

# Monthly Economic Letter

Cotton Market Fundamentals & Price Outlook



## RECENT PRICE MOVEMENT

All benchmark prices decreased over the past month.

- The NY December contract set new life-of-contract lows in dropping from 63 to 58 cents/lb between mid-July and early August. NY futures had not traded below 60 cents/lb since 2016.
- The A Index fell from 74 to 70 cents/lb from mid-July to early August.
- In international terms, the China Cotton Index (CC Index 3128B) decreased from 94 to 88 cents/lb between mid-July and early August. In domestic terms, values dropped from 14,200 to 13,600 RMB/ton. Over the same period, the RMB declined 2.7% against the USD (from 6.87 to 7.05 RMB/USD).
- Indian cotton prices (Shankar-6 quality) fell from 82 to 75 cents/lb in international terms and from 43,900 to 41,700 INR/candy domestically. Over the same period, the INR declined 3.4% against the USD (from 68.5 to 70.8 INR/USD).
- Pakistani prices fell from 64 to 60 cents/lb in international terms and from 8,400 to 7,750 PKR/maund in domestic terms. After steep declines against the dollar between April and July (-14%), the PKR was stable against the dollar over the past month.

## SUPPLY, DEMAND, & TRADE

The latest USDA report featured a slight decrease to the 2019/20 production forecast (-179,000 bales, from 125.8 to 125.6 million) and a larger decrease in the projection for world mill-use (-1.2 million bales, from 124.3 to 123.1 million). When combined with an upward revision to beginning stocks (+1.0 million bales), the result was a 2.0 million increase to the expectation for global ending stocks in 2019/20 (from 80.4 to 82.5 million). This volume is slightly higher than levels from the past three crop years (80.3 million in 2016/17, 81.0 million in 2017/18, 80.3 in 2018/19), but is well below the amount in 2015/16 (90.2 million).

At the country-level, the largest revisions to 2019/20 production figures were for the U.S. (+516,000 bales, to 22.5 million), Uzbekistan (-250,000, to 3.0 million), Turkmenistan (-150,000 bales, to 1.0 million), and Burkina Faso (-100,000 bales, to 1.1 million).

For mill-use, the largest country-level changes were for China (-500,000 bales to 40.0 million), India (-500,000 bales, to 25.0 million), and Uzbekistan (-100,000 bales, to 2.9 million).

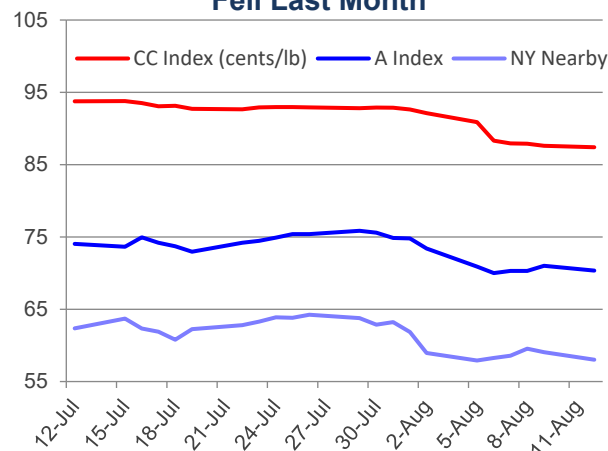
The global trade forecast was lowered slightly (-220,000 bales, to 43.9 million). In terms of imports, only notable change was for Pakistan (-200,000 bales, to 2.8 million). For exports, notable changes included those for the U.S. (+200,000 bales, to 17.2 million), India (-200,000 bales, to 4.2 million), and Turkmenistan (-175,000 bales, to 275,000).

## PRICE OUTLOOK

Trade-related uncertainty remains a central question for the cotton fiber market, apparel supply chains, and the global economic outlook.

The USDA publishes weekly export data regarding U.S. export sales and shipments for many agricultural commodities. Because these data are published weekly, figures are available to describe the entire 2018/19 crop year (ended July 31). As a result, it is possible to examine how the tariff increases on U.S. fiber that China implemented last July affected U.S. sales and shipments throughout 2018/19.

## All Benchmark Prices Fell Last Month



## Recent Price Data

cents/lb	Latest Value (Aug 12)	Latest Month (Jul)	Last 12 Months (Aug18-Jul19)
NY Nearby	58.0	63.8	74.4
A Index	70.4	74.6	74.6
CC Index	87.4	93.5	102.6
Indian Spot	75.3	82.1	81.5
Pakistani Spot	59.6	64.0	75.7

Additional price data available [here](#).

Price definitions available [here](#).

## World Balance Sheet

million 480 lb. bales	2019/20		
	2018/19	Jul	Aug
Beg. Stocks	81.0	79.3	80.3
Production	119.2	125.8	125.6
Mill-Use	120.6	124.3	123.1
Ending Stocks	80.3	80.4	82.5
Stocks/Use	66.6%	64.7%	67.0%

## China Balance Sheet

million 480 lb. bales	2019/20		
	2018/19	Jul	Aug
Beg. Stocks	38.0	35.4	35.6
Production	27.8	27.8	27.8
Imports	9.5	10.5	10.5
Mill-Use	39.5	40.5	40.0
Exports	0.2	0.1	0.1
Ending Stocks	35.6	33.0	33.7
Stocks/Use	89.7%	81.2%	84.0%

## World-Less-China Balance Sheet

million 480 lb. bales	2019/20		
	2018/19	Jul	Aug
Beg. Stocks	43.0	43.9	44.7
Production	91.4	98.0	97.9
Imports from China	0.2	0.1	0.1
Mill-Use	81.1	83.8	83.1
Exports to China	9.5	10.5	10.5
Ending Stocks	44.7	47.4	48.7
Stocks/Use	49.3%	50.3%	52.1%

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

At the onset of 2018/19, the U.S. had two million bales under contract with China. That commitment eroded between September and February, bottoming out a level near 1.7 million 480lb bales before climbing slightly higher over the remainder of the crop year. At the onset of 2019/20, the U.S. has 1.9 million bales committed to China (-3% year-over-year).

The tariff increase had a more significant effect on shipments than sales. Accumulated U.S. shipments to China in 2018/19 were 1.6 million bales, 930,000 bales (-35%) lower than in 2017/18. Despite the tariffs, China was the top destination for U.S. pima shipments in 2018/19 (237,000 bales). Vietnam was the top destination for U.S. upland (3.4 million bales). Turkey (1.4 million bales) ranked second, narrowly beating out China (1.4 million bales). In terms of total cotton exports (pima plus upland), China (1.6 million bales) was the second-largest destination (only behind Vietnam), demonstrating the continued importance of China for U.S. exports, even after the tariff increase. While tariffs lowered U.S. exports, the impact was not been as severe as it was for other commodities. For comparison, U.S. exports of soybeans to China were down 61% year-over-year in 2018/19.

The latest Chinese import data are for June. This means that data for all of 2018/19 are not yet available, but a full year of monthly figures have been published since the tariff increases were implemented (July-June). In those numbers, U.S. market share was sharply lower year-over-year (47% between July 2017 and June 2018, 17% between July 2018 and June 2019). The decrease in share was a result of a strong increase in Chinese imports from all locations (+73% or +4.0 million bales year-over-year June-July) and a decrease in imports from the U.S. (-35% or -890,000 bales). This implied significant increases in Chinese imports from most alternate locations, especially Brazil (+450% or +1.7 million bales), Australia (+122% or +1.4 million bales), India (+217% or +944,000 bales), and West Africa (+196% or +440,000 bales). Even with these shifts, the U.S. ranked as the third-largest source (behind Brazil and Australia), demonstrating the continued importance of the U.S. as a source of supply for China despite the tariff increase.

