

Monthly Economic Letter

Cotton Market Fundamentals & Price Outlook



RECENT PRICE MOVEMENT

In contrast to recent months, when cotton prices have been volatile, several benchmarks were stable over the past month. Indian and Pakistani prices, however, increased.

- Prices for the December NY Futures contract were generally contained between 85 and 90 cents/lb between mid-July and early August.
- The A Index also moved sideways over the past month, with values ranging between 94 and 100 cents/lb since mid-July.
- The China Cotton Index (CC Index Grade 3128B) decreased in dollar terms last month, dropping from 112 to 108 cents/lb. This was primarily a result of the RMB weakening against the dollar (RMB fell 3% between mid-July through and early August, and has declined 7% against the USD since April). In domestic terms, the CC Index has held to values near 16,200 RMB/ton since mid-July.
- Indian cotton prices, represented by the Shankar-6 quality, increased in slightly international and domestic terms, rising from 88 to 90 cents/lb and 47,000 to 48,000 INR/candy.
- Pakistan cotton prices also increased in international and domestic terms, rising from 82 to 88 cents/lb and from 8,200 to 9,000 PKR/maund.

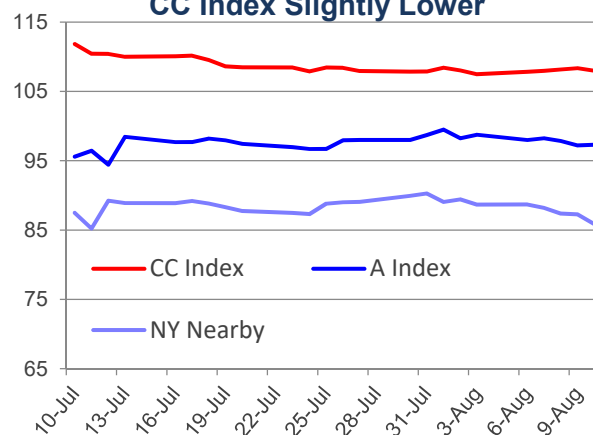
SUPPLY, DEMAND, & TRADE

This month's USDA report featured increases to 2018/19 production and mill-use forecasts. The global crop number increased from 120.1 to 120.5 million bales. The global consumption number increased from 127.0 to 127.6 million bales. The estimate for global mill-use in the recently concluded 2017/18 crop year was lifted 500,000 bales (from 122.2 to 122.7 million). With world production in 2017/18 lower (-180,000 bales, to 123.5 million), an effect of greater mill-use last crop year was to lower the estimate for 2018/19 beginning stocks (from 85.0 to 84.5 million bales). This decrease in beginning stocks, along with the larger upward revision for 2018/19 mill-use than for the 2018/19 harvest, pushed the projection for 2018/19 global ending stocks lower, from 77.8 to 77.1 million bales.

At the country-level, the largest changes to 2018/19 production figures include those for the U.S. (+735,000, to 19.2 million), Argentina (+210,000, to 825,000 to 1.0 million), Turkey (+200,000, to 4.5 million), Australia (-100,000, to 3.6 million), Turkmenistan (-100,000, to 1.3 million), and Uzbekistan (-450,000, to 3.3 million).

Between July and August of each year, there is a shift in the office within the USDA that is responsible for generating the U.S. production forecast. The change in office implies a change in methodology, and this can result in important adjustments to the U.S. production estimate this time of year. This month's increase to the U.S. production forecast is notable because of the severe drought in Texas and Oklahoma, a region with a high concentration of cotton acreage and little irrigation. The severity of the drought was reflected in the increase of the proportion of U.S. planted acres expected to be abandoned (from 15% in July to 25% in August). Outside of Texas and Oklahoma, however, growing conditions have generally been good. This month's upward revision to the U.S. production forecast was driven by upward revisions to yield forecasts outside of drought-stricken areas. The USDA is currently predicting a new national record for yield per harvested acre in 2018/19 (yield per harvested acre calculation excludes abandoned acreage).

NY Futures, A Index Stable, CC Index Slightly Lower



Recent Price Data

cents/lb	Latest Value (Aug 10)	Latest Month (Jul)	Last 12 Months (Aug17-Jul18)
NY Nearby	85.9	87.4	78.5
A Index	97.3	96.2	88.0
CC Index	108.0	109.8	111.1
Indian Spot	89.6	88.5	80.9
Pakistani Spot	88.5	84.5	77.0

Additional price data available [here](#).

Price definitions available [here](#).

World Balance Sheet

million 480 lb. bales	2017/18	2018/19	
		Jul	Aug
Beg. Stocks	84.1	85.0	84.5
Production	123.5	120.1	120.5
Mill-Use	122.7	127.0	127.6
Ending Stocks	84.5	77.8	77.1
Stocks/Use	68.8%	61.3%	60.4%

China Balance Sheet

million 480 lb. bales	2017/18	2018/19	
		Jul	Aug
Beg. Stocks	45.9	37.7	37.8
Production	27.5	26.5	26.5
Imports	5.5	7.0	7.0
Mill-Use	41.0	42.5	42.5
Exports	0.1	0.2	0.2
Ending Stocks	37.8	28.5	28.6
Stocks/Use	91.9%	66.9%	67.2%

World-Less-China Balance Sheet

million 480 lb. bales	2017/18	2018/19	
		Jul	Aug
Beg. Stocks	38.2	47.3	46.7
Production	96.0	93.6	94.0
Imports from China	0.1	0.2	0.2
Mill-Use	81.7	84.5	85.1
Exports to China	5.5	7.0	7.0
Ending Stocks	46.7	49.3	48.5
Stocks/Use	53.5%	53.9%	52.6%

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

The largest country-level changes to 2018/19 mill-use figures include those for Pakistan (+300,000, to 11.0 million), Indonesia (+150,000, to 3.7 million), and Turkey (+100,000, to 7.5 million).

