

Monthly Economic Letter

Cotton Market Fundamentals & Price Outlook



RECENT PRICE MOVEMENT

Although several prices slipped around the middle of June, most benchmarks are slightly higher than their levels one month ago.

- Values for the December NY/ICE futures contract dipped from 88 to 85 cents/lb around the middle of June. By early July, trading had lifted prices back to levels near 88 cents/lb.
- The A Index was comparatively stable, generally holding to values near 96 cents/lb.
- The Chinese Cotton Index (CC Index 3128B) decreased in the second half of June (from 115 to 111 cents/lb) but later recovered. Current values are near 116 cents/lb. In domestic terms, the CC Index fell from 16,200 to 15,800 RMB/ton. Current values are near 16,500 RMB/ton. After posting multi-year highs against the USD in late May, the RMB weakened against the dollar in June and early July (from 6.37 to 6.48 RMB/USD).
- Indian spot prices (Shankar-6 quality) followed a parallel pattern of decline and recovery, but the magnitude of change was smaller. Prices eased from 89 to 87 cents/lb and then recovered back to 89 cents/lb. In domestic terms, price gains were more pronounced. Current levels are near 52,500 INR/candy, while values from early last month were near 50,800 INR/candy. The INR weakened against the dollar over the past month, from 73.1 to 74.6 INR/USD.
- Pakistani spot prices moved slightly beyond month-ago levels. Current values are 100 cents/lb. One month ago, values were 96 cents/lb. In domestic terms, prices rose from 12,300 to 13,100 PKR/maund. The PKR weakened against the dollar over the past month, from 156 to 159 PKR/USD.

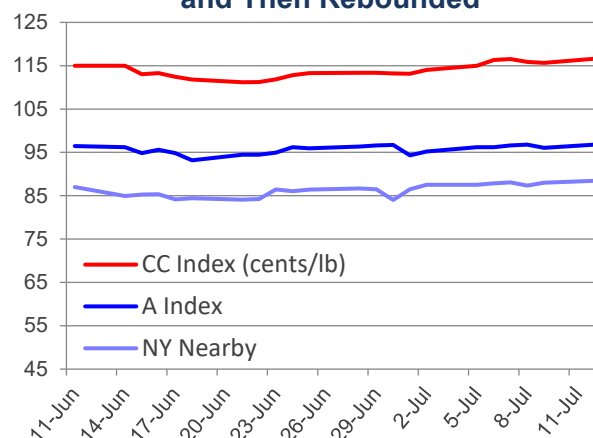
SUPPLY, DEMAND, & TRADE

The latest USDA report featured a downward revision to global production in 2020/21 (-702,000 bales to 112.6 million) and an upward revision to global production for 2021/22 (+515,000 bales to 119.4 million). Figures for mill-use were increased for both the old and new crop years. The estimate for 2020/21 rose +564,000 bales (to 118.6 million), and the figure for 2021/22 rose +619,000 bales (to 123.2 million). A net effect of this month's updates was a -1.6 million bale reduction to the forecast for 2021/22 ending stocks (87.7 million bales).

The current projection for global ending stocks generates a global stocks-to-use ratio of 71.2%. This value is above those between 2016/17 to 2018/19, when figures ranged between 66.0% and 69.0%. Apart from those three crop years, however, the current forecast for the ratio would be the lowest during the past decade. The past decade was a period where global stocks shifted markedly higher. During the preceding decade (2001/02 through 2010/11), the global stocks-to-use ratio generally ranged between 40% and 60%. Since 2011/12, the global stocks-to-use ratio has generally ranged between 65% and 95%.

The world-less-China stocks-to-use ratio avoids the distortion in the global ratio caused by the stockpiling in Chinese reserves after the price spike. Values for the world-less-China stocks-to-use ratio show a less

Prices Moved Slightly Lower and Then Rebounded



Recent Price Data

| cents/lb | Latest Value (Jul 12) | Latest Month (Jun) | Last 12 Months (Jul20-Jun21) |
|----------------|-----------------------|--------------------|------------------------------|
| NY Nearby | 88.5 | 85.3 | 75.9 |
| A Index | 96.8 | 94.5 | 82.5 |
| CC Index | 116.6 | 113.1 | 100.6 |
| Indian Spot | 90.0 | 87.7 | 72.8 |
| Pakistani Spot | 100.2 | 96.6 | 78.4 |

Additional price data available [here](#).

Price definitions available [here](#).

World Balance Sheet

| million 480 lb. bales | 2021/22 | | |
|-----------------------|---------|-------|-------|
| | 2020/21 | Jun | Jul |
| Beg. Stocks | 97.9 | 93.0 | 91.6 |
| Production | 112.6 | 118.9 | 119.4 |
| Mill-Use | 118.6 | 122.5 | 123.2 |
| Ending Stocks | 91.6 | 89.3 | 87.7 |
| Stocks/Use | 77.2% | 72.9% | 71.2% |

China Balance Sheet

| million 480 lb. bales | 2021/22 | | |
|-----------------------|---------|-------|-------|
| | 2020/21 | Jun | Jul |
| Beg. Stocks | 36.9 | 38.9 | 38.9 |
| Production | 29.5 | 26.8 | 26.8 |
| Imports | 12.5 | 11.0 | 10.0 |
| Mill-Use | 40.0 | 41.0 | 41.0 |
| Exports | 0.0 | 0.0 | 0.0 |
| Ending Stocks | 38.9 | 35.6 | 34.6 |
| Stocks/Use | 97.1% | 86.7% | 84.2% |

World-Less-China Balance Sheet

| million 480 lb. bales | 2021/22 | | |
|-----------------------|---------|-------|-------|
| | 2020/21 | Jun | Jul |
| Beg. Stocks | 61.0 | 54.2 | 52.7 |
| Production | 83.1 | 92.1 | 92.6 |
| Imports from China | 0.0 | 0.0 | 0.0 |
| Mill-Use | 78.6 | 81.5 | 82.2 |
| Exports to China | 12.5 | 11.0 | 10.0 |
| Ending Stocks | 52.7 | 53.7 | 53.2 |
| Stocks/Use | 57.8% | 58.1% | 57.7% |

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

pronounced shift over time, with figures from 2001/02 through 2018/19 generally between 40% and 55%. COVID caused the world-less-China stocks-to-use ratio to rise sharply in 2019/20 (to 79.3%), but the current value (57.7%) is not far from readings at the upper end of the range defined over the past twenty years.

At the country-level, the largest revisions to 2020/21 figures were for Brazil (-500,000 bales to 10.8 million) and India (-200,000 bales to 28.3 million). For 2021/22, the largest adjustments for harvest forecasts were for Pakistan (-300,000 bales to 5.0 million) and the U.S. (+800,000 bales to 17.8 million).

