

# Monthly Economic Letter

## Cotton Market Fundamentals & Price Outlook



### RECENT PRICE MOVEMENT

All benchmark prices except the CC Index increased over the past month.

- Prices for the March NY futures contract surged in late December, rising from 75 cents/lb to just below 80 cents/lb. Following that round of increases, there was a period of stability. However, in the latest trading, prices have risen once again, with March futures testing levels near 85 cents/lb. Current prices are the highest for a nearby NY futures contract since May.
- As is common, movement in the A Index was highly correlated with that for NY futures, with values increasing from levels near 85 cents/lb in late December to those near 90 cents/lb most recently.
- The China Cotton Index (CC Index, base grade 3128B) was stable over the past month. In international terms, the CC Index held to levels near 109 cents/lb. In domestic terms, the CC Index eased slightly, falling from 15,800 to 15,700 RMB/ton.
- Indian spot prices (Shankar-6 quality) increased, climbing from 75 to 81 cents/lb in international terms over the past month. In domestic terms, prices increased from 38,000 to 40,000 INR/candy.
- Pakistani prices also rose, moving from 75 to 84 cents/lb in international terms and from 6,600 to 7,600 PKR/maund in domestic terms.

### SUPPLY, DEMAND, & TRADE

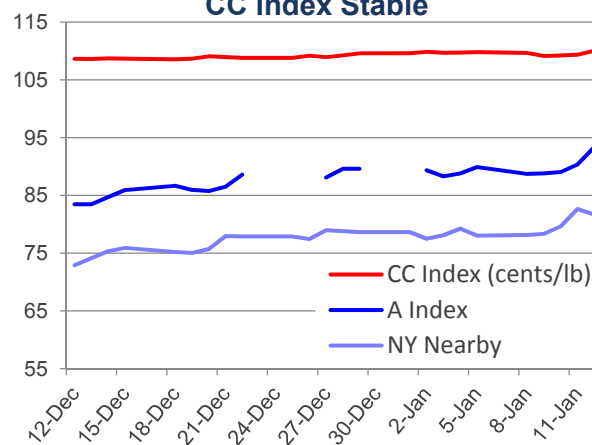
This month's USDA report featured increases in global figures for both production (+1.0 million bales, from 120.0 to 121.0 million) and mill-use (+1.2 million bales, from 119.6 to 120.8 million). The slightly larger increase in consumption relative to production resulted in slightly lower forecast for global ending stocks (-0.2 million bales, from 88.0 to 87.8 million).

Both before and after this month's revision, at the country-level, the only major producer or consumer of cotton expected to have a significant year-over-year decrease in stocks in 2017/18 is China (-8.7 million bales, from 48.4 to 39.8 million). For the world-less-China, ending stocks are projected to increase 8.8 million bales (from 39.2 to 48.0 million).

Notable country-level changes to harvest figures included those for China (+1.4 million bales, from 25.0 to 26.4 million), India (-200,000, from 29.5 to 29.3 million), the U.S. (-177,000, from 21.4 to 21.3 million), and Australia (-100,000, from 4.7 to 4.6 million).

For consumption, the only notable country-level change to mill-use figures was for China (+1.0 million bales, from 39.0 to 40.0 million). In China, mill-use is now expected to grow 2.5 million bales year-over-year. Countries outside of China with significant year-over-year growth include Vietnam (+850,000, from 5.4 to 6.3 million), India (+750,000, 24.0 to 24.8 million), and Bangladesh (+500,000, from 6.7 to 7.2 million). Globally, mill-use is forecast to grow 6.2 million bales year-over-year, representing the strongest increase in bale volume since 2009/10 and a growth rate (+5.2%) more than double the long run average (near two percent).

NY Nearby and A Index Increase, CC Index Stable



### Recent Price Data

	Latest Value (Jan 12)	Latest Month (Dec)	Last 12 Months (Jan17-Dec18)
NY Nearby	81.7	75.4	73.3
A Index	93.4	85.4	83.6
CC Index	110.0	108.9	107.1
Indian Spot	84.4	78.2	81.1
Pakistani Spot	83.8	76.5	75.0

Additional price data available [here](#).  
Price definitions available [here](#).

### World Balance Sheet

million 480 lb. bales	2017/18		
	2016/17	Dec	Jan
Beg. Stocks	95.4	87.6	87.6
Production	106.6	120.0	121.0
Mill-Use	114.8	119.6	120.8
Ending Stocks	87.6	88.0	87.8
Stocks/Use	76.4%	73.6%	72.7%

### China Balance Sheet

million 480 lb. bales	2017/18		
	2016/17	Dec	Jan
Beg. Stocks	58.2	48.4	48.4
Production	22.8	25.0	26.4
Imports	5.0	5.3	5.0
Mill-Use	37.5	39.0	40.0
Exports	0.1	0.0	0.0
Ending Stocks	48.4	39.7	39.8
Stocks/Use	128.9%	101.6%	99.3%

### World-Less-China Balance Sheet

million 480 lb. bales	2017/18		
	2016/17	Dec	Jan
Beg. Stocks	37.2	39.2	39.2
Production	83.8	95.0	94.6
Imports from China	0.1	0.0	0.0
Mill-Use	77.3	80.6	80.8
Exports to China	5.0	5.3	5.0
Ending Stocks	39.2	48.3	48.0
Stocks/Use	47.6%	56.3%	56.0%

Additional balance sheet data available [here](#).

At the world-level, there was only a marginal change to the trade forecast (-115,000 bales, from 38.5 to 38.4 million). In terms of imports, the only notable revisions were for China (-300,000 bales, from 5.3 to 5.0 million) and Vietnam (+100,000, from 6.5 to 6.6 million). In terms of exports, the only notable revisions were for Argentina (-100,000, from 200,000 to 100,000) and Brazil (+100,000, from 4.0 to 4.1 million).

