

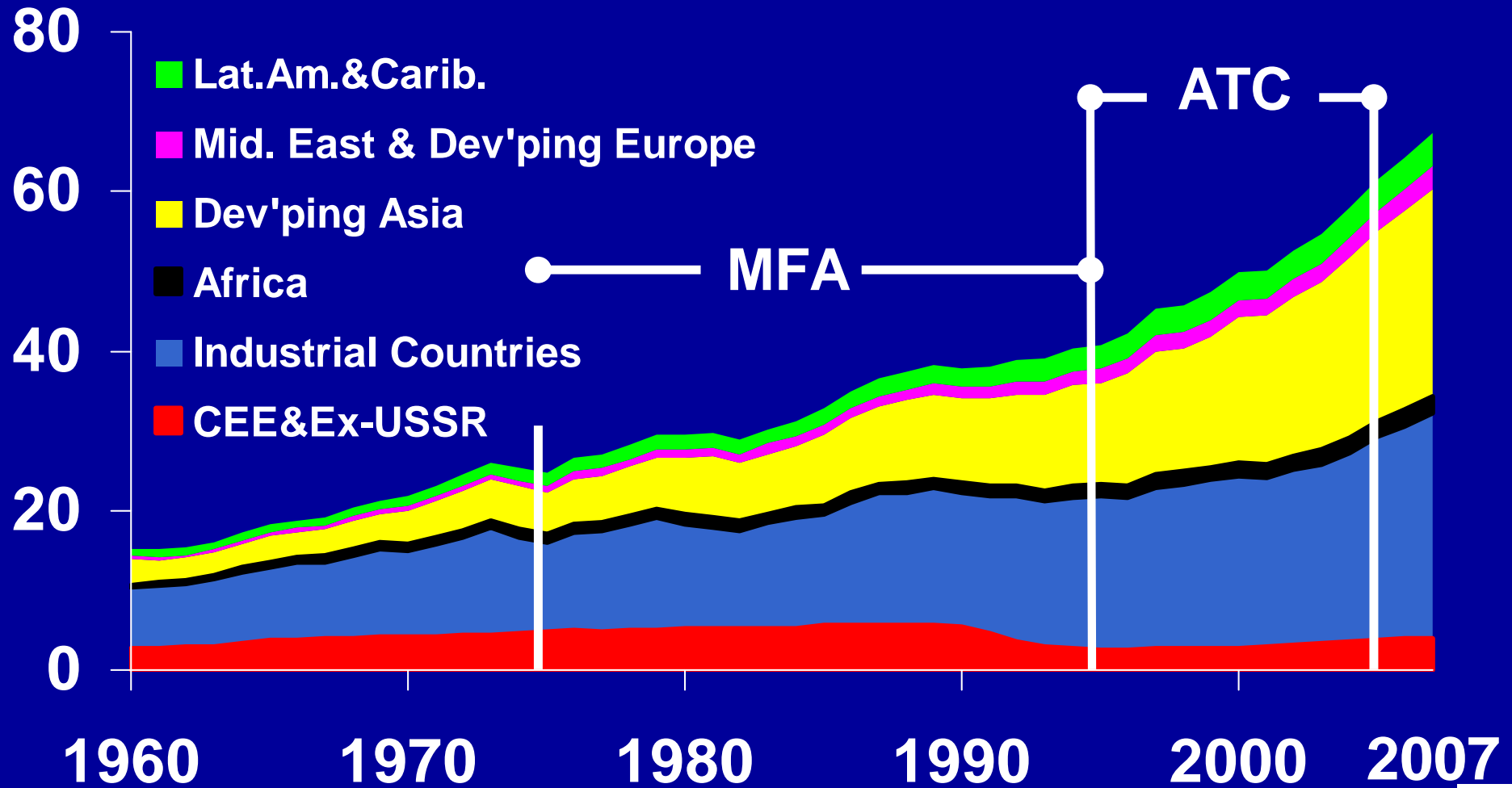
Structural Changes in the World Cotton Market Linked to the End of MFA Quotas



Alejandro Plastina
International Cotton Advisory Committee
January 31, 2008

World Textile Consumption

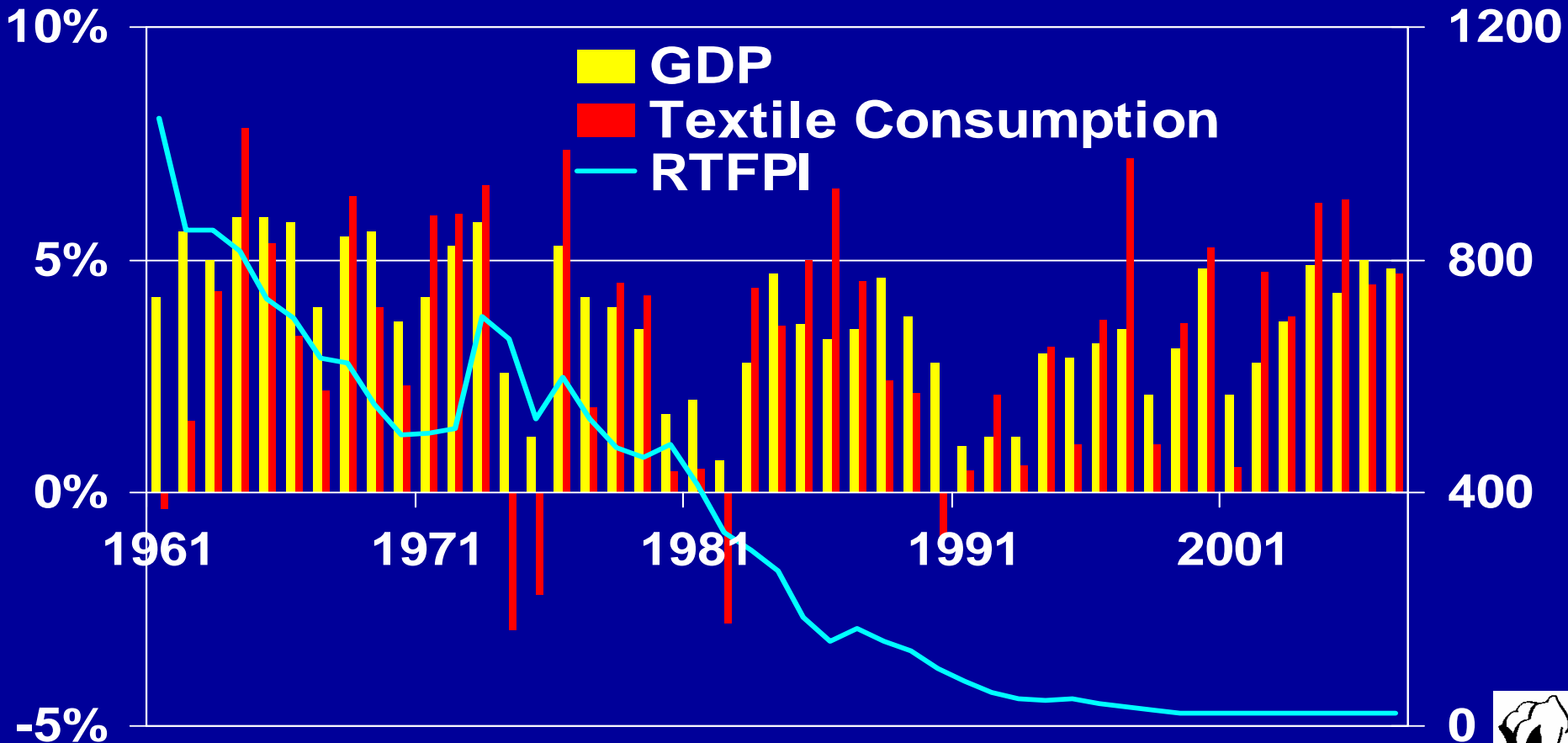
Million tons



Prices, GDP and Textile Fiber Consumption

Change in GDP &
Textile consumption

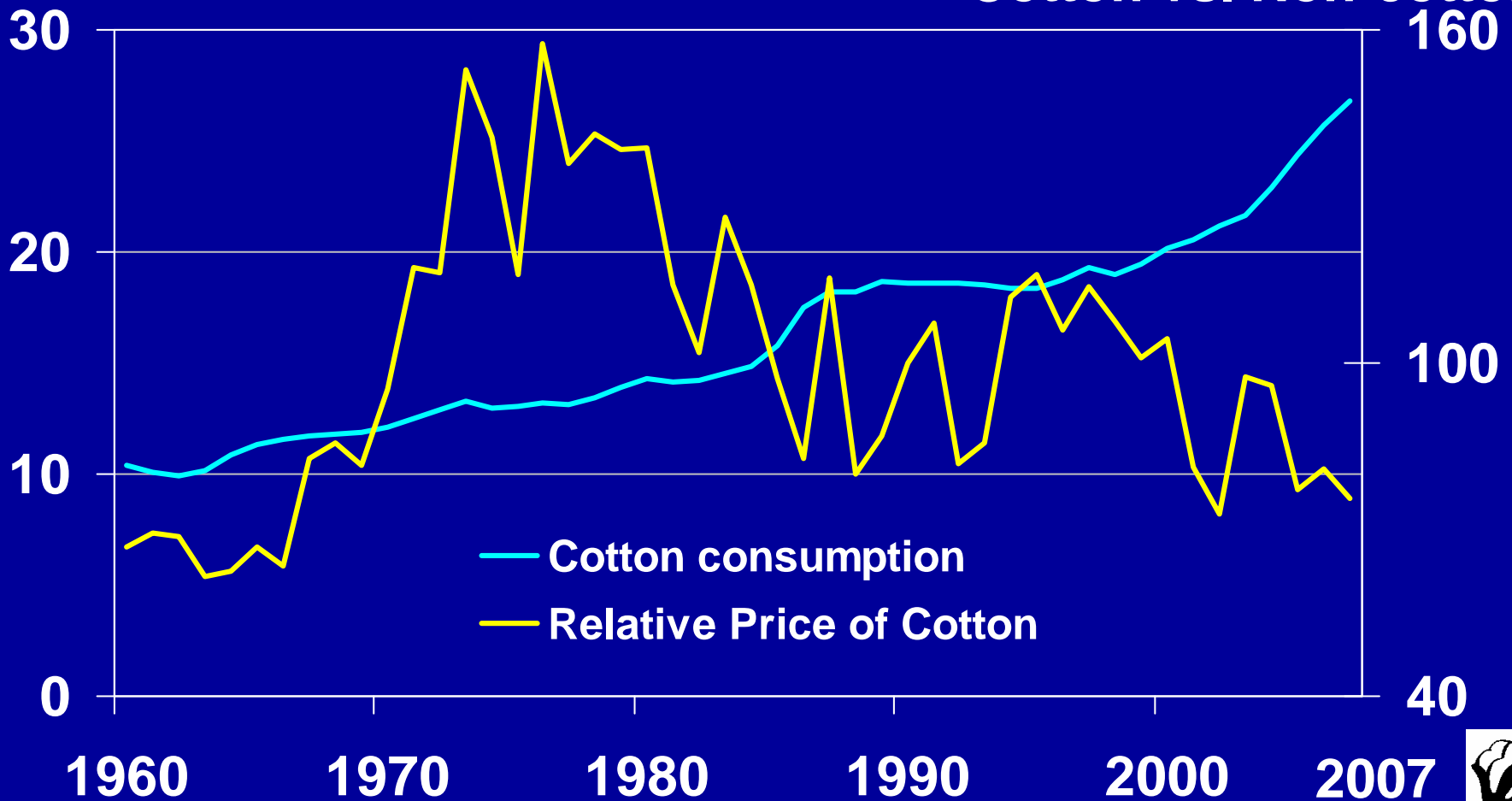
Real Textile Fiber Price
Index (1990=100)