The U.S. is scheduled to increase tariff rates on China-made apparel by ten percentage points on September 1st. By raising sourcing costs for U.S. retailers and brands, these tariffs may lower order volumes. However, the U.S. has been making threats to increase tariffs on Chinese apparel for more than one year. Those threats have not caused any shifts in U.S. apparel imports, with China continuing to represent about 40% of imports of apparel of all fibers and about 30% of cotton-dominant apparel imports. USDA data that convert apparel imports into their raw fiber equivalence show the volume of cotton brought into the U.S. in apparel form (from all sources) has been gently rising over the past year (+4% year-over-year during the first five months of 2019). With sourcing costs set to increase with tariff implementation next month, both the allocation and volume of retailer orders may change.

When the possibility of lower order volumes is extended across other supply chains, it becomes evident how the trade dispute can impact the global economy, and concern about escalating tariffs has been a reason forecasts for economic growth have been falling. Slower global economic growth is associated with slower growth in mill-use, and this can be another way tariffs can affect the cotton market.

Nonetheless, the trade dispute has demonstrated that it can quickly evolve. A resolution could improve the global economic outlook, apparel demand, and therefore, fiber demand. However, momentum appears to be on the side of further escalation, and there does not appear to be a clear path towards an agreement.

### World Cotton Production

million 480 lb. bales	2018/19	2019/20	
		Jul	Aug
India	26.5	29.0	29.0
China	27.8	27.8	27.8
United States	18.4	22.0	22.5
Brazil	12.8	12.0	12.0
Pakistan	7.6	8.0	8.0
Rest of World	26.2	27.0	26.3
World	119.2	125.8	125.6

### World Cotton Mill-Use

million 480 lb. bales	2018/19	2019/20	
		Jul	Aug
China	39.5	40.5	40.0
India	24.5	25.5	25.0
Pakistan	10.6	10.7	10.7
Vietnam	7.1	7.6	7.6
Bangladesh	7.1	7.4	7.4
Rest of World	31.8	32.6	32.4
World	120.6	124.3	123.1

### World Cotton Exports

million 480 lb. bales	2018/19	2019/20	
		Jul	Aug
United States	14.2	17.0	17.2
Brazil	6.0	8.0	8.0
India	3.6	4.4	4.2
Australia	3.8	1.8	1.8
Benin	1.4	1.4	1.4
Rest of World	11.8	11.6	11.3
World	40.8	44.2	43.9

### World Cotton Imports

million 480 lb. bales	2018/19	2019/20	
		Jul	Aug
China	9.5	10.5	10.5
Vietnam	7.0	7.8	7.8
Bangladesh	6.9	7.3	7.3
Indonesia	3.0	3.3	3.3
Turkey	3.4	3.0	3.0
Rest of World	12.0	12.2	12.0
World	41.8	44.1	43.9

### World Cotton Ending Stocks

million 480 lb. bales	2018/19	2019/20	
		Jul	Aug
China	35.6	33.0	33.7
Brazil	12.0	12.3	12.5
India	9.1	8.9	10.3
United States	5.3	6.7	7.2
Pakistan	2.6	2.9	2.6
Rest of World	15.7	16.7	16.1
World	80.3	80.4	82.5

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

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

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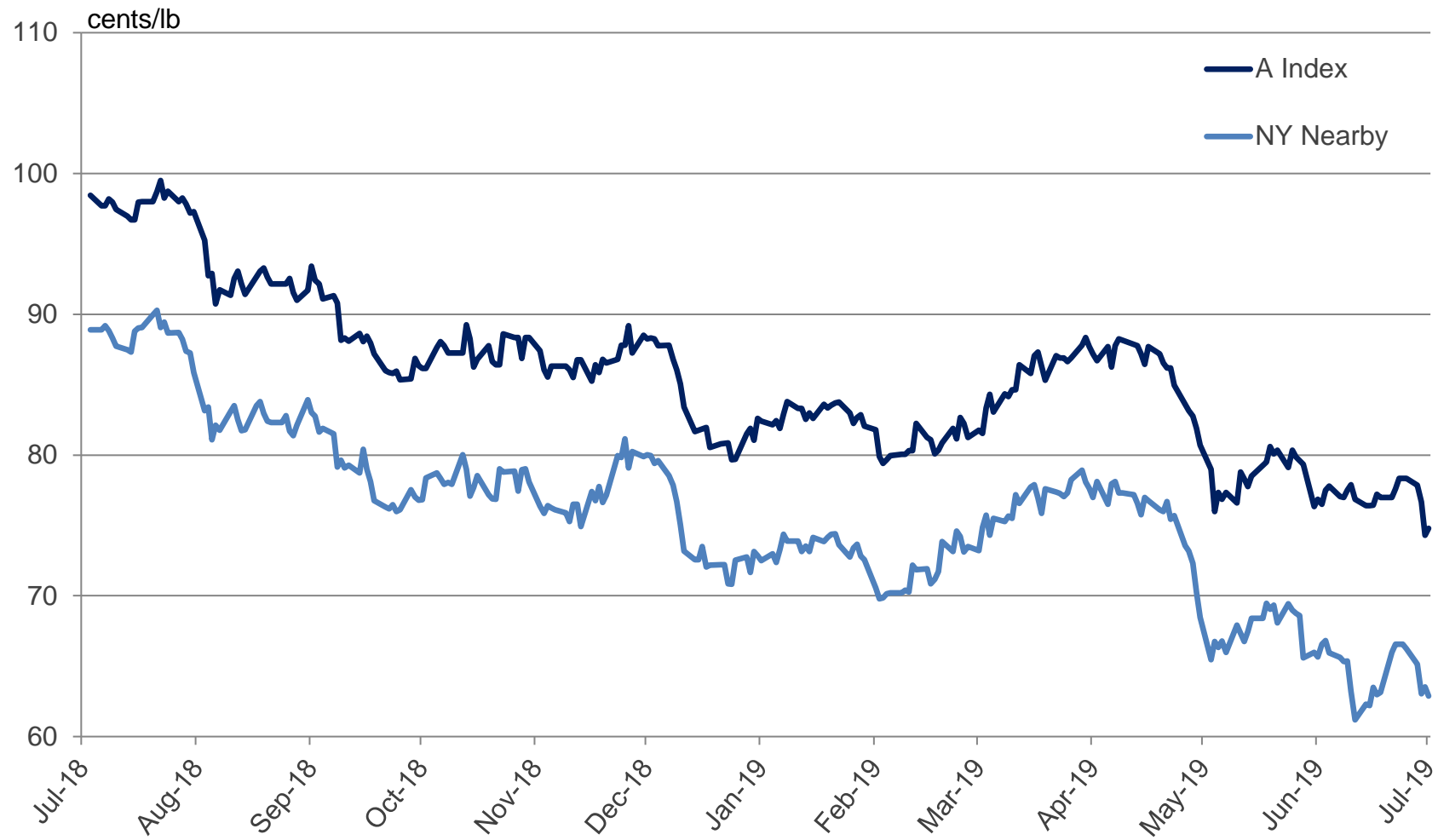
Sources: Price data from Reuters, Cotlook, Cotton Assn. of India, and Karachi Cotton Assn. Supply, demand, and trade data from the USDA.

