Cotton Outlook

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ICA in Hong Kong

ICA香港年会

The International Cotton Association's annual trade event returns to Hong Kong in 2018, six years after the gathering first took place in this city, which also marked the first time that the event was held outside Liverpool in the Association's then 171-year history. Now celebrating its 177th year, the ICA event has returned to a region which is at the centre of global cotton consumption, at a time when China's policy decisions are being watched more closely than ever by the trade, and the concept of trustworthiness in business is at the fore.

Cotton Outlook continues to work proudly in conjunction with the ICA and is pleased once again to have contributions on their experiences and expectations from the current president, Salman Ispahani and the incoming president, Bill Ballenden (who takes over the role during the Hong Kong meeting). Both discuss, from their own perspectives, the challenges involved in being at the helm of such an historic organisation as the ICA, at a time of global change.

We are grateful, also, for the continuing cooperation we enjoy with the Secretariat, including Bill Kingdon, who has now been in the Managing Director's chair for about a year and who will be attending his first ICA annual gathering in the role.

The Feature contains several articles which concentrate on the potential outlook for international trade flows. They include contributions from a number of leading industry figures, who are well placed to ponder the issues involved in supplying raw cotton to the major consuming markets, including former ICA President Mohit Shah, ANEA President Henrique Snitcovski and Wang Yan from CITIC futures. Analysis has also been provided by Plexus's Peter Egli of the potential impact of the trend in recent years for more sales to be made 'On-call'. And of course, Cotlook has given its customary overview of the outlook for global supply and demand in the coming season. We thank our authors for making this publication into what we believe you will agree is an engaging and illuminating read.

时隔六年，国际棉花协会年度贸易盛会将于今年再次回到中国香港。六年前，当时已有171年悠久历史的ICA年会首次在利物浦以外的地区举办；时至今日，ICA再度带着历史荣耀来到国际棉花消费的核心区域——中国。时下贸易商比以往任何时候都关注中国产业政策的发展走向，同时诚实守信的这一理念也始终被放在了最重要的位置。

多年来，考特鲁克一直与ICA携手前行，对此我们倍感自豪，同时也很荣幸能够再次邀请到协会现任主席Salman Ispahani先生和即将在本届香港年会走马上任的新主席Bill Ballenden先生，来为我们分享他们的行业经验与期望。二人通过各自的角度和观点，讨论分析了当前全球形势变化下ICA所面临的挑战。

此外我们还要感谢其他ICA人士对考特鲁克一如既往的支持，如一年前就任ICA总经理的Bill Kingdon先生，而此次香港之行也是他首次以ICA总经理的身份出席年会。

另外一些文章主要讨论了国际贸易流动的潜在前景，作者包括不少产业领袖，他们详细探讨了面向全球主要消费市场供应原棉的问题，如ICA主席Mohit Shah先生、巴西棉商协会主席Henrique Snitcovski先生，以及中信期货资深期货分析师王燕女士等。与此同时，Plexus公司的Peter Egli先生也在特刊中分析了近年来风靡一时的“点价销售”对于市场所造成的潜在影响。最后，考特鲁克也对新年度全球供需情况进行了常规概述。感谢以上所有作者对于本特刊的大力支持，相信这本引人入胜、极具启发性的杂志一定不会让你失望！

Interview with Salman Ispahani, ICA President

采访ICA主席Salman Ispahani

Cotton Outlook: Mr Ispahani, congratulations on your year as ICA President. At a time of change for the Association, with the accession of Bill Kingdon as Managing Director, what are your reflections on the achievements of the Association during the past 12 months?

Salman Ispahani: One does not realise how quickly the 12 months will pass. The new Managing Director, Bill Kingdon, started a month after I had taken over. In the meantime, I had accompanied Jürg Reinhart, the outgoing President, to Vietnam to meet the Spinners Association directly after the trade event in Singapore. Once Bill Kingdon joined, he visited Bangladesh in early 2018 and we went together to meet CAI in India, and then to Pakistan to meet APTMA and the Karachi Cotton Association. We also played an active part in the China Cotton Association Conference in Harbin, the American Cotton Shippers' Association annual meeting in Austin, and in Brazil at ABRAPA's conference. These widening participation visits are something in which the ICA has invested in recent years so as to keep in touch with the major markets.

Also this year, in addition to reinvigorating our business intelligence activities and establishing

Ispahani先生，首先感谢您作为ICA主席以及协会总经理Bill Kingdon先生在过去一年所做出的贡献，请问您如何评价协会在过去一年里所取得的成绩？

这一年时间过得简直太快了。当时新任ICA总经理Bill Kingdon先生在我接任后一个月也开始了工作。在十月份新加坡会议结束之后，我还与当时即将卸任的Jürg Reinhart先生一起去到越南与当地的纺企协会进行座谈。在Bill Kingdon先生正式加入ICA之后，我们在今年年初先后访问了孟加拉和印度棉花协会，之后去了巴基斯坦纺织厂协会；在这之后又参加了在哈尔滨举行的中国棉花协会国际峰会，美国棉商协会奥斯丁年会，以及巴西棉花种植者协会会议。近年来ICA不断扩大与各组织间的交流与访问，目的是为了与全球主要市场保持联络。

而今年，除了重新强化ICA的行业信息活动并通过全球主要贸易地区各组织机构获得关键性数据外，我们还为信息渠道覆盖全球8个主要贸易区的“国家焦点小组”注入了新的活力。

最后，我们还建立了两个重要的工作小组。除了对棉花合同登记进行可行性调查、以提高行业附加值外，该小组还负责探索ICA在代理和管控部门所扮演的角色。

我希望两个工作组能够在今年晚些时候提出切实可行的建议，对此我十分期待；相关进展消息也会在我们的网站和会刊上进行发布。

relationships across key trading regions that provide us with critical data, we have breathed new life into our Country Focus Groups that cover eight crucial trading regions.

Finally, we have established two important working groups, the first tasked with investigating the potential for registration of cotton contracts to add value to the sector, and the second to explore the role of the Association in the agent and controlling sectors.

We are hopeful that both groups will make practical recommendations later this year and I look forward to hearing them. News of progress will be posted on our website and in our newsletter.

CO: Last year a sub-group of the ICA Board was formed, with the aim of representing the concerns of spinners. How far has that initiative progressed and do you feel that awareness is growing among spinners regarding the importance of ICA membership?

SI: The Consumer Board Working Group have had to tackle some very contentious issues that were raised when discussing problems faced by spinners. One of the major concerns, which has since been explicitly addressed in the ICA Rules, had to do with Value Differences.

The new rule makes it more difficult for shippers to deliver cotton of a standard greatly inferior to the contracted grade. It had been a long-held view of spinners that shippers were able to deliver an inferior product as the quality differentials were not adequately reflected in the Value Differences as set by the ICA. Spinners rightly wanted to receive cotton of the quality contracted, and so we have tightened regulation on this front by implementing a change that allows a contract to set a price 'in stone' and discourages the shipping of cotton of a very inferior quality by way of the multiplier used in calculating Value Differences.

CO: At the time of your accession to ICA President in 2017, you noted that improved engagement in parts of Asia, and an associated reduction in defaults, was a

去年ICA董事会成立了一个分支小组，旨在代表纺企所关注的问题进行提议。该倡议目前进展如何？ICA纺企会员对此关注度如何？

ICA消费者工作组旨在帮助纺企解决一系列颇具争议的纠纷和问题。其中一个主要话题，也曾在ICA规则中明确提到过，即与价格差异有关。

新规定令货主在交付比合同所规定等级低得多的棉花时更加困难，对此纺企一直以来都认为，卖方在出售此类低等级棉花时不会遇到太多问题，因为产品的质量差异，并没有被充分反映在ICA所规定的价值差异中。买家理所应当获得合同中所约定的质量等级的产品，因此我们在这方面进行的修改并加强了监管，在合同中设定"价差规则"，规定卖方不得通过价差规则销售低等级棉花产品。

在2017年就任ICA主席时，您曾提到加强与亚洲部分地区的合作，减少合同违约，是ICA的主要目标。目前发展情况如何？在此过程中最大的困难是什么？

我们在东南亚地区与全球各主要棉花协会进行了会议磋商、交流沟通，并推出了有针对性的培训计划。很明显，许多买家并不了解ICA规则条款，

major aim. How has representation from those markets been developed, and what have been the main difficulties during the process?

SI: We had very good meetings in the sub-continent with all the main cotton associations. We have engaged with them and are setting up properly targeted training. It is quite apparent that many buyers are not aware of the Rules and Bylaws of the ICA, though over 90 percent of all cotton contracts are governed by these rules. There has been a reduction in defaults, but it is too early to say whether this is because of the market or because people are becoming more aware of the rules. However, it is to be noted that a huge volume of cotton is still traded by mills named on our List of Unfulfilled Awards and this is an area that needs a lot more work. The ICA has been without a Compliance Officer for most of this year, but that position has now been filled and we envisage that it will henceforth be much more difficult for defaulters to access quality cotton at competitive prices.

CO: The ICA has expanded its educational role in recent years. How vital are your training courses in promoting greater understanding of the international cotton market among the trade, and are there any plans to extend these kinds of schemes further?

SI: We strongly believe that the training offered by the ICA, as an impartial and objective organisation, can and does bring greater understanding and appreciation of the wider industry. Our training provision has undergone significant redevelopment and we are confident that it now reflects the needs of the industry. In the coming year, we have planned a programme of outreach and training activities designed to foster best practice and explain how the Association works in support of each sector of the industry. Training and outreach events are scheduled for China and Pakistan later this year, and plans are in progress for the delivery of training in Bangladesh and Brazil in 2019. And of course, we look forward to welcoming another vibrant cohort to Complete Cotton in April 2019.

尽管超过90%以上的棉花合同其实都是受到这些规则的约束的。合同违约率其实有所下降，但现在断言这种进步是出于市场主动，还是因为人们越来越意识并重视这些规则，似乎还有些为时过早。不过值得注意的是，大批棉花贸易量并不是由ICA的评级纺企完成，这也是我们下一步的工作重点。在今年的大部分时间里，ICA一直缺少一位监察主管，不过现在我们已经找到了合适人选，因此在未来，我们认为违约者将很难以低价获得高质量的棉花产品。

ICA近年来扩充了自身的培训作用，此类培训课程对于促进国际棉花市场贸易普及有多重要？ICA是否有计划在未来进一步扩大此类培训？

我们坚信，ICA作为一家公正、客观的组织，其所提供的培训能够并确实可以提高人们对于整个棉花行业的了解。我们的培训项目已经经过了重要的再开发过程，我们相信它能够真正反映行业需求。在未来一年间，我们计划进行一系列推广和培训活动，目的是增加实践培训，并介绍协会是如何对行业各个领域进行辅助与支持。培训和外展活动定于今年晚些时候在中国和巴基斯坦举行，并计划在2019年于孟加拉和巴西进行相关培训。当然，在明年4月的Complete Cotton会议上，我们也期待看到更多充满活力的新鲜血液加入进来。

Bill Ballenden 即将就任新主席，对此您对他接下来一年的工作有什么个人建议？

Bill Ballenden先生在行业内资质颇深，他有着丰富的从业经验。尽管接下来的一年或许会困难重重，但我相信他能够为ICA把好舵，出色完成工作。

恭喜ICA入选今年行业协会论坛“最佳表现奖”类别

是的，对于ICA能够入选“最佳表现奖”这一殊荣，我们倍感自豪。随着经验的日渐积累，我们的团队将会继续超越自我。对于举办协会的活动，我们有着很强的主动性，能够很好地满足会员代表的需求，为他们提供更好的服务。

能否为我们的读者谈谈这一年您作为ICA主席的感受，以及协会的未来发展方向？

事实上我很幸运，能够在贸易仲裁量接近历史低值的这段时间执掌ICA。在我看来，这不仅反映出市场缺乏波动，同时也显示出跨部门关系的乐观发展迹象。ICA财务状况仍然十分良好，主要是由于来自整个供应链方面强有力的稳定支持。我相信在我退任之后，ICA会在Bill Ballenden先生的领导下更加茁壮成长。此外我还想对Bill Kingdon先生和利物浦办公室的每一位成员表示感谢，过去一年所有人的表现都非常出色。


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CO: As the incoming President, Bill Ballenden, takes his role, what advice can you offer with regard to to the forthcoming year?

