



## CHINA COTTON MARKET REPORT

June 2014

Subject	Key Findings
Cotton Market	<p>a) <b>Imports</b></p> <p>In May, China imported 191,535 MT of cotton, a decrease of 14.63 percent month-on-month (m/m), and also a dramatic decline of 44.61 percent year-on-year (y/y).</p> <p>The total value of cotton imports in May was USD 409.27 million, a decrease of 12.60 percent m/m and a decrease of 41.92 percent y/y.</p> <p>The US was also acknowledged in May as the second largest supplier of cotton to China:</p> <ul style="list-style-type: none"> <li>• Indian Imports: 72,357 MT, representing a decrease of 33.64 percent m/m and an increase of 113.66 percent y/y. Indian cotton accounted for 37.78 percent of the total quantity of cotton imported to China in May.</li> <li>• U.S. Imports: 60,977 MT, representing a decrease of 25.26 percent m/m and 64.76 percent y/y. U.S. cotton imports accounted for 36.4 percent of the total quantity imported to China in May.</li> </ul> <p>By the end of May, China's cotton imports totaled 1,176,542 MT in 2014, a decline of 45.07 percent y/y.</p> <p><i>(Please see the tables and charts below for a breakdown of cotton imports by country)</i></p> <p>b) <b>2014 Cotton Growing</b></p> <p>According to CCA's investigation, growing conditions in June for most cotton-growing regions were suitable for cotton seed germination. In particular, cotton seed germination in Xinjiang was better than in the inland provinces.</p> <p>c) <b>Sales of Cotton Reserves</b></p> <p>Over a seven-month period from November 28, 2013 to June 24, 2014, China had sold a total of 2,003,481 MT of cotton from the reserves, 1,883,268 MT or 94</p>



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	<p>percent of which is domestic cotton.</p> <p>d) <b>Cotton Prices</b></p> <p>Imported Cotton:</p> <p>In May, the average price of imported cotton was USD 2,136.79/MT, an increase of 2.39 percent from the previous month. Average prices for cotton from the United States of America and India were:</p> <ul style="list-style-type: none"><li>• U.S. cotton: USD 2,410.25/MT, an increase of 2.28 percent m/m;</li><li>• Indian cotton: USD 1,906.38/MT, an increase of 1.29 percent m/m.</li></ul> <p>Domestic Cotton:</p> <p>The May CCindex 2129B average price was RMB 18,288/MT (USD 2,928/MT), a decrease of 5.2 percent m/m.</p> <p>(*In May 2014, USD 1 = RMB 6.2452; from the People's Bank of China)</p> <p>The June CCIndex 2129B price decreased from RMB 18,200/MT (USD 2,919/MT) on June 3rd to RMB 18,080 /MT (USD 2,900/MT) on June 24th.</p> <p>(*On June 23, 2014, USD 1 = RMB 6.2341; from the People's Bank of China)</p>
<b>Textile Industry</b>	<p>a) <b>Yarn Production and Import</b></p> <p>In May, China's yarn production totaled at 3,242,000 MT, an increase of 9 percent y/y and 3.84 percent m/m.</p> <p>In May, China's yarn importation totaled at 152,000 MT, a decrease of 11.5 percent y/y and 16.5 percent m/m.</p> <p>b) <b>Synthetic Fiber Production</b></p> <p>May synthetic fiber production was 3.819 MMT, an increase of 5.9 percent y/y and 3.27 percent m/m.</p> <p>c) <b>Exports</b></p> <p>According to the General Administration of Customs, China's textile and apparel exports for May totaled USD 24.971 billion, an increase of 5.1 percent m/m and 8.7 percent y/y.</p> <p>Textiles exports totaled USD 10.458 billion, representing a decrease of 0.9 percent m/m and an increase of 7.7 percent y/y; apparel accounted for USD 14.514 billion,</p>



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	an increase of 10 percent m/m, and an increase of 9.4 percent y/y.



