



COTTON REPORT

Kai Hughes

Executive Director

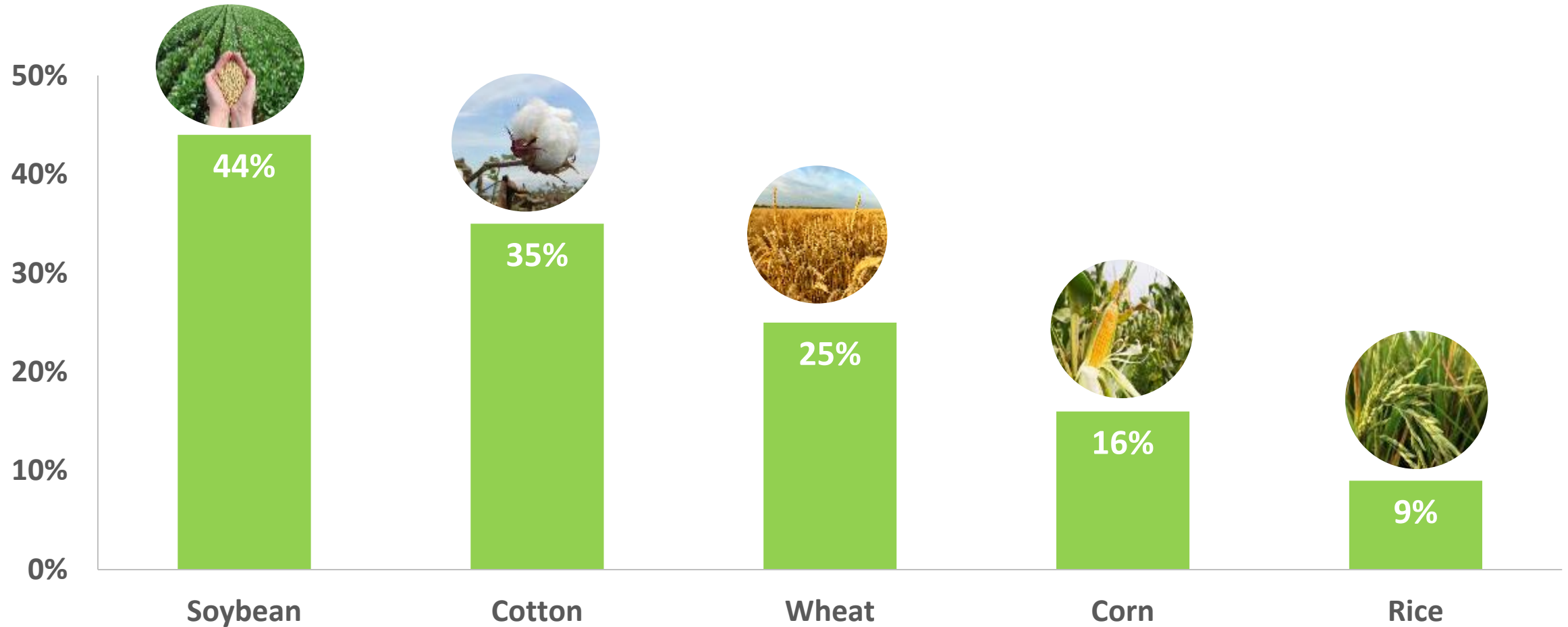
International Cotton Advisory Committee



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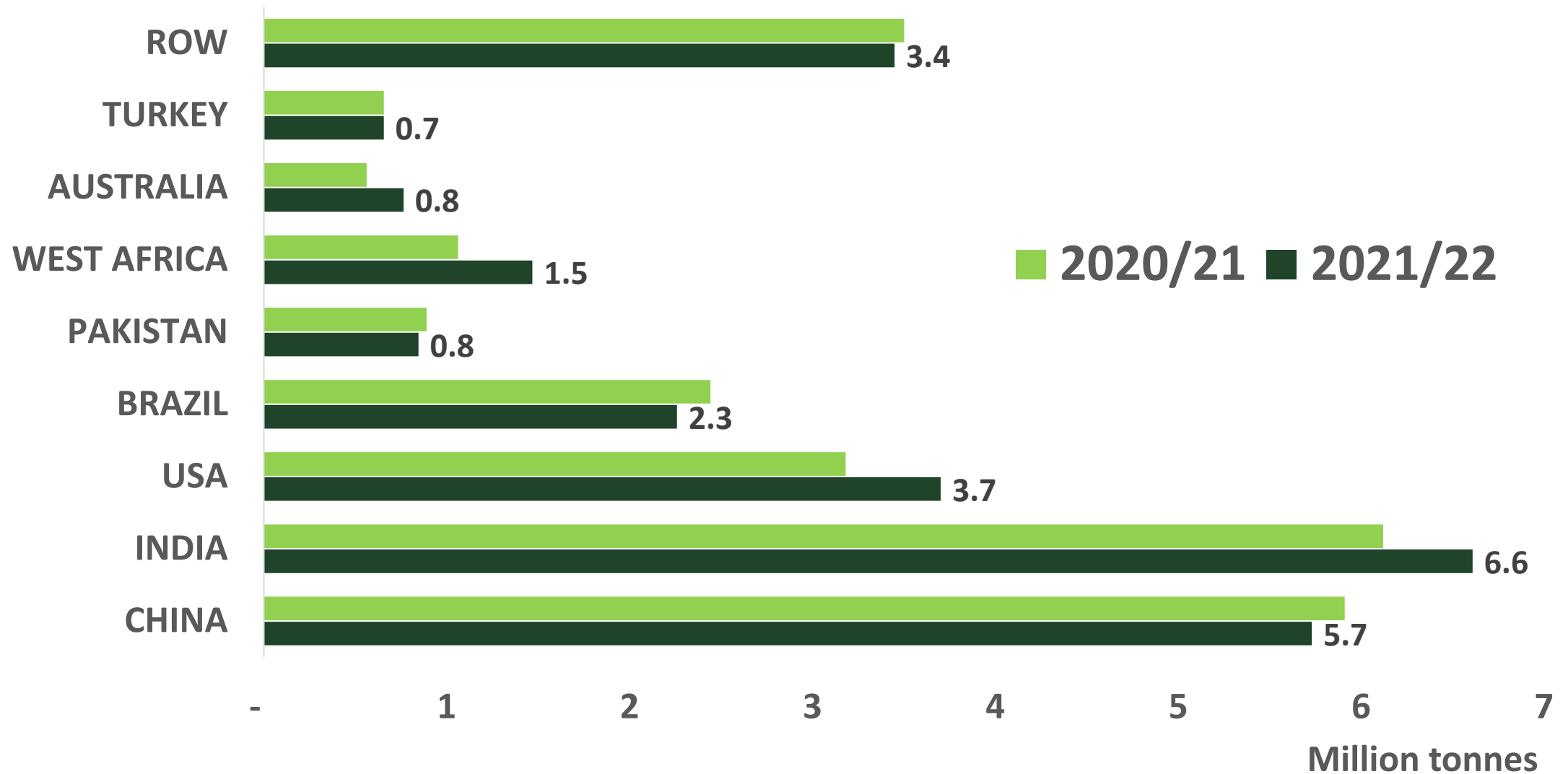
Cotton is a Heavily Traded Agricultural Commodity

% of annual global production that is exported (5-year average)