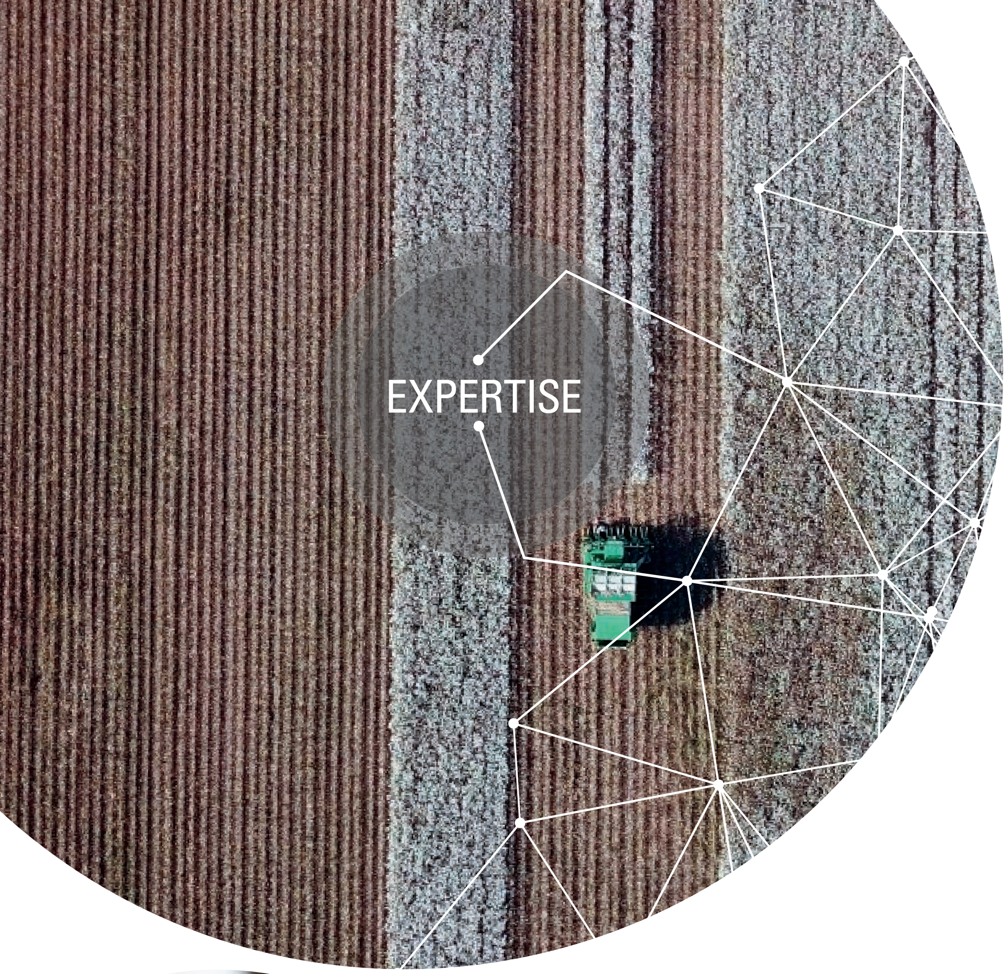
SI: Bill Ballenden is a very senior industry figure with a great deal of experience. Bill will do an excellent job in steering the ICA in what may be a difficult year as some big consumers re-enter the market.

CO: Congratulations on the Association's inclusion in the shortlist for the Trade Association Forum's Best Practice Awards 2018 in the category of 'Event of the Year' (for the 2017 ICA trade event).

SI: We are very proud that we were shortlisted for the Best Practice Award for our 2017 trade event. Our team continues to surpass expectations as they gain more experience in delivering events. Managing our own events gives us more control to tailor them to our delegates' needs, and provides an excellent corporate bonding experience for the team from Liverpool.

CO: Would you like to make any other comments for the benefit of readers regarding your year as ICA President, and the future of the Association?

I am delighted to have been at the helm of the Association during a time when the number of arbitrations has been near the all-time low. To my mind, as well as indicating a lack of volatility in the market, this is a positive indication of cross-sector relationships. The financial position of the Association remains robust, principally because of the strong support we continue to receive from the entire supply chain. I am confident that as I hand over the baton, Bill Ballenden is taking on a healthy organisation with a bright future. I would also like to record my thanks and appreciation to Bill Kingdon and all of the team based in Liverpool, who have done a wonderful job over the past year.



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Running to Stand Still

与时俱进，永不止步

Bill Ballenden,
ICA First Vice President

ICA第一副主席Bill Ballenden

Even with the long history of the cotton business and given all the traditions that bind our community, our industry is in a constant state of change. Whether it is trade policies, price, weather, technology or the many other aspects of our business that are continually evolving, no two days are ever the same.

Over the last 6 months our industry has been coping with two of the most unpredictable factors which contribute to any market analysis: politics and weather. The so-called 'trade war', which has been played out primarily between the USA and China, but also with the EU and others, might have long-lasting ramifications for the agricultural supply chain. The well-worn trade route of US cotton to China is being called into question by the existence of a high tariff. Meanwhile, the weather has seen a scare in Xinjiang, a very dry spell in Texas and a continued drought in Australia – to name only a few. These events have added to price volatility and supply chain uncertainty. They add risk to our business. As such, they affect every cotton producer, merchant and mill.

The ICA is constantly working to ensure that these risks will never allow either the buyer or seller to gain an unfair advantage. We are there

即便有着悠久的棉花贸易历史与凝聚彼此的行业传统，棉花行业也始终处于不断的变化之中。贸易政策、价格、天气、技术等等产业领域的方方面面尽管无时无刻不在发展演变，但终究每一天都是截然不同的。

过去半年来，让棉花行业市场分析层面倍感头疼的大事，无疑就是变化莫测的政治因素和天气因素。这场所谓的“贸易战”主要在中美两国之间进行，但同时欧盟各国与其他国家也难以独善其身，其将有可能会对整个农产品供应链带来长期性影响。在高额关税作用下，中国作为传统美棉进口大国的这一地位会否发生改变，我们不得而知。与此同时，新疆地区的多变天气、美国得州旱情堪忧、澳洲持续干旱……无疑也侧面推动了国际棉价的动荡走势，提高了全球供应链的不确定性，为棉花贸易带来了额外风险。因此，每一位棉农、棉商，以及每一家纺织厂，无一例外都不可能不受波及。

国际棉花协会（ICA）始终都在不遗余力地确保公平公正，买卖双方中的任何一方都不得进行不当得利。我们为国际棉花组织提供一套安全、公正的规章制度，无论是ICA的委员会、工作组还是董事会，都会不断深入探讨并研究各种可能，从而尽可能令每一项条款和规则都能保持与时俱进、不断优化。

调解纠纷固然重要，但ICA绝不仅仅只是一家仲裁机构，我们拥有专业的管理团队，新任常务董事也是充满热情，不断探索新的方式为会员提供他们所期盼的价值归宿。我们每年都会举办相关的贸易盛会、Complete Cotton， to provide a secure and impartial set of Bylaws and Rules to the global cotton community. We have Committees, Working Groups and of course a Board who are constantly meeting and discussing the ways in which everything from Articles to Rules can be updated and improved.

Important though dispute resolution is, the ICA is much more than only an arbitral body. We have a management team, led by our new and energetic Managing Director, who are constantly searching for new ways to offer the Membership the kind of value that they rightly deserve and expect. There is the annual trade event, the Complete Cotton seminar, as well as various training and outreach sessions and travel to both origin and destination markets. I could go on.

Many of the people who contribute to the ICA are members who receive no financial compensation for their contribution. They are members who believe that the ICA, through a blend of tradition and vision, has created a unique place where like-minded people can

以及各类培训和外延活动，造访棉产国及消费国等等。

事实上，ICA当中的许多人其实就来自于成员组织内部，没有任何报酬，完全是义务劳动。他们坚信通过相同的传统和愿景，ICA设立了一个让志同道合的人可以畅所欲言地去探讨契约至上、不可侵犯的国际组织。每一位成员其实都是协会大使，代表着真实和有形。作为ICA组织的成员之一，他们所宣扬的就是契约的神圣性和良好的贸易惯例。在此我对他们的无价奉献深表谢意。

所以，每当有新会员问我，“我们交了会员费，能够得到什么？”的时候，我会尽我所能地作出回答，那就是，你期望得到什么？免费电影票？还是一盒巧克力？ICA是个非盈利组织，旨在为所有成员和全球棉花产业服务，加入ICA就是为了获得话语权、投票权，ICA为大家提供了一个更加安全的交易场所，让每一位成员都能成为国际棉花市场的参与者，拥有共同的目标和价值观。

如果你也崇尚契约至上精神，如果你的价值观也与ICA不谋而合、也想亲身参与到委员会和工作组不断进步的对话讨论中来，请不要再问你能得到什么，而是看你能给予什么。

这群来自利物浦和善而又开放的ICA员工，始终都乐于交流探讨ICA的运作方式。

在这里，你会发现自己备受欢迎！

openly debate what sanctity of contract means, and how we can ensure it is both respected and enforced. They are members who act as ambassadors for an Association which stands for something very tangible and real. They are members who believe that to be part of the ICA is to show the cotton community that they believe in sanctity of contract and good trading practices. I thank them all for their valuable contributions.

So, when you ask me what it is that a new member can expect to receive in return for their membership fee, I will do my best to be kind in my response. While I am explaining all the above, I will be wondering what it is that you expect. Free theatre tickets? A box of chocolates? The ICA is not run for profit. The ICA is run for the benefit of its members and in the interests of the global cotton community. To join is to make a statement about what you stand for; to give yourself a voice, and a vote, at the heart of a business that we believe is a safer place to trade because of the ICA. To join is to be an active participant in a global cotton community, with a common goal and shared values.

If you believe in sanctity of contract, if you want to participate in the constantly evolving debate being held in Committees and Working Groups about our business and if you feel that the ICA stands for something that you believe in, then please don't ask what you can get. Ask what you can give.

The friendly and open staff, based in Liverpool, are always willing to discuss how the ICA works.

You will find you are very welcome.

Your Association

Bill Kingdon,
Managing Director,
International Cotton Association

This time last year the ICA was making the final preparations for what proved to be a highly successful trade event in Singapore – and I had given barely a thought to international trade organisations in general, or cotton in particular. When we meet in Hong Kong in October I will have been the ICA's MD for almost a year, as well as MD of ICA Bremen – our joint venture with Bremer Baumwollbörse. This milestone prompts me to think back over a fascinating year in my own life and to reflect upon what I have learned from the international cotton community.

Firstly, I have learned that although the cotton trade spans the world, the network is not so vast. It is a friendly community that has been open and welcoming to me, as to so many newcomers before me. There are already many friends that I have met repeatedly as I have travelled to many cotton markets on behalf of the ICA.