## PRICE OUTLOOK

Supply and demand forecasts and the direction of cotton prices remain in conflict. Cotton stocks outside of China are projected to increase by more than 20% year-over-year and this suggests a new record for stocks held by countries outside of China. Relative to the existing record (44.2 million bales set in 2014/15), the projection for world-less-China stocks in 2017/18 is nearly 10% higher, leaving a healthy margin for error.

Last crop year, the increases in prices around this same time of year served as an indication that supply and demand estimates were in need of revision. At this time last year, stocks outside of China, and notably stocks in the U.S., were also projected to strongly increase. However, unseasonably strong export sales throughout the winter and spring instead caused U.S. stocks to decrease.

Currently, U.S. ending stocks are projected to more than double in 2017/18 (from 2.8 million to 5.7 million). In order for that projection to once again reverse to a decrease, U.S. exports would need to climb 2.9 million bales beyond the current USDA forecast (14.8 million bales). The corresponding level of 17.7 million bales would match the record set back in 2005/06, when the U.S. shipped over nine million bales to China. That volume is nearly twice the amount expected to be imported by China from all sources this crop year (5.0 million bales). Although there has been increased demand for U.S. exports from other markets since 2005/06, it is difficult to see how U.S. exports could get to a level that high again without Chinese imports rising well- above the current forecast. There are rumors that China may import more this crop year, possibly to bring more foreign cotton into its reserve system, but currently, these remain only rumors.

Independent of purely supply and demand driven factors, there are other potential reasons for recent price increases. One of them is the high level of unfixed on-call sales. Unfixed on-call sales represent sales that merchants have made to mills that lock in quantity, quality, and delivery costs (known as the basis), but not the total price. The eventual total price will be the sum of the already agreed upon basis and the futures price when the mill decides to “fix” the unfixed on-call contract. When the contract is fixed, the merchant exits the underlying short hedging position in futures by buying an offsetting long position. When many mills fix contracts at the same time, the resulting buying activity can prevent prices from moving lower or potentially push prices higher. Since September, the volume of unfixed on-call sales has been perpetually setting records. Last year, records for unfixed on-call sales were also being set. Nonetheless, in the latest available data (for January 5th), the volume of on-call sales is 40% higher than it was a year ago. Until these very high levels of unfixed sales start to move lower, they could remain an important influence on prices.

Please forward comments and questions to [marketinformation@cottoninc.com](mailto:marketinformation@cottoninc.com)

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**Sources:** Price data from Reuters, Cotlook, Cotton Assn. of India, and Karachi Cotton Assn. Supply, demand, and trade data from the USDA.

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## World Cotton Production

million 480 lb. bales	2016/17	2017/18	
		Dec	Jan
India	27.0	29.5	29.3
China	22.8	25.0	26.4
United States	17.2	21.4	21.3
Pakistan	7.7	8.2	8.2
Brazil	7.0	7.8	7.8
Rest of World	24.9	28.0	28.0
World	106.6	120.0	121.0

## World Cotton Mill-Use

million 480 lb. bales	2016/17	2017/18	
		Dec	Jan
China	37.5	39.0	40.0
India	24.0	24.8	24.8
Pakistan	10.3	10.4	10.4
Bangladesh	6.7	7.2	7.2
Turkey	6.5	7.0	7.0
Rest of World	29.8	31.2	31.5
World	114.8	119.6	120.8

## World Cotton Exports

million 480 lb. bales	2016/17	2017/18	
		Dec	Jan
United States	14.9	14.8	14.8
Australia	3.7	4.3	4.3
India	4.6	4.3	4.3
Brazil	2.8	4.0	4.1
Uzbekistan	1.3	1.2	1.2
Rest of World	10.0	9.9	9.7
World	37.2	38.5	38.4

## World Cotton Imports

million 480 lb. bales	2016/17	2017/18	
		Dec	Jan
Bangladesh	6.7	7.3	7.3
Vietnam	5.5	6.5	6.6
China	5.0	5.3	5.0
Indonesia	3.4	3.5	3.5
Turkey	3.7	3.5	3.5
Rest of World	13.3	12.5	12.5
World	37.6	38.5	38.4

## World Cotton Ending Stocks

million 480 lb. bales	2016/17	2017/18	
		Dec	Jan
China	48.4	39.7	39.8
India	11.1	13.2	13.0
Brazil	7.6	8.3	8.2
United States	2.8	5.8	5.7
Pakistan	2.3	2.4	2.4
Rest of World	15.5	18.6	18.7
World	87.6	88.0	87.8

Additional supply and demand data available [here](#).

