

WASDE Cotton Summary
July 12, 2018

COTTON: The U.S. 2018/19 cotton projections show lower production, exports, and stocks compared with last month. The 1.0-million-bale decrease in the crop projection is due to higher expected abandonment based on current conditions. Beginning stocks are 200,000 bales lower due to an increase in 2017/18 exports. 2018/19 exports are reduced 500,000 bales based on lower supplies and increased foreign competition. With no change in domestic consumption, 2018/19 ending stocks are projected at 4.0 million bales, down 700,000 bales from the June estimate and unchanged from the revised 2017/18 level. The midpoint of the projected range of the marketing-year-average price is raised 5 cents from last month, to 75 cents per pound.

Historical revisions to China's consumption back to 2014/15 account for most of a 3.3-million-bale decline in 2018/19 world beginning stocks. World 2018/19 consumption is 1.6 million bales higher than in June, as the revisions to China's consumption estimates carry through into the 2018/19 projection year with a 1.0-million-bale increase. Consumption forecasts are also higher for Bangladesh, Pakistan, Brazil, and Vietnam. World production is projected 290,000 bales lower than in June, as reduced U.S. and Australian production more than offsets increases for Brazil, India, and Mexico. World trade is projected 165,000 bales higher this month as lower U.S. exports are more than offset by increases by Brazil and China. Ending stocks are 5.2 million bales lower than in June, with the largest declines in China (4.6 million) and the United States. India's and Brazil's ending stocks are forecast higher.

World and U.S. Supply and Use for Cotton 1/

Million 480-lb. Bales

		Output	Total Supply	Trade 2/	Total Use 3/	Ending Stocks
World	2016/17	106.63	200.1	37.4	115.81	84.34
	2017/18 (Est.)	123.69	208.03	40.69	122.23	84.96
	2018/19 (Proj.) Jun	120.4	208.61	41.07	125.35	83.02
	Jul	120.11	205.06	41.24	126.95	77.84
United States	2016/17	17.17	20.98	14.92	3.25	2.75
	2017/18 (Est.)	20.92	23.68	16.2	3.35	4
	2018/19 (Proj.) Jun	19.5	23.71	15.5	3.4	4.7
	Jul	18.5	22.51	15	3.4	4
Foreign 4/	2016/17	89.46	179.13	22.48	112.56	81.59
	2017/18 (Est.)	102.77	184.35	24.49	118.88	80.96
	2018/19 (Proj.) Jun	100.9	184.9	25.57	121.95	78.32
	Jul	101.61	182.56	26.24	123.55	73.84

1/ Marketing year beginning August 1. 2/ Based on export estimate. 3/ Includes mill use only. 4/ Total Foreign is equal to world minus United States. See global cotton tables for treatment of export/import imbalances.

**World Cotton Supply and Use 1/
(Million 480-Pound Bales)**

2018/19 Proj.		Beginning Stocks	Production	Imports	Domestic Use	Exports	Loss /2	Ending Stocks
World	Jun	88.21	120.4	41.06	125.35	41.07	0.22	83.02
	Jul	84.96	120.11	41.23	126.95	41.24	0.27	77.84
United States	Jun	4.2	19.5	0.01	3.4	15.5	0.11	4.7
	Jul	4	18.5	0.01	3.4	15	0.11	4
Total Foreign	Jun	84.01	100.9	41.05	121.95	25.57	0.11	78.32
	Jul	80.96	101.61	41.23	123.55	26.24	0.16	73.84
Major Exporters 4/	Jun	30.7	55.28	2.17	34.27	21.71	0.02	32.15
	Jul	31.2	55.85	2.17	34.42	22.28	0.02	32.5
Central Asia 5/	Jun	2.73	6.5	3/	3.72	2.58	0	2.94
	Jul	2.83	6.47	3/	3.72	2.58	0	3.01
Afr. Fr. Zone 6/	Jun	2.65	5.28	3/	0.14	4.74	0	3.05
	Jul	2.65	5.28	3/	0.14	4.76	0	3.02
S. Hemis 7/	Jun	12.6	14.46	0.22	4.54	9.85	0.01	12.89
	Jul	12.85	14.86	0.22	4.69	10.35	0.01	12.89
Australia	Jun	3.16	3.8	3/	0.04	4.4	0	2.52
	Jul	3.06	3.7	3/	0.04	4.4	0	2.32
Brazil	Jun	8.28	9	0.08	3.45	4.9	0	9
	Jul	8.63	9.5	0.08	3.6	5.4	0	9.2
India	Jun	12.48	28.5	1.5	25.2	4.25	0	13.03
	Jul	12.63	28.7	1.5	25.2	4.3	0	13.33
Major Importers 8/	Jun	51.38	42.6	36.42	83.65	2.64	0.09	44.02
	Jul	47.83	42.75	36.6	85.1	2.72	0.14	39.22
Mexico	Jun	0.8	1.6	0.93	1.85	0.55	0.03	0.9
	Jul	0.75	1.75	0.93	1.9	0.55	0.03	0.95
China	Jun	41.17	26.5	7	41.5	0.05	0	33.12
	Jul	37.69	26.5	7	42.5	0.15	0	28.54
European Union 9/	Jun	0.38	1.56	0.71	0.74	1.48	0	0.42
	Jul	0.25	1.56	0.71	0.74	1.46	0.05	0.27
Turkey	Jun	2.03	4.3	3.6	7.4	0.35	0	2.18
	Jul	2.03	4.3	3.6	7.4	0.35	0	2.18
Pakistan	Jun	2.78	8.5	2.2	10.5	0.2	0.03	2.76
	Jul	2.88	8.5	2.3	10.7	0.2	0.03	2.76
Indonesia	Jun	0.62	3/	3.5	3.5	0.01	0	0.62
	Jul	0.62	3/	3.5	3.5	0.01	0	0.62
Thailand	Jun	0.18	3/	1.08	1.05	0	0.03	0.18
	Jul	0.18	3/	1.08	1.05	0	0.03	0.18
Bangladesh	Jun	1.86	0.14	7.9	7.8	0	0.01	2.08
	Jul	1.86	0.14	8	8	0	0.01	1.98
Vietnam	Jun	1.19	3/	7.7	7.5	0	0	1.39
	Jul	1.19	3/	7.7	7.5	0	0	1.39

