



Monthly Financial Report

Fundamentals of the global market and the US



Cotton Incorporated

June 2010

www.cottoninc.com

Tables with data and Price Charts

Balance		Production	Exports	Consumption	Imports	Prices
U.S. (bales)	World (bales)	Bales	Bales	Bales	Bales	Last 3 years
U.S. (tons)	World (tons)	Tons	Tons	Tons	Tons	Last 3 months

Tables with data and Price Charts

Balance	Production	Exports	Consumption	Imports	Prices
U.S.(bales) World bales	Bales	Bales	Bales	Bales	Last 3 years
U.S. (tons) World tons	Tons	Tons	Tons	Tons	Last 3 months

Balance of USA cotton

Millions of 480 pound bales	2006/07	2007/08	2008/09	2009/10	2010/11 May	2010/1 June
Initial inventories	6.1	9.5	10.1	6.3	3.1	2.9
Production	21.6	19.2	12.8	12.2	16.7	16.7
Imports	0.0	0.0	0.0	0.0	0.0	0.0
Supply	27.7	28.7	22.9	18.5	19.8	19.6
Use in USA factories	4.9	4.6	3.6	3.4	3.3	3.3
Exports	13.0	13.7	13.3	12.3	13.5	13.5
Demand	17.9	18.2	16.9	15.7	16.8	16.8
Final Inventories	9.5	10.1	6.3	2.9	3.0	2.8
Stocks/Use Ratio	52.8%	55.1%	37.6%	18.5%	17.9%	16.7%

Source: USDA

Balance of China cotton

Millions of 480 pound bales	2006/07	2007/08	2008/09	2009/10	2010/11 May	2010/1 June
Initial inventories	22.5	20.5	20.5	22.4	22.4	20.6
Production	35.5	36.7	36.7	32.5	32.5	33.0
Imports	10.6	7.0	10.8	10.0	10.0	11.5
Supply	68.6	64.2	65.7	64.9	64.9	65.1
Use in China factories	50.0	44.0	47.5	47.5	47.5	49.0
Exports	0.1	0.1	0.0	0.0	0.0	0.0
Demand	50.1	44.1	47.5	47.5	47.5	49.0
Final inventories	20.5	22.4	20.6	19.8	19.8	18.6
Stocks/use ratio	41.0%	40.2%	50.7%	43.4%	41.7%	38.0%

Source: USDA

Balance of world cotton

Millions of 480 pound bales	2006/07	2007/08	2008/09	2009/10	2010/11 May	2010/1 June
Initial inventories	62.4	63.3	62.6	62.7	52.8	52.2
Production	122.0	107.5	107.5	102.9	113.9	114.3
Supply	183.3	183.3	170.1	165.6	166.6	166.5
Consumption	123.3	109.9	116.4	116.4	119.10	119.5
Final inventories	62.6	62.7	52.2	52.2	50.1	49.6
Stocks/use ratio	51.1%	50.8%	57.0%	44.8%	42.1%	41.5%

Source: USDA

World cotton production

Millions of 480 pound bales	2006/07	2007/08	2008/09	2009/10	2010/11	2010/11
					May	June
China	35.5	37.0	36.7	32.5	33.0	33.0
India	21.8	24.0	22.6	23.5	25.0	25.0
United States	21.6	19.2	12.8	12.2	16.7	16.7
Pakistan	9.9	8.9	9.0	9.9	10.5	10.5
Brazil	7.0	7.4	5.5	5.8	6.8	6.8
Uzbekistan	5.4	5.4	4.6	4.0	4.6	4.6
Turkey	3.8	3.1	1.9	1.8	2.1	2.1
Australia	1.4	0.6	1.5	1.6	2.0	2.2
French African Zone	3.4	2.3	2.2	2.0	1.7	1.7
EU-27	1.6	1.7	1.2	1.0	1.3	1.4
Turkmenistan	1.2	1.3	1.4	1.3	1.3	1.3
Greece	1.4	1.6	1.2	0.9	1.2	1.2
Syria	1.0	1.1	1.1	1.0	1.0	1.0
Argentina	0.8	0.7	0.6	0.8	0.9	0.9
Burkina	1.3	0.7	0.9	0.7	0.9	0.9
Rest of the world	7.7	7.4	6.4	5.6	6.1	6.3
World Total	122.0	120.1	107.5	102.9	113.9	114.3

