

CCI's Promotion Work in China Positions U.S. Cotton as the Preferred Fiber



Cotton Council International's (CCI) promotion of cotton in China, in coordination with Cotton Incorporated and the National Cotton Council of America (NCC), and its partnerships with Chinese government stakeholders have solidified U.S. cotton's position as the No. 1 fiber imported by Chinese textile mills.

Since the signing of a Memorandum of Understanding (MOU) in 2006 between the NCC and the China Cotton Association (CCA), U.S. cotton has maintained the largest market share of China cotton imports despite increasing competition from other cotton exporting countries as well as man-made fibers. U.S. cotton's market share in China is currently 36 percent.

China is also the largest export market for U.S. cotton; about 30 percent of U.S. cotton exports will go to China in the 2010 crop year. Total commitments to China as of March 10 were more than 5 million bales. China, with a population of about 1.3 billion, is a developing market that presents huge opportunities for driving future global demand for cotton at retail.

China increased its cotton imports by 73 percent from 2009 to 2010. Chinese cotton production decreased in 2009 and 2010 and is not likely to significantly increase in the long-term. CCI, Cotton Incorporated and the NCC have worked hard to position cotton and U.S. cotton as the fiber of choice to fill this growing need for fiber in China.

Illustrating the trend of consumers in China to favor cotton as their fiber of choice for apparel and textiles, CCI's Global Lifestyle Monitor (GLM) research shows that between 2003 and 2010 the percentage of Chinese consumers stating that cotton

was the best fiber suited for current fashions grew from 45 percent to 53 percent. Furthermore, 66 percent of consumers in 2010 surveyed preferred to know the fiber content of a garment instead of the brand name, up from 56 percent in 2003.

Consequently, textile mills in China have increased their use of cotton at a higher rate than man-made fibers. The growth rate for cotton yarn production in 2009/2010 was about 17 percent, compared to 13 percent for man-made fibers.

Since signing the MOU, three NCC Leadership Exchange Delegations and one Quality Group have visited China, and two CCA Leadership Exchange Delegations have visited the U.S. CCA representatives also attended four CCI promotion events in the past three years, endorsing CCI and U.S. cotton in China.

By growing positive working relationships with the CCA, other industry organizations and directly with mills, manufacturers and retailers, CCI has garnered support for U.S. cotton in China. Under the encouragement of CCI's and Cotton Incorporated's cotton promotion programs, CCA registered its own logo, "Cotton China," in 2009 and began consumer promotion of cotton products within its domestic market. The CCA promotion program encourages consumption of cotton in China, especially high quality cotton, which also benefits U.S. cotton and could cause a major boost in underlying global cotton demand.

Any CCA promotion activities will likely complement rather than compete with ongoing COTTON USA branded and "Cotton – Beyond Your Imagination" generic promotions carried out by CCI and Cotton Incorporated, thus co-building consumer demand in what will certainly be the world's largest retail market for cotton products.

U.S. COTTON A FAVORITE IN CHINA

Leadership delegation exchanges between the U.S. and China have strengthened U.S. cotton's position as the favorite fiber.

