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Electronic Outlook Report from the Economic Research Service

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## Cotton and Wool Outlook

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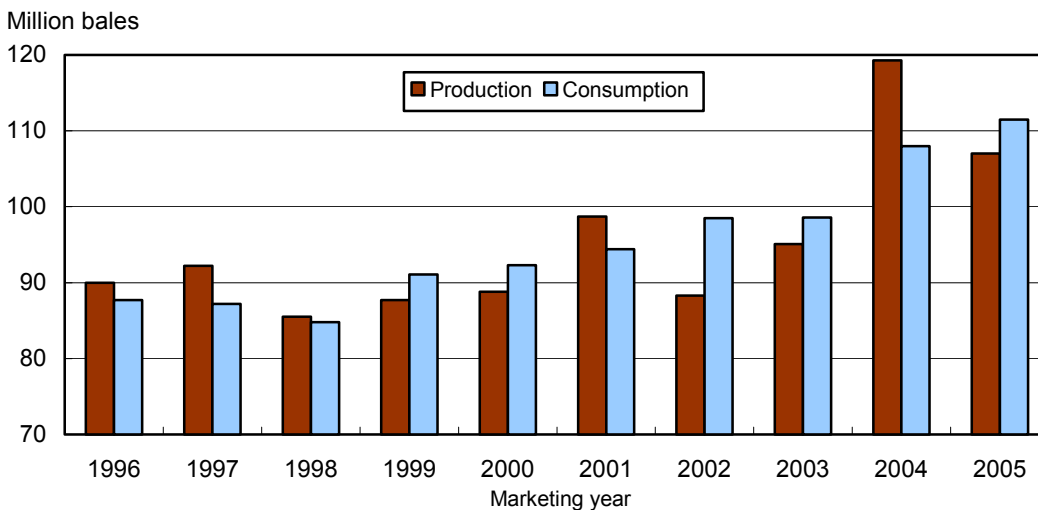
### Dramatic Decline Forecast for 2005/06 Global Cotton Crop

The first U.S. Department of Agriculture (USDA) cotton forecast for 2005/06 indicates that a dramatic decline in global production is expected. World production in 2005/06 is forecast to reach only 107 million bales, a year-to-year decrease of over 10 percent from the record established in 2004/05. The global production decline is projected as a result of reduced area in response to lower prices for 2005/06 and a return to normal weather.

Meanwhile, 2005/06 global consumption is expected to continue to expand as last season's record crop provides abundant supplies at competitive prices. World cotton consumption is projected at 111.5 million bales in 2005/06, 3 percent above the record estimated for the current season. However, the growth in consumption is forecast to occur outside the United States, as U.S. cotton mill use is expected to continue its decline. With global consumption forecast to exceed production, 2005/06 ending stocks are projected to decrease to 45.2 million bales, about 4 million below the current season.

Figure 1

#### World cotton production and consumption



Source: USDA.

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The next release is  
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Approved by the  
World Agricultural  
Outlook Board

## Domestic Outlook

### *Smaller U.S. Crop Projected in 2005*

According to USDA's first estimate for 2005/06, U.S. cotton production is projected at 19.5 million bales, 16 percent below the 2004/05 record. Based on *Prospective Plantings*, cotton area for the 2005 crop is projected at 13.8 million acres, 1 percent above final 2004 acreage. Harvested area, estimated at nearly 12.6 million acres, is based on U.S. average abandonment during 2002-2004. Likewise, the U.S. yield of 745 pounds per harvested acre is based on the past 3-year national average. Based on these projections, the 2005 U.S. cotton crop would be slightly below the average of the previous four seasons.

As of May 8th, U.S. cotton plantings were 39 percent complete, compared with 42 percent last year and the 5-year average of 43 percent. The progress of several States has varied dramatically, including Georgia and Oklahoma—where plantings have been delayed significantly this year—and Arizona and Missouri—where progress is running ahead of the respective 5-year averages.

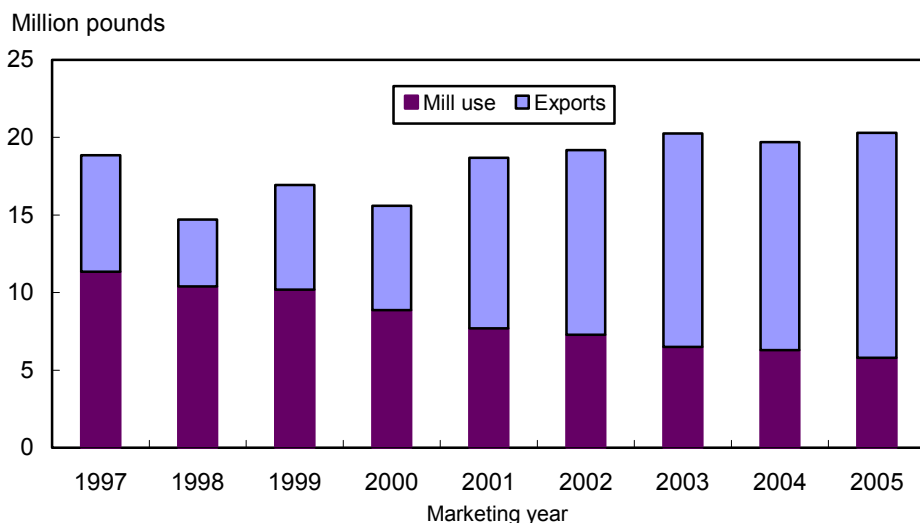
### *2005/06 Demand Forecast To Rise; Stocks Reduced*

Demand for U.S. cotton is expected to increase 3 percent next season to 20.3 million bales, similar to 2003/04. While U.S. mill use is projected lower for the eighth consecutive season, an increase in exports is expected to more than offset the decline in mill use. The majority of U.S. cotton remains destined for foreign markets, with exports forecast to account for 71 percent of U.S. demand in 2005/06. U.S. cotton exports are projected at 14.5 million bales in 2005/06, more than a million bales (8 percent) above the current season's shipment estimate. The record forecast is supported by a stronger foreign import demand projection—particularly raw cotton imports by China next season. Despite the increase, the U.S. share of global trade is expected to fall from about 40 percent this season to 37 percent.