The global trade estimate for 2018/19 was increased 500,000 bales to 41.8 million bales. The largest changes to import forecasts included those for Indonesia (+250,000, to 3.8 million), Pakistan (+200,000, to 2.5 million), Bangladesh (+100,000 bales, to 8.1 million), and Turkey (-100,000, to 3.5 million). The largest changes to export forecasts included those for the U.S. (+500,000 bales, to 15.5 million), India (+200,000, to 4.5 million), Burkina Faso (+100,000, to 1.4 million), Australia (-100,000, to 4.3 million), and Brazil (-100,000, to 5.3 million).

PRICE OUTLOOK

Issues related to trade remain central to the price outlook, with the dominant question continuing to be how much China might increase imports. Significant differences of opinion persist in forecasts for Chinese imports in 2018/19 (USDA forecast of 7.0 million bales, Cotlook forecast of 11.4 million bales is more than 60% higher). A point of contention among forecasters is whether or not the Chinese government might decide to import cotton into its reserve system.

As expected, Chinese officials announced that sales from its reserve system would be extended through the end of September (initially scheduled to conclude with the end of August, 8.5 million bales have been sold in auctions since March). News of the extension suggests the possibility for more cotton to move out of China's reserves. In turn, this may nudge forward a possible need to bring more supply into the reserve system through imports.

Relative to China's 2018/19 import volume, the continual escalation in the trade dispute between the U.S. and China is a complicating factor, particularly if China were to increase imports on a scale suggested by Cotlook (+5.7 million bales versus the 5.6 million imported in 2017/18). A natural source of supply to meet rising Chinese import demand would be the U.S. This is simply because the U.S. has much more exportable supply than other countries. In 2017/18, the U.S. shipped more than three times as much as the second largest exporter (U.S. 15.8 million bales, India 5.2 million). Including India, it would take the sum of shipments from the next five largest shippers to equal the volume sent from U.S. ports last crop year.

Given the exportable volume available from the U.S. and comparatively limited supplies from other sources, if China were to increase imports by several million bales, it is not clear where that cotton would come from if it did not somehow involve a meaningful increase in U.S. export demand. To a certain extent, it is possible to expect that trade could be redistributed, with more non-U.S. cotton flowing to China and more U.S. cotton going to other importing countries. This market adaptation, along with the fact that certain categories of Chinese imports from the U.S. are exempt from the increase in tariffs (e.g., processing trade quota that requires downstream textile goods to be exported and imports into free trade zones with China), suggest that the global cotton trade could accommodate both an increase in Chinese imports and restraints on the direct flow of cotton from the U.S. to China. However, if the Chinese government does decide to import for its reserve system, the potential size of the increase in global import demand could test the market's ability to cope, especially if weather conditions in exporting countries pull production and exportable supplies lower.

World Cotton Production

million 480 lb. bales	2017/18	2018/19	
		Jul	Aug
India	29.0	28.7	28.7
China	27.5	26.5	26.5
United States	20.9	18.5	19.2
Brazil	9.2	9.5	9.5
Pakistan	8.2	8.5	8.5
Rest of World	28.7	28.4	28.1
World	123.5	120.1	120.5

World Cotton Mill-Use

million 480 lb. bales	2017/18	2018/19	
		Jul	Aug
China	41.0	42.5	42.5
India	24.2	25.2	25.2
Pakistan	10.8	10.7	11.0
Bangladesh	7.5	8.0	8.0
Turkey	7.3	7.4	7.5
Rest of World	31.9	33.2	33.4
World	122.7	127.0	127.6

World Cotton Exports

million 480 lb. bales	2017/18	2018/19	
		Jul	Aug
United States	15.8	15.0	15.5
Brazil	4.2	5.4	5.3
India	5.2	4.3	4.5
Australia	4.0	4.4	4.3
Burkina	1.3	1.3	1.4
Rest of World	10.3	10.9	10.9
World	40.8	41.2	41.8

World Cotton Imports

million 480 lb. bales	2017/18	2018/19	
		Jul	Aug
Bangladesh	7.6	8.0	8.1
Vietnam	6.9	7.7	7.7
China	5.5	7.0	7.0
Indonesia	3.6	3.5	3.8
Turkey	4.0	3.6	3.5
Rest of World	13.2	11.4	11.7
World	40.8	41.2	41.8

World Cotton Ending Stocks

million 480 lb. bales	2017/18	2018/19	
		Jul	Aug
China	37.8	28.5	28.6
India	12.4	13.3	12.9
Brazil	8.6	9.2	9.3
United States	4.4	4.0	4.6
Pakistan	2.9	2.8	2.7
Rest of World	18.4	20.0	18.9
World	84.5	77.8	77.1

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

Please forward comments and questions to marketinformation@cottoninc.com

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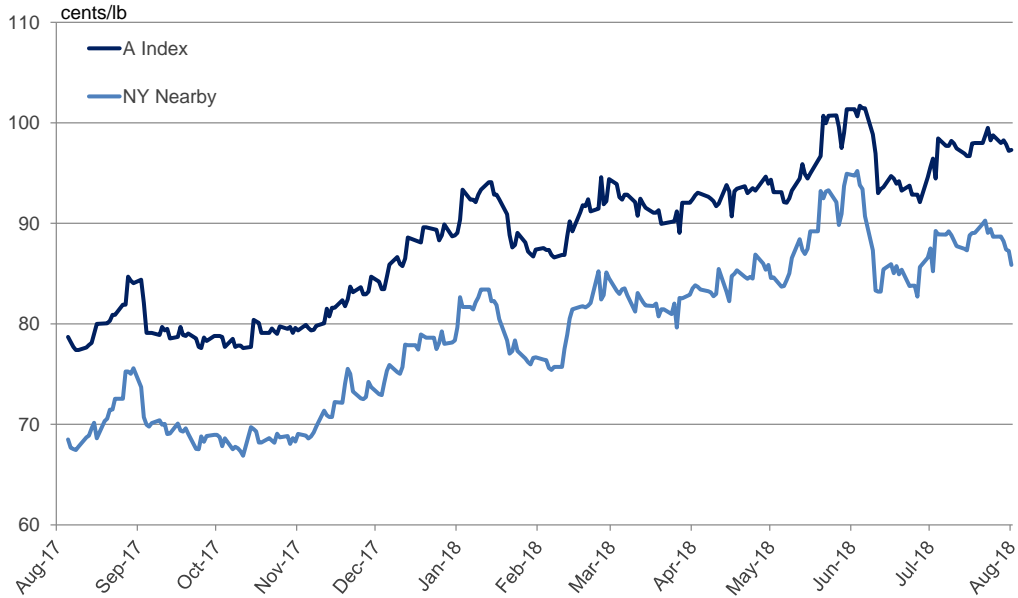
Sources: Price data from Reuters, Cotlook, Cotton Assn. of India, and Karachi Cotton Assn. Supply, demand, and trade data from the USDA.