Source: USDA

World cotton exports

Millions of 480 pound bales	2006/07	2007/08	2008/09	2009/10	2010/11	2010/11
					May	June
United States	13.0	13.7	13.3	12.3	13.5	13.5
India	4.6	7.0	2.4	6.4	5.7	5.8
Uzbekistan	4.5	4.2	3.0	3.8	3.6	3.6
Brazil	1.3	2.2	2.7	1.9	2.0	2.2
Australia	2.1	1.2	1.2	1.8	1.9	1.9
French African Zone	2.4	1.7	1.5	1.4	1.6	1.6
EU-27	1.6	1.6	1.0	1.1	1.2	1.3
Turkmenistan	0.8	0.8	0.6	1.1	1.0	1.0
Greece	1.3	1.3	0.8	0.9	1.0	1.0
Burkina	1.4	0.8	0.8	0.8	0.9	0.9
Pakistan	0.2	0.3	0.4	0.8	0.7	0.7
Tajikistan	0.6	0.5	0.4	0.5	0.5	0.4
Mali	0.9	0.5	0.3	0.4	0.5	0.5
Kazakhstan	0.9	0.5	0.3	0.5	0.3	0.3
Zimbabwe	0.4	0.4	0.3	0.4	0.4	0.4
Rest of the world	4.9	4.3	3.1	3.5	3.5	3.5
World Total	37.3	38.5	30.2	35.3	35.7	36.1

Source: USDA

French African Zone includes Benin, Burkina Faso, Cameroon, Chad, Cote d'Ivoire, and Mali.

World cotton consumption

Millions of 480 pound bales	2006/07	2007/08	2008/09	2009/10	2010/11 May	2010/11 June
China	50.0	51.0	44.0	47.5	49.0	49.0
India	18.1	18.6	17.8	19.5	20.4	20.4
Pakistan	12.0	12.0	11.3	11.5	11.4	11.7
Turkey	7.3	6.2	5.1	5.6	5.4	5.5
Brazil	4.6	4.6	4.2	4.4	4.6	4.6
Bangladesh	3.2	3.5	3.8	4.0	4.3	4.3
United States	4.9	4.6	3.6	3.4	3.3	3.3
Indonesia	2.2	2.2	2.0	2.1	2.1	2.1
Mexico	2.1	2.0	1.9	1.9	1.9	1.9
Vietnam	1.0	1.2	1.3	1.6	1.8	1.8
Thailand	2.0	2.0	1.6	1.8	1.8	1.8
Uzbekistan	0.9	1.0	1.0	1.1	1.2	1.2
Korea	1.1	1.0	1.0	1.0	1.0	1.0
Taiwan	1.2	1.0	0.8	0.9	0.9	0.9
Egypt	1.0	1.0	0.9	0.9	0.9	0.9
Rest of the world	12.3	11.5	9.9	9.3	9.3	9.3
World Total	123.8	123.3	109.9	116.4	119.1	119.5

Source: USDA

World cotton imports

Millions of 480 pound bales	2006/07	2007/08	2008/09	2009/10	2010/11 May	2010/11 June
China	10.6	11.5	7.0	10.8	11.5	11.5
Bangladesh	3.2	3.5	3.8	4.0	4.3	4.3
Turkey	4.0	3.3	2.9	3.9	2.7	3.0
Indonesia	2.2	2.3	2.0	2.1	2.2	2.2
Pakistan	2.3	3.9	2.0	1.7	1.9	1.9
Thailand	1.9	1.9	1.6	1.8	1.8	1.8
Vietnam	1.0	1.2	1.2	1.7	1.8	1.8
Mexico	1.4	1.5	1.3	1.5	1.6	1.5
Korea	1.1	1.0	1.0	1.0	1.0	1.0
Taiwan	1.2	1.0	0.8	0.9	0.9	0.9
Russia	1.3	1.1	0.7	0.7	0.7	0.7
India	0.5	0.6	0.8	0.6	0.6	0.6
Egypt	0.5	0.4	0.4	0.6	0.5	0.5
Hong Kong	0.4	0.4	0.3	0.3	0.3	0.3
Iran	0.3	0.3	0.3	0.3	0.3	0.3
Rest of the world	6.3	5.1	3.9	3.8	3.7	3.9
World Total	38.1	39.0	30.0	35.7	35.7	36.1

Source: USDA

Balance of USA cotton

Millions of metric tons	2006/07	2007/08	2008/09	2009/10	2010/11	2010/11
					May	June
Initial stocks	1.3	2.1	2.2	1.4	0.7	0.6
Production	4.7	4.2	2.8	2.7	3.6	3.6
Imports	0.0	0.0	0.0	0.0	0.0	0.0
Supply	6.0	6.2	5.0	4.0	4.3	4.3
Use in USA factories	1.1	1.0	0.8	0.7	0.7	0.7
Exports	2.8	3.0	2.9	2.7	2.9	2.9
Demand	3.9	4.0	3.7	3.4	3.7	3.7
Final stocks	2.1	2.2	1.4	0.6	0.7	0.6
Stocks/use ratio	52.8%	55.1%	37.6%	18.5%	17.9%	16.7%

