



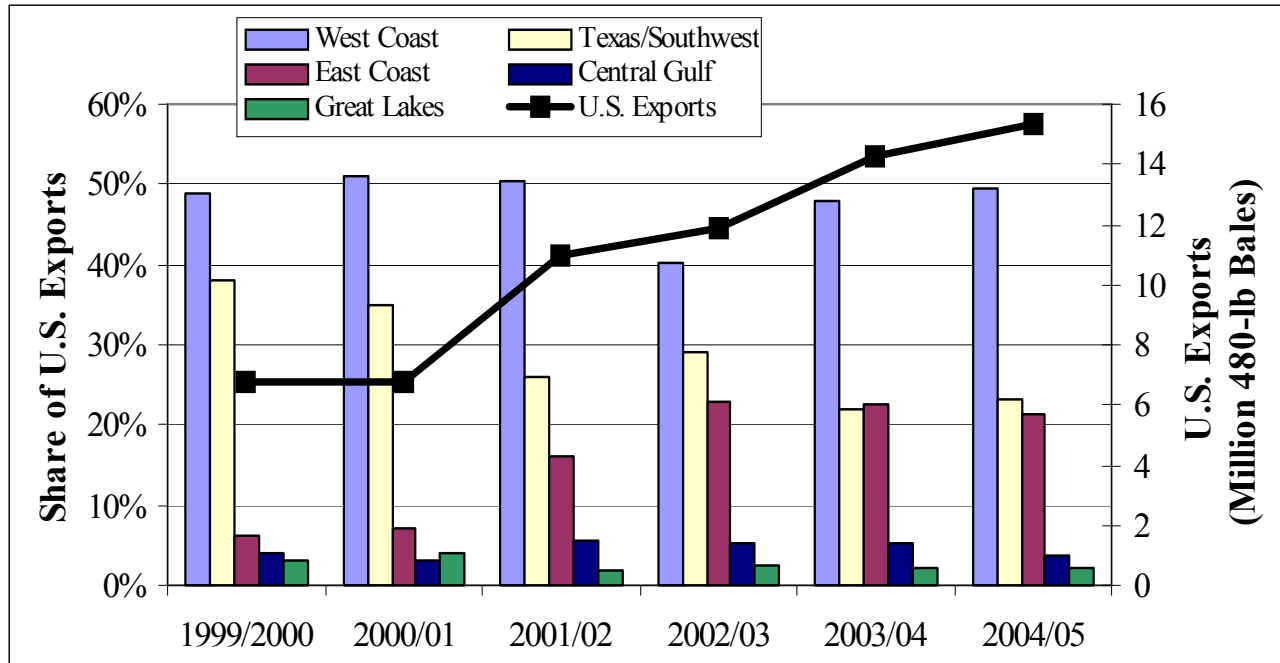
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Cotton: World Markets and Trade

U.S. Exports Shift to East and West Coasts



U.S. exports have more than doubled to a projected 15.3 million bales for 2005/06 since 1999/2000. During this time, the share of exports leaving East Coast ports has more than tripled, Texas/Southwest export share has shrunk by over a third, and exports from West Coast ports have rebounded to previous shares.

East Coast exports have been supported by declining U.S. cotton mill use as Southeast and Memphis Territory cotton formerly used domestically is now shipped overseas. Additionally, East Coast exports to China have taken a larger share, presently accounting for a quarter of 2004/05 exports to date (August-June).

The decline of export share out of the Texas/Southwest region is likely driven by Mexico's lower share of total U.S. exports. Also, merchants have shifted storage to strategic cotton facilities near port locations that service major U.S. buyers in preparation of future exports and sales. Such practice meets the demand for quicker response time to hand-to-mouth buying in major markets like China by pushing cotton storage near the Los Angeles customs district in the West Coast region.

The Los Angeles district exports more U.S. cotton than any other, typically accounting for over 40 percent of exports. The East Coast's Savannah customs district has become the second largest, growing in share from 3 percent to 17 percent since 1999/2000. Within the Texas/Southwest region, Laredo district exports have fallen from 23 percent to 12 percent during the same period.

Approved by the World Agricultural Outlook Board