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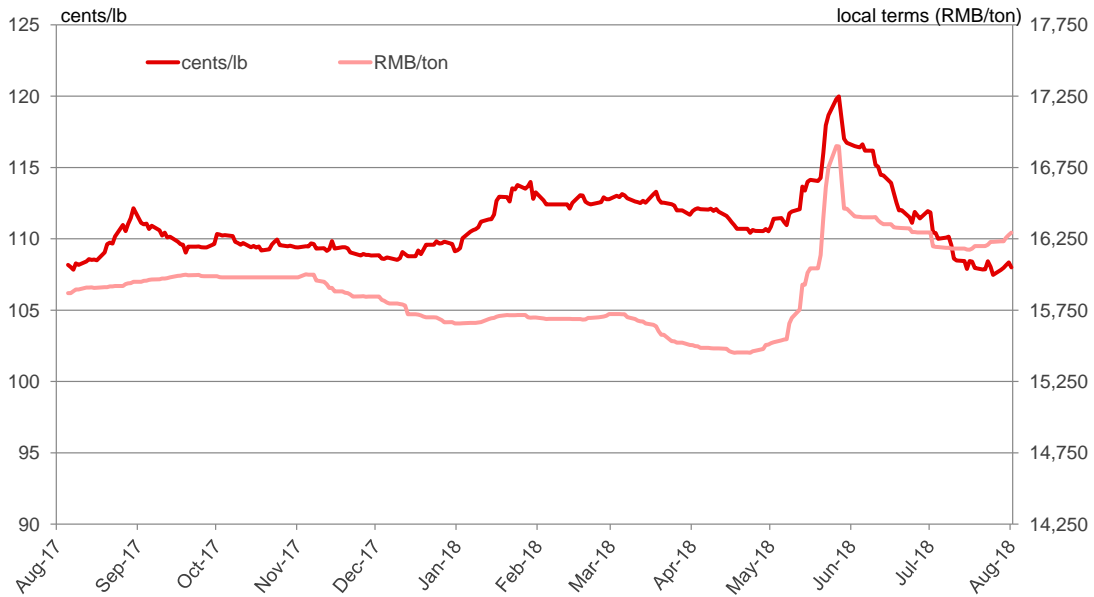
List of Charts and Tables

Charts - Daily	A Index & NY Nearby	Chinese Prices	Indian Prices	Pakistani Prices
Charts - Mon	A Index & NY Nearby	Chinese Prices	Indian Prices	Pakistani Prices
Tables	Balance Sheets (bales)	Balance Sheets (tons)	Supply & Demand (bales)	Supply & Demand (tons)