For mill-use, the biggest revisions included the +500,000 bale additions for India for both the 2020/21 (to 24.0 million) and 2021/22 (to 25.5 million) crop years as well as the +100,000 bale additions for Vietnam for both the 2020/21 (to 7.3 million) and 2021/22 crop years (to 7.6 million).

The global trade forecast for 2021/22 decreased -675,000 bales to 45.9 million. In terms of imports, the largest changes to 2021/22 projections included those for China (-1.0 million bales to 10.0 million) and Pakistan (+300,000 bales to 5.3 million). Estimates for 2020/21 imports were lifted +150,000 bales for both Turkey (to 5.3 million) and Vietnam (to 7.4 million). For exports, the largest changes to 2021/22 forecasts included those for Brazil (-1.1 million to 8.2 million) and the U.S. (+400,000 bales to 15.2 million). Estimates for 2020/21 exports were lifted +100,000 bales for Brazil (11.1 million) and 200,000 bales for India (to 1.0 million).

PRICE OUTLOOK

China resumed auctions selling from its reserve stock July 5th. In early rounds, the entire volume offered for sale found buyers. A total of 600,000 tons (2.8 million bales) is scheduled for offer before auctions conclude on September 30th.

While demand at auctions has been solid, Chinese appetite for cotton from the rest of the world in 2021/22 is a key question for the price outlook. Over the past year, China was a driver of global demand. In a reversal, China has been quiet in data for U.S. export sales in recent weeks. U.S. export commitment to China for the upcoming crop year is only 239,000 480lb bales. This is the lowest level posted in early July since 2015/16, when China was aggressively destocking reserves, and is more than one million bales below the level one year ago. Total U.S. export commitment for the upcoming 2020/21 crop year is down 35% year-over-year.

The Phase One deal supported U.S. sales to China in 2020/21, but it is unknown what might follow the expiration of the agreement at the end of the 2021 calendar year. While any extension will be central for U.S.-China trade flows, the global economic growth that is expected to follow the eventual end to the global pandemic could support demand growth across markets. However, COVID has yet to disappear, and several countries are still resorting to restrictions on consumer behavior to slow the spread of the virus.

Nonetheless, important economic growth has already been registered in a range of countries and that has fed concern about inflation. If central banks in the U.S. and other markets move to rein in stimulus measures, the resulting effects on the global money supply and on the trajectory of global economic growth could also influence cotton price direction.

World Cotton Production

| million 480 lb. bales | 2020/21 | 2021/22 | |
|-----------------------|---------|---------|-------|
| | | Jun | Jul |
| India | 28.3 | 29.0 | 29.0 |
| China | 29.5 | 26.8 | 26.8 |
| United States | 14.6 | 17.0 | 17.8 |
| Brazil | 10.8 | 13.3 | 13.3 |
| Pakistan | 4.5 | 5.3 | 5.0 |
| Rest of World | 24.9 | 27.6 | 27.6 |
| World | 112.6 | 118.9 | 119.4 |

World Cotton Mill-Use

| million 480 lb. bales | 2020/21 | 2021/22 | |
|-----------------------|---------|---------|-------|
| | | Jun | Jul |
| China | 40.0 | 41.0 | 41.0 |
| India | 24.0 | 25.0 | 25.5 |
| Pakistan | 10.3 | 10.5 | 10.5 |
| Bangladesh | 8.1 | 8.4 | 8.4 |
| Turkey | 7.7 | 8.2 | 8.2 |
| Rest of World | 28.5 | 29.4 | 29.6 |
| World | 118.6 | 122.5 | 123.2 |

World Cotton Exports

| million 480 lb. bales | 2020/21 | 2021/22 | |
|-----------------------|---------|---------|------|
| | | Jun | Jul |
| United States | 16.4 | 14.8 | 15.2 |
| Brazil | 11.1 | 9.3 | 8.2 |
| India | 6.1 | 6.0 | 6.0 |
| Australia | 1.4 | 3.4 | 3.3 |
| Greece | 1.5 | 1.4 | 1.5 |
| Rest of World | 11.5 | 11.7 | 11.8 |
| World | 48.0 | 46.6 | 45.9 |

World Cotton Imports

| million 480 lb. bales | 2020/21 | 2021/22 | |
|-----------------------|---------|---------|------|
| | | Jun | Jul |
| China | 12.5 | 11.0 | 10.0 |
| Bangladesh | 8.3 | 8.0 | 8.0 |
| Vietnam | 7.4 | 7.6 | 7.6 |
| Pakistan | 5.3 | 5.0 | 5.3 |
| Turkey | 5.3 | 5.2 | 5.2 |
| Rest of World | 9.2 | 9.8 | 9.8 |
| World | 47.8 | 46.6 | 45.9 |

World Cotton Ending Stocks

| million 480 lb. bales | 2020/21 | 2021/22 | |
|-----------------------|---------|---------|------|
| | | Jun | Jul |
| China | 38.9 | 35.6 | 34.6 |
| India | 15.9 | 15.8 | 14.4 |
| Brazil | 11.1 | 12.6 | 13.1 |
| United States | 3.2 | 2.9 | 3.3 |
| Pakistan | 2.8 | 2.6 | 2.6 |
| Rest of World | 19.7 | 19.9 | 19.9 |
| World | 91.6 | 89.3 | 87.7 |

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

Please forward comments and questions to marketinformation@cottoninc.com

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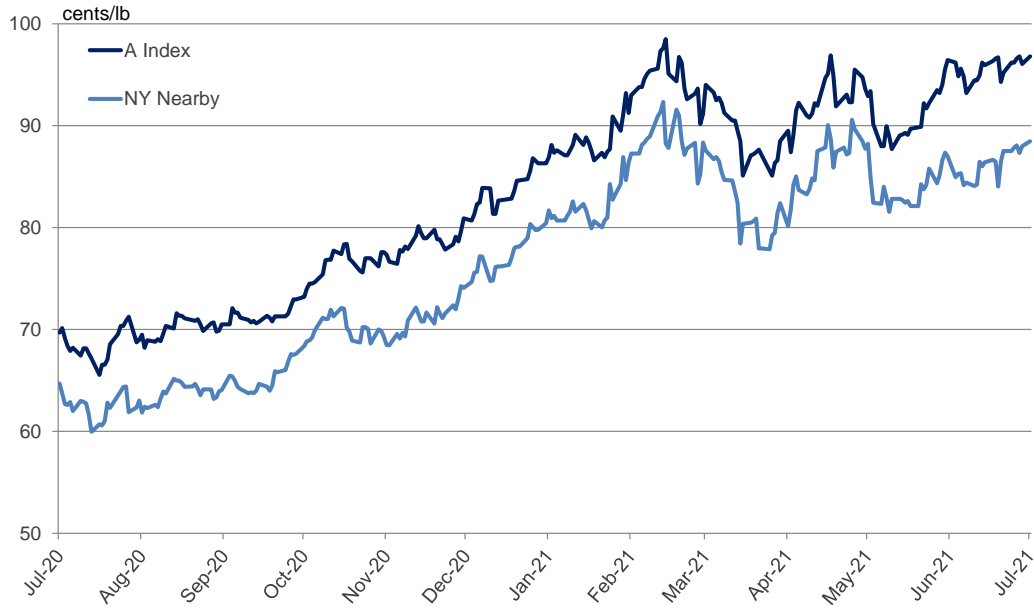
Sources: Price data from Reuters, Cotlook, Cotton Assn. of India, and Karachi Cotton Assn. Supply, demand, and trade data from the USDA.