**Note:** U.S. cotton harvested area, yield, and production are expected lower in 2005 with a return to normal weather.

**Note:** U.S. exports projected higher as foreign import demand pushes shipments to a record.

Figure 2  
**U.S. cotton demand**



Source: USDA.

U.S. cotton mill use is forecast at 5.8 million bales in 2005/06, 8 percent below the current season and the lowest since 1984/85. Cotton textile and apparel imports continue to erode U.S. mill use and account for a larger share of the U.S. retail market. In particular, the complete quota elimination beginning January 2005 has seen imports grow dramatically from a number of countries, particularly China. See the Highlight section of this report for more details. With U.S. cotton demand expected to exceed production in 2005/06, stocks are forecast to decline slightly after last season's dramatic stock increase. Ending stocks are projected at 6.3 million bales on July 31, 2006, with a stocks-to-use ratio estimated at 31 percent, compared with this season's 36 percent.

### ***2004/05 Final Production Estimates; Demand Revised Upward***

In May, USDA released final U.S. cotton area, yield, and production estimates for 2004/05. While area estimates were unchanged, yield and production adjustments were made in nearly all States. Only Louisiana and South Carolina were not revised. Collectively, U.S. cotton production was increased 170,000 bales, pushing the record crop higher. And, with area unchanged, the national average yield rose to an unprecedented 855 pounds per harvested acre, 125 pounds above the previous record in 2003/04. For State details, see table 11 of this report.

In addition, U.S. cotton exports were revised to 13.4 million bales, 200,000 above April's estimate. Recent export sales and shipment data, particularly to China, suggest that strong demand for U.S. cotton will continue this marketing year, pushing exports toward 2003/04's record.

### ***U.S. Textile Trade: Higher Imports and Exports***

February 2005 U.S. textile imports, at 1.5 billion (raw-fiber equivalent) pounds, were 6 percent above January and nearly 20 percent above a year ago. Larger imports of cotton and manmade textiles more than offset small declines in linen, wool, and silk shipments. Also, larger imports of apparel and home furnishings occurred in February compared with January. Cotton imports, at 842 million pounds, accounted for 57 percent of the total. U.S. cotton imports from other North American countries rose 19 percent to 250 million pounds in February; these imports accounted for 30 percent of the total. February imports from Asia increased 16 percent to 510 million pounds. Imports from China were up 44 percent from January and were three times larger than shipments during February 2004. Textile imports from Asian countries accounted for 61 percent of February's total.

U.S. textile exports also increased in February to 405 million pounds, up 2 percent from January and 6 percent above a year ago. Exports of cotton and manmade fibers rose from a month earlier, as did exports of all major end-uses, except apparel. Cotton exports, at 189 million pounds, were up 3 percent from January and accounted for 47 percent of the monthly total. Historically, the majority of U.S. cotton textile exports are shipped to other North American countries. This region accounted for 93 percent of the February total; Mexico continues as the leading destination, receiving 31 percent of the region's total.

**Note:** The 5.8-million-bale mill use estimate is based on current U.S. government policy and does not include impacts from potential safeguards on China's textile imports currently under consideration by the Committee for the Implementation of Textile Agreements.

**Note:** Record 2004 cotton crop finalized at 23.25 million bales, while the national yield was placed at 855 pounds.

**Note:** Textile imports continue higher early in 2005 with the lifting of quotas; textile exports have also risen, but the trade deficit continues to increase.

## International Outlook

### World Cotton Production Substantially Lower in 2005/06

Under pressure from lower prices, and with more normal yields, world cotton production in 2005/06 is expected to fall 10 percent, to 107 million bales. With three-quarters of the 2004/05 marketing year completed, world cotton prices in U.S. dollars have fallen 26 percent from the same time one-year earlier. Other crop prices fell as well, but not as much as cotton.<sup>1</sup> In some countries, the local impact of lower dollar prices was exacerbated by the strength of their local currencies. Although the Australian dollar was little changed against the U.S. dollar in either nominal or real terms for the first 3 months of calendar 2005, the euro and the CFA franc have appreciated by about 5 percent compared with a year earlier, and Brazil's *real* appreciated 12 percent in inflation-adjusted terms. Producers in West Africa and Brazil will therefore see their returns from cotton production in 2004/05 fall even further in local currency terms than suggested by the reported decline in the A-Index.

China's decline in domestic cotton prices to date roughly corresponds to the decline in the A-Index. This, combined with an increase in prices and other incentives for grains have reportedly led producers in China's eastern provinces to consider reducing area planted to cotton by 15 to 20 percent, and even more in some cases. Xinjiang's area is typically more stable, so cotton area nationwide is expected to decline by only 15 percent.<sup>2</sup> Yields are likely to grow, but are still expected to remain below their 2002/03 peak, and production is expected to fall 3.5 million bales, to 25.5 million.