One Year of Daily A Index and NY Nearby Prices

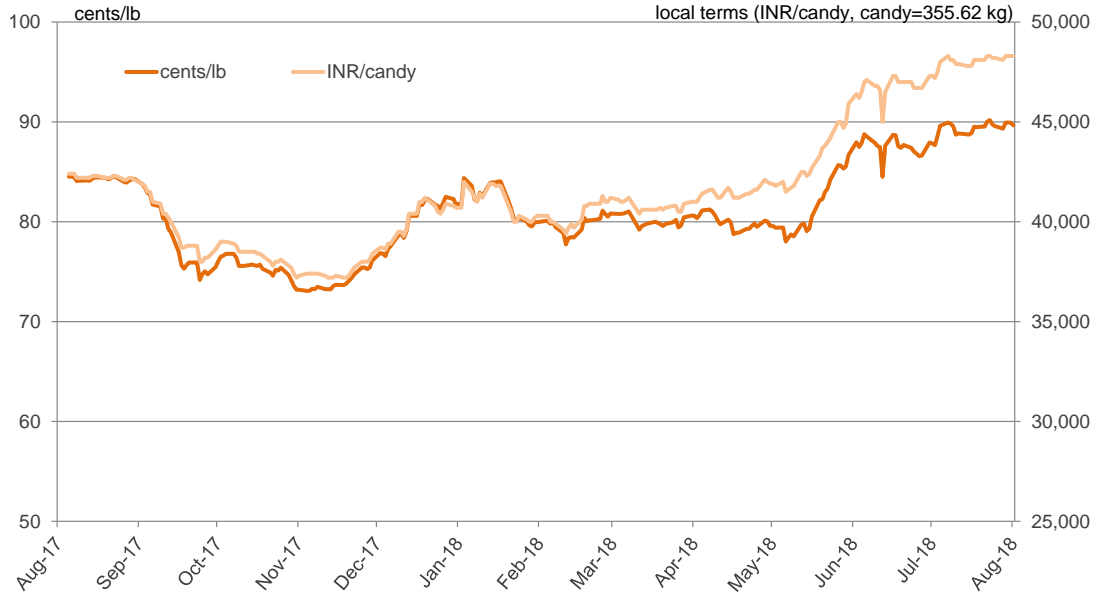


One Year of Daily CC Index (Grade 328) Prices

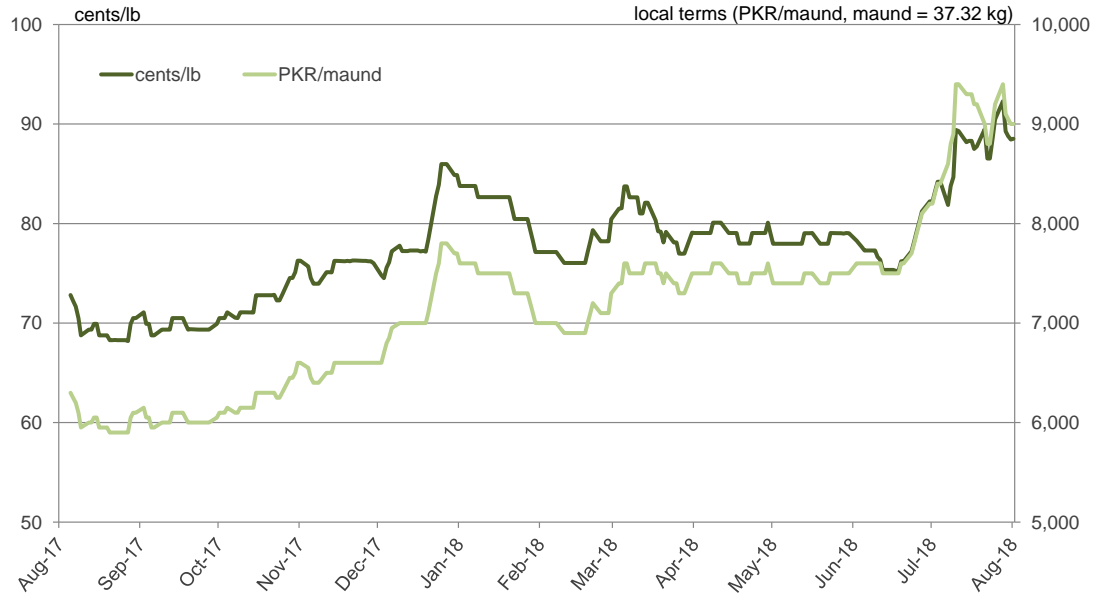


Note: Differences in price movement in local and international terms (cents/lb) due to changes in exchange rates.

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



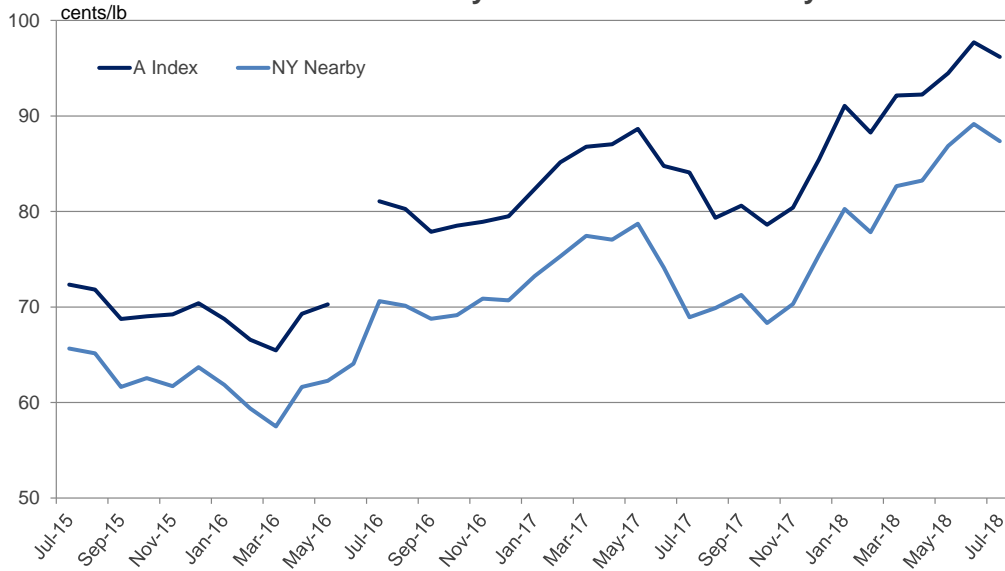
One Year of Daily Pakistani Spot Prices



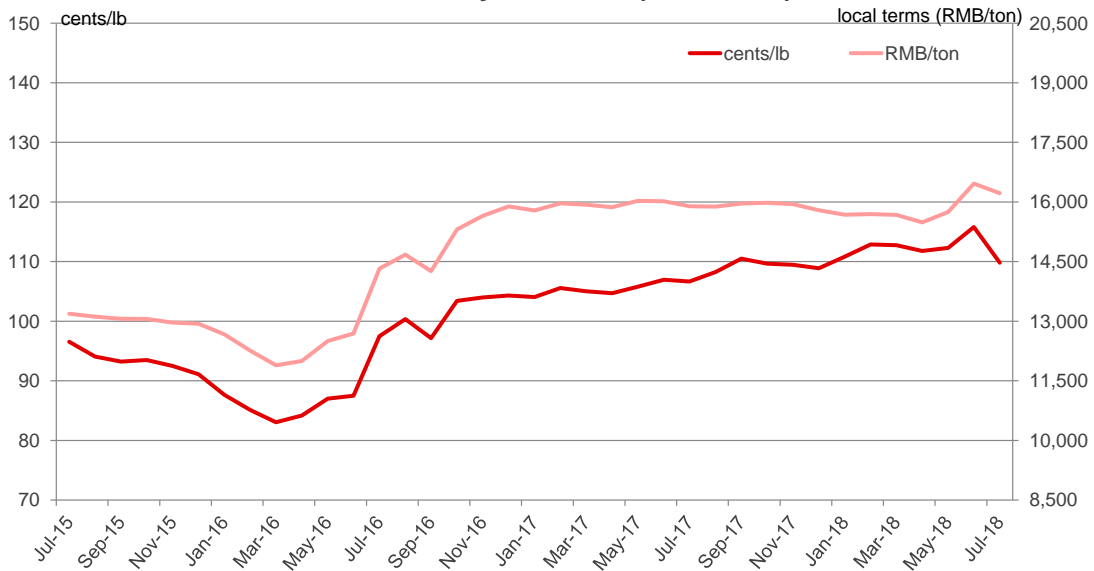
Note: Differences in price movement in local and international terms (cents/lb) due to changes in exchange rates.

