



COTTON OUTLOOK

NEWS • DATA • ANALYSIS

Vol. 102. No. 12. March 21, 2024


WEEK IN BRIEF

Upland **offering rates** have declined under the lead of New York futures. The May delivery closed the period at its lowest level in more than four weeks. July's premium over December has narrowed. Weekly volume was the lightest since early January. Open interest and certificated stocks have both increased further... Prices on China's Zhengzhou futures platform have marked time. Total turnover was higher than last week... Local prices in India have reversed direction to end lower... Delegates have gathered in Bremen this week to attend the 37th International Cotton Conference.


In the United States, seeds are sprouting in some early **planted** areas of South Texas and the Far West. Sowing preparations are well under way across the rest of the growing belt. Farmers have welcomed showers in West Texas and heavier downpours in the Memphis Territory... The Cotton Association of India has increased its assessment of production in the current season... Warmer temperatures in Pakistan have been welcomed by farmers as beneficial for germination and a spur to early planting... The standing crop in Brazil is developing without major issue, but more rain would be welcomed in some areas. A bumper crop remains in prospect... Field reports from Argentina are generally positive. Picking should begin to accelerate from next month.

A slightly more active **mill demand** has been encouraged by the decline of ICE futures. Spinners in Bangladesh have focused on Franc Zone styles, while some further business has been arranged for Indian. Vietnamese mills have bought Brazilian cotton, including some offered ex-Qingdao port. Many spinners in Pakistan have covered their immediate requirements, but modest volumes have found buyers in the past week... US upland export sales registrations for shipment this season rose by 92,600 running bales during the week ended March 14. The main increase was for Turkey. Shipments posted a marketing-year high of 397,300 bales... The pace of Egyptian export registrations slowed last week... India's exports of raw cotton in January showed a further increase. Imports were very modest... Raw cotton imports to China in the season to February were greater than the volume recorded for the whole of 2022/23... Forward sales of the Brazilian 2024 crop are approaching 60 percent of the projected output.

Activity in Pakistan's cotton **yarn and textiles** market remains dull. Textiles exports in February were lower than the previous month, but ahead of the same period in 2023... Cotton yarn values have fallen in Bangladesh. The government is to phase out incentives to ready-made garment exporters... India's cotton yarn exports in the season to January were more than double the volume recorded by the same point in 2022/23. The value of textiles exports in the same month was the highest since March last year... China's imports of cotton yarn in August/February were over one million tonnes.



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Contents

Cotlook Prices

CFR Far Eastern Quotations	4
Currency Trends	6
The Cotlook Indices	5
World Price Trends	6
Yarn Index	5

Country Reports and Other Features

Argentina	27
Bangladesh	14
Brazil	26
Bremen International Cotton Conference	28
China	8
Cotlook Production Estimate	7
Egypt	16
Far Eastern Markets	17
India	11
Pakistan	15
United States	19
US Export Sales	25
US Price Mechanism	26
Vietnam	18
World Stock	7

Advertisers

Staplcotn	1
Cargill	3
Reinhart	10
ICT Cotton Limited	13
Navytrans	14
BeCotton	15
Wakefield Inspection Services	18
TransGlobal Inspections	22
Cotton Service International GMBH	25
Otto Stadlander	28

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INTERNATIONAL COTTON PRICES

Futures turn downward

Nearby New York futures have displayed a downward bias during the past week, closing lower in three of the five sessions under review for a net loss of 272 cent points in the spot contract. May's close on March 20 (92.18 cents per lb) was the lowest for a month. The intentions of speculative participants in the market remain the subject of some uncertainty, with conjecture focused on the signals that might prompt a sell-off that could, on past precedents, see prices fall precipitately.

One trigger might be a continued rise in the certificated stocks, which have risen to more than 39,000 bales. Another might be provided by evidence of a sharp slowdown in demand for US cotton, or cancellations on a larger scale than hitherto reported. Recent US export data have failed, however, to corroborate any such wholesale demand destruction.

This week's numbers instead disclosed new upland sales in excess of 100,000 running bales during the week ended March 14, offset by only a limited volume of cancellations. Shipments rose to a marketing year high just shy of 400,000 bales. China's participation in terms of sales was again negligible but the country has consistently been the principal destination for weekly upland shipments. Over 71 percent of upland commitments to China had been shipped by the date in question; the corresponding ratios for Pakistan and Turkey are 40 and 37 percent, respectively.

Selective mill demand, basis fragile

During the past week, mill demand in the physical market has focused on non-US cottons, the supply of which is more than adequate to meet spinners' short-term needs. Trade sellers of origins including Australian, African Franc Zone and, perhaps most notably Brazilian, have been competing aggressively for a share of the available business, which for the most part reflects sporadic covering of spinners' short-term needs.

As a result, basis levels have remained fragile. For the international merchant, the painful concessions offered on basis are motivated by the risks inherent in the current structure of the board in New York. The inverted July/December spread has narrowed during the past week to stand at 832 cent points at the close on March 20 but remains a powerful deterrent to holding and carrying positions hedged in the nearby contracts.

Barring a more radical realignment of current and new crop futures, factors that might prompt an early recovery of basis are not easy to identify. Although yarn prices have shown some improvement in recent weeks, they remain unremunerative at current raw cotton replacement costs – hence the mill buyer's incentive to extract the greatest concessions possible from their suppliers and to adhere to a hand-to-mouth buying policy.

