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Cotton and Wool Outlook

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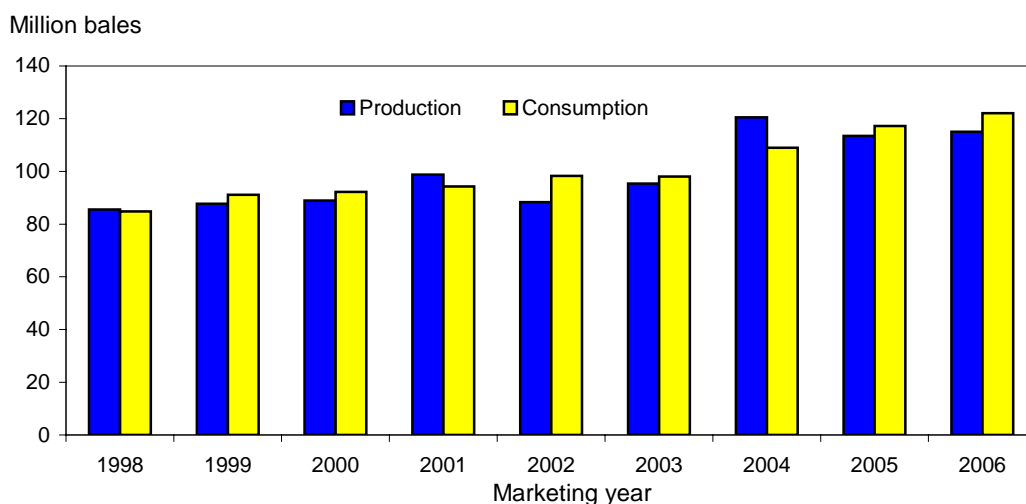
2006/07 Global Cotton Crop Up Slightly; Demand Continues Expansion

The first U.S. Department of Agriculture (USDA) cotton forecast for 2006/07 indicates a marginal increase in global production is expected. World production in 2006/07 is forecast to reach 115 million bales, a year-to-year increase of only 1.6 million bales from 2005/06. The slight increase results from foreign production gains that more than offset the forecast decline projected for the United States.

Meanwhile, 2006/07 global consumption is expected to continue to expand, reflecting continued robust world economic growth. World cotton consumption is projected at 122 million bales in 2006/07, 4 percent above the record estimated for the current season. As expected, the growth in global consumption is forecast to occur outside the United States. With global consumption forecast to exceed production, 2006/07 ending stocks are projected to decrease to 47.4 million bales, 5 million below the current season and the lowest in 3 years.

Figure 1

World cotton production and consumption



Source: *World Agricultural Supply and Demand Estimates* reports, USDA.

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Approved by the
World Agricultural
Outlook Board

Domestic Outlook

Smaller U.S. Crop Projected for 2006

According to USDA's first estimate for 2006/07, U.S. cotton production is projected at 20.7 million bales, 13 percent below the 2005/06 record. Based on *Prospective Plantings*, cotton area for the 2006 crop is forecast at 14.6 million acres, about 3 percent above final 2005 acreage. Harvested area, estimated at 12.9 million acres, is based on U.S. average abandonment during 1996-2003, as unusually low abandonment occurred during the past 2 years. The U.S. yield of 770 pounds per harvested acre is based on the past 4-year national average. Based on these projections, the 2006 U.S. cotton crop would be near the average of the previous four seasons.

As of May 7th, U.S. cotton plantings were 44 percent complete, compared with 38 percent last year and the 5-year average of 41 percent. While slightly above on a national basis, the progress of individual States has varied, including Missouri, Arizona, and California—where plantings have been delayed this year—and Georgia, Arkansas, and Alabama—where progress is running well ahead of 2005.

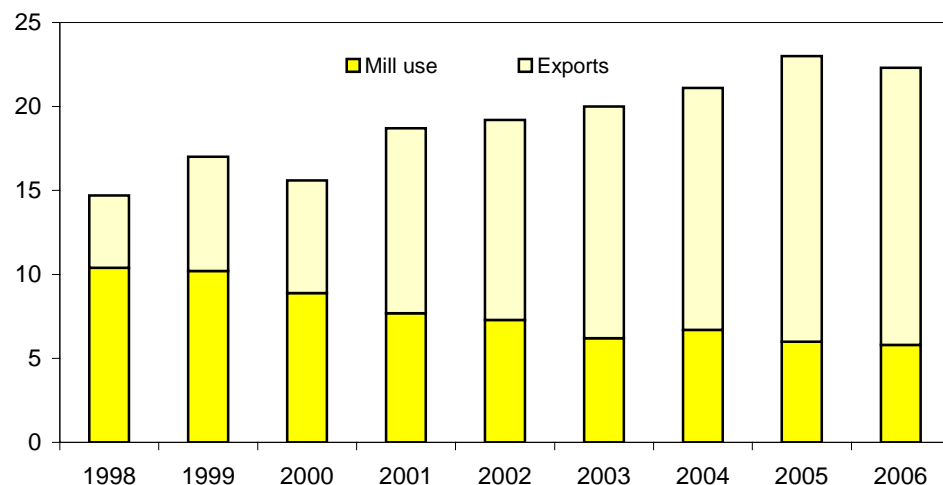
2006/07 Demand Forecast To Decline; Stocks Reduced

Demand for U.S. cotton is expected to reach 22.3 million bales next season, a modest 3-percent decrease from 2005/06's record estimate. Both U.S. mill use and exports are projected to decline about 3 percent from the current season. Mill use is initially projected at 5.8 million bales for 2006/07, 200,000 bales below 2005/06. The continued pressure from imported products is expected to push U.S. cotton mill use to its lowest level since 1984/85.