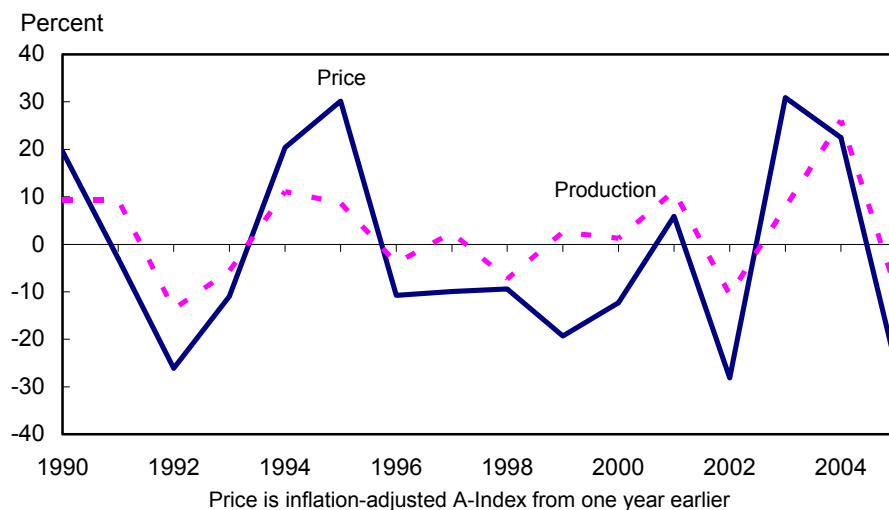
Cotton prices in India have fallen more than the A-Index due to India's extraordinary 2004/05 crop. India's *rupee* has appreciated only 3.5 percent from the year before in January-March 2005, but A-Index type cotton in India has been

<sup>1</sup>Soybean prices in Rotterdam fell 20 percent in dollar terms, and U.S. Gulf prices for corn by 15 percent.

<sup>2</sup>With 1.1 million hectares, Xinjiang accounted for 21 percent of China's total cotton area in 2004/05, and almost 30 percent of its production.

Figure 3

#### World cotton prices and production, percent change



Sources: USDA and Cotlook Ltd.

trading for 17 percent less than the A-Index recently. A year earlier the discount was only 10 percent, with 2004/05's 30 percent increase in domestic cotton output probably accounting for the difference. While lower prices would ordinarily signal lower area the following year, India's extraordinary 2004/05 outturn may have raised producers' expectations of expected yields enough to offset some of the impact of the 34-percent decline in prices.

While the 2004 monsoon did not initially appear to be as superlative as that of the year before, a combination of favorable weather and new cotton varieties have resulted in a 44-percent increase in yields over the last 2 years. Bt cotton was believed to have been sown on less than 2 million of India's 9 million hectares of cotton area.<sup>3</sup> While past experience has shown that introduction of Bt cotton particularly boosts yields for low-resource farmers, new cotton varieties alone cannot account for the extraordinary boost in yields.<sup>4</sup> Indian cotton production in 2005/06 could be expected to decline due to more normal weather if nothing else. Some reports from India indicate an expectation of increased area in 2005/06, with increased plantings underway in Punjab already. Planting in much of India will await the monsoon in July. USDA will publish its first official estimate of India's 2005/06 crop in June.

Pakistan's 2004/05 yields were also extraordinary. Area planted to cotton in Pakistan in 2004/05 reached a record-high due to extremely favorable shifts in Pakistan's prices for cotton and competing crops.<sup>5</sup> As in India, prices have tumbled, forcing intervention buying by the government to defend its minimum support prices. Again, as in India, this year's extraordinary yields may have increased producers' expectations of potential returns per hectare, offsetting some of the impact of lower prices. Pakistan's Government recently announced an 11.7-million-bale target for the 2005/06 crop, 400,000 bales above the record output achieved in 2004/05. In 2003/04 Pakistan produced 7.8 million bales.

### ***World Consumption To Grow Strongly in 2005/06***

Supported by favorable cotton prices and global economic growth, world cotton consumption is expected to grow at an above-average rate in 2005/06, up 3.3 percent from the year before to a record 111.5 million bales.

Over the last 10 years, world cotton consumption has grown 2.2 percent annually. For 2004/05, consumption is expected to rise by an extraordinary 9.5 percent as it rebounds from essentially no growth during the year before. Over the last 40 years, similar episodes of volatility in cotton consumption have in part corresponded to changes in world gross domestic production (GDP). Generally, extraordinary years of consumption growth have corresponded with a rebound in GDP growth, and continued strong GDP growth has supported above-average consumption gains in the following year.

Global income and price changes don't appear to fully explain why cotton consumption in 2004/05 grew faster than during any year since 1950. Nor does the average relationship among these variables fully explain the previous four instances over the last 50 years when world cotton consumption rose by at least 6.5 percent.<sup>6</sup> In some years, the effect of inventory adjustments along the supply chain may have magnified the impact of changes in economic growth. In other years, policy

<sup>3</sup>Legally planted, officially acknowledged area totaled only 500,000 hectares in 2004/05, up from 50,000 hectares 2 years earlier.

<sup>4</sup>The differences between large- and small-scale producers in South Africa is a good illustration. See, Ismael, et al., (2003). "Benefits from Bt Cotton Use by Smallholder Farmers in South Africa," *AgBioForum* 5(1):1.

<sup>5</sup>Returns on sugar production were particularly low in 2003/04, and improved during 2004/05.

<sup>6</sup>1958, 1975, 1986, and 1999.

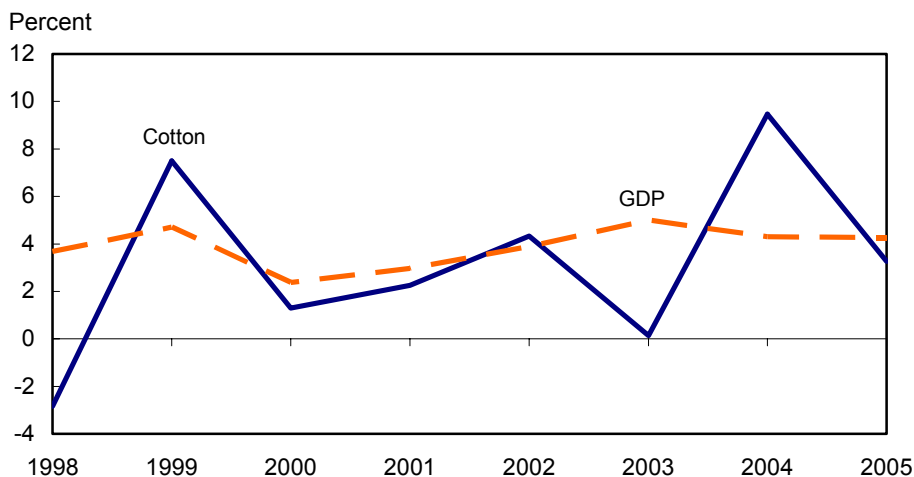
changes were factors, such as the beginning of the U.S. marketing loan program in 1985 and the end of China's guaranteed government procurement in 1999.

