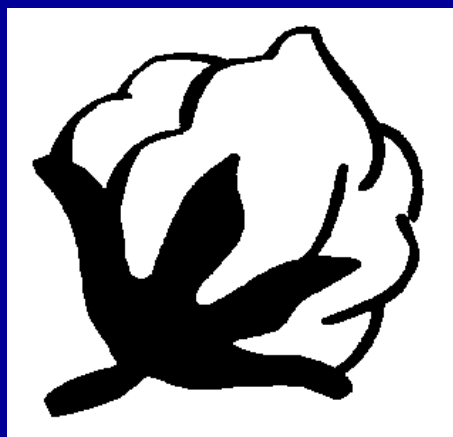
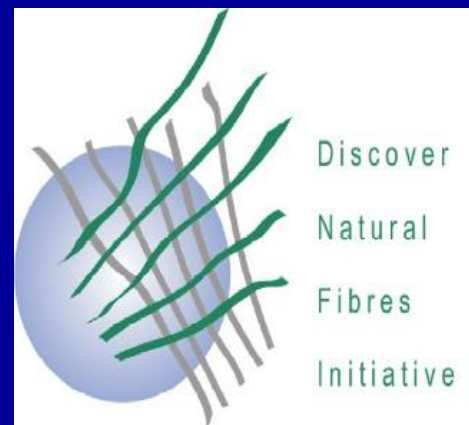


4th DEDICATED DISCUSSION OF THE RELEVANT TRADE-RELATED DEVELOPMENTS ON COTTON



Geneva

27 November 2015



José Sette
International Cotton Advisory Committee

SUMMARY

1. Introduction
2. Production
3. Trade
4. Consumption
5. Prices
6. Direct Government Assistance
7. Stocks
8. Comparison 2003/04 to 2014/15



PRICE

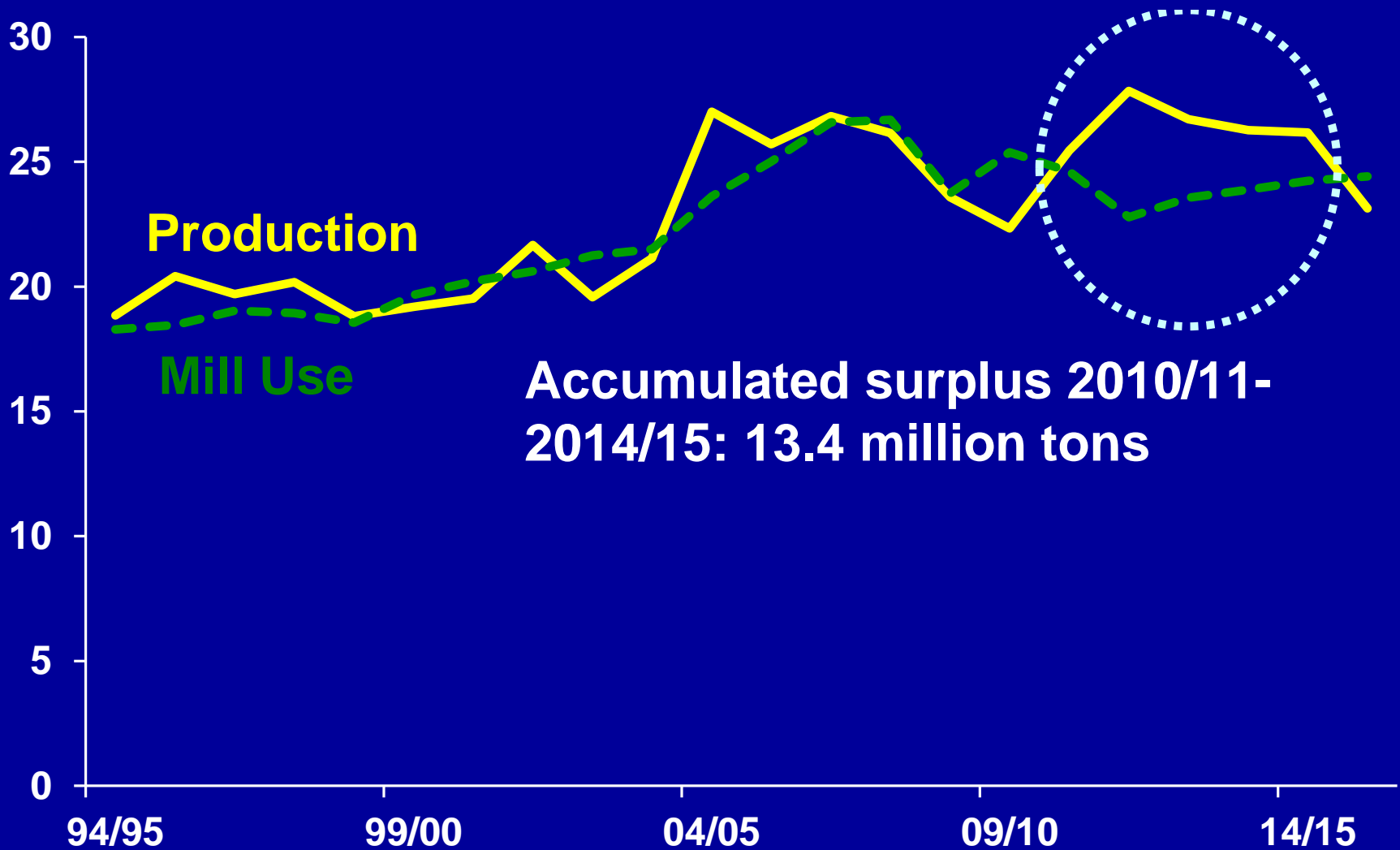
(Cotlook A Index)

US cents/lb



WORLD PRODUCTION & MILL USE

million tons

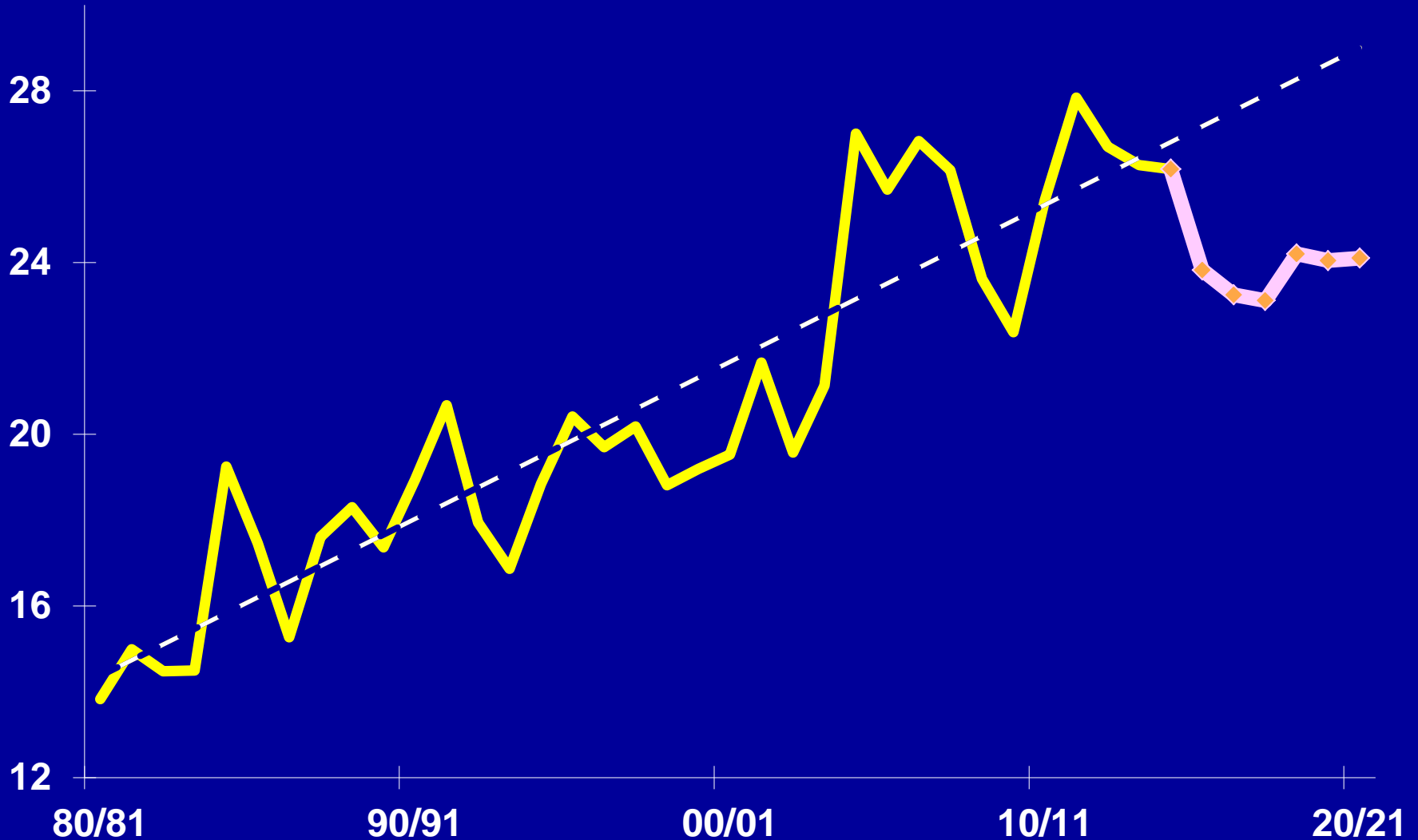


Accumulated surplus 2010/11-
2014/15: 13.4 million tons



WORLD PRODUCTION

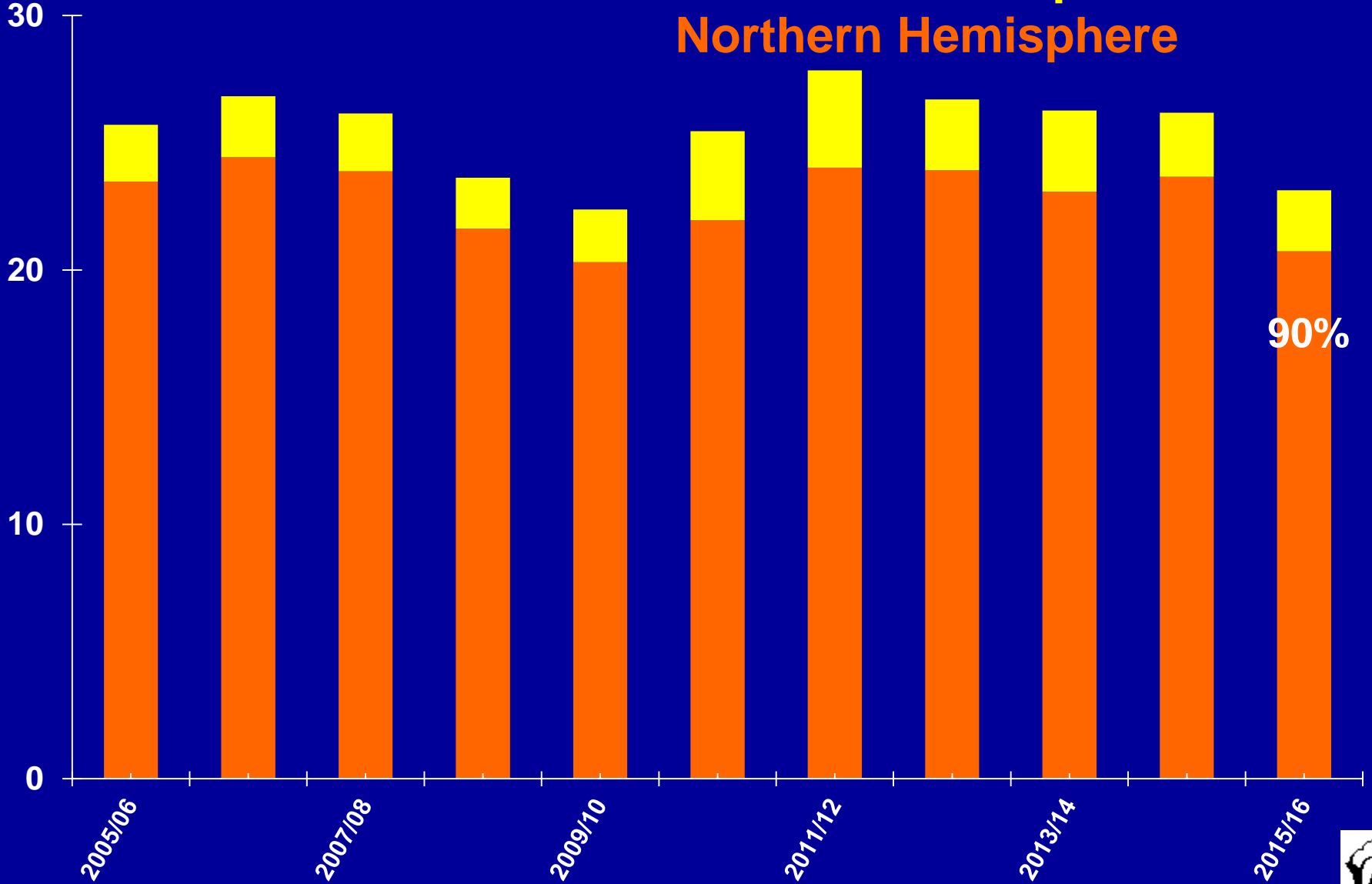
(million tons)



