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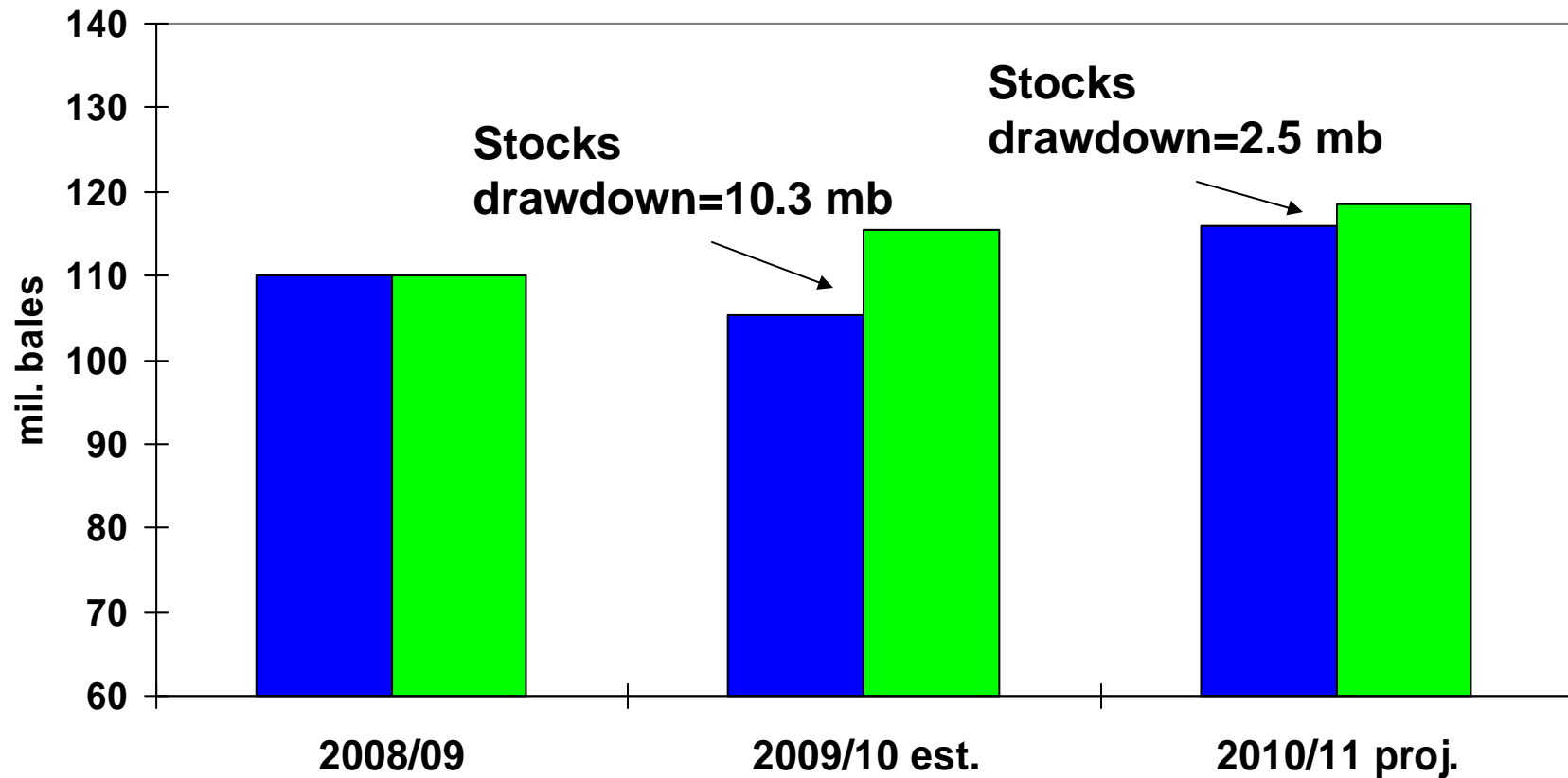
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# **The USDA Cotton Outlook for 2010/11**

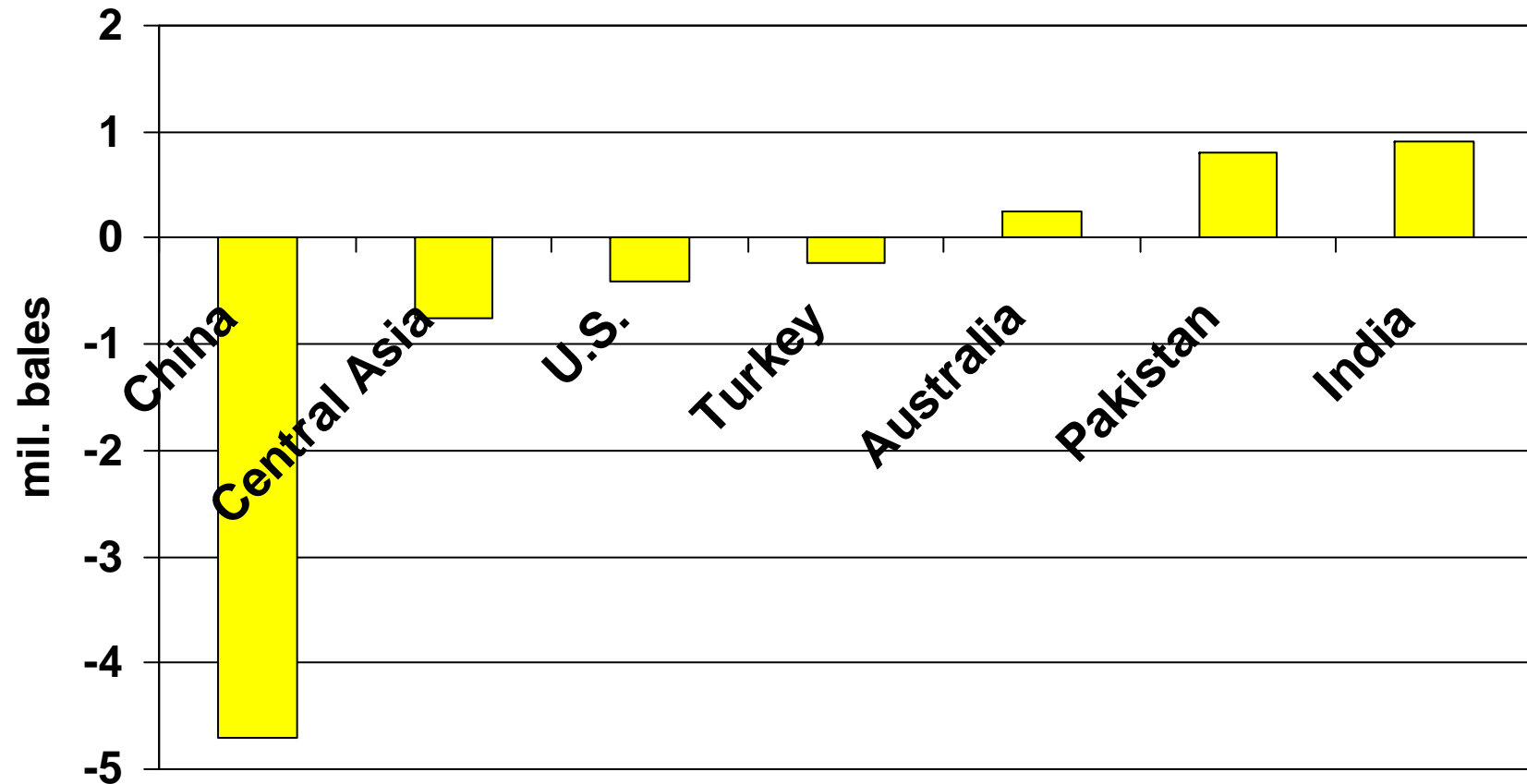
**USDA Agricultural Outlook Forum  
Interagency Cotton Estimates Committee  
February 19, 2010**