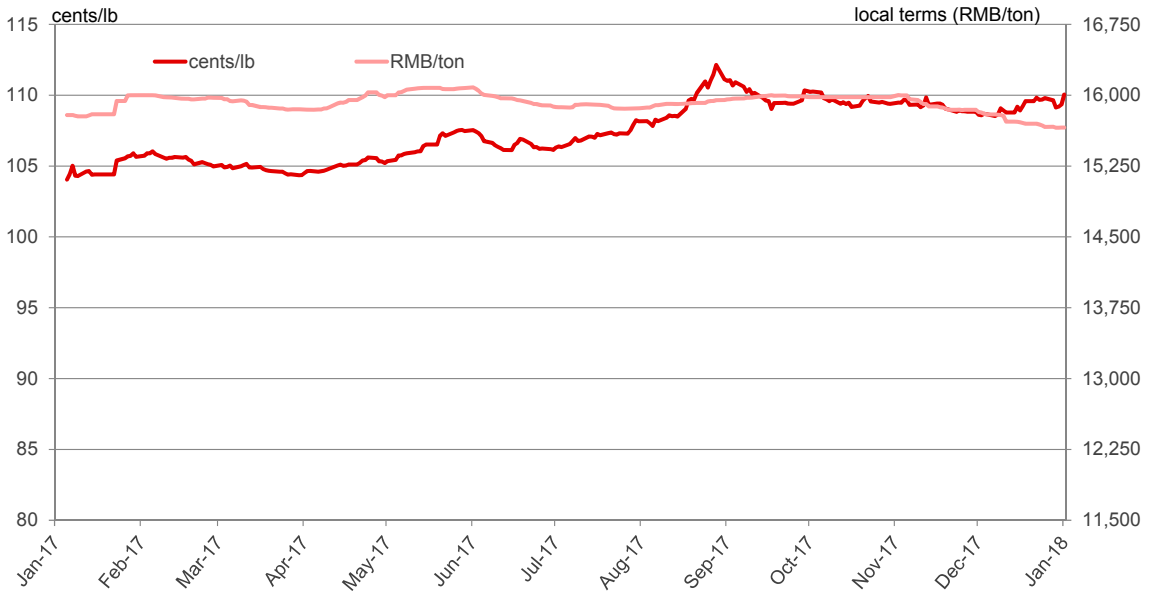
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Charts - Monthly	<a href="#">A Index &amp; NY Nearby</a>	<a href="#">Chinese Prices</a>	<a href="#">Indian Prices</a>	<a href="#">Pakistani Prices</a>
Tables	<a href="#">Balance Sheets (bales)</a>	<a href="#">Balance Sheets (tons)</a>	<a href="#">Supply &amp; Demand (bales)</a>	<a href="#">Supply &amp; Demand (tons)</a>

One Year of Daily A Index and NY Nearby Prices

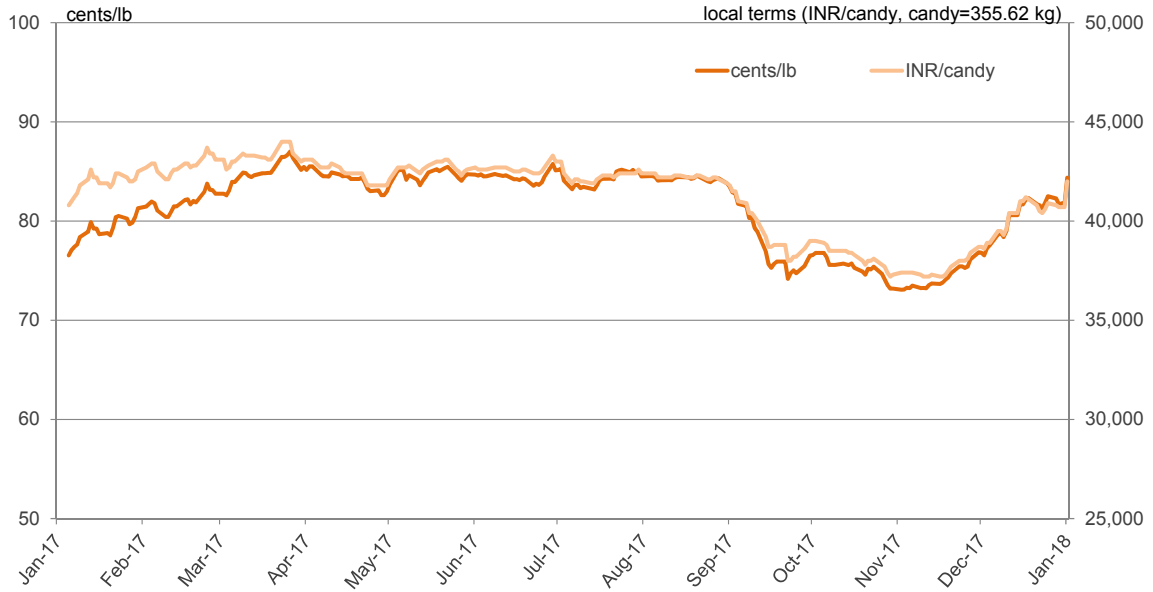


One Year of Daily CC Index (Grade 328) Prices

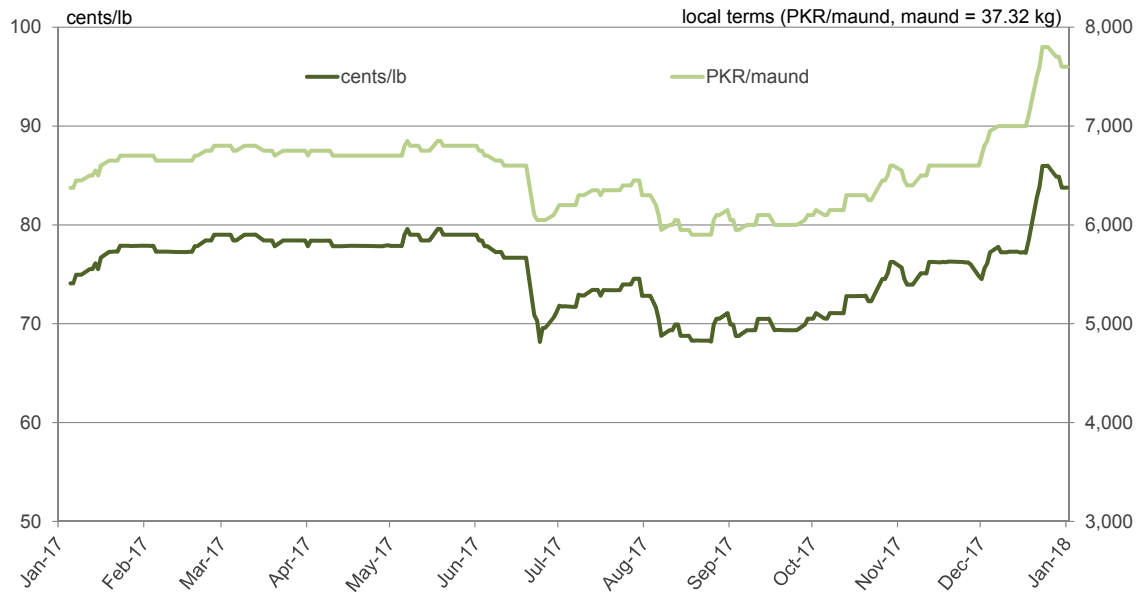


Note: Differences in price movement in local and international terms (cents/lb) due to changes in exchange rates.