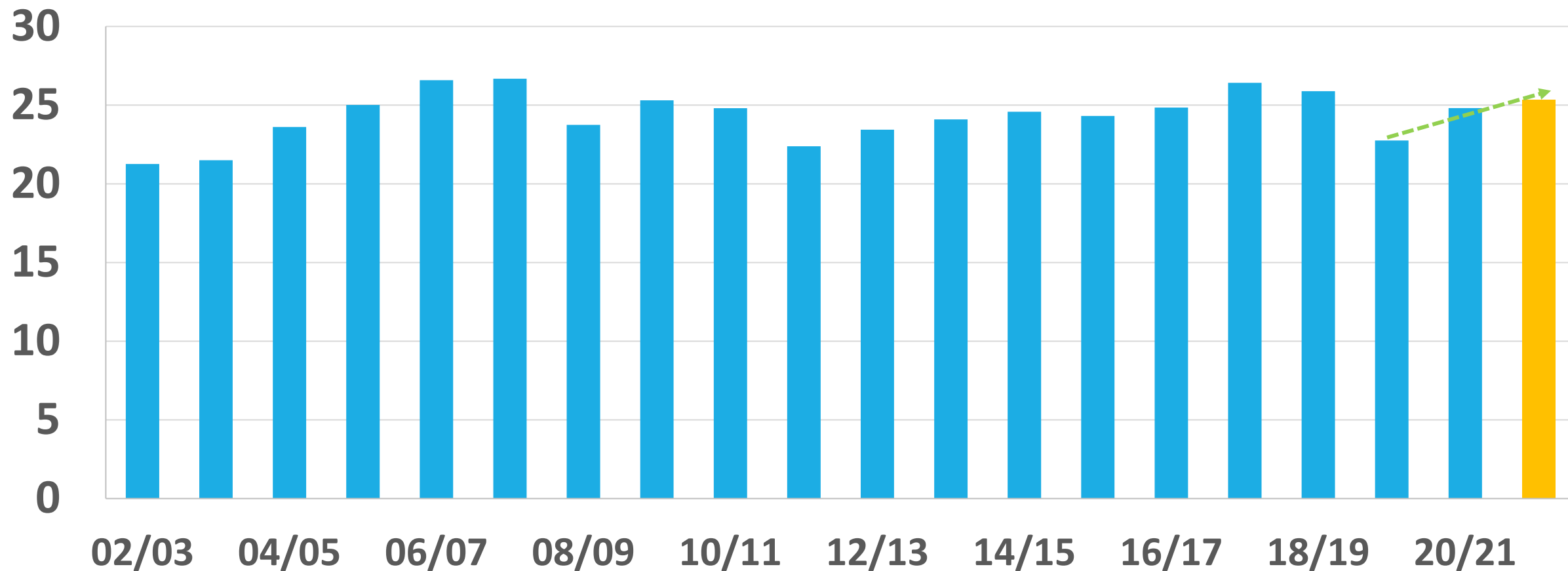
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Changes in World Cotton Production



World Cotton Consumption is Forecast to Increase by 2.1% to 25.3 million tonnes in 2021/22

Million Tonnes



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World Cotton Mill Use by Country

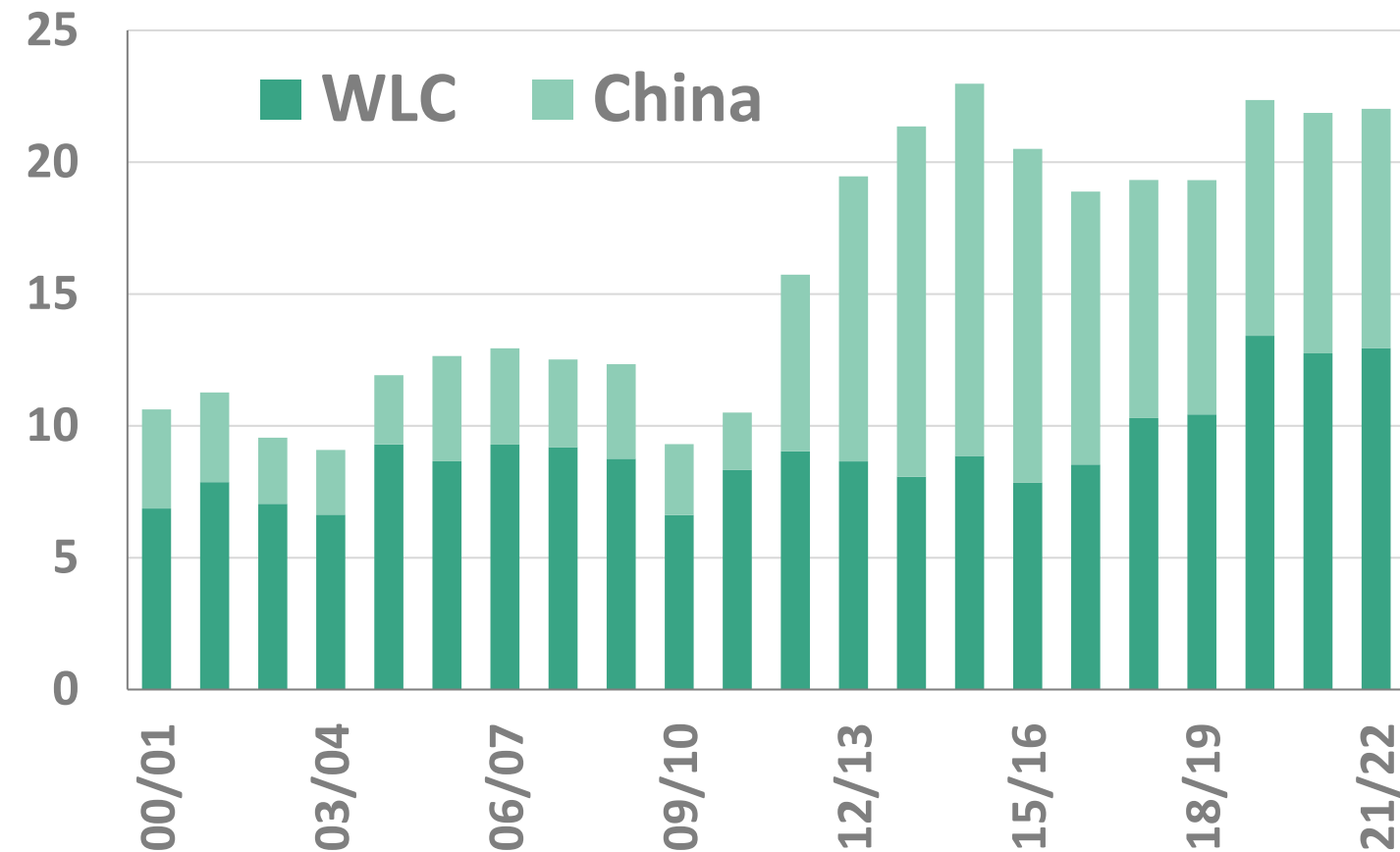
Thousand Tonnes

ASIA 86.9%			AMERICA 7.0%			EX-URSS 4.2%			AFRICA 1.4%			EUROPE 1.0%			OCEANIA 0.0%		
	China	8,200		Brazil	622		Uzbekistan	796		Egypt	105		Portugal	31		Australia	2
	India	5,409		USA	545		Turkmenistan	143		Ethiopia	55		Italy	26			
	Pakistan	2,152		Mexico	303		Azerbaijan	29		Nigeria	30		Greece	16			
	Bangladesh	1,660		Argentina	135		Russia	19					Germany	15			
	Turkey	1,620											France	8			
	Vietnam	1,541											Bulgaria	2			
	Indonesia	476															