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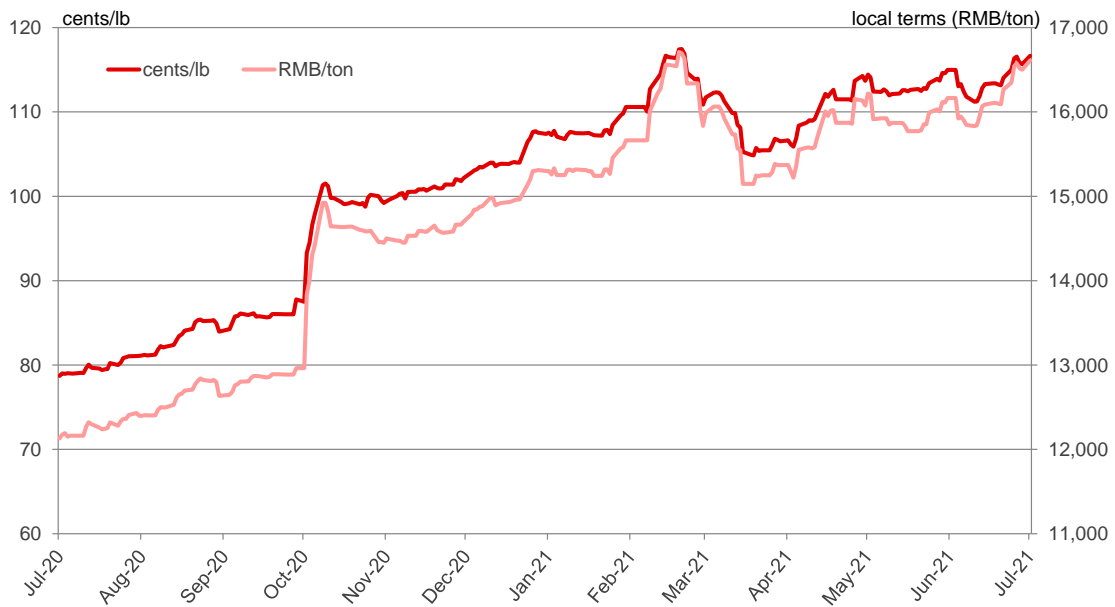
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| Monthly | A Index & NY Nearby | Chinese Prices | Indian Prices | Pakistani Prices |
| Tables | Balance Sheets (bales) | Balance Sheets (tons) | Supply & Demand (bales) | Supply & Demand (tons) |

