



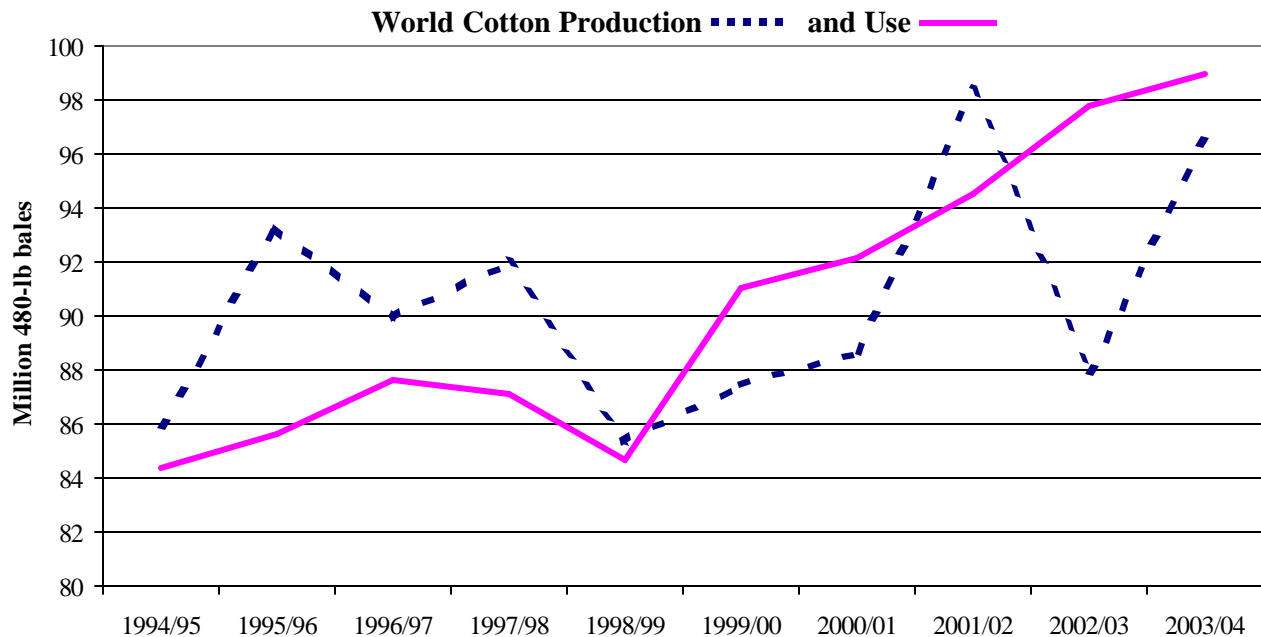
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Cotton: World Markets and Trade

World Cotton Use Forecast Above Production in 2003/04



With cotton prices relatively favorable during Northern Hemisphere planting season, world cotton production is expected to increase almost ten percent from last year to 96.5 million bales in the marketing year beginning August 2003. However, rebounding production is not expected to overshoot world consumption, currently forecast to grow just over one percent to 99 million bales. World cotton consumption growth is expected to slow from the impressive 3.5-percent growth rate witnessed in marketing year 2002/03. The slowdown would reflect a return towards the historical relationship with economic and population growth rates as well as higher cotton prices, both in absolute terms and relative to other textile fiber prices. China will remain the major driver of world cotton consumption growth and is expected to increase its share of the world total. The downward trend in U.S. domestic use will continue, and total consumption in the rest of the world excluding China will grow slightly. Cotton moving in international trade is forecast higher next year at 31 million bales, due to tight foreign stocks and the persistence of large exportable supplies in the United States.

Approved by the World Agricultural Outlook Board