



Modest Growth in Consumption Keeps 2019/20 Demand Expectations Low

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Executive Summary

Highlights from the October 2019 edition of 'Cotton This Month' include:

- *Global production is projected to outpace consumption slightly in 2019/20*
- *East Asian countries will continue to lead the world in consumption*
- *Several major consuming countries will post consumption gains, but mostly 2% or less*
- *High stocks and low demand for exports have driven prices to their lowest levels since 2016*

Modest Growth in Consumption Keeps 2019/20 Demand Expectations Low

While global consumption in the coming season is expected to increase, the gains will be minimal, and production (26.8 million tonnes) is expected to slightly outpace consumption (26.5 million tonnes) in 2019/20.

The East Asia region will continue to lead the world in consumption, but growth likely will be modest, and China's 2018/19 consumption total of 8.25 million tonnes is expected to remain unchanged in the coming season.

Several major consuming countries should see gains — including India, Bangladesh and Vietnam — but overall growth is slowing, and none of those countries is likely to see gains of 2% or more, with the exception of Indonesia (projected 4% growth over 2018/19).

Consumption in Major Consuming Countries May See Limited Growth in 2019/20

	Consumption thousand tonnes		Growth
	2018/19	2019/20	2019/20
WORLD	26170	26471	1%
China	8250	8250	0%
India	5400	5535	2%
Pakistan	2358	2358	0%
Bangladesh	1579	1603	1%
Vietnam	1530	1560	2%
Turkey	1555	1594	2%
Indonesia	700	728	4%
USA	712	734	3%
Brazil	730	734	0%
Mexico	460	460	0%

With plentiful supplies and weak export demand, the price on the Cotlook A Index has dropped to its lowest point since 2016.

Cotton This Month is published at the beginning of the month with the Cotton Update published mid-month. The Cotton Update is a mid-month report with updated information on supply/demand estimates and prices. The next '**Cotton Update**' will be provided on **15 October 2019**. The next '**Cotton This Month**' will be released on **1 November 2019**.