# World Cotton Supply and Consumption 2005/06 through 2010/11 proj.

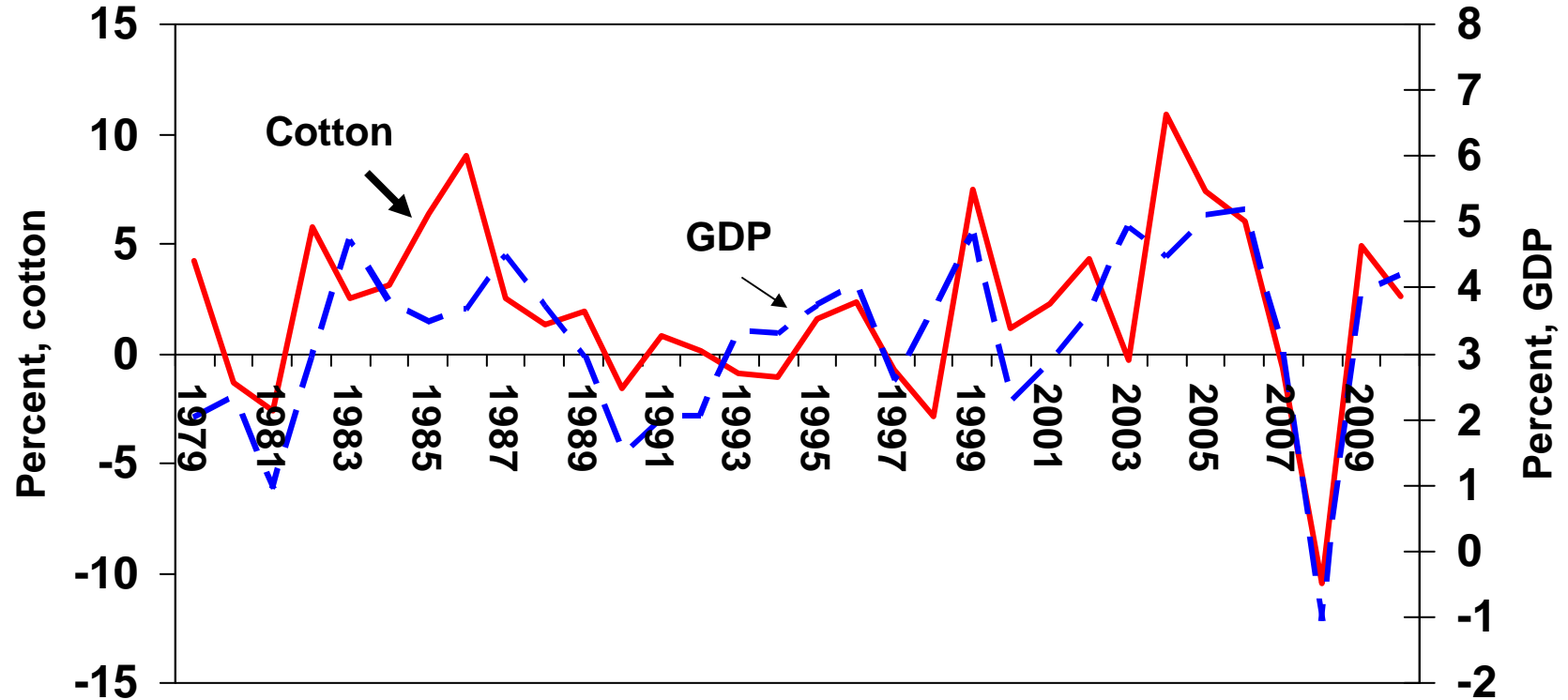
■ Supply=Production+Residual ■ Consumption



# Estimated Changes in World Production, 2009/10 compared with 2008/09

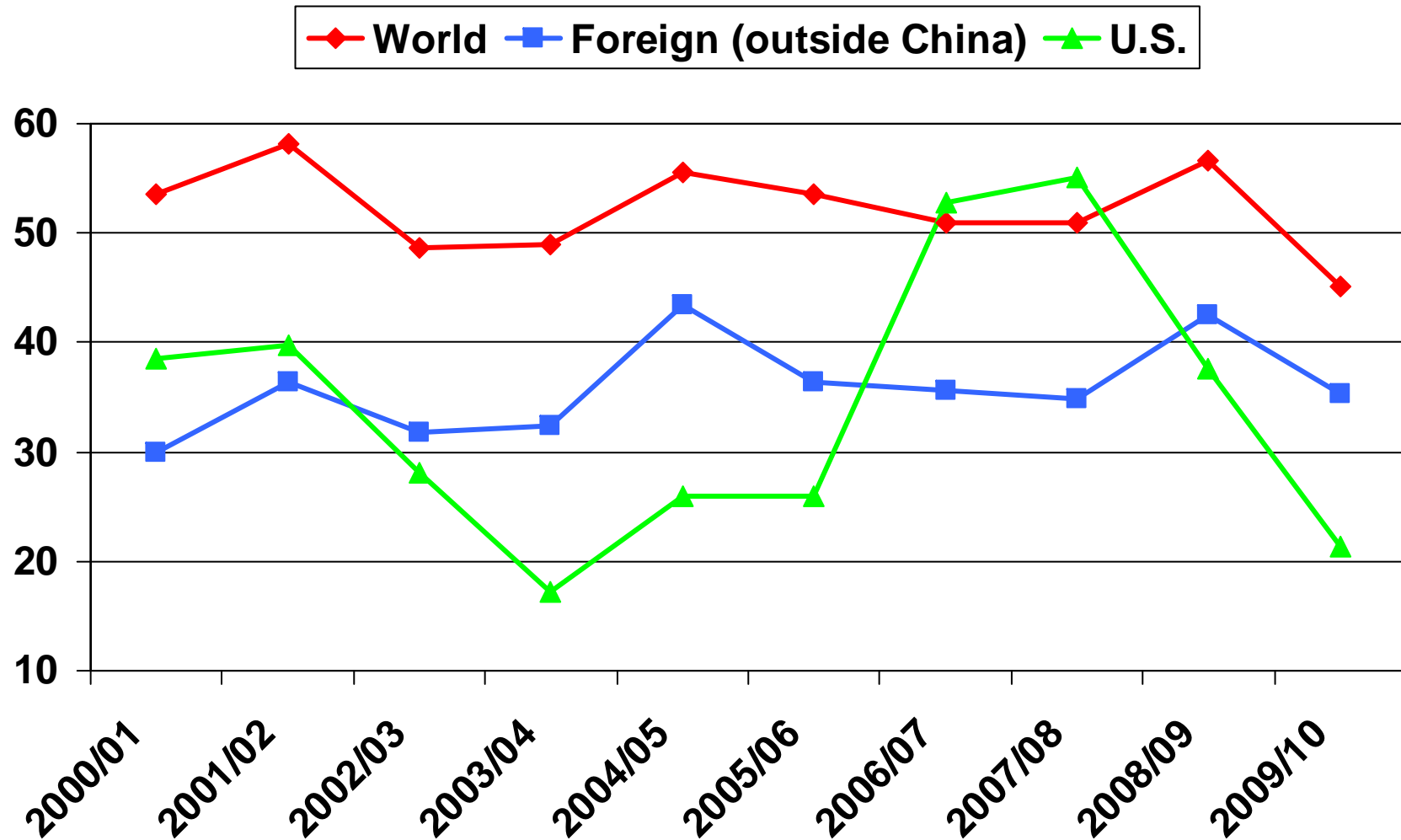


# World Cotton Consumption and Economic Growth



Sources: USDA, International Monetary Fund, and GlobalInsight .