Figure 2

U.S. cotton demand

Million pounds



Sources: *World Agricultural Supply and Demand Estimates* reports, USDA.

The majority of U.S. cotton demand remains destined for foreign markets, with exports forecast to account for 74 percent of U.S. demand in 2006/07. U.S. cotton exports are projected at 16.5 million bales in 2006/07, 500,000 bales below the current season's shipment estimate. The forecast is supported by the continued strength of foreign import demand, but could be limited by a lower U.S. crop. With the decline in exports, the U.S. share of global trade is expected to fall from 39 percent this season to 38 percent.

With U.S. cotton demand expected to exceed production in 2006/07, stocks are forecast to decline nearly 25 percent after last season's stock increase. Ending stocks are projected at 4.9 million bales on July 31, 2007, with a stocks-to-use ratio estimated at 22 percent, compared with this season's 28 percent.

2005/06 Final Production Estimates Revised Slightly; Demand Unchanged

In May, USDA released final U.S. cotton area, yield, and production estimates for 2005/06. Only minor adjustments were made to a number of States. Planted area was revised upward slightly to 14.25 million acres, while harvested area was increased 100,000 acres to 13.8 million. With final production lowered slightly from the April estimate to 23.89 million bales, the national average yield declined slightly to 831 pounds per harvested acre, 24 pounds below the record of 2004/05.

Meanwhile, U.S. cotton demand was unchanged in May, with exports estimated at a record 17 million bales and mill use projected at 6 million. With total demand in 2005/06 at 23 million bales, stocks are rising nearly one million bales this season due to the record U.S. cotton crop. Stocks of 6.5 million bales are currently estimated, a stocks-to-use ratio of 28 percent.

U.S. Textile Trade: Lower Imports, Higher Exports

February 2006 U.S. textile imports, at 1.4 billion (raw-fiber equivalent) pounds, were 7 percent below January and 5 percent below a year ago. Lower imports of all major fibers, except linen, and all major end-use products occurred in February compared with a month earlier. Cotton imports, at 780 million pounds, accounted for 56 percent of the total. February cotton imports declined 4 percent from the previous month and were 6 percent below February 2005. U.S. cotton imports from other North American countries rose 18 percent to 214 million pounds in February; these imports accounted for 27 percent of the total. Conversely, February imports from Asia decreased 13 percent to 499 million pounds. Imports from China were down 15 percent and represented 27 percent of shipments from Asian countries. Textile imports from Asia accounted for 64 percent of February's U.S. import total.

U.S. textile exports increased in February to 382 million pounds, up 2 percent from January but 6 percent below a year ago. Exports of all major fibers, except wool, rose from a month earlier. Larger exports of floor coverings and yarn, thread, and fabric more than offset small declines in apparel and home furnishings. Cotton exports, at 185 million pounds, were up 7 percent from January and accounted for 48 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 92 percent of the February total. Honduras surpassed Mexico as the leading destination of U.S. cotton textiles, receiving 27 percent of the region's total. Mexico continued as a major destination, accounting for 26 percent of the total.

International Outlook

World Cotton Stocks on Upward Trend, But Dipping in 2006/07

Cotton prices have risen only about 5 percent to date in 2005/06, but with world corn and soybean prices down 8 to 10 percent, global area planted to cotton is expected to rise.¹ Production is expected to be 1 percent higher in 2006/07 at 115 million bales. These moderately rising prices, along with some of the most rapid global economic growth seen in many years, are helping consumption grow even faster, and world cotton consumption is foreseen up 4 percent, to 122 million bales. Global ending stocks will be trimmed by 10 percent, to 47.4 million bales.

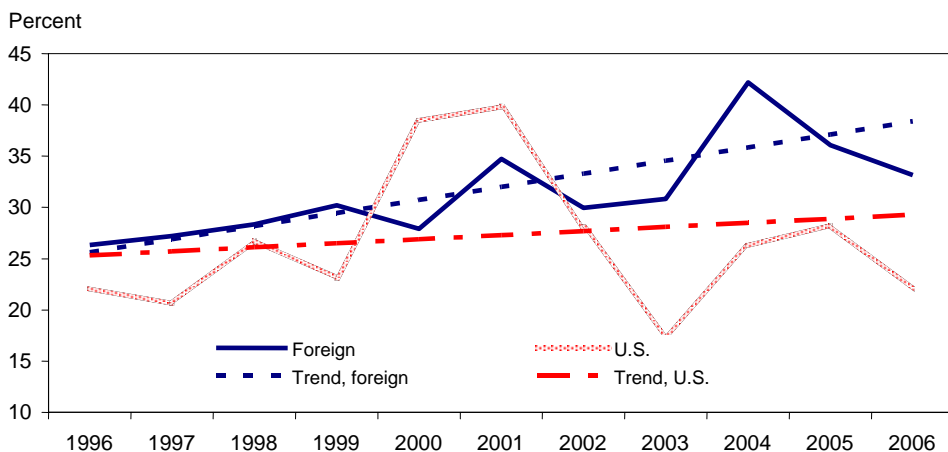
Globally (excluding China), world ending stocks have been trending upwards over the last 15 years.² One reason is the growing share of stocks held in the Southern Hemisphere. Another may be greater demand for stocks in general, since out of a sample of 40 major countries, 30 had a greater average stocks/use over the last 3 years than at the beginning of the 1990s. In addition, since 2004, India has carried unusually high stocks as production has surged due to Bt cotton. If world stocks/use in 2005/06 were at its average from the early 1990s, world stocks would be 10 million bales lower than currently estimated. Applying the same calculation to India's stocks, the decline would be 3.1 million bales, while for Brazil's it would be 2.3 million. In other words, Brazil and India account for about half of the global increase in stocks compared with the early 1990s.