WORLD PRODUCTION

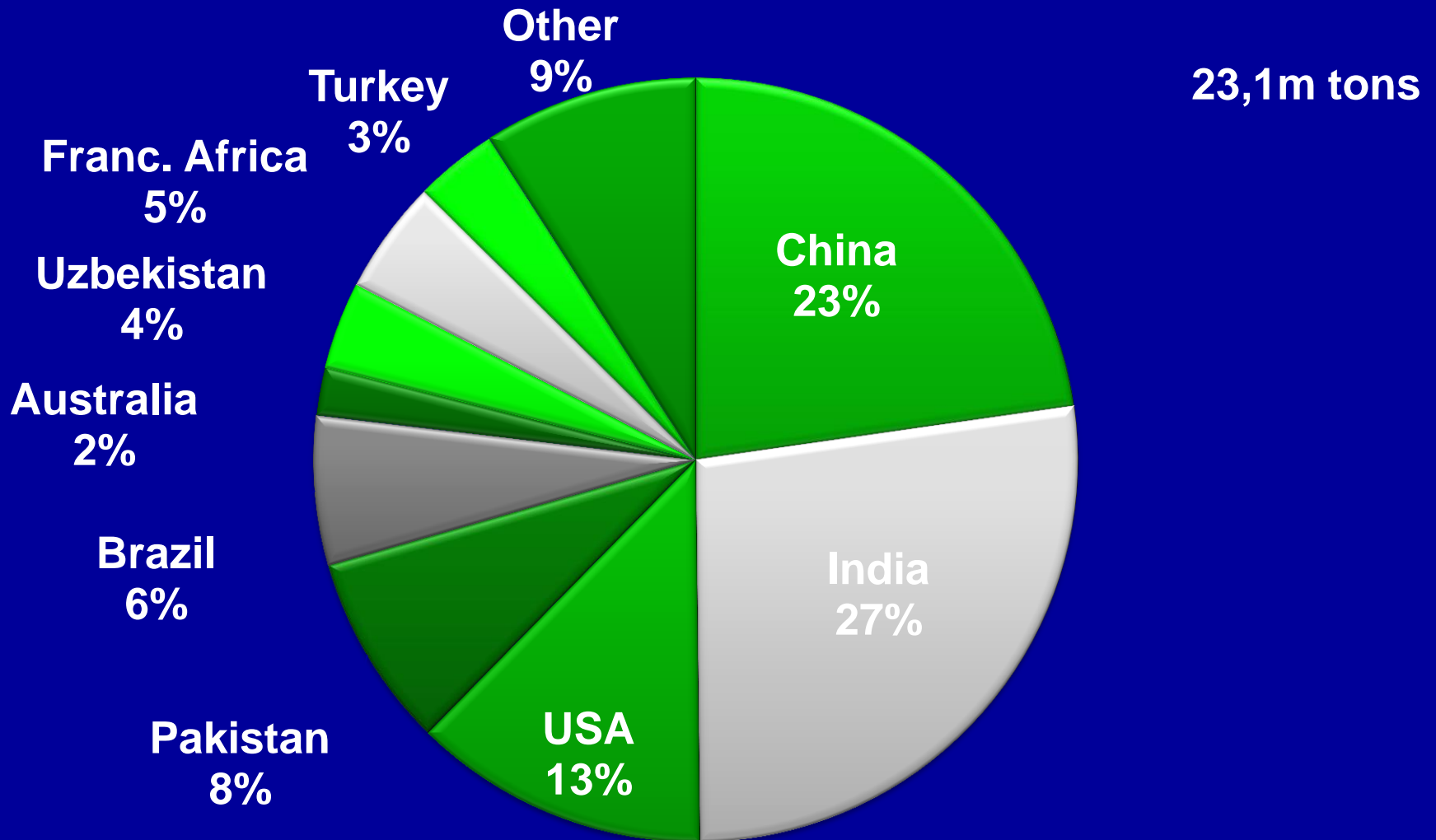
Southern Hemisphere
Northern Hemisphere

million tons



PRODUCTION BY COUNTRY

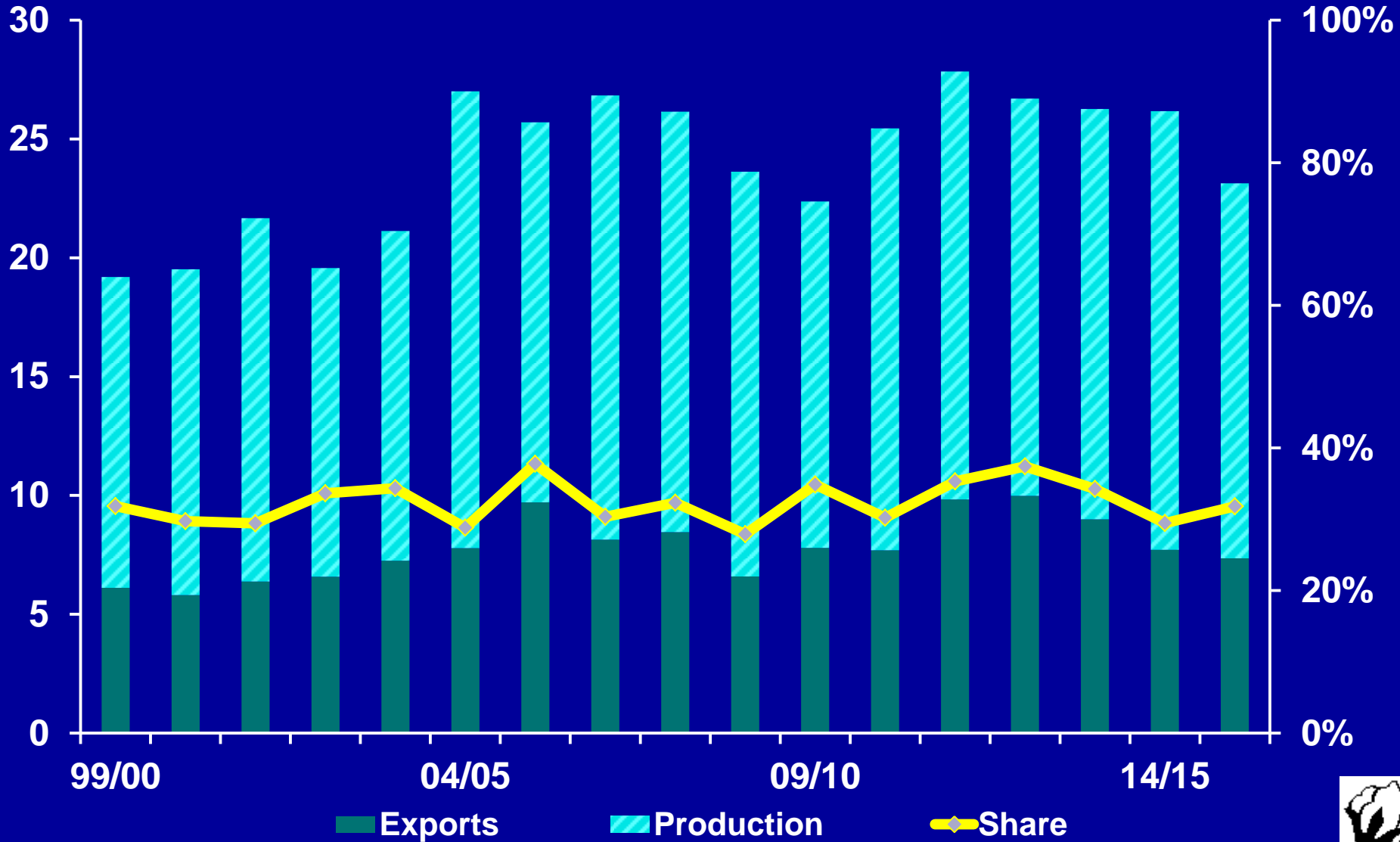
2015/16



SHARE OF TRADE IN WORLD PRODUCTION

million tons

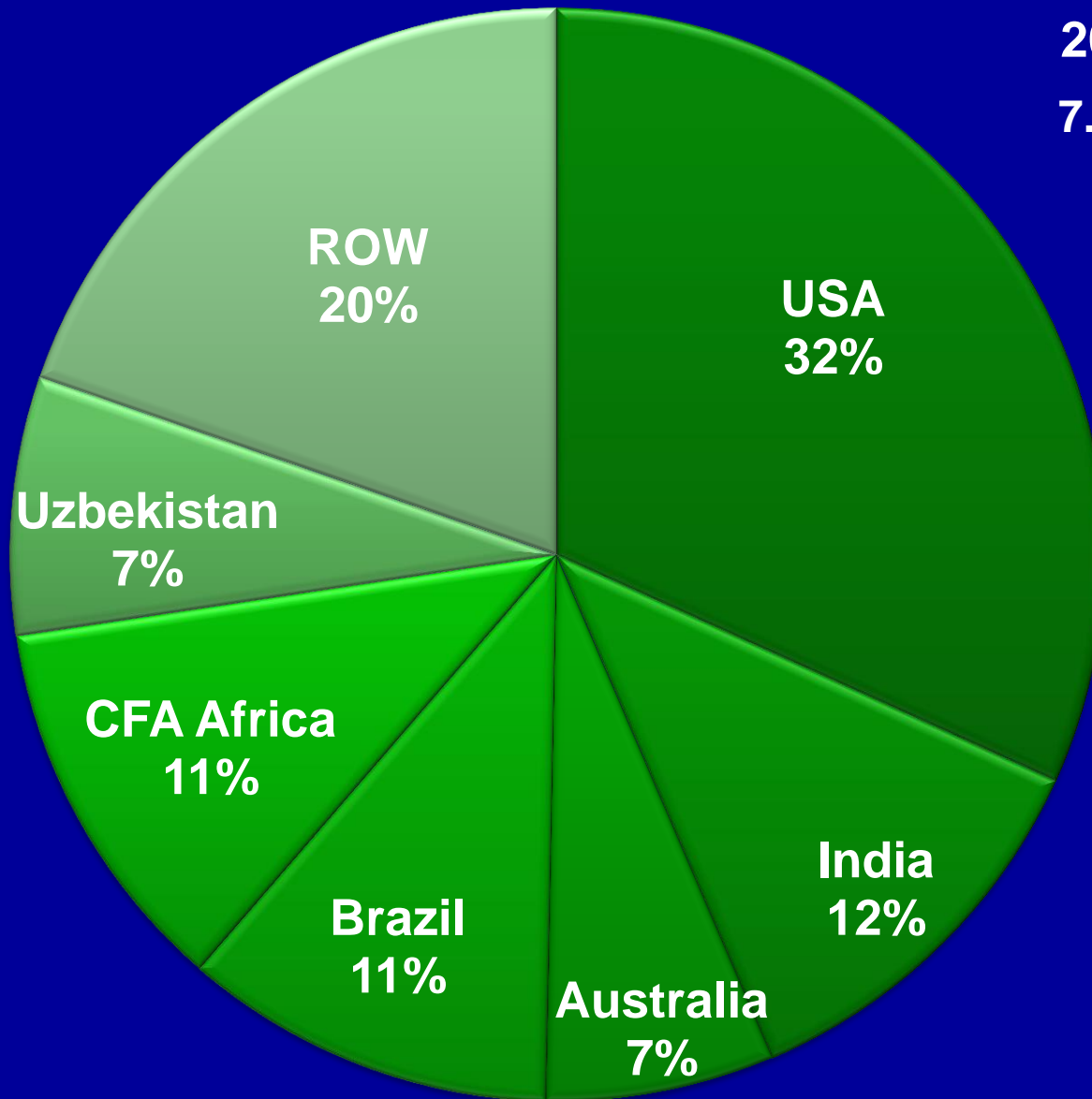
share of exports



COTTON EXPORTS BY COUNTRY

2014/15

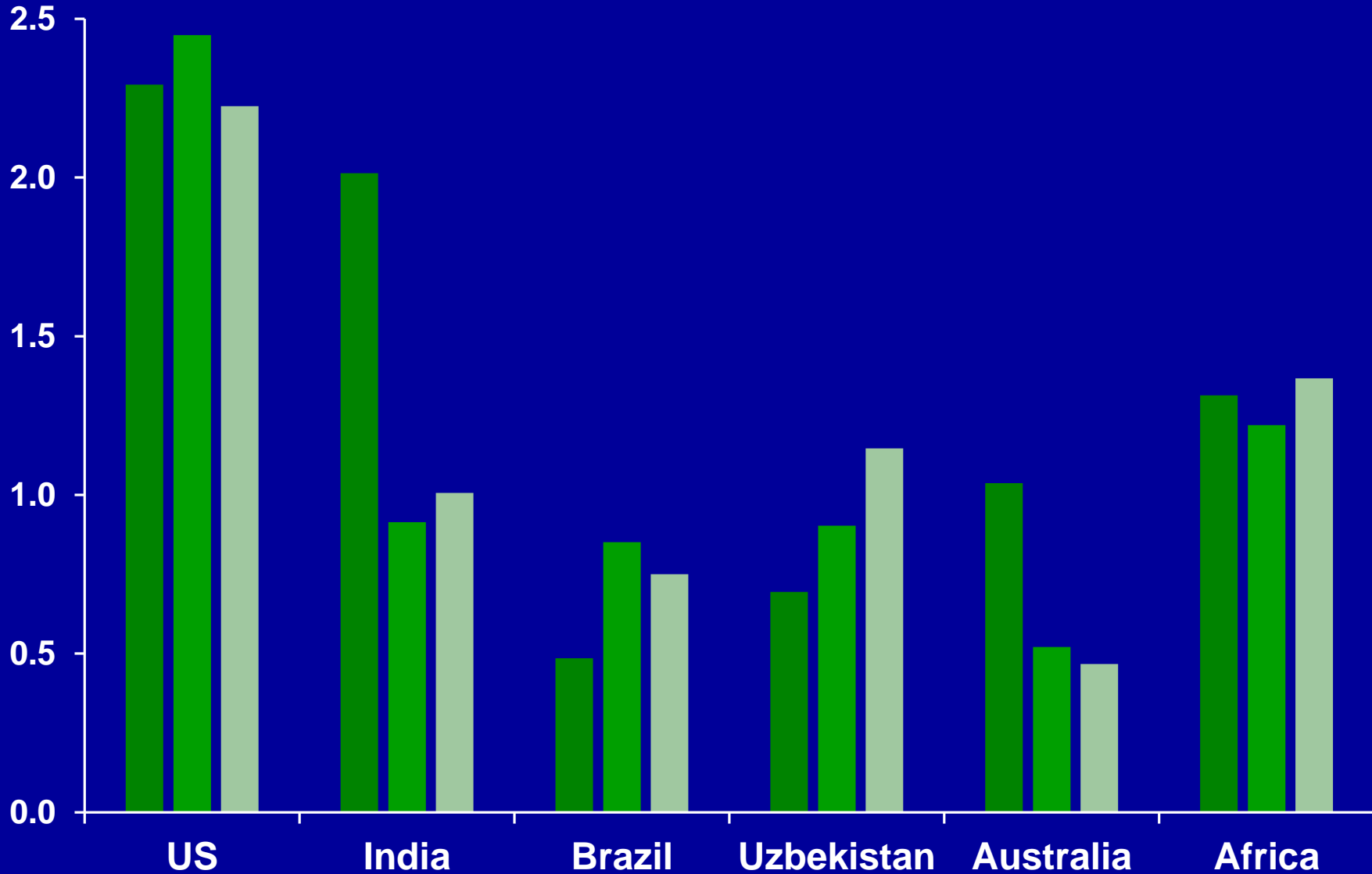