1/ Marketing year beginning August 1. Totals may not add exactly and trade may not balance due to rounding and other factors. 2/ Generally reflects cotton lost or destroyed in the marketing channel; for Australia, Brazil, China, and the United States, reflects the difference between implicit stocks based on supply less total use and indicated ending stocks. 3/ Less than 5,000 bales. 4/ Includes Egypt and Syria in addition to the countries and regions listed. 5/ Azerbaijan, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. 6/ Benin, Burkino Faso, Cameroon, Central African Republic, Chad, Cote d'Ivoire, Mali, Niger, Senegal, and Togo. 7/ Argentina, Australia, Brazil, Lesotho, Paraguay, South Africa, Tanzania, and Zimbabwe. 8/ In addition to the countries and regions listed, includes Hong Kong, Japan, Russia, South Korea, and Taiwan. 9/ Includes intra-EU trade.

**World Cotton Supply and Use 1/
(Million 480-Pound Bales)**

2016/17	Beginning Stocks	Production	Imports	Domestic Use	Exports	Loss /2	Ending Stocks
World	93.48	106.63	37.66	115.81	37.4	0.21	84.34
United States	3.8	17.17	0.01	3.25	14.92	0.06	2.75
Total Foreign	89.68	89.46	37.65	112.56	22.48	0.15	81.59
Major Exporters 4/	22.71	50.69	3.63	31.96	19.27	0.01	25.79
Central Asia 5/	2.37	5.99	3/	2.87	3.09	0	2.4
Afr. Fr. Zone 6/	1.38	5.09	3/	0.14	4.33	0.01	2
S. Hemis 7/	8.77	12.25	0.37	4.29	7.05	-0.02	10.06
Australia	1.88	4.05	3/	0.04	3.73	-0.03	2.19
Brazil	5.71	7.02	0.19	3.2	2.79	0	6.93
India	9.94	27	2.74	24	4.55	0	11.13
Major Importers 8/	65.26	35.86	31.88	76.67	2.04	0.14	54.15
Mexico	0.61	0.77	1	1.75	0.15	0.03	0.45
China	56.7	22.75	5.03	38.5	0.06	0	45.92
European Union 9/	0.25	1.31	0.7	0.72	1.33	0.05	0.17
Turkey	1.53	3.2	3.68	6.5	0.33	0	1.58
Pakistan	2.62	7.7	2.4	10.3	0.13	0.03	2.27
Indonesia	0.53	0.01	3.39	3.3	0.01	0	0.62
Thailand	0.2	3/	1.23	1.2	0	0.03	0.2
Bangladesh	1.52	0.13	6.8	6.8	0	0.01	1.63
Vietnam	0.78	3/	5.5	5.4	0	0	0.88

2017/18 Est.

World	84.34	123.69	40.15	122.23	40.69	0.3	84.96
United States	2.75	20.92	0.01	3.35	16.2	0.13	4
Total Foreign	81.59	102.77	40.14	118.88	24.49	0.17	80.96
Major Exporters 4/	25.79	56.85	2.41	32.82	21.02	0.02	31.2
Central Asia 5/	2.4	6.6	3/	3.39	2.79	0	2.83
Afr. Fr. Zone 6/	2	5.22	3/	0.14	4.44	0	2.65
S. Hemis 7/	10.06	15.57	0.21	4.46	8.52	0.01	12.85
Australia	2.19	4.9	3/	0.04	4	0	3.06
Brazil	6.93	9.2	0.05	3.4	4.15	0	8.63
India	11.13	29	1.7	24.2	5	0	12.63
Major Importers 8/	54.15	42.94	35.29	82.05	2.35	0.15	47.83
Mexico	0.45	1.56	1	1.9	0.33	0.03	0.75
China	45.92	27.5	5.4	41	0.13	0	37.69
European Union 9/	0.17	1.54	0.72	0.74	1.38	0.06	0.25
Turkey	1.58	4	4.1	7.3	0.35	0	2.03
Pakistan	2.27	8.2	3.2	10.6	0.16	0.03	2.88
Indonesia	0.62	3/	3.4	3.4	0.01	0	0.62
Thailand	0.2	3/	1.05	1.05	0	0.03	0.18
Bangladesh	1.63	0.14	7.6	7.5	0	0.01	1.86
Vietnam	0.88	3/	6.9	6.6	0	0	1.19

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Source: USDA/FAS

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