As 2005/06 has drawn to a close, borrowing costs have increased around the world with monetary policy shifts in major countries increasing the cost of holding cotton stocks. Also, India's stocks have increasingly translated into exports, particularly to China. Whether these developments have helped depress prices is unclear, and price developments over the next year may provide a clearer guide regarding the evolution of the relationship between stocks and prices.

¹Early season indications were for a larger increase in cotton prices, with the average A-Index (NE) rising until February, its peak month, with an average of 60.8 cents. As of early May it had fallen to 55 cents.

²Prices have been trending downward, but long-term growth in non-government stocks shouldn't affect prices. Declining cost of production has likely driven the long-term price trend. Technical change may have increased the efficiency of textile production as well, limiting the ability of cotton producers to raise prices.

Figure 3
Stocks as a share of use: U.S. and foreign (excluding China)



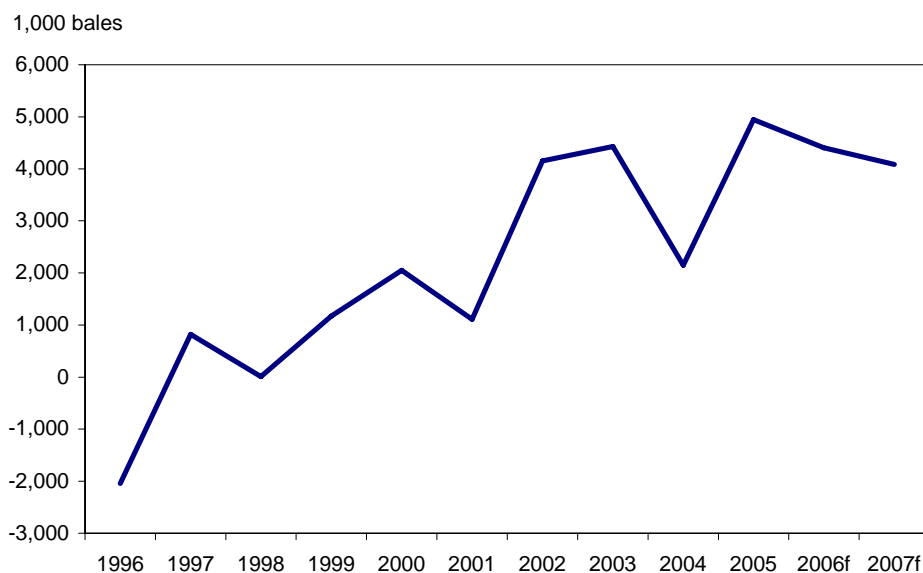
Source: Cotton Interagency Commodity Estimates Committee, USDA.

China's Cotton Consumption as a Function of Textile Exports and Domestic Demand

In 2005/06, USDA estimates that China accounted for 40 percent of world cotton consumption, making China's forecast absolutely crucial when forecasting global consumption.¹ USDA's past estimates are based in large part on statistical information from China, particularly yarn production data from the National Bureau of Statistics (NBS), and USDA's forecasts have been largely based on trends in these data. China's first national economic census recently led to a large revision in NBS' estimate of calendar 2004 yarn production in China.² The magnitude of this revision implies that data published for some previous years should also be revised. It also makes comparison of annual changes in yarn production with changes in other economic variables difficult, hindering forecasting efforts. An alternative approach to forecasting cotton consumption in China is outlined below.

Problems in estimating China's supply and demand for cotton have been highlighted in recent years by the imbalances in USDA's estimates, and the introduction of a residual factor to increase USDA's estimated supplies of cotton in China. While actual amounts of cotton supply and demand within China are obscure, China's phenomenal imports of raw cotton and exports of finished textile products are established facts. China's rapid economic growth and increased domestic consumer spending are also clearly observable.³ These are signs of China's growing cotton consumption in the past, and the outlook for China's textile exports and consumer demand indicate the cotton consumption in China is likely to be even higher in the future. Following this logic, forecasts of the rate of growth of cotton textile exports and of consumer spending on clothing can be utilized to forecast how future cotton consumption.

Figure 4
China's cotton textile exports: Annual growth



f=forecast.

Sources: ERS analysis of data from General Administration of Customs (China) and Economic Research Service, USDA.