Marketing year 2004/05 includes the January 1, 2005, elimination of the textile trade quotas inherited from the Multifiber Arrangement (MFA), an important policy change for cotton. Most studies of the MFA indicated only a small net impact on clothing consumption should be expected from its elimination; the biggest impacts would be on the location of clothing production, shifting it to developing countries.<sup>7</sup> The MFA appeared to have affected cotton products more than products made of other fibers—a recent study equated the MFA to a 30-percent tariff on products made of cotton and a 24-percent tariff on products made of manmade fibers.<sup>8</sup> This suggests that cotton might be more affected than manmade fibers by the end of the MFA. To the extent that ending the MFA helped boost world cotton consumption to a near-record growth rate in 2004/05, it does not appear that it will support continued extraordinary growth in 2005/06.

China accounts for two-thirds of the world's 9-million-bale consumption increase expected for 2004/05. China's mill use is expected to increase 19 percent in 2004/05, and monthly yarn production data available to date are consistent with such an increase. China's economy has been growing at a nearly 10 percent annual rate, and MFA elimination has boosted China's exports significantly. U.S. imports of cotton textile products from China rose 64 percent during the first 4 months of calendar 2005.<sup>9</sup> While a number of China's trade partners are exploring the application of textile and apparel safeguard actions, China's textile exports are expected to be higher now that the MFA has been eliminated.<sup>10</sup>

In 2005/06, China's cotton consumption is expected to grow by 9 percent as its economy slows slightly and textile export growth moderates as well. As has been common in recent years, increased mill use in China will nearly equal the increase expected for the entire world, as some countries reduce mill use and others like China and India increase theirs.

Figure 4  
**Growth in world cotton consumption and GDP**



Sources: USDA and International Monetary Fund (IMF).

<sup>7</sup>See *The Forces Shaping World Cotton Consumption After the Multifiber Arrangement*, <http://www.ers.usda.gov/Publications/cws/apr05/cws05c01/>

<sup>8</sup>USITC. (2002) *The Economic Effects Of Significant U.S. Import Restraints: Third Update*.

<sup>9</sup>See, <http://otexa.ita.doc.gov/prelimadmin/prelimdata.htm>

<sup>10</sup>For information about the United States, see <http://otexa.ita.doc.gov/Safeguard05.htm>.

For information about the EU, see <http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/05/473&format=HTML&aged=0&language=EN&guiLanguage=en>

India, like China, is benefiting during 2004/05 from strong economic growth domestically and rising exports due to the elimination of the MFA. During the first 2 months of calendar 2005, the United Kingdom's clothing imports from India rose 25 percent in value, and France's by 12 percent. The volume of U.S. cotton product imports from India rose 26 percent during the first 4 months of 2005. Mill use in India has seen its gains from the year before slow in recent months, but with strong growth earlier in the year, India's 2004/05 mill use is expected to rise 11 percent from the year before. Further growth is likely in 2005/06, as prospects for GDP and export growth are promising.

### ***China's Imports Drive World Trade Higher***

World cotton trade is expected to increase to another record-high in 2005/06 as China's imports soar.<sup>11</sup> China is expected to end 2004/05 having imported a near-record amount of cotton, but its stocks have continued to tighten. With output down in 2005/06 and consumption continuing to rise, China will have to import 15 bales of cotton just to keep ending stocks from shrinking further in absolute terms. Even this expected 7-million-bale increase in imports implies ending stocks will shrink as a percentage of consumption.

USDA's May 2005 estimates for China include for the first time a residual adjustment each year starting in 1994/95. As China's Government released a substantial portion of its stocks to its domestic textile industry during 1999-2003, it became clear that USDA and other observers had underestimated the magnitude of China's cotton stocks. USDA has periodically reviewed and reduced its estimates of cotton consumption in China, and most recently eliminated estimates of cotton lost due to storage problems in the early 1990s. Nonetheless, as China's consumption has soared and its imports grown more slowly, it seems clear that cotton stocks have still been estimated too low, due to an unknown discrepancy in the underlying data.

Given indications that problem existed before 1999, and given that the significant structural changes underway in China's economy and cotton sector during the mid-1990s marked a likely point of divergence between the available statistics and actual events, adjustments to raise stocks were begun in 1994/95.<sup>12</sup> Each year it is assumed that USDA's best estimates of cotton production, consumption, and trade in China have been in error by a net amount equal to 1 percent of the average of estimated production and consumption. This assumption is carried out into 2005/06.

With world production falling 12 million bales as consumption rises 3.5 million bales, ending stocks in 2005/06 are expected to decline from the year before. Ending stocks are expected to fall 3.5 million bales to 45.8 million. This would equal 41 percent of world consumption, compared with 45 percent in 2004/05. Excluding China from these calculations, stocks fall to 49 percent from 54 percent.

<sup>11</sup>World cotton trade is expected to increase 16 percent, to 39 million bales in 2005/06. Imports are expected to account for 35 percent of cotton consumed worldwide, the highest proportion since 1990. China's demand for imported cotton has recently reversed a longstanding trend of a declining role for internationally traded cotton.

<sup>12</sup>In line with reforms in other commodities, China's Government experimented with liberalization in cotton marketing early in 1992/93. A sharply reduced crop that year halted official reforms, but a wider role for unofficial procurement rose in the years that followed as rural mills competed with state mills for cotton.

