinese net imports to world imports in 2008/09 (estimate) and 2009/10 (projection), and on the average price for the first four months of 2009/10. 95% confidence interval: 64 to 77 cents 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.