



# COTTON MARKET REPORT

## APRIL 2021

### TRADE INCREASES WITH CONSUMPTION GROWTH

#### International

Global production is estimated at 24.6 million tons for April 2021, 2% up from the previous month. India will lead global production at an estimated 6.3 million tons for 2020/21, with China second with 5.9 million tons. Both countries have also sizable textile industries supported by their domestic supply. The USA and Brazil are expected to produce 3.2 and 2.5 million tons, respectively. The West African producing countries together are expected to produce over a million tons this year, with Benin leading. Pakistan and Turkey are amongst the leading textile countries in the world while both are dependent on domestic production to support their textile industries. Both countries have experienced reduced local production this season and will have a greater reliance on imports to fulfill cotton spinning needs.

Global consumption is estimated at 25 million tons for April 2021. China is expected to be the leading country for consumption of cotton at 8.1 million tons, with India following at 5.5 million tons. Pakistan and Turkey are expected to consume 2.2 and 1.5 million tons of cotton lint, respectively.

Trade is estimated at 9.8 million tons with China expected to import 2.4 million tons this year. India, where production exceeds consumption, will still import some quantities of higher-grade cotton not grown domestically. The USA is expected to export 3.4 million tons while Brazil is expected to export 2 million tons.

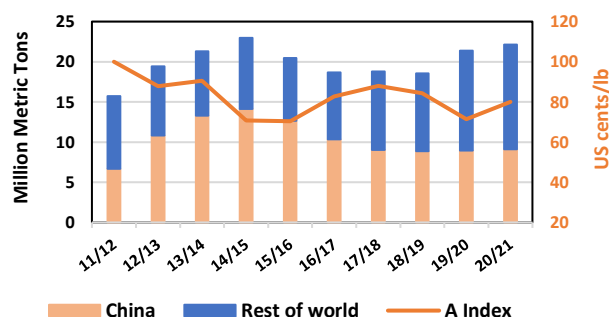
The outlook for the 2021/22 season has global production decreasing slightly to 24.3 million tons and consumption continuing to recover to 25.3 million tons. Ending stocks would further decrease to 21.1 million tons with supply-to-use ratio, excluding China, lowering to 70%.

A long-term concern is that cotton apparel and textiles are increasingly placed under greater pressure to demonstrate identity, production practices and chain of custody, while competing textiles, including those made with synthetic fibres, do not face the similar standards.

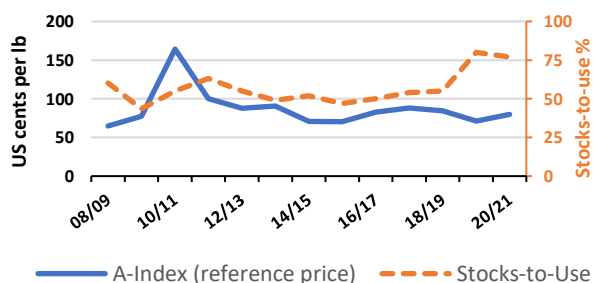
#### WORLD COTTON BALANCE SHEET

	Aug-Jul	2020/21	
	2019/20	March	April
	Million Metric Tons Lint		
Beginning Stocks	19.31	21.37	22.53
Production	26.24	24.11	24.58
Consumption	22.69	24.54	24.97
Ending Stocks	22.86	20.94	22.14
Stocks/ Use (excl. China)	88%	73%	77%

#### WORLD COTTON STOCKS



#### COTLOOK A INDEX & GLOBAL COTTON STOCKS-TO-USE (China excl.)



## International Cotton Prices

The price projection for the 2020/21 year-end average of the Cotlook A Index is 80 cents per pound this month.

<i>(Quotes in US cents per pound)</i>	Today	Season Low	Season High	1 Year ago	2 Years ago
<b>Current Cotlook A Index</b>	<b>91.90</b>	<b>68.20</b>	<b>98.50</b>	<b>66.75</b>	<b>86.20</b>
<b>NY Futures Nearby Contract <sup>a</sup></b>	<b>87.43</b>	<b>61.84</b>	<b>92.33</b>	<b>56.56</b>	<b>75.91</b>
<b>Basis<sup>b</sup></b>	<b>4.47</b>	<b>5.43</b>	<b>8.58</b>	<b>8.69</b>	<b>10.29</b>
<b>2020/21 average to date</b>	<b>81.77</b>				
<b>2019/20 average</b>	<b>71.33</b>				

<sup>a</sup> Previous day's close

<sup>b</sup> Current A-Index minus Nearby NY (previous close)

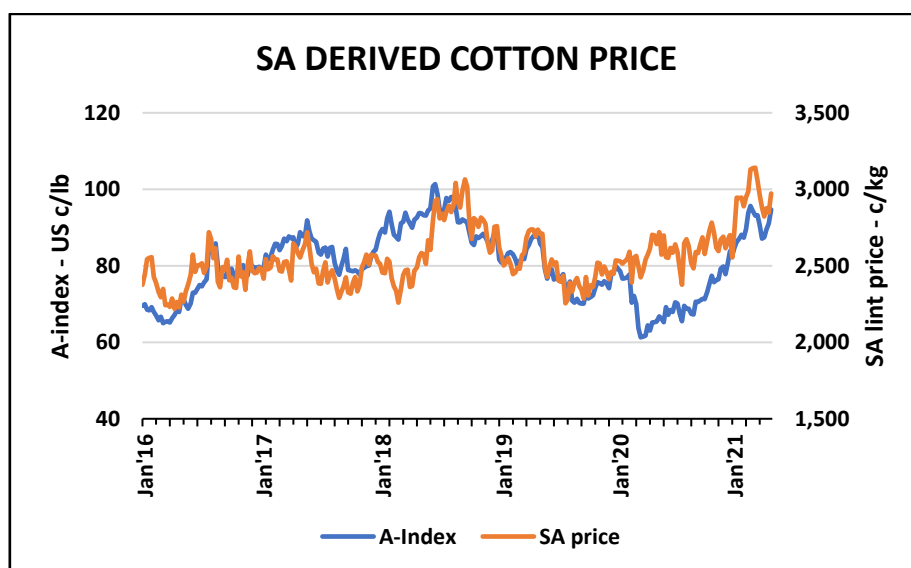
Source: ICAC

## Local

Local cotton production is estimated at 80 235 lint bales for April 2021, marginally higher than the previous month.

Harvesting has commenced in certain production areas while the scene is set for a good ginning season. The largest percentage of the crop is already sold and farmers can look forward to the timely marketing of the crop and favourable prices as a result of the strengthening of international cotton prices since planting.

RSA CROP	2020/21 3rd Estimate	2020/21 4th Estimate	2019/20 Final Estimate
<b>Ha Irrigation</b>	5 831	5 836	11 543
<b>Ha Dryland</b>	10 955	11 009	16 132
<b>Total Ha</b>	16 786	16 845	27 675
<b>Yield: kg seed cotton per ha</b>			
<b>Irrigation</b>	4 543	4 542	4 393
<b>Dryland</b>	1 576	1 577	1 206
<b>TOTAL LINT BALES</b>	80 028	80 235	134 230



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