## U.S. Cotton Textile Imports Rise as Expected in 2005

The U.S. retail market for cotton textile and apparel products is the largest in the world, with products supplied by over 150 countries. In calendar year 2005, U.S. cotton textile imports are expected to continue higher, just as they have done for the past 16 years. However, the complete quota elimination that became effective in January 2005 has the potential to raise imports substantially this year if the first 3 months of data are indicative. In addition, the expectation of fewer suppliers accounting for a larger share of the U.S. market is also evident.

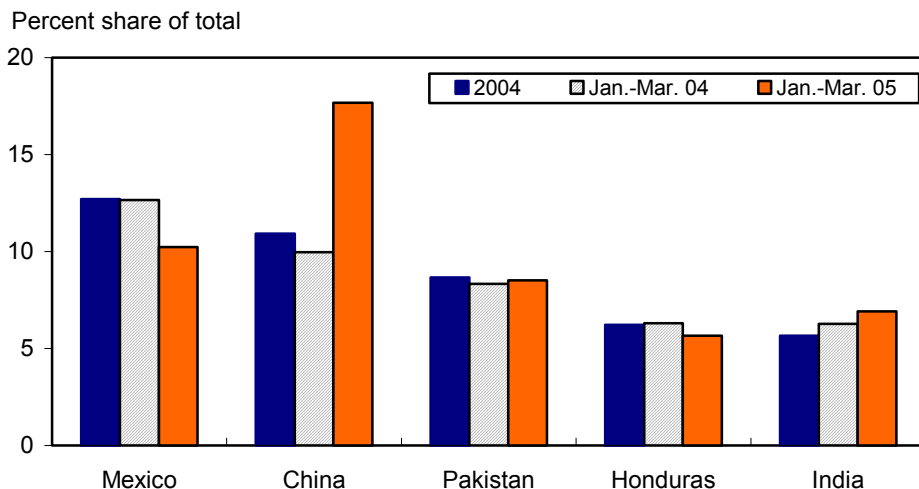
In 2004, U.S. cotton textile imports reached the equivalent of 19.8 million bales of raw cotton, a record. The top five supplying countries in order of rank were Mexico, China, Pakistan, Honduras, and India; these countries accounted for 44 percent of the total products imported in 2004, similar to the first quarter of 2004. With data for the first quarter of 2005 now available, a quick comparison can be made with a year ago. Overall, U.S. cotton textile imports have risen about 12 percent during the first quarter of 2005, compared with a year earlier. Meanwhile, the top five countries remain the same but now account for 49 percent of total U.S. imports.

However, a look at the individual countries illustrates the diverse changes occurring in the global textile industry. Mexico, the leading source in 2004, is now ranked second; more importantly though, the data indicate a decline in both volume as well as percentage terms. In contrast, China is now the leading supplier, nearly doubling the volume shipped to the United States during the first quarter of 2005 and garnering nearly an 18-percent share of U.S. imported products, up sharply. Although smaller, Pakistan and India have also experienced gains in both volume and share in the quarter, rising 14 and 23 percent, respectively, in volume from 2004. On the other hand, Honduras' shipments to the U.S. market have been stable but account for a smaller share as the U.S. total has grown. While early in the year, these data provide some insights for the rest of 2005 U.S. cotton textile imports.

**Note:** The U.S. cotton textile and apparel market has expanded by one-third over the past decade.

**Note:** Mexico's shipments to the United States declined 10 percent during the first 3 months of 2005, compared with a year earlier.

Figure 5  
**U.S. cotton textile import shares from top suppliers**



Source: ERS' raw-fiber equivalent calculations compiled from U.S. Bureau of Census data.



## Contacts and Links

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### Data

Monthly tables from *Cotton and Wool Outlook* are available in Excel (.xls) spreadsheets at <http://www.ers.usda.gov/briefing/cotton/Data/data.htm>. These tables contain the latest data on the production, use, imports, exports, prices, and textile trade of cotton and other fibers.

### Recent Reports

*The Agreement on Textiles and Clothing: Impact on U.S. Cotton*, <http://www.ers.usda.gov/briefing/cotton/textilesandclothings.pdf>, focuses on the new global trade rules that World Trade Organization members agreed to follow beginning in 2005, and the potential impacts on textile, apparel, and cotton production in the United States and around the world.

*China: A Study of Dynamic Growth*. China's rapid economic growth has been driven by high rates of investment, gains in productivity, and liberalized foreign trade and investment. China's growth is likely to continue, but the Chinese economy faces some possibly unsustainable pressures. This report is available at <http://www.ers.usda.gov/publications/WRS0408/>.

### Related Websites

WASDE, <http://www.usda.gov/oce/waob/wasde/latest.pdf>  
Cotton Briefing Room, <http://www.ers.usda.gov/briefing/cotton/>

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Table 1--U.S. cotton supply and use estimates

Item	2003/04	2004/05		
		Mar.	Apr.	May
		Million acres		
Upland:				
Planted	13.301	13.409	13.409	13.409
Harvested	11.826	12.809	12.809	12.809
		Pounds		
Yield/harvested acre	723	835	837	843
		Million 480-lb bales		
Beginning stocks	5.140	3.428	3.428	3.428
Production	17.823	22.270	22.337	22.505
Total supply 1/	22.966	25.708	25.775	25.943
Mill use	6.424	6.235	6.235	6.240
Exports	13.221	12.500	12.425	12.620
Total use	19.645	18.735	18.660	18.860
Ending stocks 2/	3.428	7.021	7.084	7.081
		Percent		
Stocks-to-use ratio	17.4	37.5	38.0	37.5
		1,000 acres		
Extra-long staple:				
Planted	179	250	250	250
Harvested	177	248	248	248
		Pounds		
Yield/harvested acre	1,169	1,425	1,438	1,443
		1,000 480-lb bales		
Beginning stocks	245	78	78	78
Production	432	736	743	746
Total supply 1/	719	844	851	844
Mill use	65	65	65	60
Exports	538	700	775	780
Total use	603	765	840	840
Ending stocks 2/	78	79	16	19
		Percent		
Stocks-to-use ratio	13.0	10.3	1.9	2.4

Based on USDA estimates. 1/ Includes imports. 2/ Includes unaccounted.