One Year of Daily A Index and NY Nearby Prices

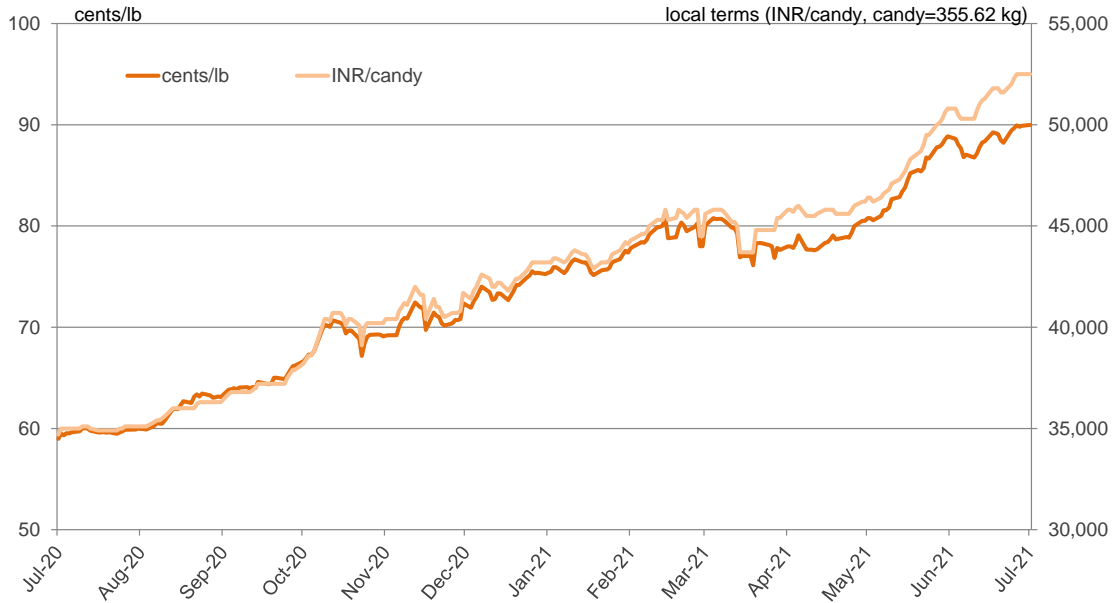


One Year of Daily CC Index (Grade 328) Prices

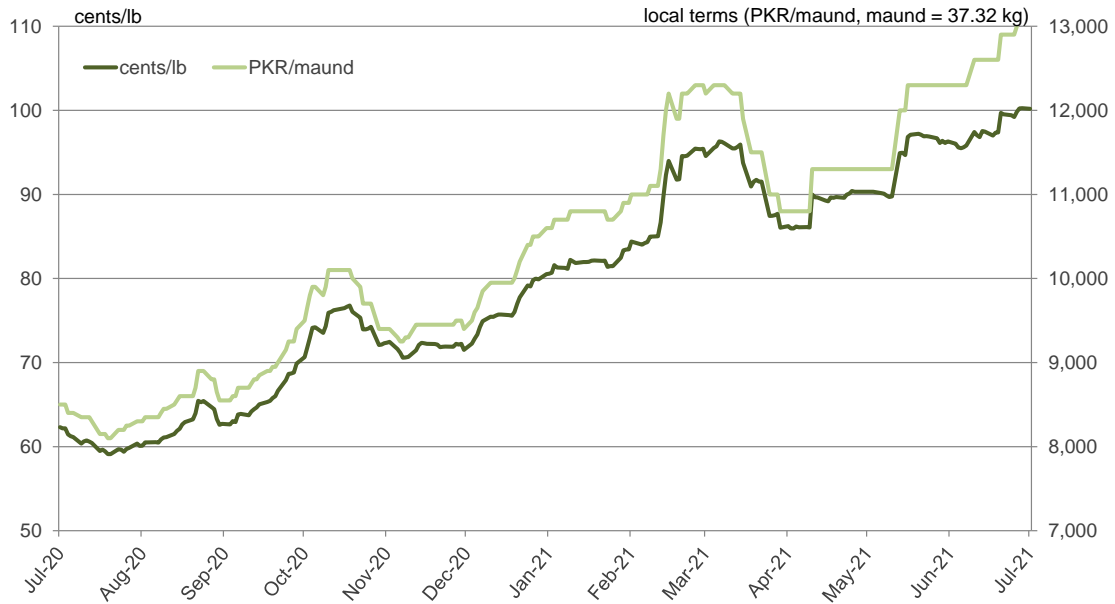


Note: Differences in price movement in local and international terms (cents/lb) due to changes in exchange rates.

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



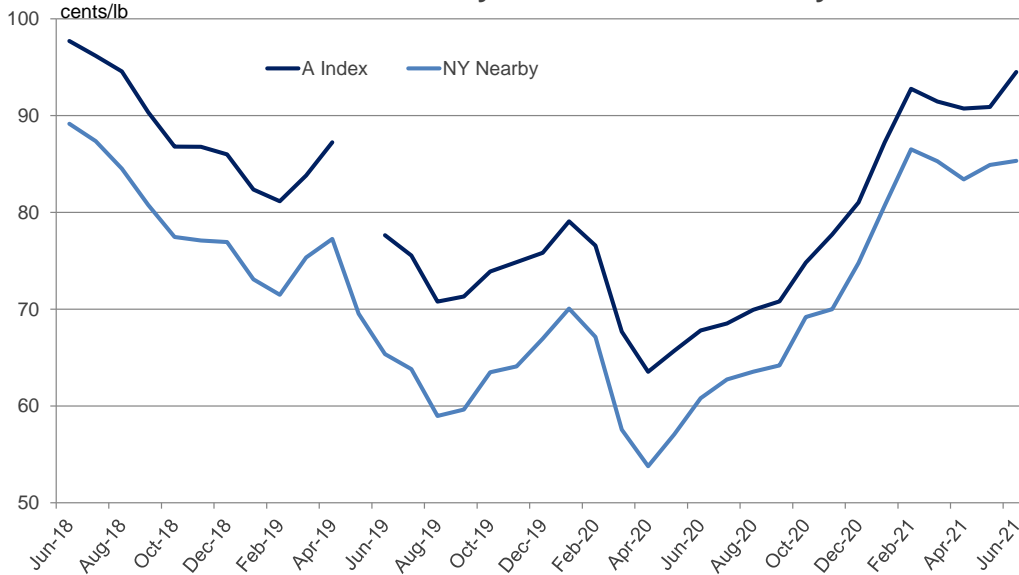
One Year of Daily Pakistani Spot Prices



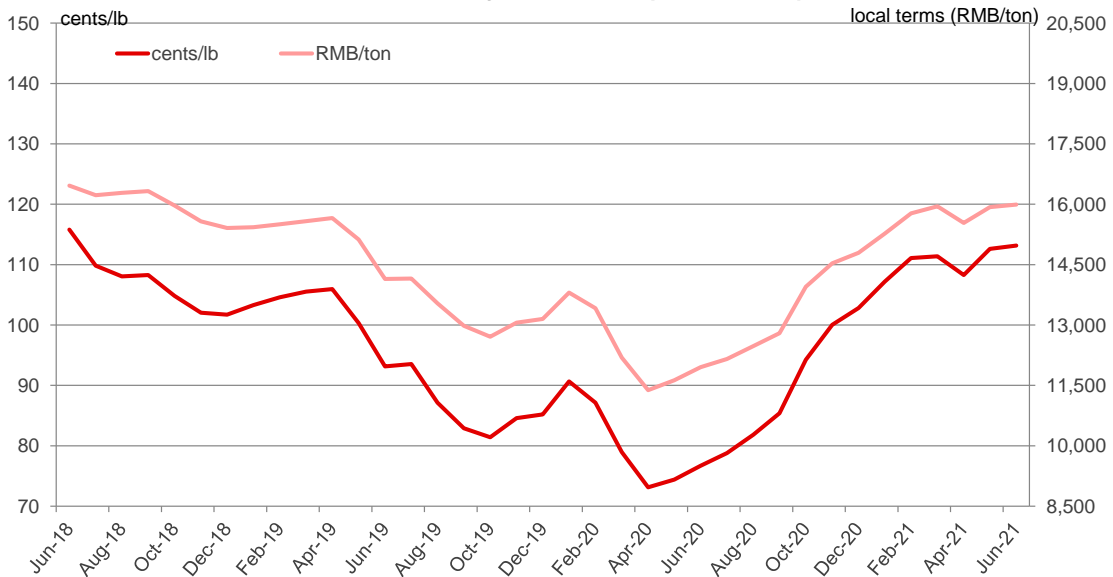
Note: Differences in price movement in local and international terms (cents/lb) due to changes in exchange rates.

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Three Years of Monthly A Index and NY Nearby Prices



