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# **The USDA Cotton Outlook for 2011/12**

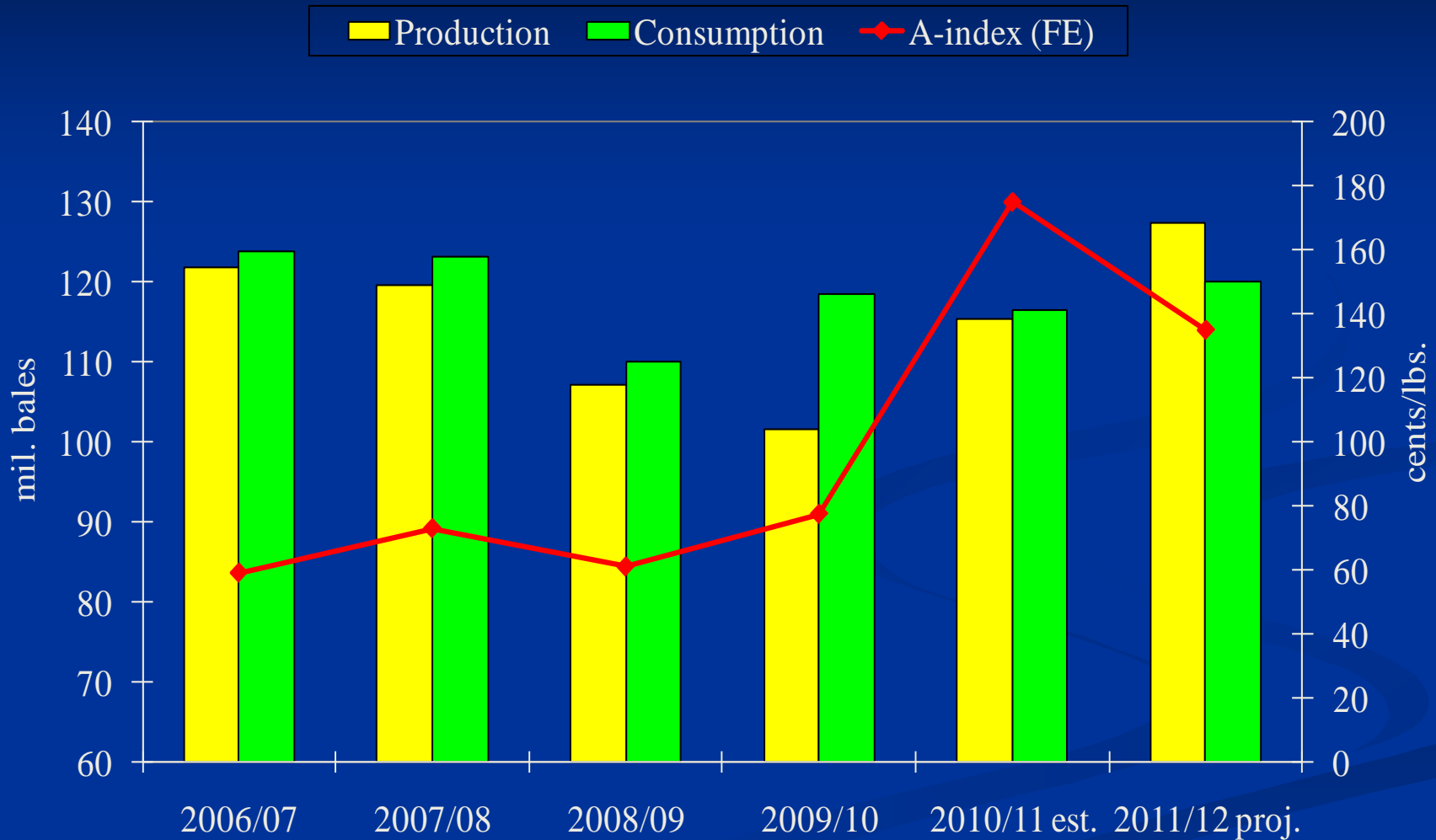
**James Johnson**

**Foreign Agricultural Service  
United States Department of Agriculture**