### One Year of Daily Indian Spot Prices (Shankar-6 Variety)



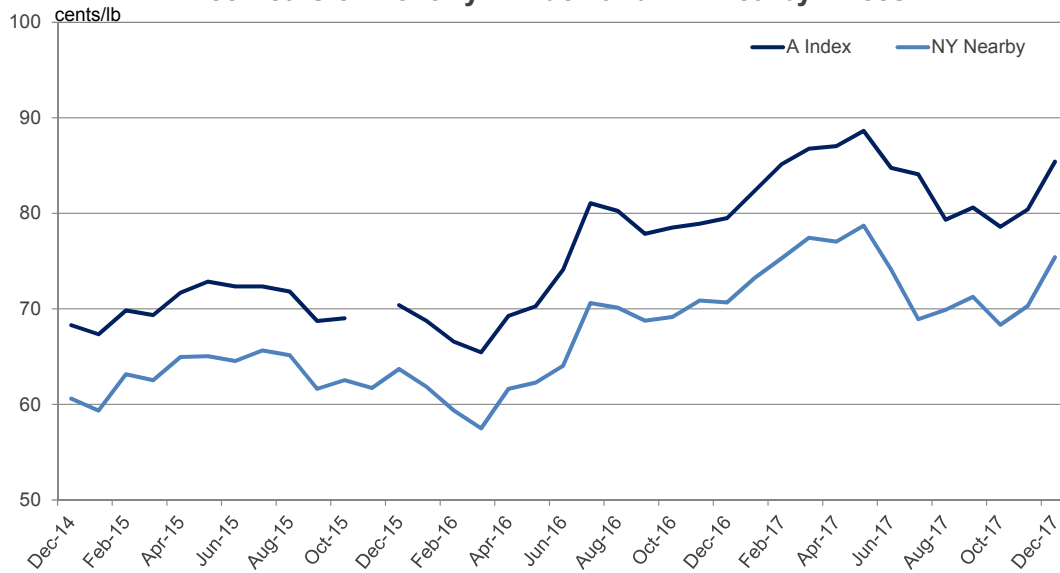
### One Year of Daily Pakistani Spot Prices



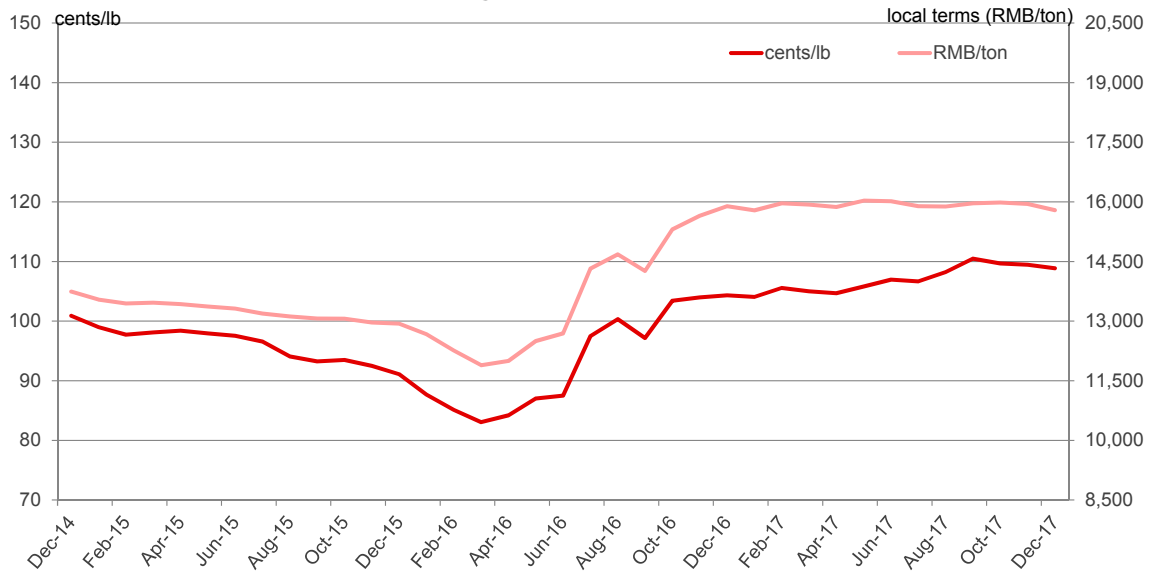
Note: Differences in price movement in local and international terms (cents/lb) due to changes in exchange rates.

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### Three Years of Monthly A Index and NY Nearby Prices