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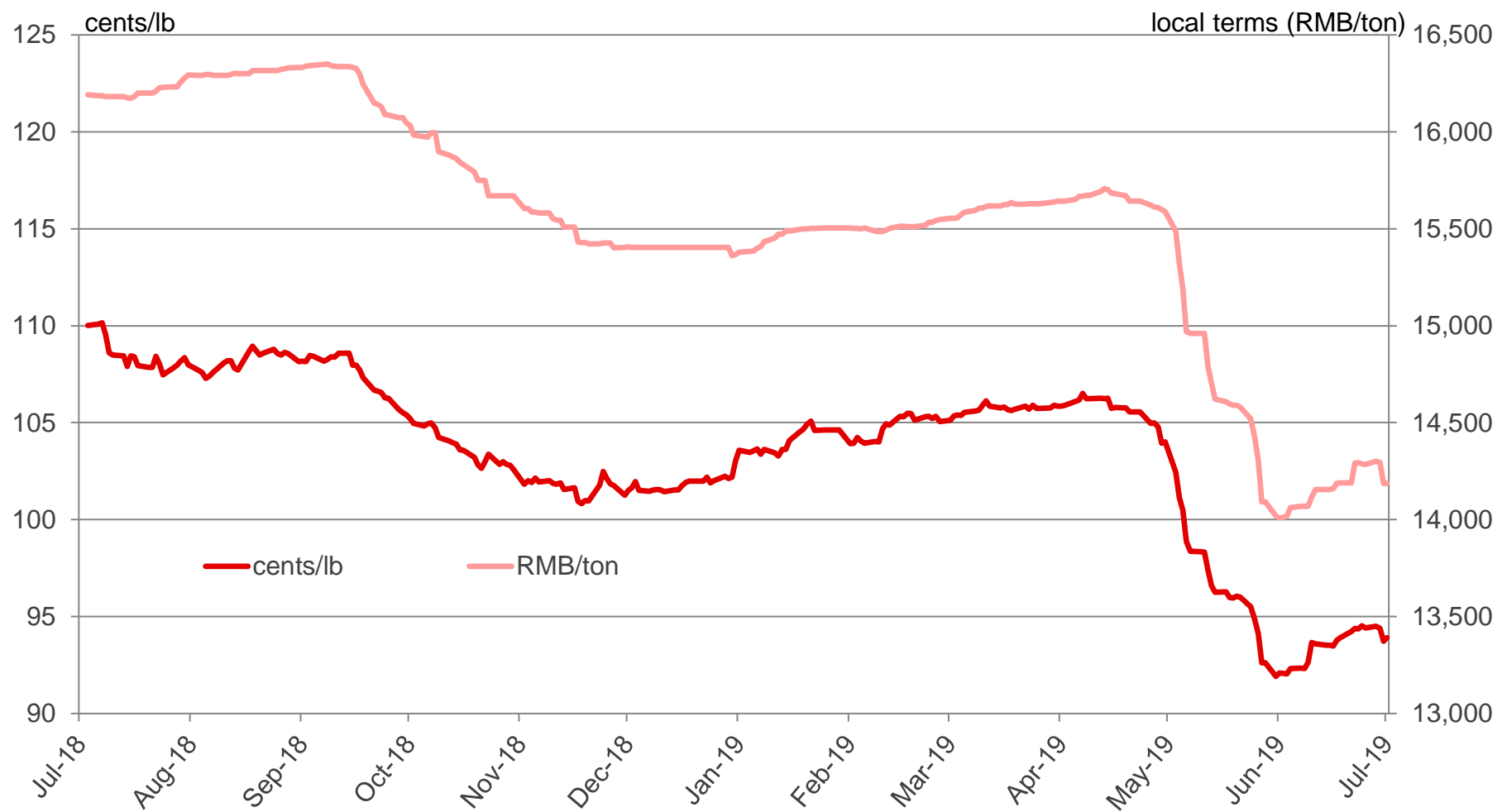
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Charts - Mon	<a href="#">A Index &amp; NY Nearby</a>	<a href="#">Chinese Prices</a>	<a href="#">Indian Prices</a>	<a href="#">Pakistani Prices</a>
Tables	<a href="#">Balance Sheets (bales)</a>	<a href="#">Balance Sheets (tons)</a>	<a href="#">Supply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