It quickly became clear to me that there are many varied roles in the fascinating, and occasionally complex cotton value chain – from growers and ginners, controllers and logisticians, to shippers and merchants, spinners, manufacturers, retailers and cotton information providers – all of whom are critical in the

国际棉花协会

国际棉花协会总经理——比尔·金登

去年的这个时候，国际棉花协会（ICA）新加坡年会正处于紧张筹备的收尾阶段。在当时那届后来被认为相当成功的贸易盛会上，我对于包括棉花行业在内的国际贸易组织并没有太多担忧。在大家今年10月份转战香港时，我担任ICA及下属合资企业——ICA不莱梅公司总经理即将满一年了。每每想到这些，都会勾起我对过往一年间工作生活的美好回忆，同时也会反思我从国际棉花大家庭中所学到的许多东西。

首先在我看来，尽管棉花贸易现已遍布全球各国，但网络体系并不是那么的庞大。这个大家庭氛围和谐友好，思想开放而又满怀热情，待人友善。在代表ICA访问考察期间，我曾不止一次从身边朋友那里听到类似的观点和称赞。

很快我开始意识到，这个略显复杂、却又相当让人留恋的棉花价值链，同时也扮演了许多不同的角色：从棉农、加工厂、管理者和物流人员，到货主、贸易商、纺织厂、制造商、零售商和棉花咨询公司，所有参与者在整个贸易过程和协会活动中都起到至关重要的作用。此外还有许多机构对ICA起到不断改善可持续性的辅助作用，这同时也是ICA的服务使命，即促进安全贸易并建立一套由专业棉花从业人员所组成的活跃网络组织。我的目标，是让所有的会员和部门都能参与到协会活动中来，从而对这个重要价值链的每一位相关成员提供支持。我会不断倾听会员的不同声音，并向他们学习，以寻找到新的方法来拓宽并加强协会与现有和潜在成员的关联与沟通。

trade and in the life of the Association. And there are many agencies involved in improving sustainability and supporting the ICA mission of promoting safe trading and building an active network of cotton professionals. My goal is to involve all roles and sectors in the Association's activities so that we support and remain relevant to each element of this important value chain. I am committed to applying my energies to listen to and learn from members and to look for new ways of broadening and strengthening the Association's relevance to existing and future members.

The contribution from many members to the success of the ICA is easy to see. I am both amazed and grateful that so many members play an active role on our Board, in the many committees, in arbitration, training and our events, not forgetting the ICAB team in Bremen who have worked tirelessly to ensure that the organisation now has a well-deserved reputation for excellence in testing for cotton quality. Together we ensure that the ICA responds and adapts to evolutions in the market and remains dynamic and relevant – thank you all for your contribution to our success.

A quick glance at our history confirmed my instinct that the ICA has maintained a healthy approach towards the future and to meeting the emerging needs of its members. I recently learned that resolving cotton contract disputes through arbitration, to take just one example, was at the forefront of the founders' minds in 1841 when the Association was first established. This makes us one of the very first international arbitral bodies: and the approach of innovation and adaptation continues today.

Looking forward, I continually ask myself and others what type of Association we want to be in the future. I hope that we can continue to build on our success as a respected arbitral body, and one that offers a range of dispute resolution options for its members. Also, I hope that we can broaden and strengthen the community of cotton professionals who are committed to safe trading. We plan to do this through the well-established trade events that take place each year, together with our Complete Cotton networking and training course and refreshed outreach and training projects with partner organisations in key markets around the world. For example,

ICA成员对于机构成功经营所做出的贡献是显而易见的。对于众多成员在董事会、委员会、仲裁、培训和各项活动所发挥的积极作用，我倍感惊讶和感激。此外还有不知疲倦的不莱梅团队工作人员，他们也为ICA组织当之无愧的行业声誉即棉花质量检测权威性成就做出了无私奉献。正是有了他们的支持，ICA才能够紧随市场变化趋势，并与之保持密切联系，在此我要对大家做出的贡献，表达我的诚挚谢意。

在简单回顾ICA的历史轨迹后，对于ICA能够保持健康的发展理念，着眼未来并不断满足成员日益增长的各种需求，更加证实了我的直觉。最近我了解到如何通过ICA仲裁来解决棉花贸易纠纷，而事实上早在1841年ICA成立之初，其创始人就已经开始在脑海中酝酿这样的想法了。此后ICA便成为了全球历史最为悠久的国际仲裁机构之一，它的创新与进步理念也一直被沿用到了今天。

展望未来，我不断地去问自己和同事，我们希望在未来看到一个什么样子的ICA。我希望ICA能够继续以权威仲裁机构这一经营理念为基础，并为所有成员提供一系列的争端解决方案。同时我还希望能够扩大并加强ICA与致力于安全贸易的棉花专业人士之间的沟通，包括计划通过日趋成熟的年度贸易活动、Complete Cotton网络及培训课程、外展活动与来自全球主要市场的伙伴组织加强合作。例如今年下半年ICA与中国棉花协会将会联合举办一系列的课程活动，地点将位于河南省郑州市；以及与巴基斯坦卡拉奇棉花协会之间的合作项目等。正如前任所言，明年将会有更多的人加入ICA。我们真心希望并鼓励孟加拉、中国、巴基斯坦和越南等主要进口市场人士的积极加入与合作，不久前我们就曾在中国市场派出不少ICA代表成员，以支持协会在该方面的努力拓展。

ICA管理团队总部位于英国利物浦，员工数量虽然不多，但一个个活力充沛、乐观敬业，致力于为会员提供最好的支持和服务。他们的工作职责，会根据协会不断变化的需求来适应和变化。

就在不久前，Casandra German女士正式成为了我们的新任商业资讯主管，她主要负责交易数据调研和安全交易规则违约调查，同时还活跃于今年重新进入人们眼帘的国家焦点小组。

另外还有大家熟知的会员部主管Tracy Dignan女士，她主要负责ICA的新成员申请加入事宜，这次她也会出席香港会议。遗憾

later this year we will run courses with CCA in Henan Province, China, and with KCA in Karachi, Pakistan. As the President has described, more will follow in 2019. We also hope to encourage increased participation, and membership, in key importing markets such as Bangladesh, China, Pakistan and Vietnam. We have recently welcomed some ICA Ambassadors in China to support the Association in this endeavour.

Your management team, based in Liverpool, comprises a small group of energetic, dedicated and cheerful people all of whom are committed to providing the best support we can to you, the members. Their roles, too, adapt and evolve to match the changing demands of the Association. We have recently welcomed Casandra German as our new Business Intelligence Officer. Her role is focused on investigating trading data and alleged breaches of our safe trading rules. She is also active in the Country Focus Groups, which have a renewed focus this year.

Many of you know Tracy Dignan, our Membership Officer. She will be helping those new members that you encourage to join as they navigate our application process. I know that you will help her out in Hong Kong. We are sorry that our Marketing and Communications Officer, Sarah Heaps, is leaving – but we are delighted that she has secured a prestigious position in Liverpool Institute for Performing Arts. We will carry out a small re-balancing of the roles here as we adapt to life without her and I will soon be able to announce who will lead on communicating for the Association. Next time, I will focus on a different element of our team.

It has been a privilege for me to support your Board of Directors and, in particular, the officers of the Association, whose contribution is immense. I owe a special 'thank you' to Salman Ispahani – my first President – and Jürg Reinhart who led my selection process as well as managing the team in Liverpool between MDs. To my mind it is a measure of the vibrancy and success of the ICA that such able people volunteer their time freely to its management and oversight. This is reinforced by the quality of those members who have expressed interest in joining the Board and becoming officers of the Association. These facts, coupled with a sound financial position, enable me to confidently predict that the future of the Association is healthy and assured.

Thank you, everyone, for making my first year in your Association both professionally rewarding and personally enjoyable. I look forward to getting to know you all better in the coming year.

的是，Sarah Heaps女士，我们的现任市场公关部主管，即将离开ICA，前往著名的利物浦表演艺术学院任职。后期我们会对相关职位进行重整，以尽快适应，同时我也将很快宣布Sarah Heaps女士的继任人。

很荣幸能够与协会董事会、尤其是协会各位主管一同共事，你们对于协会的贡献无比巨大。在此我要特别感谢协会前任主席Salman Ispahani先生，以及Jürg Reinhart先生在我竞选及利物浦工作过程中所提供的帮助。在我看来，他们付出的这些努力，正是ICA活力与成功的体现。同时，许多成员也都曾表示过，自己有意加入ICA董事会并成为协会主管，这些积极性因素，再加上良好的财务状况，足以让我们对ICA的未来充满信心。

谢谢每一位ICA的成员，是你们让我就任的第一个年头意义非凡、令人愉悦；期望在新的一年里，我能够更好地认识和了解你们所有人。

The Dangerous Rise of 'On-call' Sales

点价销售，暗藏危机

Peter Egli,
Director of Risk Management,
Plexus Cotton Limited

Plexus棉花有限公司风险管理主管
Peter Egli

In recent years we have witnessed a significant increase in unfixed 'On-call' sales, to a point where they have become an important factor in the futures market. 'On-call' sales (and purchases) are nothing new, since they have been in use for over 100 years. It apparently all started before World War I, when American merchants followed a practice developed by Liverpool traders and began selling cotton 'On-call' on a specified futures contract.

In 1938 the Commodity Exchange Administration (a predecessor of the CFTC) started compiling data regarding 'On-call' transactions and in 1939 weekly reports were being published for the first time. In a study, the CEA found that 'public information was needed about 'On-call' transactions. It was felt that some firms, knowing their own 'On-call' position and exchanging information with other houses, were in a position to influence prices to the disadvantage of other market users'. The CEA further stated that 'the purpose of the weekly report is to make basic information on 'On-call' transactions equally available to all members of the trade and the public'. These observations are still as valid today as they were 80 years ago!

'On-call' transactions serve some important functions for mills and producers. For example, by

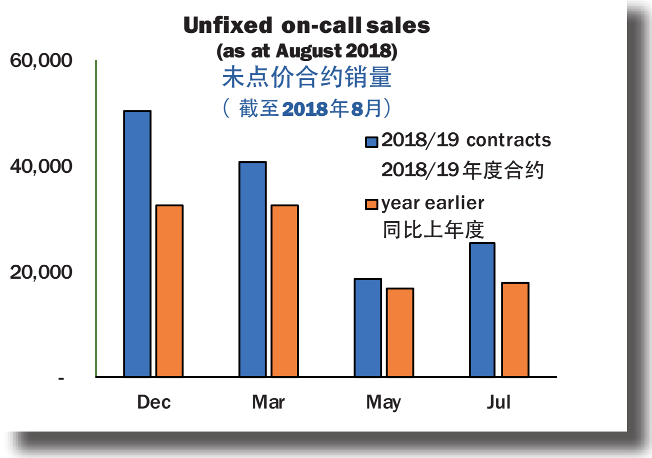
近年来，未点价合约销量增速突飞猛进，现已成为期货市场的主打因素。点价销售（及采购）并非新生事物，现已沿用了长达一百多年。早在一战时期，美国商人就已开始借鉴利物浦贸易商的交易方式，在约定期货合约上使用点价交易销售棉花。

1938年，美国商品交易管理局（美国商品期货交易委员会CFTC前身）开始采集有关'点价交易'的相关数据；一年后，点价交易周报首次发布。在一次交易中，管理局发现有关点价交易的公共信息必不可少，因为有些公司对自己的点价合约量了如指掌，若是再与其他公司背地里串通，就会主导期货价格走势，从而令市场的其他参与者处于不利位置。于是，管理局随即宣布"点价交易周报的目的是为了让贸易行为的所有参与者和公众都能公平地获得有关点价交易的基本信息"。而这样的惯例也一直被沿用到了80年后的今天！

点价交易对于纺企和厂商而言至关重要，比如说，通过点价交易，纺企能够在不持有远期棉纱订单的前提下，保障自身棉花供应，同时又不必承担市场风险。与此同时，如果纺企认为当前价格过高，后期有可能回落，便可通过点价交易提前锁定价格；而卖家也有机会通过卖出期货来锁定最终的成交价格。

然而世事往往过犹不及，一旦过多的纺企选择以点价交易代替固定价格，同时贸易商通过卖出期货（或使用看跌期权策略）锁定销售价格，就会导致大量空头头寸堆积。今年5月18日，纽期未点价合约达到破纪录的1648万包；截止笔者撰写本文的8月中旬，这一数字仍徘徊在1590万包左右。

buying 'On-call', a mill that doesn't have forward yarn orders in hand yet, is able to secure raw cotton supplies without having to take on market risk. It also allows mills to buy cotton at times when prices are considered high, in the hope that they may subsequently drop, while at the same time giving the seller an opportunity to lock in the final sales price by selling futures.



However, too much of a good thing can turn into a problem. If too many mills buy 'On-call' instead of a fixed price, while merchants lock in the sales price by selling futures (or are using bearish options strategies), it can lead to a massive build-up of short positions. On May 18 this year, unfixed 'On-call' sales reached a new record of 16.48 million bales and at the time of writing in mid-August, they were still at 15.90 million bales.