7.7 million tons



COTTON EXPORTS: 2013/14 TO 2015/16

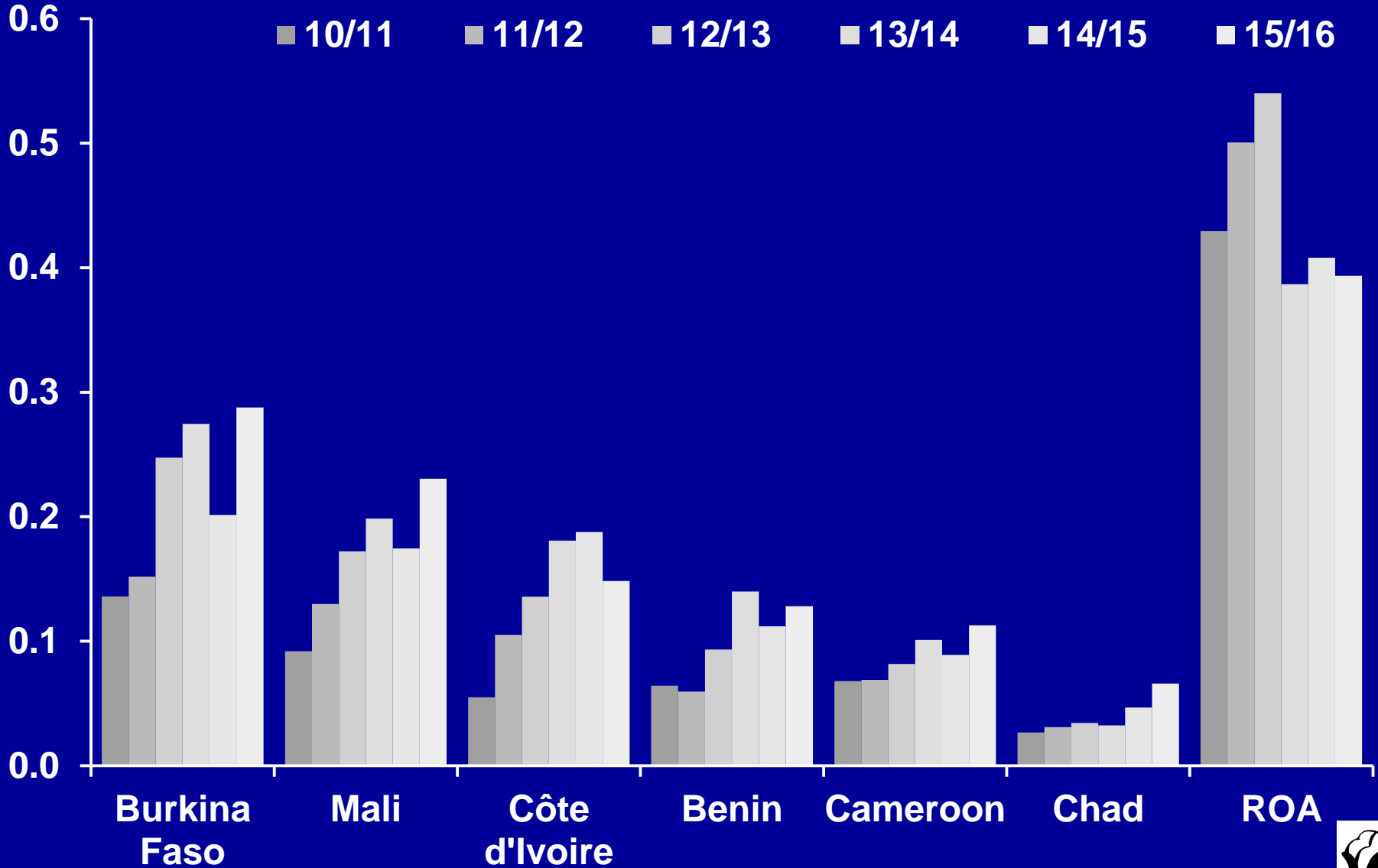
Five Largest Exporters and Africa

million tons



AFRICA'S TOP EXPORTING COUNTRIES

million tons

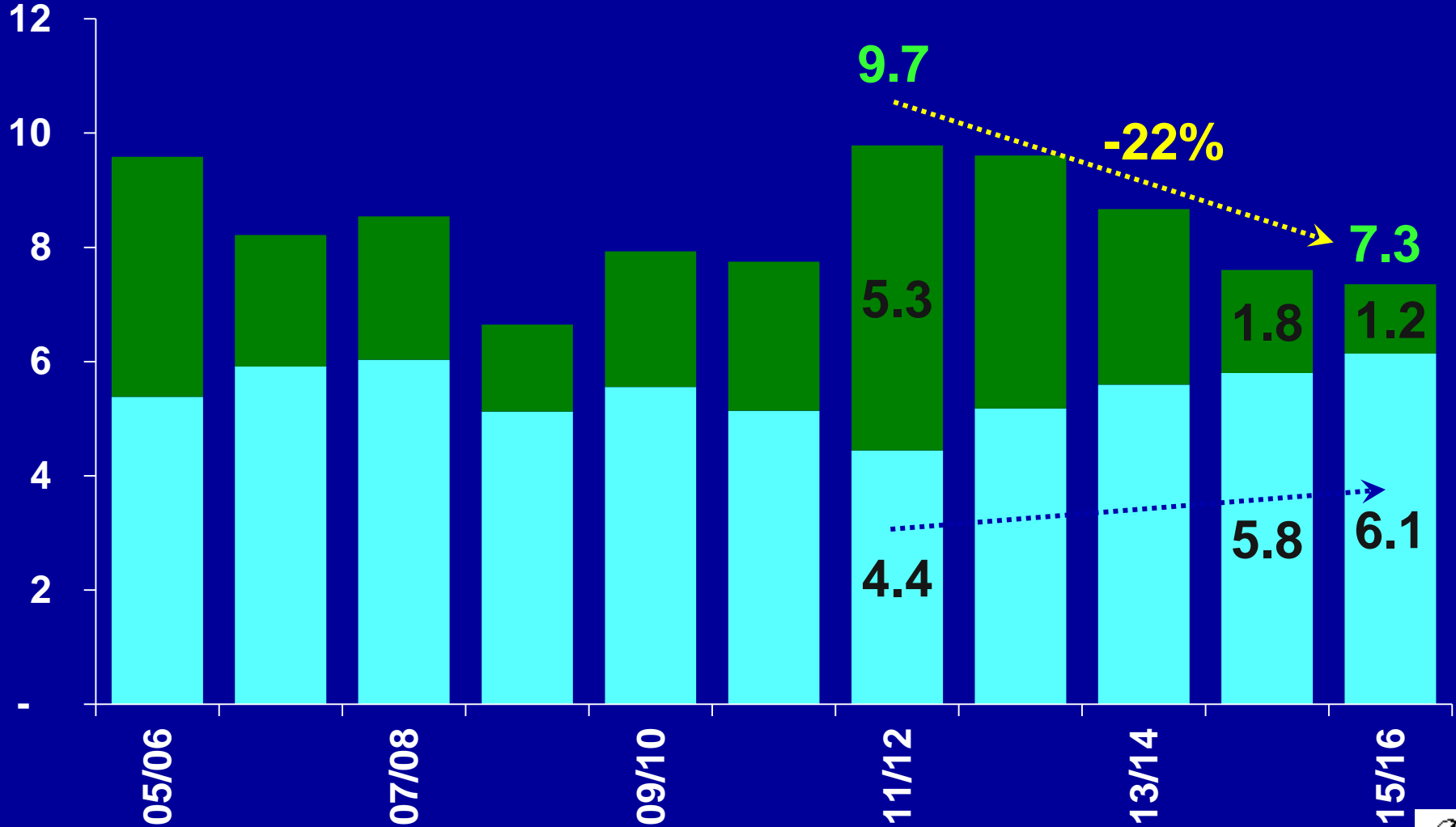


COTTON IMPORTS

million tons

■ World less China

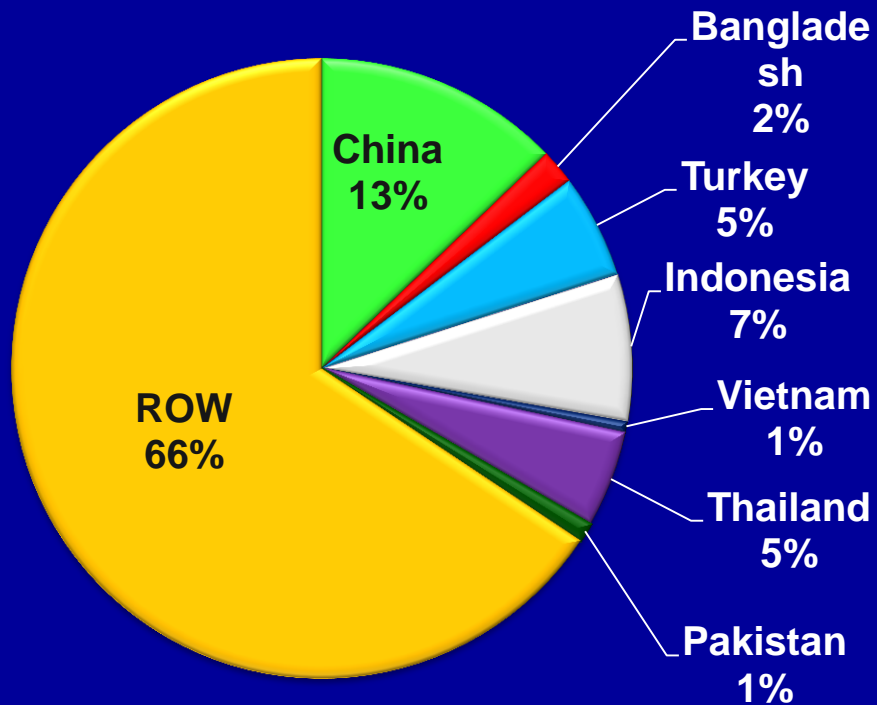
■ China