¹For background on developments in world cotton consumption see, *The Forces Shaping World Cotton Consumption After the Multifiber Arrangement*, CWS-05C-01. <http://www.ers.usda.gov/Publications/cws/apr05/cws05c01/>

²See, "Revisions to the China Balance Sheet," *Cotton and Wool Outlook*, CWS-06a. <http://usda.mannlib.cornell.edu/reports/erssrf/field/cws-bb/2006/cws06a.pdf>

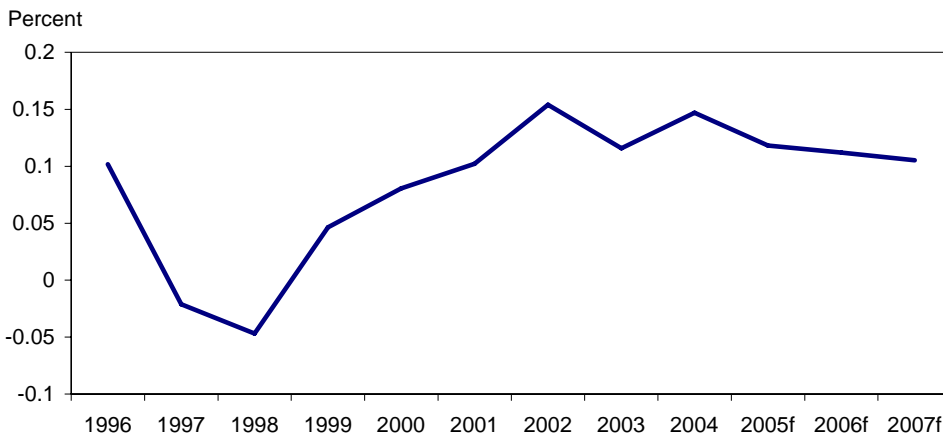
³In 2004, China was estimated to be the world's third largest market for luxury goods. (National Post, Canada, April 22, 2006)

USDA's Economic Research Service (ERS) has for a number of years converted U.S. textile trade data from a measure of tons or units of textile products into a measure of the volume of fiber required at the mill level to produce these products. More recently, the parameters used in this conversion have been applied to China's textile trade data.⁴ The International Cotton Advisory Committee (ICAC) and the Food and Agriculture Organization (FAO) together publish a global fiber consumption survey that involves similar calculations. ERS' results are broadly similar to ICAC/FAO's, but ERS' estimates are produced from monthly data. According to ERS estimates, in calendar 2005, China's net exports of cotton textile products were equivalent to 29 million bales, more than double their 2001 level, and 21 percent higher than in 2004.

Data are available for the first 3 months of calendar 2006, and are 15 percent above year-earlier net exports. Past experience suggests that this is a reasonable forecast for 2006 overall.⁵ Rising wages in China and a strengthening currency suggest textile competitiveness there will wane, and export growth is likely to trend downwards to 12 percent growth in 2007. This implies that China's net exports of cotton textiles in 2006 will reach 33 million bales (mill equivalent) and 37 million in 2007.⁶

In addition to exports, China's large population consumes a substantial amount of cotton textiles domestically, although no one knows how much. In the past, this domestic consumption was estimated as the residual from mill use of cotton after deducting estimated net exports. A variation of that approach will be used here, determining average domestic consumption over a number of years rather than in any specific year. Assuming USDA's estimates of China's cotton consumption were correct on average during the last 6 years, China's consumers purchased—on average—10 million bales of cotton products annually during marketing years 1999-2004.⁷ This is the difference between USDA's average estimated mill use and ERS' average estimated net exports.

Figure 5
China's real clothing expenditures: Annual growth



f=forecast.
 Sources: Statistical Yearbook, National Bureau of Statistics (China), various issues, and Economic Research Service, USDA.

⁴See, "Estimating China's Cotton Textile Exports in Volume Terms," *Cotton and Wool Outlook*, CWS-04i. <http://usda.mannlib.cornell.edu/reports/erssor/field/cws-bb/2004/cws04i.pdf>

⁵Since 2000, the largest error from such forecasts has been 6 percent, and the average error over the last 3 years has been 1.7 percent.

⁶Note that a 95-percent confidence interval would extend about 3 million bales above and below the 2006 forecast.

⁷USDA's average estimates have been corroborated by a variety of sources both outside and within China.

To determine annual variation in domestic consumption, this methodology utilizes NBS data on China's consumer expenditures on clothing.⁸ NBS publishes estimates of per capita urban and rural clothing expenditures, and a retail price index for clothing, through 2004. These data suggest that consumer expenditure on clothing has grown between 5 to 15 percent annually in real terms since 1999, and that growth hasn't fallen below 10 percent during the last 4 years. These growth rates have been highly correlated with China's growth in gross domestic product (GDP) in recent years. With the International Monetary Fund's (IMF) forecasts for China's 2006 and 2007 GDP growth, it is possible to forecast China's consumer expenditure on clothing during 2005-07.⁹ Economic growth in China is expected to decelerate, and by 2007 clothing expenditure growth may slow to about 10 percent, from 15 percent in 2004.

This analysis suggests, that after averaging 10 million bales during 1999-2004, China's domestic consumption reached 16 million bales in 2005, and may climb to nearly 20 million bales in 2007.¹⁰ These calendar year forecasts can be converted to a marketing year basis using weighted averages. Since time must elapse between spinning raw cotton and the purchase or export of finished textile goods, the estimates were also lagged 2 months to reach mill equivalence. The sum of China's expected spinning for domestic consumption and export is a forecast of China's total mill use of cotton in 2005/06 and 2006/07.

China's cotton consumption could grow 17 percent in 2005/06, with a range of 9 to 26 percent. While NBS' historical revision to its yarn production data has limited USDA's ability to compare yarn production growth in past years with cotton consumption, the more recent data are more reliable, and have been running more than 20 percent above year-earlier levels in recent months. As a result, USDA estimates China's cotton consumption in 2005/06 will reach 46.5 million bales.