Last update: 5/13/05.

Table 2--World cotton supply and use estimates

Item	2003/04	2004/05		
		Mar.	Apr.	May
Million 480-lb bales				
Supply:				
Beginning stocks				
World	39.60	35.77	35.62	37.34
Foreign	34.22	32.27	32.11	33.83
Production				
World	95.12	117.71	119.22	119.32
Foreign	76.86	94.71	96.14	96.07
Imports				
World	33.96	33.79	33.59	33.79
Foreign	33.92	33.75	33.55	33.76
Use:				
Mill use				
World	98.60	106.16	107.05	107.98
Foreign	92.11	99.86	100.75	101.68
Exports				
World	33.06	33.58	33.49	33.73
Foreign	19.30	20.38	20.29	20.33
Ending stocks				
World	37.34	47.55	47.83	49.07
Foreign	33.83	40.45	40.73	41.97
Stocks-to-use ratio				
		Percent		
World	37.9	44.8	44.7	45.4
Foreign	36.7	40.5	40.4	41.3

Based on USDA estimates.

Last update: 5/13/05.

Table 3--U.S. fiber supply

Item	2005			2004
	Jan.	Feb.	Mar.	Mar.
Cotton:	1,000 480-lb bales			
Ginnings	2,286	1,041	361	0
Imports since August 1	9.3	11.0	NA	29.9
Stocks, beginning	17,065	17,648	16,777	13,537
At mills	270	296	340	335
Public storage	15,639	15,487	14,254	11,702
CCC stocks	10,221	5,564	3,937	4,361
Manmade:	Million pounds			
Production	704.3	696.3	718.5	765.2
Noncellulosic	704.3	696.3	718.5	765.2
Cellulosic	NA	NA	NA	NA
Total since January 1	704.3	1,400.6	2,119.1	2,173.3
	2004	2005		2004
	Dec.	Jan.	Feb.	Feb.
	Million pounds			
Raw fiber imports	145.3	150.9	139.8	126.5
Noncellulosic	137.8	143.1	131.1	121.4
Cellulosic	7.5	7.8	8.7	5.1
Total since January 1	1,627.1	150.9	290.7	256.4
Wool and mohair:	1,000 pounds			
Raw wool imports, clean	1,205.5	2,286.3	1,060.3	1,523.3
48s-and-finer	394.2	778.7	552.5	537.9
Not-finer-than-46s	811.4	1,507.7	507.8	985.4
Total since January 1	22,658.8	2,286.3	3,346.7	2,839.1
Wool top imports	664.8	363.5	285.4	230.4
Total since January 1	4,744.1	363.5	648.8	420.6
Mohair imports, clean	0.0	0.0	0.0	0.0
Total since January 1	6.9	0.0	0.0	0.0

NA = Not available.

Last update: 5/13/05.

Table 4--U.S. cotton system fiber consumption

Item	2005			2004
	Jan.	Feb.	Mar.	Mar.
Cotton:	1,000 480-lb bales			
All consumed by mills 1/	512	490	576	602
Total since August 1 1/	3,144	3,635	4,211	4,327
SA annual rate 2/	6,262	6,129	6,062	6,519
SA daily rate 2/	24.1	23.6	23.3	25.0
Daily rate	24.4	24.5	25.0	26.2
Upland consumed by mills 1/	506	484	570	597
Total since August 1 1/	3,113	3,597	4,167	4,282
SA daily rate 2/	23.8	23.3	23.1	25.1
Daily rate	24.1	24.2	24.8	25.9
	1,000 spindles/hours			
Spindles in place	2,221	2,209	2,196	2,307
Active spindles	2,130	2,122	2,103	2,188
Spindle hours (1,000)	1,114	1,080	1,346	1,531
	Percent			
Cotton's share of fibers	82.1	81.9	82.0	80.8
Manmade:	1,000 pounds			
Total consumed by mills 1/	53,629	52,166	60,491	68,567
Total since August 1 1/	334,074	386,240	446,731	456,801
Daily rate	2,554	2,608	2,630	2,981
Noncellulosic staple	2,481	2,543	2,566	2,873
Cellulosic staple	73	65	64	108

1/ Adjusted to calendar month. 2/ SA = seasonally adjusted.

Last update: 5/13/05.

Table 5--U.S. fiber exports

Item	2004	2005		2004	
	Dec.	Jan.	Feb.	Feb.	
Cotton:		1,000 480-lb bales			
Upland exports	1,115	1,019	1,300	1,382	
Total since August 1	3,070	4,088	5,388	6,017	
Sales for next season	68	76	147	50	
Total since August 1	297	373	520	495	
Extra-long staple exports	125.2	177.1	123.4	14.4	
Total since August 1	306.8	484.0	607.3	387.7	
Sales for next season	0.0	0.0	0.1	6.8	
Total since August 1	0.0	0.0	0.1	12.7	
Manmade:		Million pounds			
Raw fiber exports	85.7	82.1	76.7	89.5	
Noncellulosic	84.6	80.7	75.5	88.0	
Cellulosic	1.1	1.4	1.2	1.5	
Total since January 1	1,091.4	82.1	158.8	180.6	
Wool and mohair:		1,000 pounds			
Raw wool exports, clean	1,191.8	305.1	497.9	750.3	
Total since January 1	11,168.0	305.1	803.0	1,195.1	
Wool top exports	341.6	349.5	179.7	415.9	
Total since January 1	3,755.6	349.5	529.1	886.8	
Mohair exports, clean	251.6	130.4	297.2	293.9	
Total since January 1	3,349.6	130.4	427.5	582.0	

Last update: 5/13/05.