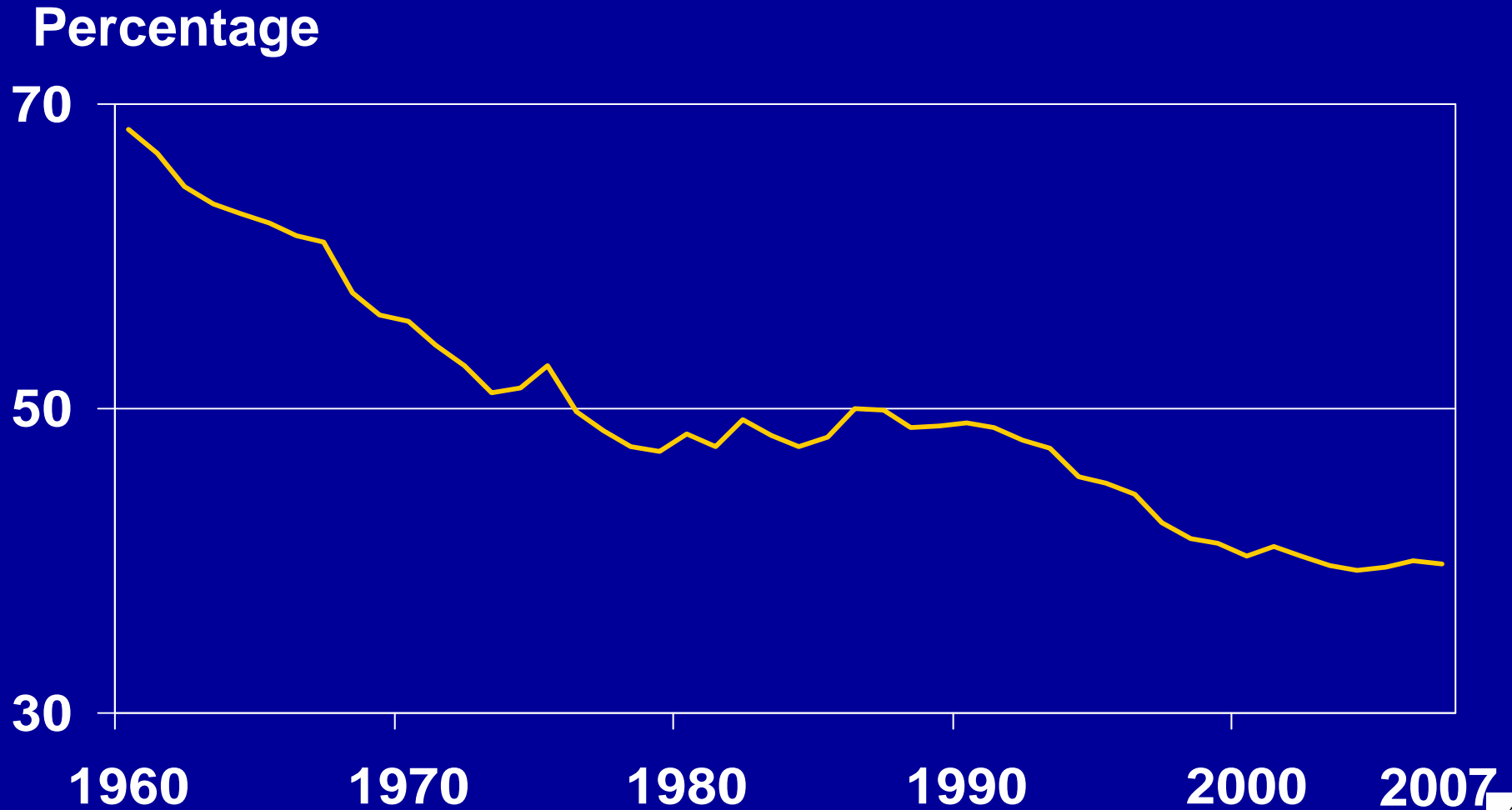
World Cotton Textile Consumption

Million tons

Index of Prices of Cotton vs. Non-cotton

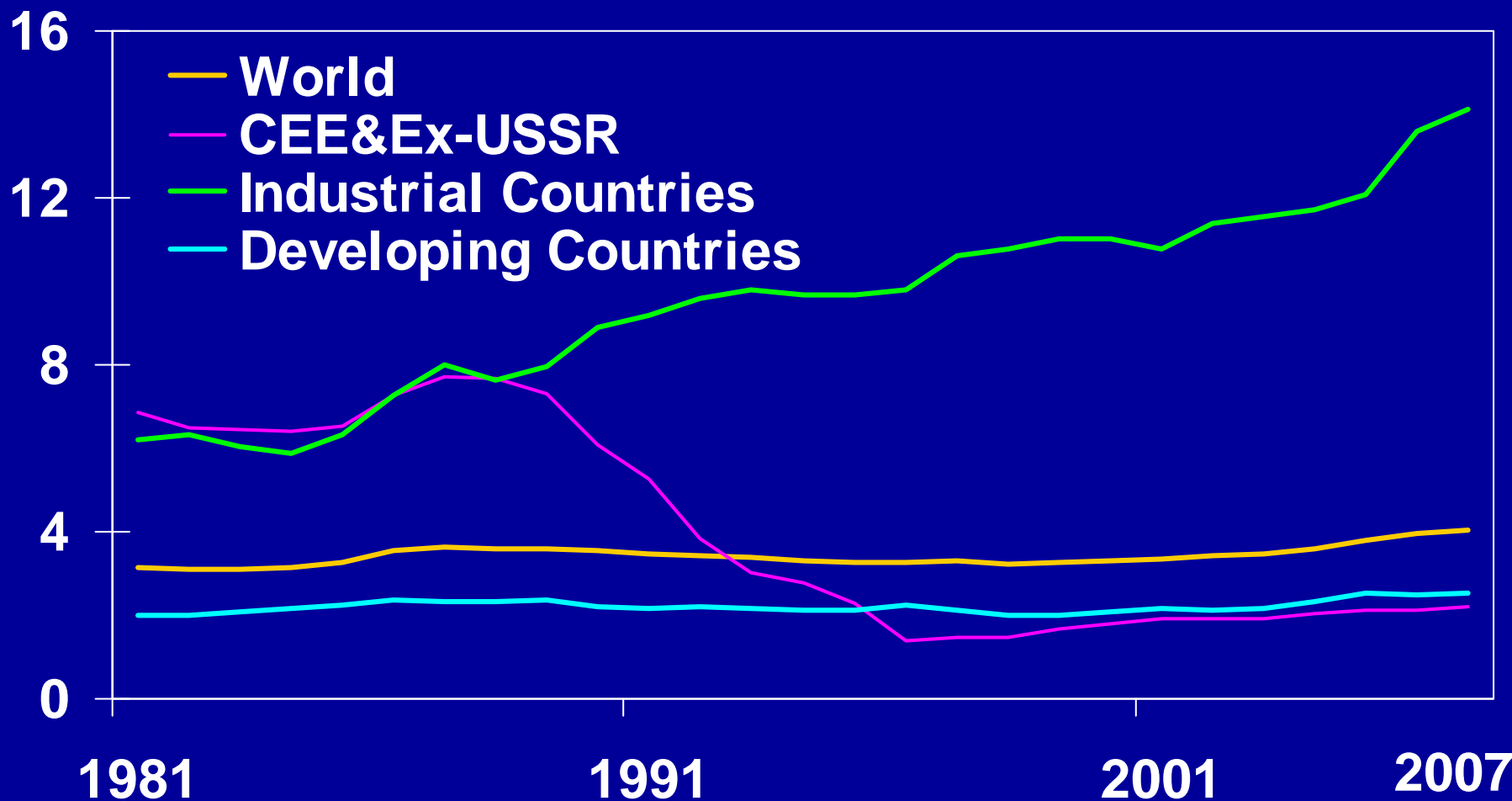


Market Share of Cotton Textiles