**USDA Agricultural Outlook Forum  
Interagency Cotton Estimates Committee  
February 25, 2011**

# Global Outlook

# World Production Exceeds Consumption, as Prices Decline

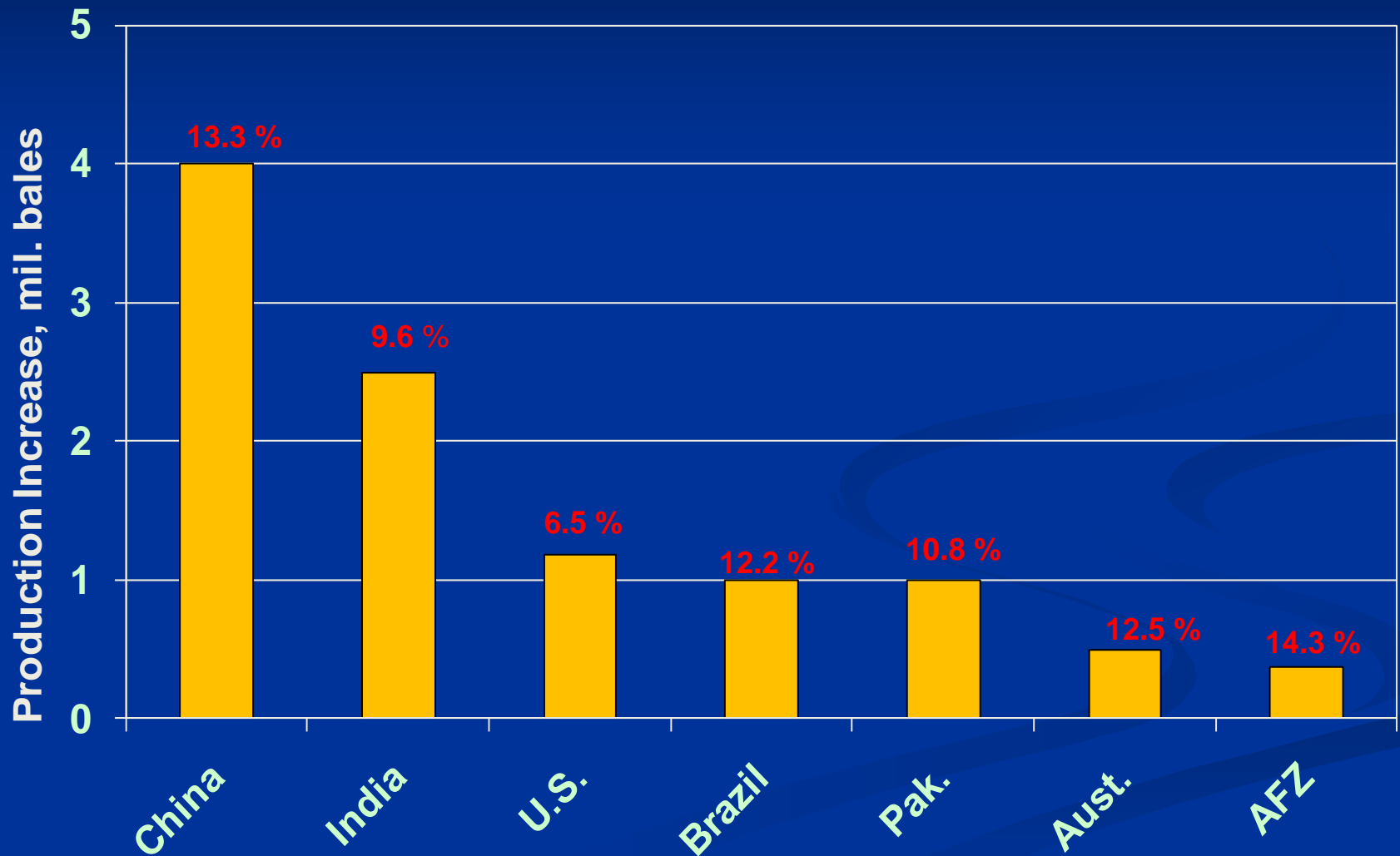


# **World Production Up Nearly 12% in 2011/12**

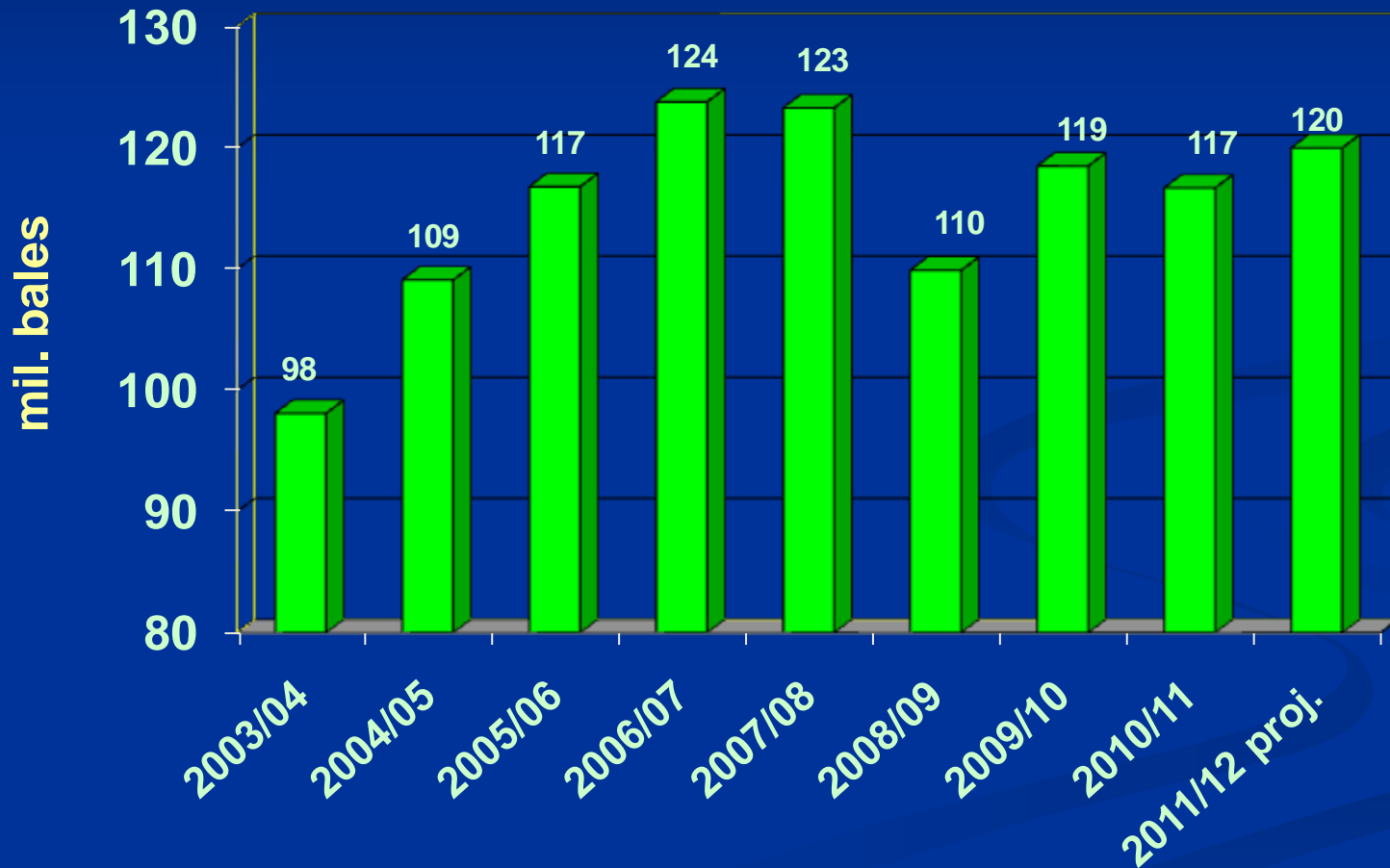
- **Rising cotton prices combined with a return to normal weather will raise production more than 12 million bales.**
- **Production higher in all major cotton-producing countries.**
- **Over half of the increase accounted for by China and India.**