Brazilian supply

In the case of Brazil, the severe attrition of the margins achievable from the 2023 crop is accompanied by the prospect of a record supply – 3.56 million tonnes, according to last week's official forecast – from the developing 2024 crop. The latest report from the producers' association indicates that 58 percent of the new crop, roughly two million tonnes, has so far been sold from first hands. Allowing for domestic consumption, a volume approaching 240,000 tonnes will need to be shipped each month to avoid an increase in stocks by the time the next crop begins to move around July 2025.



US planting intentions

Those numbers are challenging enough in their own right. However, the forward trading outlook is increasingly coloured by the possibility of a significant increase in the size of the next crop produced by the United States. At the end of next week, USDA will publish its annual Prospective Plantings report. On the basis of shifting price relationships between cotton and competing crops, the expectation is that Washington’s projection will come in above the 11 million acres (itself an increase of 7.5 percent from the previous season) tabled at the Department’s Outlook Forum in February.

No less important is the much-improved moisture profile in West Texas. The balance of probability would favour lower abandonment and better yields than those recorded in 2023/24. At this early stage, such assumptions are of course freighted with risk in a region notorious for its unpredictable climate. Nonetheless, on present indications the fight for market share between Brazil and the United States promises to be more intense

than during the current season, unless the pattern of mill purchasing around the world is transformed in a manner that is difficult to imagine at present.

China’s imports in 2024/25

Faced with such a challenging outlook, the natural instinct is no doubt to look to China for signs of encouragement. That market has of course been the destination for a substantial portion of the exportable supply from both origins during the 2023/24 marketing year. This week, the authorities disclosed that an aggregate volume around 640,000 tonnes was imported during January and February. We have increased our estimate of this season’s Chinese imports to 2,850,000 tonnes – that would be the largest total since 2013/14. Over 1,900,000 had arrived by the end of February, the lion’s share supplied by the US and Brazil. In the context of burgeoning supply, the outlook for Chinese import demand in 2024/25 takes on even greater importance than usual.



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CFR FAR EASTERN QUOTATIONS FOR PRINCIPAL GROWTHS

Quotations as at March 21, 2024

Description	Price	Change on week	Shipment	Forward		
				Price	Change on week	Shipment
American-Type cottons:						
Higher grades						
Australian SM 1-5/32"	100.00	-2.50	6/7	NQ		
Benin Kaba/s 1-1/8"	99.00	-3.50	3/4	NQ		
Burkina Faso BOLA/s 1-1/8"	98.00	-3.50	3/4	NQ		
Cameroon IRMA/s 1-1/8"	98.50	-3.50	3/4	NQ		
Cameroon PLEBE 1-5/32"	100.50	-3.50	3/4	NQ		
Chad Kero A51 1-5/32"	100.50	-3.50	3/4	NQ		
Indian Shankar-6, 1-1/8"	99.25	-1.00	3/4	NQ		
Ivory Coast MANBO/s 1-1/8"	97.50	-3.50	3/4	NQ		
Mali JULI/s 1-1/8"	98.50	-3.50	3/4	NQ		
Spanish SM 1-1/8"	NQ			NQ		
Tanzanian RG1 1-1/8"	NQ			NQ		
Texas SM 1-1/8"	104.25	-3.25	4/5	NQ		
Togo Alto/s 1-1/8"	97.50	-3.50	3/4	NQ		
Uzbekistan SM 1-1/8"	NQ			NQ		
Zambian SM 1-1/8"	NQ			NQ		
Zimbabwe SM 1-1/8"	NQ			NQ		
Medium grades						
1-1/8" staple unless stated						
Australian Midd	98.50	-2.50	6/7	NQ		
Benin BELA *	98.00	-3.50	3/4	NQ		
Brazilian Midd	94.75	-3.50	3/4	91.00	Unch	10/11
Burkina Faso RUDY *	97.00	-3.50	3/4	NQ		
California/Arizona Midd	NQ			NQ		
Greek Midd	103.00	-3.25	3/4	NQ		
Indian medium grades **	98.25	-1.00	3/4	NQ		
Iv. Coast BEMA *	96.50	-3.50	3/4	NQ		
Mali ROKY/KATI *	97.50	-3.50	3/4	NQ		
Memphis/Eastern Midd	103.75	-3.25	4/5	NQ		
Memphis/Orleans/Texas Midd	103.25	-3.25	4/5	NQ		
Mexican Midd	NQ			NQ		
Tanzanian Type 1SG 1-3/32"	NQ			NQ		
Uzbekistan Midd	NQ			NQ		
Lower grades						
Argentine SLM, 1-1/16"	NQ			NQ		
Australian SLM 1-1/16"	NQ			NQ		
Brazilian SLM 1-3/32"	NQ			NQ		
Greek SLM 1-3/32"	101.00	-3.25	3/4	NQ		
Indian J-34 SG **	NQ			NQ		
Memphis/Eastern SLM 1-3/32"	101.25	-3.25	4/5	NQ		
Memphis/Orleans/Texas SLM 1-3/32"	101.25	-3.25	4/5	NQ		
Memphis/Orleans/Texas LM 1-1/8"	NQ			NQ		
Pakistan AFZAL 1-1/16"	NQ			NQ		
Pakistan Type 1467 1-3/32"	NQ			NQ		
Long Staple cottons:						
US Pima Grade 2 1-7/16" #	205.00	Unch	3/4	NQ		
Egyptian Giza 86 Good+3/8	NQ			NQ		
Egyptian Giza 94 Good+3/8	170.00	Unch	3/4	NQ		
Israeli Pima H1, 1-7/16" #	210.00	Unch	3/4	NQ		
Israeli Acalpi	NQ			NQ		

* A maximum of two African Franc Zone growths are permitted in the Index calculation.

