

China Cotton Situation

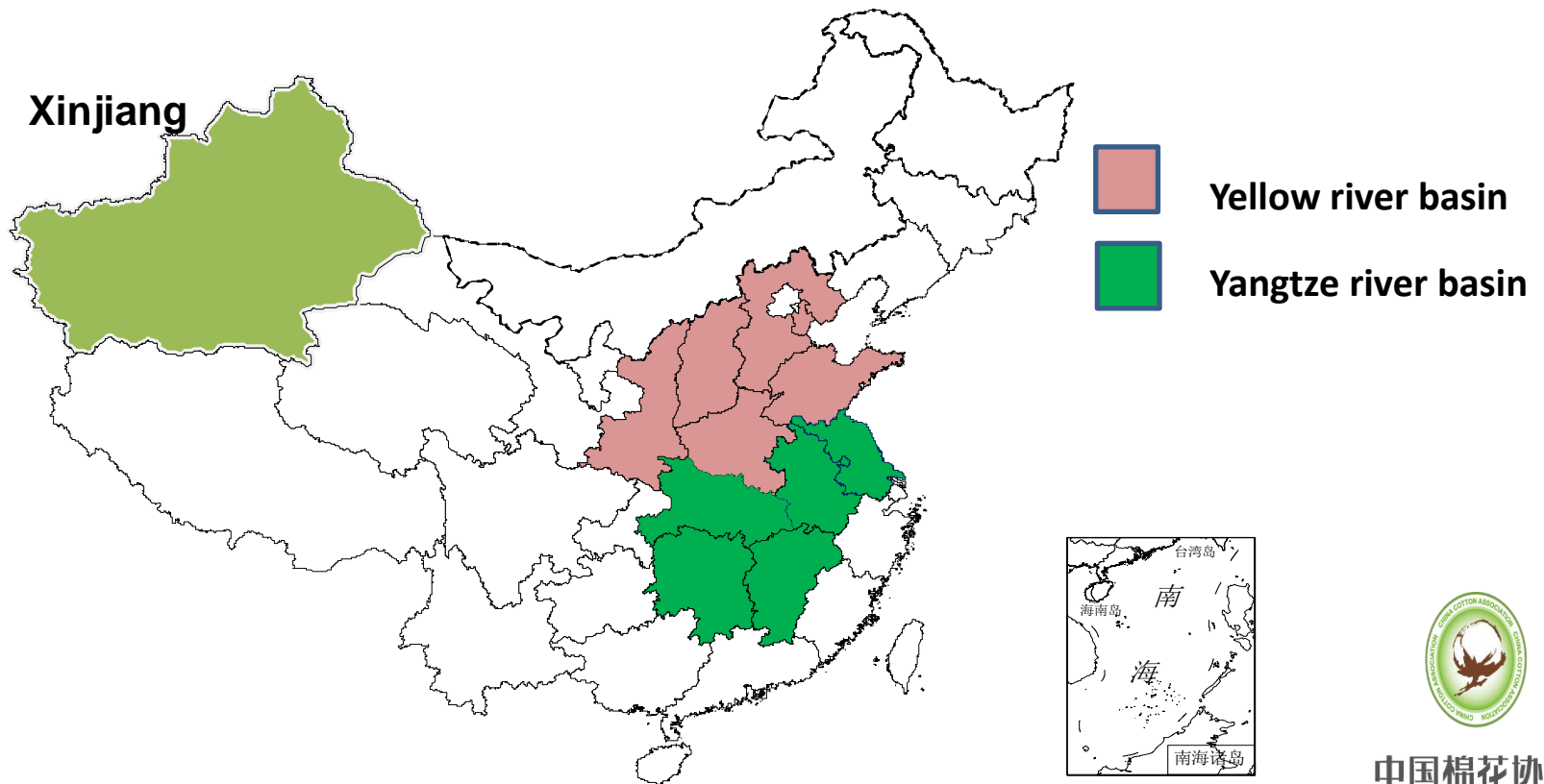
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中国棉花协会
CHINA COTTON ASSOCIATION

