



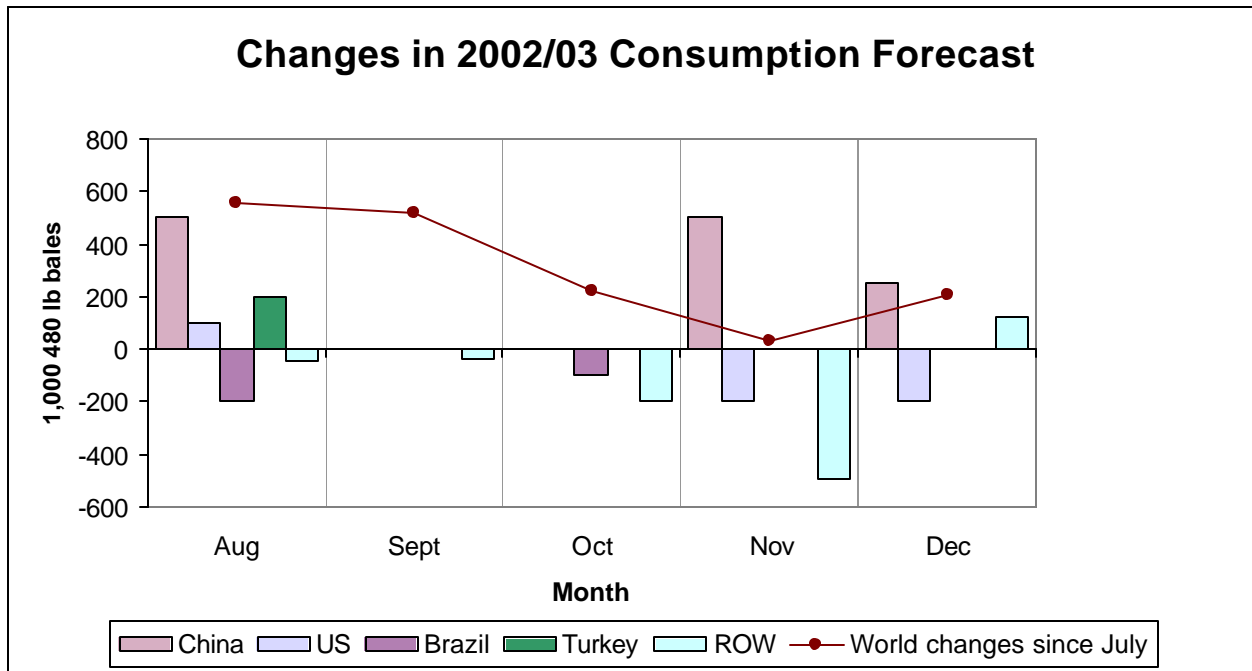
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China's Consumption Forecast Grows Despite Stagnant World Demand



The December forecast of 2002/03 world consumption is 96.4 million bales, up 203,000 bales, or less than one quarter of one percent from the July forecast. Despite the generally stable view on total consumption, shifts have been seen between countries. The 2002/03 consumption forecast for China has increased 1.25 million bales from the initial July forecast and now stands at 27.0 million bales or 28 percent of the world total. The only other major consuming countries with consumption over 1.0 million bales that have seen increases are Turkey and Taiwan. India, Japan, Russia, Thailand, Uzbekistan and Pakistan's forecasts are unchanged from July while all other major consuming countries have seen decreases in their forecasts for 2002/03.

The forecast for world production has decreased by 2.5 million bales since July as poor weather conditions reduced prospects in several countries, including the United States. The continued drought in Australia dramatically reduced the forecast for the 2002/03 Australian crop from 2.9 million bales to 1.5 million. China's production is up 1.0 million bales as both forecasted area and yield have increased. Trade levels are down slightly due to lower demand in importing countries, such as Indonesia and Korea, and lower production in exporting countries, such as the United States, Australia, Egypt, Greece, and FZA.