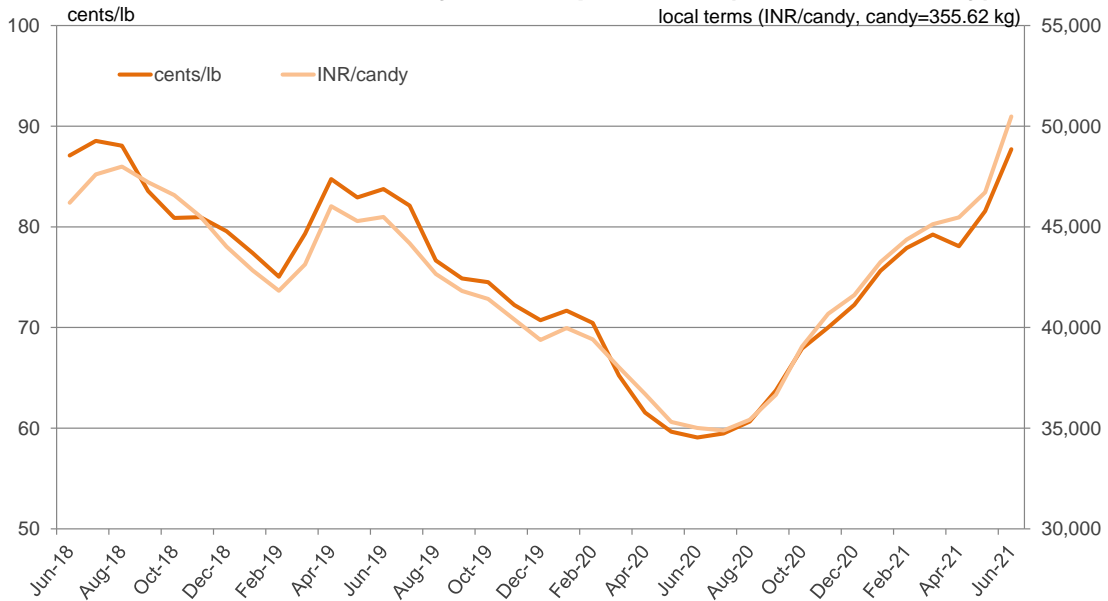
Three Years of Monthly CC Index (Grade 328) Prices



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 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|-----------------------|---------|---------|---------|---------|-----------------|-----------------|
| Beginning Stocks | 80.3 | 81.1 | 80.0 | 97.9 | 93.0 | 91.6 |
| Production | 124.0 | 118.6 | 121.4 | 112.6 | 118.9 | 119.4 |
| Supply | 204.2 | 199.7 | 201.4 | 210.5 | 211.9 | 211.0 |
| Mill-Use | 122.9 | 120.5 | 102.8 | 118.6 | 122.5 | 123.2 |
| Ending Stocks | 81.1 | 80.0 | 97.9 | 91.6 | 89.3 | 87.7 |
| Stocks/Use Ratio | 66.0% | 66.4% | 95.2% | 77.2% | 72.9% | 71.2% |

China Balance Sheet

| million 480 lb. bales | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|-----------------------|---------|---------|---------|---------|-----------------|-----------------|
| Beginning Stocks | 45.9 | 38.0 | 35.7 | 36.9 | 38.9 | 38.9 |
| Production | 27.5 | 27.8 | 27.3 | 29.5 | 26.8 | 26.8 |
| Imports | 5.7 | 9.6 | 7.1 | 12.5 | 11.0 | 10.0 |
| Supply | 79.1 | 75.4 | 70.1 | 78.9 | 76.6 | 75.6 |
| Mill-Use | 41.0 | 39.5 | 33.0 | 40.0 | 41.0 | 41.0 |
| Exports | 0.1 | 0.2 | 0.2 | 0.0 | 0.1 | 0.1 |
| Demand | 41.1 | 39.7 | 33.2 | 40.0 | 41.1 | 41.1 |
| Ending Stocks | 38.0 | 35.7 | 36.9 | 38.9 | 35.6 | 34.6 |
| Stocks/Use Ratio | 92.4% | 89.8% | 111.3% | 97.1% | 86.7% | 84.2% |

World-Less-China Balance Sheet

| million 480 lb. bales | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|-----------------------|---------|---------|---------|---------|-----------------|-----------------|
| Beginning Stocks | 34.3 | 43.1 | 44.4 | 61.0 | 54.2 | 52.7 |
| Production | 96.5 | 90.8 | 94.2 | 83.1 | 92.1 | 92.6 |
| Imports from China | 0.1 | 0.2 | 0.2 | 0.0 | 0.1 | 0.1 |
| Supply | 130.9 | 134.1 | 138.7 | 144.1 | 146.3 | 145.4 |
| Mill-Use | 81.9 | 81.0 | 69.8 | 78.6 | 81.5 | 82.2 |
| Exports to China | 5.7 | 9.6 | 7.1 | 12.5 | 11.0 | 10.0 |
| Demand | 87.6 | 90.6 | 77.0 | 91.1 | 92.5 | 92.2 |
| Ending Stocks | 43.1 | 44.4 | 61.0 | 52.7 | 53.7 | 53.2 |
| Stocks/Use Ratio | 49.2% | 48.9% | 79.3% | 57.8% | 58.1% | 57.7% |

Source: USDA

India Balance Sheet

| million 480 lb. bales | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|-----------------------|---------|---------|---------|---------|-----------------|-----------------|
| Beginning Stocks | 7.9 | 9.2 | 9.0 | 16.9 | 16.8 | 15.9 |
| Production | 29.0 | 25.8 | 28.8 | 28.3 | 29.0 | 29.0 |
| Imports | 1.7 | 1.8 | 2.3 | 0.8 | 1.0 | 1.0 |
| Supply | 38.6 | 36.8 | 40.1 | 46.0 | 46.8 | 45.9 |
| Mill-Use | 24.2 | 24.3 | 20.0 | 24.0 | 25.0 | 25.5 |
| Exports | 5.2 | 3.5 | 3.2 | 6.1 | 6.0 | 6.0 |
| Demand | 29.3 | 27.8 | 23.2 | 30.1 | 31.0 | 31.5 |
| Ending Stocks | 9.2 | 9.0 | 16.9 | 15.9 | 15.8 | 14.4 |
| Stocks/Use Ratio | 31.5% | 32.4% | 72.8% | 52.8% | 50.9% | 45.7% |

U.S. Balance Sheet

| million 480 lb. bales | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|-----------------------|---------|---------|---------|---------|-----------------|-----------------|
| Beginning Stocks | 2.8 | 4.2 | 4.9 | 7.3 | 3.2 | 3.2 |
| Production | 20.9 | 18.4 | 19.9 | 14.6 | 17.0 | 17.8 |
| Imports | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Supply | 23.7 | 22.6 | 24.8 | 21.9 | 20.2 | 21.0 |
| Mill-Use | 3.2 | 3.0 | 2.2 | 2.3 | 2.5 | 2.5 |
| Exports | 16.3 | 14.8 | 15.5 | 16.4 | 14.8 | 15.2 |
| Demand | 19.5 | 17.8 | 17.7 | 18.7 | 17.3 | 17.7 |
| Ending Stocks | 4.2 | 4.9 | 7.3 | 3.2 | 2.9 | 3.3 |
| Stocks/Use Ratio | 21.5% | 27.2% | 41.0% | 16.8% | 16.8% | 18.6% |