# Production Higher in All Major Producers

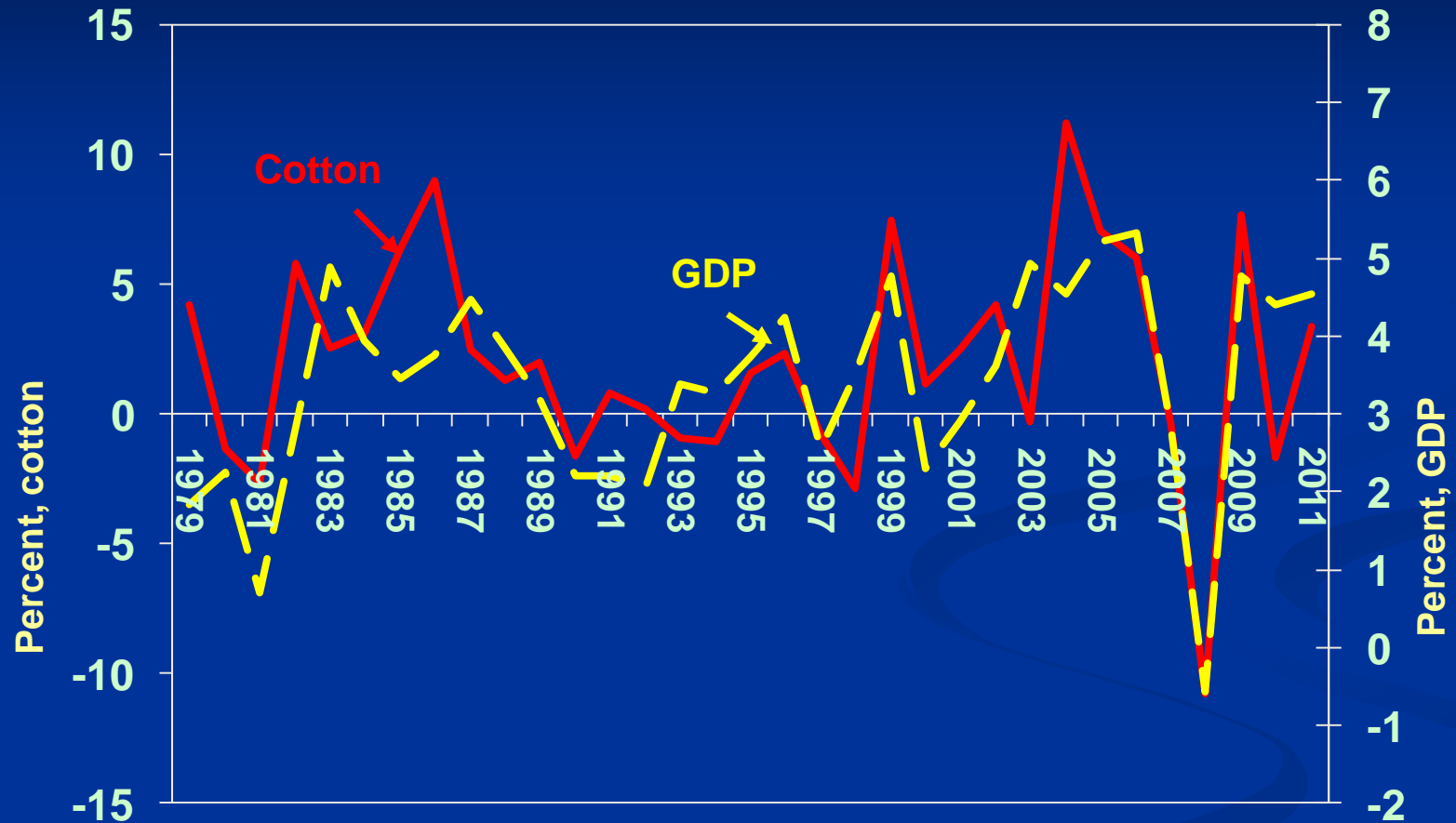
(Percent increase 2011/12 compared to 2010/11)