Table 6--U.S. and world fiber prices

Item	2005			2004
	Feb.	Mar.	Apr.	Apr.
	Cents per pound			
Domestic cotton prices:				
Adjusted World Price	36.65	41.25	42.12	55.57
Upland spot 41-34	42.90	48.19	49.58	57.50
Pima spot 03-46	138.68	144.50	144.50	109.50
Avg. price received by upland producers	39.00	41.50	42.00	60.30
Mill delivered:				
Cotton				
Actual	49.79	55.35	57.06	66.09
Raw fiber equivalent	55.32	61.50	63.40	73.43
Rayon staple				
Actual	113.00	118.00	118.00	87.00
Raw fiber equivalent	117.71	122.92	122.92	90.63
Polyester staple				
Actual	68.00	68.00	68.00	61.00
Raw fiber equivalent	70.83	70.83	70.83	63.54
Price ratios				
Cotton/rayon	47.0	50.0	51.6	81.0
Cotton/polyester	78.1	86.8	89.5	115.6
	Cents per pound			
Northern Europe cotton quotes:				
A Index	52.10	56.47	56.89	69.45
Memphis Territory	54.06	60.25	61.00	69.88
California/Arizona	61.31	67.50	68.38	73.90
B Index	49.08	54.63	55.05	66.36
Orleans/Texas	48.31	55.10	55.69	64.75
	Dollars per pound			
Wool prices (clean):				
U.S. 56s	1.23	1.04	1.23	1.53
Australian 56s 1/	2.06	2.07	1.78	2.33
U.S. 60s	1.75	1.66	1.42	2.08
Australian 60s 1/	2.52	2.49	2.17	2.60
U.S. 64s	2.07	2.00	1.85	2.40
Australian 64s 1/	2.71	2.68	2.42	2.81

1/ In bond, Charleston, SC.

NQ = No quote.

Last update: 5/13/05.

Table 7--U.S. textile imports, by fiber

Item	2004	2005		2004	
	Dec.	Jan.	Feb.	Feb.	
		1,000 pounds 1/			
Yarn, thread, and fabric	266,828	276,804	261,955	256,606	
Cotton	91,498	97,813	94,597	95,623	
Linen	34,063	27,313	20,835	24,041	
Wool	3,598	3,591	3,143	2,997	
Silk	1,195	1,298	1,218	1,124	
Manmade	136,474	146,789	142,162	132,821	
Apparel	843,879	884,296	963,041	780,456	
Cotton	524,858	540,124	619,738	493,660	
Linen	24,401	27,053	23,924	19,920	
Wool	13,874	14,903	13,250	12,099	
Silk	20,856	25,140	21,653	18,942	
Manmade	259,889	277,076	284,477	235,836	
Home furnishings	155,788	156,693	179,066	131,878	
Cotton	89,219	93,377	113,157	84,788	
Linen	1,108	1,476	2,245	1,252	
Wool	337	383	280	252	
Silk	436	533	751	347	
Manmade	64,687	60,923	62,634	45,239	
Floor coverings	61,621	60,255	53,604	50,743	
Cotton	8,469	8,816	7,943	9,262	
Linen	11,908	12,232	10,534	9,822	
Wool	17,619	14,562	13,235	11,642	
Silk	1,908	1,528	1,385	1,516	
Manmade	21,718	23,117	20,506	18,502	
Total imports 2/	1,338,971	1,389,124	1,468,030	1,227,945	
Cotton	720,393	747,065	841,664	688,223	
Linen	72,004	68,774	58,119	55,341	
Wool	35,596	33,605	30,033	27,037	
Silk	24,400	28,500	25,008	21,930	
Manmade	486,579	511,180	513,206	435,415	

1/ Raw fiber equivalent. 2/ Includes headgear.

Last update: 5/13/05.



Table 8--U.S. textile exports, by fiber

Item	2004	2005		2004
	Dec.	Jan.	Feb.	Feb.
		1,000 pounds 1/		
Yarn, thread, and fabric	247,502	275,243	282,673	256,746
Cotton	116,320	135,434	141,698	124,066
Linen	7,216	7,805	7,488	6,059
Wool	4,588	5,048	4,273	3,558
Silk	2,342	2,578	2,155	1,982
Manmade	117,036	124,377	127,059	121,080
Apparel	98,467	87,857	85,959	90,358
Cotton	42,228	43,494	42,362	53,581
Linen	950	1,102	1,049	1,424
Wool	3,828	4,059	3,969	3,296
Silk	2,626	3,096	3,033	2,334
Manmade	48,836	36,107	35,545	29,724
Home furnishings	6,254	4,685	4,997	4,538
Cotton	3,683	2,594	2,735	2,706
Linen	204	224	201	209
Wool	74	117	242	82
Silk	49	49	55	66
Manmade	2,243	1,701	1,764	1,475
Floor coverings	29,116	29,921	31,270	29,730
Cotton	2,283	2,395	2,373	2,404
Linen	1,255	1,257	1,238	1,319
Wool	2,208	2,808	3,019	2,115
Silk	59	48	48	33
Manmade	23,311	23,413	24,592	23,859
Total exports 2/	381,558	397,884	405,231	381,527
Cotton	164,574	183,977	189,233	182,808
Linen	9,631	10,394	9,983	9,015
Wool	10,711	12,044	11,515	9,062
Silk	5,076	5,770	5,292	4,416
Manmade	191,566	185,699	189,207	176,224

1/ Raw fiber equivalent. 2/ Includes headgear.

Last update: 5/13/05.