**One Year of Daily A Index and NY Nearby Prices**

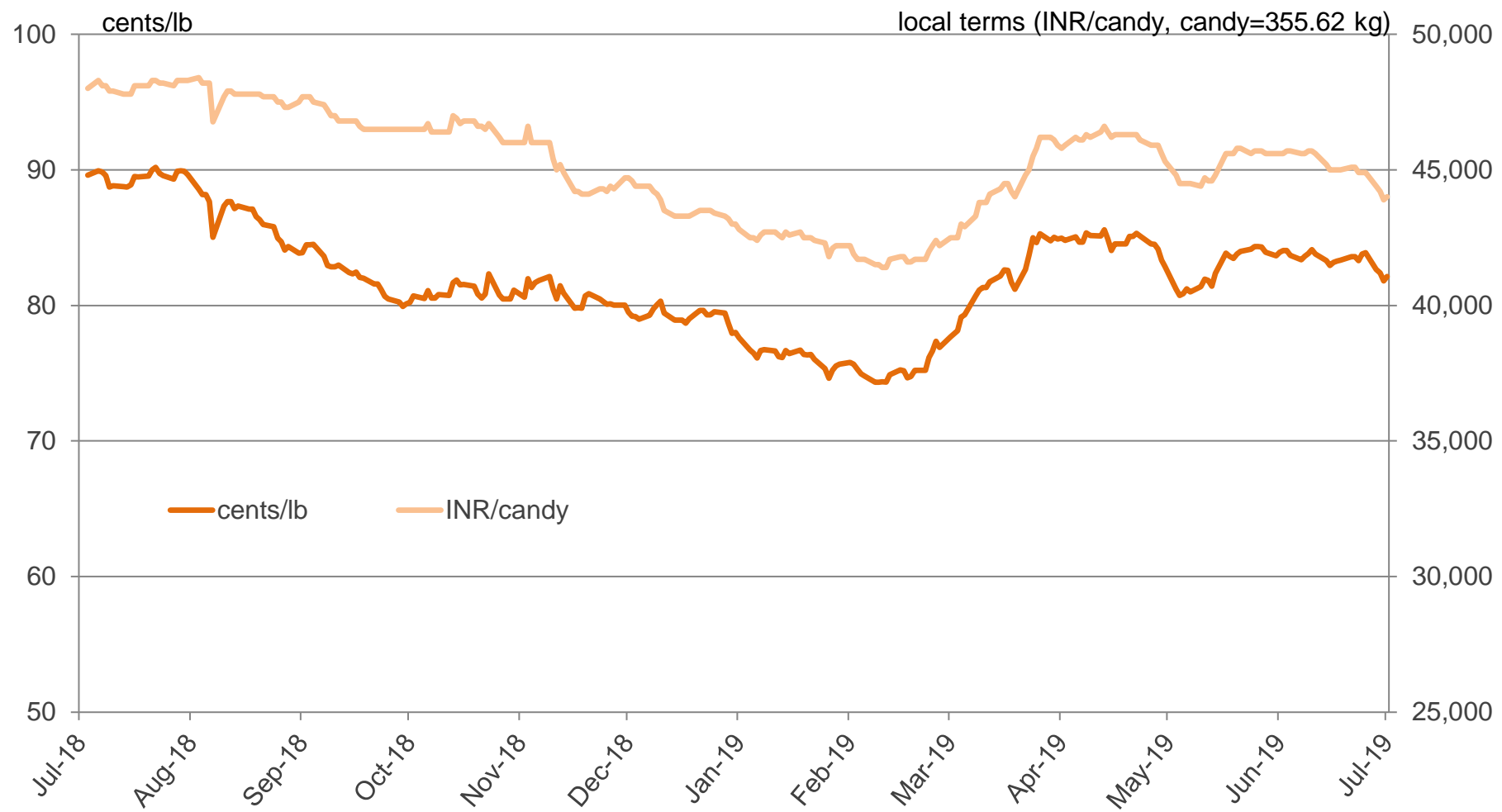


**One Year of Daily CC Index (Grade 328) Prices**

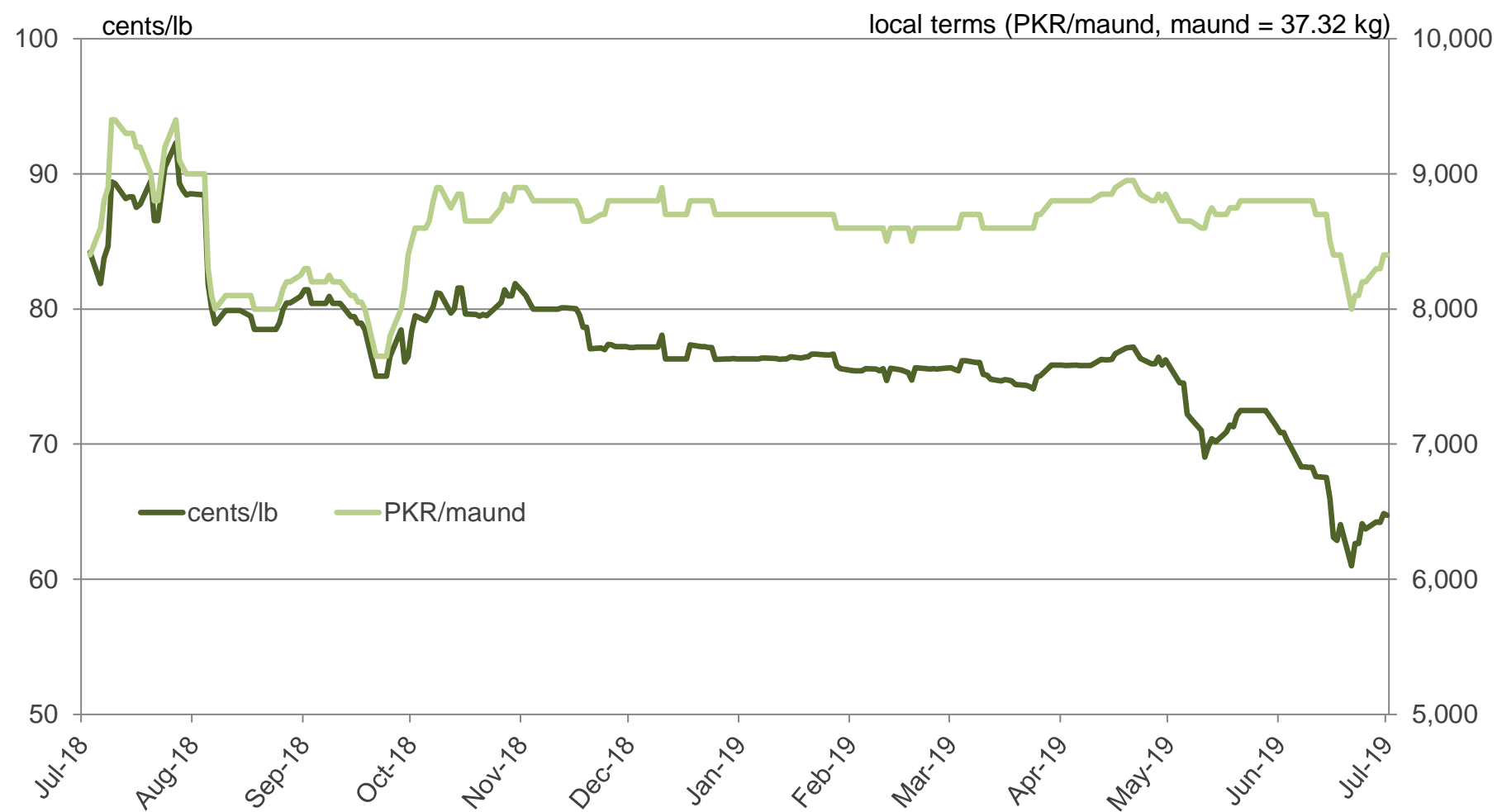


Note: Differences in price movement in local and international terms (cents/lb) due to changes in exchange rates.