# World Consumption Climbs



# Economic Growth Indicates Higher Consumption



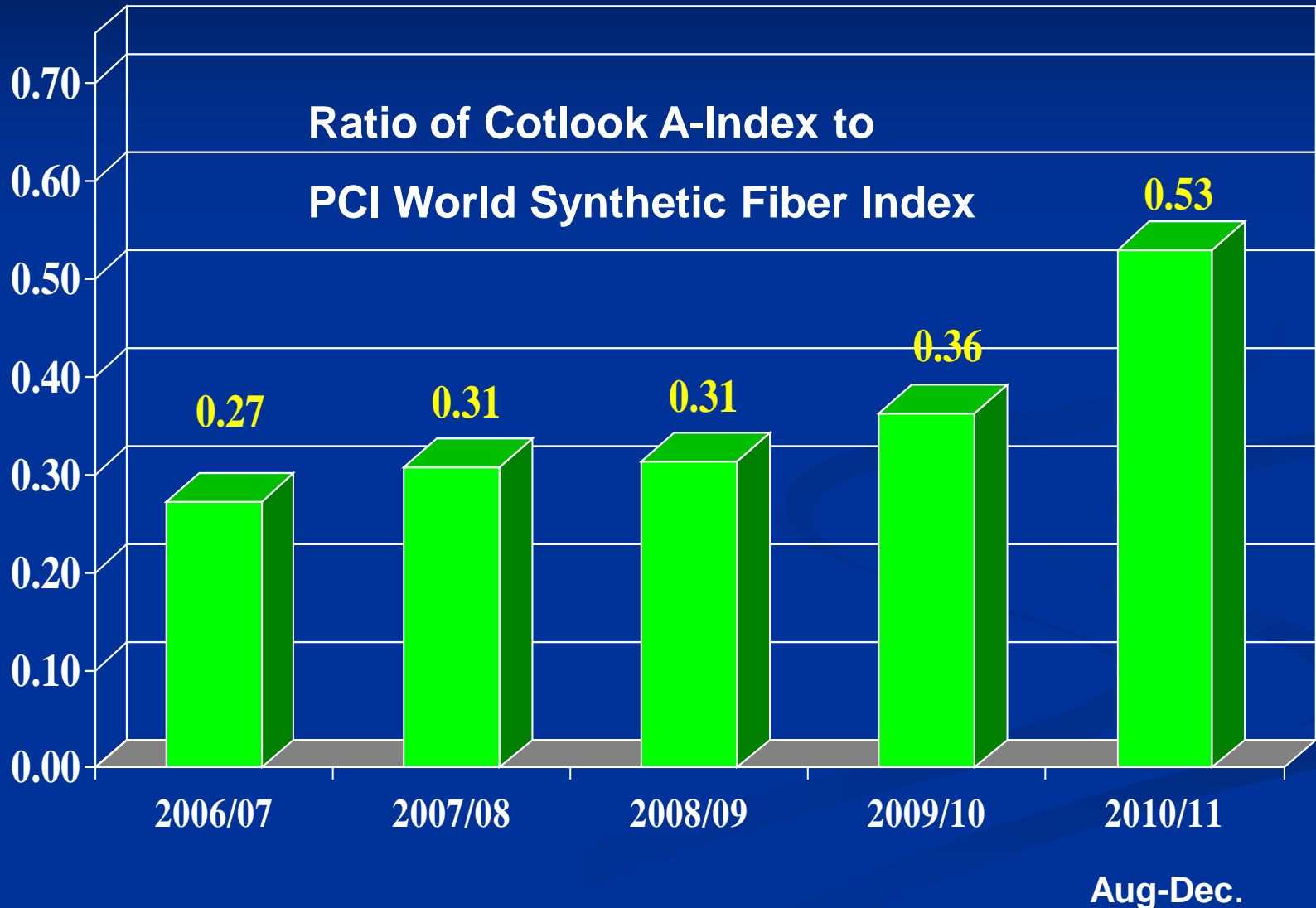
Sources: USDA, International Monetary Fund, and GlobalInsight .