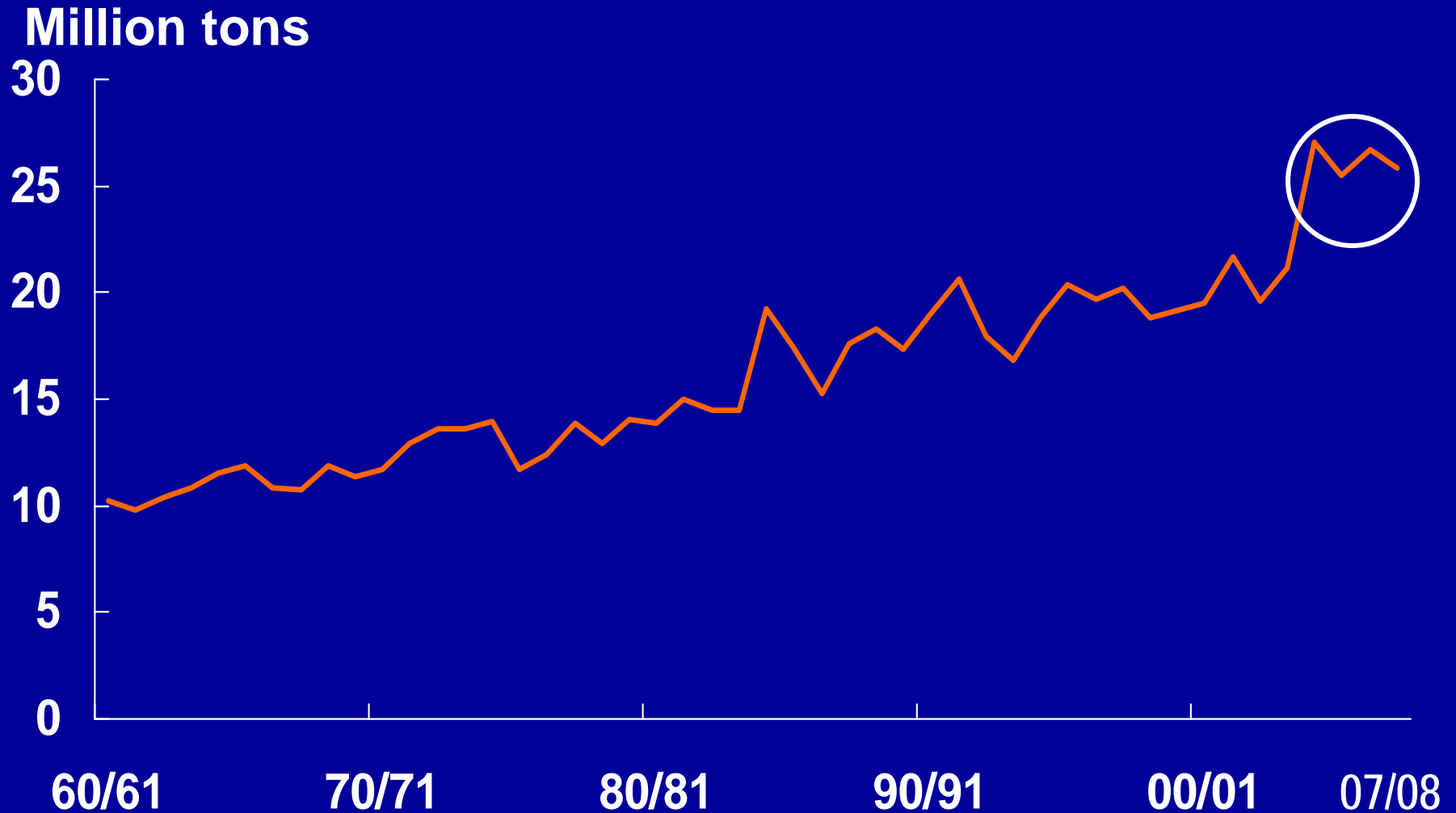


Cotton Textile Consumption per Capita

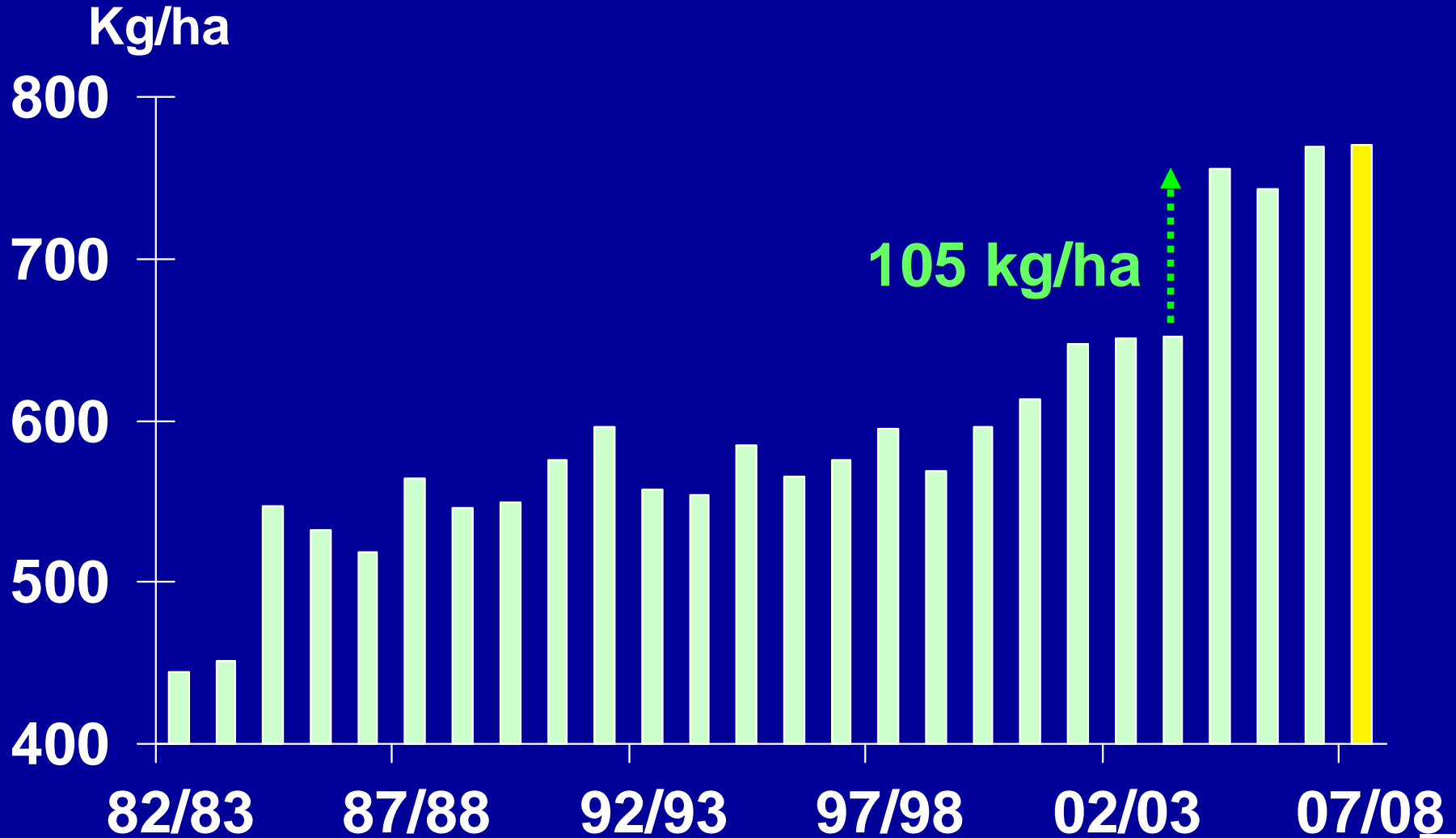
Kilograms per capita



World Cotton Lint Production

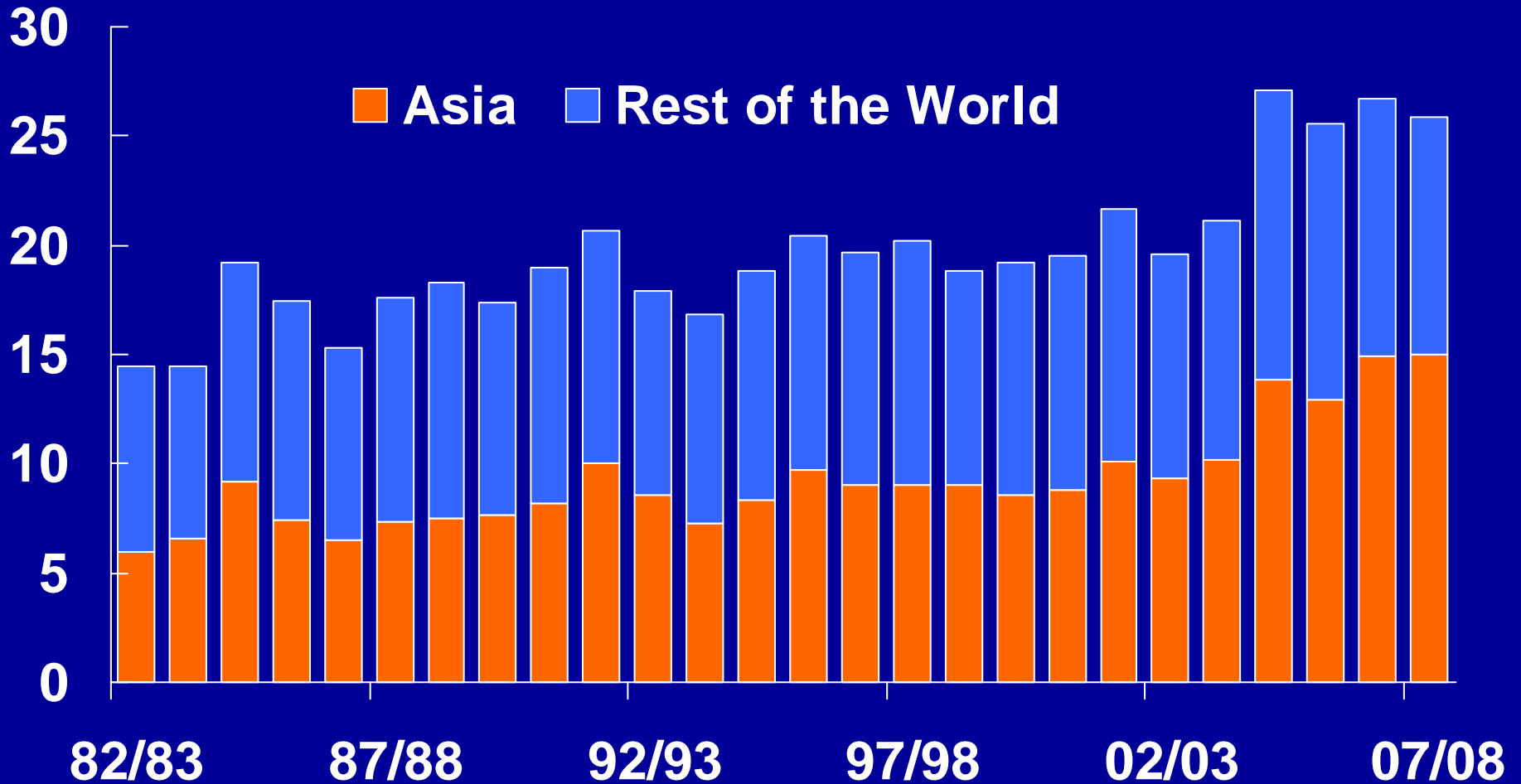