CHANGES IN COTTON IMPORTS

1996/97

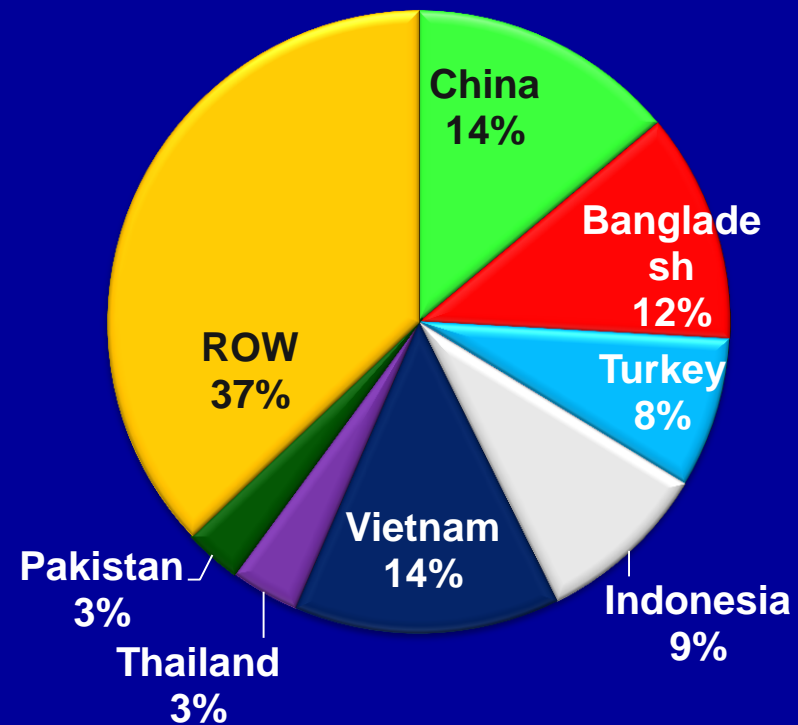
6.1 million tons



7 Countries: 34%

2015/16

7.3 million tons

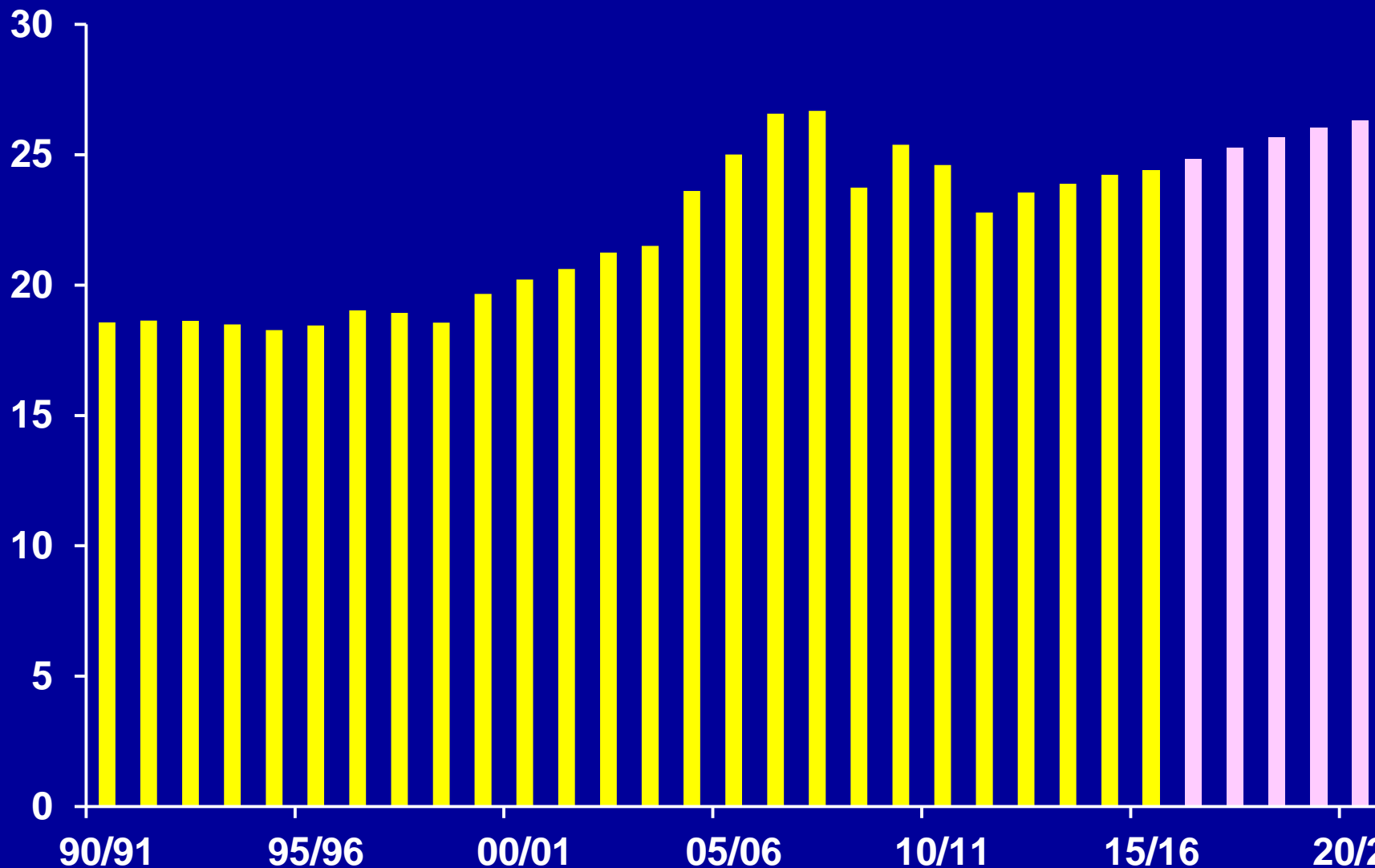


7 Countries: 63%



WORLD COTTON MILL USE

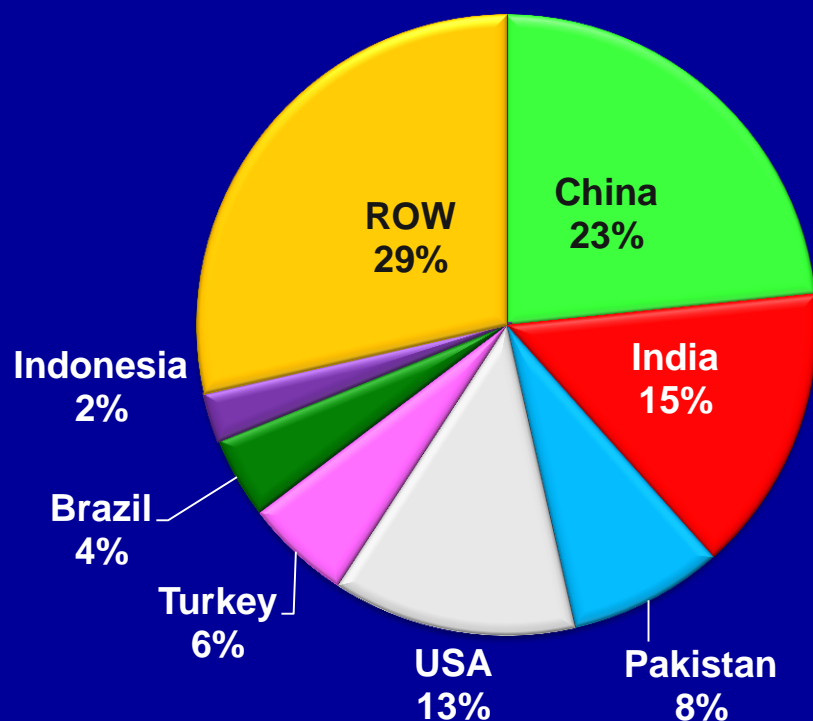
million tons



CHANGES IN COTTON MILL USE

1996/97

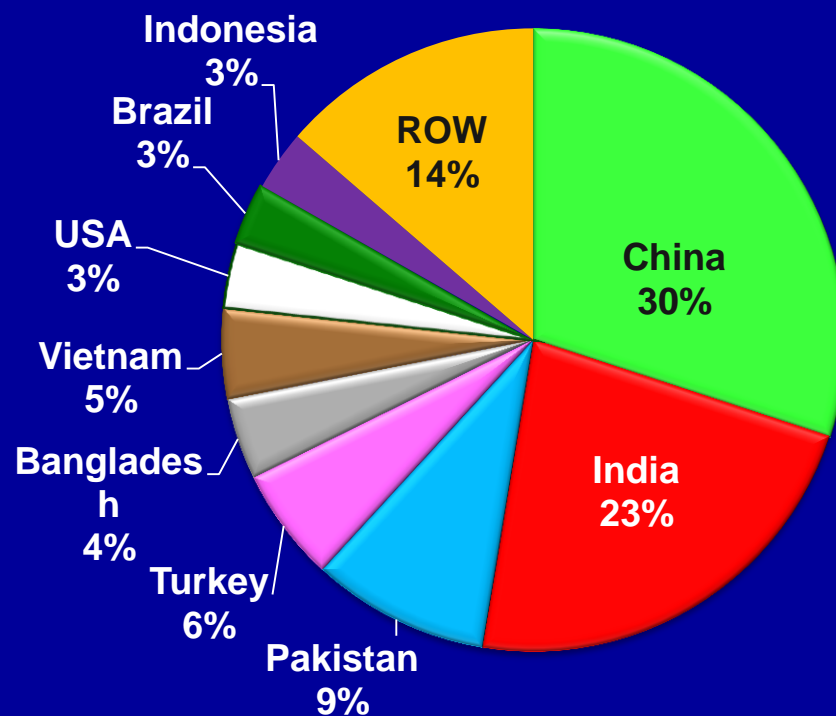