** Applicable ICS standards, as adopted by the ICA are as follows: Higher grade - ICS 105 Superfine; Medium grade ICS 105 Fine

Qualities used in US Pima competitiveness programme.



THE COTLOOK INDICES

The Cotlook A Index was first calculated in 1966. The basis of the calculation has changed over the years with regard to quality and location. Since March, 2003 the Index has represented CFR Far East Eastern values. Between 1981/82 and 2014/15, the quality description of the Index was Middling 1-3/32". However, with effect from the 2015/16 Index, the staple length has been adjusted to Middling 1-1/8".

The quotations are compiled and published daily.

The Index is the average of the cheapest five of the eligible growths listed in the category 'medium grades' on page 4, taking the nearer shipment when prices are quoted on the same level. However, only two African Franc Zone quotations (*) are permissible Index constituents on any day. Four growths are currently listed, namely Ivory Coast, Burkina Faso, Benin and Mali cottons, which together account for roughly 80 percent of production in the region. Southern Belt new crop (as identified in Cotlook's Production Estimate) in any season only becomes eligible for the Index from January 1 onwards.

The Cotlook Dual Index system is intended to suggest prevailing levels of offering prices for cotton to be shipped both nearby and forward, by provision of two sets of Indices at the appropriate times of year. The nearby or CURRENT season's Index is for shipment no later than August/September and the other or FORWARD season's Index is for cotton to be shipped no earlier than October/November. Each Index expires at the end of its respective season, the last business day of July. On the subsequent business day, the previous FORWARD Index assumes the CURRENT role; it alone is then quoted until early in the new calendar year, when it is joined by a new FORWARD Index as soon as October/November shipment offers of the various growths are available in sufficient number to permit the establishment of appropriate values.

The 2023/24 A Index is due to expire on July 31, 2024.

Prices as at March 21, 2024

2023/2024 Cotlook A Index		97.00
Description	Price	Shpt
Brazilian	94.75	3/4
Ivory Coast BEMA	96.50	3/4
Burkina Faso RUDY	97.00	3/4
Indian medium grade	98.25	3/4
Australian	98.50	6/7

The Cotlook A Index

Seasonal Averages

2014/15	70.78
2015/16	70.39
2016/17	82.77
2017/18	87.99
2018/19	84.35
2019/20	71.33
2020/21	84.96
2021/22	131.73
2022/23	101.24
2023/24*	95.18

* To date

Monthly Averages

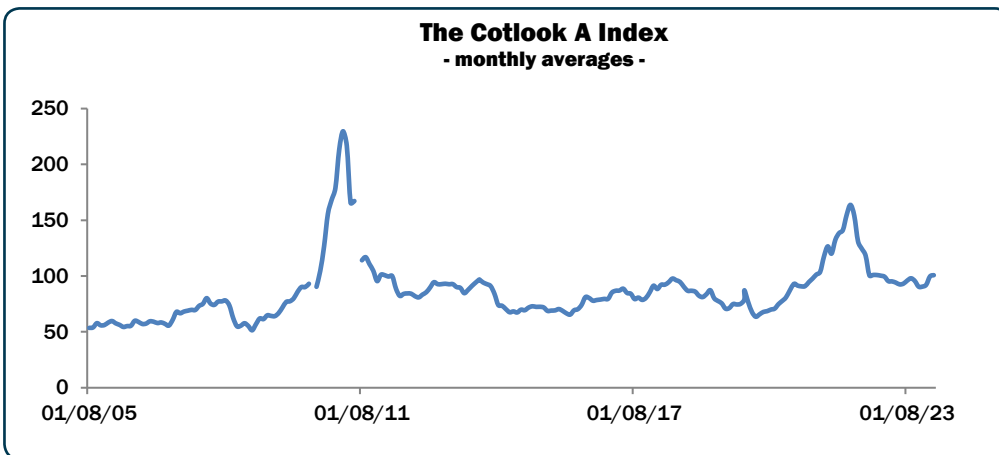
September 2023	97.95
October 2023	95.55
November 2023	90.46
December 2023	90.51
January 2024	92.15
February 2024	99.61
March 2024	100.73

Daily Values

	2023/24
March 15	98.45
March 18	98.40
March 19	98.90
March 20	97.85
March 21	97.00

Average for week to date

	98.12
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YARN INDEX

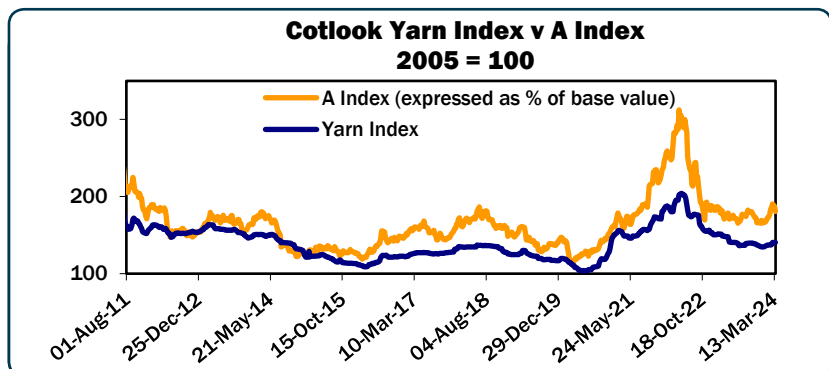
This week	140.62	Last month	140.77
Last week	140.70	Last year	148.82