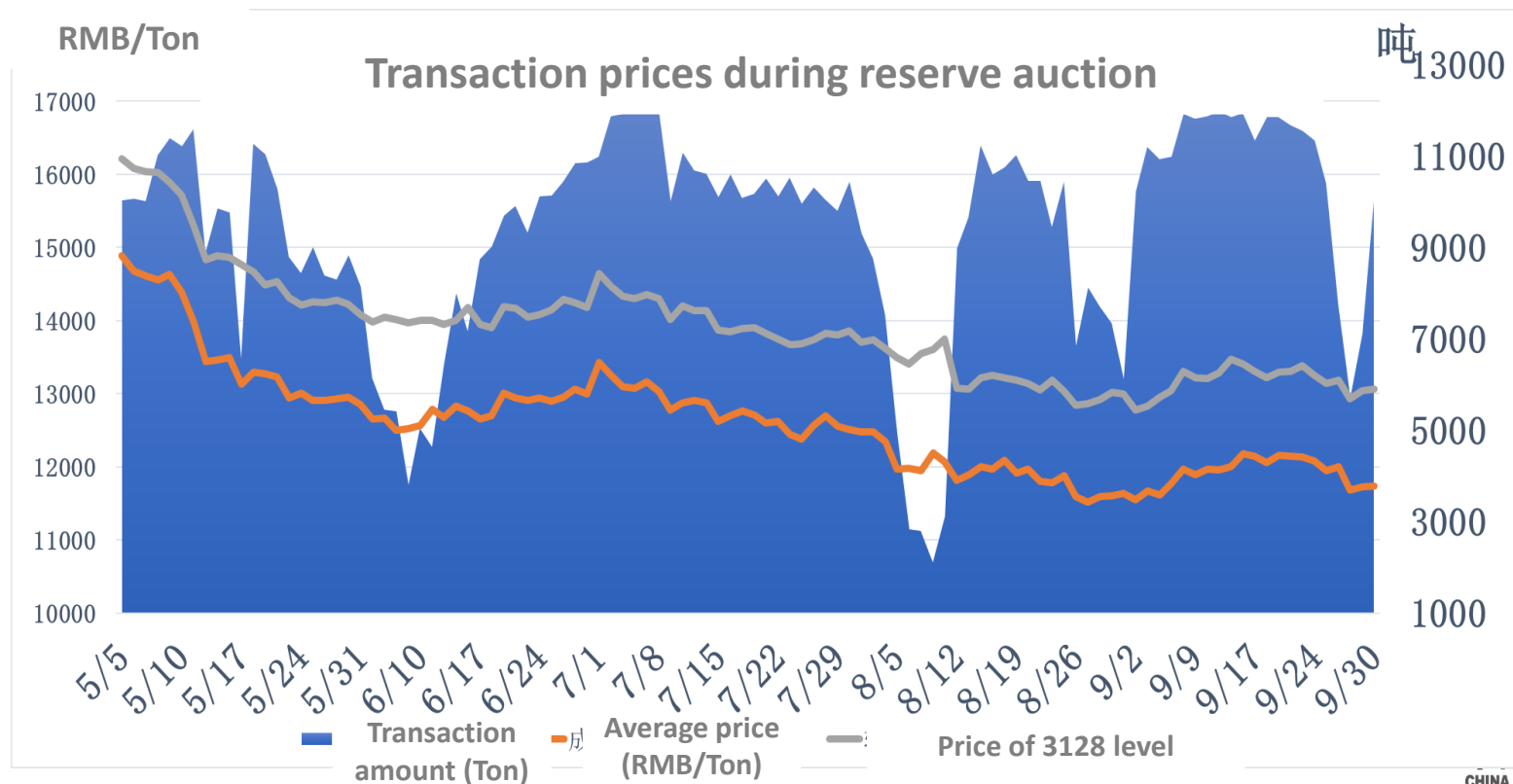
▶ Planted area in 2020/21

According to the survey of China Cotton Association in April, in 2020, China's cotton planting area is expected to reach 3.1 million hectares, down 4.15% y/y. Among them: 2.4 million hectares in Xinjiang, with a y/y decrease of 0.59%, accounting for 79.4% of the total; 0.3 million hectares in the Yellow River Basin, a y/y decrease of 16.04%; 0.28 million mu in the Yangtze River Basin, a y/y decrease of 15.65%.