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

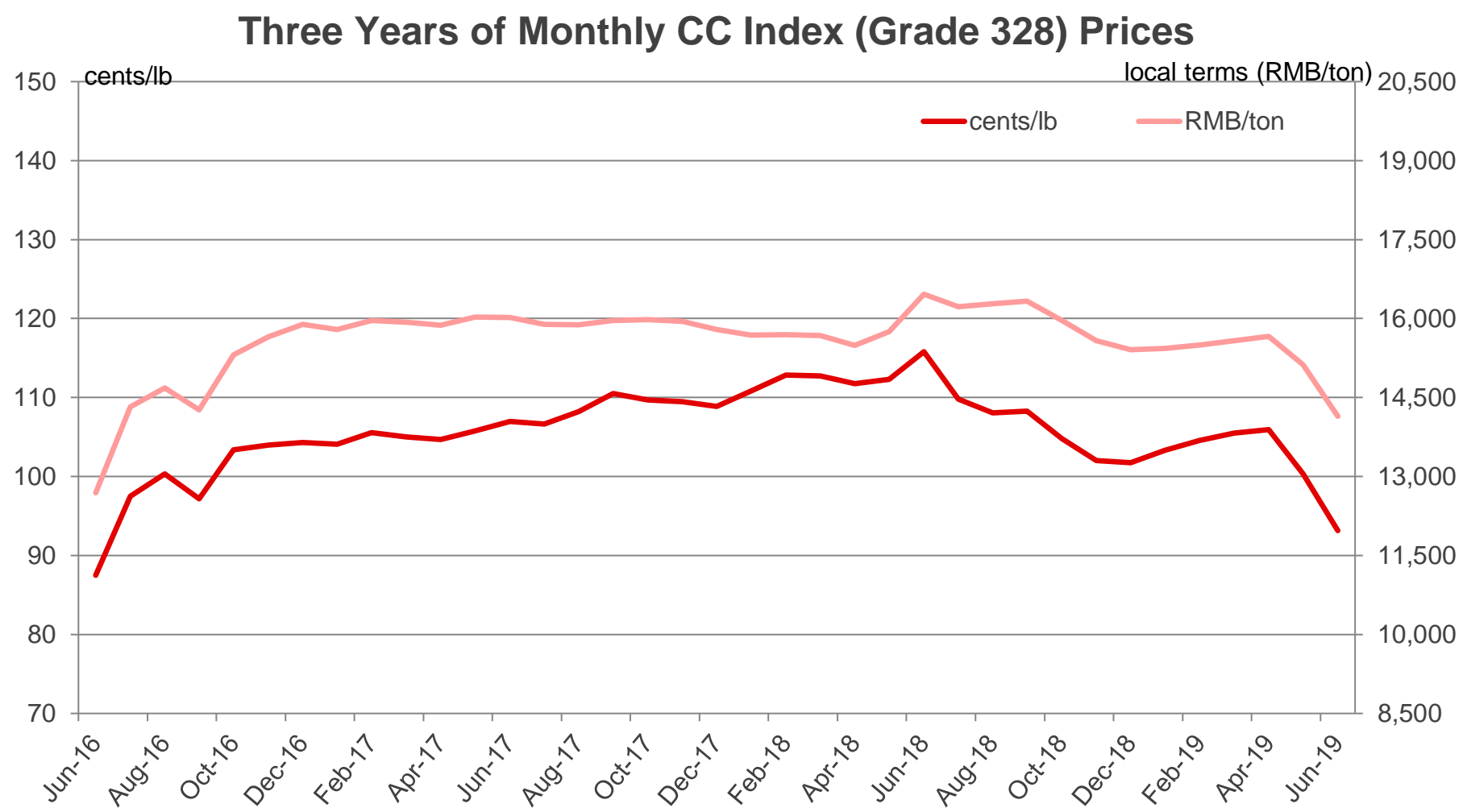
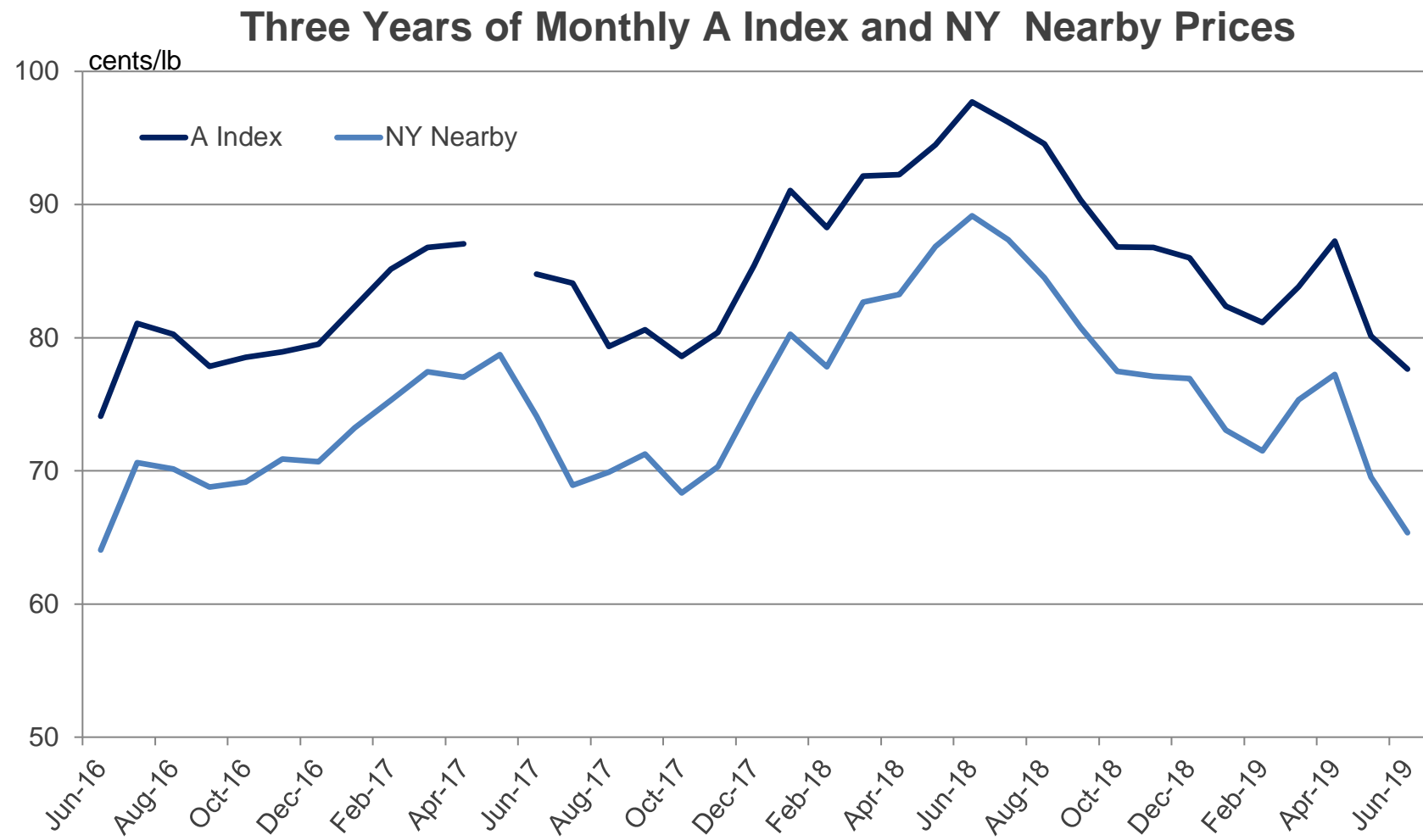