19 million tons



7 Countries: 70%

2015/16

24.3 million tons

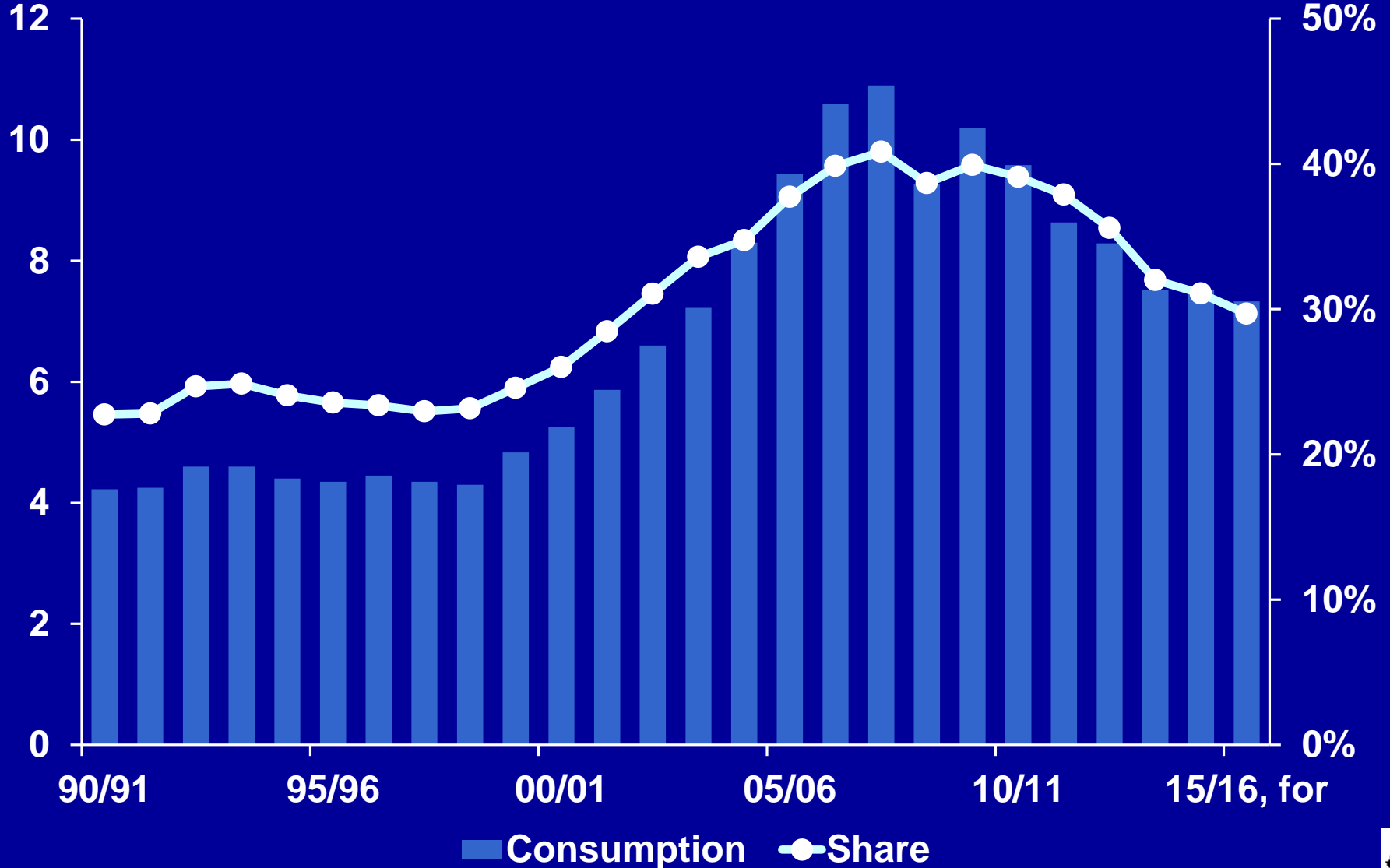


9 Countries: 86%



CHINA CONSUMPTION AND WORLD SHARE

US cents/lb



■ Consumption ● Share

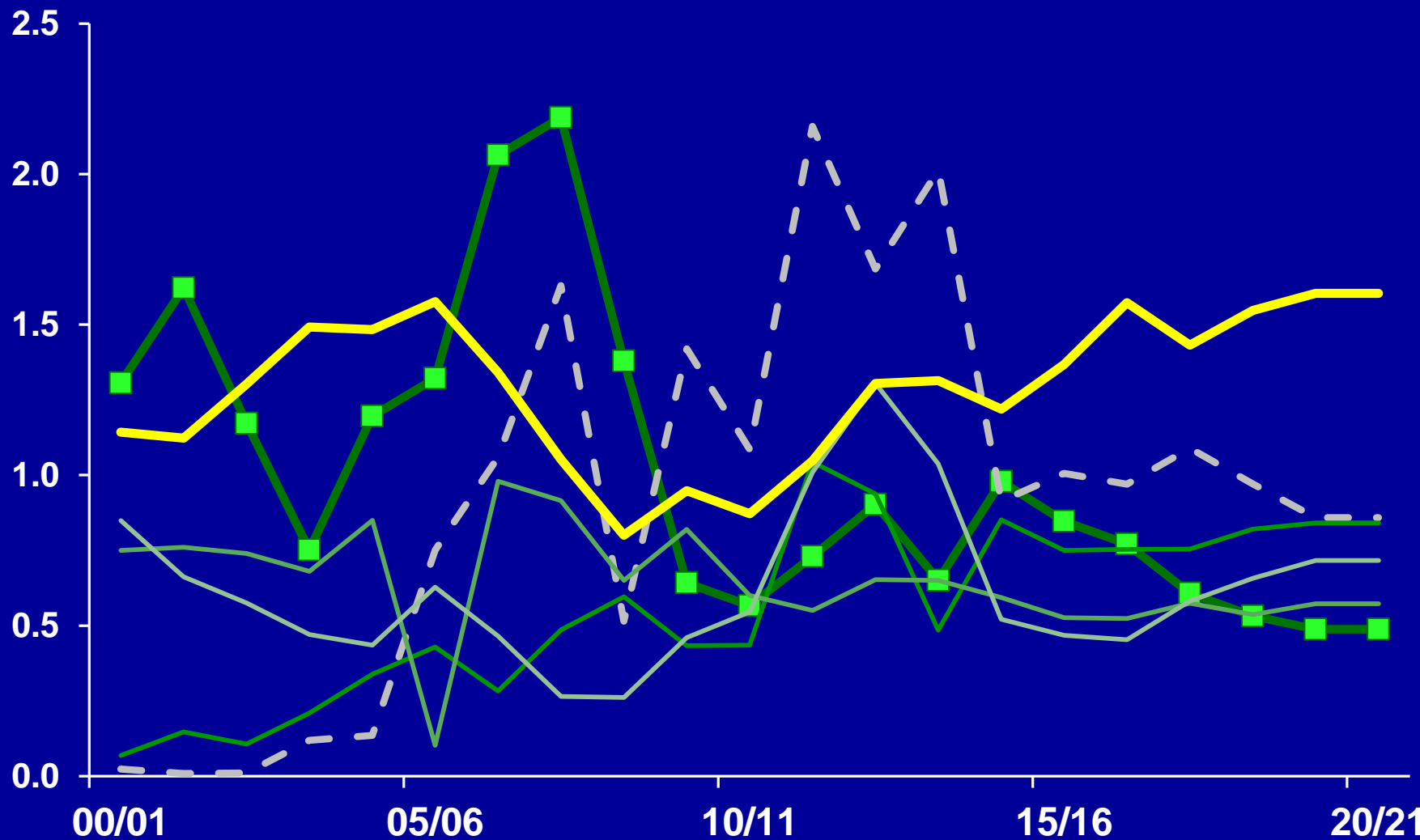


COTTON EXPORTS: 2015/16 to 2020/21

Five Largest Exporters and Africa

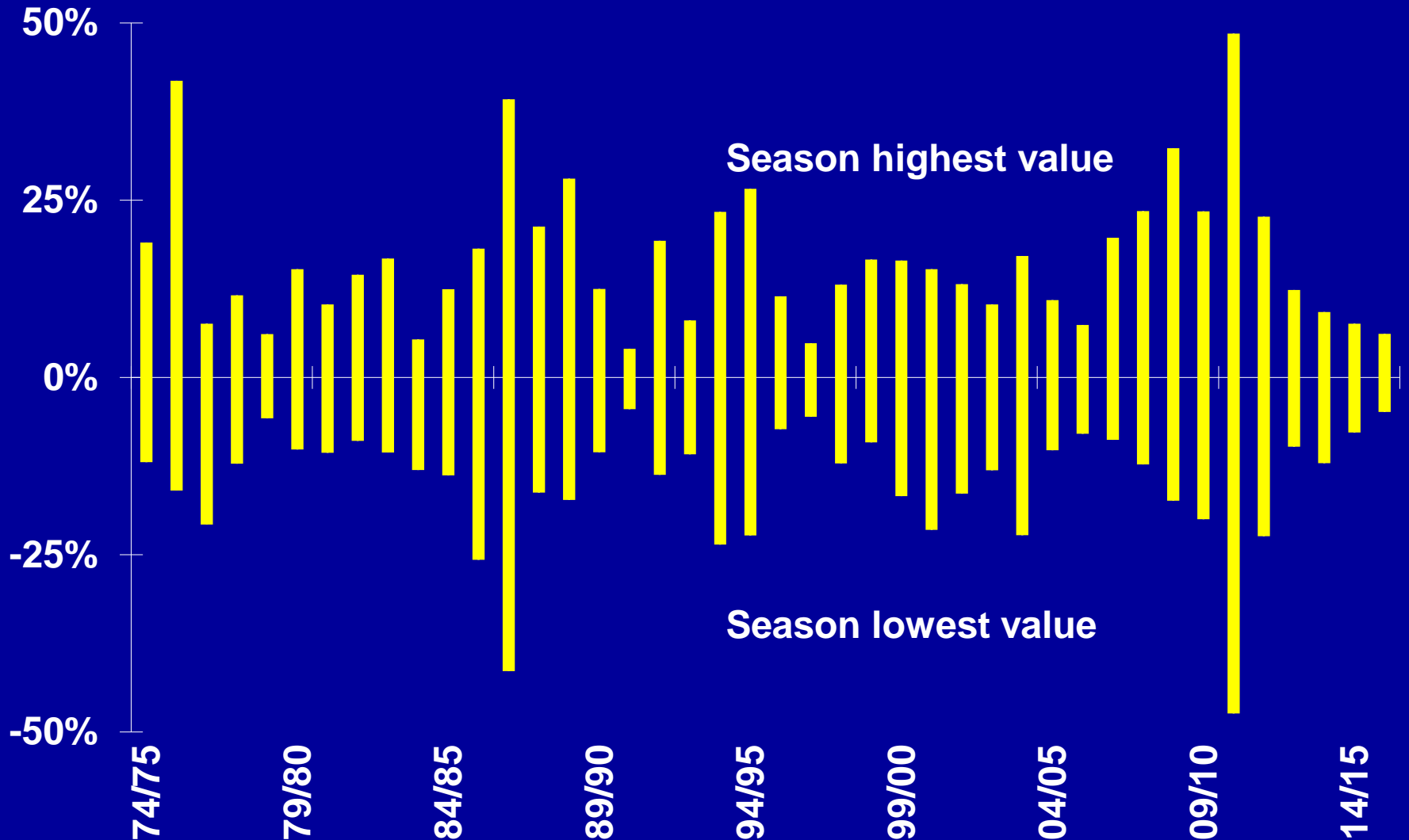