Table 9--U.S. cotton textile imports, by country of origin

Item	2004	2005		2004
	Dec.	Jan.	Feb.	Feb.
		1,000 pounds 1/		
North America	259,063	210,788	249,863	245,525
Canada	14,967	17,904	17,047	22,708
Costa Rica	10,802	6,567	8,704	8,733
Dominican Republic	20,814	11,185	18,814	17,186
El Salvador	32,381	22,072	26,555	26,186
Guatemala	24,500	21,872	26,424	20,873
Haiti	10,642	6,798	9,232	6,635
Honduras	51,708	37,700	48,510	46,190
Jamaica	1,102	552	747	1,230
Mexico	84,445	77,699	83,904	89,298
Nicaragua	7,427	8,244	9,577	6,270
South America	21,341	21,408	20,576	21,793
Brazil	7,612	9,644	9,045	10,390
Colombia	5,681	5,544	5,753	5,508
Peru	5,911	5,153	5,087	5,147
Europe	40,350	37,636	35,115	44,160
Italy	3,745	3,779	3,287	4,105
Portugal	3,421	2,598	4,331	2,925
Russia	3,374	2,003	1,391	7,015
Turkey	17,429	19,090	15,838	17,403
Asia	365,161	440,524	509,559	347,536
Bahrain	4,311	4,774	2,880	3,089
Bangladesh	19,697	23,384	26,449	21,671
Cambodia	14,136	15,941	15,951	12,739
China	79,203	123,364	177,162	56,324
Hong Kong	20,383	22,742	16,934	15,097
India	38,235	43,600	60,964	41,827
Indonesia	12,650	15,267	21,410	16,157
Israel	3,247	4,262	3,190	4,383
Macao	8,185	7,456	5,639	4,753
Malaysia	5,071	4,805	5,244	7,049
Pakistan	58,453	56,213	69,390	62,805
Philippines	11,441	11,342	13,340	11,979
Singapore	2,148	1,751	1,344	1,288
South Korea	11,852	13,512	12,310	11,723
Sri Lanka	11,379	13,266	13,079	9,394
Taiwan	9,251	8,566	8,127	8,513
Thailand	17,857	19,351	16,174	13,279
United Arab Emirates	4,268	4,797	3,980	3,641
Oceania	2,336	1,539	1,553	2,602
Australia	1,254	887	701	911
Africa	32,143	35,169	24,997	26,607
Egypt	7,774	10,352	8,287	8,983
Lesotho	6,453	6,538	4,802	4,679
South Africa	1,601	1,605	1,047	1,382
World 2/	720,393	747,065	841,664	688,223

1/ Raw fiber equivalent. 2/ Totals may not add due to rounding.

Last update: 5/13/05.

Table 10--U.S. cotton textile exports, by destination country

Item	2004		2005	
	Dec.	Jan.	Feb.	Feb.
	1,000 pounds 1/			
North America	151,171	171,148	176,323	169,166
Bahamas	80	132	148	62
Canada	15,196	15,101	15,464	15,642
Costa Rica	6,758	7,314	7,690	7,638
Dominican Republic	14,746	17,253	16,553	16,394
El Salvador	13,648	13,873	15,325	13,685
Guatemala	6,468	7,554	9,318	9,802
Haiti	3,372	3,501	3,972	3,479
Honduras	42,983	49,726	49,760	44,654
Jamaica	349	585	918	1,370
Mexico	46,019	54,718	55,512	55,036
Nicaragua	1,031	918	1,199	839
Panama	73	64	91	120
South America	3,183	3,884	3,594	3,746
Argentina	38	34	88	20
Brazil	416	252	280	116
Chile	137	196	253	231
Colombia	1,782	2,176	2,064	2,579
Ecuador	130	180	160	35
Peru	233	301	225	149
Venezuela	187	515	416	482
Europe	3,156	3,079	2,957	3,401
Belgium	502	344	398	292
France	91	129	192	126
Germany	357	291	374	438
Italy	171	272	226	258
Netherlands	258	288	228	240
Turkey	34	444	192	310
United Kingdom	936	646	689	841
Asia	6,014	5,161	5,337	5,698
China	902	460	612	536
Hong Kong	886	704	620	820
Israel	259	278	291	261
Japan	1,522	1,490	1,519	1,673
Malaysia	35	10	32	123
Philippines	335	263	364	229
Saudi Arabia	256	174	184	111
Singapore	291	357	146	156
South Korea	448	326	465	454
Sri Lanka	167	227	107	72
Taiwan	184	140	208	182
United Arab Emirates	323	184	219	104
Oceania	525	396	486	400
Australia	420	303	403	357
Africa	525	309	537	397
Morocco	4	13	39	27
World 2/	164,574	183,977	189,233	182,808

1/ Raw fiber equivalent. 2/ Totals may not add due to rounding.

Last update: 5/13/05.

Table 11--Final 2004 U.S. cotton acreage, yield, and production

State/Region	Planted	Harvested	Yield	Production
	1,000 acres		Pounds/ harvested acre	1,000 bales
Upland:				
Alabama	550	540	724	814
Florida	89	87	601	109
Georgia	1,290	1,280	674	1,797
N. Carolina	730	725	900	1,360
S. Carolina	215	214	875	390
Virginia	82	81	956	161
Southeast	2,956	2,927	760	4,631
Arkansas	910	900	1,114	2,089
Louisiana	500	490	867	885
Mississippi	1,110	1,100	1,024	2,346
Missouri	380	378	1,054	830
Tennessee	530	525	900	984
Delta	3,430	3,393	1,009	7,134
Kansas	85	80	424	71
Oklahoma	220	200	727	303
Texas	5,850	5,350	694	7,740
Southwest	6,155	5,630	692	8,114
Arizona	240	238	1,458	723
California	560	557	1,543	1,790
New Mexico	68	64	848	113
West	868	859	1,467	2,626
Total Upland	13,409	12,809	843	22,505
Pima:				
Arizona	3	3	896	6
California	215	214	1,532	683
New Mexico	11	11	869	19
Texas	21	21	890	38
Total Pima	250	248	1,443	746
Total All	13,659	13,057	855	23,251

Based on USDA's May 2005 *Crop Production* report.

Last update: 5/13/05.