World Cotton Yield



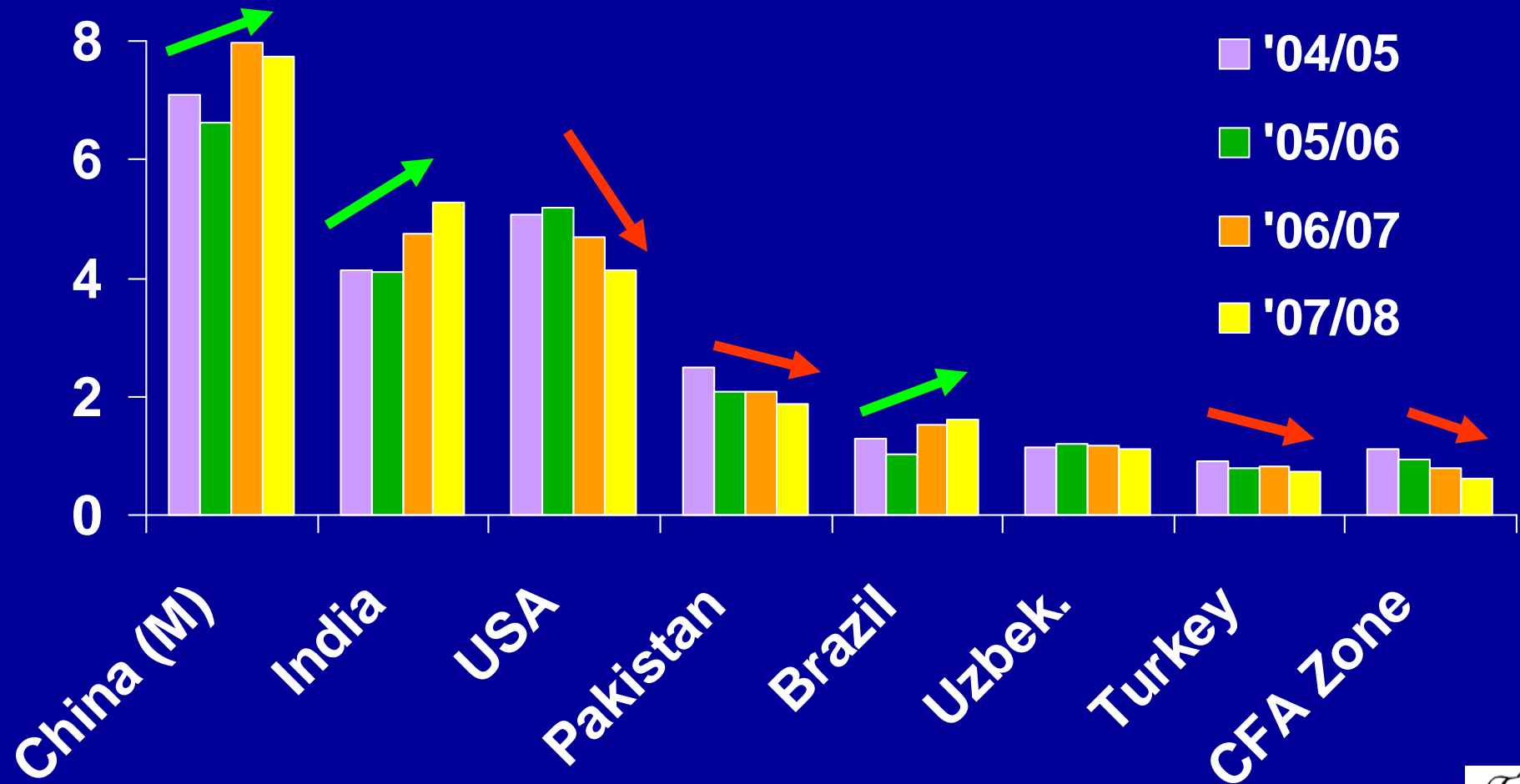
World Cotton Lint Production

Million Tons

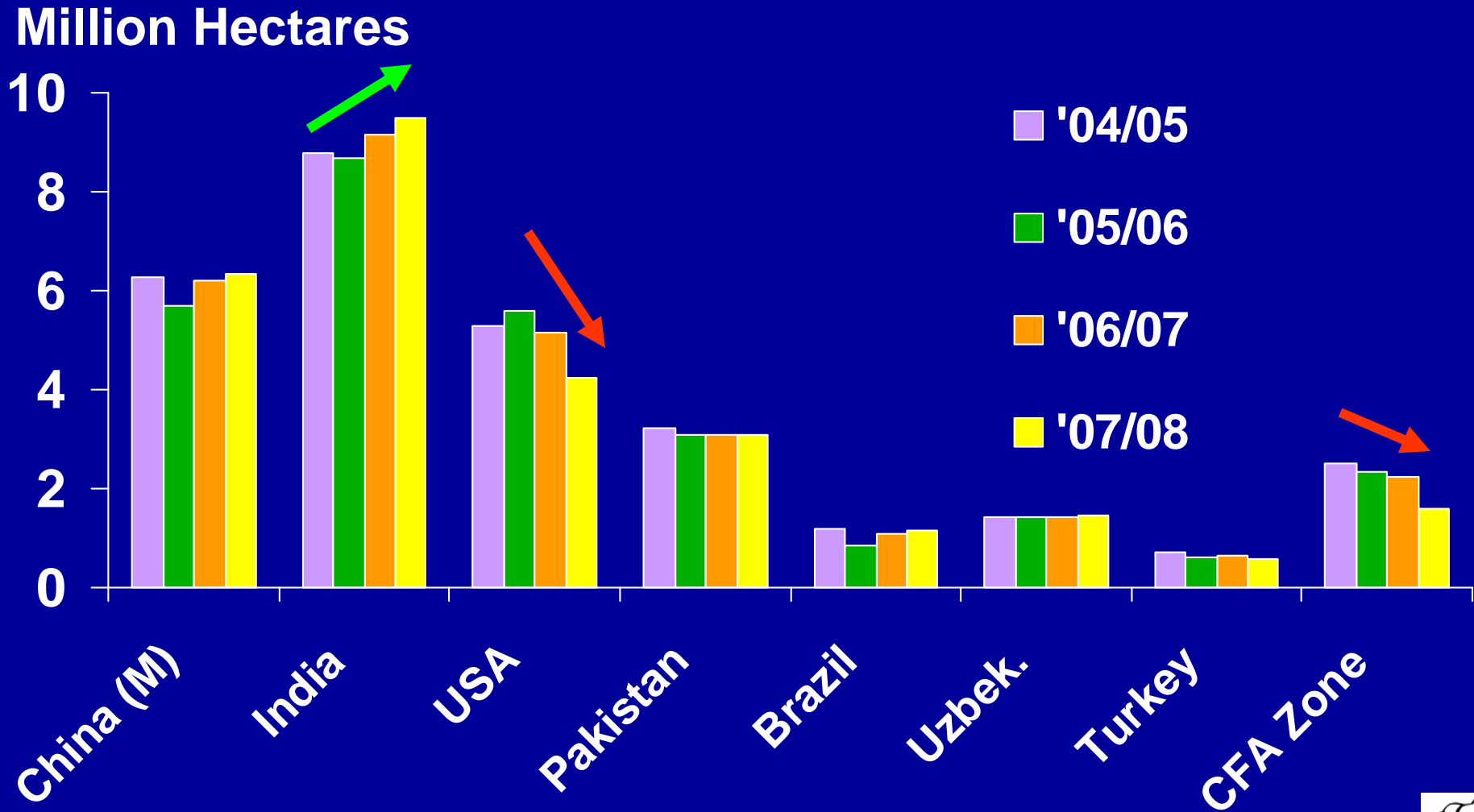


Cotton Lint Production by Country

Million tons

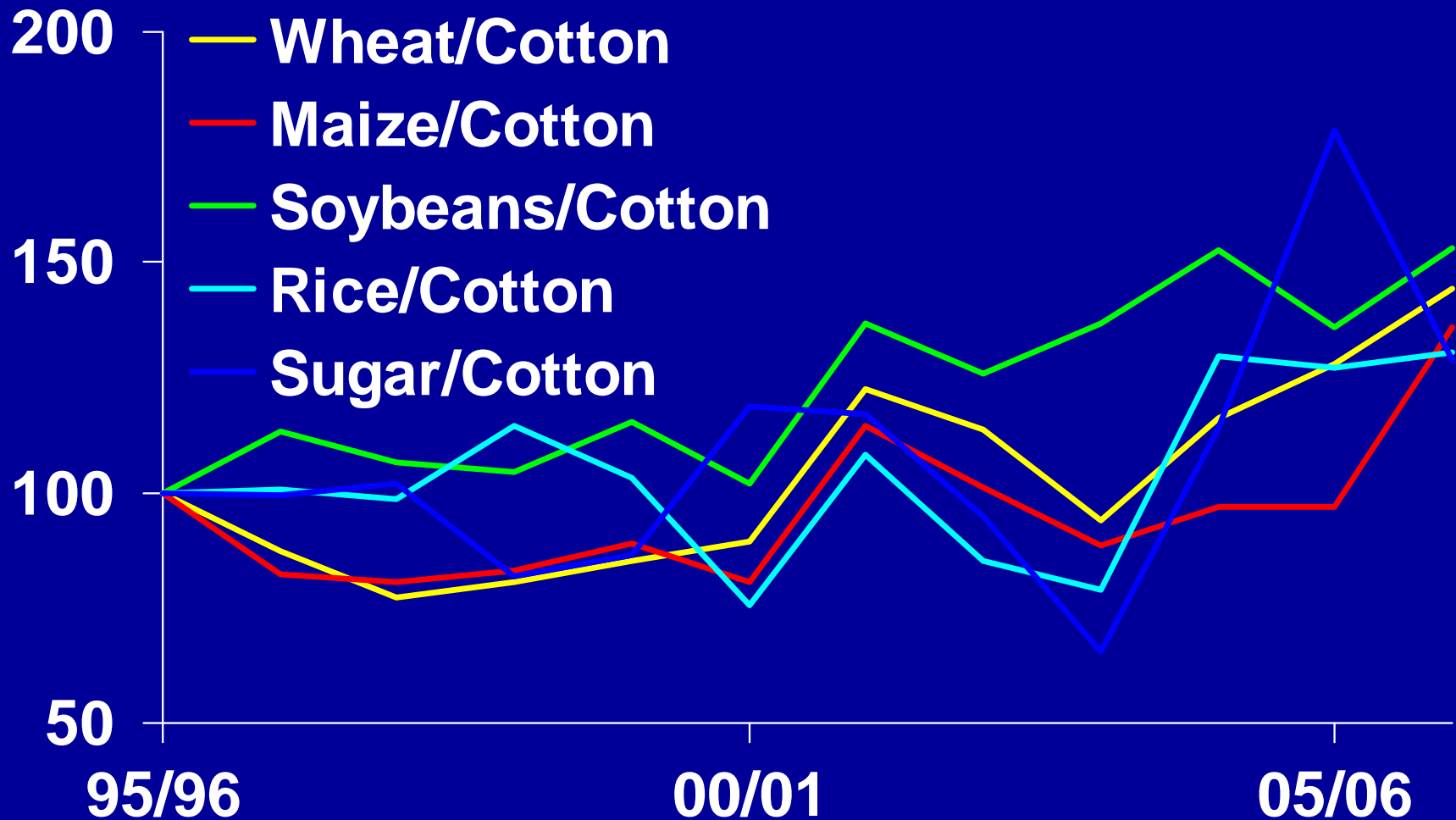