Export prices (in US dollars per kilo FOB)

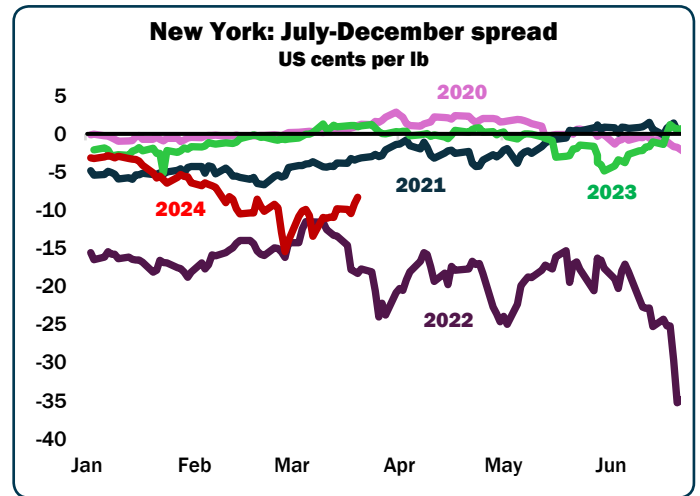
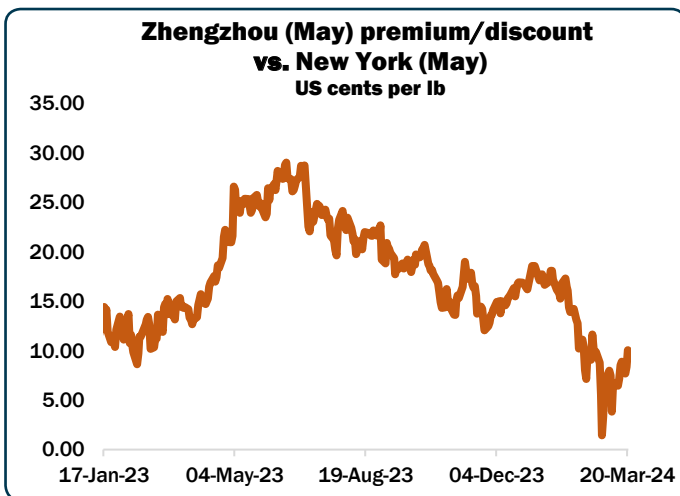
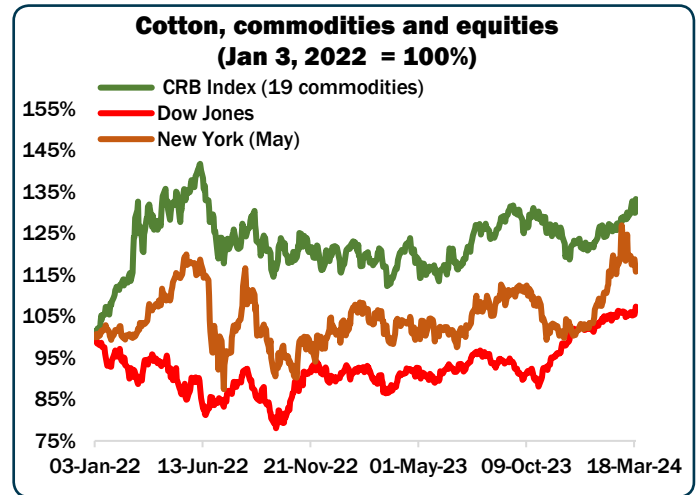
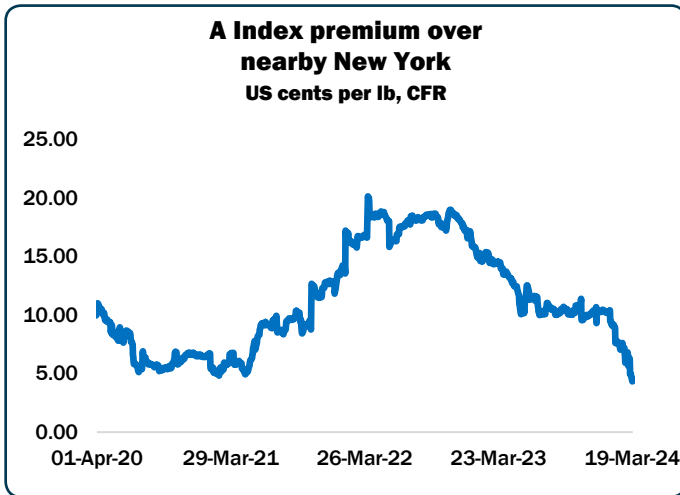
		This week	Change on week	Change on year
Pakistan	20s	2.67	Unch	-0.11
India	20s	2.85	Unch	-0.15
Turkey	20s	3.10	Unch	-0.15
Indonesia	20s	3.10	Unch	-0.55
China	21s	3.07	-0.02	-0.10
Pakistan	30s	3.06	Unch	-0.11
India	30s	3.10	Unch	-0.15
Turkey	30s	3.40	Unch	-0.20
Indonesia	30s	3.50	Unch	-0.95
China	32s	3.38	-0.01	0.04

The Yarn Index is derived from our published FOB prices for 20s and 30s counts from India, Pakistan, Indonesia, China and Turkey, each weighted to reflect exports of cotton yarn from the individual country concerned, and expressing that as a percentage of the comparable average values for 2005. In determining the weightings, we have used an average of the exports in the two most recent calendar years for which complete data are available.