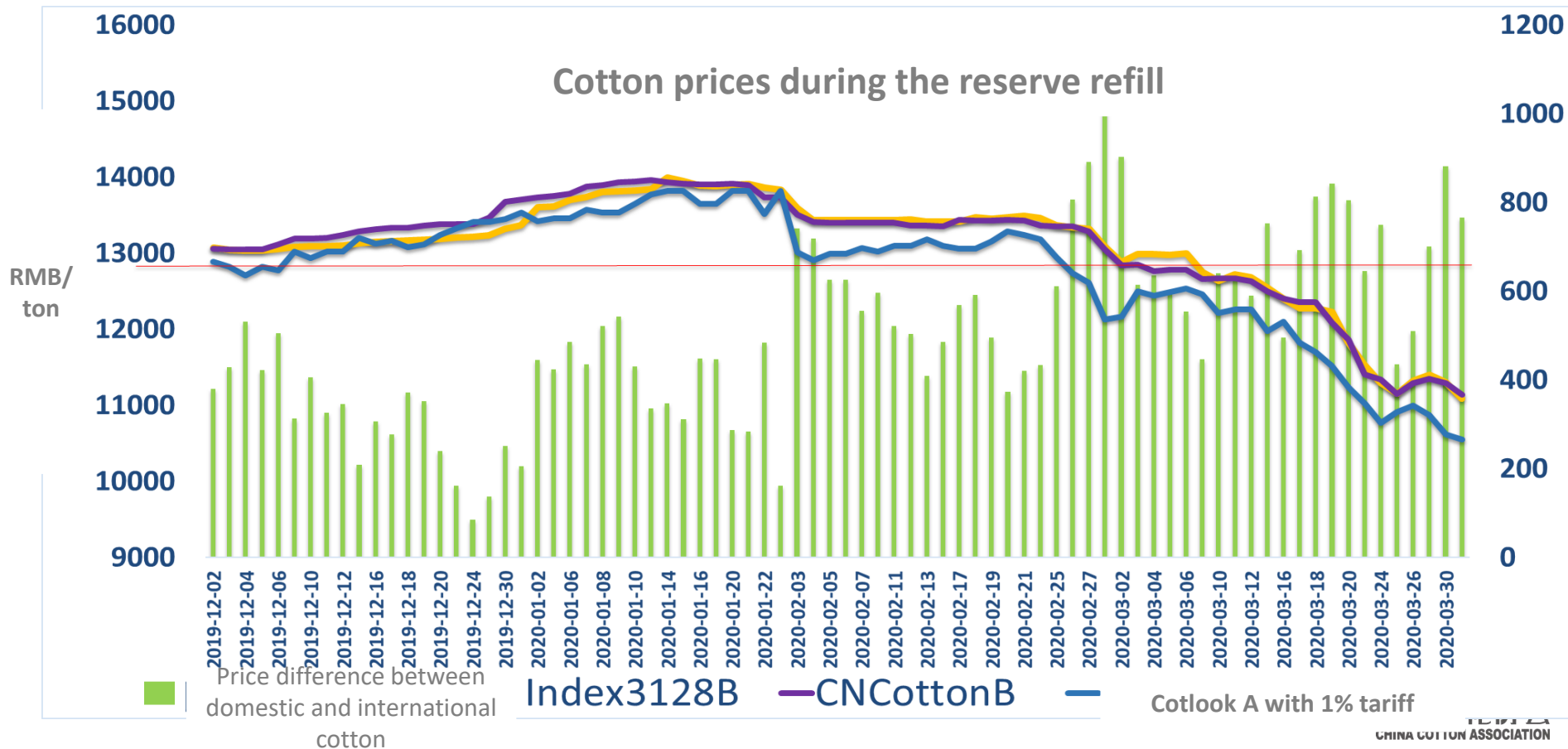
▶ National cotton reserve auction in 2019

China auctioned cotton reserves from May 5 to September 30, 2019. During this period, the cotton prices at home and abroad continued to fall, and the bottom price of rotation also followed the decline. Compared with the spot price, it has obvious advantages and auction reached a lot of transactions. The average transaction price is RMB 12,633 /ton, which translates to standard level (3128) price of RMB 13,160/ ton. The maximum daily average transaction price is RMB 14,893/ton on May 5, and the minimum is RMB 11,512/ton on August 27.