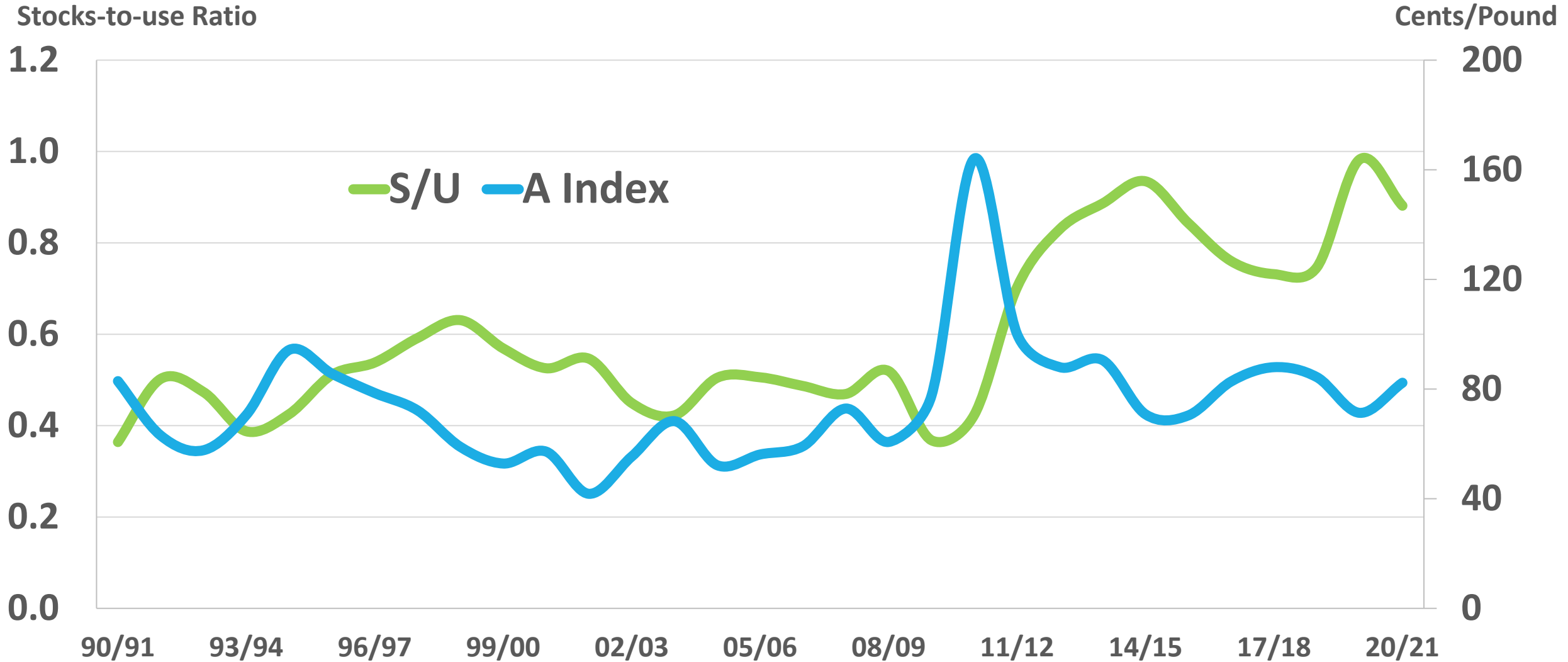


Cotton Ending Stocks outside China are expected to increase for the sixth consecutive season