The current quotations are shown in the accompanying table, in US cents per kilo. They are for 'average quality' ring spin carded weaving single yarn.

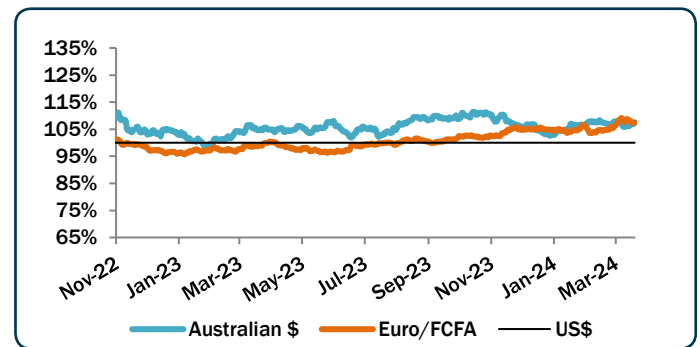
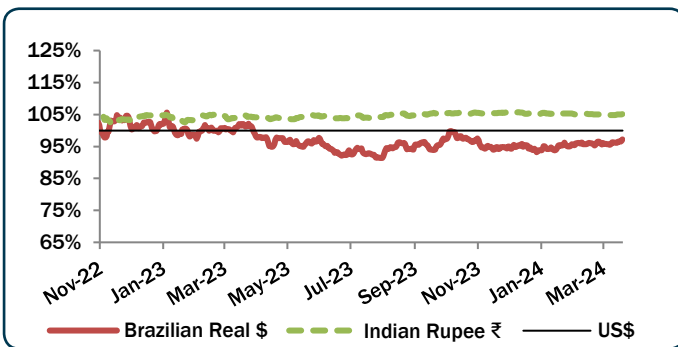


WORLD PRICE TRENDS

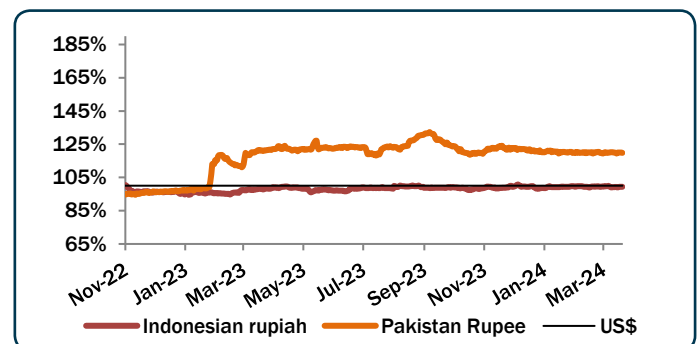
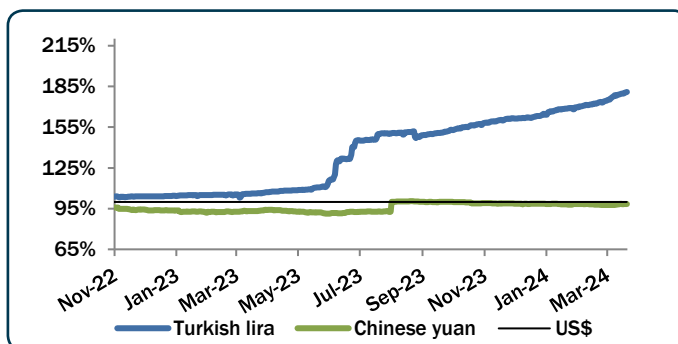


CURRENCY TRENDS

EXPORTERS' CURRENCIES VS. US\$ (AUG 1, 2022 = 100%)



IMPORTERS' CURRENCIES VS. US\$ (AUG 1, 2022 = 100%)



COTLOOK PRODUCTION ESTIMATE

(thousands of
tonnes)

23/24 24/25

Afghanistan	200	200
Argentina	340	340
Australia	1,075	1,000
Azerbaijan	100	100
Benin	235	250
Brazil	3,560	3,150
Burkina Faso	170	175
Cameroon	145	155
Chad	45	60
China	6,000	5,861
Colombia	10	10
Côte d'Ivoire	165	165
Egypt	95	95
Greece	200	245
India	5,270	5,130
Iran	65	65
Israel	16	16
Kazakhstan	60	60
Kyrgyzstan	20	20
Malawi	8	8
Mali	290	270
Mexico	202	202
Mozambique	25	25
Nigeria	50	50
Pakistan	1,400	1,500
Paraguay	45	50
Peru	16	16
Spain	15	15
Sudan	140	140
Syria	35	35
Tajikistan	110	110
Tanzania	90	90
Togo	30	30
Turkey	700	750
Turkmenistan	200	200
Uganda	28	28
USA	2,707	3,437
Uzbekistan	620	620
Zambia	15	15
Zimbabwe	40	40
World Total	24,761	24,952
World excl China	18,761	19,091
N Hemisphere	19,503	20,174
S Hemisphere	5,258	4,778
African Fr. Zne	1,094	1,119
Central Asia	1,010	1,010
EU	215	260