In 2006/07, the above analysis suggests mill use may grow more slowly than in 2005/06, about 13 percent. This would be above the rate forecast by a number of industry observers both outside and within China. Based on these observations, and an analysis of trends in recent yarn production data, USDA forecasts China's 2006/07 cotton consumption will grow about 10 percent to 51 million bales.

The methodology outlined above is not a replacement for USDA's method of estimating historical cotton consumption. It does offer additional insight into the direction and magnitude of future changes in consumption. Ultimately, much of the variation in forecast domestic consumption hinges on the quality of the data used to derive China's estimates of clothing expenditure and GDP, and there are questions about almost any data on China. Furthermore, the estimation of China's textile exports in terms of mill equivalent fiber volume is an inexact science. The benefit of this methodology is that it provides a way of tying expectations of China's cotton consumption to expectations of China's textile trade and economic growth in a relatively clear, replicable manner.

⁸While the relationship between expenditure and consumption of a given fiber can be influenced by changes in value-added and fiber share, there are no reliable data on these additional factors.

⁹Estimated in logarithms, 1998-2004 data suggest an expenditure elasticity of 1.18, higher than more completely specified estimates (e.g., Seale, et al, *International Evidence of Food Consumption Patterns*, USDA/ERS Technical Bulletin Number 1904. <http://www.ers.usda.gov/publications/tb1904/tb1904.pdf>)

¹⁰Note that a 95-percent confidence interval would extend 2 million bales above and below the 2007 forecast. This does not include the additional uncertainty introduced by the IMF's GDP forecast.

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

Economic Analysis of Base Acre and Payment Yield Designations Under the 2002 U.S. Farm Act evaluates farmers' decisions to designate base acres under the 2002 Farm Act. Findings suggest that decisionmakers responded to economic incentives in their designations of base acres by selecting those options that resulted in the greatest expected flow of program payments. This report is available at <http://www.ers.usda.gov/publications/ERR12/>.

See also *Farm Program Acres* for the county-level farm program and planted acreage data used in the report, which can be downloaded and mapped. This report is available at <http://www.ers.usda.gov/data/baseacres/>.

Growth Prospects for India's Cotton and Textile Industries. India's prospects are changing now that the Multifiber Arrangement (MFA) no longer governs world textile trade. Decades of industrial policies that were both inward-oriented and biased toward small-scale production continue to influence Indian textile trade prospects. While the recent introduction of genetically-modified (Bt) cotton has revitalized prospects for cotton production, quality issues are likely to hamper Indian cotton sales until the structure of India's cotton marketing system changes significantly. This report is available at <http://www.ers.usda.gov/Publications/cws/jun05/cws05d01/>.

Related Websites

WASDE (<http://www.usda.mannlib.cornell.edu/reports/waobr/wasde-bb/>)
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- Receive weekly notification (on Friday afternoon) via the ERS website. Go to <http://www.ers.usda.gov/Updates/> and follow the instructions to receive notices about ERS outlook reports, Amber Waves magazine, and other reports and data products on specific topics. ERS also offers RSS (really simple syndication) feeds for all ERS products. Go to <http://www.ers.usda.gov/rss/> to get started.

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

Item	2004/05	2005/06		
		Mar.	Apr.	May
		Million acres		
Upland:				
Planted	13.409	13.925	13.925	13.975
Harvested	12.809	13.434	13.434	13.534
		Pounds		
Yield/harvested acre	843	824	831	825
		Million 480-lb bales		
Beginning stocks	3.428	5.525	5.525	5.525
Production	22.505	23.064	23.270	23.260
Total supply 1/	25.941	28.599	28.805	28.795
Mill use	6.631	5.840	5.950	5.950
Exports	13.618	16.200	16.425	16.425
Total use	20.249	22.040	22.375	22.375
Ending stocks 2/	5.525	6.562	6.452	6.452
		Percent		
Stocks-to-use ratio	27.3	29.8	28.8	28.8
		1,000 acres		
Extra-long staple:				
Planted	250	270	270	270
Harvested	248	269	269	269
		Pounds		
Yield/harvested acre	1,443	1,171	1,126	1,126
		1,000 480-lb bales		
Beginning stocks	78	13	13	13
Production	746	655	630	630
Total supply 1/	845	688	663	663
Mill use	62	60	50	50
Exports	791	600	575	575
Total use	853	660	625	625
Ending stocks 2/	13	38	48	48
		Percent		
Stocks-to-use ratio	1.5	5.8	7.7	7.7

1/ Includes imports. 2/ Includes unaccounted.

Last update: 05/15/06.

Sources: USDA, World Agricultural Outlook Board and Bureau of the Census.

Table 2--World cotton supply and use estimates

Item	2004/05	2005/06		
		Mar.	Apr.	May
Million 480-lb bales				
Supply:				
Beginning stocks				
World	43.10	54.20	54.30	54.29
Foreign	39.59	48.66	48.76	48.75
Production				
World	120.50	113.34	113.58	113.41
Foreign	97.25	89.62	89.68	89.52
Imports				
World	33.29	42.83	43.43	44.09
Foreign	33.27	42.80	43.40	44.06
Use:				
Mill use				
World	108.90	116.15	116.93	117.20
Foreign	102.20	110.25	110.93	111.20
Exports				
World	34.77	42.25	42.81	43.50
Foreign	20.36	25.45	25.81	26.50
Ending stocks				
World	54.30	53.28	52.91	52.42
Foreign	48.76	46.68	46.41	45.92
Stocks-to-use ratio:				
		Percent		
World	49.9	45.9	45.2	44.7
Foreign	47.7	41.4	42.3	41.3

Last update: 05/15/06.