million tons

■ US - - India — Brazil — Uzbekistan — Australia — Africa



CHALLENGE: PRICE VOLATILITY

Cotlook A Index: Difference with respect to season average

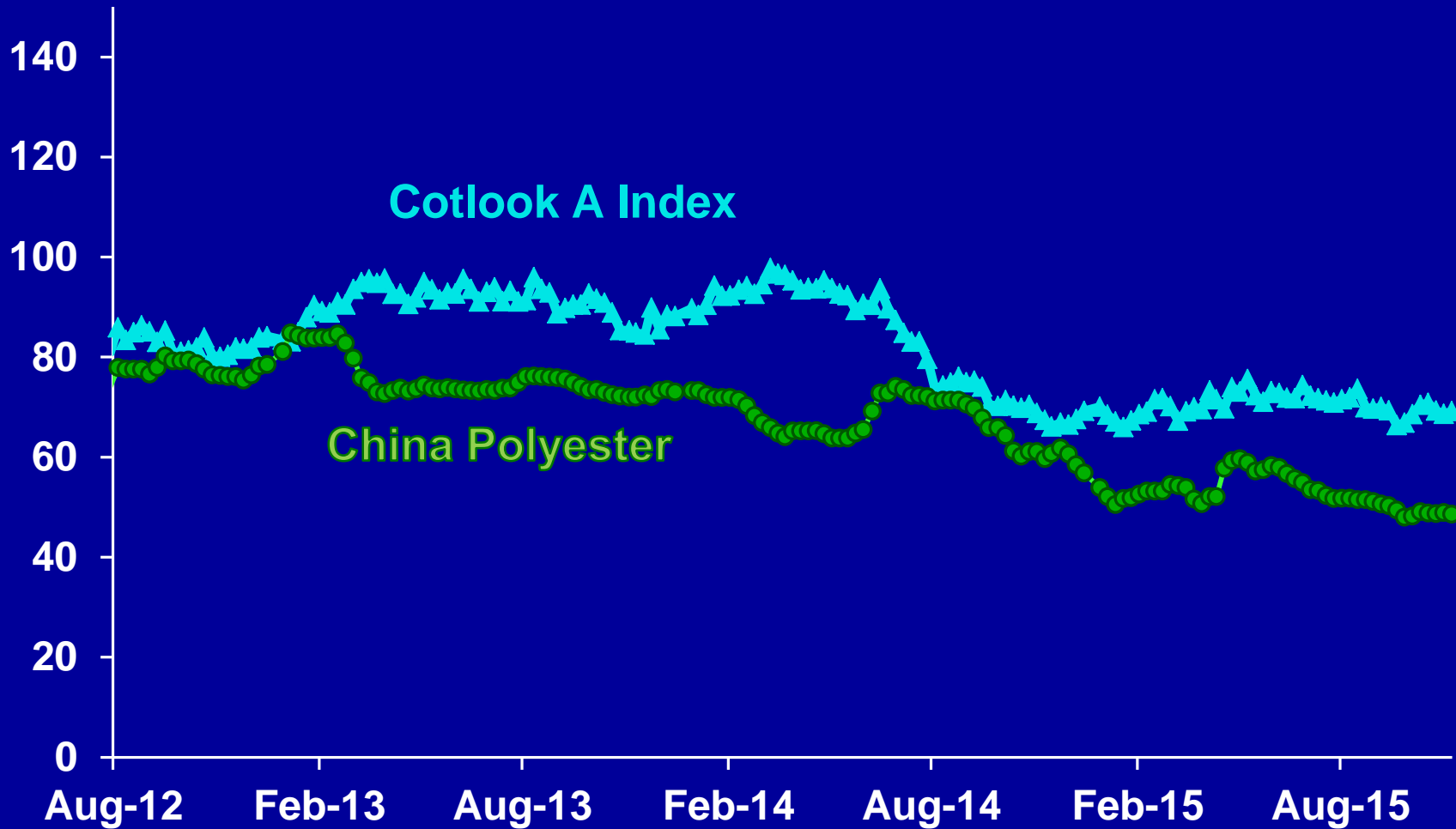


2015/16: August-October 2015



CHALLENGE: COMPETITIVE PRICING

US cents/lb



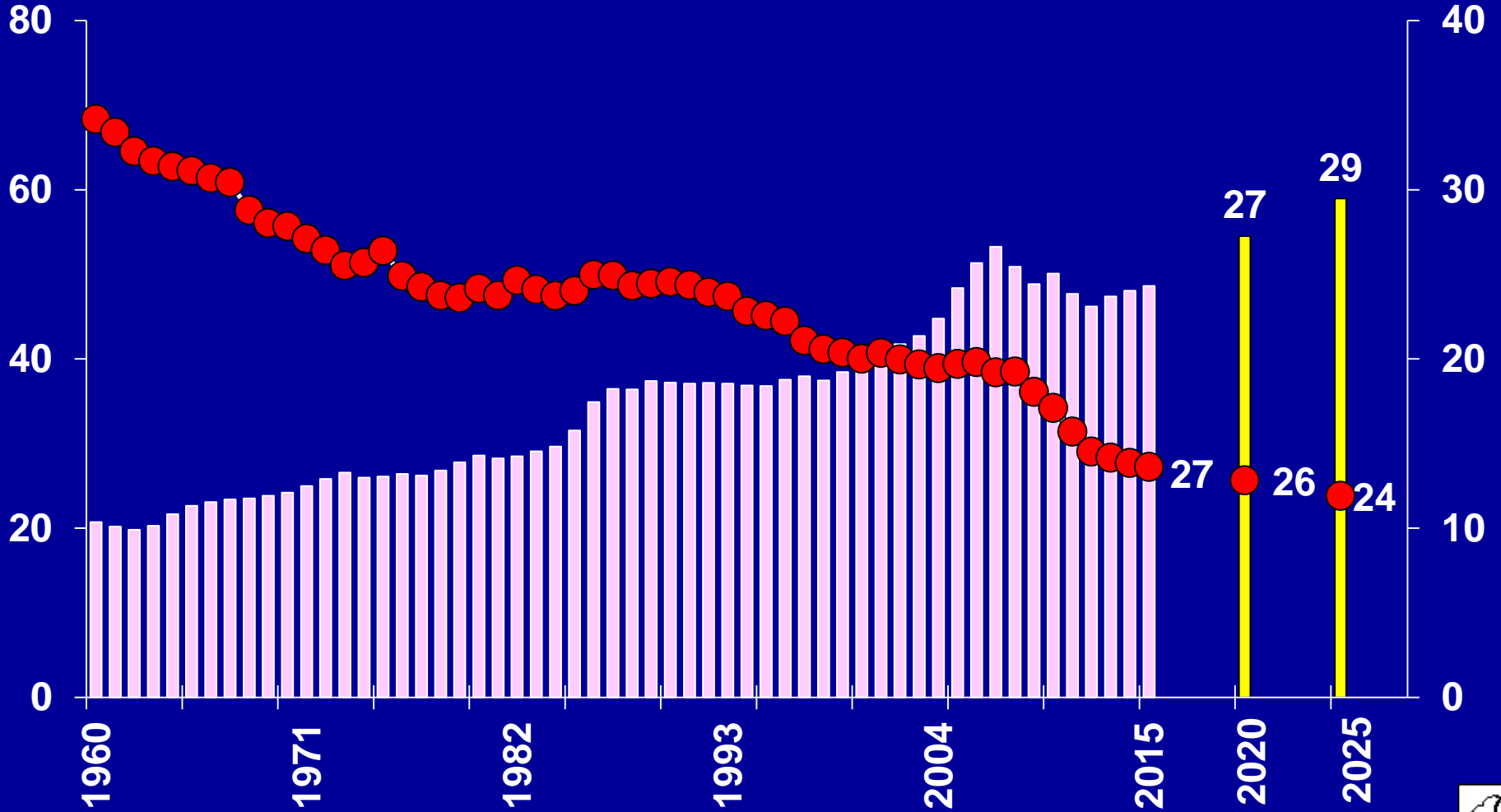
Source: Cotton Outlook Ltd.