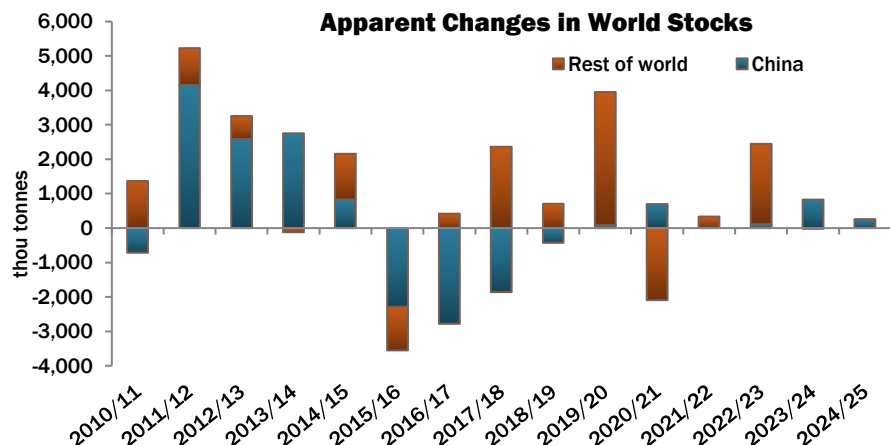
WORLD STOCK

The accompanying table shows our production and consumption estimates and the resultant adjustments in world stock levels during 2022/23 and 2023/24. Comparable data produced by the United States Department of Agriculture and by the International Cotton Advisory Committee are also shown. This week, we include our initial predictions for 2024/25. The figures attributed to USDA for next season are those tabled at last month's Outlook Forum.

World Cotton Balance Sheet

Unit = 1,000 tonnes

COTLOOK	World (excl. China)			China			World		
	22/23	23/24	24/25	22/23	23/24	24/25	22/23	23/24	24/25
Production	19,074	18,761	19,091	6,786	6,000	5,861	25,860	24,761	24,952
China net trade	-1,330	-2,830	-2,580	+1,330	+2,830	+2,580			
New Supply	17,744	15,931	16,511	8,116	8,830	8,441	25,860	24,761	24,952
Consumption	15,414	15,947	16,497	8,000	8,000	8,200	23,414	23,947	24,697
Net change in stock	+2,331	-15	+15	+116	+830	+241	+2,447	+815	+256
USDA									
Opening stock	8,269	9,521	8,903	8,288	8,143	8,764	16,639	18,064	18,146
Production	18,628	18,606	19,508	6,684	5,987	5,857	25,312	24,593	25,365
China net trade	-1,337	-2,798	-2,689	+1,337	+2,798	+2,689			
New Supply	17,291	15,808	16,819	8,021	8,785	8,546	25,312	24,593	25,365
Consumption	16,039	16,426	17,091	8,165	8,165	8,165	24,204	24,591	25,256
Other adjustments	+0	+0	+0	-1	+1	-610	+317	+80	+165
Ending Stock	9,521	8,903	8,631	8,143	8,764	8,535	18,064	18,146	18,420
Net change in stock	+1,252	-618	-272	-145	+621	-229	+1,425	+82	+274
ICAC									
Opening stock	10,790	12,790	13,200	8,602	8,436	8,613	19,392	21,226	21,814
Production	18,864	18,708		5,980	5,600		24,844	24,308	
China net trade	-1,354	-2,377		+1,354	+2,377				
New Supply	17,511	16,330		7,334	7,977		24,844	24,308	
Consumption	+16,177	+15,955		7,500	7,800		23,677	23,755	
Other adjustments	+667	+35		+0	-0		+667	+35	
Ending Stock	12,790	13,200		8,436	8,613		21,226	21,814	
Net change in stock	+2,000	+411		-166	+177		+1,834	+588	

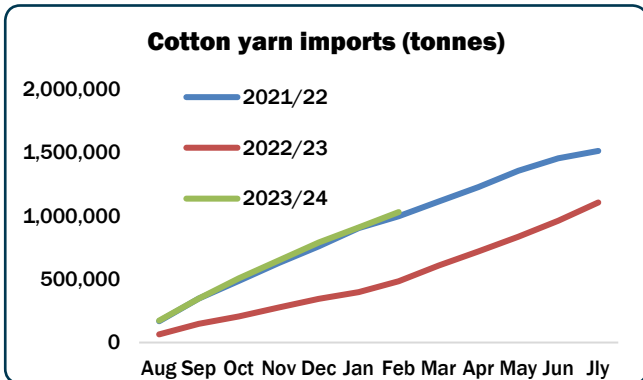
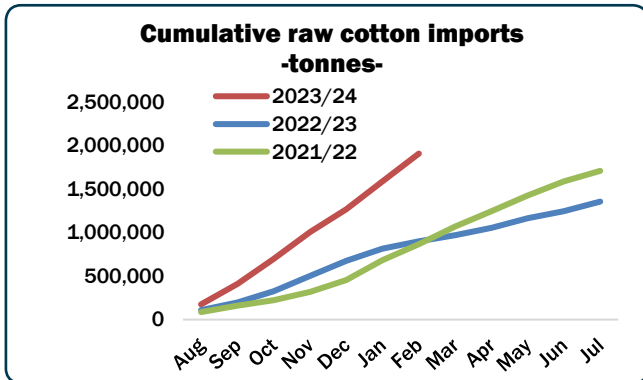


CHINA

Raw cotton and yarn imports strong

Provisional customs data show that raw cotton imports in the first two months of this year amounted to around 640,000 tonnes, up 185 percent from the same period last year. The aggregate volume in the first seven months of the season thus stands at approximately 1.9 million tonnes, greater than the amount imported in the whole of 2022/23 (less than 1.4 million tonnes).

Yarn imports during the period were 240,000 tonnes, up from 140,000 in January and February 2023. The August-February total stands at more than one million tonnes (versus 485,000 last season, but roughly on a par with 2021/22).

