



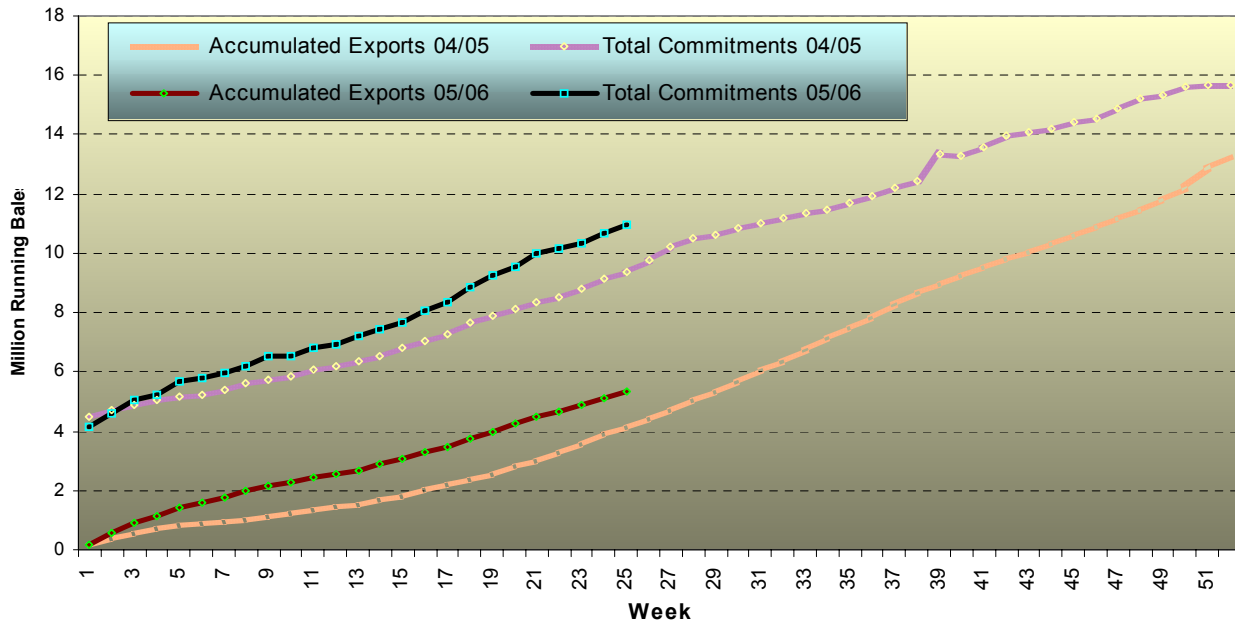
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Cotton: World Markets and Trade

U.S. Export Commitments for 2005/06 on Track with Record Export Forecast



USDA's Export Sales report shows that as of week 26 of the 2005/06 marketing year, accumulated exports of all cotton were 5.6 million running bales compared to 4.5 million last year. This is in line with USDA's current U.S. export forecast of 15.92 million running bales (16.40 million 480 lb. bales). Accumulated exports to China were nearly 2.65 million bales, exceeding last year's by 2 million bales. However, exports to all other Asian markets are running behind last year by almost 847,000 bales. Exports to western hemisphere countries are slightly below last year (less than 100,000 running bales).

Total commitments for all cotton are 11.4 million running bales, compared to 9.8 million last marketing year at the same time. The larger export sales in 05/06 are mainly due to the more active presence of China in the market. Outstanding sales to China are significantly higher (up 2.5 million bales) than this time last year. China has made large purchases in the first half of this marketing year. With China's total imports in 2005/06 forecast significantly higher than 2004/05 (up 10.6 million), U.S. sales and exports to China are expected to remain strong throughout the season.

With total commitments to China looking very promising, U.S. cotton exports to other countries are likely to decline this marketing year. U.S. accumulated exports to Korea, Philippines, Indonesia, and Pakistan are already behind last year.

Approved by the World Agricultural Outlook Board