WORLD COTTON CONSUMPTION AND MARKET SHARE OF COTTON

market share (%)

million tons



DIRECT ASSISTANCE TO COTTON PRODUCTION

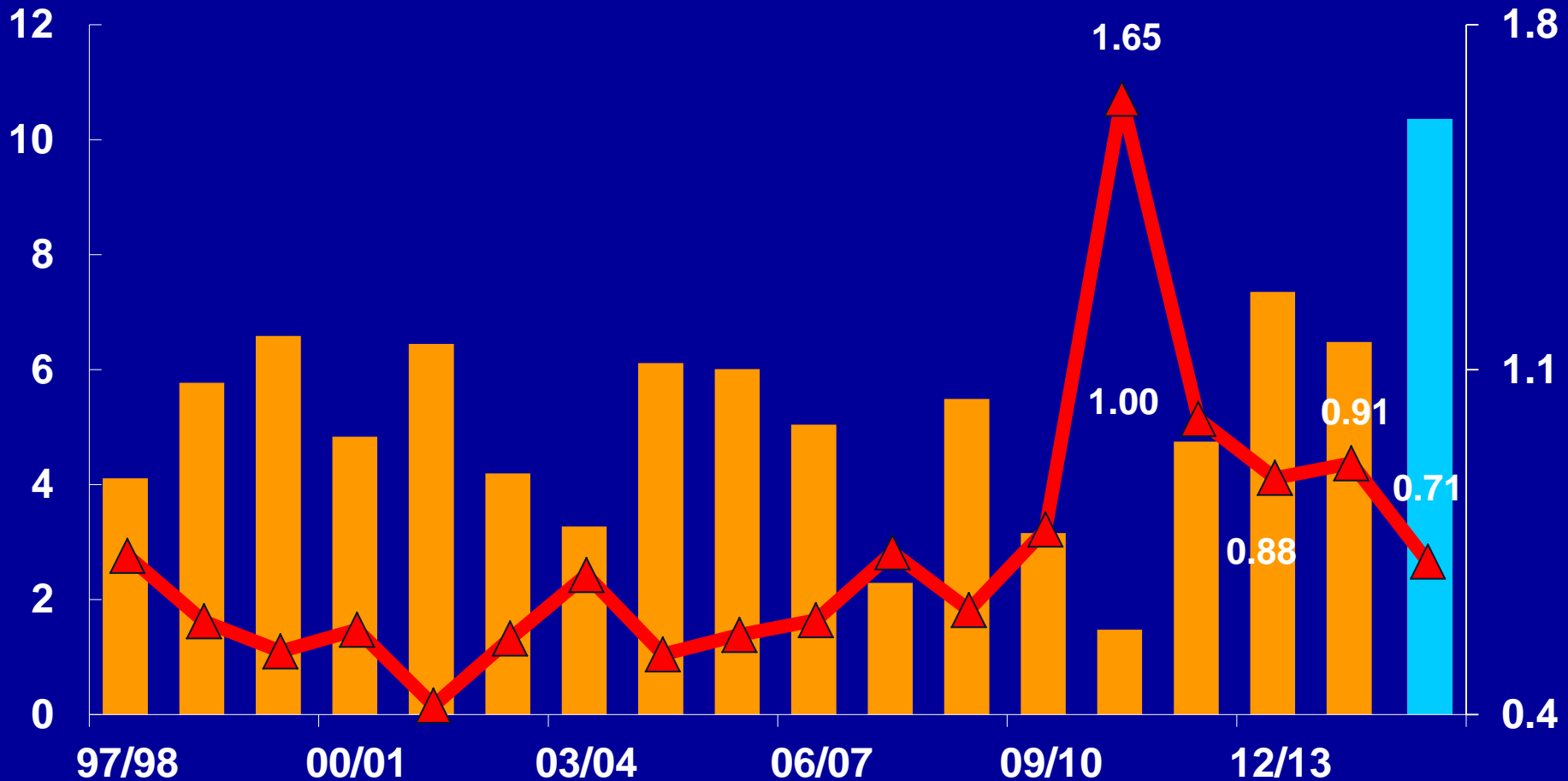
- Direct support to production
- Border protection
- Crop insurance subsidies
- Minimum support price mechanisms
- Input subsidies
- Transportation subsidies



DIRECT ASSISTANCE TO COTTON AND PRICES

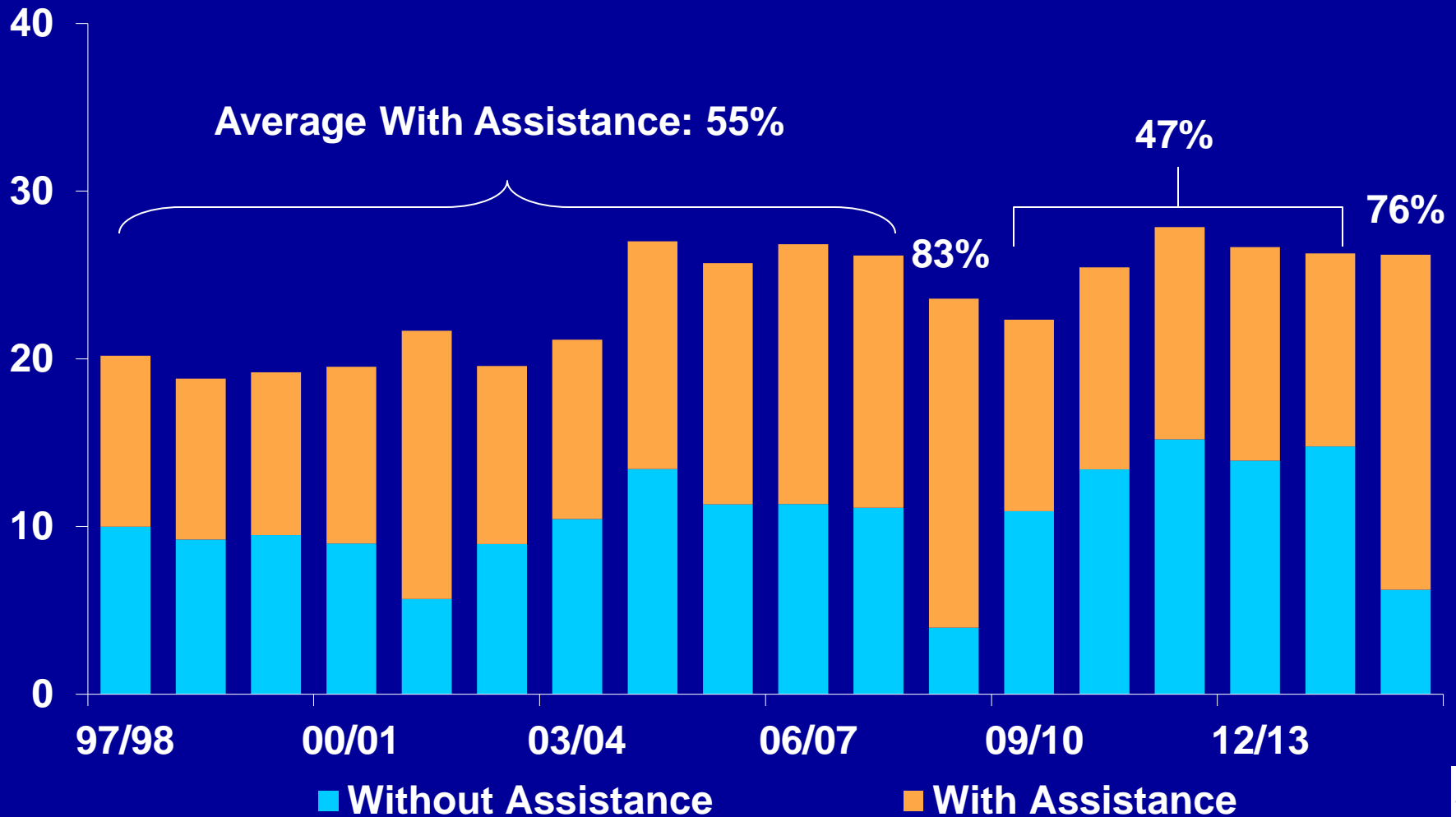
US\$ billion

A Index (US\$/lb)



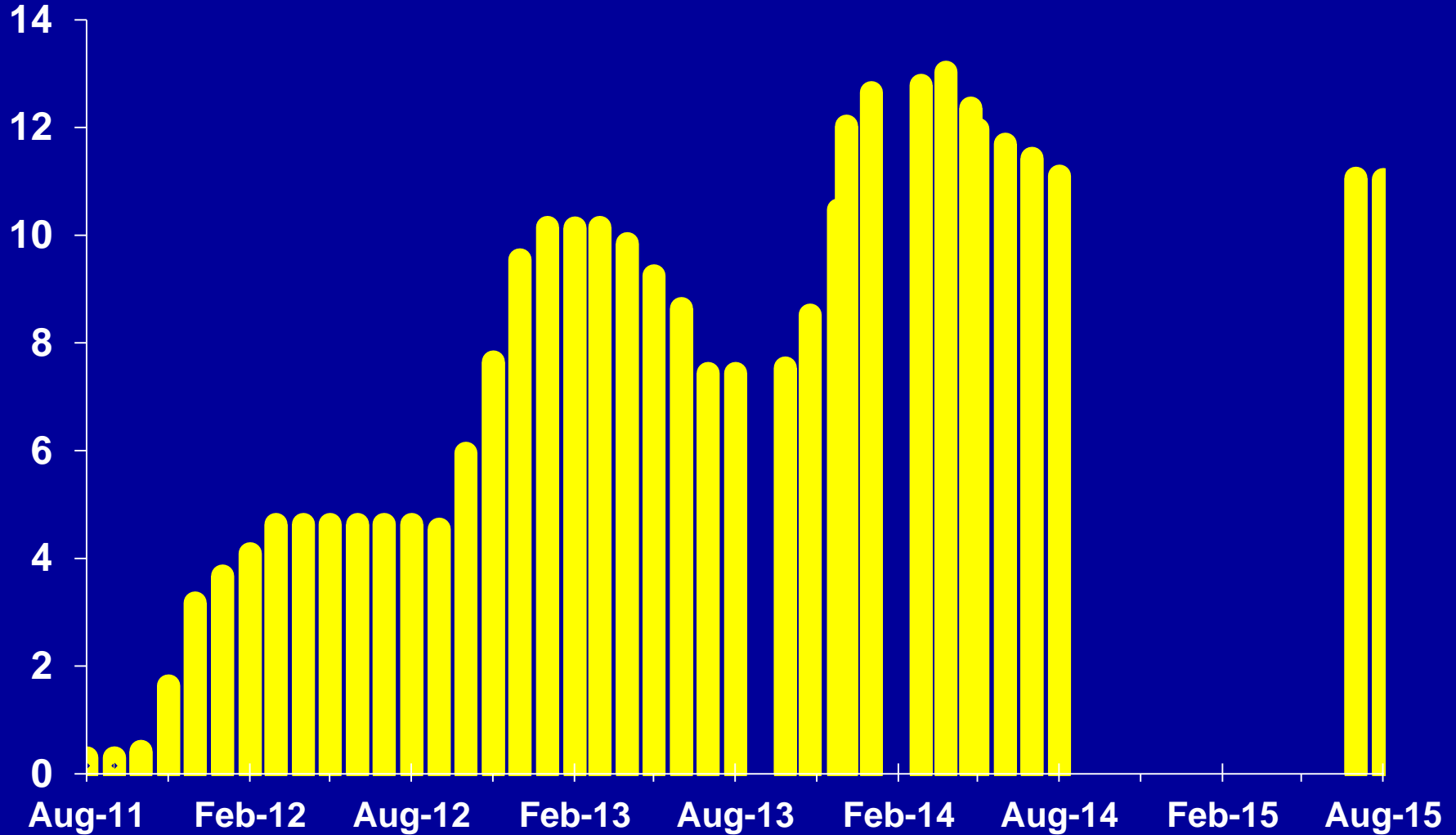
WORLD PRODUCTION UNDER DIRECT ASSISTANCE