Source: USDA, World Agricultural Outlook Board.

Table 3--U.S. fiber supply

Item	2006			2005
	Jan.	Feb.	Mar.	Mar.
Cotton:				
Ginnings	2,274	892	0	361
Imports since August 1	10.3	13.2	NA	16.2
Stocks, beginning	19,222	19,570	18,221	16,614
At mills	301	272	287	340
Public storage	17,865	17,749	15,954	14,254
CCC stocks	8,900	8,580	7,523	3,937
Manmade:				
		Million pounds		
Production	704.8	669.7	712.0	718.5
Noncellulosic	704.8	666.7	712.0	718.5
Cellulosic	NA	NA	NA	NA
Total since January 1	704.8	1,374.5	2,086.5	2,194.1
		Million pounds		
		2005	2006	2005
		Dec.	Jan.	Feb.
		Million pounds		
Raw fiber imports	176.9	186.5	0.0	139.8
Noncellulosic	164.9	174.5	NA	131.1
Cellulosic	12.0	12.0	NA	8.7
Total since January 1	1,864.1	186.5	186.5	290.7
Wool and mohair:				
		1,000 pounds		
Raw wool imports, clean	1,017.4	1,886.2	975.3	1,060.3
48s-and-finer	156.9	963.6	521.5	552.5
Not-finer-than-46s	860.6	922.6	453.8	507.8
Total since January 1	18,353.4	1,886.2	2,861.5	3,346.7
Wool top imports	319.7	210.6	370.2	285.4
Total since January 1	3,779.0	210.6	580.8	648.8
Mohair imports, clean	42.5	0.0	0.0	0.0
Total since January 1	43.5	0.0	0.0	0.0

NA = Not available.

Last update: 05/15/06.

Sources: USDA, National Agricultural Statistics Service, Bureau of the Census, and Fiber Organon.

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

Item	2006			2005
	Jan.	Feb.	Mar.	Mar.
Cotton:	1,000 480-lb bales			
All consumed by mills 1/	516	496	571	613
Total since August 1 1/	2,980	3,476	4,046	4,493
SA annual rate 2/	6,245	6,337	6,249	6,545
SA daily rate 2/	23.9	24.3	23.9	25.2
Daily rate	23.4	24.8	24.8	26.7
Upland consumed by mills 1/	512	491	567	608
Total since August 1 1/	2,955	3,446	4,013	4,450
SA daily rate 2/	23.7	24.1	23.8	24.9
Daily rate	23.3	24.6	24.6	26.4
	1,000 spindles/hours			
Spindles in place	2,000	1,992	1,986	2,195
Active spindles	1,869	1,860	1,867	2,090
Spindle hours (1,000)	947	980	1215	1,338
	Percent			
Cotton's share of fibers	83.9	83.9	83.3	83.0
Manmade:	1,000 pounds			
Total consumed by mills 1/	47,658	45,754	54,828	60,225
Total since August 1 1/	281,163	326,916	381,744	446,583
Daily rate	2,166	2,288	2,384	2,618
Noncellulosic staple	2,092	2,206	2,296	2,552
Cellulosic staple	74	82	88	66

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

Last update: 05/15/06.

Source: Bureau of the Census.

Table 5--U.S. fiber exports

Item	2005	2006		2005
	Dec.	Jan.	Feb.	Feb.
Cotton:		1,000 480-lb bales		
Upland exports	1,020	1,373	1,606	1,300
Total since August 1	4,444	5,817	7,423	5,388
Sales for next season	16	63	60	147
Total since August 1	167	231	291	520
Extra-long staple exports	45.2	40.6	143.1	123.4
Total since August 1	137.7	178.4	321.4	607.3
Sales for next season	0.1	0.4	26.0	0.1
Total since August 1	1.5	2.0	27.9	0.1
Manmade:		Million pounds		
Raw fiber exports	54.9	74.4	0.0	76.7
Noncellulosic	54.1	73.1	NA	75.5
Cellulosic	0.7	1.3	NA	1.2
Total since January 1	904.3	74.4	74.4	158.8
Wool and mohair:		1,000 pounds		
Raw wool exports, clean	1,034.5	708.2	1,065.6	497.9
Total since January 1	12,422.2	708.2	1,773.8	803.0
Wool top exports	194.1	205.2	164.0	179.7
Total since January 1	2,316.3	205.2	369.2	529.1
Mohair exports, clean	275.8	41.8	32.5	297.2
Total since January 1	3,858.6	41.8	74.3	427.5

NA = Not available.

Last update: 05/15/06.

Sources: USDA, *Export Sales*, Bureau of the Census, and Fiber Organon.

