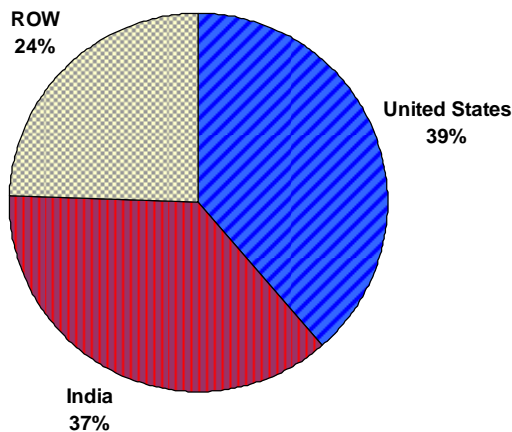




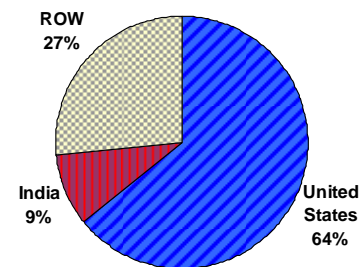
# Cotton: World Markets and Trade

## U.S. Expands Share of China's Shrinking Market

Aug 07-May 08



Aug 08-May 09



### China's Imports

9.6	Total	5.6
3.7	United States	3.6
3.5	India	0.5
2.3	ROW	1.5

Million 480 lbs bales

\*ROW – Rest of World

The U.S. share of the Chinese import market gained dramatically during the first ten months of the 2008/09 marketing year, as compared the same period last season, although export volume is nearly unchanged. Nearly all of the gain came at the expense of India, which raised its domestic support price by more than 40 percent just when world prices dropped. This effectively priced their cotton out of the international market.

India's loss is even more dramatic in light of the fact that China's cotton import volume is down 40 percent from last year, from 9.6 to 5.6 million bales. India's smaller share combined with China's lower import volume translates into an 85 percent drop in import volume from India.















