# 10 Seasons of Stocks-to-Use Ratios

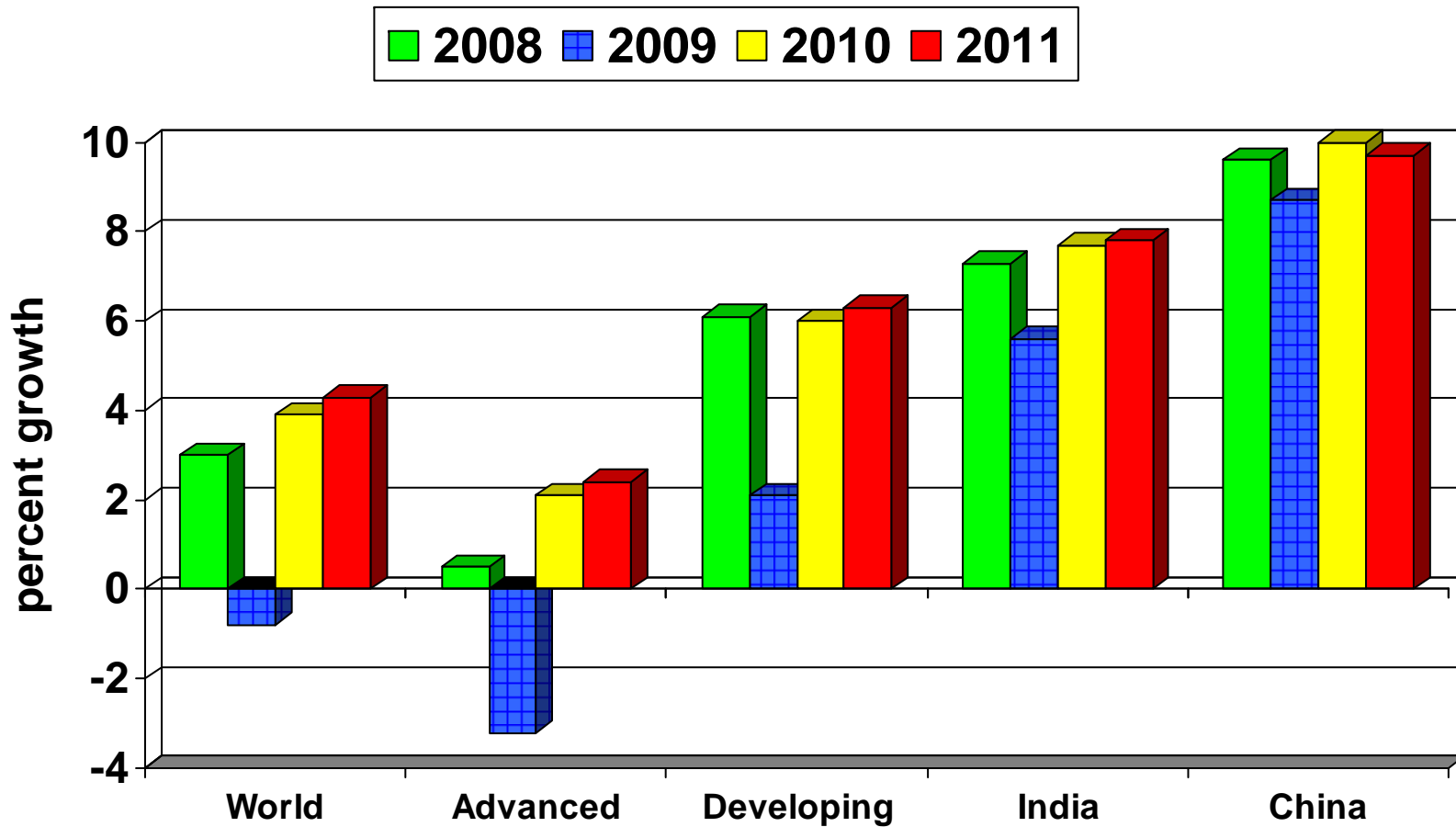


## **World Production Up 10.5% in 2010/11**

- **Rising cotton prices combined with a return to normal weather will raise production nearly 11.0 million bales.**
- **Production higher in all major cotton-producing countries.**
- **Over 80 percent of the increase accounted for by: the U.S. (+3.6 mb); China (+3.0 mb); India (+1.5 mb); and Brazil (+.85 mb).**

