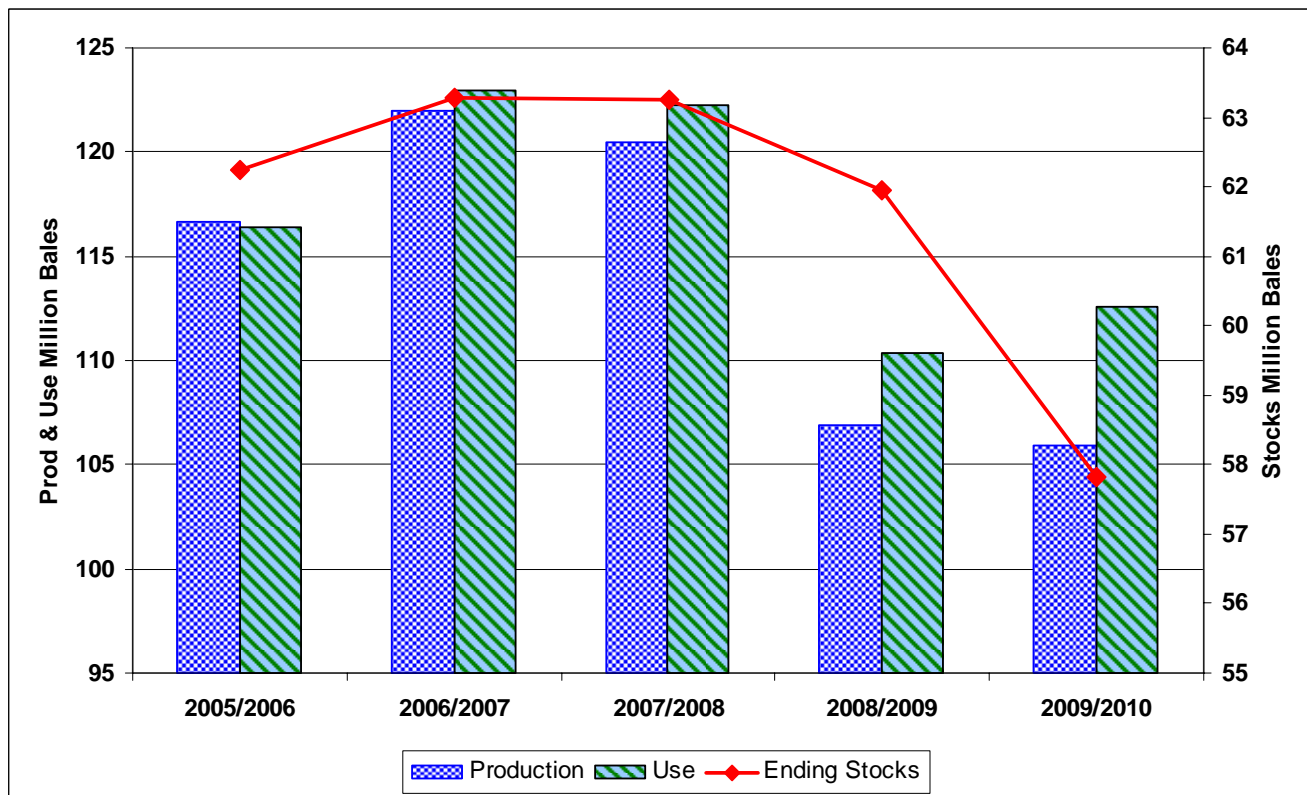




# Cotton: World Markets and Trade

## World Stocks Further Tighten as Demand Recovers While Production Stagnates



With consumption rising as the global economy begins to recover and production stagnating (because of relatively low prices), global stocks are now forecast to take the biggest hit in 7 years. Most of that drop will be in foreign markets. Tighter world stocks should help support world prices. The U.S. farm price is currently forecast to be up 10 percent.

The widening gap between world consumption and production means more import demand. However, U.S. exports are forecast to drop by 23 percent, in part, because overall U.S. supply is at the lowest level in 11 years. Also higher early season prices and large carry-in foreign stocks, coupled with relatively tight U.S. carry-in stocks, will constrain early-season U.S. exports. As a result the U.S. share of world trade will fall from the record set last year to the lowest level in a decade.

















