### One Year of Daily Pakistani Spot Prices



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

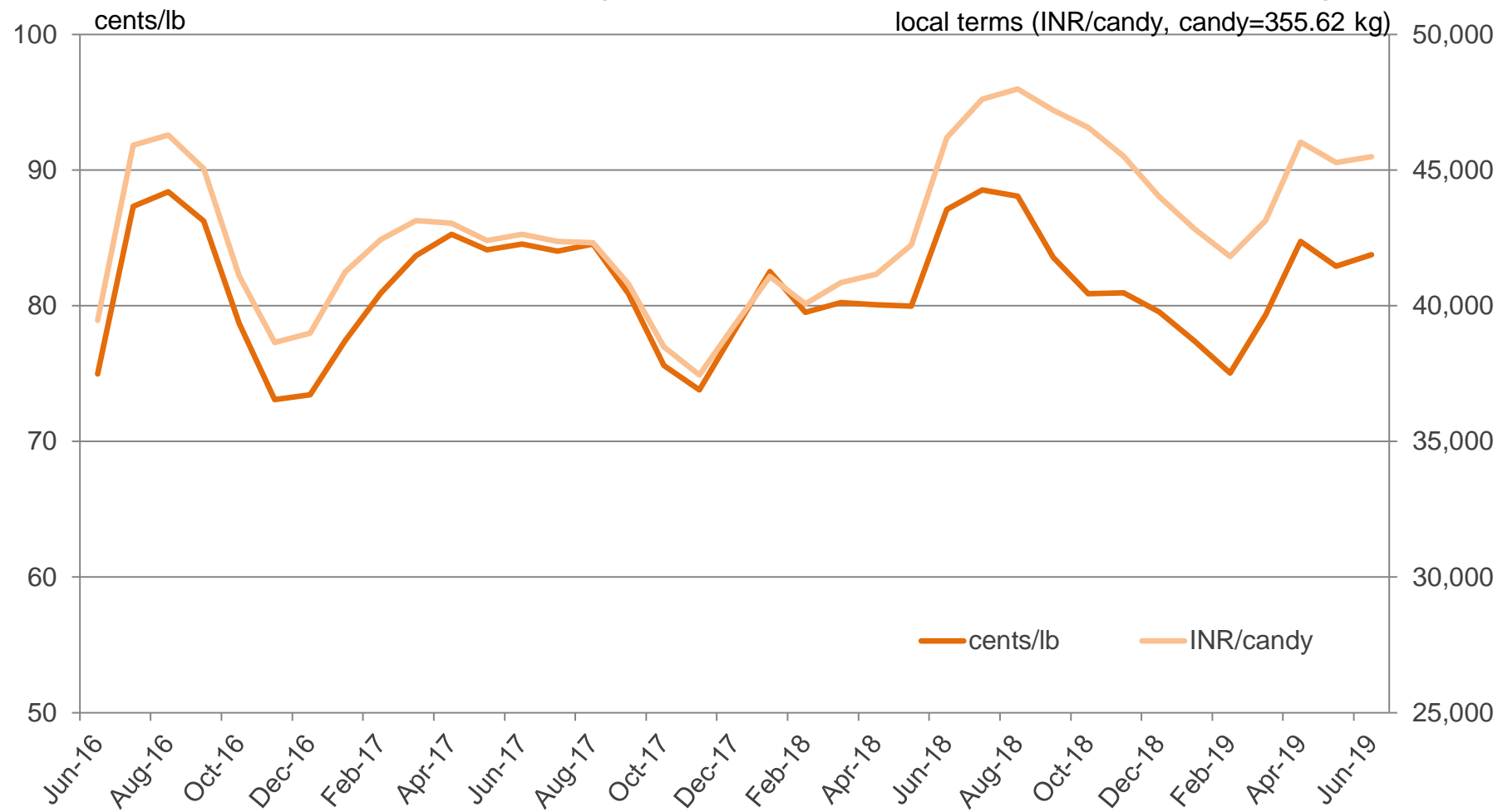
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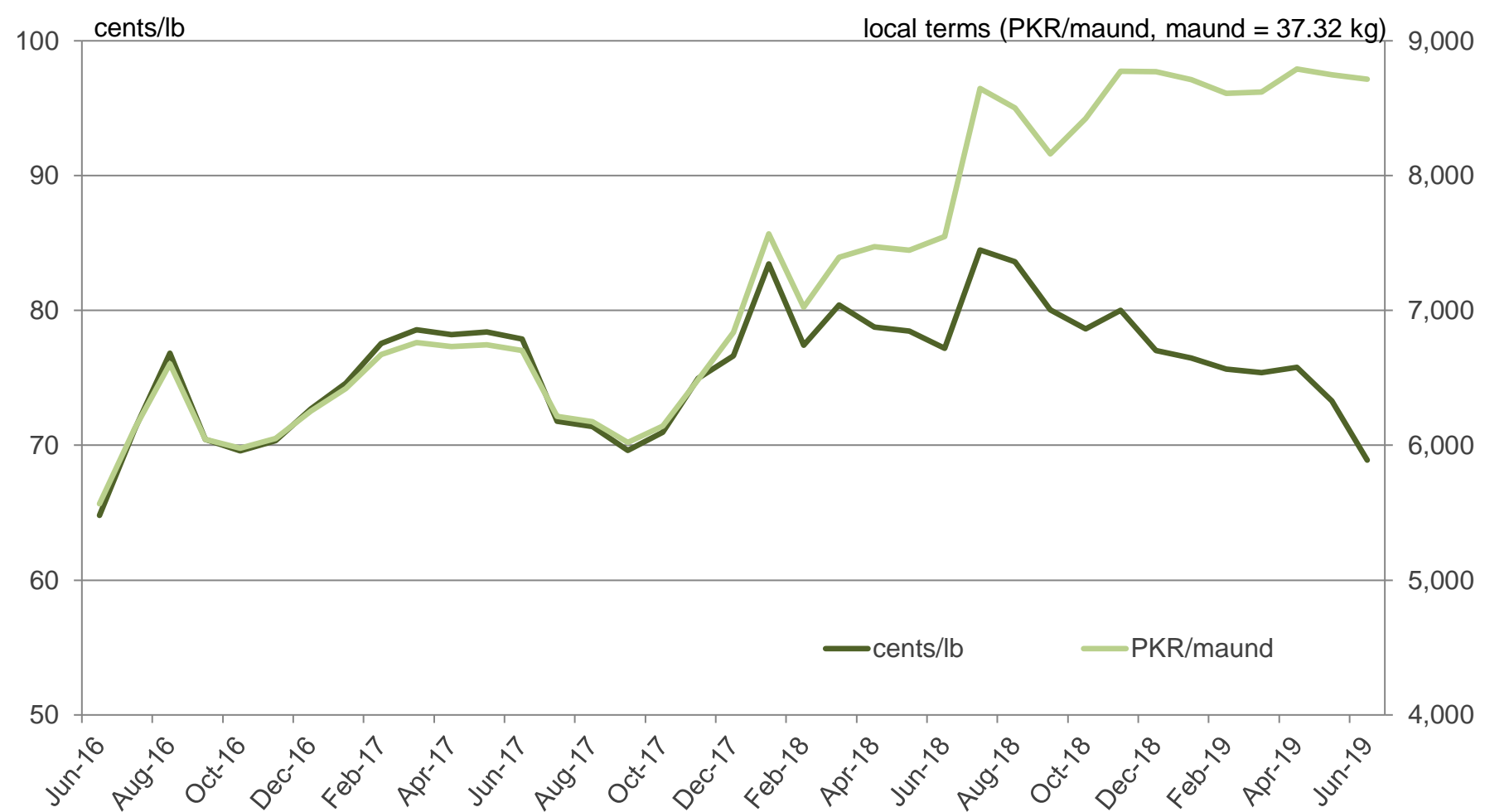
Note: Differences in price movement in local and international terms (cents/lb) due to changes in exchange rates.

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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	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
Beginning Stocks	106.7	90.2	80.3	81.0	79.3	80.3
Production	96.2	106.7	123.8	119.2	125.8	125.6
Supply	202.9	196.9	204.1	200.2	205.1	205.9
Mill-Use	113.2	116.2	122.7	120.6	124.3	123.1
Ending Stocks	90.2	80.3	81.0	80.3	80.4	82.5
Stocks/Use Ratio	79.6%	69.1%	66.1%	66.6%	64.7%	67.0%

## China Balance Sheet

million 480 lb. bales	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
Beginning Stocks	66.4	56.7	45.9	38.0	35.4	35.6
Production	22.0	22.8	27.5	27.8	27.8	27.8
Imports	4.4	5.0	5.7	9.5	10.5	10.5
Supply	92.8	84.5	79.1	75.3	73.6	73.8
Mill-Use	36.0	38.5	41.0	39.5	40.5	40.0
Exports	0.1	0.1	0.1	0.2	0.1	0.1
Demand	36.1	38.6	41.1	39.7	40.6	40.1
Ending Stocks	56.7	45.9	38.0	35.6	33.0	33.7
Stocks/Use Ratio	156.9%	119.1%	92.4%	89.7%	81.2%	84.0%

## World-Less-China Balance Sheet

million 480 lb. bales	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
Beginning Stocks	40.3	33.5	34.4	43.0	43.9	44.7
Production	74.2	83.9	96.3	91.4	98.0	97.9
Imports from China	0.1	0.1	0.1	0.2	0.1	0.1
Supply	114.6	117.5	130.8	134.6	142.1	142.7
Mill-Use	77.2	77.7	81.7	81.1	83.8	83.1
Exports to China	4.4	5.0	5.7	9.5	10.5	10.5
Demand	81.6	82.7	87.4	90.6	94.3	93.6
Ending Stocks	33.5	34.4	43.0	44.7	47.4	48.7
Stocks/Use Ratio	41.0%	41.6%	49.2%	49.3%	50.3%	52.1%

Source: USDA

## India Balance Sheet

million 480 lb. bales	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
Beginning Stocks	10.6	7.0	7.9	9.2	8.4	9.1
Production	25.9	27.0	29.0	26.5	29.0	29.0
Imports	1.1	2.7	1.7	1.5	1.4	1.4
Supply	37.6	36.8	38.6	37.2	38.8	39.5
Mill-Use	24.8	24.4	24.2	24.5	25.5	25.0
Exports	5.8	4.6	5.2	3.6	4.4	4.2
Demand	30.5	28.9	29.3	28.1	29.9	29.2
Ending Stocks	7.0	7.9	9.2	9.1	8.9	10.3
Stocks/Use Ratio	23.1%	27.3%	31.5%	32.5%	29.8%	35.4%

## U.S. Balance Sheet

million 480 lb. bales	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
Beginning Stocks	3.7	3.8	2.8	4.3	5.0	5.3
Production	12.9	17.2	20.9	18.4	22.0	22.5
Imports	0.0	0.0	0.0	0.0	0.0	0.0
Supply	16.6	21.0	23.7	22.7	27.0	27.8
Mill-Use	3.5	3.3	3.2	3.0	3.1	3.1
Exports	9.2	14.9	15.8	14.2	17.0	17.2
Demand	12.6	18.2	19.1	17.2	20.1	20.3
Ending Stocks	3.8	2.8	4.3	5.3	6.7	7.2
Stocks/Use Ratio	30.2%	15.1%	22.5%	30.5%	33.3%	35.5%