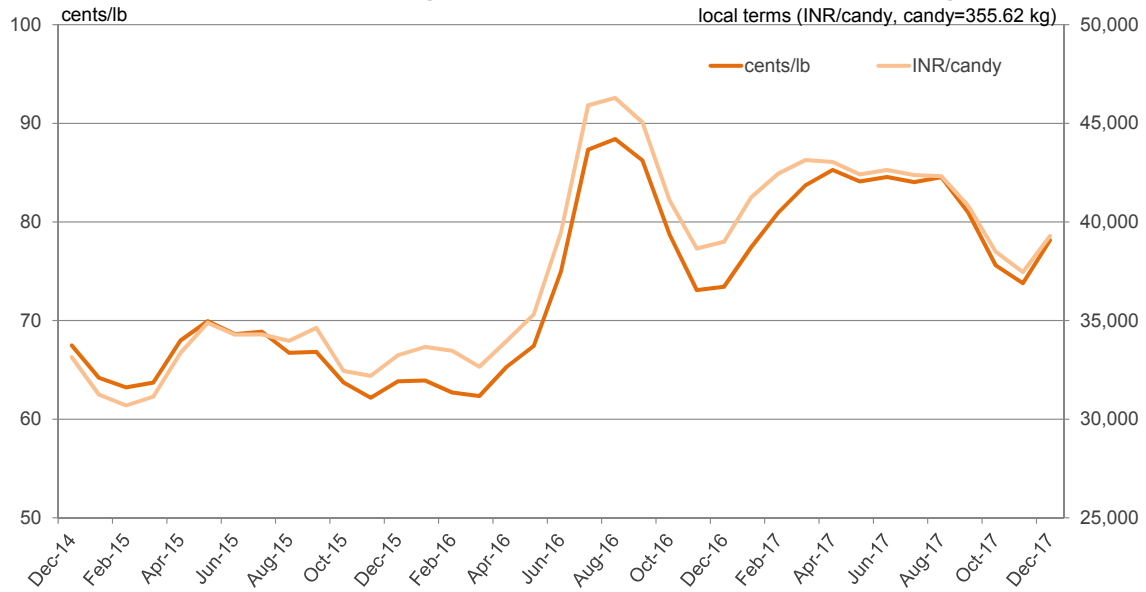


### Three Years of Monthly CC Index (Grade 328) Prices

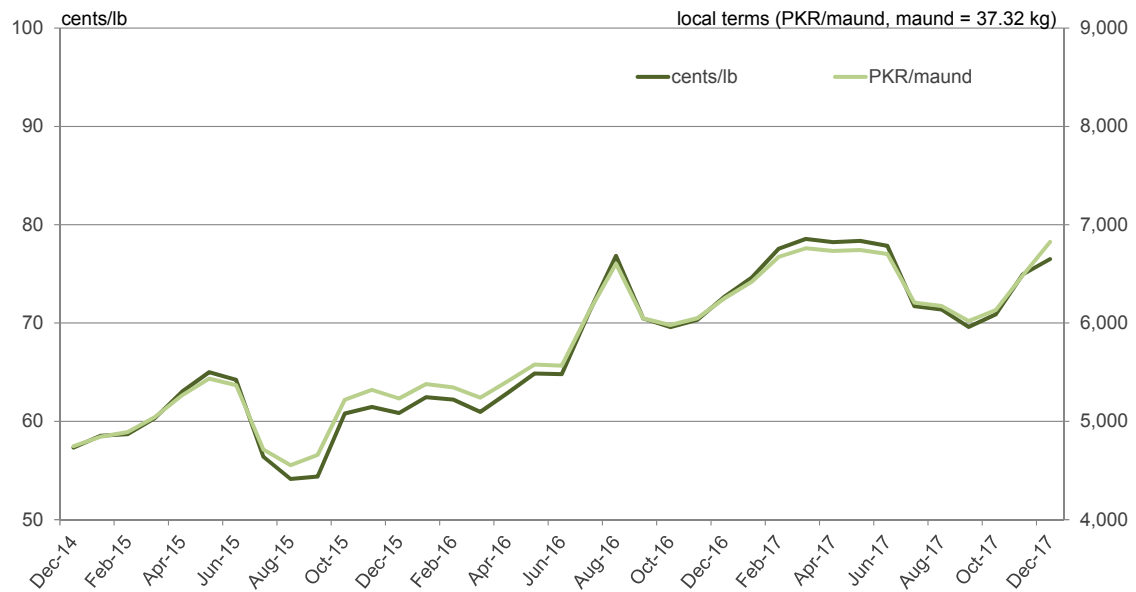


Note: Differences in price movement in local and international terms (cents/lb) due to changes in exchange rates.

### Three Years of Monthly Indian Spot Prices (Shankar-6 Variety)



### Three Years of Monthly Pakistani Spot Prices



Note: Differences in price movement in local and international terms (cents/lb) due to changes in exchange rates.

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## World Balance Sheet

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Beginning Stocks	92.1	103.0	111.2	95.4	87.7	87.6
Production	120.4	119.2	96.1	106.6	120.0	121.0
Supply	212.4	222.1	207.3	201.9	207.6	208.6
Mill-Use	110.0	111.8	112.3	114.8	119.6	120.8
Ending Stocks	103.0	111.2	95.4	87.6	88.0	87.8
Stocks/Use Ratio	93.6%	99.4%	84.9%	76.4%	73.6%	72.7%

## China Balance Sheet

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Beginning Stocks	50.4	62.7	66.9	58.2	48.4	48.4
Production	32.8	30.0	22.0	22.8	25.0	26.4
Imports	14.1	8.3	4.4	5.0	5.3	5.0
Supply	97.2	101.0	93.3	86.0	78.7	79.8
Mill-Use	34.5	34.0	35.0	37.5	39.0	40.0
Exports	0.0	0.1	0.1	0.1	0.1	0.1
Demand	34.5	34.1	35.1	37.6	39.1	40.1
Ending Stocks	62.7	66.9	58.2	48.4	39.7	39.8
Stocks/Use Ratio	181.6%	196.4%	165.7%	128.9%	101.6%	99.3%

## World-Less-China Balance Sheet

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Beginning Stocks	41.7	40.3	44.2	37.2	39.2	39.2
Production	87.6	89.2	74.1	83.8	95.0	94.6
Imports from China	0.0	0.1	0.1	0.1	0.1	0.1
Supply	129.4	129.5	118.5	121.0	134.2	133.8
Mill-Use	75.5	77.8	77.3	77.3	80.6	80.8
Exports to China	14.1	8.3	4.4	5.0	5.3	5.0
Demand	89.6	86.1	81.7	82.3	85.9	85.8
Ending Stocks	40.3	44.2	37.2	39.2	48.3	48.0
Stocks/Use Ratio	44.9%	51.4%	45.5%	47.6%	56.3%	56.0%

