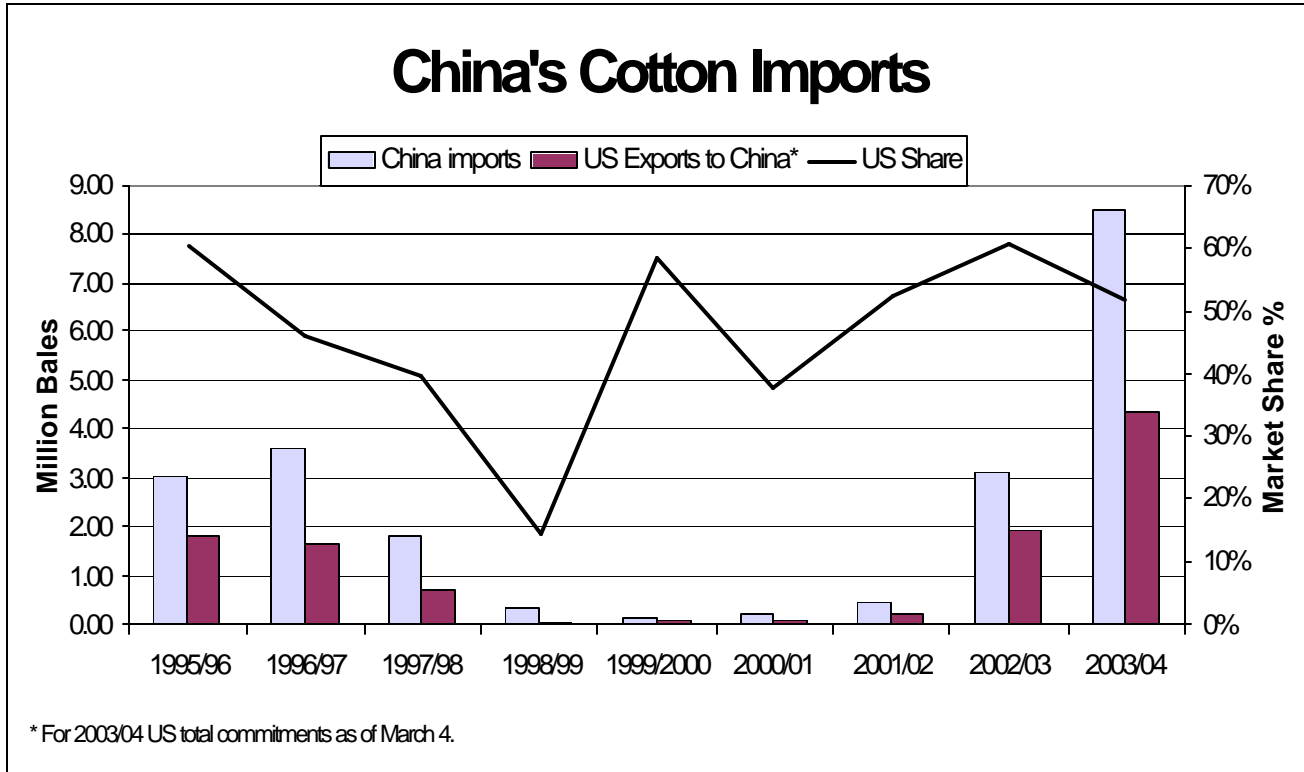




Cotton: World Markets and Trade

Strong Import Demand in China Boosts U.S. Exports



The 2003/04 import forecast for China was increased to 8.5 million bales, up 1.5 million bales from last month, based on higher consumption estimates affecting 2002/03 and 2003/04. Strengthening import demand in China provided the basis for increasing the U.S. export forecast to 13.8 million bales, up 600,000 bales.

China's National Bureau of Statistics (NBS) released revised 2003 calendar year data for yarn production, which showed a 15.5 percent increase in total yarn production compared with previous estimates. This development combined with continued strong growth in yarn production resulted in an increase of 400,000 bales in estimated consumption for 2002/03 and a 1.0 million bales increase for 2003/04.

China reports total cotton imports for Aug 03 – Jan 04 of 2.2 million bales, with 1.6 million bales imported in December and January alone. Monthly imports are expected to rise through the remainder of the season as China's stocks tighten to historically low levels. More than half of China's cotton imports are expected to be supplied by the U.S. U.S. Export Sales data thru March 4th show accumulated exports to China of 2.4 million 480 lb bales, 2.0 million bales of outstanding sales, and continued strong weekly net sales averaging about 125,000 bales per week since January 1.