Pakistan Balance Sheet

| million 480 lb. bales | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|-----------------------|---------|---------|---------|---------|-----------------|-----------------|
| Beginning Stocks | 2.3 | 2.8 | 2.5 | 3.4 | 2.8 | 2.8 |
| Production | 8.2 | 7.6 | 6.2 | 4.5 | 5.3 | 5.0 |
| Imports | 3.4 | 2.9 | 4.0 | 5.3 | 5.0 | 5.3 |
| Supply | 13.9 | 13.3 | 12.7 | 13.2 | 13.1 | 13.1 |
| Mill-Use | 10.9 | 10.7 | 9.2 | 10.3 | 10.5 | 10.5 |
| Exports | 0.2 | 0.1 | 0.1 | 0.0 | 0.1 | 0.1 |
| Demand | 11.1 | 10.8 | 9.3 | 10.3 | 10.6 | 10.6 |
| Ending Stocks | 2.8 | 2.5 | 3.4 | 2.8 | 2.6 | 2.6 |
| Stocks/Use Ratio | 25.6% | 23.2% | 36.6% | 27.5% | 24.3% | 24.3% |

Source: USDA

World Cotton Production

| million 480 lb. bales | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|-----------------------|---------|---------|---------|---------|-----------------|-----------------|
| India | 29.0 | 25.8 | 28.8 | 28.3 | 29.0 | 29.0 |
| China | 27.5 | 27.8 | 27.3 | 29.5 | 26.8 | 26.8 |
| United States | 20.9 | 18.4 | 19.9 | 14.6 | 17.0 | 17.8 |
| Brazil | 9.2 | 13.0 | 13.8 | 10.8 | 13.3 | 13.3 |
| Pakistan | 8.2 | 7.6 | 6.2 | 4.5 | 5.3 | 5.0 |
| Australia | 4.8 | 2.2 | 0.6 | 2.8 | 3.9 | 3.9 |
| Turkey | 4.0 | 3.8 | 3.5 | 2.9 | 3.4 | 3.4 |
| Uzbekistan | 3.9 | 3.3 | 3.5 | 3.5 | 3.4 | 3.4 |
| Greece | 1.2 | 1.4 | 1.7 | 1.4 | 1.5 | 1.5 |
| Benin | 1.1 | 1.4 | 1.4 | 1.5 | 1.4 | 1.4 |
| Mali | 1.4 | 1.3 | 1.4 | 0.3 | 1.3 | 1.3 |
| Mexico | 1.6 | 1.7 | 1.6 | 1.0 | 1.1 | 1.1 |
| Cote d'Ivoire | 0.8 | 0.9 | 1.0 | 1.0 | 1.0 | 1.0 |
| Rest of World | 10.3 | 10.1 | 10.9 | 10.5 | 10.6 | 10.6 |
| African Franc Zone | 3.9 | 4.2 | 4.7 | 3.7 | 4.6 | 4.6 |
| EU-27 | 1.5 | 1.7 | 2.0 | 1.7 | 1.8 | 1.8 |
| World | 124.0 | 118.6 | 121.4 | 112.6 | 118.9 | 119.4 |

World Cotton Exports

| million 480 lb. bales | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|-----------------------|---------|---------|---------|---------|-----------------|-----------------|
| United States | 16.3 | 14.8 | 15.5 | 16.4 | 14.8 | 15.2 |
| Brazil | 4.2 | 6.0 | 8.9 | 11.1 | 9.3 | 8.2 |
| India | 5.2 | 3.5 | 3.2 | 6.1 | 6.0 | 6.0 |
| Australia | 3.9 | 3.6 | 1.4 | 1.4 | 3.4 | 3.3 |
| Greece | 1.1 | 1.4 | 1.5 | 1.5 | 1.4 | 1.5 |
| Benin | 1.1 | 1.4 | 1.2 | 1.4 | 1.4 | 1.4 |
| Mali | 1.3 | 1.4 | 1.2 | 0.6 | 1.2 | 1.2 |
| Cote d'Ivoire | 0.6 | 0.9 | 0.6 | 1.1 | 1.1 | 1.1 |
| Burkina Faso | 1.2 | 0.8 | 0.9 | 0.9 | 1.0 | 1.0 |
| Cameroon | 0.4 | 0.6 | 0.5 | 0.6 | 0.6 | 0.6 |
| Argentina | 0.2 | 0.5 | 0.4 | 0.6 | 0.6 | 0.6 |
| Sudan | 0.4 | 0.4 | 0.4 | 0.5 | 0.5 | 0.5 |
| Malaysia | 0.2 | 0.3 | 0.3 | 0.3 | 0.5 | 0.5 |
| Rest of World | 5.8 | 5.9 | 5.4 | 5.6 | 5.0 | 5.0 |
| African Franc Zone | 3.6 | 4.3 | 3.7 | 3.9 | 4.6 | 4.6 |
| EU-27 | 1.4 | 1.7 | 1.8 | 1.8 | 1.8 | 1.8 |
| World | 41.7 | 41.6 | 41.4 | 48.0 | 46.6 | 45.9 |

Source: USDA

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World Cotton Mill-Use

| million 480 lb. bales | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|-----------------------|---------|---------|---------|---------|-----------------|-----------------|
| China | 41.0 | 39.5 | 33.0 | 40.0 | 41.0 | 41.0 |
| India | 24.2 | 24.3 | 20.0 | 24.0 | 25.0 | 25.5 |
| Pakistan | 10.9 | 10.7 | 9.2 | 10.3 | 10.5 | 10.5 |
| Bangladesh | 7.5 | 7.2 | 6.9 | 8.1 | 8.4 | 8.4 |
| Turkey | 7.6 | 6.9 | 6.6 | 7.7 | 8.2 | 8.2 |
| Vietnam | 6.6 | 7.0 | 6.6 | 7.3 | 7.5 | 7.6 |
| Uzbekistan | 2.5 | 2.8 | 3.0 | 3.2 | 3.2 | 3.2 |
| Brazil | 3.4 | 3.4 | 2.7 | 3.0 | 3.1 | 3.1 |
| Indonesia | 3.5 | 3.2 | 2.4 | 2.4 | 2.5 | 2.5 |
| United States | 3.2 | 3.0 | 2.2 | 2.3 | 2.5 | 2.5 |
| Mexico | 1.9 | 2.0 | 1.5 | 1.7 | 1.7 | 1.7 |
| Turkmenistan | 0.7 | 0.8 | 0.7 | 0.8 | 0.9 | 0.9 |
| Argentina | 0.6 | 0.6 | 0.5 | 0.5 | 0.6 | 0.6 |
| Rest of World | 9.3 | 9.2 | 7.6 | 7.4 | 7.5 | 7.5 |
| African Franc Zone | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| EU-27 | 0.7 | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 |
| World | 122.9 | 120.5 | 102.8 | 118.6 | 122.5 | 123.2 |