Source: USDA

## India Balance Sheet

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Beginning Stocks	11.8	11.5	13.5	9.9	11.1	11.1
Production	31.0	29.5	25.9	27.0	29.5	29.3
Imports	0.7	1.2	1.1	2.7	1.6	1.6
Supply	43.5	42.2	40.5	39.7	42.2	42.0
Mill-Use	23.3	24.5	24.8	24.0	24.8	24.8
Exports	9.3	4.2	5.8	4.6	4.3	4.3
Demand	32.5	28.7	30.5	28.6	29.1	29.1
Ending Stocks	11.5	13.5	9.9	11.1	13.2	13.0
Stocks/Use Ratio	35.2%	47.0%	32.6%	39.0%	45.4%	44.7%

## U.S. Balance Sheet

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Beginning Stocks	3.8	2.4	3.7	3.8	2.8	2.8
Production	12.9	16.3	12.9	17.2	21.4	21.3
Imports	0.0	0.0	0.0	0.0	0.0	0.0
Supply	16.7	18.7	16.6	21.0	24.2	24.0
Mill-Use	3.6	3.6	3.5	3.3	3.4	3.4
Exports	10.5	11.2	9.2	14.9	14.8	14.8
Demand	14.1	14.8	12.6	18.2	18.2	18.2
Ending Stocks	2.4	3.7	3.8	2.8	5.8	5.7
Stocks/Use Ratio	16.7%	24.6%	30.2%	15.1%	32.0%	31.4%

## Pakistan Balance Sheet

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Beginning Stocks	2.7	2.5	2.9	2.6	2.3	2.3
Production	9.5	10.6	7.0	7.7	8.2	8.2
Imports	1.2	1.0	3.3	2.4	2.7	2.7
Supply	13.4	14.0	13.2	12.7	13.2	13.2
Mill-Use	10.4	10.6	10.3	10.3	10.4	10.4
Exports	0.5	0.5	0.3	0.1	0.3	0.3
Demand	10.9	11.1	10.6	10.4	10.7	10.7
Ending Stocks	2.5	2.9	2.6	2.3	2.4	2.4
Stocks/Use Ratio	22.7%	26.0%	24.8%	21.7%	22.8%	22.8%

Source: USDA

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## World Cotton Production

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
India	31.0	29.5	25.9	27.0	29.5	29.3
China	32.8	30.0	22.0	22.8	25.0	26.4
United States	12.9	16.3	12.9	17.2	21.4	21.3
Pakistan	9.5	10.6	7.0	7.7	8.2	8.2
Brazil	8.0	7.0	5.9	7.0	7.8	7.8
Australia	4.1	2.3	2.9	4.1	4.7	4.6
Turkey	2.3	3.2	2.7	3.2	4.0	4.0
Uzbekistan	4.1	3.9	3.8	3.7	3.7	3.7
Mexico	0.9	1.3	0.9	0.8	1.5	1.5
Turkmenistan	1.6	1.5	1.5	1.3	1.4	1.4
Mali	0.9	1.0	1.0	1.2	1.3	1.3
Burkina	1.3	1.4	1.1	1.3	1.3	1.3
Greece	1.4	1.3	1.0	1.0	1.2	1.2
Rest of World	9.8	9.8	7.7	8.3	8.8	8.9
African Franc Zone	4.1	4.8	4.0	4.8	4.8	4.8
EU-27	1.6	1.7	1.3	1.3	1.5	1.5
<b>World</b>	<b>120.4</b>	<b>119.2</b>	<b>96.1</b>	<b>106.6</b>	<b>120.0</b>	<b>121.0</b>

## World Cotton Exports

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
United States	10.5	11.2	9.2	14.9	14.8	14.8
Australia	4.9	2.4	2.8	3.7	4.3	4.3
India	9.3	4.2	5.8	4.6	4.3	4.3
Brazil	2.2	3.9	4.3	2.8	4.0	4.1
Uzbekistan	2.6	2.3	2.3	1.3	1.2	1.2
Burkina	1.3	1.1	1.3	1.1	1.2	1.2
Mali	0.9	0.9	1.0	1.1	1.2	1.2
Greece	1.3	1.2	1.0	1.0	1.1	1.1
Benin	0.5	0.5	0.7	0.8	0.7	0.7
Cote d'Ivoire	0.8	0.9	0.8	0.6	0.6	0.6
Turkmenistan	1.6	1.5	1.3	0.9	0.6	0.6
Cameroon	0.5	0.5	0.6	0.5	0.4	0.4
Tajikistan	0.4	0.5	0.5	0.3	0.4	0.4
Rest of World	4.4	4.2	3.8	3.8	3.7	3.7
African Franc Zone	4.1	4.0	4.6	4.3	4.1	4.1
EU-27	1.6	1.6	1.3	1.3	1.4	1.4
<b>World</b>	<b>41.1</b>	<b>35.2</b>	<b>35.1</b>	<b>37.2</b>	<b>38.5</b>	<b>38.4</b>

Source: USDA

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## World Cotton Mill-Use

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
China	34.5	34.0	35.0	37.5	39.0	40.0
India	23.3	24.5	24.8	24.0	24.8	24.8
Pakistan	10.4	10.6	10.3	10.3	10.4	10.4
Bangladesh	5.3	5.8	6.3	6.7	7.2	7.2
Turkey	6.3	6.4	6.7	6.5	7.0	7.0
Vietnam	3.2	4.1	4.4	5.4	6.1	6.3
Indonesia	3.1	3.3	3.0	3.3	3.4	3.5
Brazil	4.2	3.4	3.1	3.2	3.4	3.4
United States	3.6	3.6	3.5	3.3	3.4	3.4
Uzbekistan	1.6	1.8	1.8	2.1	2.3	2.3
Mexico	1.9	1.9	1.9	1.8	1.8	1.9
Thailand	1.5	1.5	1.3	1.2	1.2	1.2
South Korea	1.3	1.3	1.2	1.1	1.0	1.0
Rest of World	10.0	9.8	9.1	8.6	8.7	8.6
African Franc Zone	0.1	0.1	0.1	0.1	0.1	0.1
EU-27	0.8	0.9	0.8	0.7	0.7	0.7
World	110.0	111.8	112.3	114.8	119.6	120.8