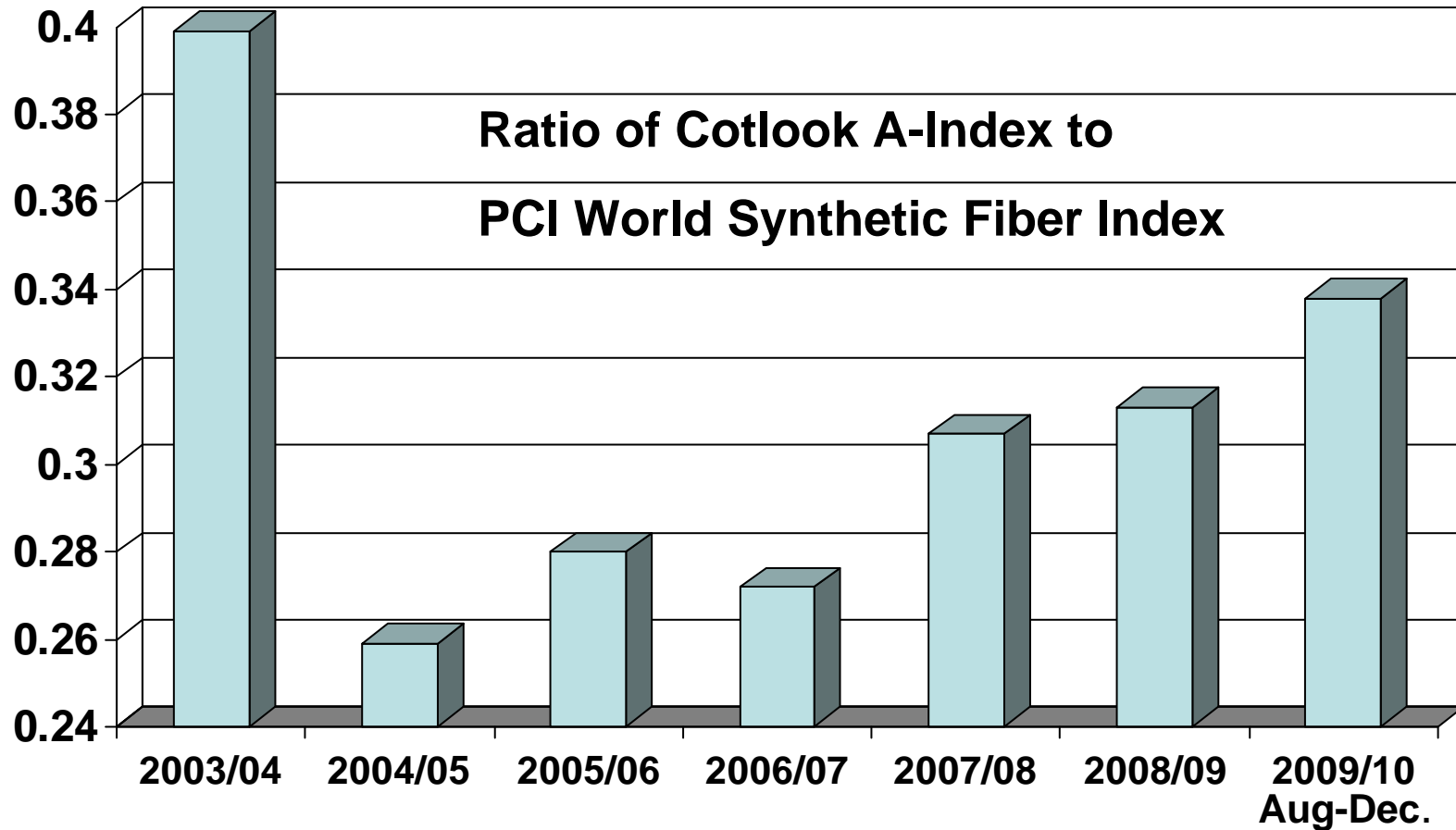
# IMF Economic Growth Projections

## January 2010



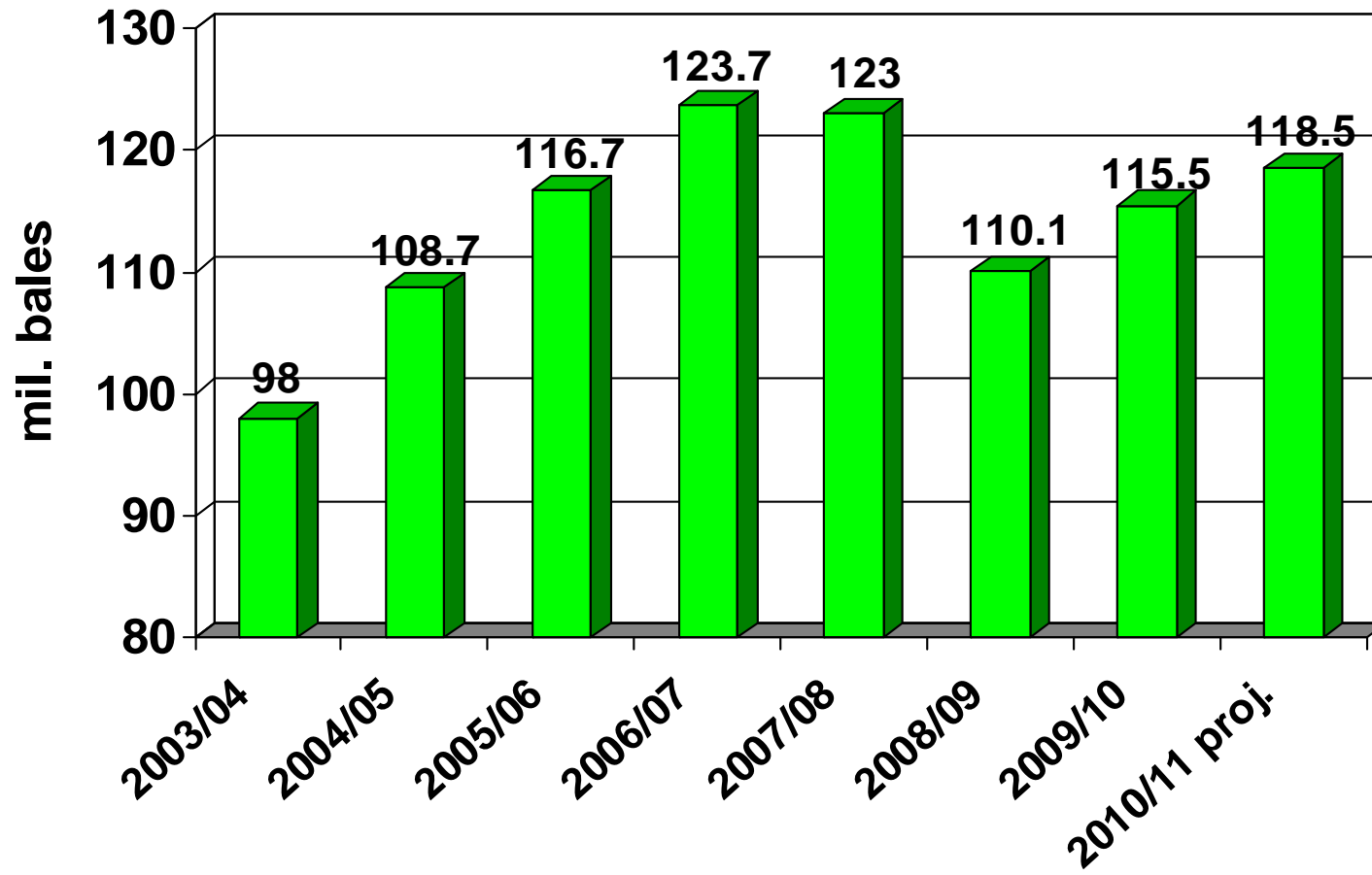


# Cotton-to-Polyester Price Ratios: 2009/10 Reaches Six-Year High



# World Consumption

## 2003/04 through 2010/11 proj.

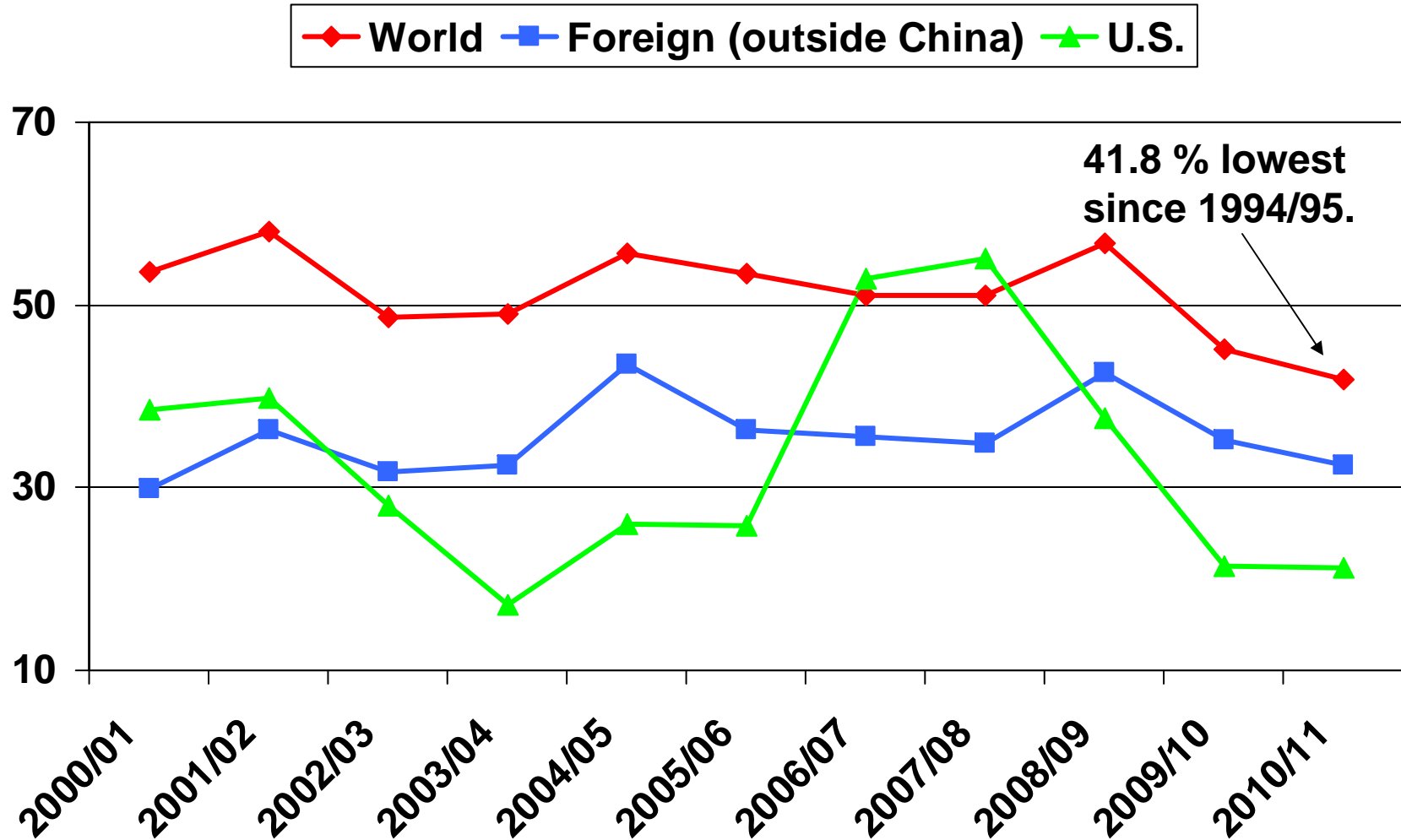


# World Cotton Supply and Demand, 2009/10 and 2010/11 proj.

(mil. bales)