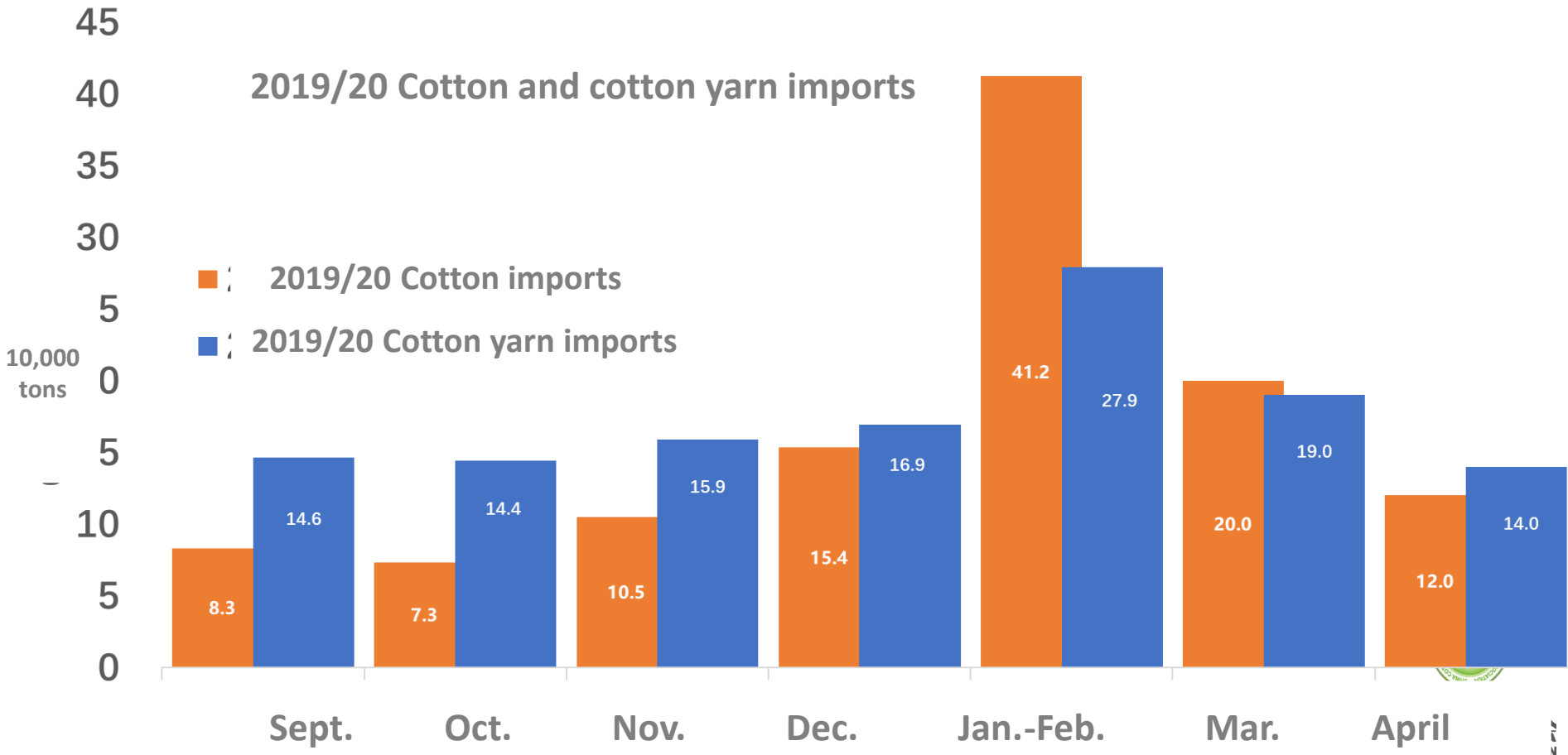
➤ National cotton reserve refill in 2019/20

China refilled the national cotton reserve from December 2, 2019 to March 31, 2020. The average price was RMB 13,089/ton, the highest transaction price was RMB 14197/ton, the lowest was RMB 11,550/ton. CC Index3128B kept the average price of RMB 13,086/ton, reflecting the fact the refill price was in line with the market price.