## World Cotton Imports

million 480 lb. bales	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Bangladesh	5.3	5.8	6.4	6.7	7.3	7.3
Vietnam	3.2	4.3	4.5	5.5	6.5	6.6
China	14.1	8.3	4.4	5.0	5.3	5.0
Indonesia	3.0	3.3	2.9	3.4	3.5	3.5
Turkey	4.2	3.7	4.2	3.7	3.5	3.5
Pakistan	1.2	1.0	3.3	2.4	2.7	2.7
India	0.7	1.2	1.1	2.7	1.6	1.6
Thailand	1.5	1.5	1.3	1.2	1.3	1.3
South Korea	1.3	1.3	1.2	1.0	1.0	1.0
Mexico	1.0	0.8	1.0	1.0	0.8	0.8
Taiwan	0.9	0.9	0.7	0.6	0.7	0.7
Egypt	0.4	0.3	0.5	0.5	0.5	0.5
Malaysia	0.4	0.3	0.4	0.4	0.5	0.5
Rest of World	4.0	3.5	3.6	3.4	3.4	3.4
African Franc Zone	0.0	0.0	0.0	0.0	0.0	0.0
EU-27	0.9	0.9	0.8	0.7	0.7	0.7
World Total	41.2	36.1	35.4	37.6	38.5	38.4

Source: USDA

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## World Balance Sheet

million metric tons	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Beginning Stocks	20.0	22.4	24.2	20.8	19.1	19.1
Production	26.2	25.9	20.9	23.2	26.1	26.3
Supply	46.3	48.4	45.1	44.0	45.2	45.4
Mill-Use	24.0	24.3	24.4	25.0	26.0	26.3
Ending Stocks	22.4	24.2	20.8	19.1	19.2	19.1
Stocks/Use Ratio	93.6%	99.4%	84.9%	76.4%	73.6%	72.7%

## China Balance Sheet

million metric tons	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Beginning Stocks	11.0	13.7	14.6	12.7	10.5	10.5
Production	7.1	6.5	4.8	5.0	5.4	5.7
Imports	3.1	1.8	1.0	1.1	1.2	1.1
Supply	21.2	22.0	20.3	18.7	17.1	17.4
Mill-Use	7.5	7.4	7.6	8.2	8.5	8.7
Exports	0.0	0.0	0.0	0.0	0.0	0.0
Demand	7.5	7.4	7.6	8.2	8.5	8.7
Ending Stocks	13.7	14.6	12.7	10.5	8.6	8.7
Stocks/Use Ratio	181.6%	196.4%	165.7%	128.9%	101.6%	99.3%

## World-Less-China Balance Sheet

million metric tons	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Beginning Stocks	9.1	8.8	9.6	8.1	8.5	8.5
Production	19.1	19.4	16.1	18.2	20.7	20.6
Imports from China	0.0	0.0	0.0	0.0	0.0	0.0
Supply	28.2	28.2	25.8	26.3	29.2	29.1
Mill-Use	16.4	16.9	16.8	16.8	17.5	17.6
Exports to China	3.1	1.8	1.0	1.1	1.2	1.1
Demand	19.5	18.8	17.8	17.9	18.7	18.7
Ending Stocks	8.8	9.6	8.1	8.5	10.5	10.5
Stocks/Use Ratio	44.9%	51.4%	45.5%	47.6%	56.3%	56.0%

Source: USDA

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## India Balance Sheet

million metric tons	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Beginning Stocks	2.6	2.5	2.9	2.2	2.4	2.4
Production	6.7	6.4	5.6	5.9	6.4	6.4
Imports	0.1	0.3	0.2	0.6	0.3	0.3
Supply	9.5	9.2	8.8	8.6	9.2	9.2
Mill-Use	5.1	5.3	5.4	5.2	5.4	5.4
Exports	2.0	0.9	1.3	1.0	0.9	0.9
Demand	7.1	6.2	6.6	6.2	6.3	6.3
Ending Stocks	2.5	2.9	2.2	2.4	2.9	2.8
Stocks/Use Ratio	35.2%	47.0%	32.6%	39.0%	45.4%	44.7%

## U.S. Balance Sheet

million metric tons	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Beginning Stocks	0.8	0.5	0.8	0.8	0.6	0.6
Production	2.8	3.6	2.8	3.7	4.7	4.6
Imports	0.0	0.0	0.0	0.0	0.0	0.0
Supply	3.6	4.1	3.6	4.6	5.3	5.2
Mill-Use	0.8	0.8	0.8	0.7	0.7	0.7
Exports	2.3	2.4	2.0	3.2	3.2	3.2
Demand	3.1	3.2	2.7	4.0	4.0	4.0
Ending Stocks	0.5	0.8	0.8	0.6	1.3	1.2
Stocks/Use Ratio	16.7%	24.6%	30.2%	15.1%	32.0%	31.4%

## Pakistan Balance Sheet

million metric tons	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Beginning Stocks	0.6	0.5	0.6	0.6	0.5	0.5
Production	2.1	2.3	1.5	1.7	1.8	1.8
Imports	0.3	0.2	0.7	0.5	0.6	0.6
Supply	2.9	3.1	2.9	2.8	2.9	2.9
Mill-Use	2.3	2.3	2.2	2.2	2.3	2.3
Exports	0.1	0.1	0.1	0.0	0.1	0.1
Demand	2.4	2.4	2.3	2.3	2.3	2.3
Ending Stocks	0.5	0.6	0.6	0.5	0.5	0.5
Stocks/Use Ratio	22.7%	26.0%	24.8%	21.7%	22.8%	22.8%