<u>Item</u>	<u>2009/10</u>	<u>2010/11</u>	<u>Change (%)</u>
<b>Beg. stks</b>	<b>62.4</b>	<b>52.1</b>	<b>-16.6</b>
<b>Production</b>	<b>102.7</b>	<b>113.5</b>	<b>+10.5</b>
<b>Imports</b>	<b>33.8</b>	<b>37.0</b>	<b>+9.6</b>
<b>Total supply</b>	<b>198.9</b>	<b>202.6</b>	<b>+1.8</b>
<b>Consumption</b>	<b>115.5</b>	<b>118.5</b>	<b>+2.6</b>
<b>Exports</b>	<b>33.8</b>	<b>37.0</b>	<b>+9.6</b>
<b>Total Use</b>	<b>149.3</b>	<b>155.5</b>	<b>+4.2</b>
<b>Residual</b>	<b>-2.5</b>	<b>-2.5</b>	<b>0</b>
<b>Ending stks</b>	<b>52.1</b>	<b>49.6</b>	<b>-4.8</b>
<b>Stocks-to-Consumption (%)</b>	<b>45.1</b>	<b>41.8</b>	

# Stocks-to-Use Ratios through 2001/11 proj



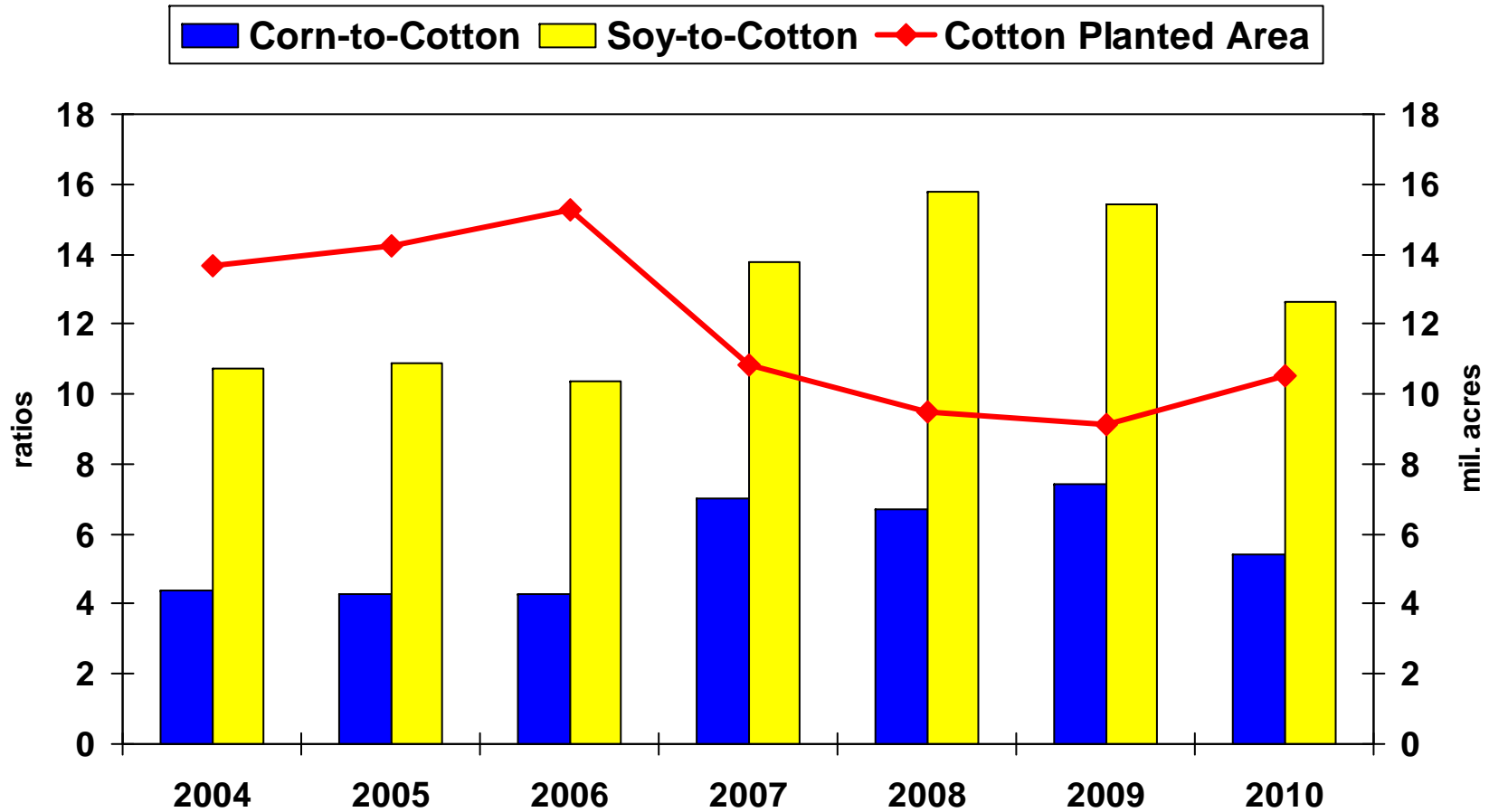
## **Projected U.S. Area and Production**

- **A 15-percent increase in acres planted to 10.5 million.**
- **With average abandonment of 11 percent, harvested acres would be 9.3 million.**
- **Average yield per harvested acre of 825 lbs.**
- **Production is forecast at 16.0 million bales.**

# Harvest Futures Prices as of February

## Ratios of Corn and Soy to Cotton

(2010 based on Feb. 15, 2010)