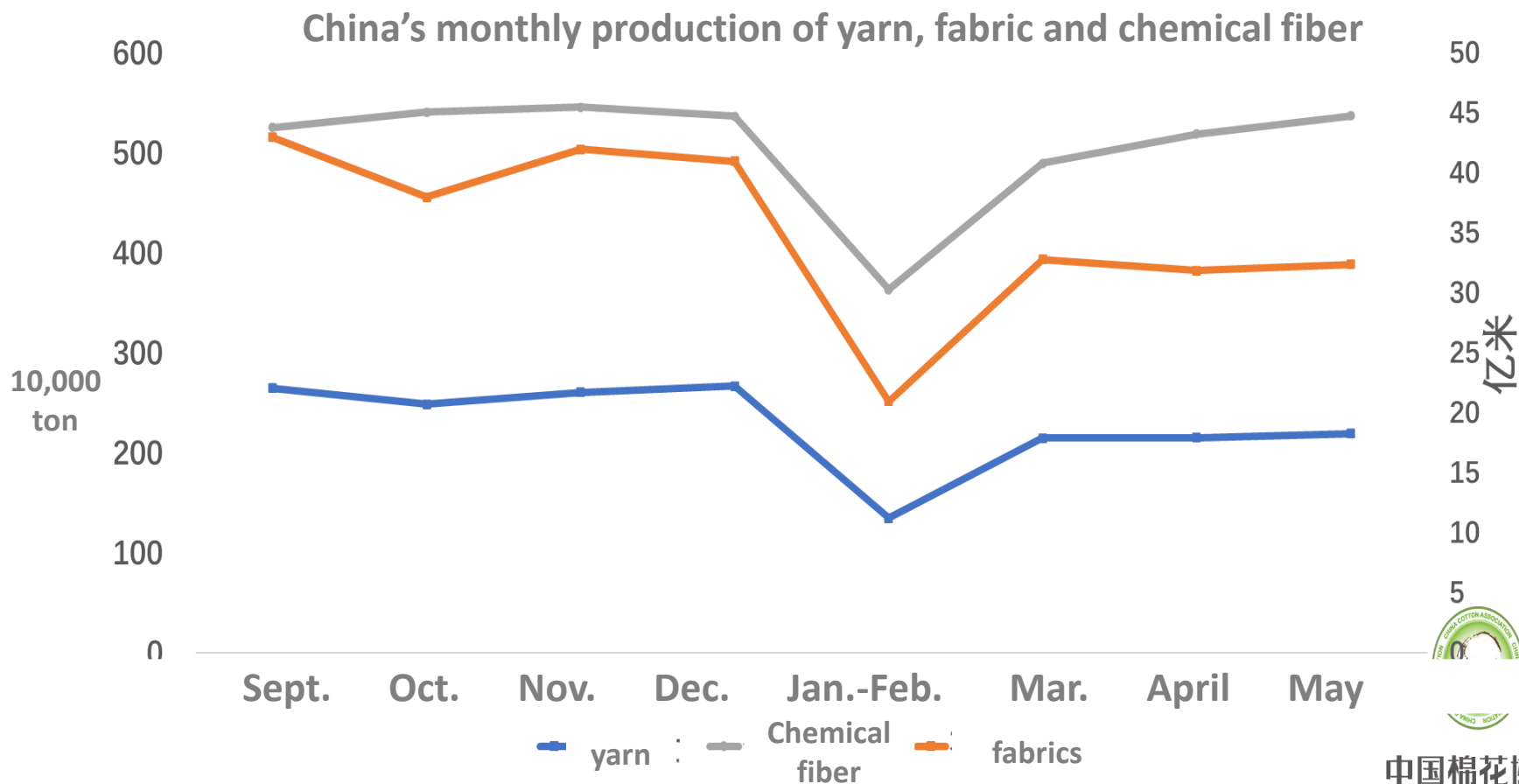
➤ Cotton and cotton yarn imports in 2019/20

GACC statistics indicated that in the first 8 months of 2019/20, China imported 1.14 MMT of cotton with a decrease of 5% y/y. The average price was 1,771 USD/ton with a decrease of 12% y/y/. China imported 1.23 MMT of cotton yarns with an increase of 11% y/y.