Cotton Area by Country



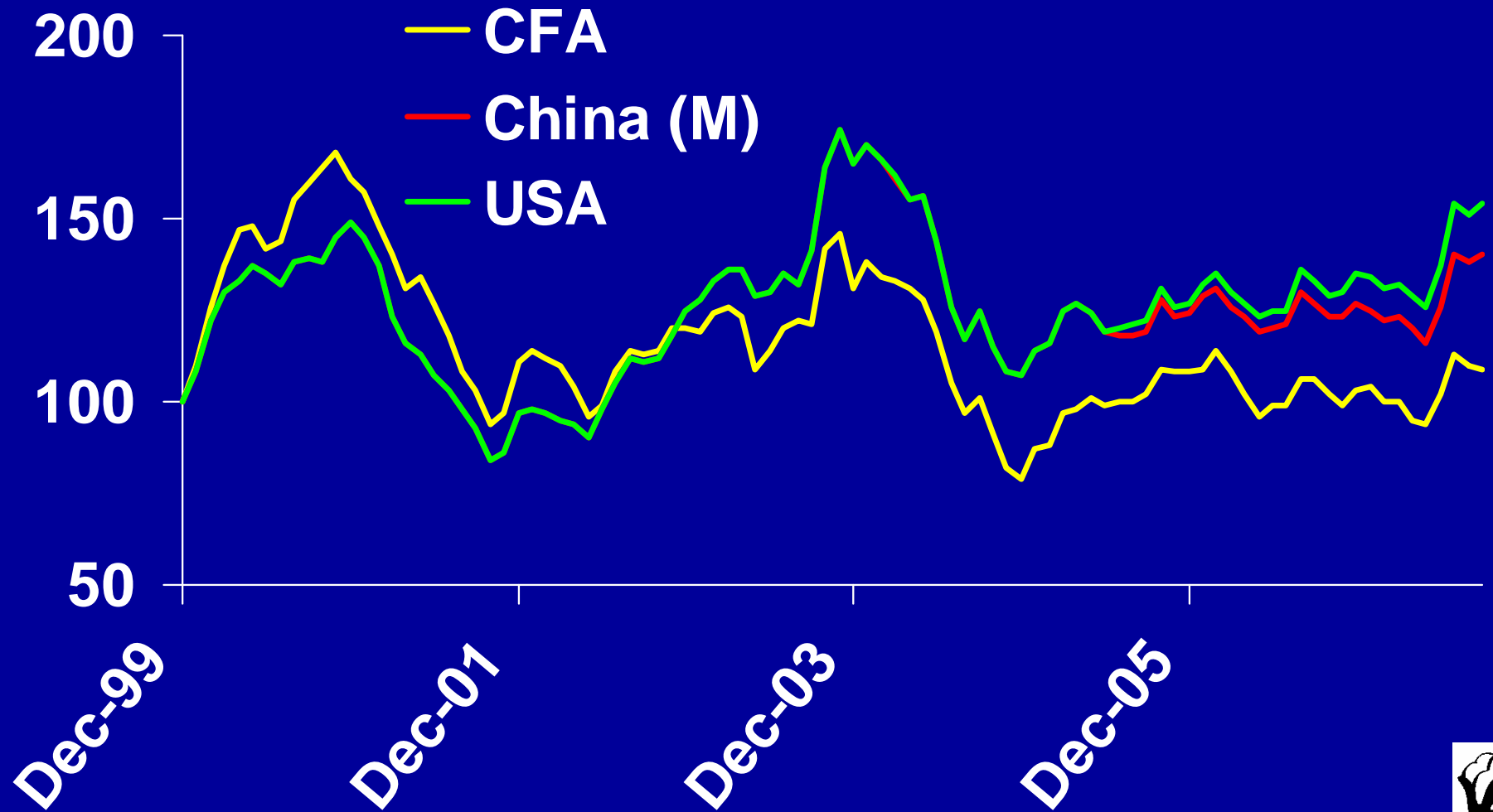
Relative Prices of Competing Crops

Index 1990=100

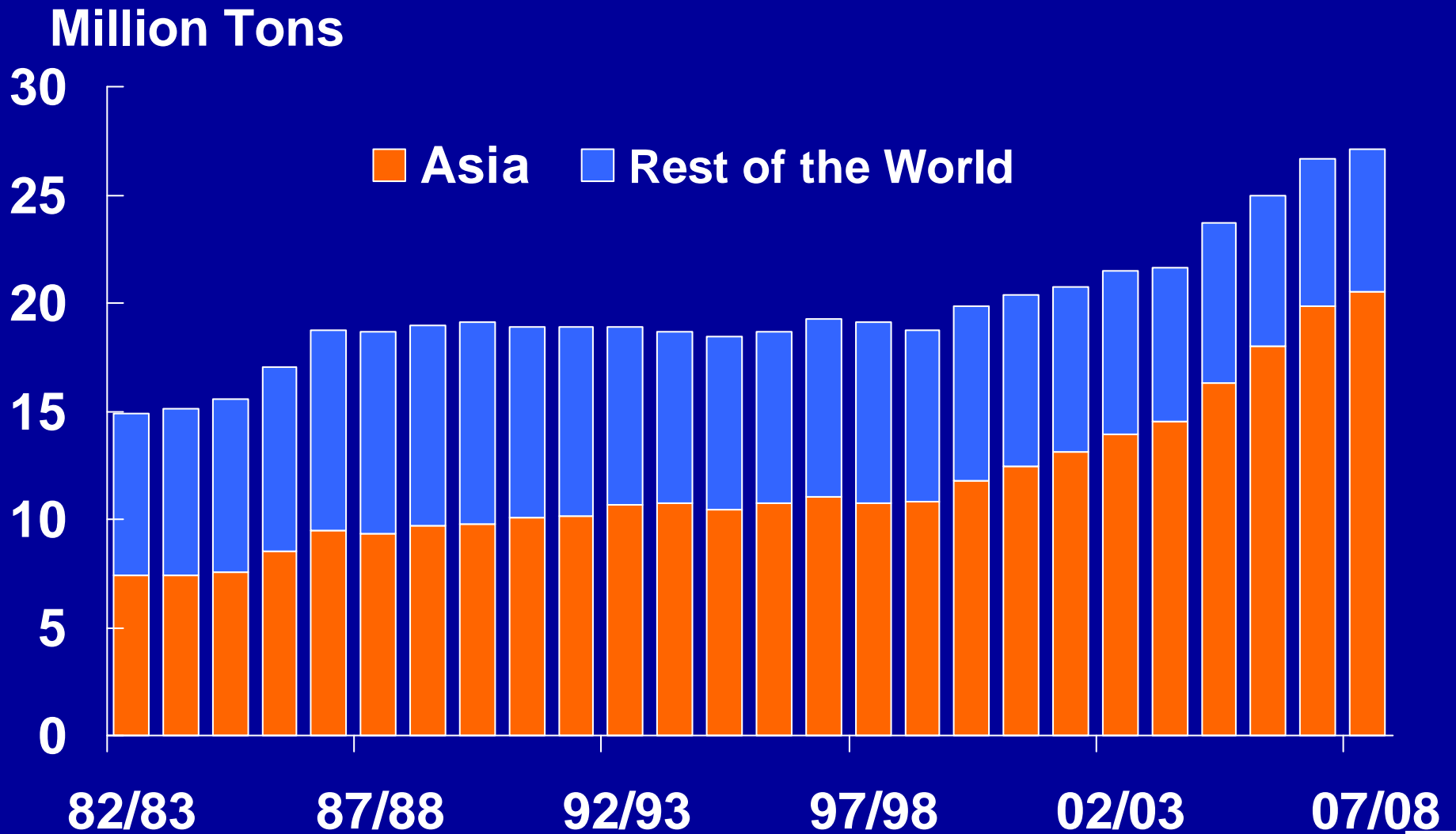


Cotlook A Index in Local Currencies