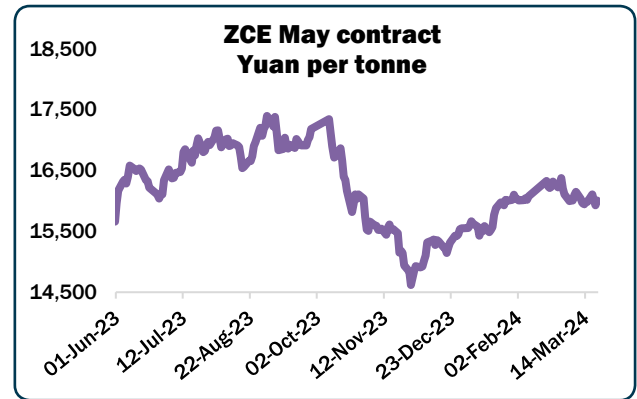


Market prices

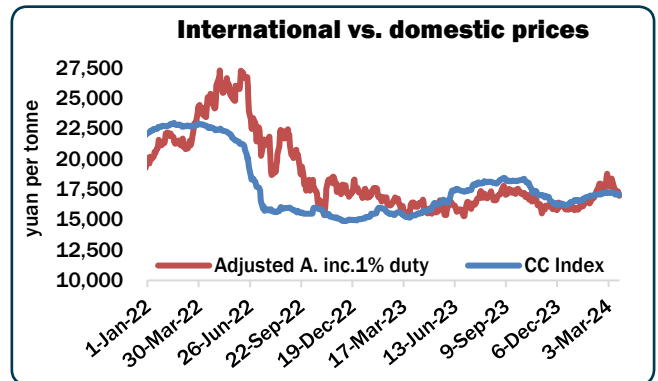
Zhengzhou cotton futures have moved in an unclear direction this week, to settle slightly higher across the board. Total volume advanced to over 1.9 million contracts.

	Settlement			Volume number of contracts	Open Interest 21-Mar
	14-Mar	21-Mar	Chng		
May	15,985	16,010	+25	1,414,539	472,778
Jul	16,020	16,060	+40	65,849	27,501
Sep	16,145	16,195	+50	419,181	154,491
Nov	16,125	16,205	+80	1,480	6,632
Jan	16,000	16,085	+85	22,323	28,845
Mar	-	16,060	-	39	16
				1,923,411	690,263

The **China Cotton Index** has ended virtually unchanged, to be placed on March 21 at 17,084 yuan per tonne, while nearby offering rates for imported cotton (measured by the Cotlook A Index, adjusted to compa-

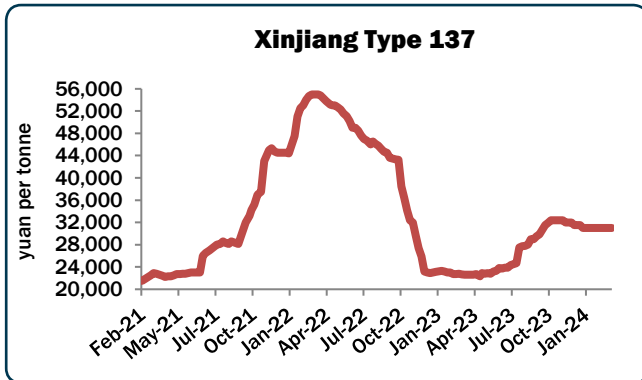


able terms) have fallen further during the period. As a result, the Adjusted A Index has moved to a slight discount against the CC Index, of around 80 yuan per tonne (about 50 cent points per lb, compared with a premium of almost 1,000 points just a few weeks ago). However, availability from the domestic crop and consignment lots remain a disincentive to new import business.



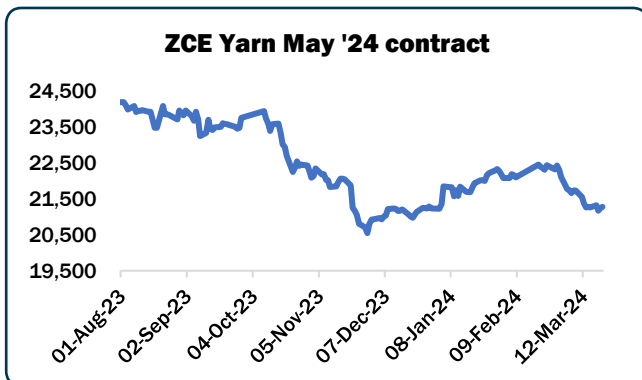
	Approximate delivered mill value		
	Yuan per tonne equiv. + insurance	Inc. one percent tariff + VAT	Including sliding scale duty + VAT
Cotlook A Index	15,466	16,626	16,805
Texas SM	16,607	17,318	17,476
Burkina Faso BOLA/s	15,623	16,968	17,129
India Shankar-6	15,820	16,530	16,740
Benin KABA/s	15,780	17,056	17,216
Cameroon IRMA/s	15,544	16,968	17,129
Cameroon PLEBE 1-5/32"	15,702	17,056	17,216
Ivory Coast MANBO/s	15,544	16,968	17,129
Mali JULI/s	15,702	17,143	17,302
US Pima Grade 2			
China domestic prices	yuan/tonne	chg since Feb 8	cents/lb
CC Index	17,084	5	109.10
ZCE March	16,010	130	102.24
Xinjiang Type 137	31,000	Unch	197.96
Xinjiang Type 237	30,100	Unch	192.22
	yuan/tonne		cents/kilo
polyester	7,300	Unch	102.77
viscose	13,400	Unch	188.65
	Yuan/kilo		cents/lb
32s carded yarn	22,700	-130	319.98
40s combed yarn	25,250	-120	355.92
Monthly yuan/dollar customs exchange rate			7.1030
Actual Rate (Mar 21)			7.0942

The range of prices quoted for Xinjiang Type 3128 in the **physical market** has advanced slightly to around 16,600/16,900 yuan per tonne. Spinners' operating rates are generally steady, but the pace of new yarn orders is slower than before last month's holiday (or during the same period last year). Yarn stocks have been rising since the beginning of the month.