## Pakistan Balance Sheet

million 480 lb. bales	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
Beginning Stocks	2.9	2.6	2.3	2.8	2.7	2.6
Production	7.0	7.7	8.2	7.6	8.0	8.0
Imports	3.3	2.5	3.3	2.9	3.0	2.8
Supply	13.2	12.8	13.8	13.3	13.7	13.4
Mill-Use	10.3	10.3	10.8	10.6	10.7	10.7
Exports	0.3	0.1	0.2	0.1	0.2	0.1
Demand	10.6	10.4	11.0	10.7	10.9	10.8
Ending Stocks	2.6	2.3	2.8	2.6	2.9	2.6
Stocks/Use Ratio	24.8%	22.2%	25.8%	24.6%	26.3%	24.1%

Source: USDA

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## World Cotton Production

million 480 lb. bales	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
India	25.9	27.0	29.0	26.5	29.0	29.0
China	22.0	22.8	27.5	27.8	27.8	27.8
United States	12.9	17.2	20.9	18.4	22.0	22.5
Brazil	5.9	7.0	9.2	12.8	12.0	12.0
Pakistan	7.0	7.7	8.2	7.6	8.0	8.0
Turkey	2.7	3.2	4.0	3.7	4.1	4.1
Uzbekistan	3.8	3.7	3.9	3.3	3.3	3.0
Australia	2.9	4.1	4.8	2.4	1.9	1.9
Mexico	0.9	0.8	1.6	1.7	1.8	1.7
Benin	0.5	0.9	1.1	1.4	1.5	1.5
Mali	1.0	1.2	1.4	1.3	1.4	1.4
Greece	1.0	1.0	1.2	1.4	1.5	1.4
Burkina	1.1	1.3	1.2	0.9	1.2	1.1
Rest of World	8.6	8.9	9.8	10.2	10.5	10.3
African Franc Zone	4.0	4.9	5.1	5.0	5.6	5.6
EU-27	1.3	1.3	1.5	1.7	1.7	1.7
World	96.2	106.7	123.8	119.2	125.8	125.6

## World Cotton Exports

million 480 lb. bales	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
United States	9.2	14.9	15.8	14.2	17.0	17.2
Brazil	4.3	2.8	4.2	6.0	8.0	8.0
India	5.8	4.6	5.2	3.6	4.4	4.2
Australia	2.8	3.7	3.9	3.8	1.8	1.8
Benin	0.7	0.8	1.0	1.4	1.4	1.4
Mali	1.0	1.1	1.3	1.3	1.4	1.4
Greece	1.0	1.0	1.1	1.4	1.4	1.3
Burkina	1.1	1.2	1.2	0.9	1.1	1.0
Cote d'Ivoire	0.8	0.6	0.6	0.9	0.8	0.9
Cameroon	0.6	0.5	0.4	0.6	0.6	0.6
Mexico	0.1	0.2	0.4	0.5	0.6	0.6
Argentina	0.2	0.3	0.2	0.5	0.5	0.5
Sudan	0.1	0.3	0.4	0.4	0.5	0.5
Rest of World	7.1	6.0	5.4	5.4	5.0	4.7
African Franc Zone	4.3	4.4	4.8	5.2	5.3	5.3
EU-27	1.3	1.3	1.4	1.7	1.6	1.6
World	34.7	37.9	41.0	40.8	44.2	43.9

Source: USDA

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## World Cotton Mill-Use

million 480 lb. bales	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
China	36.0	38.5	41.0	39.5	40.5	40.0
India	24.8	24.4	24.2	24.5	25.5	25.0
Pakistan	10.3	10.3	10.8	10.6	10.7	10.7
Vietnam	4.5	5.4	6.6	7.1	7.6	7.6
Bangladesh	6.3	6.8	7.5	7.1	7.4	7.4
Turkey	6.7	6.6	7.5	6.7	6.7	6.7
Brazil	3.1	3.2	3.4	3.5	3.6	3.6
Indonesia	3.0	3.3	3.5	3.1	3.2	3.2
United States	3.5	3.3	3.2	3.0	3.1	3.1
Uzbekistan	1.8	2.0	2.5	2.8	3.0	2.9
Mexico	1.9	1.8	1.9	2.0	2.0	2.0
Thailand	1.3	1.2	1.1	1.1	1.2	1.2
Turkmenistan	0.7	0.7	0.7	0.8	0.8	0.9
Rest of World	9.6	8.9	8.8	8.9	9.0	8.9
African Franc Zone	0.1	0.1	0.1	0.1	0.1	0.1
EU-27	0.8	0.7	0.8	0.7	0.7	0.7
World	113.2	116.2	122.7	120.6	124.3	123.1

## World Cotton Imports

million 480 lb. bales	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
China	4.4	5.0	5.7	9.5	10.5	10.5
Vietnam	4.6	5.5	7.0	7.0	7.8	7.8
Bangladesh	6.4	6.8	7.6	6.9	7.3	7.3
Indonesia	2.9	3.4	3.5	3.0	3.3	3.3
Turkey	4.2	3.7	4.0	3.4	3.0	3.0
Pakistan	3.3	2.5	3.3	2.9	3.0	2.8
India	1.1	2.7	1.7	1.5	1.4	1.4
Thailand	1.3	1.2	1.1	1.1	1.2	1.2
Mexico	1.0	1.0	0.9	0.9	0.9	0.9
South Korea	1.2	1.0	0.9	0.8	0.8	0.8
Malaysia	0.4	0.4	0.7	0.7	0.7	0.7
Taiwan	0.7	0.6	0.6	0.6	0.7	0.7
Egypt	0.5	0.5	0.6	0.5	0.5	0.5
Rest of World	3.5	3.3	3.3	3.1	3.2	3.2
African Franc Zone	0.0	0.0	0.0	0.0	0.0	0.0
EU-27	0.8	0.7	0.7	0.7	0.7	0.7
World Total	35.4	37.7	41.0	41.8	44.1	43.9

Source: USDA

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## World Balance Sheet

million metric tons	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
Beginning Stocks	23.2	19.6	17.5	17.6	17.3	17.5
Production	20.9	23.2	27.0	26.0	27.4	27.3
Supply	44.2	42.9	44.4	43.6	44.6	44.8
Mill-Use	24.7	25.3	26.7	26.3	27.1	26.8
Ending Stocks	19.6	17.5	17.6	17.5	17.5	18.0
Stocks/Use Ratio	79.6%	69.1%	66.1%	66.6%	64.7%	67.0%

## China Balance Sheet

million metric tons	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
Beginning Stocks	14.5	12.3	10.0	8.3	7.7	7.7
Production	4.8	5.0	6.0	6.0	6.0	6.0
Imports	1.0	1.1	1.2	2.1	2.3	2.3
Supply	20.2	18.4	17.2	16.4	16.0	16.1
Mill-Use	7.8	8.4	8.9	8.6	8.8	8.7
Exports	0.0	0.0	0.0	0.0	0.0	0.0
Demand	7.9	8.4	9.0	8.6	8.8	8.7
Ending Stocks	12.3	10.0	8.3	7.7	7.2	7.3
Stocks/Use Ratio	156.9%	119.1%	92.4%	89.7%	81.2%	84.0%