Million Tonnes

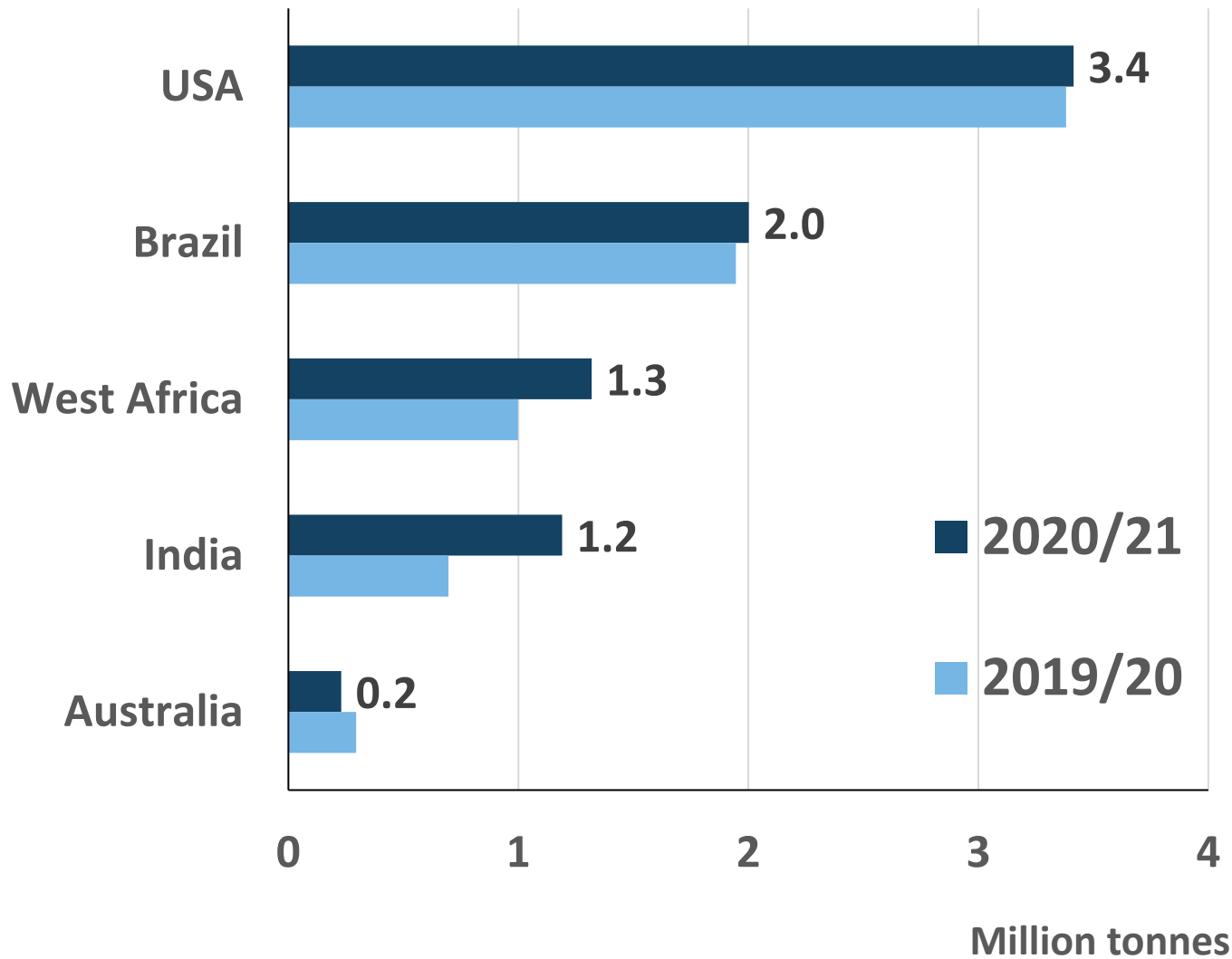


Stocks-to-Use Ratio & Cotton Prices



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Cotton Exports by Country

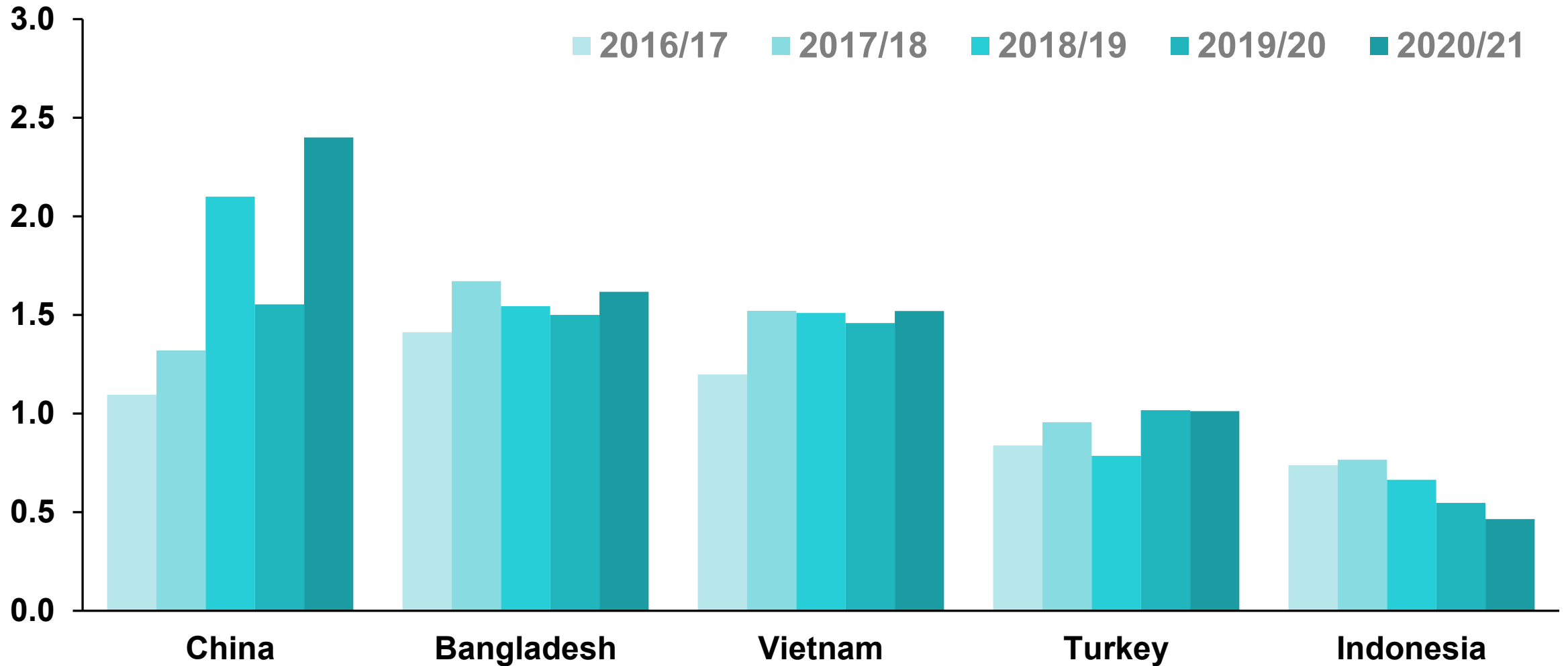


55%

The U.S and Brazil would account for 55% of world's cotton exports in 2020/21

Cotton Imports By Country

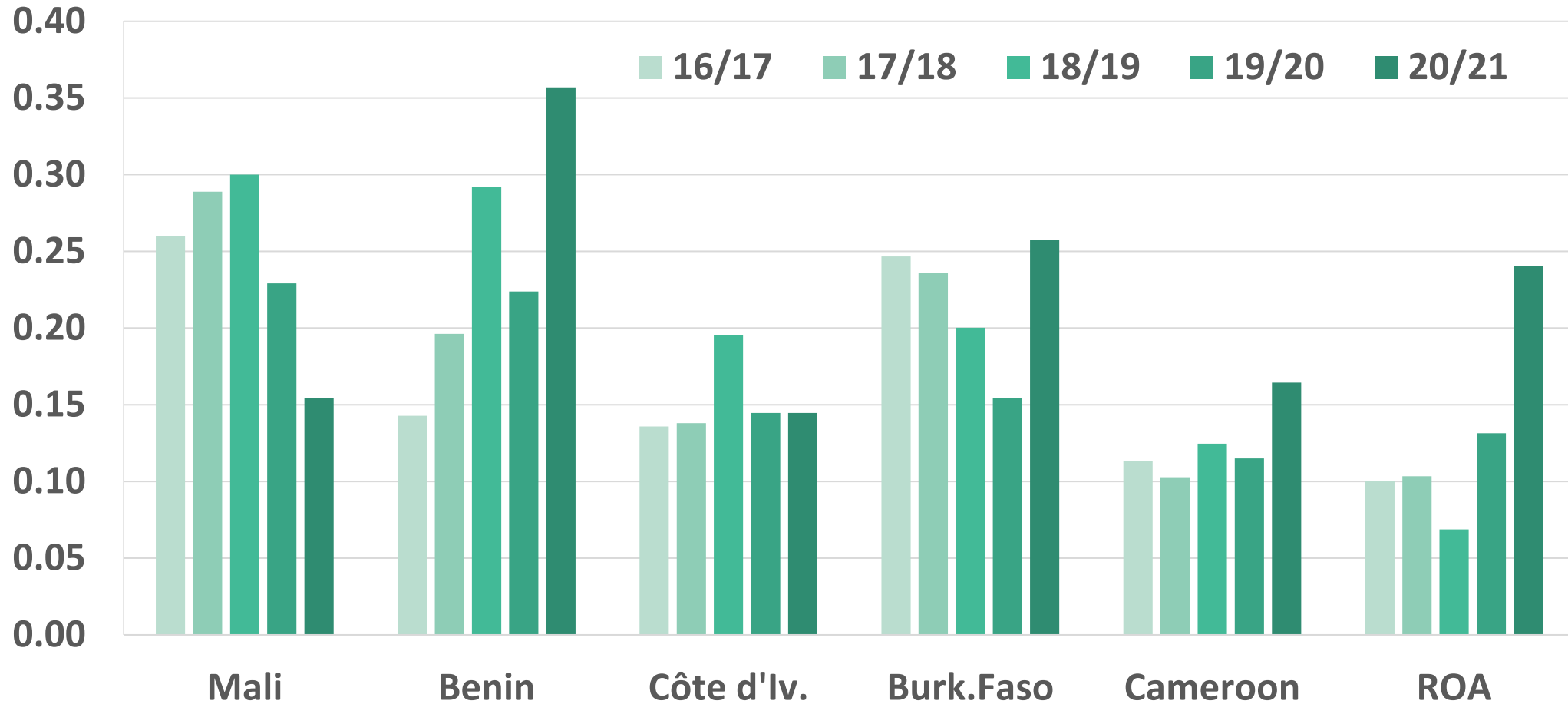
Million tonnes



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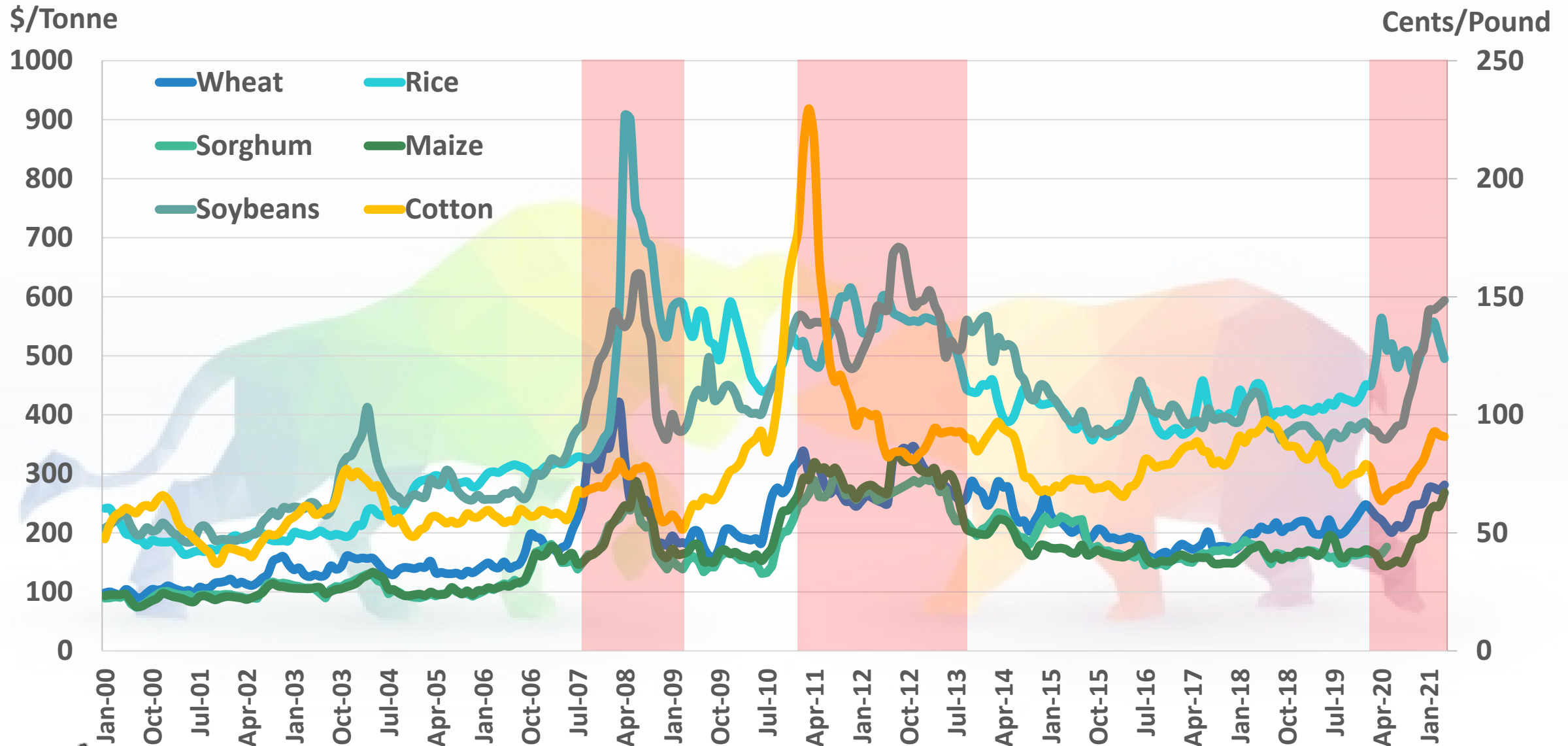
Africa's Top Exporting Countries

Million tonnes