Index Dec-99=100

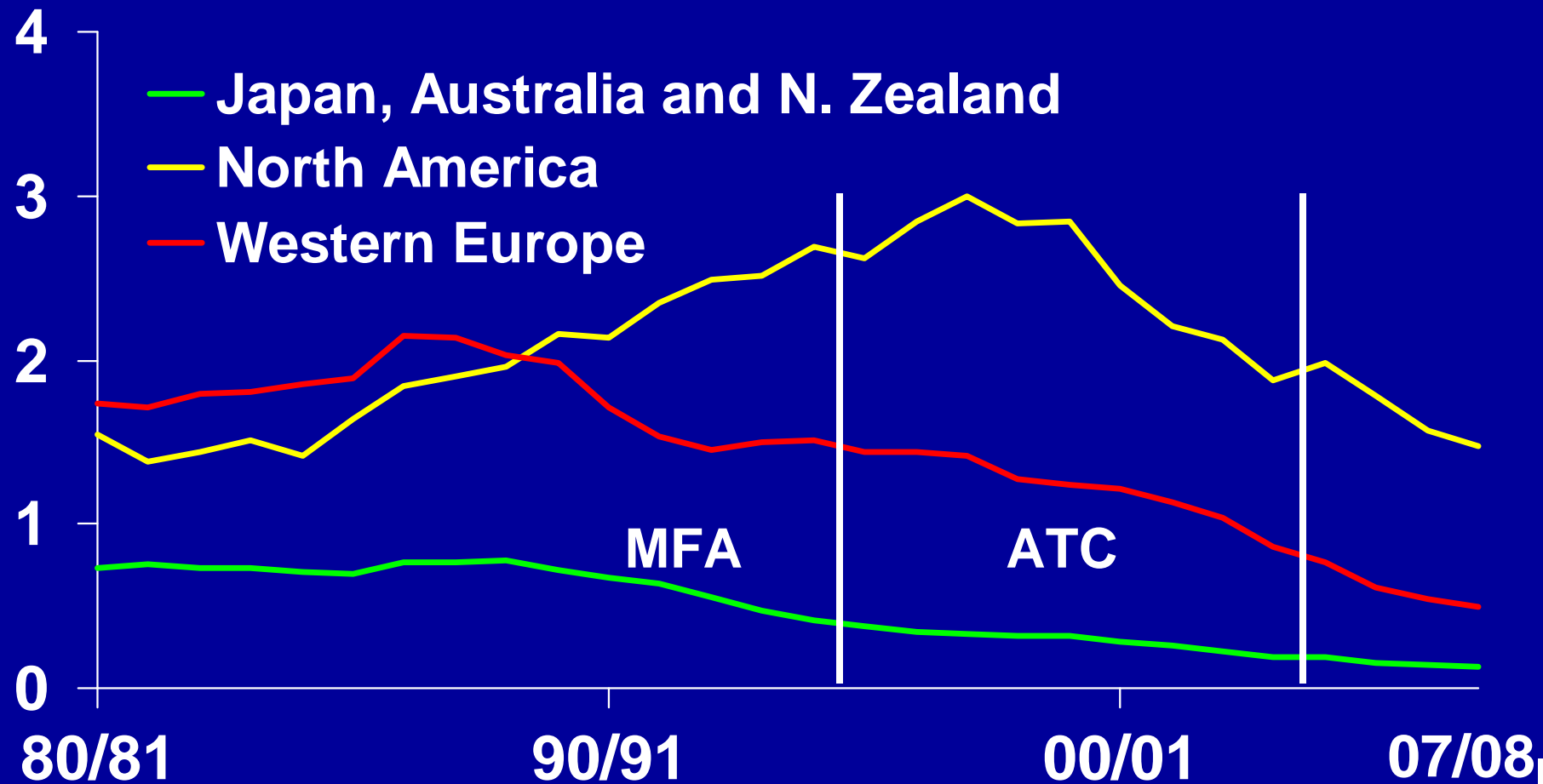


World Cotton Mill Use



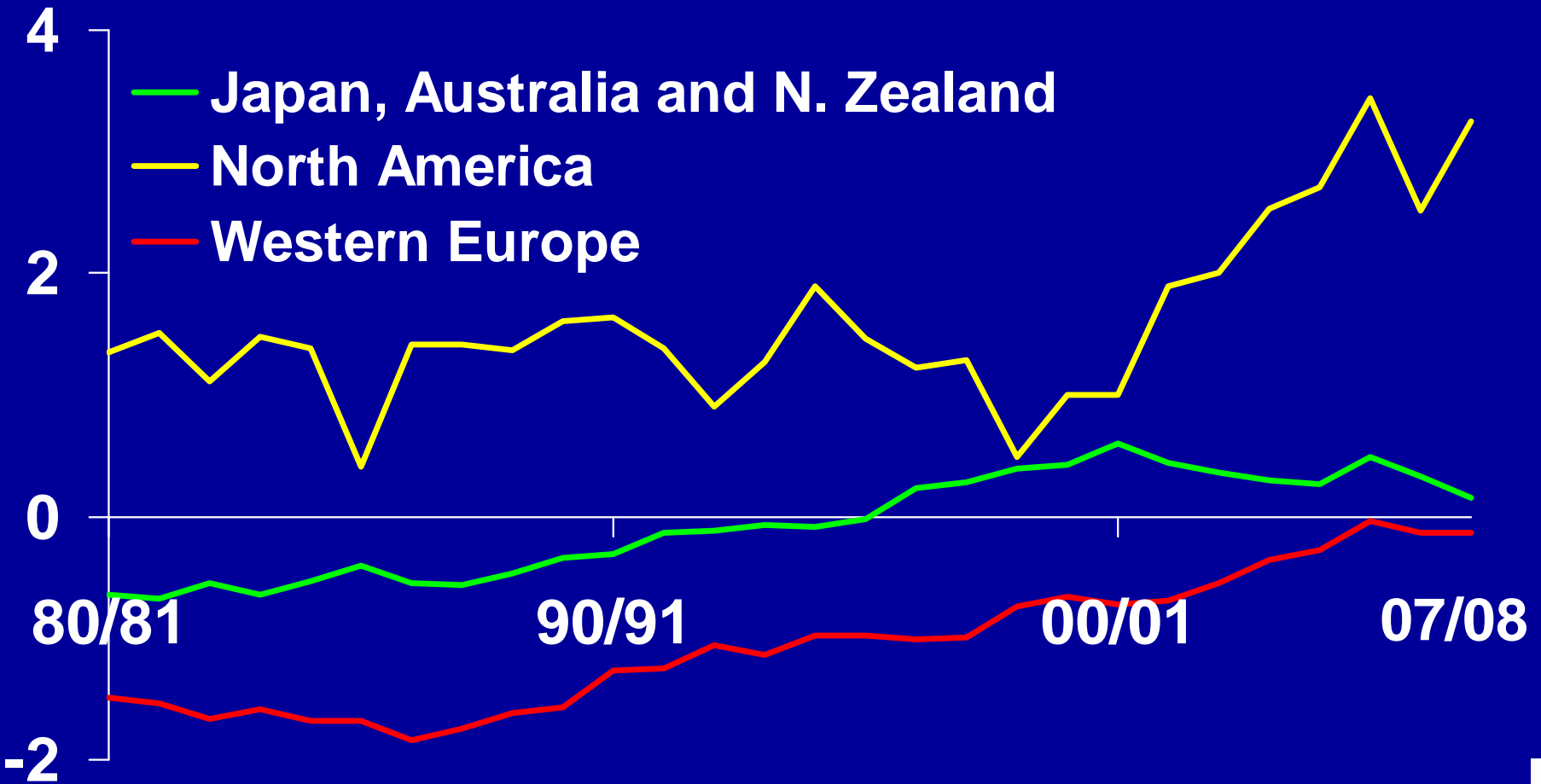
Cotton Mill Use in Industrial Countries

Million tons



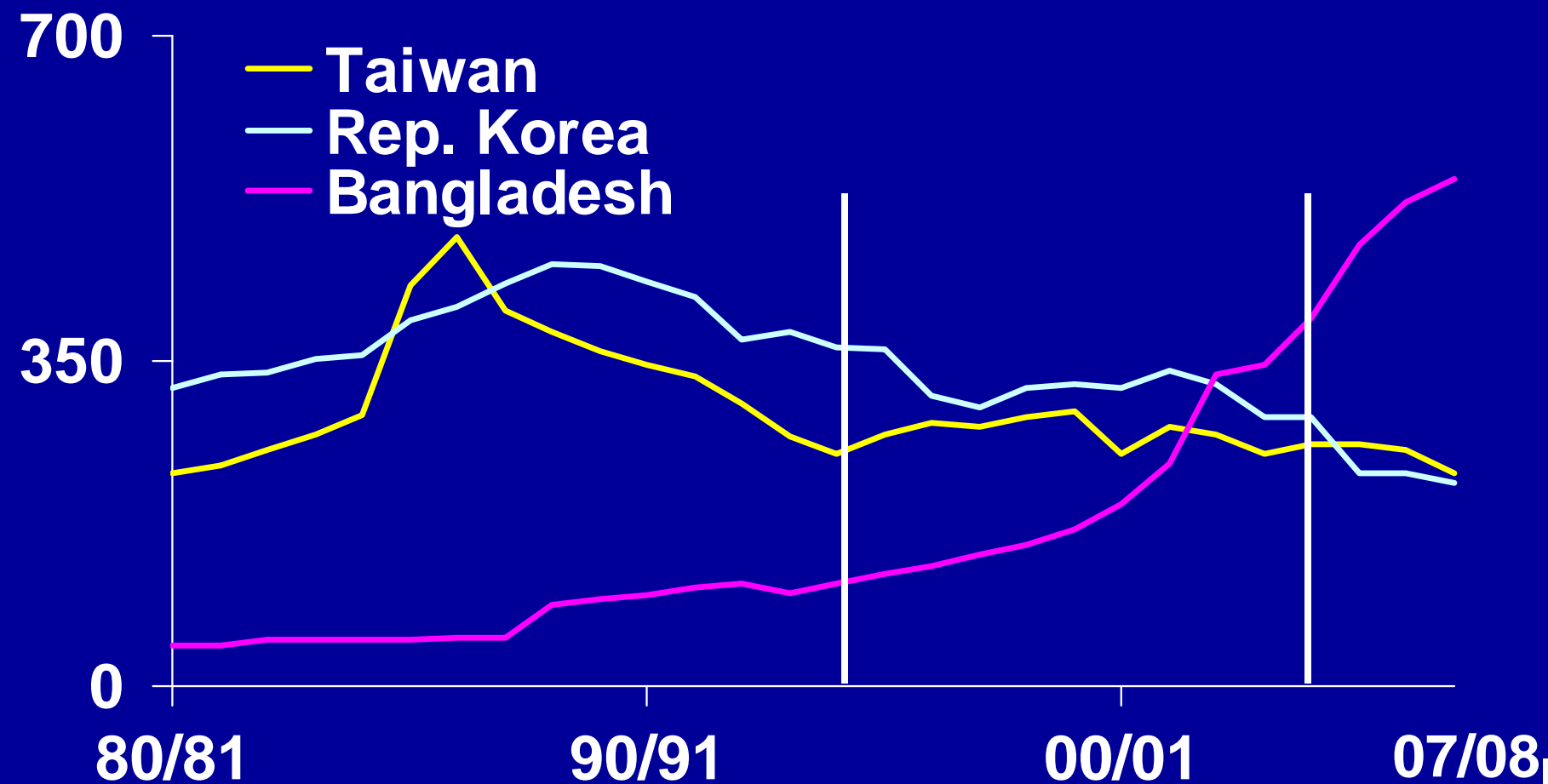