## World-Less-China Balance Sheet

million metric tons	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
Beginning Stocks	8.8	7.3	7.5	9.4	9.6	9.7
Production	16.1	18.3	21.0	19.9	21.3	21.3
Imports from China	0.0	0.0	0.0	0.0	0.0	0.0
Supply	25.0	25.6	28.5	29.3	30.9	31.1
Mill-Use	16.8	16.9	17.8	17.7	18.2	18.1
Exports to China	1.0	1.1	1.2	2.1	2.3	2.3
Demand	17.8	18.0	19.0	19.7	20.5	20.4
Ending Stocks	7.3	7.5	9.4	9.7	10.3	10.6
Stocks/Use Ratio	41.0%	41.6%	49.2%	49.3%	50.3%	52.1%

Source: USDA

## India Balance Sheet

million metric tons	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
Beginning Stocks	2.3	1.5	1.7	2.0	1.8	2.0
Production	5.6	5.9	6.3	5.8	6.3	6.3
Imports	0.2	0.6	0.4	0.3	0.3	0.3
Supply	8.2	8.0	8.4	8.1	8.5	8.6
Mill-Use	5.4	5.3	5.3	5.3	5.6	5.4
Exports	1.3	1.0	1.1	0.8	1.0	0.9
Demand	6.6	6.3	6.4	6.1	6.5	6.4
Ending Stocks	1.5	1.7	2.0	2.0	1.9	2.2
Stocks/Use Ratio	23.1%	27.3%	31.5%	32.5%	29.8%	35.4%

## U.S. Balance Sheet

million metric tons	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
Beginning Stocks	0.8	0.8	0.6	0.9	1.1	1.1
Production	2.8	3.7	4.6	4.0	4.8	4.9
Imports	0.0	0.0	0.0	0.0	0.0	0.0
Supply	3.6	4.6	5.2	4.9	5.9	6.0
Mill-Use	0.8	0.7	0.7	0.7	0.7	0.7
Exports	2.0	3.2	3.5	3.1	3.7	3.7
Demand	2.7	4.0	4.2	3.7	4.4	4.4
Ending Stocks	0.8	0.6	0.9	1.1	1.5	1.6
Stocks/Use Ratio	30.2%	15.1%	22.5%	30.5%	33.3%	35.5%

## Pakistan Balance Sheet

million metric tons	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
Beginning Stocks	0.6	0.6	0.5	0.6	0.6	0.6
Production	1.5	1.7	1.8	1.7	1.7	1.7
Imports	0.7	0.5	0.7	0.6	0.7	0.6
Supply	2.9	2.8	3.0	2.9	3.0	2.9
Mill-Use	2.2	2.2	2.4	2.3	2.3	2.3
Exports	0.1	0.0	0.0	0.0	0.0	0.0
Demand	2.3	2.3	2.4	2.3	2.4	2.4
Ending Stocks	0.6	0.5	0.6	0.6	0.6	0.6
Stocks/Use Ratio	24.8%	22.2%	25.8%	24.6%	26.3%	24.1%

Source: USDA

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## World Cotton Production

million metric tons	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
India	5.6	5.9	6.3	5.8	6.3	6.3
China	4.8	5.0	6.0	6.0	6.0	6.0
United States	2.8	3.7	4.6	4.0	4.8	4.9
Brazil	1.3	1.5	2.0	2.8	2.6	2.6
Pakistan	1.5	1.7	1.8	1.7	1.7	1.7
Turkey	0.6	0.7	0.9	0.8	0.9	0.9
Uzbekistan	0.8	0.8	0.8	0.7	0.7	0.7
Australia	0.6	0.9	1.0	0.5	0.4	0.4
Mexico	0.2	0.2	0.3	0.4	0.4	0.4
Benin	0.1	0.2	0.2	0.3	0.3	0.3
Mali	0.2	0.3	0.3	0.3	0.3	0.3
Greece	0.2	0.2	0.3	0.3	0.3	0.3
Burkina	0.2	0.3	0.3	0.2	0.3	0.2
Rest of World	1.9	1.9	2.1	2.2	2.3	2.2
African Franc Zone	0.9	1.1	1.1	1.1	1.2	1.2
EU-27	0.3	0.3	0.3	0.4	0.4	0.4
World	20.9	23.2	27.0	26.0	27.4	27.3

## World Cotton Exports

million metric tons	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
United States	2.0	3.2	3.5	3.1	3.7	3.7
Brazil	0.9	0.6	0.9	1.3	1.7	1.7
India	1.3	1.0	1.1	0.8	1.0	0.9
Australia	0.6	0.8	0.9	0.8	0.4	0.4
Benin	0.1	0.2	0.2	0.3	0.3	0.3
Mali	0.2	0.2	0.3	0.3	0.3	0.3
Greece	0.2	0.2	0.2	0.3	0.3	0.3
Burkina	0.2	0.3	0.3	0.2	0.2	0.2
Cote d'Ivoire	0.2	0.1	0.1	0.2	0.2	0.2
Cameroon	0.1	0.1	0.1	0.1	0.1	0.1
Mexico	0.0	0.0	0.1	0.1	0.1	0.1
Argentina	0.0	0.1	0.0	0.1	0.1	0.1
Sudan	0.0	0.1	0.1	0.1	0.1	0.1
Rest of World	1.5	1.3	1.2	1.2	1.1	1.0
African Franc Zone	0.9	1.0	1.0	1.1	1.2	1.2
EU-27	0.3	0.3	0.3	0.4	0.4	0.4
World	7.5	8.2	8.9	8.9	9.6	9.5

Source: USDA

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## World Cotton Consumption

million metric tons	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
China	7.8	8.4	8.9	8.6	8.8	8.7
India	5.4	5.3	5.3	5.3	5.6	5.4
Pakistan	2.2	2.2	2.4	2.3	2.3	2.3
Vietnam	1.0	1.2	1.4	1.5	1.7	1.7
Bangladesh	1.4	1.5	1.6	1.5	1.6	1.6
Turkey	1.5	1.4	1.6	1.5	1.5	1.5
Brazil	0.7	0.7	0.7	0.8	0.8	0.8
Indonesia	0.7	0.7	0.8	0.7	0.7	0.7
United States	0.8	0.7	0.7	0.7	0.7	0.7
Uzbekistan	0.4	0.4	0.5	0.6	0.7	0.6
Mexico	0.4	0.4	0.4	0.4	0.4	0.4
Thailand	0.3	0.3	0.2	0.2	0.3	0.3
Turkmenistan	0.1	0.1	0.2	0.2	0.2	0.2
Rest of World	2.1	1.9	1.9	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>24.7</b>	<b>25.3</b>	<b>26.7</b>	<b>26.3</b>	<b>27.1</b>	<b>26.8</b>

## World Cotton Imports

million metric tons	2015/16	2016/17	2017/18	2018/19	2019/20 July	2019/20 August
China	1.0	1.1	1.2	2.1	2.3	2.3
Vietnam	1.0	1.2	1.5	1.5	1.7	1.7
Bangladesh	1.4	1.5	1.7	1.5	1.6	1.6
Indonesia	0.6	0.7	0.8	0.7	0.7	0.7
Turkey	0.9	0.8	0.9	0.7	0.7	0.7
Pakistan	0.7	0.5	0.7	0.6	0.7	0.6
India	0.2	0.6	0.4	0.3	0.3	0.3
Thailand	0.3	0.3	0.3	0.2	0.3	0.3
Mexico	0.2	0.2	0.2	0.2	0.2	0.2
South Korea	0.3	0.2	0.2	0.2	0.2	0.2
Malaysia	0.1	0.1	0.2	0.1	0.1	0.1
Taiwan	0.2	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	0.7	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	0.1	0.1	0.1
<b>World Total</b>	<b>7.7</b>	<b>8.2</b>	<b>8.9</b>	<b>9.1</b>	<b>9.6</b>	<b>9.6</b>

Source: USDA

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