# A-Index Reaches Unprecedented Levels



# Cotton-to-Synthetic Price Ratio Rises



# Continued Low Stocks-to-Consumption Ratio Highlights Tight Stock Situation



# U.S. Outlook

# 2011/12 U.S. Supply and Demand,

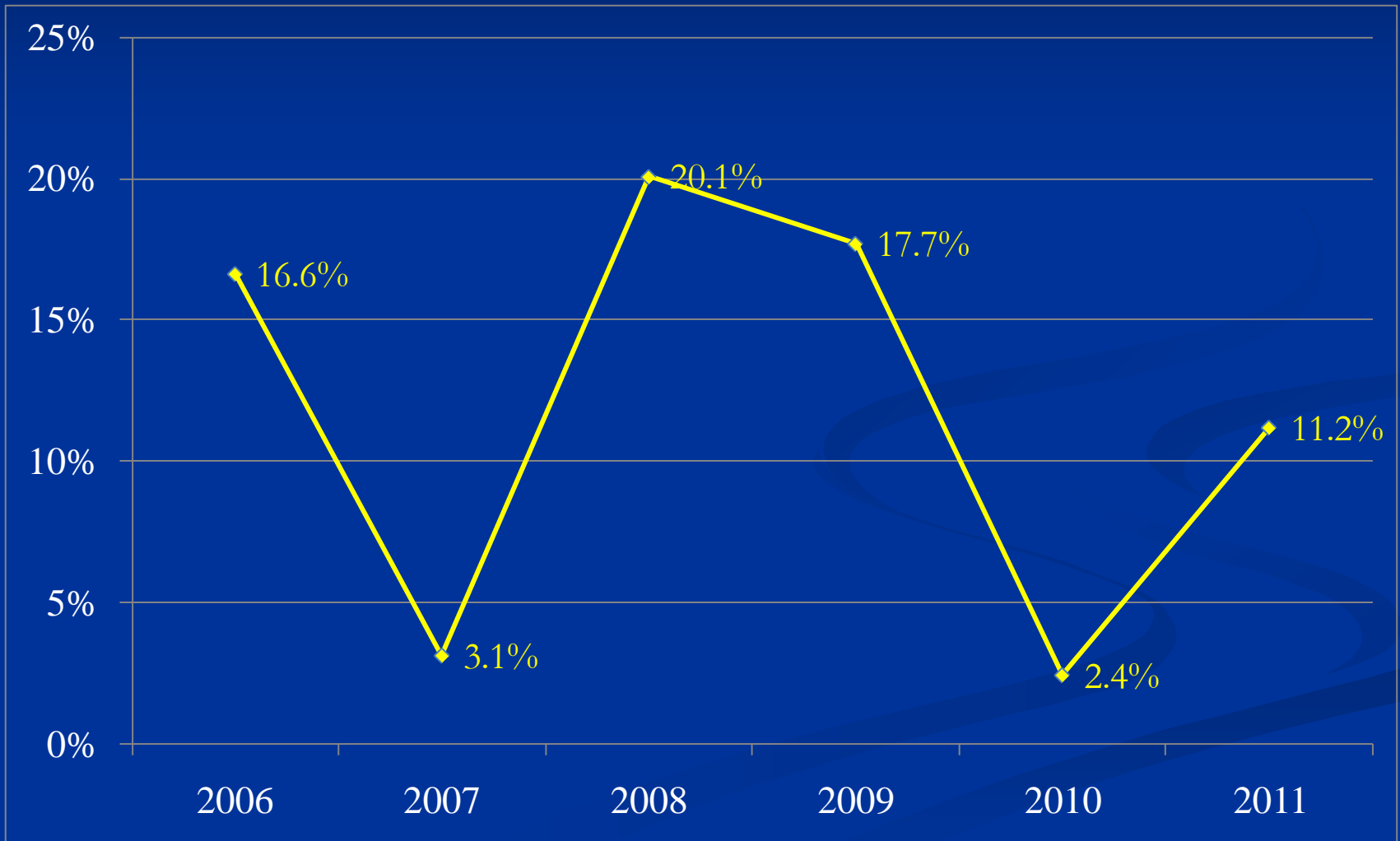
(mil. bales)

<u>Item</u>	<u>2010/11</u>	<u>2011/12</u>	<u>Change (%)</u>
Beg. stks	2.9	1.9	-34.5
Production	18.3	19.5	+6.6
Imports	0	0	0
Total supply	21.3	21.4	+0.5
Consumption	3.6	3.5	-2.8
Exports	15.8	15.0	-5.1
Total Use	19.4	18.5	-4.6
Ending stks	1.9	2.9	+52.6
Stocks-to-use (%)	9.8	15.7	
Farm price (cents/lb.)	81.5	110.0	+35.0

