

WASDE Cotton Summary From USDA
September 12, 2018

COTTON: The 2018/19 U.S. cotton estimates include larger production, exports, and ending stocks relative to last month. Production is raised 447,000 bales, with increases in the Southwest, Delta, and Southeast. Beginning stocks are revised 100,000 bales lower based on indicated stocks as of July 31, 2018, while domestic mill use is reduced slightly in 2017/18 based on recent activity. The 2018/19 export forecast is raised 200,000 bales. Ending stocks are now projected higher at 4.7 million bales, or 25 percent of total use. The forecast range for the marketing-year average farm price is unchanged at 70 to 80 cents per pound.

Larger 2018/19 world cotton production mostly offsets lower beginning stocks, and world ending stocks are only slightly higher this month. Beginning stocks are reduced for India and the United States due to revisions in 2017/18 estimates. Production is raised for China, Brazil, and the United States but is lowered for Australia. Global consumption is increased 300,000 bales due to higher expected use in India, and trade is unchanged. World ending stocks are projected about 400,000 bales higher this month, at 77.5 million bales, equivalent to 61 percent of world consumption. If realized, this stocks/use ratio would be its lowest in 8 years, but higher than in virtually every other year before 2010/11.

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	200.07	37.65	116.12	83.79
	2017/18 (Est.)	123.48	207.28	40.71	123.22	83.79
	2018/19 (Proj.)					
	Aug	120.53	205.04	41.82	127.62	77.1
	Sep	121.97	205.76	41.8	127.94	77.46
United States	2016/17	17.17	20.98	14.92	3.25	2.75
	2017/18 (Est.)	20.92	23.68	15.85	3.23	4.3
	2018/19 (Proj.)					
	Aug	19.24	23.64	15.5	3.4	4.6
	Sep	19.68	23.99	15.7	3.4	4.7
Foreign 4/	2016/17	89.46	179.1	22.73	112.87	81.04
	2017/18 (Est.)	102.56	183.6	24.86	120	79.49
	2018/19 (Proj.)					
	Aug	101.29	181.4	26.32	124.22	72.5
	Sep	102.29	181.77	26.1	124.54	72.76

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	Production	Imports	Domestic	Exports	Loss	Ending
World	Aug	84.51	120.53	41.8	127.62	41.82	0.3	77.1
	Sep	83.79	121.97	41.79	127.94	41.8	0.35	77.46
United States	Aug	4.4	19.24	0.01	3.4	15.5	0.14	4.6
	Sep	4.3	19.68	0.01	3.4	15.7	0.19	4.7
Total Foreign	Aug	80.11	101.29	41.79	124.22	26.32	0.16	72.5
	Sep	79.49	102.29	41.79	124.54	26.1	0.16	72.76
Major Exporters 4/	Aug	30.28	55.34	2.22	34.42	22.39	0.02	31.01
	Sep	29.49	55.33	2.22	34.72	22.14	0.02	30.16
Central Asia 5/	Aug	2.77	5.9	3/	3.71	2.38	0	2.58
	Sep	2.71	5.85	3/	3.71	2.38	0	2.48
Afr. Fr. Zone 6/	Aug	2.22	5.28	3/	0.14	4.97	0	2.39
	Sep	2.25	5.28	3/	0.14	4.97	0	2.42
S. Hemis 7/	Aug	12.61	14.92	0.22	4.69	10.2	0.01	12.86
	Sep	12.7	14.96	0.22	4.69	10.04	0.01	13.14
Australia	Aug	2.86	3.55	3/	0.04	4.3	0	2.07
	Sep	2.94	3	3/	0.04	3.9	0	2.01
Brazil	Aug	8.63	9.5	0.08	3.6	5.3	0	9.31
	Sep	8.66	10	0.08	3.6	5.5	0	9.63
India	Aug	12.43	28.7	1.5	25.2	4.5	0	12.93
	Sep	11.58	28.7	1.5	25.5	4.4	0	11.88
Major Importers 8/	Aug	47.74	42.95	37.09	85.74	2.66	0.14	39.25
	Sep	47.95	43.95	37.09	85.74	2.71	0.14	40.41
Mexico	Aug	0.65	1.75	0.9	1.9	0.55	0.03	0.83
	Sep	0.65	1.75	0.9	1.9	0.55	0.03	0.83
China	Aug	37.79	26.5	7	42.5	0.15	0	28.64
	Sep	38.02	27.5	7	42.5	0.15	0	29.87
European Union 9/	Aug	0.25	1.56	0.7	0.75	1.45	0.05	0.26
	Sep	0.25	1.56	0.7	0.75	1.45	0.05	0.26
Turkey	Aug	1.95	4.5	3.5	7.5	0.33	0	2.13
	Sep	1.98	4.5	3.5	7.5	0.38	0	2.1
Pakistan	Aug	2.87	8.5	2.5	11	0.18	0.03	2.67
	Sep	2.83	8.5	2.5	11	0.18	0.03	2.63
Indonesia	Aug	0.62	3/	3.75	3.65	0.01	0	0.72
	Sep	0.62	3/	3.75	3.65	0.01	0	0.71
Thailand	Aug	0.18	3/	1.13	1.1	0	0.03	0.18
	Sep	0.18	3/	1.13	1.1	0	0.03	0.18
Bangladesh	Aug	1.86	0.14	8.1	8	0	0.01	2.08
	Sep	1.86	0.14	8.1	8	0	0.01	2.08
Vietnam	Aug	1.19	3/	7.7	7.5	0	0	1.39
	Sep	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, Burkina Faso, Cameroon, Central African Republic, Chad, Cote