A large futures short position tied to 'On-call' sales is not necessarily an issue as long as the market outlook remains neutral or bearish, but if the market were suddenly to turn bullish and mills started to fix in great numbers, it could lead to an explosive market. This has partly to do with the way the futures market is structured. A futures market is a 'zero sum' game, meaning that for every long position there must be an equivalent short position. Therefore, if a big number of shorts are trying to cover, they need traders on the other side who are willing to sell.

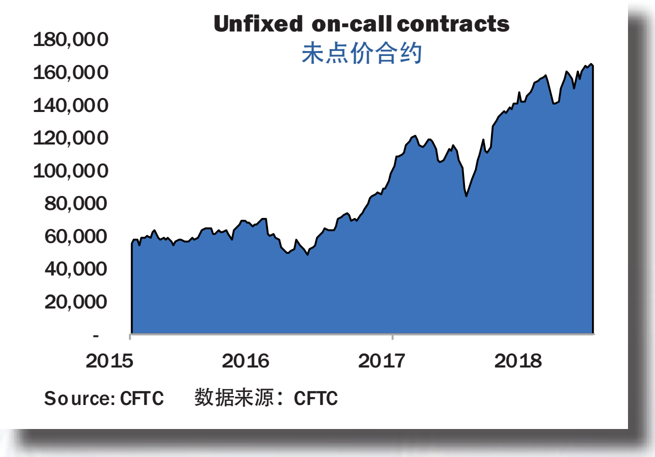
Since about 2004 there has been rapid growth in Commodity Index Fund investments, which are now occupying a large percentage of the net long position in futures and options. The latest available CFTC 'Commitment of Traders' report showed that as of August 14, Index Funds owned 8.03 million bales (50.5 percent) of the net long

只要市场前景保持中性或看跌，那么大量与点价销售挂钩的期货空头头寸不一定会出现问题；但如果市场突然转向看涨，同时纺企开始大量锁定价格，就有可能会为市场埋下隐患。这在一定程度上与期货市场的结构有关，期货市场其实是个"零和博弈"的游戏，即每个多头必然对应一个空头。因此，如果有大量空头试图进行补仓，相对应地需要有多头贸易商愿意卖出。

2004年以来，大宗商品指数基金投资增速迅猛，目前在期货和期权净多头头寸占据了绝大多数比例。最新一期的CFTC"交易员报告"显示，截止8月14日，指数基金持有棉花期货和期权净多头头寸共计803万包（50.5%），而其他投机者加起来的总和数字为787万包（49.5%）。由生产商、贸易商和纺企联合组成的净空头头寸则为1590万包。

指数基金投资者通常持有40%至60%的棉花期货和期权净多头头寸。由于这些指数基金头寸通常是由20多种不同商品所组成的一揽子投资组合的一部分，因此它们不会对任何特定商品的价格波动做出反应。相反，指数基金头寸的变化仅仅是由于投资基金流入或流出整个商品组合，或是商品组合的自身资金调整所致。

因此，如果市场看涨因素激增，投机者认为有必要进行补仓，但一半的多头（指数基金）不为所动、另一半（投机者）不愿在此时抛售时，空头便会突然发现自己正处于一个缺乏卖方流动性的市场之中。



2010/11年度就是个活生生的例子，当年不少空头就深陷其中难以脱身。在这场前所未有的棉花牛市孕育初期，国际棉价从2010年6月初的77美分/磅上涨近一倍，达到2010年11月初的151美分/磅，纺企购买了大量点价合约，丝毫不接受当时疯长的棉花价格。在这四个月时间里，未点价合约销售量由632万包增至1212万包，该记录一直保持到了去年。

position in cotton futures and options, while all other speculators combined were 7.87 million bales net long (49.5 percent). The trade, which consists of producers, merchants and mills, was on the other side with a 15.90 million bales net short position.

Index Fund investors often own 40-60 percent of the net long position in cotton futures and options. Since these Index Fund positions are part of larger baskets that typically include over 20 different commodities, they do not react to price swings in any particular commodity. Instead, Index Fund positions change only due to investment flows in or out of the entire commodity basket, or due to annual rebalancing within the basket.

Therefore, if a bullish situation arises in which trade shorts feel a need to cover their positions, but 50 percent of the longs (Index Funds) are not in play at all and the other 50 percent (speculators) are reluctant to sell during a rising trend, the shorts suddenly find themselves in a market that is devoid of sell-side liquidity.

The 2010/11 season serves as a good example of what can happen when shorts get trapped in such a setup. In the first phase of the historic bull market, during which futures prices nearly doubled from 77 cents in early June 2010 to around 151 cents in early November 2010, mills bought a lot of their needs 'On-call', refusing to pay runaway prices. During these four months, from early June to early November 2010, unfixed 'On-call' sales increased from 6.32 to 12.12 million bales, a record that stood until last year.

A temporary lull in buying activity allowed prices to briefly fall back to 113 cents by late November 2010, but from there they would again double over the following four months and reach a synthetic high of 227 cents by the end of March 2011. I believe that 'On-call' sales played a major role in this parabolic price rise, as mills were forced to fix in an increasingly illiquid market, which pushed prices even higher. Between early November 2010 and early April 2011, we saw unfixed 'On-call' sales drop by nearly 6 million bales, from 12.12 to 6.30 million bales, as mills were scrambling out of their painful positions.

2010年11月下旬，采购活动的短暂停滞导致棉价暂时回落至113美分/磅，但从那以后期货价格再次翻番——在2011年3月末达到227美分/磅。在当年那场抛物线式的价格上涨过程中，我认为点价销售起到了决定性作用，因为纺企被迫在流动性越来越差的市场中进行价格调整， 从而推高了棉价。从2010年11月初到2011年4月初，由于纺企争先恐后地纷纷离场，未点价合约销售量下降了近600万包（从1212万包降至630万包）。

同样的事情是否会再度上演？答案是肯定的！每当期货和期权市场存在相当大的贸易净空头仓位，这在很大程度上与相当大量的未点价合约息息相关，同时多头被迫受到指数基金和投机者制约，那么整个形势就如同身边放着一个火药桶一般。这时市场的导火索只是一个看涨事件，一旦大量纺企进行定价采购，同时投机者和指数基金再相继进场，便足以引发空头夹仓并遭受致命性打击，正如我们在2011年所经历的一般。

截止当前，纺企未点价合约持仓接近1600万包，远高于2010年11月份1212万包的高位。然而在过去两个年度，纺企的表现一直相对较好，迄今为止并未受到挟仓，尽管我认为棉花价格总水平始终都要高于没有巨量点价持仓时的价位。

近期的地缘政治和经济发展走势（中美贸易战以及新兴市场货币不断贬值）始终都在削弱价格看涨的理由，纺企的耐心也再一次收获回报，但这并不意味着它们可以就此放松警惕。

牛市终将到来，或早或晚，然而届时纺企或许就不会那么幸运了。因此降低风险就显得至关重要，无论是通过采用价外看涨期权，或是通过看跌期权。各式各样的场外交易策略是降低风险的另一个选择，简而言之，预防才是关键，因为前车之鉴已经证明，痊愈的过程，的确会让人痛苦不堪！

Could it happen again? The answer is yes! Whenever we have a sizeable trade net short position in the futures and options market, which is to a large degree tied to a massive amount of unfixed 'On-call' sales, while the long side is split between passive Index Funds and trend-following speculators, then this set up is like a powder keg waiting for a spark. All it takes is a bullish event that prompts a large number of mills to fix, while speculators jump on the bullish train and Index Funds sit on their hands. This would be enough to initiate a short squeeze that then keeps feeding on itself, similar to what we saw in 2011.

Mills currently have an unfixed 'On-call' position of nearly 16 million bales, which is considerably larger than the 12.12 million bales that they held back in November 2010. However, for the last two seasons, mills have been playing it relatively cool and, so far, they have avoided getting squeezed, although I would argue that the general price level has been higher than it would have been without this massive 'On-call' position.

Recent geopolitical and economic developments (the Sino/US trade war, depreciating emerging market currencies) have been weakening the bullish case and mills are once again being rewarded for their patience, but that doesn't mean that they can let their guard down.

Sooner or later a new bull market is going to emerge, and mills might not be as lucky then. Risk mitigation is therefore paramount, be it by limiting upside exposure through the use of 'out of the money' call options, or by fixing cotton and then keeping downside opportunity open via put options. Various 'over the counter' strategies are another way to limit exposure. In short, prevention is key, because the cure has proven to be painful!

Trade Flows in Turbulent Times

贸易流通，波涛暗涌

Mohit Shah,
Director, Gill and Co. Private Limited

Gill and Co.有限公司负责人
Mohit Shah

"Trade War" has become a common term this year. Looking back, this has not appeared suddenly. The stage was set in 2016 during the electoral campaign by the then Republican presidential candidate Donald Trump.

In 2017 the total US trade deficit was USD$566 billion. President Trump wants to reduce this deficit as it is detrimental to the US economy – the largest in terms of Nominal Gross Domestic Product (GDP). The US, given its political, military and economic clout, would not like to lose its status as the leading global economy to China, which is the world's largest economy by purchasing power parity, according to the IMF. Interestingly, China accounts for 66 percent of the total US trade deficit in goods.

At the time of writing this article, admittedly, to predict the future outcome or trend is beyond anyone's scope and is a best guess for the future in the current environment when political statements are made and changed almost on a daily basis.

The US textiles and apparel trade is heavily one-sided, with Chinese goods constituting around 36 percent of all US textile and clothing imports according to the Office of Textile

信也罢，不信也罢，'贸易战'已经成为今年的一个流行词汇；然而回首过往，这场战役其实来的并不突然——早在2016年，时任美国共和党总统候选人的唐纳德·特朗普就曾提出过这一口号。

2017年，美国贸易逆差为566亿美元。对此特朗普总统极为不满，希望通过减少贸易赤字来避免身为全球GDP第一大国的美国经济受损。据国际货币基金组织报告，在政治、军事、经济方面拥有极高影响力的美国，绝不希望自己全球超级经济体的这一地位受到动摇，将宝座拱手让给中国。有趣的是，美国商品贸易逆差当中有三分之二，实际上恰恰也来自于中国。

就在本文撰写之时，首先不可否认的是，没有人能准确预测未来事物的结果或走势，而在当前这样一种各方政治声明几乎一天一个样的形势下，我们也只能对此进行一下自己的猜测。

首先，美国纺织服装贸易所呈现出的，很明显是一边倒的态势，因为据美国商务部下属的纺织品服装办公室数据统计，中国商品已经占到美国纺织品服装进口量的36%左右。然而如果谈到原材料——棉花，显然又是另一番情景。

作为全球第二大出口国，越南纺织品服装出口总值已经达到了120亿美元，占去年美国纺织品服装进口量的11.5%以上。与此同时，孟加拉和印度则紧随其后。到目前为止，特朗普政府始终都试图将任何消费品卷入到这场贸易纠纷之中。美国对华进口商品征收25%及

and Apparel under the U.S. Department of Commerce. But when it comes to the raw material – cotton – it is the other way.

With 12 billion dollars' worth of textiles and apparel exports, Vietnam is the 2nd largest supplier, accounting for more than 11.5 percent of all textile and clothing imports by the USA in 2017. Bangladesh and India are the next largest suppliers of textiles and garments. So far, the Trump administration has avoided including any consumer goods in the dispute. The sheer risk of 25 percent or more US tariffs on imports from China exposes a key risk to the global textiles and apparel chain, of the over-dependence on a single country's supply chain. Already US brands and retailers have announced a switch away from a China-centric supply chain. Vietnam, Bangladesh, India and Pakistan will stand to benefit as the re-shaping by major US brands and retailers occurs, albeit slowly, given the challenges in each of these countries.

The tariffs imposed by China, if they prevail for a long time, will bring profound changes to the world agricultural sector and supply chain. Cotton is no exception; sales of US cotton to China are valued at USD$980 million.

In the context of US cotton exports reported by the USDA, those to China account for about 15 percent of the total and for about 11 percent of total output in recent years. From the Chinese perspective, US cotton takes a relatively high share of total imports, especially in 2017 and 2018, when the proportion reached as high as 44 percent. Even as the trade war rhetoric was in the background, it appeared that no one, including Chinese mills themselves, believed that US cotton would be dragged into the fray.