World Cotton Imports

| million 480 lb. bales | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|-----------------------|---------|---------|---------|---------|-----------------|-----------------|
| China | 5.7 | 9.6 | 7.1 | 12.5 | 11.0 | 10.0 |
| Bangladesh | 7.6 | 7.0 | 7.5 | 8.3 | 8.0 | 8.0 |
| Vietnam | 7.0 | 6.9 | 6.5 | 7.4 | 7.6 | 7.6 |
| Pakistan | 3.4 | 2.9 | 4.0 | 5.3 | 5.0 | 5.3 |
| Turkey | 4.4 | 3.6 | 4.7 | 5.3 | 5.2 | 5.2 |
| Indonesia | 3.5 | 3.1 | 2.5 | 2.3 | 2.5 | 2.5 |
| India | 1.7 | 1.8 | 2.3 | 0.8 | 1.0 | 1.0 |
| Mexico | 0.9 | 0.9 | 0.6 | 0.9 | 0.9 | 0.9 |
| Malaysia | 0.7 | 0.7 | 0.9 | 0.7 | 0.8 | 0.8 |
| Egypt | 0.6 | 0.5 | 0.5 | 0.6 | 0.6 | 0.6 |
| Thailand | 1.1 | 1.1 | 0.7 | 0.6 | 0.6 | 0.6 |
| South Korea | 0.9 | 0.8 | 0.6 | 0.6 | 0.5 | 0.5 |
| Iran | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Rest of World | 3.7 | 3.3 | 2.7 | 2.6 | 2.7 | 2.7 |
| African Franc Zone | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EU-27 | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| World Total | 41.6 | 42.4 | 40.7 | 47.8 | 46.6 | 45.9 |

Source: USDA

World Balance Sheet

| million metric tons | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|---------------------|---------|---------|---------|---------|-----------------|-----------------|
| Beginning Stocks | 17.5 | 17.7 | 17.4 | 21.3 | 20.3 | 19.9 |
| Production | 27.0 | 25.8 | 26.4 | 24.5 | 25.9 | 26.0 |
| Supply | 44.5 | 43.5 | 43.9 | 45.8 | 46.1 | 45.9 |
| Mill-Use | 26.8 | 26.2 | 22.4 | 25.8 | 26.7 | 26.8 |
| Ending Stocks | 17.7 | 17.4 | 21.3 | 19.9 | 19.4 | 19.1 |
| Stocks/Use Ratio | 66.0% | 66.4% | 95.2% | 77.2% | 72.9% | 71.2% |

China Balance Sheet

| million metric tons | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|---------------------|---------|---------|---------|---------|-----------------|-----------------|
| Beginning Stocks | 10.0 | 8.3 | 7.8 | 8.0 | 8.5 | 8.5 |
| Production | 6.0 | 6.0 | 5.9 | 6.4 | 5.8 | 5.8 |
| Imports | 1.2 | 2.1 | 1.6 | 2.7 | 2.4 | 2.2 |
| Supply | 17.2 | 16.4 | 15.3 | 17.2 | 16.7 | 16.5 |
| Mill-Use | 8.9 | 8.6 | 7.2 | 8.7 | 8.9 | 8.9 |
| Exports | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Demand | 9.0 | 8.6 | 7.2 | 8.7 | 8.9 | 8.9 |
| Ending Stocks | 8.3 | 7.8 | 8.0 | 8.5 | 7.7 | 7.5 |
| Stocks/Use Ratio | 92.4% | 89.8% | 111.3% | 97.1% | 86.7% | 84.2% |

World-Less-China Balance Sheet

| million metric tons | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|---------------------|---------|---------|---------|---------|-----------------|-----------------|
| Beginning Stocks | 7.5 | 9.4 | 9.7 | 13.3 | 11.8 | 11.5 |
| Production | 21.0 | 19.8 | 20.5 | 18.1 | 20.1 | 20.2 |
| Imports from China | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Supply | 28.5 | 29.2 | 30.2 | 31.4 | 31.9 | 31.7 |
| Mill-Use | 17.8 | 17.6 | 15.2 | 17.1 | 17.8 | 17.9 |
| Exports to China | 1.2 | 2.1 | 1.6 | 2.7 | 2.4 | 2.2 |
| Demand | 19.1 | 19.7 | 16.8 | 19.8 | 20.1 | 20.1 |
| Ending Stocks | 9.4 | 9.7 | 13.3 | 11.5 | 11.7 | 11.6 |
| Stocks/Use Ratio | 49.2% | 48.9% | 79.3% | 57.8% | 58.1% | 57.7% |

Source: USDA

India Balance Sheet

| million metric tons | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|---------------------|---------|---------|---------|---------|-----------------|-----------------|
| Beginning Stocks | 1.7 | 2.0 | 2.0 | 3.7 | 3.7 | 3.5 |
| Production | 6.3 | 5.6 | 6.3 | 6.2 | 6.3 | 6.3 |
| Imports | 0.4 | 0.4 | 0.5 | 0.2 | 0.2 | 0.2 |
| Supply | 8.4 | 8.0 | 8.7 | 10.0 | 10.2 | 10.0 |
| Mill-Use | 5.3 | 5.3 | 4.4 | 5.2 | 5.4 | 5.6 |
| Exports | 1.1 | 0.8 | 0.7 | 1.3 | 1.3 | 1.3 |
| Demand | 6.4 | 6.1 | 5.1 | 6.6 | 6.7 | 6.9 |
| Ending Stocks | 2.0 | 2.0 | 3.7 | 3.5 | 3.4 | 3.1 |
| Stocks/Use Ratio | 31.5% | 32.4% | 72.8% | 52.8% | 50.9% | 45.7% |

U.S. Balance Sheet

| million metric tons | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|---------------------|---------|---------|---------|---------|-----------------|-----------------|
| Beginning Stocks | 0.6 | 0.9 | 1.1 | 1.6 | 0.7 | 0.7 |
| Production | 4.6 | 4.0 | 4.3 | 3.2 | 3.7 | 3.9 |
| Imports | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Supply | 5.2 | 4.9 | 5.4 | 4.8 | 4.4 | 4.6 |
| Mill-Use | 0.7 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 |
| Exports | 3.5 | 3.2 | 3.4 | 3.6 | 3.2 | 3.3 |
| Demand | 4.2 | 3.9 | 3.8 | 4.1 | 3.8 | 3.9 |
| Ending Stocks | 0.9 | 1.1 | 1.6 | 0.7 | 0.6 | 0.7 |
| Stocks/Use Ratio | 21.5% | 27.2% | 41.0% | 16.8% | 16.8% | 18.6% |