Source: USDA

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## World Cotton Production

million metric tons	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
India	6.7	6.4	5.6	5.9	5.9	6.4
China	7.1	6.5	4.8	5.0	4.6	5.7
United States	2.8	3.6	2.8	3.7	3.5	4.6
Pakistan	2.1	2.3	1.5	1.7	1.8	1.8
Brazil	1.7	1.5	1.3	1.5	1.4	1.7
Australia	0.9	0.5	0.6	0.9	0.9	1.0
Turkey	0.5	0.7	0.6	0.7	0.8	0.9
Uzbekistan	0.9	0.8	0.8	0.8	0.7	0.8
Mexico	0.2	0.3	0.2	0.2	0.3	0.3
Turkmenistan	0.3	0.3	0.3	0.3	0.3	0.3
Mali	0.2	0.2	0.2	0.3	0.3	0.3
Burkina	0.3	0.3	0.2	0.3	0.2	0.3
Greece	0.3	0.3	0.2	0.2	0.2	0.3
Rest of World	2.1	2.1	1.7	1.8	1.7	1.9
African Franc Zone	0.9	1.0	0.9	1.0	1.0	1.0
EU-27	0.3	0.4	0.3	0.3	0.3	0.3
World	26.2	25.9	20.9	23.2	22.5	26.3

## World Cotton Exports

million metric tons	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
United States	2.3	2.4	2.0	3.2	2.6	3.2
Australia	1.1	0.5	0.6	0.8	0.9	0.9
India	2.0	0.9	1.3	1.0	0.8	0.9
Brazil	0.5	0.9	0.9	0.6	0.6	0.9
Uzbekistan	0.6	0.5	0.5	0.3	0.5	0.3
Burkina	0.3	0.2	0.3	0.2	0.3	0.3
Mali	0.2	0.2	0.2	0.2	0.3	0.3
Greece	0.3	0.3	0.2	0.2	0.2	0.2
Benin	0.1	0.1	0.2	0.2	0.2	0.1
Cote d'Ivoire	0.2	0.2	0.2	0.1	0.2	0.1
Turkmenistan	0.4	0.3	0.3	0.2	0.1	0.1
Cameroon	0.1	0.1	0.1	0.1	0.1	0.1
Tajikistan	0.1	0.1	0.1	0.1	0.1	0.1
Rest of World	1.0	0.9	0.8	0.8	0.8	0.8
African Franc Zone	0.9	0.9	1.0	0.9	1.0	0.9
EU-27	0.3	0.4	0.3	0.3	0.2	0.3
World	8.9	7.7	7.6	8.1	7.7	8.4

Source: USDA

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## World Cotton Consumption

million metric tons	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
China	7.5	7.4	7.6	8.2	7.7	8.7
India	5.1	5.3	5.4	5.2	5.2	5.4
Pakistan	2.3	2.3	2.2	2.2	2.2	2.3
Bangladesh	1.2	1.3	1.4	1.5	1.5	1.6
Turkey	1.4	1.4	1.5	1.4	1.4	1.5
Vietnam	0.7	0.9	1.0	1.2	1.0	1.4
Indonesia	0.7	0.7	0.7	0.7	0.8	0.8
Brazil	0.9	0.7	0.7	0.7	0.7	0.7
United States	0.8	0.8	0.8	0.7	0.6	0.7
Uzbekistan	0.3	0.4	0.4	0.4	0.4	0.5
Mexico	0.4	0.4	0.4	0.4	0.3	0.4
Thailand	0.3	0.3	0.3	0.3	0.3	0.3
South Korea	0.3	0.3	0.3	0.2	0.3	0.2
Rest of World	2.2	2.1	2.0	1.9	2.0	1.9
African Franc Zone	0.0	0.0	0.0	0.0	0.0	0.0
EU-27	0.2	0.2	0.2	0.2	0.2	0.2
<b>World Total</b>	<b>24.0</b>	<b>24.3</b>	<b>24.4</b>	<b>25.0</b>	<b>24.4</b>	<b>26.3</b>

## World Cotton Imports

million metric tons	2013/14	2014/15	2015/16	2016/17	2017/18 December	2017/18 January
Bangladesh	1.2	1.3	1.4	1.5	1.4	1.6
Vietnam	0.7	0.9	1.0	1.2	1.0	1.4
China	3.1	1.8	1.0	1.1	1.0	1.1
Indonesia	0.7	0.7	0.6	0.7	0.8	0.8
Turkey	0.9	0.8	0.9	0.8	0.6	0.8
Pakistan	0.3	0.2	0.7	0.5	0.5	0.6
India	0.1	0.3	0.2	0.6	0.4	0.3
Thailand	0.3	0.3	0.3	0.3	0.3	0.3
South Korea	0.3	0.3	0.3	0.2	0.3	0.2
Mexico	0.2	0.2	0.2	0.2	0.3	0.2
Taiwan	0.2	0.2	0.2	0.1	0.2	0.2
Egypt	0.1	0.1	0.1	0.1	0.1	0.1
Malaysia	0.1	0.1	0.1	0.1	0.1	0.1
Rest of World	0.9	0.8	0.8	0.7	0.8	0.7
African Franc Zone	0.0	0.0	0.0	0.0	0.0	0.0
EU-27	0.2	0.2	0.2	0.2	0.2	0.2
<b>World Total</b>	<b>9.0</b>	<b>7.9</b>	<b>7.7</b>	<b>8.2</b>	<b>7.7</b>	<b>8.4</b>

Source: USDA

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