以上关税的这一危险做法，暴露出全球纺织品服装供应链所面临的关键风险，即过度依赖单一国家供应。美国国内品牌和零售商已经宣布放弃以中国制造为中心的供应链来源，因此越南、孟加拉和印巴将会在美国主要品牌和零售商彻底转型的这一形势下渔翁得利，尽管这个过程也并非是一朝一夕。

如果中国实施常态化对美报复性关税政策，其对全球农业及整个农业供应链都将会产生深远变化。棉花也不例外——目前美棉对华销售总值已达9.8亿美元。

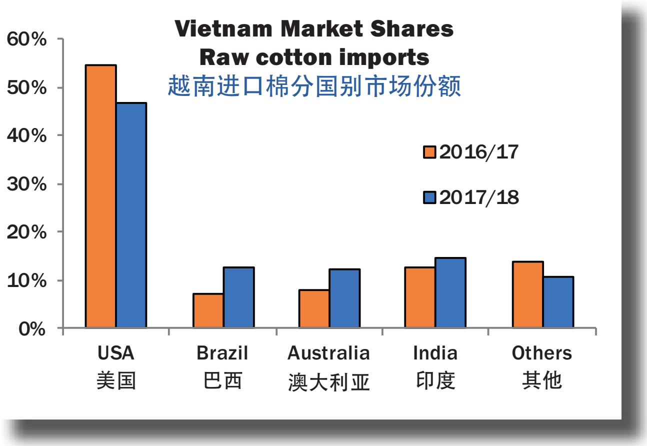
美国农业部美棉出口报告数据显示，近年来中国的美棉进口量占出口总量的15%左右，占美棉总产的11%左右。从东方的角度来看，美棉在中国棉花进口量中所占比例相对较高，尤其是去年和今年，这一比例达到了44%左右。尽管贸易战看似打得轰轰烈烈，但包括中国纺企在内的主体，事实上并不认为美棉将会被卷入纷争。在这一点上，市场一致认为中国基于WTO配额协议的棉花进口配额承诺是不会改变的。

事实上中国早已拥有一套旨在保护国内棉农的棉花配额制度。在贸易战之前，中国已承诺对每年89.4万吨的进口棉加征1%关税（按照加入WTO贸易承诺）。所超出贸易量将会视进口价格不同，加征5%到40%的关税。而今年中国出台的惩罚性关税政策，将会令进口棉关税提高26%至65%，即进口价格相应被提高约每吨3500到4000元人民币（约585美元/吨）。考虑到国内库存不足，中国当局在今年6月宣布增加80万吨额外进口配额，为近五年来的首次。此举意味着美棉价格将更上一层楼，而中国则需要在原材料采购战略上做出改变。显然，贸易流通也会相应地发生变化、直到重新找到平衡点。中国纺企有可能将被迫增加来自于其他国家的棉花进口，如澳大利亚、巴西、希腊、印度、中亚、西非等。尽管这些国家的棉花出口份额可能会大幅增加，美棉对印度、巴基斯坦、越南、孟加拉和印尼等国的棉花出口应该也会有所上升。

依据各国各不相同的纺织产能水平，这些国家很可能会逐渐成为美国以外国家美棉加工棉纱对华主要出口国，以及美国纺织品服装进口的主要来源国。

总之，全球纺织品服装行业格局在一定程度上将被改变，特别是在近段时间内，尤其是短期对于美棉而言。当然，美棉价格主要仍取决于贸易战的最终解决方案。此时去对贸易流通量是增是降、有多大量进行准确预测，或许还不如来一局惊险刺激的德州扑克更加有趣。

The only import quotas up to that point were the annual 2018 WTO-guaranteed quotas. The marketplace believed these were sacrosanct, since issuance was part of the WTO agreement.



China already had a quota system for its cotton imports in place to protect domestic farmers; before the trade war, one percent duty was levied on imports under the annual quota of 894,000 tonnes (per the WTO entry commitment). Volumes in excess of that level were subject to tariffs of 5 to 40 percent, depending on the import price. The punitive tariff introduced this year, which brings total tariff rates to between 26 and 65 percent, would raise the price of US cotton by some 3,500 to 4,000 RMB (say, US$585) per tonne. Concerned about inventory running low, China in June approved 800,000 tonnes of additional cotton import quota for 2018, the first time the country has allowed extra quota in five years. US cotton will now be costlier, requiring a change by China in its raw material sourcing strategy. Clearly, trade flows will shift and become re-balanced. Chinese mills

could be forced to increase imports from other cotton exporting countries like Australia, Brazil, Greece, India and to some extent the CIS and West Africa. Whilst the share of cotton imported from these countries by China might be expected to increase dramatically, at the same time US exports of cotton to countries like India, Pakistan, Vietnam, Bangladesh and Indonesia should also grow.

Depending on their individual textile capacities and capabilities, these countries could emerge as an increased supplier of (1) cotton yarns made out of US cotton to China and of (2) fabric and apparel exports to the US.

In conclusion, the landscape of the world textile apparel industry will change to some extent and specifically for cotton in the near term. The price direction remains tied to how these trade issues are resolved. Predicting at this juncture the degree to which trade flows will alter, however, would be like playing a game of 'POKER'.

Meeting the Challenge: The Outlook for Brazilian Cotton Exports

迎接挑战：巴西棉花出口展望

Henrique Snitcovski,
ANEA President

巴西棉商协会主席
Henrique Snitcovski

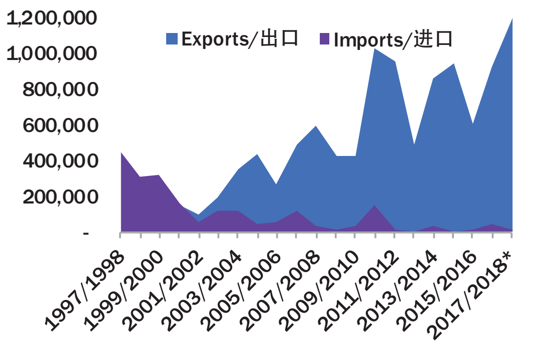
"Order and Progress". If you haven't noticed, this is the sentence written in the white strip of the Brazilian flag. In a simplified way, interpretation of the slogan perfectly fits our cotton industry. The sector inspires and represents the principles of commitment and achievement over time.

Brazil was one of the largest cotton importers in the world in the mid-1990s and has since become one of the world's leading exporters.

It is remarkable. The extraordinary growth in production has resulted from the perfect balance of climatic conditions and water resources, rich soil and ideal topography for cotton cultivation, enabling Brazil to deliver the highest yield per hectare in the world from a rain-fed production cycle.

Permanent research and investment in precision farming technologies – through the development of varieties adapted towards farming in the Cerrado region, including harvesting and ginning management processes - have positioned the country as the world's fourth largest producer, but more importantly, the leading supplier of certified cotton, which is produced responsibly and sustainably. The hard work and cooperation among growers

很少有人会留意，在巴西国旗中间的白条上，写着一行小字——“秩序与进步”。其实，这句口号也完全可以被照搬到该国的棉花产业中来；随着时间的推移，巴西棉花行业不断激励并诠释了我们的原则——承诺与成就。



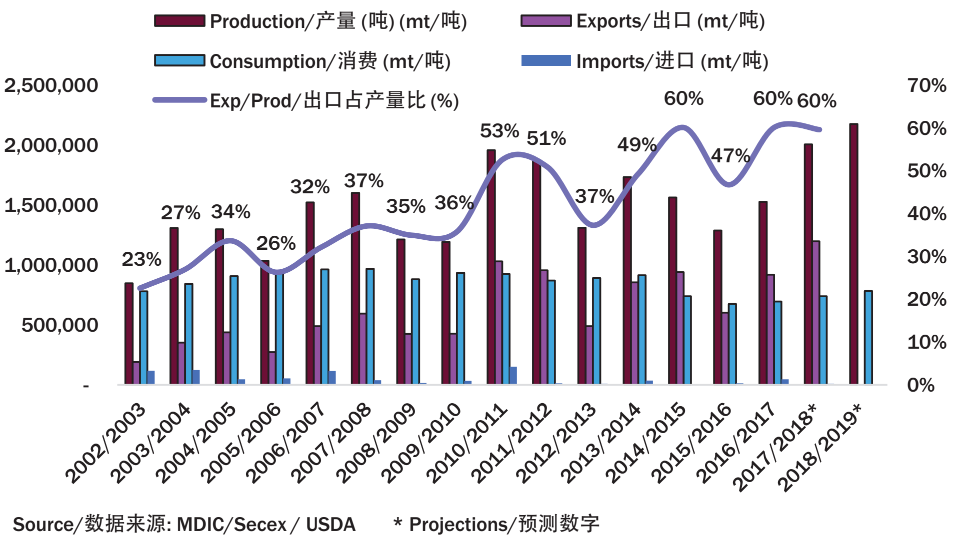
Source/数据来源： MDIC/Secex/ USDA
2017/2018 season ANEA's projection at 1.180 mln metric tons/ ANEA预估2017/2018年度巴西棉出口量1,180,000吨

早在上世纪九十年代中期，巴西就已经成为全球最大的棉花进口国之一，同时在全球主要出口国领域也占据着重要地位。

一切都显得如此的卓越非凡。巴西棉产量举世瞩目的增长速度得益于气候条件与水资源的完美平衡、肥沃的土壤环境，以及理想的棉花种植条件，这些都为巴西棉这种依靠雨水灌溉生长繁育的作物提供了享誉全球的头号单产产量。

专为巴西塞拉多地区研发的棉种、旨在服务于精细农作技术的永久性研究和投资——包

and the entire network of Brazil's Industry Associations, continues to provide full coordination to meet the industry's needs along this promising journey.



Despite the successful achievements of recent years, and the consolidation of the large-scale cotton production, the next challenge for Brazil is to continue to sustain potential growth, expanding production and market share globally.

ABRAPA – Brazilian Cotton Growers Association, and ANEA – National Cotton Exporters Association, have been working intensely for the continued promotion of Brazilian cotton globally, addressing initiatives focused on fiber quality, traceability and regular supply, while visiting and also inviting actual and potential new consumers to personally understand the greatness of the local industry and the challenges of the sector.

The key elements in strengthening commitment to the industry include increased transparency, as well as access to and understanding of customer needs and trends. In most international meetings, there is always someone representing Brazilian cotton, with the aim of improving commercial relationships and providing relevant information. Such visibility and credibility also support the logistical mechanism employed by Brazil to negotiate sales in advance, thereby enabling farmers to finance and secure their costs for investment in future crops.

But there are other challenges to overcome. With increasing exportable surplus, foremost on the list remains the impact of logistics and the supply bottleneck. The country has an extensive territory, with cotton moving long distances from major growing areas to the major shipping ports. The rail system is still underdeveloped and even though roads are improving, transportation depends exclusively on trucks with significant handling costs.