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Three Years of Monthly A Index and NY Nearby Prices



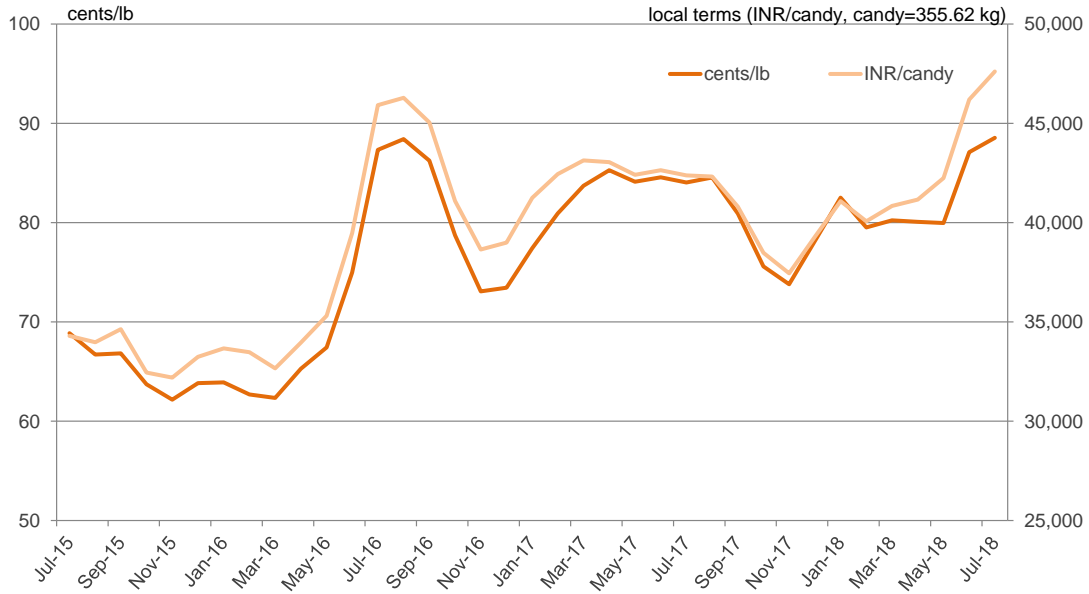
Three Years of Monthly CC Index (Grade 328) Prices



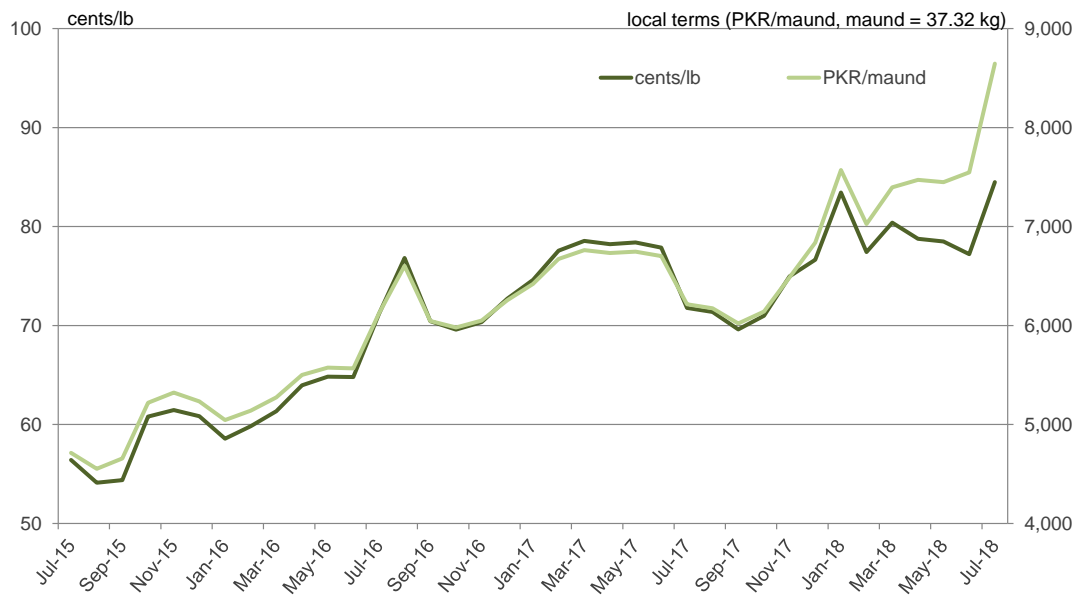
Note: Differences in price movement in local and international terms (cents/lb) due to changes in exchange rates.

