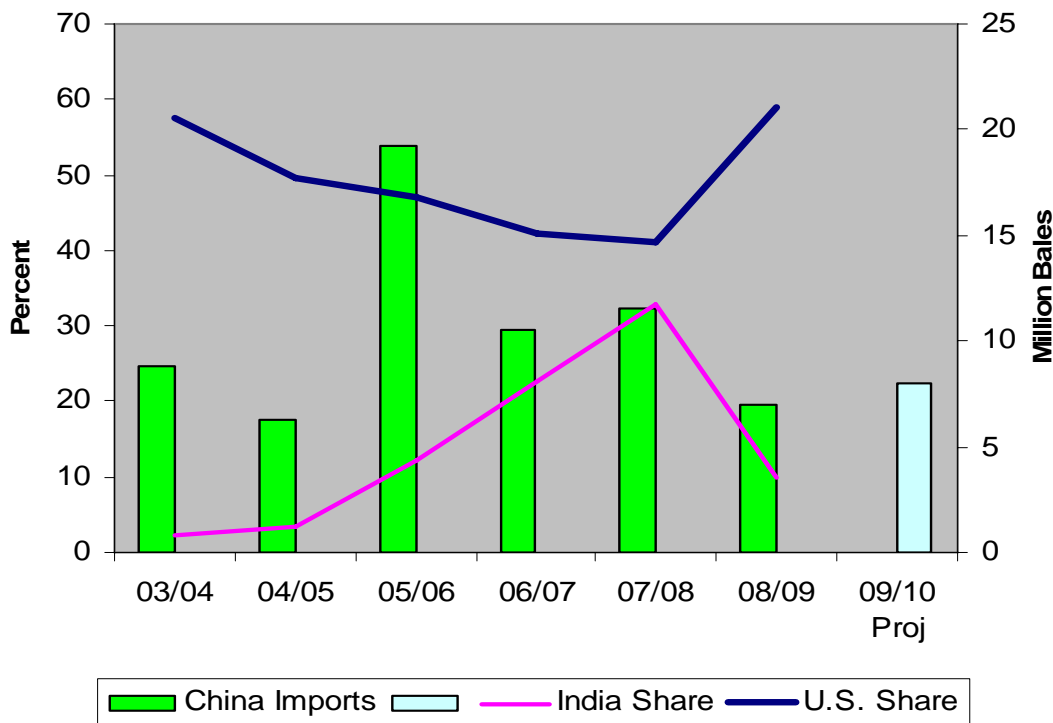




# Cotton: World Markets and Trade

## Will the United States Maintain Gains in China ?



Last year was unusual because the United States was able to recover market share in China, despite large exportable supplies in India. India raised domestic support prices above world market prices, causing exports to drop 68 percent and stocks to surge 40 percent. Consequently, India's share of China's import market plunged from 30 percent to 10 percent. As China's largest supplier, the United States was well positioned to benefit from India's policy change.

For this year, India's large carry-in stocks and continued production growth supports a significant expansion in exports, but the effects of domestic policies are uncertain. Since China's import demand is expected to be relatively stable, sharply higher Indian exports would adversely impact U.S. exports to China.















