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

2016/17	Beginning Stocks	Production	Imports	Domestic Use	Exports	Loss /2	Ending Stocks
World	93.44	106.63	37.69	116.12	37.65	0.21	83.79
United States	3.8	17.17	0.01	3.25	14.92	0.06	2.75
Total Foreign	89.64	89.46	37.69	112.87	22.73	0.15	81.04
Major Exporters 4/	22.68	50.69	3.63	32.26	19.52	0.01	25.21
Central Asia 5/	2.35	5.99	3/	2.82	3.34	0	2.17
Afr. Fr. Zone 6/	1.38	5.09	3/	0.14	4.33	0.01	2
S. Hemis 7/	8.76	12.25	0.37	4.29	7.04	-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	24.35	4.55	0	10.78
Major Importers 8/	65.26	35.86	31.91	76.66	2.03	0.14	54.2
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	0.69	0.71	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	2.45	10.3	0.13	0.03	2.32
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	83.79	123.48	40.92	123.22	40.71	0.47	83.79
United States	2.75	20.92	3/	3.23	15.85	0.3	4.3
Total Foreign	81.04	102.56	40.91	120	24.86	0.17	79.49
Major Exporters 4/	25.21	56.67	2.49	33.42	21.44	0.02	29.49
Central Asia 5/	2.17	6.6	3/	3.49	2.57	0	2.71
Afr. Fr. Zone 6/	2	5.22	3/	0.14	4.84	0	2.25
S. Hemis 7/	10.06	15.39	0.24	4.46	8.52	0.01	12.7
Australia	2.19	4.7	3/	0.04	3.92	0	2.94
Brazil	6.93	9.22	0.08	3.4	4.17	0	8.66
India	10.78	29	1.7	24.7	5.2	0	11.58
Major Importers 8/	54.2	42.94	35.8	82.5	2.35	0.15	47.95
Mexico	0.45	1.56	0.93	1.9	0.35	0.03	0.65
China	45.92	27.5	5.73	41	0.13	0	38.02
European Union 9/	0.17	1.54	0.73	0.76	1.37	0.06	0.25
Turkey	1.58	4	4.02	7.3	0.33	0	1.98
Pakistan	2.32	8.2	3.3	10.8	0.16	0.03	2.83
Indonesia	0.62	3/	3.5	3.5	0.01	0	0.62
Thailand	0.2	3/	1.15	1.15	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

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, Burkina 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.

U.S. Cotton Supply and Use 1/

	2016/17	2017/18 Est.	2018/19 Proj. Aug	2018/19 Proj. Sep
Area	<i>Million Acres</i>			
Planted	10.07	12.61	13.52	14.04
Harvested	9.51	11.1	10.14	10.55
	<i>Pounds</i>			
Yield per Harvested Acre	867	905	911	895
	<i>Million 480 Pound Bales</i>			
Beginning Stocks	3.8	2.75	4.4	4.3
Production	17.17	20.92	19.24	19.68
Imports	0.01	0	0.01	0.01
Supply, Total	20.98	23.68	23.64	23.99
Domestic Use	3.25	3.23	3.4	3.4
Exports, Total	14.92	15.85	15.5	15.7
Use, Total	18.17	19.07	18.9	19.1
Unaccounted 2/	0.06	0.3	0.14	0.19
Ending Stocks	2.75	4.3	4.6	4.7
Avg. Farm Price 3/	68	68	70.00 - 80.00	70.00 - 80.00

Note: Reliability calculations at end of report. 1/ Upland and extra-long staple; marketing year beginning August 1. Totals may not add due to rounding. 2/ Reflects the difference between the previous season's supply less total use and ending stocks. 3/ Cents per pound for upland cotton.

Source: USDA

Information contained herein is intended for informational purposes. This information is obtained from sources believed to be reliable, however, its accuracy and completeness cannot be guaranteed. Commodity futures and options trading involve significant risk and are not suitable for every investor. This information is neither an offer to sell nor a solicitation to buy any securities mentioned herein. Furthermore, conditions and markets can change quickly and the opinions expressed are subject to change without notice.