Appendix:

Table 1: May 2014 China's Cotton Imports by Country of Export

Country	Quantity (Metric Tons)	Value (Million \$ U.S.)	Value Per Unit (\$/MT)	Share of Total Quantity (%)	Share of Total Value (%)
India	72,357	137.94	1,906.38	37.8%	33.7%
United States	60,977	146.97	2,410.25	31.8%	35.9%
Australia	15,920	35.75	2,245.60	8.3%	8.7%
Uzbekistan	11,357	23.64	2,081.54	5.9%	5.8%
Cameroon	7,743	15.86	2,048.30	4.0%	3.9%
Burkina Faso	5,761	11.89	2,063.88	3.0%	2.9%
Benin	5,751	12.00	2,086.59	3.0%	2.9%
Cote d'Ivoire	3,040	6.32	2,078.95	1.6%	1.5%
Brazil	2,388	5.17	2,164.99	1.2%	1.3%
Mali	1,882	3.94	2,093.52	1.0%	1.0%
Others	4,359	9.79	2,245.93	2.3%	2.4%
<b>Total</b>	<b>191,535</b>	<b>409.27</b>	<b>2,136.79</b>	<b>100.0%</b>	<b>100.0%</b>



Chart 1: May 2014 China Cotton Imports by Country (Quantity)