# U.S. Supply and Demand, 2009/10 and 2010/11 proj. (mil. bales)

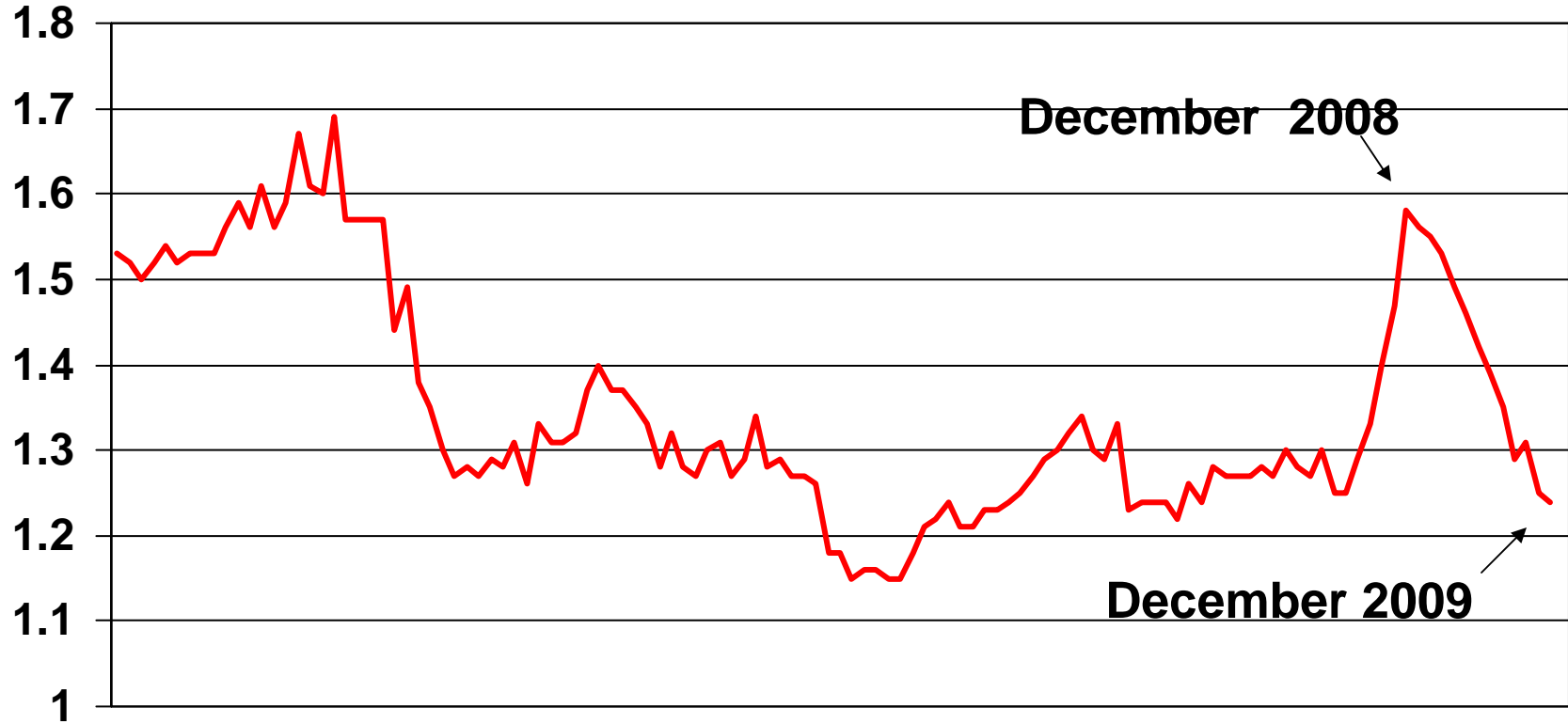
<u>Item</u>	<u>2009/10</u>	<u>2010/11</u>	<u>Change (%)</u>
<b>Beg. stks</b>	<b>6.3</b>	<b>3.3</b>	<b>-47.9</b>
<b>Production</b>	<b>12.4</b>	<b>13.0</b>	<b>+29.3</b>
<b>Imports</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total supply</b>	<b>18.7</b>	<b>19.3</b>	<b>+3.2</b>
<b>Consumption</b>	<b>3.4</b>	<b>3.4</b>	<b>0</b>
<b>Exports</b>	<b>12.0</b>	<b>12.6</b>	<b>+5.0</b>
<b>Total Use</b>	<b>15.4</b>	<b>16.0</b>	<b>+3.6</b>
<b>Ending stks</b>	<b>3.3</b>	<b>3.4</b>	<b>+2.7</b>
<b>Stocks-to-use (%)</b>	<b>21.4</b>	<b>21.2</b>	
<b>Farm price (cents/lb.)</b>	<b>62.0</b>	<b>64.0</b>	<b>+3.2</b>