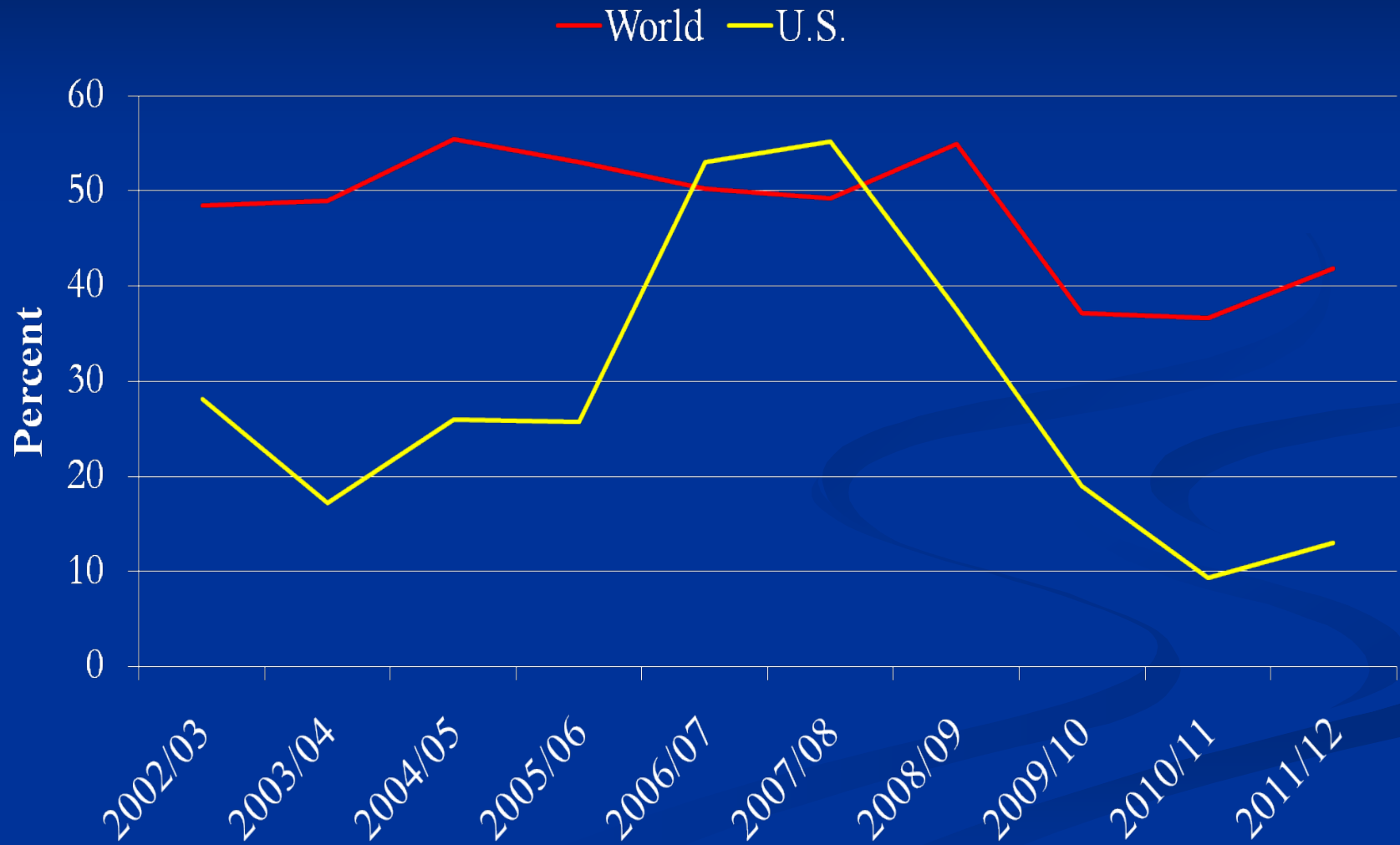
# **Projected U.S. Area and Production Up**

- **A 19-percent increase in acres planted to 13 million.**
- **With average abandonment of 11 percent, harvested acres would be 11.5 million.**
- **Average yield per harvested acre of 810 lbs.**
- **Production is forecast at 19.5 million bales.**