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

Item	2006			2005
	Feb.	Mar.	Apr.	Apr.
Cents per pound				
Domestic cotton prices:				
Adjusted World Price	45.22	43.41	41.95	42.12
Upland spot 41-34	52.39	50.04	49.00	49.58
Pima spot 03-46	115.00	115.10	115.25	144.50
Avg. price received by upland producers	49.00	50.40	54.30	41.40
Mill delivered:				
Cotton				
Actual	60.94	57.77	56.35	57.06
Raw-fiber equivalent	67.71	64.19	62.61	63.40
Rayon staple				
Actual	113.00	113.00	113.00	118.00
Raw-fiber equivalent	117.71	117.71	117.71	122.92
Polyester staple				
Actual	65.00	65.00	65.00	68.00
Raw-fiber equivalent	67.71	67.71	67.71	70.83
Price ratios				
Cotton/rayon	57.5	54.5	53.2	51.6
Cotton/polyester	100.0	94.8	92.5	89.5
Cents per pound				
Northern Europe cotton quotes:				
A Index	60.71	58.58	57.20	56.89
Memphis Territory	62.69	61.10	60.19	61.00
California/Arizona	68.19	66.55	64.94	68.38
B Index	58.10	56.42	55.13	55.05
Orleans/Texas	57.19	55.00	53.69	55.69
Dollars per pound				
Wool prices (clean):				
U.S. 56s	NQ	1.10	NA	1.23
Australian 56s 1/	1.96	2.08	NA	1.78
U.S. 60s	NQ	1.38	NA	1.42
Australian 60s 1/	2.41	2.46	NA	2.17
U.S. 64s	NQ	1.62	NA	1.85
Australian 64s 1/	2.56	2.59	NA	2.42

1/ In bond, Charleston, SC.

NQ = No quote. NA = Not available.

Last update: 05/15/06.

Sources: USDA, Agricultural Marketing Service, *Cotton Outlook*, and trade reports.

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

Item	2005	2006		2005
	Dec.	Jan.	Feb.	Feb.
		1,000 pounds 1/		
Yarn, thread, and fabric	259,534	294,422	269,297	261,955
Cotton	87,572	99,396	84,737	94,597
Linen	19,563	22,609	34,499	20,835
Wool	3,942	3,792	3,523	3,143
Silk	1,320	1,276	1,115	1,218
Manmade	147,136	167,350	145,423	142,162
Apparel	862,608	912,995	855,964	963,041
Cotton	551,428	569,040	550,284	619,738
Linen	21,598	27,700	19,625	23,924
Wool	12,986	14,403	10,988	13,250
Silk	15,700	21,181	17,228	21,653
Manmade	260,897	280,671	257,839	284,477
Home furnishings	186,342	225,823	200,158	179,066
Cotton	112,611	143,513	131,611	113,157
Linen	1,534	1,932	2,519	2,245
Wool	598	511	452	280
Silk	632	947	818	751
Manmade	70,966	78,919	64,758	62,634
Floor coverings	55,784	63,516	61,556	53,604
Cotton	7,066	8,549	8,736	7,943
Linen	12,315	14,359	13,194	10,534
Wool	14,520	15,661	13,974	13,235
Silk	1,264	1,702	1,331	1,385
Manmade	20,618	23,245	24,321	20,506
Total imports 2/	1,375,681	1,508,109	1,396,251	1,468,030
Cotton	764,730	826,822	780,259	841,664
Linen	55,691	67,260	70,370	58,119
Wool	32,285	34,582	29,058	30,033
Silk	18,923	25,108	20,493	25,008
Manmade	504,052	554,337	496,071	513,206

1/ Raw-fiber equivalent. 2/ Includes headgear.

Last update: 05/15/06.

Sources: USDA, Economic Research Service and Bureau of the Census.

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

Item	2005	2006		2005
	Dec.	Jan.	Feb.	Feb.
		1,000 pounds 1/		
Yarn, thread, and fabric	228,491	266,913	276,502	282,673
Cotton	113,134	132,040	143,808	141,698
Linen	6,869	7,276	8,003	7,488
Wool	4,317	4,389	4,277	4,273
Silk	1,683	2,368	2,376	2,155
Manmade	102,489	120,841	118,038	127,059
Apparel	68,743	73,559	71,093	85,959
Cotton	32,422	35,716	36,080	42,362
Linen	773	857	729	1,049
Wool	2,949	3,494	2,987	3,969
Silk	2,493	2,681	2,692	3,033
Manmade	30,105	30,811	28,605	35,545
Home furnishings	6,026	5,074	4,439	4,997
Cotton	3,445	2,821	2,488	2,735
Linen	191	132	177	201
Wool	96	356	85	242
Silk	48	82	68	55
Manmade	2,246	1,683	1,621	1,764
Floor coverings	29,716	29,383	29,627	31,270
Cotton	1,985	2,225	2,202	2,373
Linen	1,090	1,113	1,073	1,238
Wool	2,493	2,128	2,388	3,019
Silk	56	64	61	48
Manmade	24,092	23,853	23,903	24,592
Total exports 2/	333,185	375,138	381,888	405,231
Cotton	151,035	172,855	184,644	189,233
Linen	8,928	9,382	9,988	9,983
Wool	9,872	10,380	9,747	11,515
Silk	4,280	5,195	5,196	5,292
Manmade	159,071	177,325	172,313	189,207

1/ Raw-fiber equivalent. 2/ Includes headgear.

Last update: 05/15/06.

Sources: USDA, Economic Research Service and Bureau of the Census.