# U.S. Textile Inventory-to-Shipment Ratios

## January 2000-December 2009



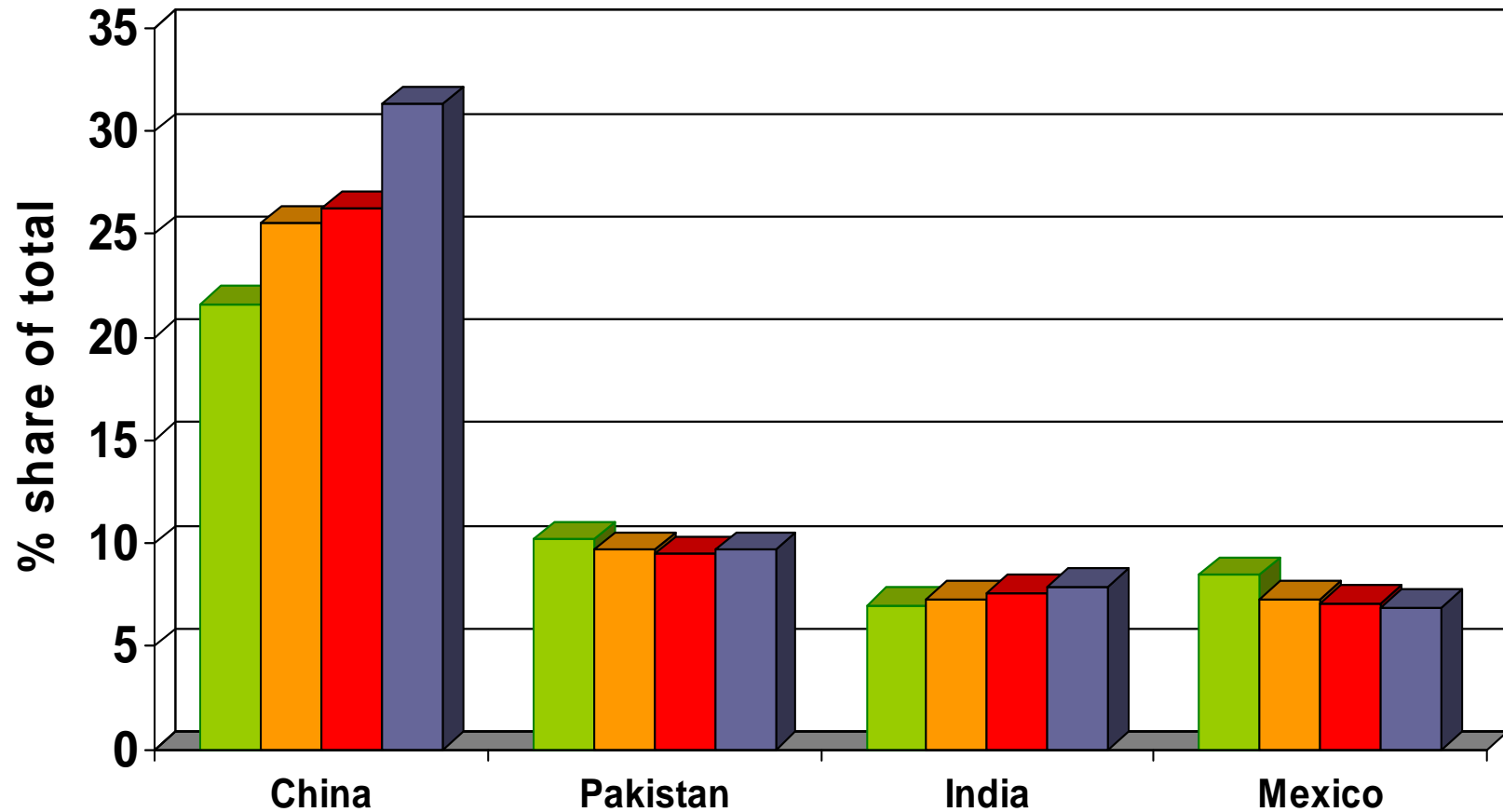
Source: U.S. Bureau of the Census

# U.S. Cotton Textile Imports

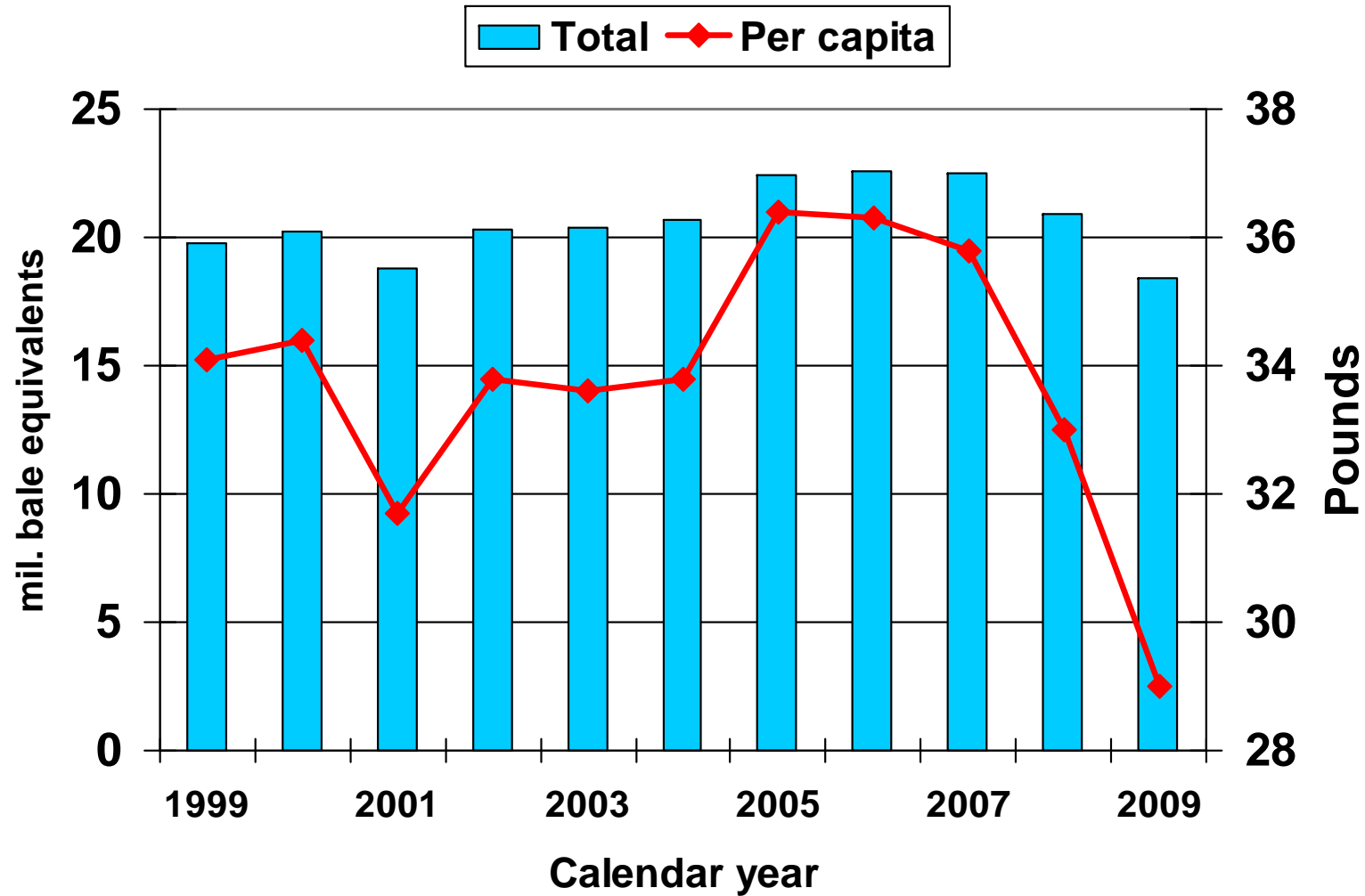
## Share by Origin from Leading Suppliers

(raw fiber equivalent basis)