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Trends in International Prices of Major Agricultural Commodities

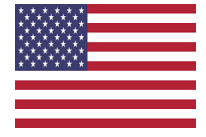
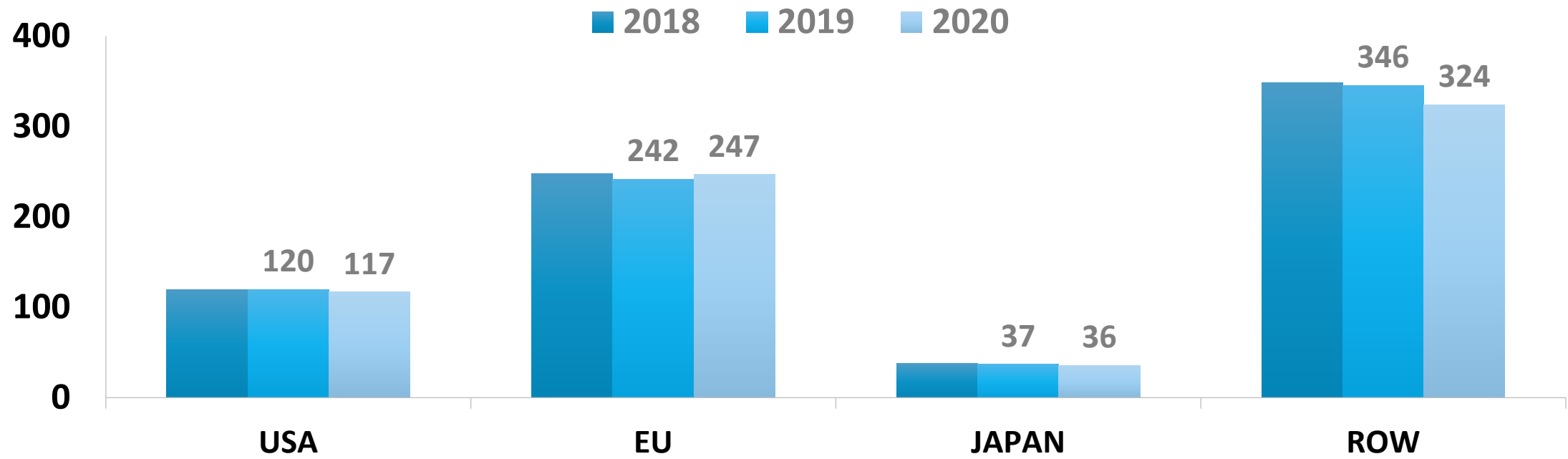


www.icac.org

Source: World Bank, Commodity Price data (monthly prices in nominal US dollars)

Effects of COVID-19 on Major Textile and Apparel Imports Markets

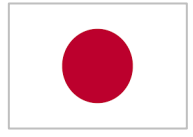
Billion US\$



The value of U.S. apparel imports decreased by 2% year over year



Despite the quarantine measures taken by several European countries, T&A imports increased by over 2% in 2020