million tons



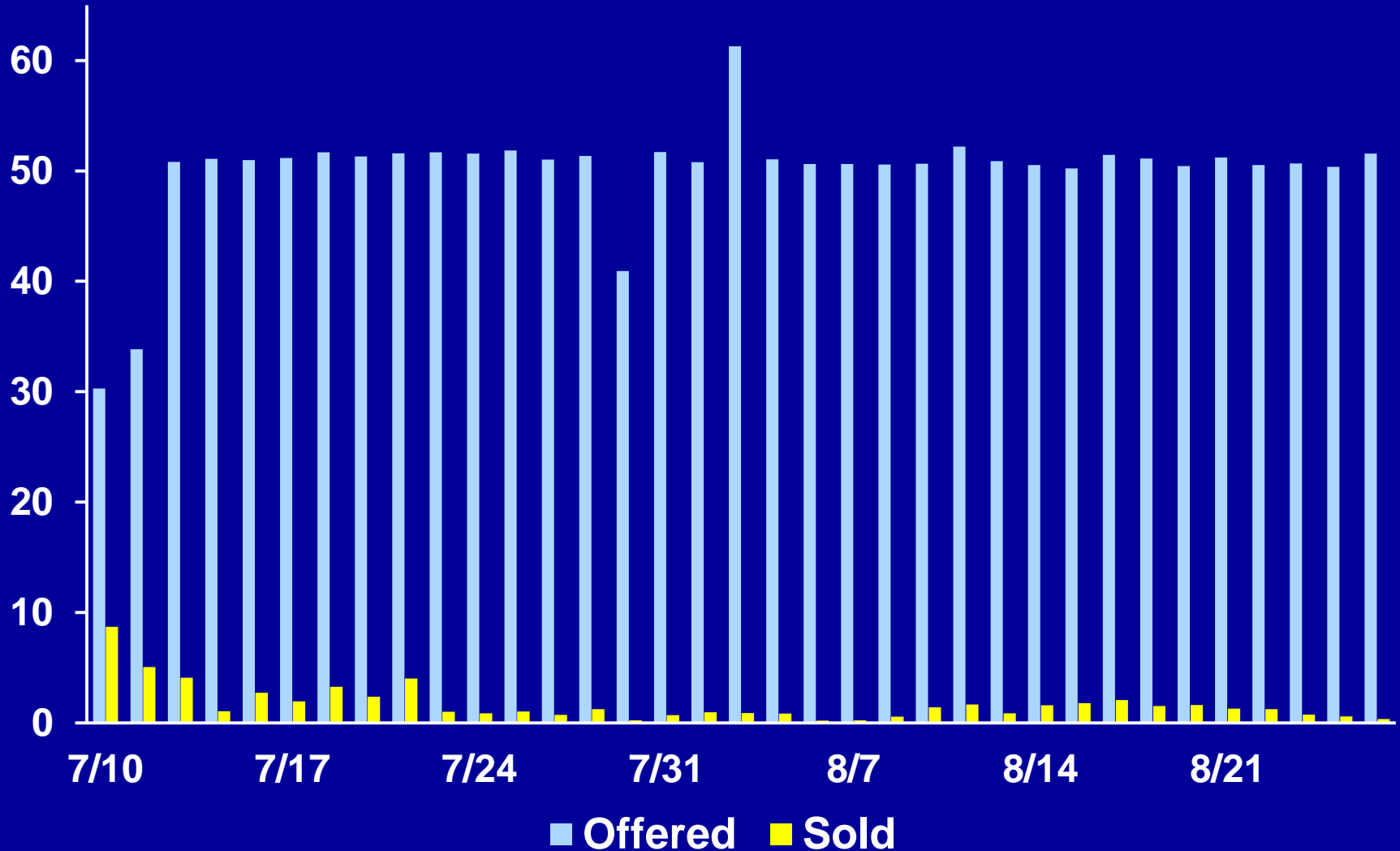
CHINA NATIONAL RESERVE

million tons



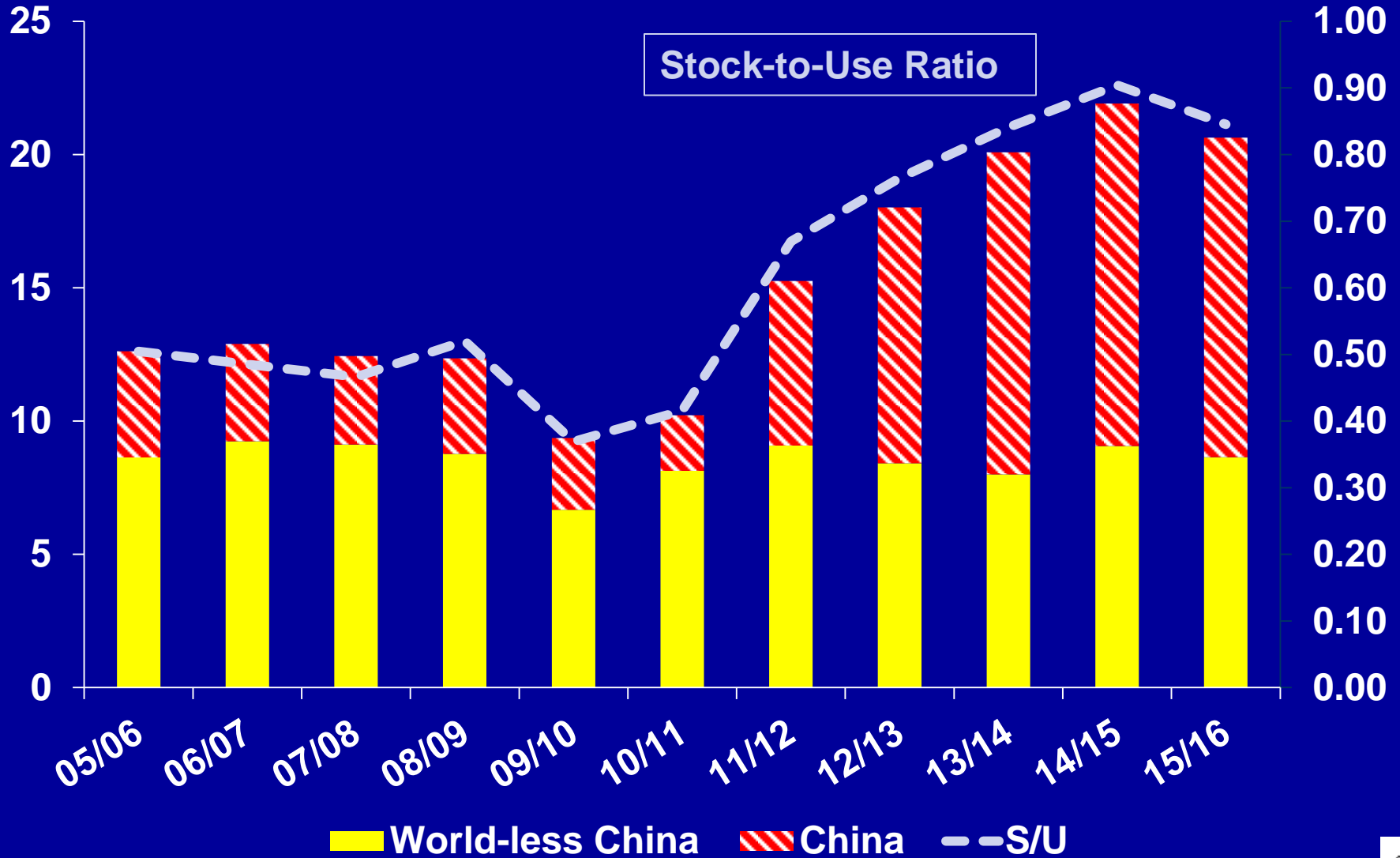
2015 CHINESE RESERVE SALES

thousand tons

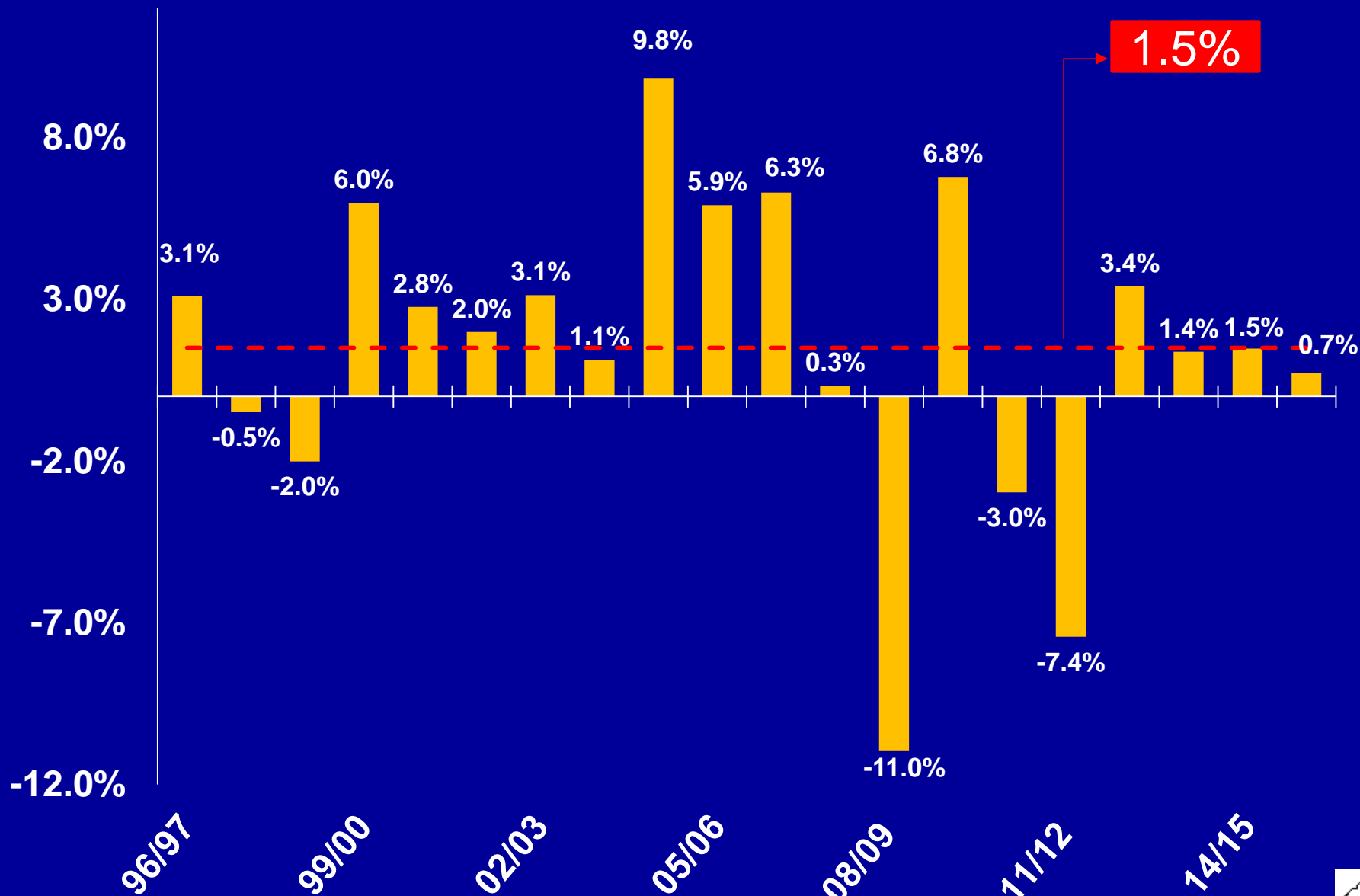


WORLD ENDING STOCKS

million tons



GROWTH IN WORLD COTTON MILL USE



COMPARISON 2002/03 – 2014/15

	2002/03	2014/15	% CHANGE
Production (m tons)	19.6	26.2	+34
Yield (kg/ha)	651	785	+20
Exports (m tons)	6.6	7.7	+17
Mill Use (m tons)	21.3	24.2	+14
Ending Stocks (m tons)	9.5	21.9	+131
Stock/Use Ratio (%)	0.45	0.90	+102
Fiber Market Share (%)	39.9	28.1	-30
Direct Assistance (US\$ billion)	4.2	10.4	+148
Price (US cts/lb)	55.4	71.0	+28

Thank you

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www.icac.org