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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	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Beginning Stocks	102.9	110.2	93.4	84.1	85.0	84.5
Production	119.2	96.2	106.6	123.5	120.1	120.5
Supply	222.2	206.4	200.1	207.6	205.1	205.0
Mill-Use	112.2	113.2	115.8	122.7	127.0	127.6
Ending Stocks	110.2	93.4	84.1	84.5	77.8	77.1
Stocks/Use Ratio	98.2%	82.5%	72.6%	68.8%	61.3%	60.4%

China Balance Sheet

million 480 lb. bales	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Beginning Stocks	62.7	66.4	56.7	45.9	37.7	37.8
Production	30.0	22.0	22.8	27.5	26.5	26.5
Imports	8.3	4.4	5.0	5.5	7.0	7.0
Supply	101.0	92.8	84.5	78.9	71.2	71.3
Mill-Use	34.5	36.0	38.5	41.0	42.5	42.5
Exports	0.1	0.1	0.1	0.1	0.2	0.2
Demand	34.6	36.1	38.6	41.1	42.7	42.7
Ending Stocks	66.4	56.7	45.9	37.8	28.5	28.6
Stocks/Use Ratio	192.1%	156.9%	119.1%	91.9%	66.9%	67.2%

World-Less-China Balance Sheet

million 480 lb. bales	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Beginning Stocks	40.2	43.8	36.7	38.2	38.2	46.7
Production	89.2	74.2	83.9	96.0	93.6	94.0
Imports from China	0.1	0.1	0.1	0.1	0.2	0.2
Supply	129.5	118.1	120.7	134.3	131.9	140.9
Mill-Use	77.7	77.2	77.3	81.7	84.5	85.1
Exports to China	8.3	4.4	5.0	5.5	7.0	7.0
Demand	86.0	81.6	82.3	87.2	91.5	92.1
Ending Stocks	43.8	36.7	38.2	46.7	49.3	48.5
Stocks/Use Ratio	50.9%	45.0%	46.4%	53.5%	53.9%	52.6%

Source: USDA

India Balance Sheet

million 480 lb. bales	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Beginning Stocks	11.5	13.5	9.9	11.1	12.6	12.4
Production	29.5	25.9	27.0	29.0	28.7	28.7
Imports	1.2	1.1	2.7	1.7	1.5	1.5
Supply	42.2	40.5	39.7	41.8	42.8	42.6
Mill-Use	24.5	24.8	24.0	24.2	25.2	25.2
Exports	4.2	5.8	4.6	5.2	4.3	4.5
Demand	28.7	30.5	28.6	29.4	29.5	29.7
Ending Stocks	13.5	9.9	11.1	12.4	13.3	12.9
Stocks/Use Ratio	47.0%	32.6%	39.0%	42.3%	45.2%	43.5%

U.S. Balance Sheet

million 480 lb. bales	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Beginning Stocks	2.4	3.7	3.8	2.8	4.0	4.4
Production	16.3	12.9	17.2	20.9	18.5	19.2
Imports	0.0	0.0	0.0	0.0	0.0	0.0
Supply	18.7	16.6	21.0	23.7	22.5	23.6
Mill-Use	3.6	3.5	3.3	3.3	3.4	3.4
Exports	11.2	9.2	14.9	15.8	15.0	15.5
Demand	14.8	12.6	18.2	19.1	18.4	18.9
Ending Stocks	3.7	3.8	2.8	4.4	4.0	4.6
Stocks/Use Ratio	24.6%	30.2%	15.1%	23.0%	21.7%	24.3%

Pakistan Balance Sheet

million 480 lb. bales	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Beginning Stocks	2.5	2.9	2.6	2.3	2.9	2.9
Production	10.6	7.0	7.7	8.2	8.5	8.5
Imports	1.0	3.3	2.4	3.4	2.3	2.5
Supply	14.0	13.2	12.7	13.9	13.7	13.9
Mill-Use	10.6	10.3	10.3	10.8	10.7	11.0
Exports	0.5	0.3	0.1	0.2	0.2	0.2
Demand	11.1	10.6	10.4	11.0	10.9	11.2
Ending Stocks	2.9	2.6	2.3	2.9	2.8	2.7
Stocks/Use Ratio	26.0%	24.8%	21.7%	26.2%	25.3%	23.9%

Source: USDA

World Cotton Production

million 480 lb. bales	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
India	29.5	25.9	27.0	29.0	28.7	28.7
China	30.0	22.0	22.8	27.5	26.5	26.5
United States	16.3	12.9	17.2	20.9	18.5	19.2
Brazil	7.2	5.9	7.0	9.2	9.5	9.5
Pakistan	10.6	7.0	7.7	8.2	8.5	8.5
Turkey	3.2	2.7	3.2	4.0	4.3	4.5
Australia	2.3	2.9	4.1	4.7	3.7	3.6
Uzbekistan	3.9	3.8	3.7	4.0	3.8	3.3
Mexico	1.3	0.9	0.8	1.6	1.8	1.8
Burkina	1.4	1.1	1.3	1.3	1.4	1.4
Mali	1.0	1.0	1.2	1.4	1.4	1.4
Turkmenistan	1.5	1.5	1.3	1.4	1.4	1.3
Greece	1.3	1.0	1.0	1.2	1.3	1.3
Rest of World	9.7	7.7	8.3	9.2	9.5	9.7
African Franc Zone	4.8	4.0	4.8	4.9	5.0	5.0
EU-27	1.7	1.3	1.3	1.5	1.6	1.6
World	119.2	96.2	106.6	123.5	120.1	120.5

World Cotton Exports

million 480 lb. bales	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
United States	11.2	9.2	14.9	15.8	15.0	15.5
Brazil	3.9	4.3	2.8	4.2	5.4	5.3
India	4.2	5.8	4.6	5.2	4.3	4.5
Australia	2.4	2.8	3.7	4.0	4.4	4.3
Burkina	1.1	1.3	1.1	1.3	1.3	1.4
Mali	0.9	1.0	1.1	1.3	1.2	1.3
Greece	1.2	1.0	1.0	1.1	1.1	1.1
Benin	0.6	0.7	0.6	0.8	0.8	0.8
Uzbekistan	2.6	2.2	1.8	0.9	1.0	0.8
Cote d'Ivoire	0.9	0.8	0.6	0.7	0.7	0.7
Turkmenistan	1.5	1.3	0.9	0.7	0.6	0.6
Mexico	0.2	0.1	0.2	0.4	0.6	0.6
Tajikistan	0.5	0.5	0.3	0.5	0.5	0.5
Rest of World	4.4	4.0	4.2	4.1	4.4	4.5
African Franc Zone	4.0	4.6	4.1	4.6	4.7	4.7
EU-27	1.6	1.3	1.3	1.4	1.5	1.5
World	35.5	34.9	37.7	40.8	41.2	41.8