Source: USDA

Balance of China cotton

Millions of metric tons	2006/07	2007/08	2008/09	2009/10	2010/11	2010/11
					May	June
Initial stocks	4.9	4.5	4.5	4.9	4.9	4.5
Production	7.7	8.1	8.0	7.1	7.1	7.2
Imports	2.3	2.5	1.5	2.4	2.2	2.5
Supply	14.9	15.0	14.0	14.3	14.1	14.2
Use in China factories	10.9	11.1	9.6	10.3	10.3	10.7
Exports	0.0	0.0	0.0	0.0	0.0	0.0
Demand	10.9	11.1	9.6	10.3	10.3	10.7
Final stocks	4.5	4.5	4.9	4.5	4.3	4.1
Stocks/use ratio	41.0%	40.2%	50.7%	43.4%	41.7%	38.0%

Source: USDA

Balance of world cotton

Millions of metric tons	2006/07	2007/08	2008/09	2009/10	2010/11	2010/11
					May	June
Initial stocks	13.6	13.8	13.6	13.7	11.5	11.4
Production	26.6	26.1	23.4	22.4	24.8	24.9
Supply	40.2	39.9	37.0	36.1	36.3	36.3
Consumption	27.0	26.9	23.9	25.3	25.9	26.0
Final stocks	13.8	13.6	13.7	11.4	10.9	10.8
Stocks/use ratio		51.1%	50.8%	57.0%	44.8%	42.1%

Source: USDA

GLOBAL COTTON PRODUCTION

Million metric tons	2006/07	2007/08	2008/09	2009/10	2010/11 May	2010/11 June
China	7.7	8.1	8.0	7.1	7.2	7.2
India	4.7	5.2	4.9	5.1	5.4	5.4
United States	4.7	4.2	2.8	2.7	3.6	3.6
Pakistan	2.2	1.9	2.0	2.2	2.3	2.3
Brazil	1.5	1.6	1.2	1.3	1.5	1.5
Uzbekistan	1.2	1.2	1.0	0.9	1.0	1.0
Turkey	0.8	0.7	0.4	0.4	0.5	0.5
Australia	0.3	0.1	0.3	0.3	0.4	0.5
French-African Zone	0.7	0.5	0.5	0.4	0.4	0.4
EU-27	0.4	0.4	0.3	0.2	0.3	0.3
Turkmenistan	0.3	0.3	0.3	0.3	0.3	0.3
Greece	0.3	0.3	0.3	0.2	0.3	0.3
Syria	0.2	0.2	0.2	0.2	0.2	0.2
Argentina	0.2	0.2	0.1	0.2	0.2	0.2
Burkina	0.3	0.1	0.2	0.2	0.2	0.2
Rest of the world	1.7	1.6	1.4	1.2	1.3	1.4
World Total	26.6	26.1	23.4	22.4	24.8	24.9

Source: USDA

World cotton exports

Millions of metric tons	2006/07	2007/08	2008/09	2009/10	2010/11 May	2010/11 June
United States	2.8	3.0	2.9	2.7	2.9	2.9
India	1.0	1.5	0.5	1.4	1.2	1.3
Uzbekistan	1.0	0.9	0.7	0.8	0.8	0.8
Brazil	0.3	0.5	0.6	0.4	0.4	0.5
Australia	0.5	0.3	0.3	0.4	0.4	0.4
French-African Zone	0.5	0.4	0.3	0.3	0.3	0.3
EU-27	0.3	0.4	0.2	0.2	0.3	0.3
Turkmenistan	0.2	0.2	0.1	0.2	0.2	0.2
Greece	0.3	0.3	0.2	0.2	0.2	0.2
Burkina	0.3	0.2	0.2	0.2	0.2	0.2
Pakistan	0.0	0.1	0.1	0.2	0.2	0.2
Tajikistan	0.1	0.1	0.1	0.1	0.1	0.1
Mali	0.2	0.1	0.1	0.1	0.1	0.1
Kazakhstan	0.2	0.1	0.1	0.1	0.1	0.1
Zimbabwe	0.1	0.1	0.1	0.1	0.1	0.1
Rest of the world	1.1	0.9	0.7	0.8	0.8	0.8
World Total	8.1	8.4	6.6	7.7	7.8	7.9