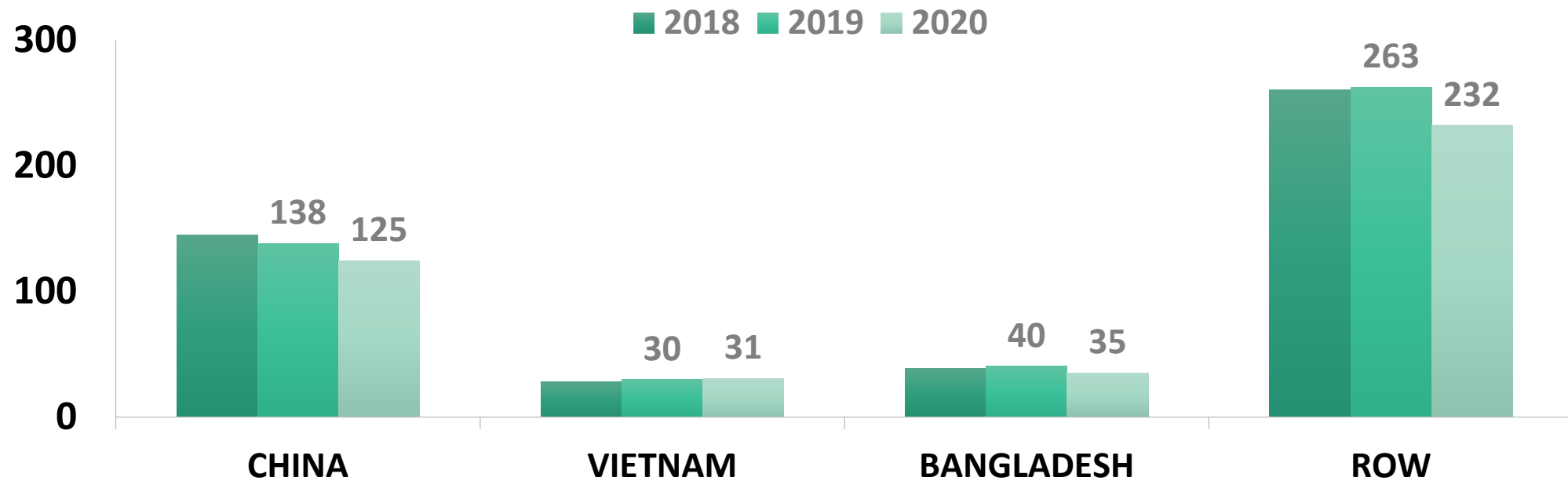
The value of Japan's T&A imports declined by 3% to nearly \$36 billion in 2020 as against \$37 billion in 2019 and nearly \$38 billion in 2018



Source: ITC trade map.