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

Item	2005	2006		2005
	Dec.	Jan.	Feb.	Feb.
		1,000 pounds 1/		
North America	220,855	181,114	213,718	249,863
Canada	12,772	13,893	12,360	17,047
Costa Rica	8,608	4,852	8,272	8,704
Dominican Republic	14,415	7,999	13,565	18,814
El Salvador	25,126	18,243	20,246	26,555
Guatemala	17,990	17,461	17,917	26,424
Haiti	10,836	6,855	9,202	9,232
Honduras	50,620	34,517	47,630	48,510
Jamaica	519	394	789	747
Mexico	68,264	66,310	72,556	83,904
Nicaragua	11,439	10,324	10,902	9,577
South America	18,689	19,430	19,892	20,576
Brazil	6,852	9,912	11,164	9,045
Colombia	5,070	4,409	4,545	5,753
Peru	4,936	4,256	3,931	5,087
Europe	26,136	26,445	25,469	35,115
Italy	3,076	2,979	2,674	3,287
Portugal	2,829	2,297	2,558	4,331
Russia	909	864	841	1,391
Turkey	11,246	11,367	12,019	15,838
Asia	471,152	572,550	499,178	509,559
Bahrain	1,818	1,811	1,717	2,880
Bangladesh	32,075	37,818	32,267	26,449
Cambodia	21,239	22,600	18,994	15,951
China	116,545	156,659	133,311	177,162
Hong Kong	25,714	25,655	19,383	16,934
India	52,252	65,345	62,471	60,964
Indonesia	20,790	29,590	28,052	21,410
Israel	2,547	2,899	2,685	3,190
Macao	11,338	12,308	8,539	5,639
Malaysia	6,210	5,983	5,571	5,244
Pakistan	73,885	87,604	78,904	69,390
Philippines	15,817	16,444	14,167	13,340
Singapore	1,226	1,453	1,004	1,344
South Korea	12,815	14,544	12,351	12,310
Sri Lanka	11,632	14,285	12,517	13,079
Taiwan	8,165	9,418	8,141	8,127
Thailand	16,243	19,627	16,941	16,174
United Arab Emirates	4,274	4,945	3,333	3,980
Oceania	510	387	377	1,553
Australia	399	268	238	701
Africa	27,388	26,896	21,625	24,997
Egypt	8,611	10,512	8,735	8,287
Lesotho	5,745	4,367	3,212	4,802
South Africa	672	508	639	1,047
World 2/	764,730	826,822	780,259	841,664

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

Last update: 05/15/06.

Sources: USDA, Economic Research Service and Bureau of the Census.

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

Item	2005	2006		2005
	Dec.	Jan.	Feb.	Feb.
	1,000 pounds 1/			
North America	137,468	158,015	168,953	176,323
Bahamas	211	171	206	148
Canada	18,311	17,021	19,084	15,464
Costa Rica	5,182	4,757	6,170	7,690
Dominican Republic	16,323	18,642	19,630	16,553
El Salvador	12,340	12,821	13,003	15,325
Guatemala	4,754	4,918	5,939	9,318
Haiti	2,683	4,090	3,710	3,972
Honduras	37,892	42,467	50,528	49,760
Jamaica	591	585	655	918
Mexico	37,782	51,056	48,326	55,512
Nicaragua	876	950	1,130	1,199
Panama	83	70	86	91
South America	3,813	5,152	6,286	3,594
Argentina	23	85	66	88
Brazil	683	1,030	431	280
Chile	203	129	150	253
Colombia	2,326	2,225	3,450	2,064
Ecuador	116	79	106	160
Peru	245	234	365	225
Venezuela	59	1,249	1,522	416
Europe	3,286	3,675	3,477	2,957
Belgium	659	669	610	398
France	115	156	207	192
Germany	421	425	482	374
Italy	276	232	251	226
Netherlands	307	229	349	228
Turkey	109	71	22	192
United Kingdom	857	1,087	909	689
Asia	5,413	4,899	5,010	5,337
China	802	693	812	612
Hong Kong	574	800	535	620
Israel	322	123	282	291
Japan	1,271	1,200	1,283	1,519
Malaysia	71	156	35	32
Philippines	173	61	193	364
Saudi Arabia	187	160	139	184
Singapore	252	135	216	146
South Korea	377	285	479	465
Sri Lanka	202	75	128	107
Taiwan	171	70	64	208
United Arab Emirates	143	176	143	219
Oceania	473	403	473	486
Australia	329	279	361	403
Africa	581	713	444	537
Morocco	122	77	47	39
World 2/	151,035	172,855	184,644	189,233

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

Last update: 05/15/06.

Sources: USDA, Economic Research Service and Bureau of the Census.

Table 11--Final 2005 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	545	747	848
Florida	86	85	762	135
Georgia	1,220	1,210	849	2,140
N. Carolina	815	810	852	1,437
S. Carolina	266	265	743	410
Virginia	93	92	955	183
Southeast	3,030	3,007	823	5,153
Arkansas	1,050	1,040	1,016	2,202
Louisiana	610	600	878	1,098
Mississippi	1,210	1,200	859	2,147
Missouri	440	438	947	864
Tennessee	640	635	848	1,122
Delta	3,950	3,913	912	7,433
Kansas	74	66	638	88
Oklahoma	255	240	716	358
Texas	5,950	5,600	723	8,440
Southwest	6,279	5,906	722	8,886
Arizona	230	229	1,289	615
California	430	428	1,194	1,065
New Mexico	56	51	1,016	108
West	716	708	1,212	1,788
Total Upland	13,975	13,534	825	23,260
Pima:				
Arizona	4	4	820	7
California	230	229	1,170	558
New Mexico	12	12	918	22
Texas	25	24	870	44
Total Pima	270	269	1,127	630
Total All	14,245	13,803	831	23,890

Last update: 05/15/06.

Source: USDA's May 2006 *Crop Production* report.