Source: USDA

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World Cotton Mill-Use

million 480 lb. bales	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
China	34.5	36.0	38.5	41.0	42.5	42.5
India	24.5	24.8	24.0	24.2	25.2	25.2
Pakistan	10.6	10.3	10.3	10.8	10.7	11.0
Bangladesh	5.8	6.3	6.8	7.5	8.0	8.0
Turkey	6.4	6.7	6.5	7.3	7.4	7.5
Vietnam	4.1	4.5	5.4	6.6	7.5	7.5
Indonesia	3.3	3.0	3.3	3.6	3.5	3.7
Brazil	3.4	3.1	3.2	3.4	3.6	3.6
United States	3.6	3.5	3.3	3.3	3.4	3.4
Uzbekistan	1.8	1.8	2.0	2.6	2.8	2.8
Mexico	1.9	1.9	1.8	1.9	1.9	1.9
Thailand	1.5	1.3	1.2	1.1	1.1	1.1
South Korea	1.3	1.2	1.1	0.9	0.8	0.8
Rest of World	9.7	9.0	8.5	8.6	8.6	8.7
African Franc Zone	0.1	0.1	0.1	0.1	0.1	0.1
EU-27	0.9	0.8	0.7	0.8	0.7	0.7
World	112.2	113.2	115.8	122.7	127.0	127.6

World Cotton Imports

million 480 lb. bales	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Bangladesh	5.8	6.4	6.8	7.6	8.0	8.1
Vietnam	4.3	4.6	5.5	6.9	7.7	7.7
China	8.3	4.4	5.0	5.5	7.0	7.0
Indonesia	3.3	2.9	3.4	3.6	3.5	3.8
Turkey	3.7	4.2	3.7	4.0	3.6	3.5
Pakistan	1.0	3.3	2.4	3.4	2.3	2.5
India	1.2	1.1	2.7	1.7	1.5	1.5
Thailand	1.5	1.3	1.2	1.1	1.1	1.1
Mexico	0.8	1.0	1.0	0.9	0.9	0.9
South Korea	1.3	1.2	1.0	0.9	0.8	0.8
Taiwan	0.9	0.7	0.6	0.6	0.6	0.6
Malaysia	0.3	0.4	0.4	0.7	0.6	0.6
Egypt	0.3	0.5	0.5	0.6	0.5	0.5
Rest of World	3.4	3.5	3.3	3.4	3.3	3.3
African Franc Zone	0.0	0.0	0.0	0.0	0.0	0.0
EU-27	0.9	0.8	0.7	0.7	0.7	0.7
World Total	36.1	35.4	37.7	40.8	41.2	41.8

Source: USDA

World Balance Sheet

million metric tons	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Beginning Stocks	22.4	24.0	20.3	18.3	18.5	18.4
Production	26.0	20.9	23.2	26.9	26.2	26.2
Supply	48.4	44.9	43.6	45.2	44.6	44.6
Mill-Use	24.4	24.7	25.2	26.7	27.6	27.8
Ending Stocks	24.0	20.3	18.3	18.4	16.9	16.8
Stocks/Use Ratio	98.2%	82.5%	72.6%	68.8%	61.3%	60.4%

China Balance Sheet

million metric tons	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Beginning Stocks	13.7	14.5	12.3	10.0	8.2	8.2
Production	6.5	4.8	5.0	6.0	5.8	5.8
Imports	1.8	1.0	1.1	1.2	1.5	1.5
Supply	22.0	20.2	18.4	17.2	15.5	15.5
Mill-Use	7.5	7.8	8.4	8.9	9.3	9.3
Exports	0.0	0.0	0.0	0.0	0.0	0.0
Demand	7.5	7.9	8.4	9.0	9.3	9.3
Ending Stocks	14.5	12.3	10.0	8.2	6.2	6.2
Stocks/Use Ratio	192.1%	156.9%	119.1%	91.9%	66.9%	67.2%

World-Less-China Balance Sheet

million metric tons	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Beginning Stocks	8.8	9.5	8.0	8.3	8.3	10.2
Production	19.4	16.1	18.3	20.9	20.4	20.5
Imports from China	0.0	0.0	0.0	0.0	0.0	0.0
Supply	28.2	25.7	26.3	29.2	28.7	30.7
Mill-Use	16.9	16.8	16.8	17.8	18.4	18.5
Exports to China	1.8	1.0	1.1	1.2	1.5	1.5
Demand	18.7	17.8	17.9	19.0	19.9	20.1
Ending Stocks	9.5	8.0	8.3	10.2	10.7	10.5
Stocks/Use Ratio	50.9%	45.0%	46.4%	53.5%	53.9%	52.6%

Source: USDA

India Balance Sheet

million metric tons	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Beginning Stocks	2.5	2.9	2.2	2.4	2.7	2.7
Production	6.4	5.6	5.9	6.3	6.2	6.2
Imports	0.3	0.2	0.6	0.4	0.3	0.3
Supply	9.2	8.8	8.6	9.1	9.3	9.3
Mill-Use	5.3	5.4	5.2	5.3	5.5	5.5
Exports	0.9	1.3	1.0	1.1	0.9	1.0
Demand	6.2	6.6	6.2	6.4	6.4	6.5
Ending Stocks	2.9	2.2	2.4	2.7	2.9	2.8
Stocks/Use Ratio	47.0%	32.6%	39.0%	42.3%	45.2%	43.5%

U.S. Balance Sheet

million metric tons	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Beginning Stocks	0.5	0.8	0.8	0.6	0.9	1.0
Production	3.6	2.8	3.7	4.6	4.0	4.2
Imports	0.0	0.0	0.0	0.0	0.0	0.0
Supply	4.1	3.6	4.6	5.2	4.9	5.1
Mill-Use	0.8	0.8	0.7	0.7	0.7	0.7
Exports	2.4	2.0	3.2	3.5	3.3	3.4
Demand	3.2	2.7	4.0	4.2	4.0	4.1
Ending Stocks	0.8	0.8	0.6	1.0	0.9	1.0
Stocks/Use Ratio	24.6%	30.2%	15.1%	23.0%	21.7%	24.3%