Effects of COVID-19 on Major Apparel Export Markets

Billion US\$



China's apparel exports dropped by 10%



Bangladesh's apparel exports declined by 13%

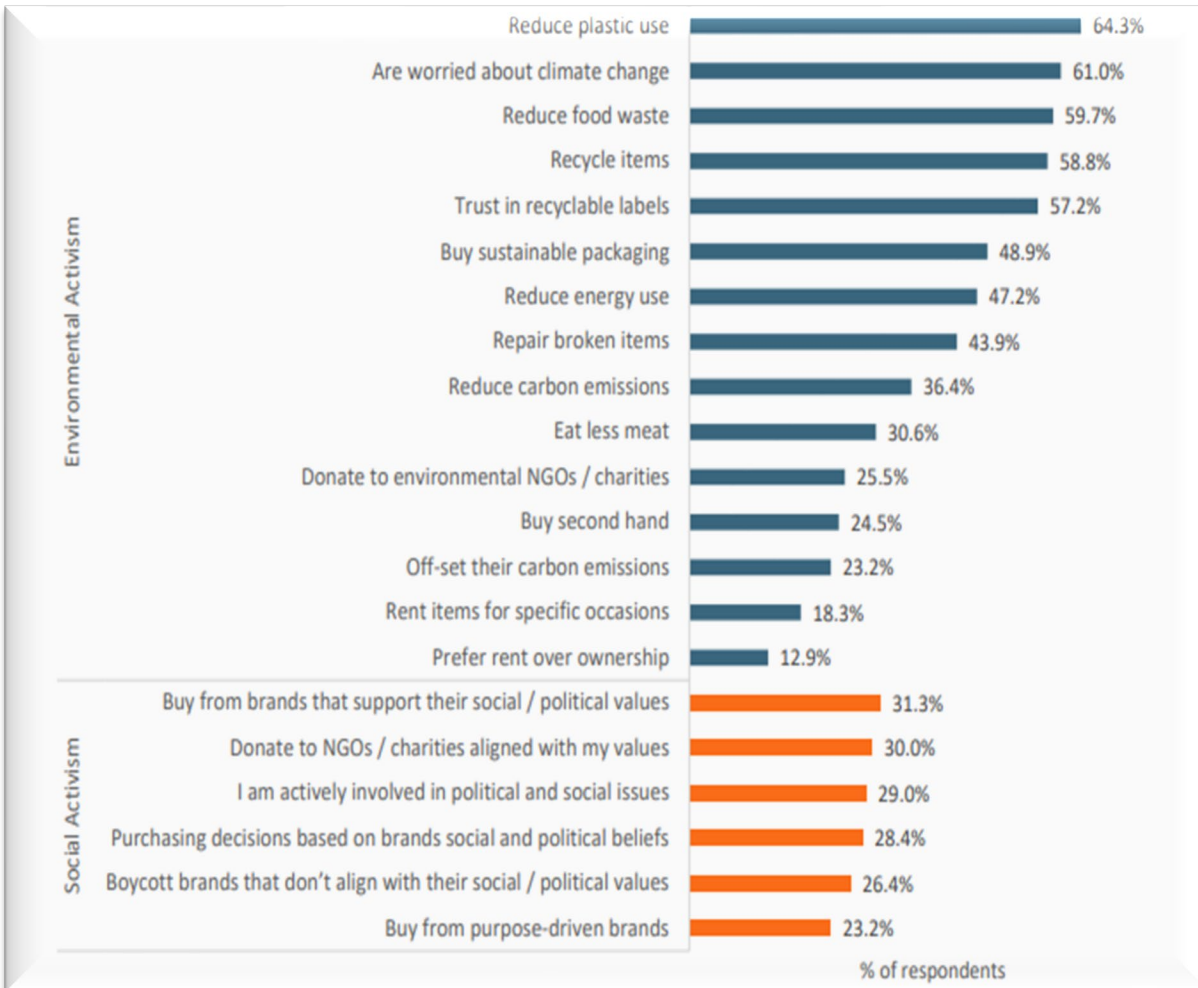


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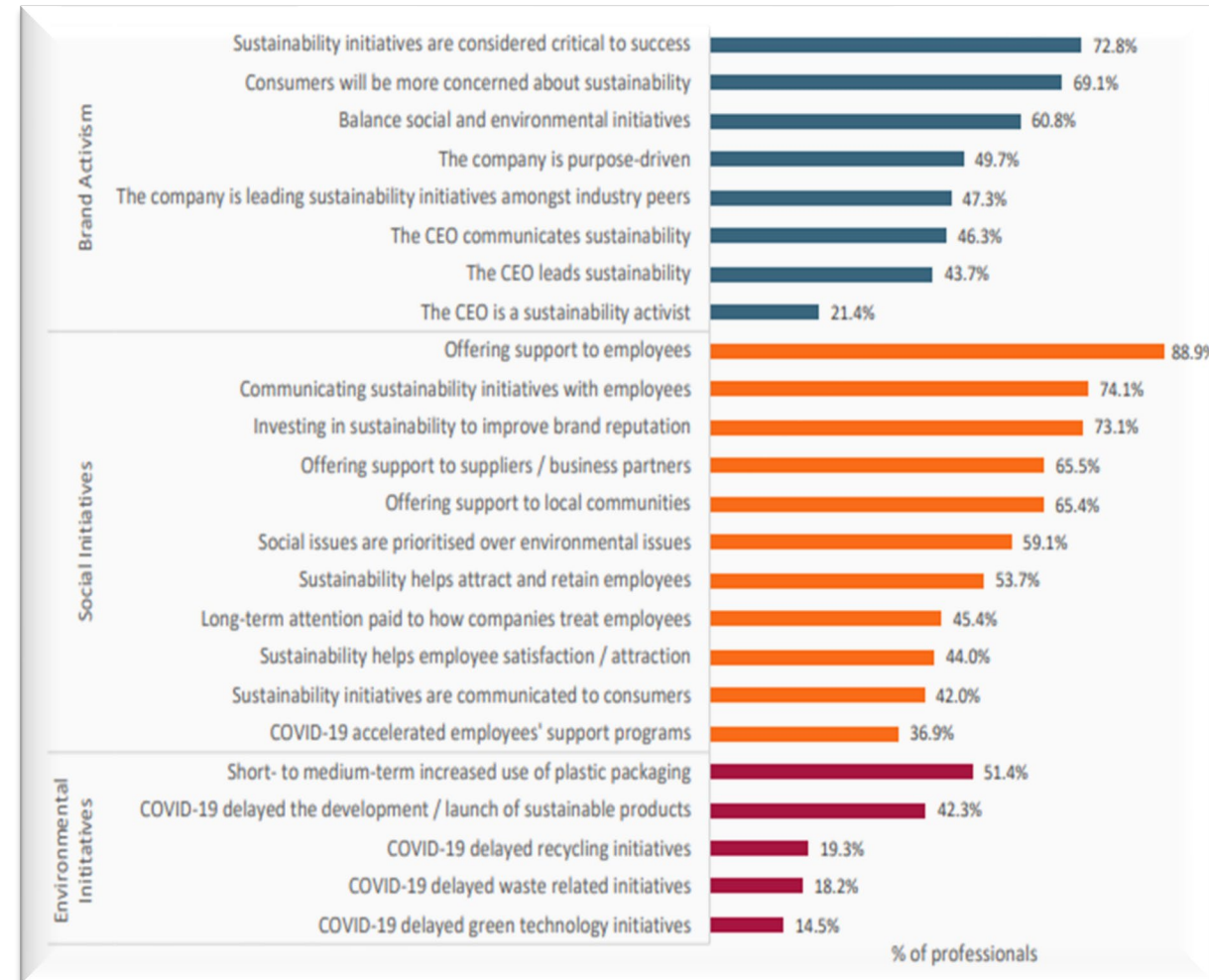
Source: ITC trade map.

Changes In Consumer Behavior Brought on by the Pandemic

Consumer Sentiment on Sustainability before COVID-19



Purpose-Driven Corporate Response to COVID-19



Source: Euromonitor International Lifestyles Survey, fielded January to February and June 2020.

https://go.euromonitor.com/rs/805-KOK-719/images/wpgCT21EN-0.8.pdf?mkt_tok=ODA1LUFP5y03MTAAAF9QzNCKKcAJhXmIhPLPA3Z9HA7N6C3tdzfhBvnaAdVWFbqWbrqUsrYkBrZtH1wQuQAOZ1r2k2vUPPM8qoc_9JUNUp296x0n0Lw6UJzeoZ_sng

Six Trends in Changing Consumer Behavior in the US



1. Steady overall optimism

~40%
of consumers are optimistic about an economic recovery post-COVID-19



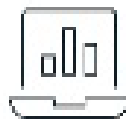
2. Signs of spend recovery

51%
of consumers plan to splurge or treat themselves, some starting immediately and some waiting for COVID-19 to subside



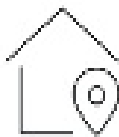
3. Vaccination accelerating recovery

+50%
vaccinated consumers engaging in usual out-of-home activities vs. those interested in vaccination



4. Continued digital stickiness

+35%
January 2021 year-over-year online credit-card and debit-card penetration increase, as a % of total spend



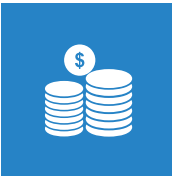
5. Rebalancing of homebody economy

28%
of consumers have invested in new uses of their living space at home



6. Evolution of loyalty

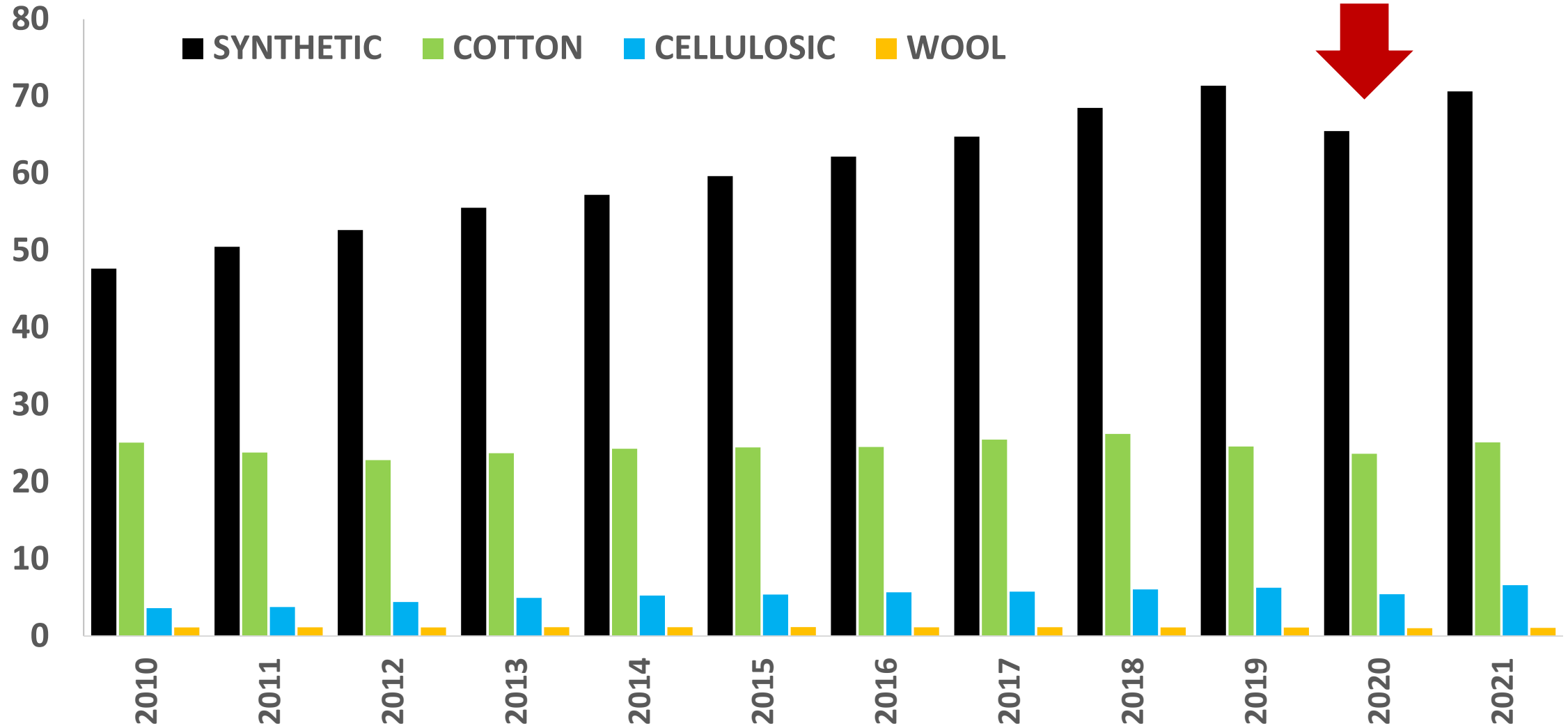
39%
of consumers have tried new brands over the course of COVID-19



Source: McKinsey & Company COVID-19 US Consumer Pulse Survey 2019-2/22/2021, n = 2,076, sampled and weighted to match the US general population 18+ years.