Furthermore, over 70 percent of export shipments occur during the second half of the calendar year. Such a concentration forces

括采摘和加工管理流程，让巴西棉得以跻身全球第四大棉产国地位；然而更重要的是，经认证授权的巴西棉主要供应商，也让整个行业变得更加负责任、可持续性发展。本地棉农与巴西棉花行业协会之间的辛勤工作与合作，不断对产业提供充分的协调作用，以满足来自行业内的需求。

尽管近年来取得了骄人成就，同时也完成了大规模棉花生产整合，巴西棉所面临的下一个挑战，就是如何继续保持潜在发展、扩大巴西棉在全球棉花产业内的产量与市场份额。

为了实现这个目标，巴西棉花种植者协会（ABRAPA）与巴西棉商协会（ANEA）一直都在不断努力将巴西棉推向全球市场，并提出了一系列举措，强化巴西棉的纤维质量、可追溯性及定期供应等，同时还不断拜访并邀请现有及潜在客户亲身了解该国棉花产业优势、以及行业所面临的挑战。

强化对该行业承诺的关键因素，包括提高产业透明度，以及对客户需求和趋势加以了解和理解。在大多国际性会议上，总有人会出来代表巴西棉花，目的是改善商业关系并提供相关信息。这种透明度和信誉度，在一定程度上也对巴西棉所采用的物流机制进行了预先谈判与销售，从而为巴西棉农就未来作物投资方面提供了资金和成本保障。

但还有不少挑战需要克服。随着出口盈余的增加，物流影响和供应瓶颈仍是最急需解决的问题。巴西国土面积巨大，棉花需要从主产区运送至主要港口进行发运。尽管公路运输条件不断改善，其国内铁路系统仍然不太发达，货运完全依赖于成本高昂的卡车运输。

此外，超过70%的出口货物需要在日历年的下半年完成装运。如此集中的运输状况，会令巴西国内货物处理和仓储能力达到极限，物流

STANDARD BRAZIL HVI (SBRHVI): SEVERAL REASONS TO RELY ON THE QUALITY OF BRAZILIAN COTTON

The SBRHVI program in full steam for the 2017/2018 season. Thanks to the work performed by CBRA (Brazilian Reference Center for Cotton Testing), there are even more reasons to trust Brazilian cotton. A series of ongoing projects will bring more credibility to the fiber produced in the country:

- CBRA Check Sample Program – 0.5% of all samples tested at HVI labs are checked
- Retest Program
- Brazilian In-house Verification Program
- Brazilian Round Trials Program
- Ongoing training at the labs that are part of the network to ensure testing consistency
- Brazilian cotton quality database accessible through Abrapa's portal

BRAZILIAN COTTON:
QUALITY, TRACEABILITY, TRANSPARENCY AND RELIABILITY.

ABRAPA
BRAZILIAN COTTON GROWERS ASSOCIATION

CBRA
BRAZILIAN COTTON ANALYSIS REFERENCE CENTER

SBRHVI
BRAZIL STANDARD HVI

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handling and storage capacities to test their limits, making logistics and execution in planning increasingly relevant to controlling costs and efficient performance. The trade flow also depends on the balance between general imports and exports, besides competition for space against other products.

Back in 2011, the country reached a record export shipment of 1.03 million tonnes between July 2011 and June 2012, and the following year a milestone of 188,000 tonnes were shipped in a single month. Since then, the closest has been 167,000 tonnes in a single month.

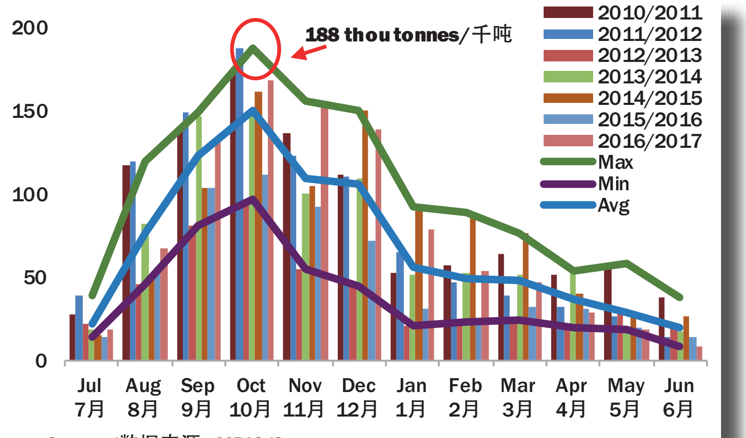
At that time, China alone accounted for more than one third of total Brazilian exports, followed by Indonesia and South Korea, which were recognized as more established markets for Brazil, while Vietnam, Bangladesh, Turkey, Pakistan, Thailand and Taiwan represented rising prospects. All those countries combined today represent over 85 percent of total Brazilian exports. However, despite the major market share achieved among these main destinations, Brazil will have to look elsewhere to explore possible shifts in trade flows and additional consuming markets, if the country wants to stay ahead of the pack.

ANEA is projecting that exports for the 2018 season will surpass 1.15 million tonnes, corresponding to the period from July 2018 to June 2019. However, shipments during the first half of 2019 are expected to increase notably, if compared with the same period in the year before.

In order to remain competitive in the long-term, Brazil's export capacity should remain the headline during most sectorial meetings. Nonetheless, ANEA recently redesigned the body of its logistics committee to participate in an economic feasibility study of new port boundaries, to ease the concentration that today prevails in Santos Port. It is a multi-task coordination project for mid-term impact and long-term benefits.

Presidential elections during the last quarter of 2018, political turmoil and poor economic growth have hampered Brazilian cotton from being in the spotlight for generating new investments, but economic diversity and agricultural strength will not inhibit Brazil from overcoming obstacles and taking off again.

Brazil's fame as the "Farm of the world" could become a newly relevant slogan if delivery matches the needs of global consumption on schedule. It's time to go the extra mile!



Source/数据来源：MDIC/Secex

和运输规划也不得不愈发关系到成本控制和运输效率。除了与其他产品运输间的竞争关系外，贸易流动同时还依赖于一般进口和出口之间的平衡。

早在2011年时，该国当年7月至2012年6月间的出口装运总量就曾达到破天荒的103万吨，并在次年再破纪录，达到单月装运量超18.8万吨的高值。从那以后，单月装运量最高时也达到了16.7万吨。

在当时，中国占到了巴西棉进口量的三分之一以上，此外巴西棉主要进口国还包括印尼和韩国；同时越南、孟加拉、土耳其、巴基斯坦、泰国和中国台湾的进口量也是增长显著。如今，上述各国进口总量已占巴西棉出口总量的85%以上。

巴西棉商协会预计2018年度（2018.7至2019.6），巴西棉出口量将超过115万吨。然而如果与去年同期相比，2019年上半年装运量预计将会显著增加。

为保持长期性竞争力，巴西棉可供出口量应当仍会是未来不少行业会议所讨论的主要话题。尽管如此，巴西棉商协会不久前曾要求其物流协会参与了一项旨在建设新货运港口可行性研究的项目设计，以缓解目前桑托斯港的拥堵问题。此举需协调多方参与，会为国内棉花行业带来中期影响和长期效益。

今年四季度的总统选举、政治动荡再加上国内经济增长低迷，无不阻碍着巴西棉成为新投资焦点的进度与步伐。但经济的多样性和农业实力不会阻挡这个国家克服障碍的脚步，从而再次迎来腾飞的机会。

只要货运效率能够跟得上全球消费需求的步伐，巴西作为“世界农场”的声誉，将会成为享誉全球的全新口号。加油巴西！

China Cotton Industry Outlook

中国棉花工业未来展望

Wang Yan,
CITIC Futures

中信期货 王燕

Looking back on the past few years, China's cotton policy has been a major influence on the domestic and international cotton markets, including of course the policy of State Reserve sales and procurement. From 2011/12 through 2013/14, China adopted a practice of unlimited state buying, which saw increased cotton consumption and in turn higher global cotton prices. Since the end of that policy, on the back of the Xinjiang target price reform trial programme, China has undertaken a reserve de-stocking process that has gradually prompted a narrowing of the spread between domestic and international prices. Hence, the huge turnover in State Reserve cotton and the associated regulatory policies initiated by the Chinese government have clearly had a significant impact on the global cotton market.

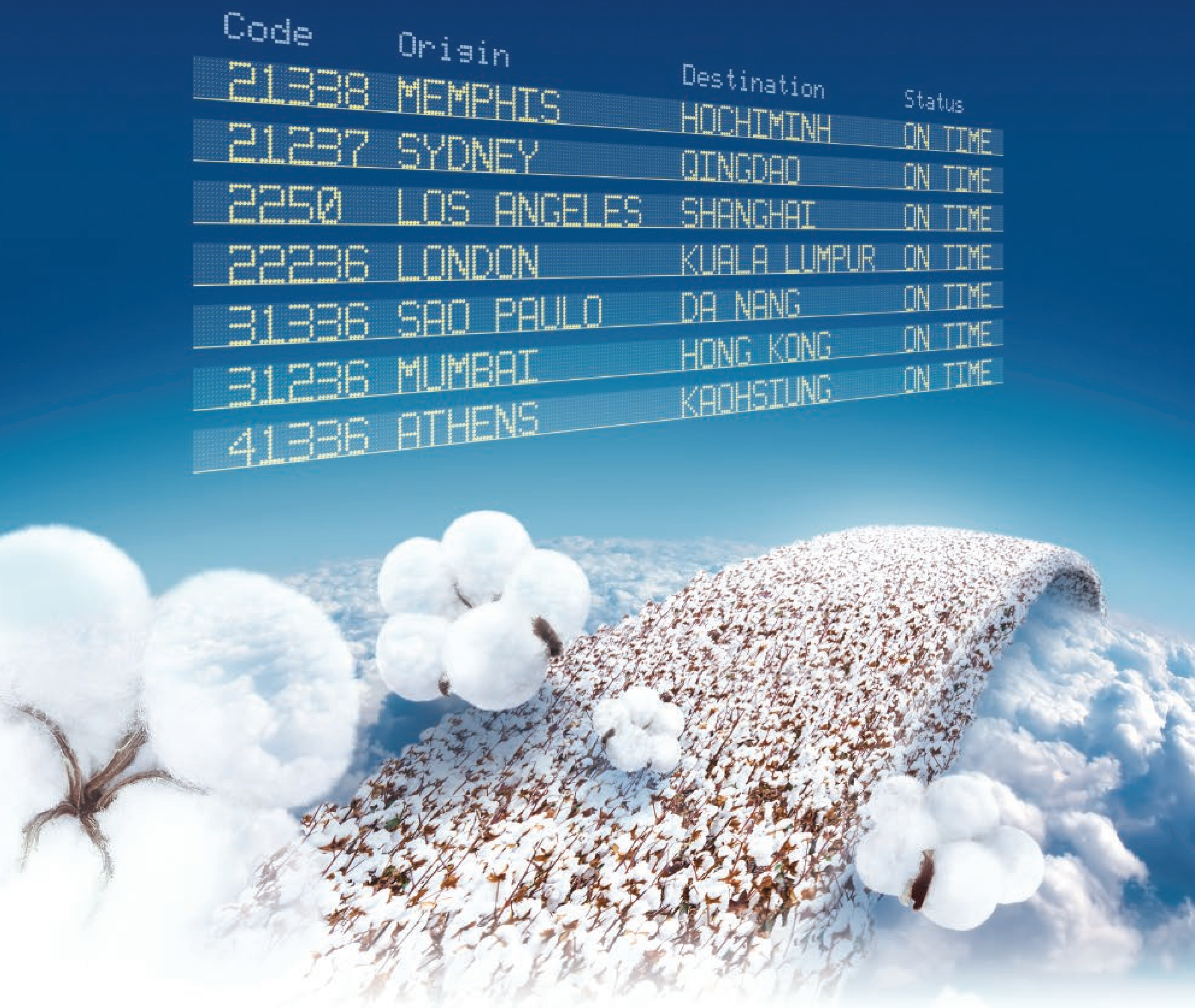
As the reduction of State Reserve stocks implies that the de-stocking policy will soon draw to a close, it is predicted that China's regulatory policies will have a relatively weaker impact on the cotton market, while the influence of the fundamental supply and demand situation will increase gradually. Recent market developments imply that in the future we might need to pay more attention to China's demand for textiles and apparel, in the face of Sino/US trade tensions, and the uncertain impact of international economic development prospects.