Pakistan Balance Sheet

million metric tons	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Beginning Stocks	0.5	0.6	0.6	0.5	0.6	0.6
Production	2.3	1.5	1.7	1.8	1.9	1.9
Imports	0.2	0.7	0.5	0.7	0.5	0.5
Supply	3.1	2.9	2.8	3.0	3.0	3.0
Mill-Use	2.3	2.2	2.2	2.4	2.3	2.4
Exports	0.1	0.1	0.0	0.0	0.0	0.0
Demand	2.4	2.3	2.3	2.4	2.4	2.4
Ending Stocks	0.6	0.6	0.5	0.6	0.6	0.6
Stocks/Use Ratio	26.0%	24.8%	21.7%	26.2%	25.3%	23.9%

Source: USDA

World Cotton Production

million metric tons	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
India	6.4	5.6	5.9	6.3	6.2	6.2
China	6.5	4.8	5.0	6.0	5.8	5.8
United States	3.6	2.8	3.7	4.6	4.0	4.2
Brazil	1.6	1.3	1.5	2.0	2.1	2.1
Pakistan	2.3	1.5	1.7	1.8	1.9	1.9
Turkey	0.7	0.6	0.7	0.9	0.9	1.0
Australia	0.5	0.6	0.9	1.0	0.8	0.8
Uzbekistan	0.8	0.8	0.8	0.9	0.8	0.7
Mexico	0.3	0.2	0.2	0.3	0.4	0.4
Burkina	0.3	0.2	0.3	0.3	0.3	0.3
Mali	0.2	0.2	0.3	0.3	0.3	0.3
Turkmenistan	0.3	0.3	0.3	0.3	0.3	0.3
Greece	0.3	0.2	0.2	0.3	0.3	0.3
Rest of World	2.1	1.7	1.8	2.0	2.1	2.1
African Franc Zone	1.0	0.9	1.0	1.1	1.1	1.1
EU-27	0.4	0.3	0.3	0.3	0.3	0.3
World	26.0	20.9	23.2	26.9	26.2	26.2

World Cotton Exports

million metric tons	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
United States	2.4	2.0	3.2	3.5	3.3	3.4
Brazil	0.9	0.9	0.6	0.9	1.2	1.2
India	0.9	1.3	1.0	1.1	0.9	1.0
Australia	0.5	0.6	0.8	0.9	1.0	0.9
Burkina	0.2	0.3	0.2	0.3	0.3	0.3
Mali	0.2	0.2	0.2	0.3	0.3	0.3
Greece	0.3	0.2	0.2	0.2	0.2	0.2
Benin	0.1	0.2	0.1	0.2	0.2	0.2
Uzbekistan	0.6	0.5	0.4	0.2	0.2	0.2
Cote d'Ivoire	0.2	0.2	0.1	0.1	0.2	0.2
Turkmenistan	0.3	0.3	0.2	0.2	0.1	0.1
Mexico	0.0	0.0	0.0	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	0.9	0.9	1.0	1.0
African Franc Zone	0.9	1.0	0.9	1.0	1.0	1.0
EU-27	0.4	0.3	0.3	0.3	0.3	0.3
World	7.7	7.6	8.2	8.9	9.0	9.1

Source: USDA

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World Cotton Consumption

million metric tons	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
China	7.5	7.8	8.4	8.9	9.3	9.3
India	5.3	5.4	5.2	5.3	5.5	5.5
Pakistan	2.3	2.2	2.2	2.4	2.3	2.4
Bangladesh	1.3	1.4	1.5	1.6	1.7	1.7
Turkey	1.4	1.5	1.4	1.6	1.6	1.6
Vietnam	0.9	1.0	1.2	1.4	1.6	1.6
Indonesia	0.7	0.7	0.7	0.8	0.8	0.8
Brazil	0.7	0.7	0.7	0.7	0.8	0.8
United States	0.8	0.8	0.7	0.7	0.7	0.7
Uzbekistan	0.4	0.4	0.4	0.6	0.6	0.6
Mexico	0.4	0.4	0.4	0.4	0.4	0.4
Thailand	0.3	0.3	0.3	0.2	0.2	0.2
South Korea	0.3	0.3	0.2	0.2	0.2	0.2
Rest of World	2.1	2.0	1.9	1.9	1.9	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
World Total	24.4	24.7	25.2	26.7	27.6	27.8

World Cotton Imports

million metric tons	2014/15	2015/16	2016/17	2017/18	2018/19 July	2018/19 August
Bangladesh	1.3	1.4	1.5	1.7	1.7	1.8
Vietnam	0.9	1.0	1.2	1.5	1.7	1.7
China	1.8	1.0	1.1	1.2	1.5	1.5
Indonesia	0.7	0.6	0.7	0.8	0.8	0.8
Turkey	0.8	0.9	0.8	0.9	0.8	0.8
Pakistan	0.2	0.7	0.5	0.7	0.5	0.5
India	0.3	0.2	0.6	0.4	0.3	0.3
Thailand	0.3	0.3	0.3	0.2	0.2	0.2
Mexico	0.2	0.2	0.2	0.2	0.2	0.2
South Korea	0.3	0.3	0.2	0.2	0.2	0.2
Taiwan	0.2	0.2	0.1	0.1	0.1	0.1
Malaysia	0.1	0.1	0.1	0.1	0.1	0.1
Egypt	0.1	0.1	0.1	0.1	0.1	0.1
Rest of World	0.8	0.8	0.7	0.7	0.7	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
World Total	7.9	7.7	8.2	8.9	9.0	9.1

Source: USDA

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