World Textile Fibre Demand in 2020

Million tonnes



Assistance to Cotton Production

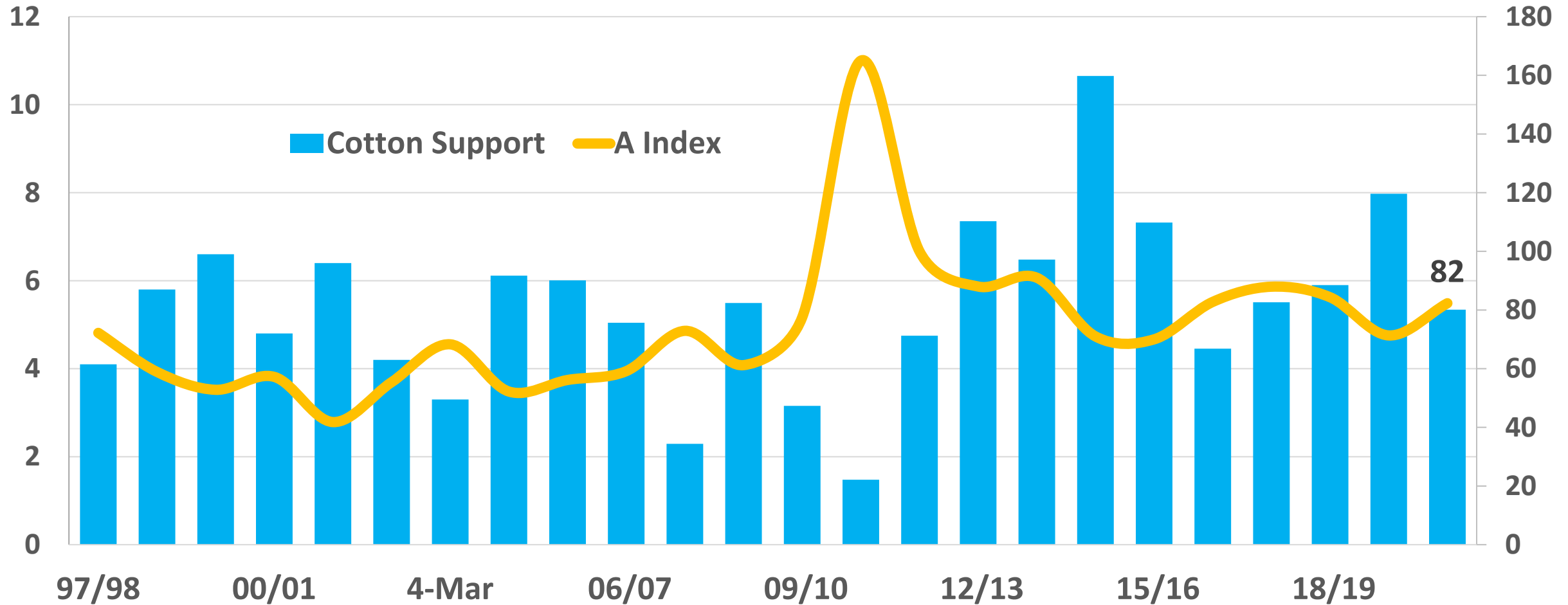
- Direct support to production
- Border protection
- Crop insurance subsidies
- Minimum support price mechanisms
- Input subsidies
- Transportation subsidies



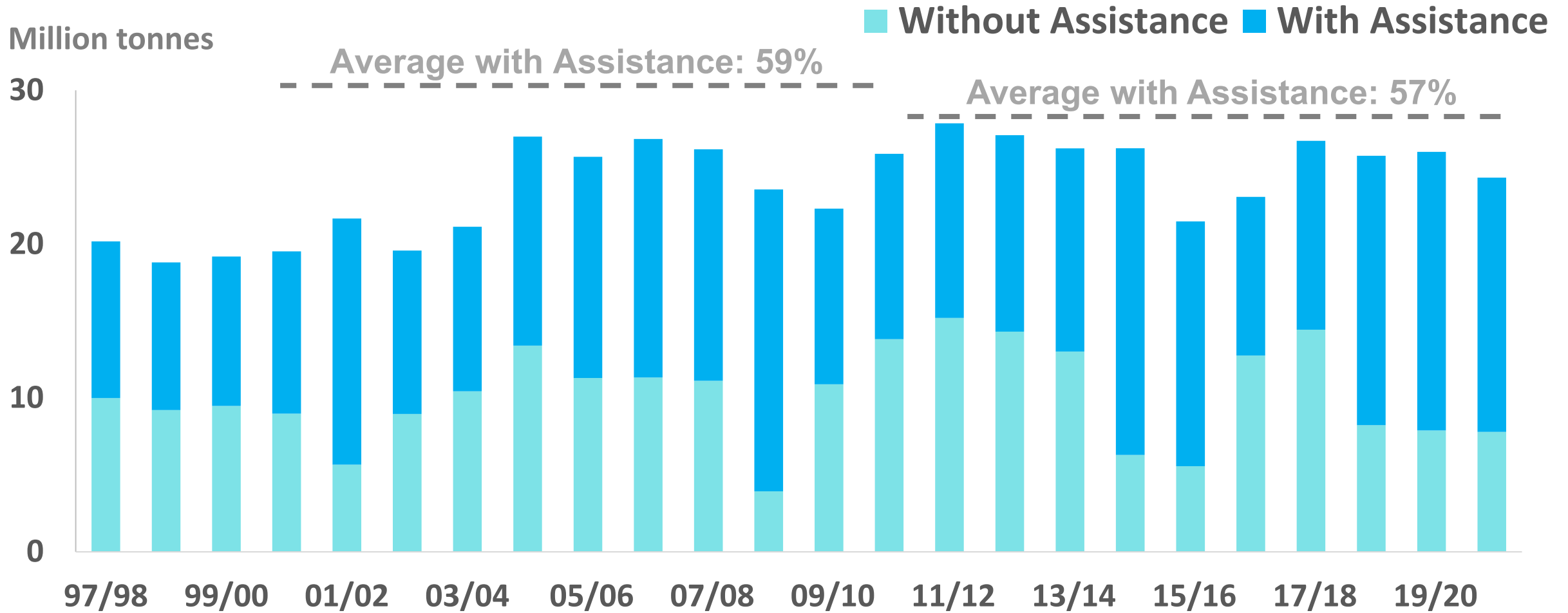
Assistance to Cotton Production

Billion US\$

Cents/pound



World Cotton Production Under Assistance



Thank You



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