# Higher Abandonment Rate Expected

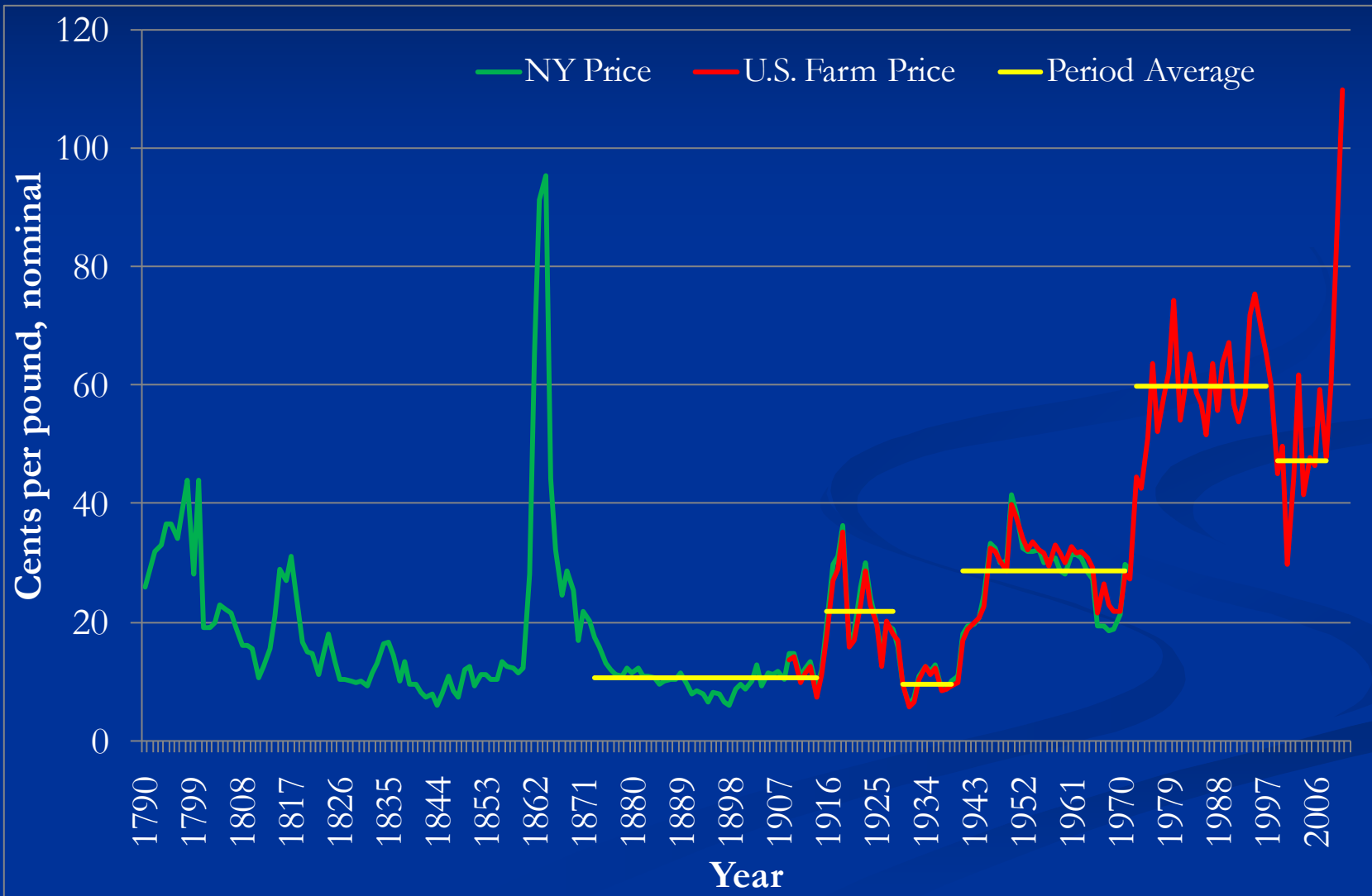


# U.S. Stocks-to-Use Ratio Remains Below World





# Are Cotton Prices That High?



**Thank You**