Net Exports in Industrial Countries

Million tons



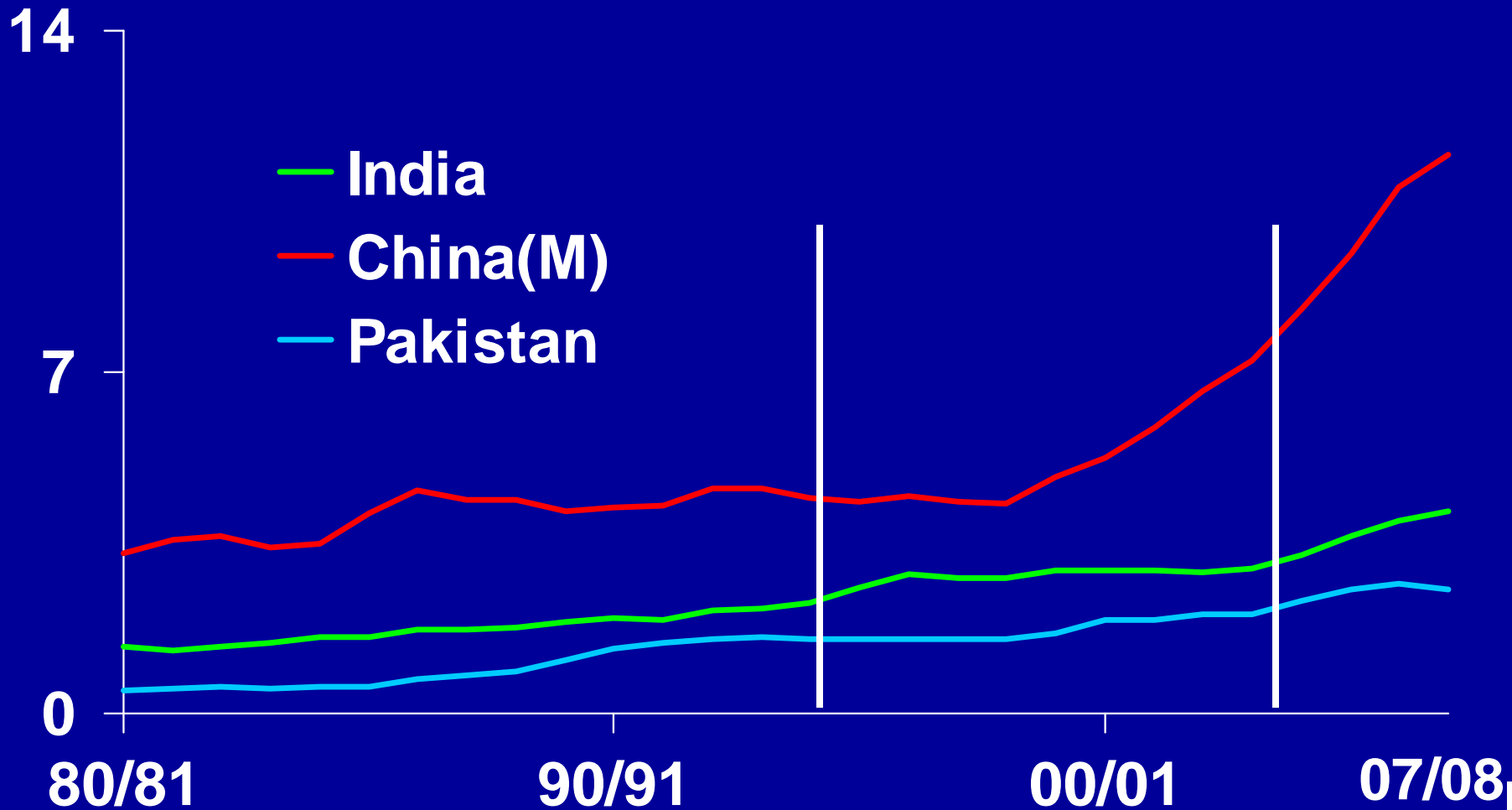
Cotton Mill Use in Asia

Thousand tons



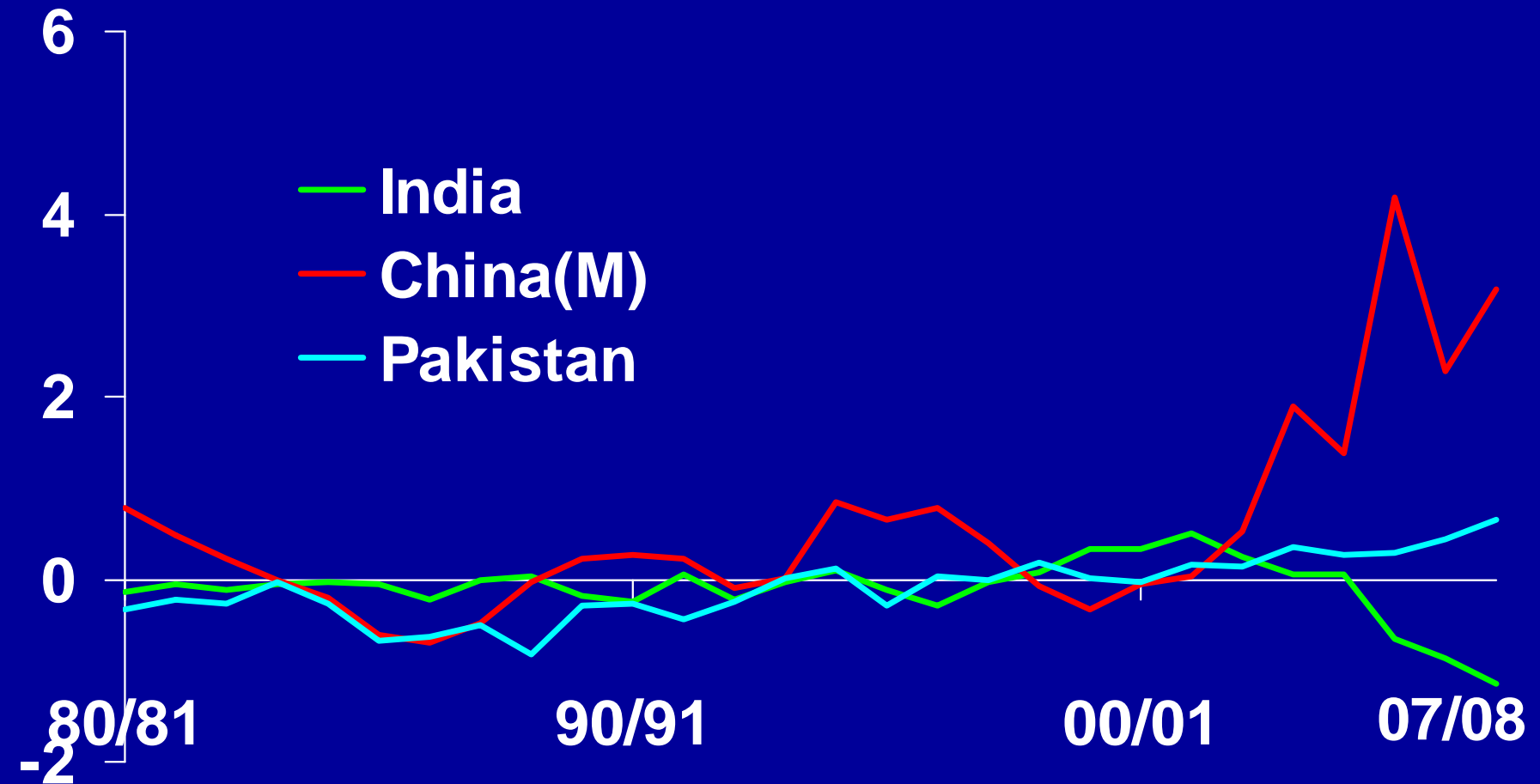
Cotton Mill Use in Asia (cont'd)

