



United States
Department of
Agriculture

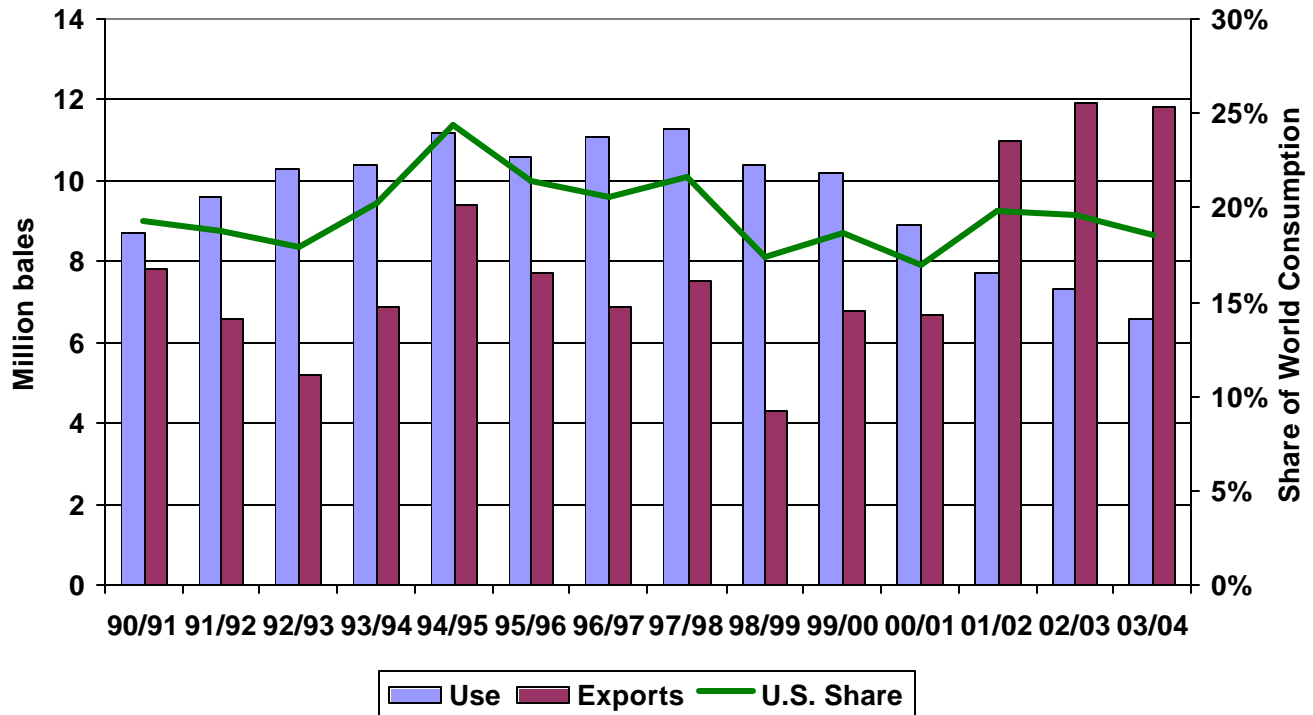
Foreign
Agricultural
Service

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Cotton: World Markets and Trade

U.S. Cotton's Share of World Consumption Stable

U.S. Exports, Use and Share of World Consumption



The importance of U.S. cotton exports in total world cotton trade (currently estimated at about 39 percent) has attracted much attention recently, particularly from other cotton exporting countries. The fact is that the textile production and marketing chain has become more international than ever, and demand for raw cotton has proven more footloose than cotton supply. While the ratio of domestic to foreign demand for U.S. cotton has changed dramatically in recent years, the share of world cotton demand met by U.S. cotton has not. U.S. cotton's share of total world consumption (U.S. exports plus domestic U.S. consumption divided by total world consumption) has remained relatively flat over the last 15 years. U.S. cotton is expected to account for 18.6 percent of the total world consumption in 2003/04. That level is down slightly from 2002/03 and below the averages for the 1990's and the previous three years. U.S. consumption in 2003/04 is forecast at 6.6 million bales, down over 40 percent from the record set in 1997/98.

Two consecutive years of drought in Australia have meant tighter supplies in this traditional exporting country. Australian exports, already down 16 percent from MY 2001/02, are expected to fall another 37 percent in MY 2003/04. Other exporters, such as Mali, Burkina Faso and Brazil, are expected to increase their exports as a result.