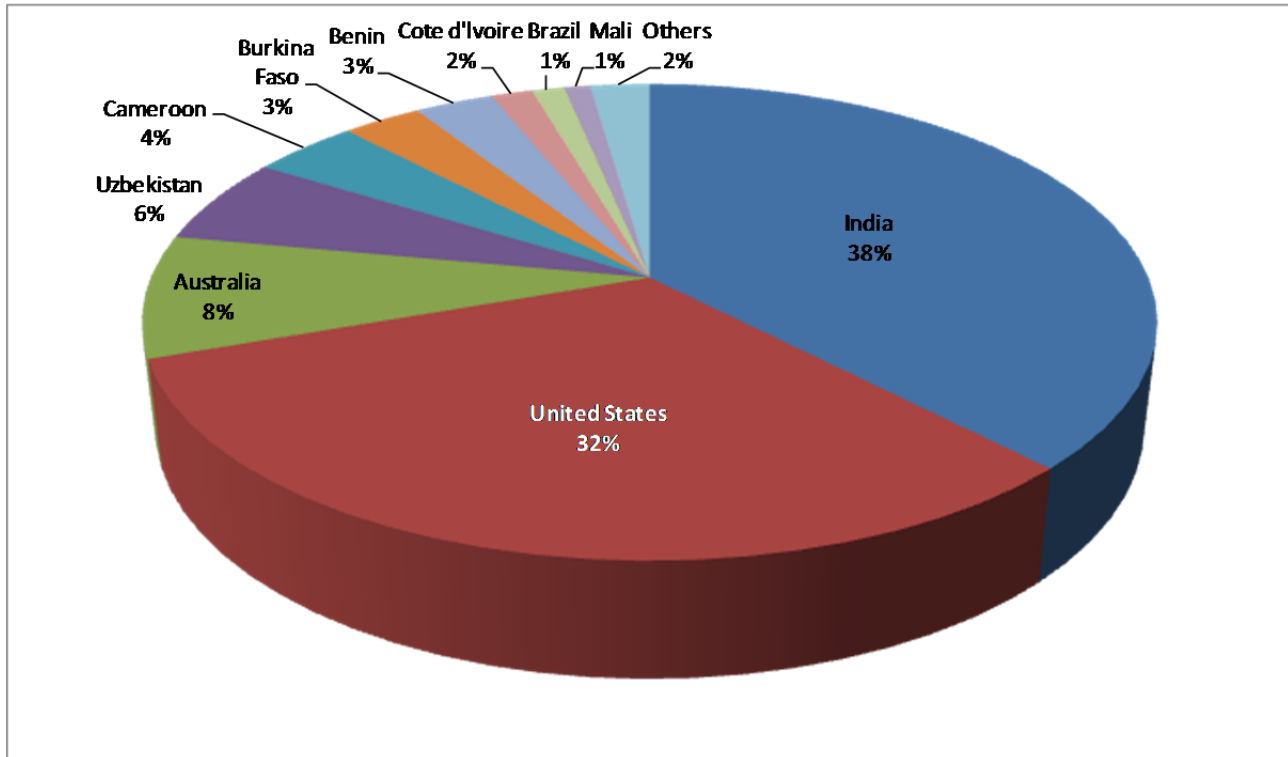


Table 2: First Five Months of 2014 China's Cotton Imports by Country of Export

	January	February	March	April	May	Total Quantity by Country	Share of Total Quantity (%)
<b>United States</b>	46,454	72,126	88,136	81,586	60,977	349,279	29.69%
<b>India</b>	184,116	147,317	110,998	109,037	72,357	623,825	53.02%
<b>Australia</b>	2,892	1,100	1,343	4,062	15,920	25,317	2.15%
<b>Brazil</b>	5,622	2,102	500	906	2,388	11,518	0.98%
<b>Uzbekistan</b>	29,103	11,765	4,648	3,950	11,357	60,823	5.17%
<b>Mexico</b>	4,588	4,100	941	500	1,502	11,631	0.99%
<b>Others</b>	19,710	7,547	15,534	24,324	27,034	94,149	8.00%
<b>Total</b>	292,485	246,057	222,100	224,365	191,535	1,176,542	100.00%



Chart 2: First Five Months of 2014 China Cotton Imports by Country (Quantity)

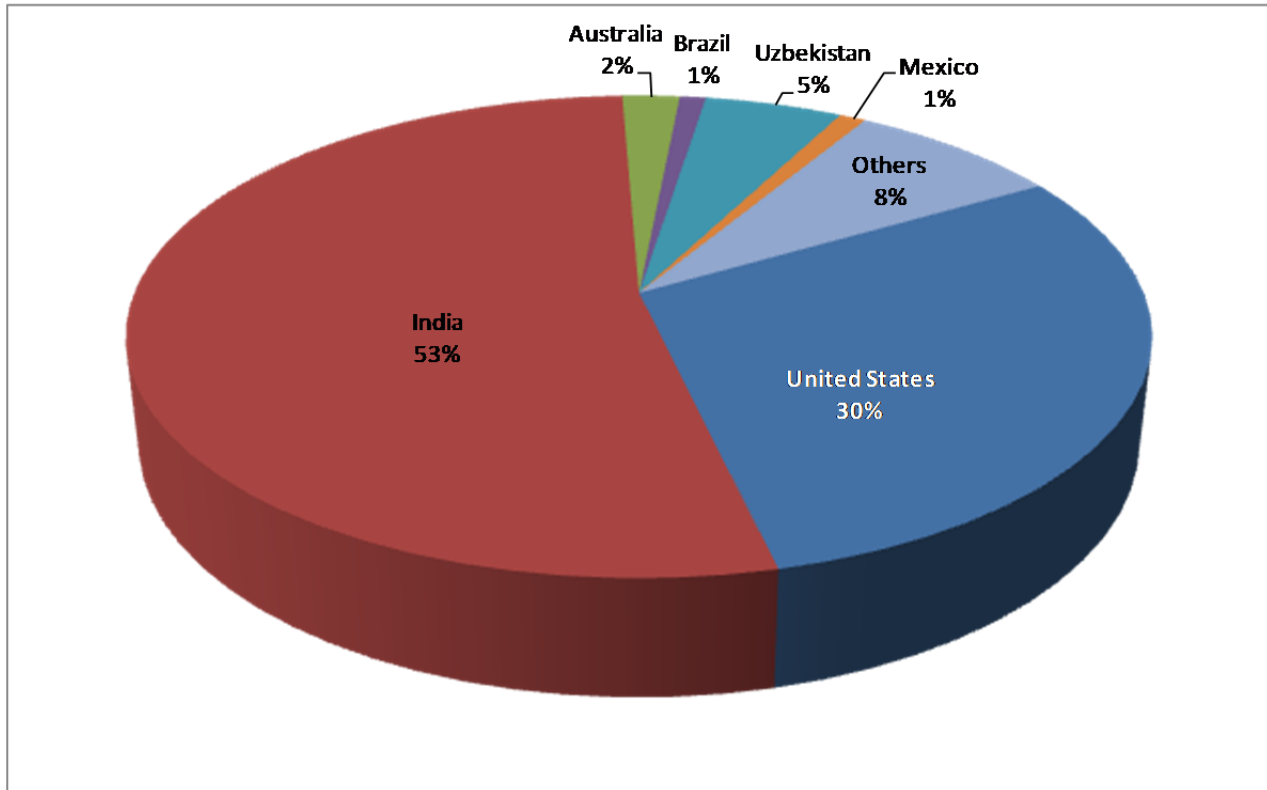




Chart 3: China Imports of U.S. Cotton vs. Indian Cotton May 2013–May 2014

