

World Cotton Production In 2009/10 Declines For Third Consecutive Year



World cotton production in 2009/10 is estimated at 101.7 million bales, down 5 percent from the previous year, and continuing the production slide which began in 2007/08. The bulk of the global 2009/10 production decline comes from output reductions in major cotton-producing countries such as China, the United States, Uzbekistan, and the African Franc Zone. China's 2009/10 production is estimated at 31.5 million bales, a 14-percent decline from a year earlier and the lowest production in 4 years. In the United States, production in 2009/10 is estimated to decline 5 percent to 12.2 million bales, the lowest output in more than two decades. Uzbekistan's 2009/10 production is estimated at 4.1 million bales, down 11 percent from a year ago and the lowest output in about 6 years. Production in the African Franc Zone (AFZ) in 2009/10 is estimated to drop 8 percent to 2.2 million bales from the previous year, representing the lowest output in almost two decades. The production in the AFZ has steadily declined over the years due to a combination of credit and infrastructure problems and the recent food crisis in 2008, which forced Government programs to prioritize food grains production instead of cotton.

Global 2009/10 cotton area is estimated at 30.4 million hectares, down one percent from a year earlier and the lowest area harvested in more than two decades. Acreage reductions are estimated for China, Uzbekistan, Brazil, and the African Franc Zone. World cotton yield is estimated to decline 4 percent from a year ago to 730 kilograms per hectare.

World Cotton Trade to Rebound in 2009/10

World cotton exports in 2009/10 are estimated at 34.2 million bales, a 14-percent rebound from last season's historically low level. Major export increases are expected in India, Uzbekistan, and Australia in 2009/10. As shown in figure 3, India's 2009/10 cotton exports are estimated at 6.1 million bales, more than double the previous year's level. Uzbekistan's 2009/10 exports are estimated to rise 28 percent to 3.9 million bales from the previous year. Australia's 2009/10 exports are estimated at 1.8 million bales, a 46-percent rebound from a year earlier. Export declines are expected for other major cotton exporters, such as the United States and Brazil, but these decreases are not enough to offset the gains in global exports this season.

China, the world's leading cotton importer, is expected to import 9.5 million bales, up 36 percent from a year ago. Bangladesh, Turkey, and Pakistan are estimated to increase imports in 2009/10 to 4 million bales (+5 percent), 3.7 million bales (+26 percent), and 2 million bales (+3 percent), respectively, from the previous year. Imports in Indonesia and South Korea in 2009/10 are estimated at 2.1 million bales and 1.0 million bales, a 5-percent and 1-percent increase from the previous year.

Global Mill Use to Recover in 2009/10; Stocks to Decline

Global mill use is estimated at 116.1 million bales, up 6 percent from a year earlier. China is expected to account for most of the increase in consumption, where 2009/10 mill use is estimated to increase 8 percent to 47.5 million bales from the previous year. Mill use in 2009/10 is also expected to rise 9 percent and 2 percent to 19.4 million bales and 11.5 million bales in India and Pakistan, respectively.

The combination of increased global cotton consumption and lower production has reduced the ending stock forecast. World ending stocks for 2009/10 are forecast at 50.9 million bales, 19 percent below the beginning level and the smallest stock estimate since 2003/04. Meanwhile, the global stocks-to-use ratio is currently forecast at 44 percent, the lowest since 1994/95. The reduction in stocks and the stocks-to-use ratio has boosted cotton prices considerably in 2009/10. Δ



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