Million tons

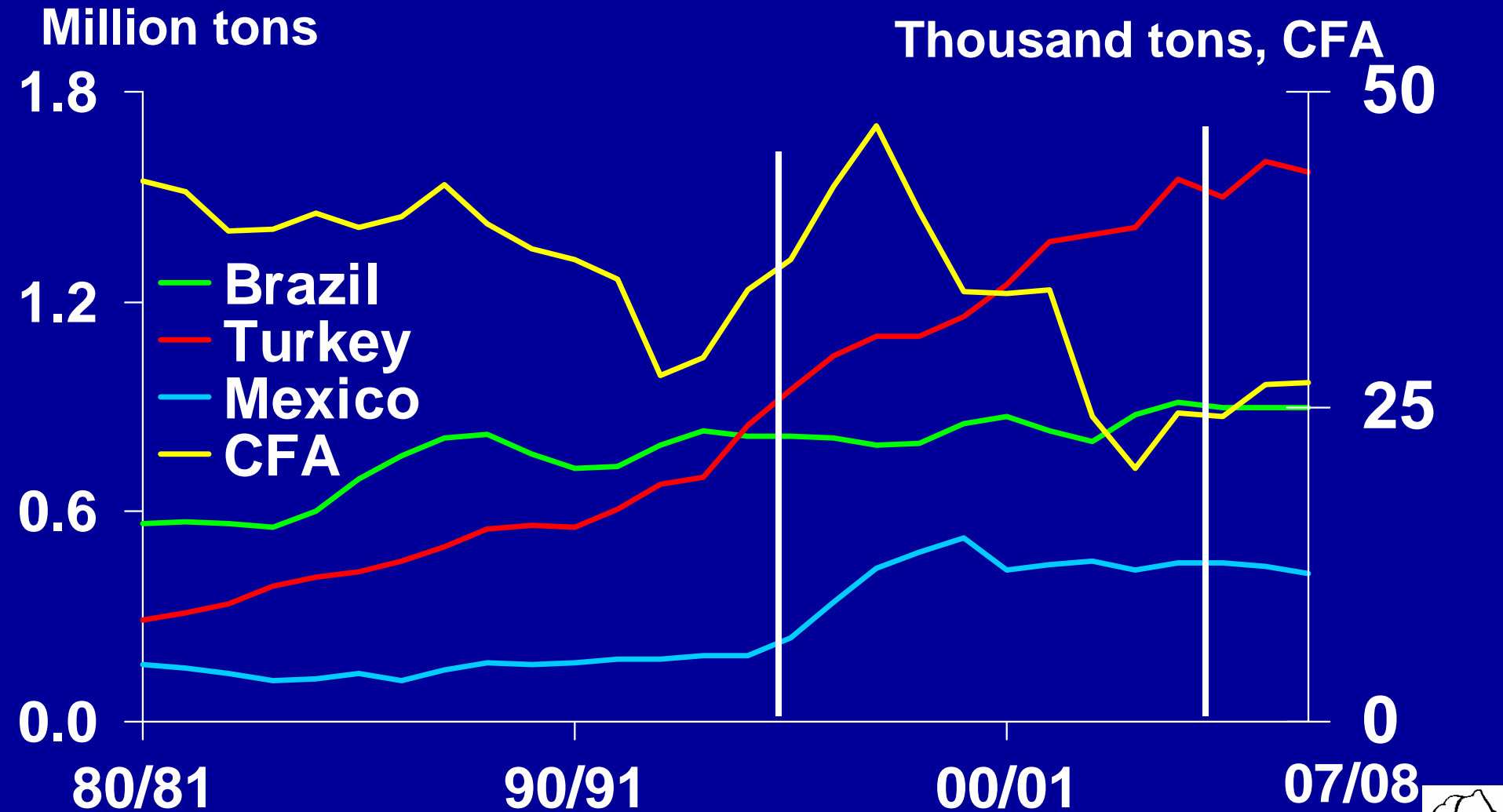


Net Imports in Asian Countries

Million tons

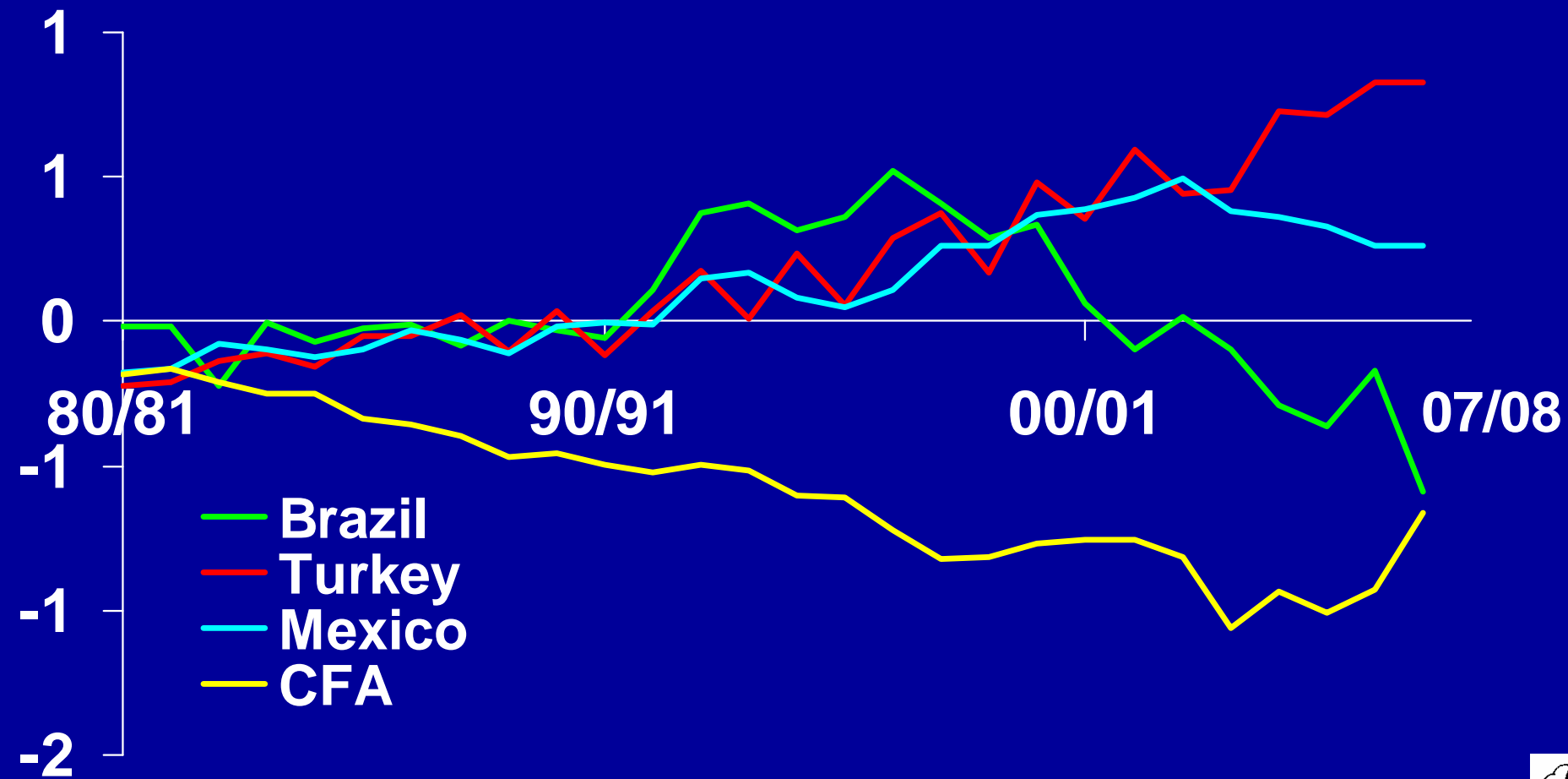


Cotton Mill Use in Other Developing Countries



Net Imports in Other Developing Countries

Million tons

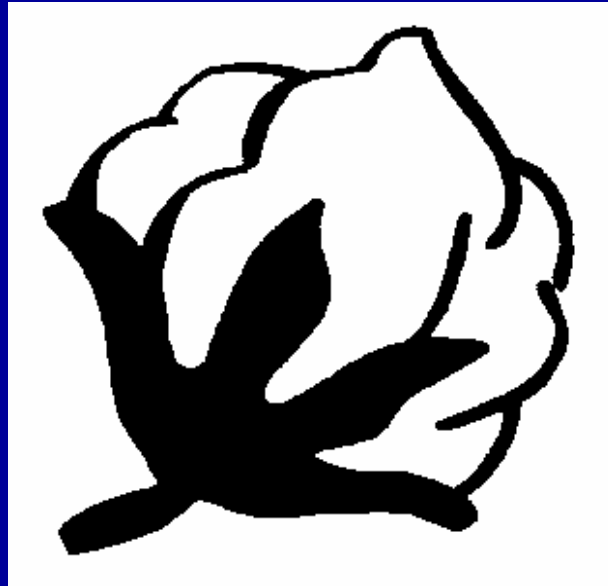


Conclusions

Factors affecting the structure of the World Cotton Market since 2000:

- Lower relative cotton prices and higher GDP: higher cotton textile consumption per capita
- Decreasing cotton's share of textile market
- Prices of competing crops: less cotton area-US
- Improved technology: higher yields-World
- Increased trade: from US to China and India
- Elimination of MFA Quotas: shift in mill use to China, India and Pakistan
- Depreciation of the dollar: CFA hardest hit





**International Cotton Advisory
Committee
www.icac.org**