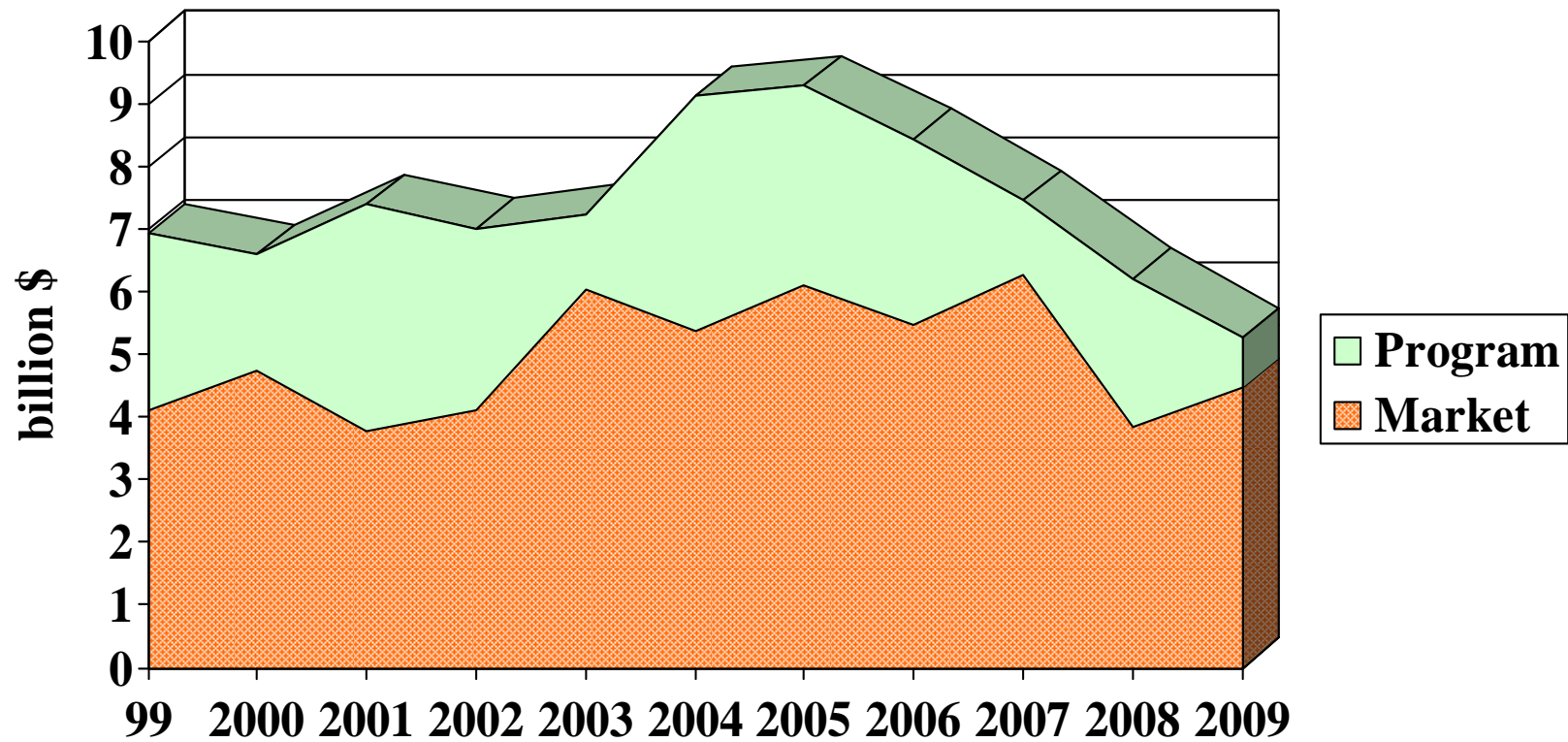
2006 2007 2008 2009



# U.S. Domestic Cotton Consumption: Total and Per Capita



# Gross Cotton Farm Income 1999/2000 through 2009/10 est.



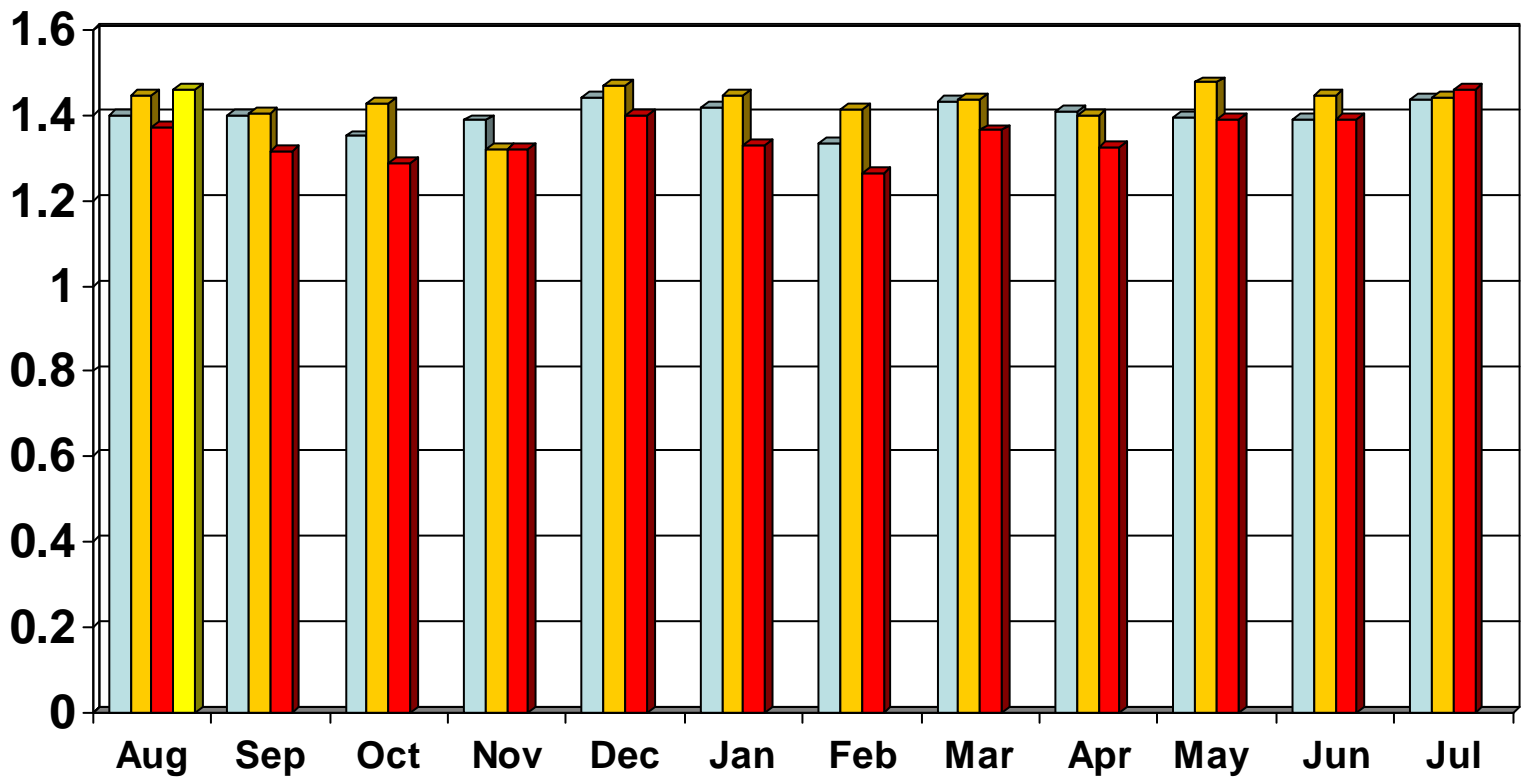
# China Cotton Supply and Demand, 2009/10 and 2010/11 proj.

(mil. bales)

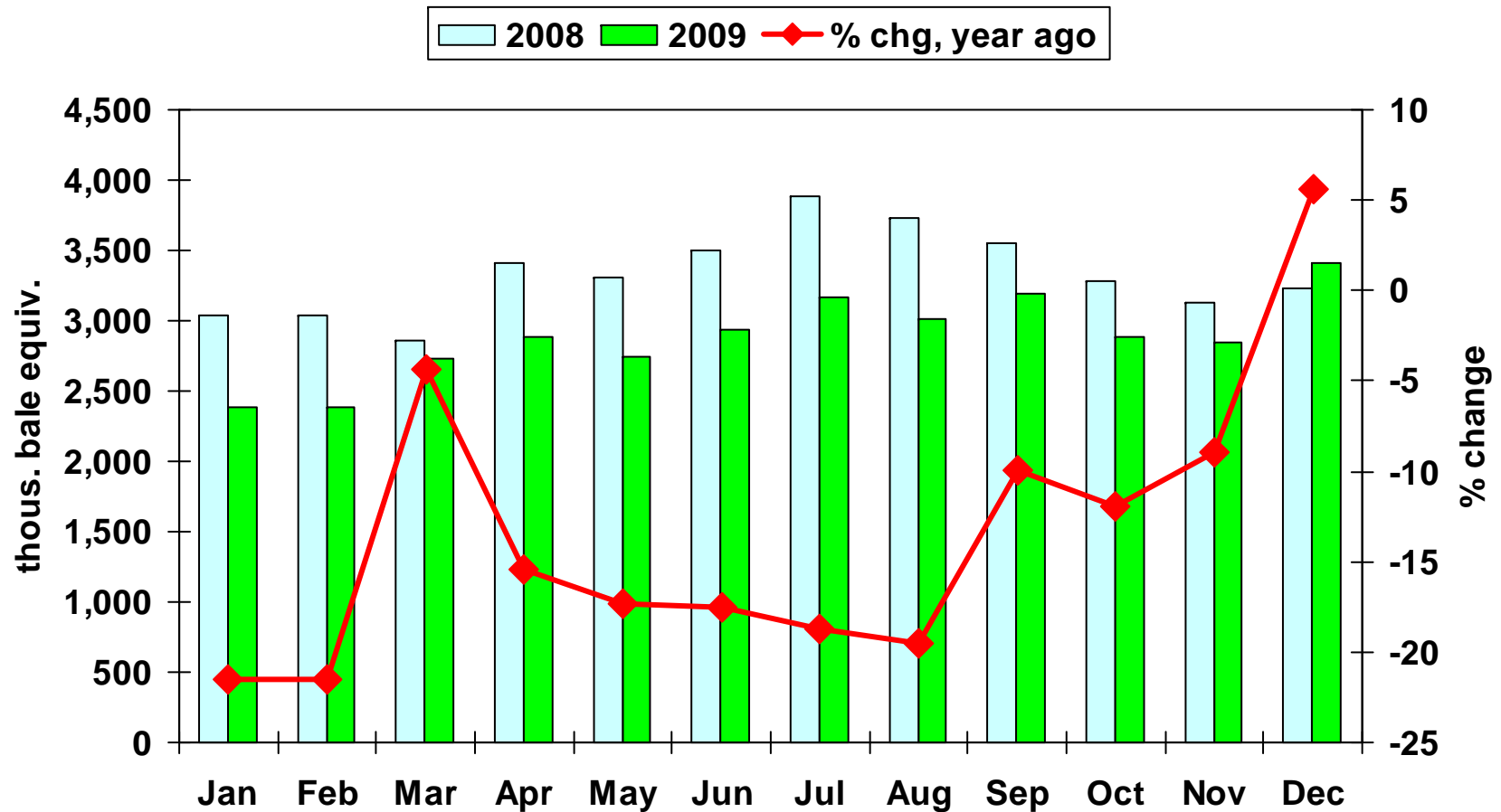
<u>Item</u>	<u>2009/10</u>	<u>2010/11</u>	<u>Change (%)</u>
<b>Beg. stks</b>	<b>22.4</b>	<b>18.3</b>	<b>-18.2</b>
<b>Production</b>	<b>32.0</b>	<b>35.0</b>	<b>+9.4</b>
<b>Imports</b>	<b>9.0</b>	<b>10.0</b>	<b>+11.1</b>
<b>Total supply</b>	<b>63.4</b>	<b>63.3</b>	<b>-0.1</b>
<b>Consumption</b>	<b>47.5</b>	<b>49.0</b>	<b>+3.2</b>
<b>Exports</b>	<b>0.1</b>	<b>0.1</b>	<b>0</b>
<b>Total Use</b>	<b>47.6</b>	<b>49.1</b>	<b>+3.1</b>
<b>Residual</b>	<b>-2.5</b>	<b>-2.5</b>	<b>0</b>
<b>Ending stks</b>	<b>18.3</b>	<b>16.8</b>	<b>-8.5</b>
<b>Stocks-to-Use (%)</b>	<b>38.5</b>	<b>34.2</b>	

# India Mill Use

2006/07 2007/08 2008/09 2009/10



# China's Net Textile Exports by Month, raw fiber equivalents



# India Cotton Mill Use by Month