回顾过往，在过去的几年中，对中国乃至全球棉花市场影响最大的事件莫过于中国棉花政策性收储及放储。2011-2013年度，中国进行储备棉无限量收储，额外增加棉花需求，抬高全球棉价重心；2014至今，在新疆目标价格改革试点背景下，中国进行储备棉去库存化，令国内外棉价逐步接轨。总体看，中国政府进行的巨量储备棉收储和放储行为，导致中国乃至全球棉花市场价格受中国储备棉调控政策影响明显。

随着中国储备棉去库存化接近尾声，预计中国储备棉调控政策对棉花市场的影响力减弱，而棉花品种自身的供需状况对市场的影响力将逐步加大。从当前的市场发展情况看，中美贸易争端对中国纺织品服装需求，抑或是对全球经济发展前景的不确定影响，未来或将需要着重关注。

回顾过去

2011/12年度、2012/13年度及2013/14年度，中国连续三个年度累计收购国产棉花约1600万吨，相当于当期中国棉花总产量超7成进入国家储备库。由于中国产棉花绝大部分没有直接供应市场，中国政府通过投放储备棉及增发棉花进口配额的方式满足市场需求。当期中国累计投放储备棉690万吨；当期净进口棉花约1280万吨，额外向国际市场增加棉花需求约600万吨。数据显示，2011/12年度前5年，中国年均净进口棉花约230余万吨。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21237 SYDNEY QINGDAO ON TIME
2250 LOS ANGELES SHANGHAI ON TIME
22236 LONDON KUALA LUMPUR ON TIME
31336 SAO PAULO DA NANG ON TIME
31236 MUMBAI HONG KONG ON TIME
41336 ATHENS KAOHSIUNG ON TIME

Reviewing the past

From 2011/12 through 2013/14, a total of around 16 million tonnes of domestic lint were bought by the Chinese government, or over 70 percent of the cumulative total output in the three seasons. All this cotton entered national reserves. The move effectively removed a large volume of domestic cotton from the supply side, resulting in market demand being met predominantly by State Reserve auctions and the allocation of additional cotton import quotas. During this time, 6.9 million tonnes of State Reserve lint were offered for sale, 12.8 million tonnes of lint were imported, and global demand for cotton rose by around six million tonnes. Data show that during the five years before the 2011/12 season, China's annual net imports were estimated at an average of around 2.3 million tonnes.

From the beginning of the de-stocking process, launched in 2014/15, to the end of

2014/15年度开始，中国进行储备棉去库存化。2014/15年度至2018年8月底，累计投放储备棉700余万吨。当期中国累计净进口棉花约480万吨，年均净进口棉花约120万吨。

展望未来

预计随着中国储备棉去库存化接近尾声，棉花进口量将回归正常化。与此同时，中美贸易摩擦对未来中国棉花消费量的影响，乃至对未来全球经济的影响将需要更多关注。

棉花进口方面

2003/04年度至2010/11年度，中国年均净进口棉花约235万吨。2014/15年度至2017/18年度，中国年均净进口棉花约120万吨。若中国棉花进口量回归历史均值，预计2018/19年度棉花进口量在现有水平上将增加约100余万吨。从中国相关部门的行为看，已发布了增发棉花进口配额的通知。发改委6月发布公告，为保障纺织企业用棉需要，2018年发放一定数量的棉花进口滑准税配额，数量为80万吨，全部为非国营贸易配额。

August 2018, roughly eight million tonnes of raw cotton were sold via the State Reserve auction process. Total Chinese cotton imports during the same period were 4.8 million tonnes, placing annual net imports at an estimated 1.2 million.

Outlook

China's imports are expected to 'normalise' as the anticipated end of the State Reserve de-stocking process approaches. Meanwhile, the trade frictions between China and the US will have a major impact on China's cotton consumption, as well as on the global economy.

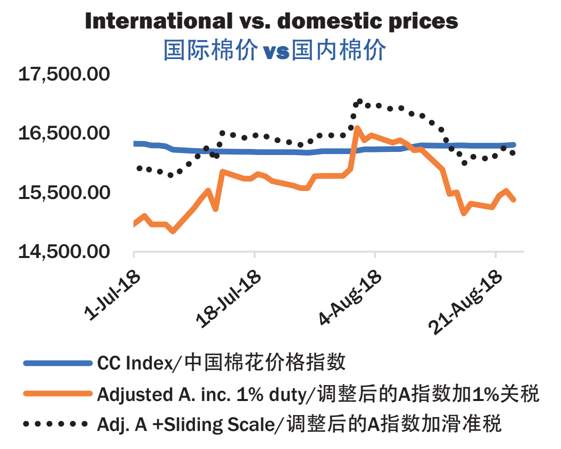
Cotton Imports

China's annual net imports from 2003/04 through 2010/11 totalled 2.35 million tonnes, and the figure between 2014/15 through 2017/18 was around 1.2 million tonnes. If China's imports return to the historical average, then imports for 2018/19 will be around one million tonnes more than the current level. Readers will be aware that recent government actions have reflected the intention to ease cotton import quotas. In June, the National Development and Reform Commission announced that an additional 800,000 tonnes of cotton import quota will be allocated, under the sliding-scale tax system, to ensure that spinning mills' production needs will be met.

Cotton Consumption

The current relationship between domestic and international cotton prices could be expected to shift after this year's State Reserve sales programme has ended, as less cotton will be readily available on the Chinese domestic market. Should local values move considerably higher, a decline in the consumption of domestic cotton could materialise.

At the same time, the Sino/US trade frictions will have a negative influence on the relationship between the world's two largest economies. China's exports of textiles and apparel are expected to rebound if the relationship improves. However, in the short term, we believe that China's cotton consumption in 2018/19 will be less than in 2017/18, in view of the strengthening competitiveness of textiles and apparel from other Southeast Asian countries, and the trade barriers between China and the US.



中国棉花消费方面

预计随着中国储备棉投放接近尾声，中国国内外棉价低价差的局面或将改变，引起中国国内棉花消费量出现下滑。

同时，中美贸易摩擦令中国与美国贸易之间出现芥蒂，即使未来两国关系好转可能令中国销往美国的纺织品服装增加。但短期内，无论从东南亚其他国家的纺织服装竞争力增强角度，抑或从中美之间的直接贸易障碍角度，2018/19年度中国棉花消费量或将少于2017/18年度。

Outlook for Global Supply and Demand

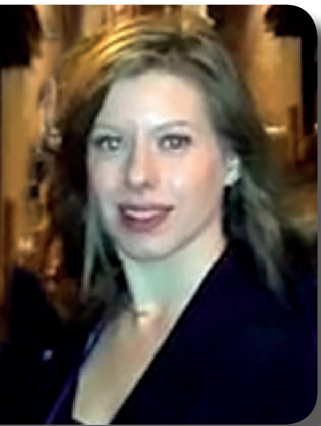
全球棉花供需展望

Alice Robinson,
Market Analyst, Cotton Outlook

考特鲁克有限公司市场分析师
Alice Robinson

Overview

The outlook for global supply and demand in the coming year will continue to be as relevant as ever to the movement of international cotton prices. The difficulties in presenting a clear picture of potential cotton production and consumption are well documented, particularly at this early juncture in the season. However, close consideration of the various elements involved, including weather patterns, logistical issues and of course political and economic factors, gives rise to a projection that is as well informed as it is possible to be, while still remaining subject to change as the months wear on.



The world balance sheet in 2017/18

Indeed, precisely such elasticity was seen in 2017/18, when virtually all of the major producers saw estimates of their output change considerably over the course of the year, for the most part to the upside. Since the initial forecast was announced in February 2017, Cotlook's projection of world output in that period rose by over 11 percent.

In India, planted area passed the threshold of 12 million hectares for the first time since the

概述

未来一年的全球供需情况，仍将会一如既往地与国际棉花价格变动保持密切关联。不过我们目前还是很难对棉花产需数据预测进行清晰梳理，尤其在本年度早期阶段。当然，天气、物流，政治经济等等因素，我们都应当一并加以考虑，从而让我们的预测更加准确，不过未来几个月还是变数仍存。

2017/18年度全球平衡表

事实上，2017/18年度这样的变动是确实存在的，当时几乎所有主要生产商都发现产量变动幅度很大，几乎接近上限。2017年2月，我们发布了Cotlook首份预测报告，考特鲁克预测全球产量上升11个百分点。

放眼印度，该国种植面积自2014/15年度以来首次突破1200万公顷，棉花关键生长期间季风降雨也很充沛。于是，人们对于印度棉单产情况也从此前的质疑转变为充满期待，生产前景在短短几周内便发生了扭转。在美国，热带风暴Harvey在得州和三角洲地区造成毁灭性破坏，洪水令当地的基础设施损坏惨重。然而，由于种植面积增加、得州西部地区弃耕率下降，以及单产增加，美棉产量并未受到严重影响，同比增加了22个百分点，达到了450万吨以上。当然，另一个不得不提的国家便是澳洲，上年度澳棉总产为100万吨；不过由于灌溉水源不够，今年澳棉产量有可能减少近40%（考特鲁克数据）。

需求方面，受严格进口政策限制，中国在国际市场的影响力明显下滑，此外国储仓库中

American Cotton Shippers Association

American Cotton Shippers Association

International Cotton Institute | June 10 - July 18, 2019

Memphis, Tennessee and cotton are synonymous. Their interwoven, rich history, booming cotton business and an ever-present need for educational opportunities in all aspects of the global cotton industry are the impetus behind the International Cotton Institute.

The ACSA International Cotton Institute at the Fogelman Executive Conference Center & Hotel is a six week residential program designed to provide a basic education in all aspects of the cotton industry and the international business environment for men and women worldwide. From field to fabric, to manual classing and the use of HVI data, through risk management and the basics of price protection, the program offers an in depth look at cotton from virtually every perspective.

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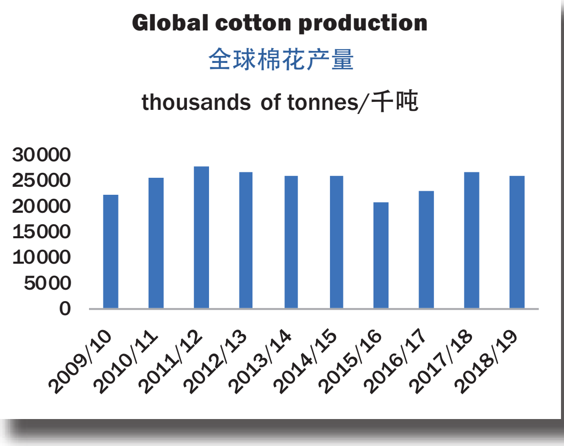
2014/15 season, and abundant Monsoon rains were received over major producing regions at the crucial time for standing cotton. This restored the expectation for yields, which had previously been in question, and the production outlook was transformed in just a few weeks. In the United States, Tropical Storm Harvey caused devastating floods and serious damage to infrastructure in parts of Texas and the Delta. However, the volume of cotton affected failed to dent the bumper crop that resulted from higher planted area, lower abandonment in West Texas and improved yields. Output was raised by some 22 percent, to over 4.5 million tonnes. Of course, the other notable example is Australia, which saw a crop of one million tonnes produced in 2017/18, but is facing an estimated reduction of some 40 percent in the current season, by Cotlook's current forecast, owing solely to lack of water.

On the demand side, China stood somewhat removed from the global market as strict import restrictions prevailed, and almost six million tonnes of cotton still remained in the State Reserve. However, in the intervening year the changes to that country's policy and the implications for the pattern of global supply and demand have shifted dramatically.

At the beginning of the 2017/18 season, the anticipated surplus in the world outside China (close to 2.5 million tonnes) seemed daunting at a time when global consumption was expected by Cotlook to fall short of production by some 590,000 tonnes. One need only glance at today's figures, and the continuing recovery of the outlook for world consumption, to understand how significantly the fundamental picture can change in a single season.

The outlook for 2018/19

India is perhaps the first origin that comes to mind when considering the effects of weather on crop prospects; not only is it the largest producer in the world, but it also relies almost entirely on Monsoon rainfall, rather than irrigation, to meet its water needs. During the 2018 Monsoon season, the distribution of precipitation was erratic and sowing of cotton in the important Gujarat region was delayed. However, a 'normal' volume of rainfall was received overall (according to the Indian Meteorological Department).