Source: USDA

World cotton consumption

Millions of metric tons	2006/07	2007/08	2008/09	2009/10	2010/11 May	2010/11 June
China	10.9	11.1	9.6	10.3	10.7	10.7
India	3.9	4.0	3.9	4.2	4.4	4.4
Pakistan	2.6	2.6	2.4	2.5	2.5	2.5
Turkey	1.6	1.3	1.1	1.2	1.2	1.2
Brazil	1.0	1.0	0.9	1.0	1.0	1.0
Bangladesh	0.7	0.8	0.8	0.9	0.9	0.9
United States	1.1	1.0	0.8	0.7	0.7	0.7
Indonesia	0.5	0.5	0.4	0.4	0.5	0.5
Mexico	0.5	0.4	0.4	0.4	0.4	0.4
Vietnam	0.2	0.3	0.3	0.3	0.4	0.4
Thailand	0.4	0.4	0.3	0.4	0.4	0.4
Uzbekistan	0.2	0.2	0.2	0.2	0.3	0.3
Korea	0.2	0.2	0.2	0.2	0.2	0.2
Taiwan	0.3	0.2	0.2	0.2	0.2	0.2
Egypt	0.2	0.2	0.2	0.2	0.2	0.2
Rest of the world	2.7	2.5	2.1	2.0	2.0	2.0
Mundial Total	27.0	26.9	23.9	25.3	25.9	26.0

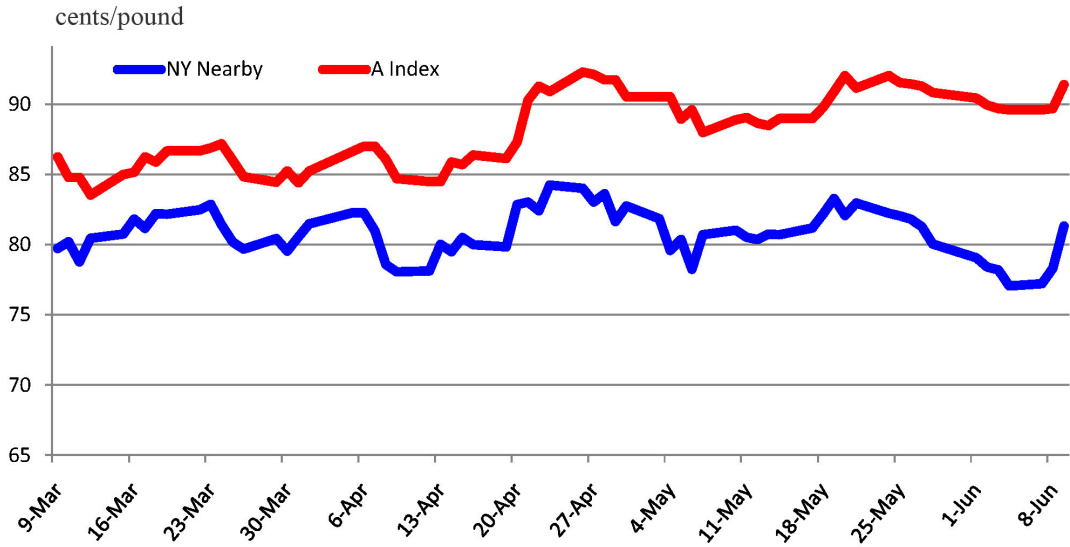
Source: USDA

Global cotton imports

Million metric tons	2006/07	2007/08	2008/09	2009/10	2010/11 May	2010/11 June
China	2.3	2.5	1.5	2.4	2.5	2.5
Bangladesh	0.7	0.8	0.8	0.9	0.9	0.9
Turkey	0.9	0.7	0.6	0.8	0.6	0.7
Indonesia	0.5	0.5	0.4	0.5	0.5	0.5
Pakistan	0.5	0.9	0.4	0.4	0.4	0.4
Thailand	0.4	0.4	0.3	0.4	0.4	0.4
Vietnam	0.2	0.3	0.3	0.4	0.4	0.4
Mexico	0.3	0.3	0.3	0.3	0.3	0.3
Korea	0.2	0.2	0.2	0.2	0.2	0.2
Taiwan	0.3	0.2	0.2	0.2	0.2	0.2
Russia	0.3	0.2	0.2	0.1	0.1	0.1
India	0.1	0.1	0.2	0.1	0.1	0.1
Egypt	0.1	0.1	0.1	0.1	0.1	0.1
Hong Kong	0.1	0.1	0.1	0.1	0.1	0.1
Iran	0.1	0.1	0.1	0.1	0.1	0.1
Rest of the world	1.4	1.1	0.8	0.8	0.8	0.9
World Total	8.3	8.5	6.5	7.8	7.8	7.9

Source: USDA

Daily prices Past three months



Daily prices Past three years

