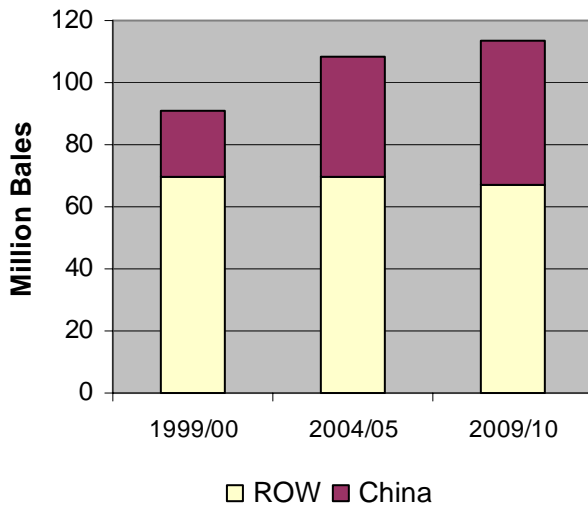




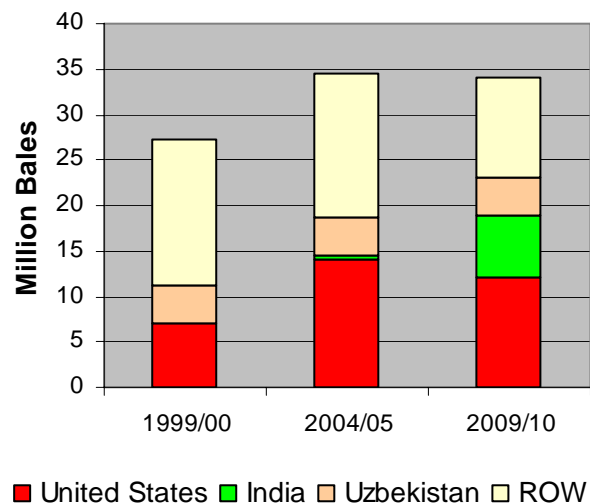
Cotton: World Markets and Trade

Global Use and Trade Growth Dominated By A Few Countries

World Use Growth Propelled By China



United States Loses Export Share



Rising income levels in developing countries, especially China, caused an expanding demand for cotton products in the last decade. The world GDP and cotton use both averaged 3 percent annual growth, however, China’s GDP grew by 10 percent annually. The unparalleled rise in cotton use was accompanied by increased concentration of the textile processing industry. In 1999, China accounted for 23 percent of world use and by 2009 China processed over 40 percent of the world’s cotton.

As the use of cotton grew, world cotton exports also expanded 2 percent annually over the same period. During the first half of the decade, the U.S gained market share reaching 40 percent. However, during the last five years India displaced some U.S. exports and dramatically increased its market share- now accounting for 17 percent of world cotton exports. Increased acreage and production allowed India to export their excess supply and to meet the demand for increased domestic use, while falling production in the United States reduced supplies available for export.