还存放着将近600万吨储备棉。不过北京当局显然有意对现行政策进行调整，从而也将会对全球供需格局带来巨大变化。

2017/18年度伊始，全球除中国外（近250万吨）盈余预期似乎让人望而生畏，因此Cotlook当时认为全球消费将会减少约59万吨。而只需看一下目前的数字，预计全球消费前景的持续复苏，我们就能明白基本面在一个年度内能发生多大的变化。

展望2018/19年度

在考虑天气对农作物的潜在影响时，我们可能首先会想到印度；印度不但是全球最大的棉产国，同时作物灌溉几乎完全依赖于季风降雨。今年季风降雨季期间，印度国内降雨量分布不均，主产区古吉拉特邦棉花播种被推迟。不过，总体而言据印度气象部门数据，该国降雨量属于“正常”水平。在作物生长关键阶段降雨量适宜，湿度正好，再加上种植面积较上年度略微减少，我们认为印度国内产量遇上年度基本维持不变。

本年度变数最大的或许便是澳棉，尽管目前距离播种还有几个月的时间，但如果近期仍无明显降雨，产量下滑将不可避免。显然，近几个月来，当地棉农所面临的主要挑战，便是旷日持久的高温干旱天气；而这样的旱情预计仍将持续一段时间，因此澳洲棉农至少在短时间内似乎也高兴不起来。

与澳棉情况类似的还有美棉，尽管美棉减产幅度并没有那么明显。美国主产区得州西部作物生长期长期干旱问题也是贸易商主要的关注点之一，同时弃耕率也一直是居高不下。尽管当地单产预计肯定将不如去年，不过也是要好于过往几个干旱年度。但即便如此，根据USDA8月预测报告，美棉单产有可能创下新的纪录，达到911磅/英亩（1021公斤/公顷）。

此外巴西棉产量也是变化明显，2017/18

Receipt of an adequate volume of moisture during the crucial growing season, coupled with a planted area only modestly smaller than that covered in 2017/18, may give rise to a crop not significantly different from that of the previous year.

The above-mentioned transformation in Australia is perhaps the most striking change this season, and although there are some months to go before planting begins, it seems unlikely that a considerable reduction in output is avoidable without a significant rain event in that period. Clearly, the major challenge for growers in recent months has been the almost complete lack of rainwater and excessively hot temperatures received. Moreover, the medium-range forecast includes little that will cheer growers, as dry conditions are expected to persist.

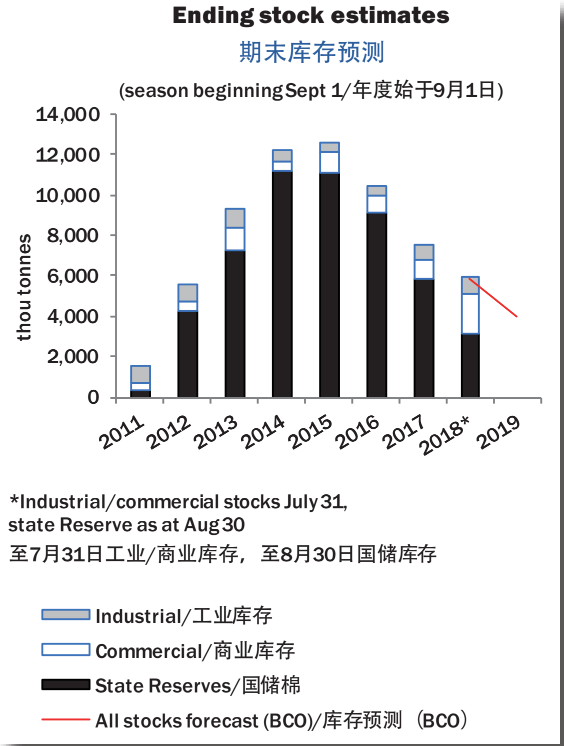
A reduction similar in volume to that in Australia appears in prospect for the US crop, although the percentage fall is certainly not as dramatic. The focus of the trade's attention was mainly the chronic drought that has plagued major producing region West Texas for much of the growing period. Abandonment has been high. Yields in the region have suffered in comparison to those attained last season, but are forecast to exceed those recorded in earlier periods of drought. However, elsewhere, the crop performed well and despite the situation in Texas, USDA's August forecast, at 911 lbs/acre (1,021 kgs/ha), would represent a new record if attained.

The other considerable change is in Brazil, where the 2017/18 crop (the movement of which is only modestly earlier than that of the Northern Hemisphere 2018/19 crops) is expected to reach two million tonnes for the first time. Near-ideal conditions have prevailed during growing and picking, and yields appear on course to set a new record.

In China, where the domestic industry consumes virtually every bale produced locally, forecasts of output from Xinjiang have been adjusted sharply upward, and according to some observers may match the exceptional results obtained from the 2017/18 crop. The size of the domestic crop will of course affect the volume of imported cotton required to meet the country's structural deficit. Readers

年度产量预计将首次突破200万吨，而巴西棉装运时间也仅稍早于2018/19年度北半球作物。作物生长期和采摘期天气情况均近乎完美，预计单产也将达到前所未有的高度。

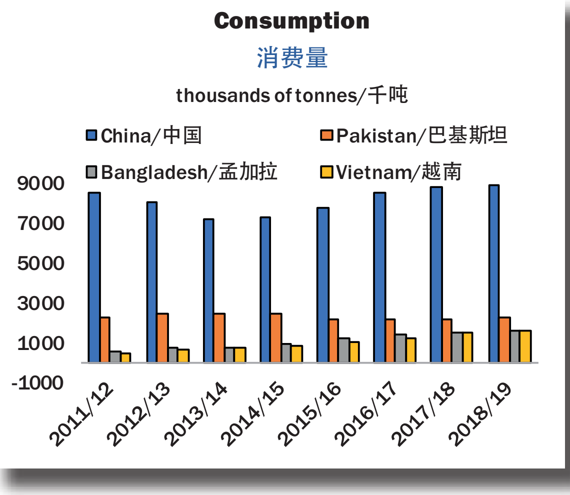
中国国内消费似乎永远都供不足需，据市场观察人士报告，今年新疆棉产量将会在上年度丰产的基础上再上一个台阶。国内产量自然会对进口棉这个用来解决国内结构性短缺问题的贸易品规模带来直接影响。众所周知在过去几个年度，中国在进口棉方面有着严格限制，此外还进行了大量国家收储、抛储去库存等操作。近年来，美棉在中国进口市场占据着大量



份额，但眼下愈演愈烈的中美贸易战预计也将会对中国下年度的进口需求带来影响（尽管在撰写本文时，USDA每周出口报告中并未显示任何来自中国的大批量取消订单）。

另外，中国当局在今年6月份宣布增发80万吨额外配额，预示着国家政策决策模式将发生巨大变化。贸易商密切关注着市场走向，比如国内纺企能否获准在短时间内大规模进口棉花，比如说政府会否再度开始从国际市场采购棉花、以填补国储库存，从而满足国内纺企行业的原料需求等。

考虑到时间表和潜在的美棉关税问题，问题出现了，即需求如何转移？澳棉和巴西棉似乎有可能成为机采棉买家的首选，而印度棉价格一旦变得诱人，也将会吸引不少买家积极采购。



will be aware of the strict import restrictions that have prevailed in China for the past several seasons, following a period of heavy state procurement, and then several years of stock reduction via the State Reserve auction. In recent seasons, US cotton has enjoyed a considerable share of the much-reduced import market. However, the well-publicised trade tensions between the world's two largest economies are expected to affect Chinese demand for that growth in the coming season (although it should be noted that at the time of writing, no major cancellations for China have been recorded in USDA's weekly export reports).

It is of course possible that the 800,000 tonnes of additional quota announced by China in June, for arrival by February, heralds a sea-change in the pattern of policy decisions. The trade has watched closely for any sign that Chinese mills may be permitted to import raw cotton on a larger scale in the short term, or that the government will begin once again to purchase cotton from the international market, to replenish State Reserve warehouses and meet the needs of the local spinning industry.

Given the timescales involved and the potential for tariff issues to affect purchases of US cotton, the question arises of how the requisite lint will be sourced? Brazilian or such Australian as remains available would seem likely preferences for those spinners requiring machine-picked cotton but Indian may also figure if price relationships are favourable.

在日益重要的孟加拉和越南等市场，棉花消费预计将保持稳步增长，而中国对于原料的迫切需求无疑也是令人惊叹。

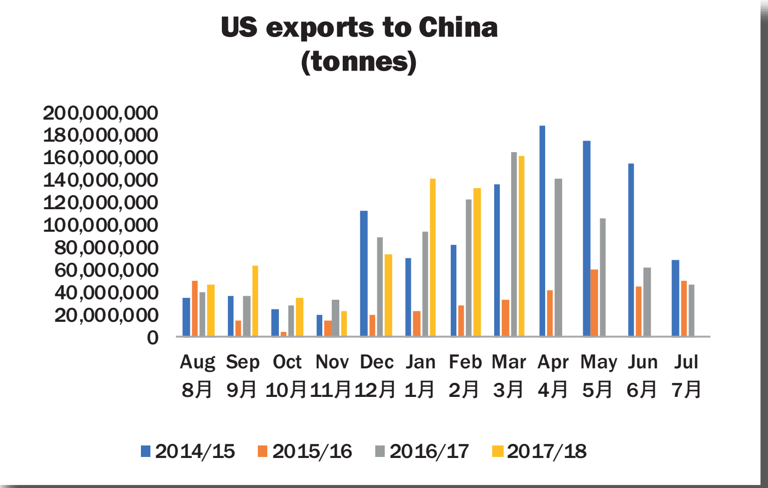
考特鲁克预计2018/19年度全球消费量在2708.1万吨（至9月初），全球产量则为2641.7万吨。由于价格有支撑，人们很可能会对这一前景感到高兴，从而刺激更多棉农在2019/2020 年度扩种棉花。然而，满足全球需求似乎也意味着相当大的挑战。正如远在得州西部和澳洲的朋友所言，天气情况和灌溉用水的供应量才是澳棉最关键的因素。另外还有些主要厂商会受到土地供应的限制，比如说在印度，棉花种植的有限土地已接近饱和，从而与其他作物争夺种植空间。此外棉农棉花种植的绝对规模，似乎也不太可能在12万公顷的范围内大幅增加。

结合上述所有因素，考特鲁克认为2018/19年度全球产需赤字将达65万吨。有关产量结构调整等一系列问题，其实是由众多因素所决定的，其中就包括以上所叙述的各种原因。

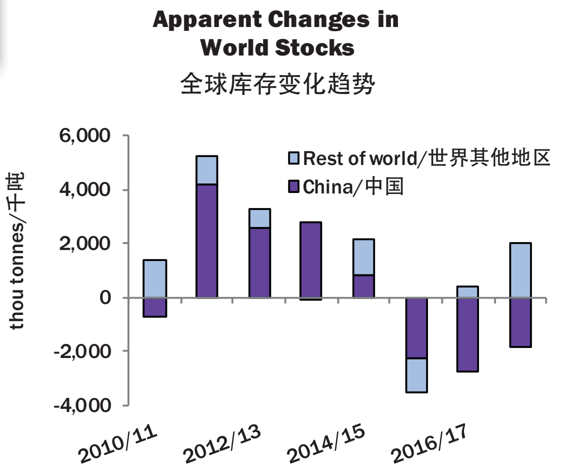
常言道，人的一生，唯一能够确定的东西，只有死亡、赋税，以及全球棉花供需的变化前景。

Steadily rising consumption is also anticipated in the increasingly significant markets of Bangladesh and Vietnam, although the volumes required in these destinations pale in comparison to China's hunger for cotton.

Cotlook's estimate of global consumption in 2018/19 marks an historic high of 27,081,000 tonnes (in early September),



Taking all of the above into account, Cotlook has placed the deficit between global production and consumption in 2018/19 at over 650,000 tonnes at the time of writing. Whether that



against production of 26,417,000. It may be tempting to cheer the outlook for this season as supportive to prices, and therefore conducive to greater production in 2019/20. However, the task of meeting an increased level of world demand may present a considerable challenge. As the producers in origins as far apart as West Texas and Australia will attest, weather developments and the availability of irrigation water can put an end to the most prepared farmers' plans. Additionally, some other major producers are constrained primarily by land availability. In India, for example, the finite amount of land on which cotton can be cultivated is close to saturation, and many other crops compete for space. The sheer scale of cotton plantings seems unlikely to increase considerably beyond the twelve-million-hectare mark.

configuration of output and use will materialise of course depends on many factors, including those detailed in this article.

As always, the only certainties in life are death, taxes and a shifting outlook for world cotton supply and demand.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