Pakistan Balance Sheet

| million metric tons | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|---------------------|---------|---------|---------|---------|-----------------|-----------------|
| Beginning Stocks | 0.5 | 0.6 | 0.5 | 0.7 | 0.6 | 0.6 |
| Production | 1.8 | 1.7 | 1.3 | 1.0 | 1.2 | 1.1 |
| Imports | 0.7 | 0.6 | 0.9 | 1.2 | 1.1 | 1.2 |
| Supply | 3.0 | 2.9 | 2.8 | 2.9 | 2.9 | 2.9 |
| Mill-Use | 2.4 | 2.3 | 2.0 | 2.2 | 2.3 | 2.3 |
| Exports | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Demand | 2.4 | 2.3 | 2.0 | 2.2 | 2.3 | 2.3 |
| Ending Stocks | 0.6 | 0.5 | 0.7 | 0.6 | 0.6 | 0.6 |
| Stocks/Use Ratio | 25.6% | 23.2% | 36.6% | 27.5% | 24.3% | 24.3% |

Source: USDA

World Cotton Production

| million metric tons | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|---------------------|---------|---------|---------|---------|-----------------|-----------------|
| India | 6.3 | 5.6 | 6.3 | 6.2 | 6.3 | 6.3 |
| China | 6.0 | 6.0 | 5.9 | 6.4 | 5.8 | 5.8 |
| United States | 4.6 | 4.0 | 4.3 | 3.2 | 3.7 | 3.9 |
| Brazil | 2.0 | 2.8 | 3.0 | 2.3 | 2.9 | 2.9 |
| Pakistan | 1.8 | 1.7 | 1.3 | 1.0 | 1.2 | 1.1 |
| Australia | 1.0 | 0.5 | 0.1 | 0.6 | 0.8 | 0.8 |
| Turkey | 0.9 | 0.8 | 0.8 | 0.6 | 0.7 | 0.7 |
| Uzbekistan | 0.8 | 0.7 | 0.8 | 0.8 | 0.7 | 0.7 |
| Greece | 0.3 | 0.3 | 0.4 | 0.3 | 0.3 | 0.3 |
| Benin | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Mali | 0.3 | 0.3 | 0.3 | 0.1 | 0.3 | 0.3 |
| Mexico | 0.3 | 0.4 | 0.3 | 0.2 | 0.2 | 0.2 |
| Cote d'Ivoire | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Rest of World | 2.2 | 2.2 | 2.4 | 2.3 | 2.3 | 2.3 |
| African Franc Zone | 0.9 | 0.9 | 1.0 | 0.8 | 1.0 | 1.0 |
| EU-27 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| World | 27.0 | 25.8 | 26.4 | 24.5 | 25.9 | 26.0 |

World Cotton Exports

| million metric tons | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|---------------------|---------|---------|---------|---------|-----------------|-----------------|
| United States | 3.5 | 3.2 | 3.4 | 3.6 | 3.2 | 3.3 |
| Brazil | 0.9 | 1.3 | 1.9 | 2.4 | 2.0 | 1.8 |
| India | 1.1 | 0.8 | 0.7 | 1.3 | 1.3 | 1.3 |
| Australia | 0.9 | 0.8 | 0.3 | 0.3 | 0.7 | 0.7 |
| Greece | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Benin | 0.2 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Mali | 0.3 | 0.3 | 0.3 | 0.1 | 0.3 | 0.3 |
| Cote d'Ivoire | 0.1 | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 |
| Burkina Faso | 0.3 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Cameroon | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Argentina | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Sudan | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Malaysia | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Rest of World | 1.3 | 1.3 | 1.2 | 1.2 | 1.1 | 1.1 |
| African Franc Zone | 0.8 | 0.9 | 0.8 | 0.8 | 1.0 | 1.0 |
| EU-27 | 0.3 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| World | 9.1 | 9.0 | 9.0 | 10.5 | 10.1 | 10.0 |

Source: USDA

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World Cotton Consumption

| million metric tons | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|---------------------|-------------|-------------|-------------|-------------|-----------------|-----------------|
| China | 8.9 | 8.6 | 7.2 | 8.7 | 8.9 | 8.9 |
| India | 5.3 | 5.3 | 4.4 | 5.2 | 5.4 | 5.6 |
| Pakistan | 2.4 | 2.3 | 2.0 | 2.2 | 2.3 | 2.3 |
| Bangladesh | 1.6 | 1.6 | 1.5 | 1.8 | 1.8 | 1.8 |
| Turkey | 1.6 | 1.5 | 1.4 | 1.7 | 1.8 | 1.8 |
| Vietnam | 1.4 | 1.5 | 1.4 | 1.6 | 1.6 | 1.7 |
| Uzbekistan | 0.5 | 0.6 | 0.7 | 0.7 | 0.7 | 0.7 |
| Brazil | 0.7 | 0.7 | 0.6 | 0.7 | 0.7 | 0.7 |
| Indonesia | 0.8 | 0.7 | 0.5 | 0.5 | 0.5 | 0.5 |
| United States | 0.7 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 |
| Mexico | 0.4 | 0.4 | 0.3 | 0.4 | 0.4 | 0.4 |
| Turkmenistan | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Argentina | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Rest of World | 2.0 | 2.0 | 1.7 | 1.6 | 1.6 | 1.6 |
| African Franc Zone | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EU-27 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| World Total | 26.8 | 26.2 | 22.4 | 25.8 | 26.7 | 26.8 |

World Cotton Imports

| million metric tons | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 June | 2021/22 July |
|---------------------|------------|------------|------------|-------------|-----------------|-----------------|
| China | 1.2 | 2.1 | 1.6 | 2.7 | 2.4 | 2.2 |
| Bangladesh | 1.7 | 1.5 | 1.6 | 1.8 | 1.7 | 1.7 |
| Vietnam | 1.5 | 1.5 | 1.4 | 1.6 | 1.7 | 1.7 |
| Pakistan | 0.7 | 0.6 | 0.9 | 1.2 | 1.1 | 1.2 |
| Turkey | 1.0 | 0.8 | 1.0 | 1.1 | 1.1 | 1.1 |
| Indonesia | 0.8 | 0.7 | 0.5 | 0.5 | 0.5 | 0.5 |
| India | 0.4 | 0.4 | 0.5 | 0.2 | 0.2 | 0.2 |
| Mexico | 0.2 | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 |
| Malaysia | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Egypt | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Thailand | 0.3 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 |
| South Korea | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 |
| Iran | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Rest of World | 0.8 | 0.7 | 0.6 | 0.6 | 0.6 | 0.6 |
| African Franc Zone | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EU-27 | 0.2 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| World Total | 9.0 | 9.2 | 8.9 | 10.4 | 10.1 | 10.0 |

Source: USDA

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