



From the Secretariat

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Global Cotton Production to Increase in 2017/18

Following two years of declining planted area, global cotton area for 2017/18 is projected to increase by 11% to 32.5 million hectares. Planted area in India is estimated at 11.55 million hectares for 2017/18, with production projected to grow by 8.7% to 6.2 million tons. In 2017/18, planted area in the USA continues to grow for the second season by an estimated 20% to 4.6 million hectares. Pakistan plantings for 2017/18 are expected to increase by 24% to 3.1 million hectares after several years of declining area with an anticipated 24% growth in production to 2.06 million tons. Production is projected to increase in all other major producing countries during 2017/18, including China, Brazil, Francophone Africa and Turkey. Global production in 2016/17 rose by 7% and is forecasted to grow by 12% during 2017/18.

Global cotton mill use is expected to grow in 2017/18 by 3% to 25.2 million tons. The gap between cotton prices and polyester prices has continued to narrow since mid-2017 despite a recent upturn in cotton prices that may push cotton consumption higher. While mill use is rising, stocks will continue to grow as production outpaces consumption. Imports by China are expected to remain steady as the stock to use ratio decreases. Mill use in China is expected to grow at 1% to 8.12 million tons. Cotton mill use is also projected to grow moderately in India, Pakistan, Turkey, Bangladesh, Vietnam and Brazil.

World Cotton Supply and Distribution						
	2015/16	2016/17	2017/18	2015/16	2016/17	2017/18
	Million Tons			Changes from previous month Million Tons		
Production	21.48	23.00	25.74	0.00	-0.04	0.18
Consumption	24.18	24.52	25.22	0.00	-0.04	0.00
Imports	7.57	8.11	8.15	0.00	-0.03	0.22
Exports	7.55	8.11	8.15	0.00	-0.03	0.22
Ending Stocks	20.24	18.71	19.24	0.00	0.17	0.34
Cotlook A Index	71	70	72*			

*The price projection for 2017/18 is based on the ending stocks to mill use ratio in the world-less-China in 2015/16 (estimate), 2016/17 (estimate) and 2017/18 (projection); on the ratio of Chinese net imports to world imports in 2016/17 (estimate) and 2017/18 (projection); and on the price projection of 2016/17. The price projection is the mid-point of the 95% confidence interval: 62 ct/lb to 83 cts/lb.