



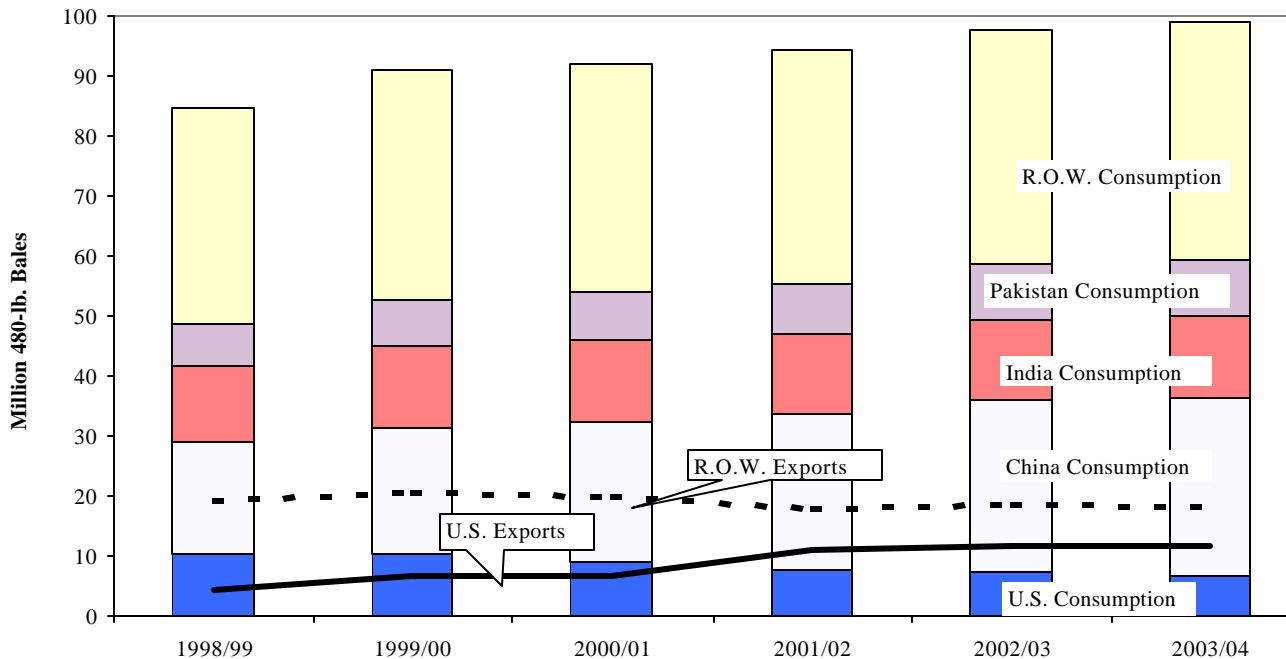
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# Cotton: World Markets and Trade

## U.S. Exports and World Consumption Up in MY 2003/04



The world situation in 2003/04 shows increases in area, production, consumption, with all above both 2002/03 and 5-year averages. World production is forecast to rise 8.1 percent or by 7.1 million 480-lb bales, due mainly to increases in China (4.4 million bales), India (1.1 million), Pakistan (0.7 million), and Brazil (0.5 million). China's production is increasing 19.5 percent from last year. Production in the United States, on the other hand, is forecast to fall by 0.6 million to 16.6 million, down 3.5 percent from last year. Decreases are also forecast for Egypt and Uzbekistan. Australia's production is expected to remain depressed due to continued concerns about water availability.

World consumption is forecast to rise by 1.3 percent or 1.3 million 480-lb bales to 99.1 million bales, due mainly to increases in China (1.0 million), Brazil (0.2 million), India (0.2 million), Pakistan (0.2 million), Turkey (0.15 million), and Thailand (0.1 million). China's consumption is expected to increase by 3.5 percent in MY 2003/04. This is less than one third the average growth seen in the last 4 years for China.

Changes in world exports and imports are expected to be minimal in 2003/04. The world cotton trade has had positive trends during the past 10 years, due to the increase in the world cotton consumption. Major increases in exports are forecast for Brazil (0.45 million bales), the United States (0.2 million), and Mali (0.2 million). Major decreases in exports are forecast for Australia (0.9 million) and China (0.5 million). Major imports increases in Egypt (0.43 million), India (0.4 million), and Turkey (0.25 million) will be partially offset by decreases in Mexico (0.35 million) and Brazil (0.35 million).

Despite the forecast for rise in production, the world ending stocks are forecast to decrease to 33 million bales or by 10.8 percent, making it the lowest ending stocks in 9 years. Lower stocks are forecast in nearly all markets, with ending stocks in the United States falling 33 percent.