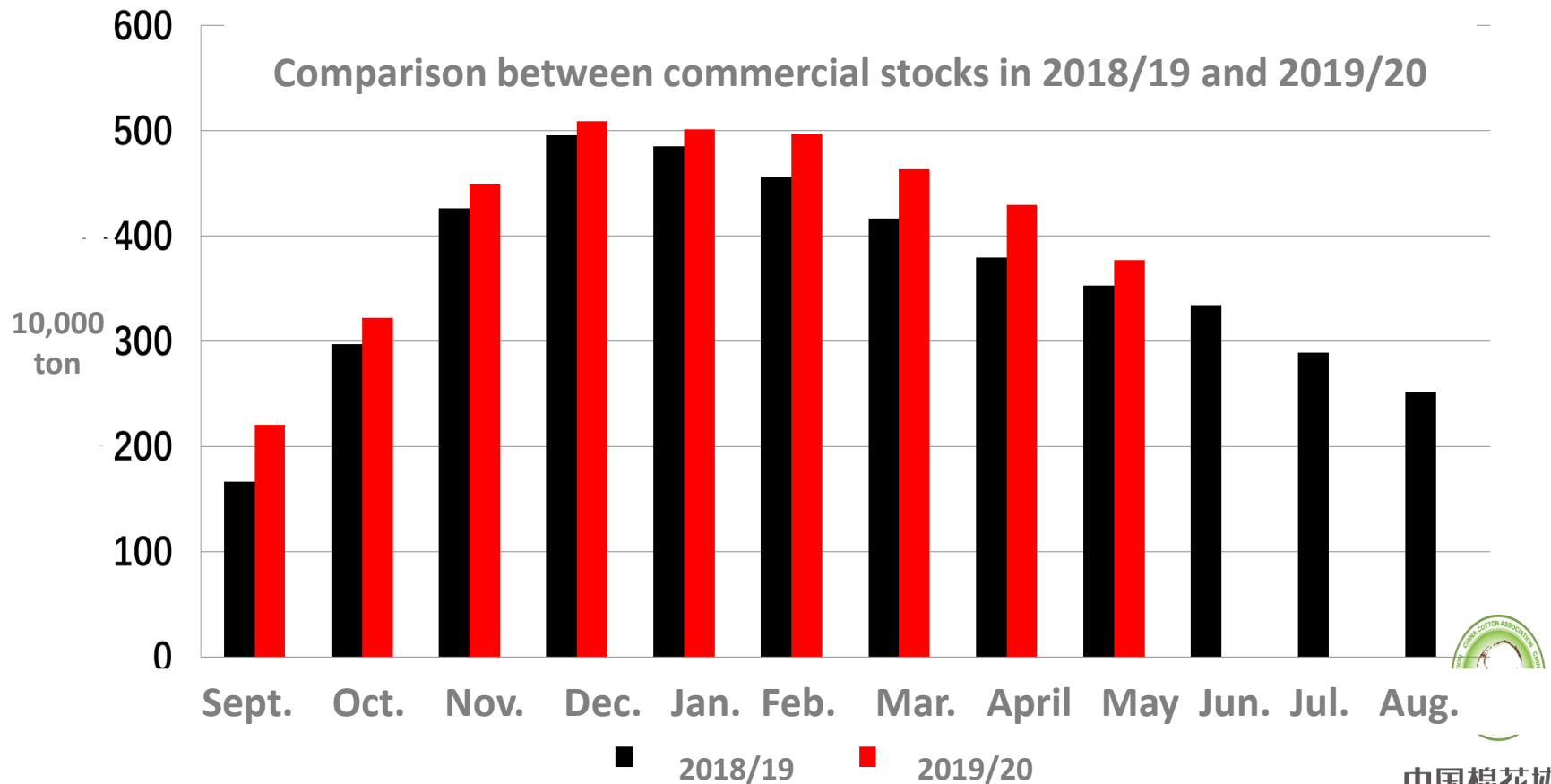
Yarn, fabric and chemical fiber production in 2019/20

According to the National Bureau of Statistics, in 2019/20 China produced 19.63 MMT of yarn, with a decrease of 12% y/y; 30.3 billion meters of fabric with a decrease of 20% y/y; 44.24 MMT of chemical fiber with an increase of 11.2% y/y.



➤ Cotton stock in 2019/20

Until the end of May 2020, China's national cotton commercial stock was 3.78 MMT, decreased 0.52 MMT compared with April 2019, but still increased 0.25 MMT with an increase of 7% y/y.



➤ China textile and apparel exports in 2019/20

GACC statistics indicated that until the end of May 2020, China exported 190.6 billion USD of textile and apparel with a decrease of 3% y/y. Textile exported 98.8 billion USD with an increase of 11%; Apparel exported 91.75 billion USD with a decrease of 14% y/y.





Thank you.