In Tangshan City, Hebei, cotton produced locally is priced at 16,800/17,000 yuan per tonne, down 100 yuan from a week ago. Business remains slow.

No material change in the **long staple** market has been observed over the past two months. Sales have remained slow in the absence of any improvement in downstream demand for fine count yarns. Selling pressure may thus intensify over the coming weeks.



The benchmark value for Type 137 is still quoted at 31,000 yuan per tonne, equivalent to around 198 US cents per lb. New crop T-137 lint is priced at 32,000/34,000 yuan per tonne, with few transactions.

The lead May contract on **ZCE yarn** futures (carded 32s single cotton yarn) has also ended the period unchanged, at 21,285 yuan per tonne. Total volume was higher than the previous week, at over 20,000 contracts.

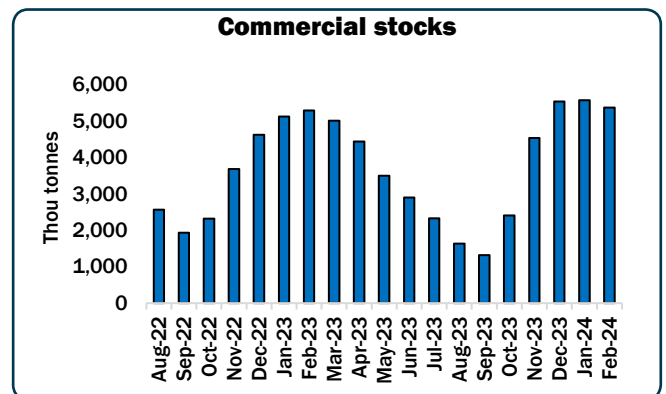
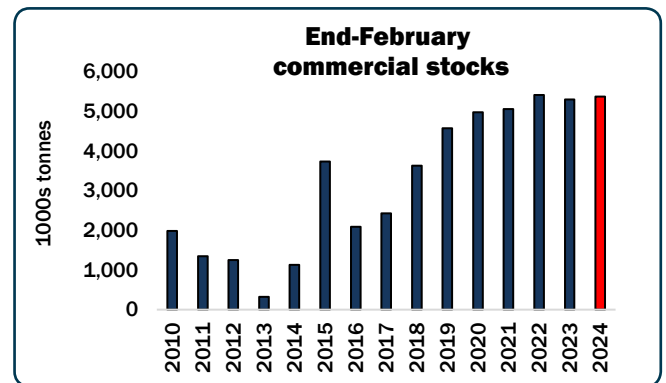
Port updates

Sales from ports have been slow given the abundant supply and lower prices available in the domestic spot market. Stocks held on consignment have risen further in recent weeks. Brazilian Middling 1-1/8" is still priced at around 900/1,200 'on' May ICE futures. The basis levels quoted for US Eastern/MOT 31-3-37 and Australian SM are also unchanged at around 1,000/1,100 'on' the same cover month.

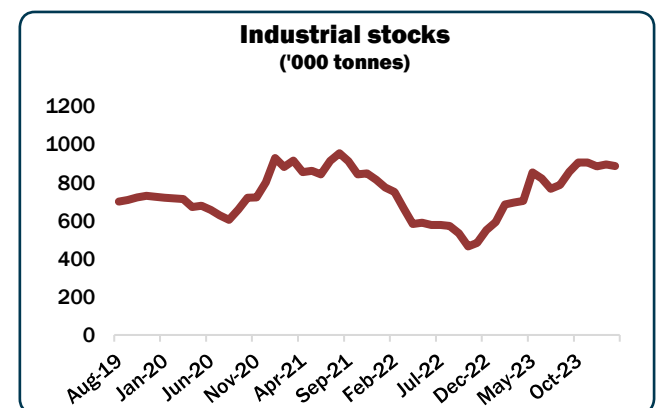
Some traders have offered Brazilian supplies held in Qingdao to neighbouring export markets in the past week.

Commercial and industrial stocks

Beijing Cotton Outlook (BCO) reports that commercial inventories (excluding stocks held by spinners and those in the State Reserve) at the end of February totalled 5,366,700 tonnes, down 200,300 from a month earlier, but up 77,600 from the same point a year ago. The total included 4,082,900 tonnes in Xinjiang warehouses (256,600 lower than a month earlier), 903,800 outside the region (up 26,300), and 380,000 in bonded warehouses at ports (up 30,000).



BCO's survey of mills' raw cotton inventories (industrial stocks) at the end of February shows a small fall of 8,200 tonnes from the previous month, to 888,700 tonnes. The pace of yarn sales accelerated and spinners' unsold yarn stocks dropped further, but profits remained small.



Of the survey respondents, 27 percent expressed optimistic views regarding the outlook for the downstream market (down one percentage point), while 12 percent were pessimistic (up eight).

Final ginning

Data from the China National Cotton Exchange show that the rate of ginning has slowed to around 1,000 tonnes per day. By March 21, 5,568,500 tonnes of lint had been ginned in Xinjiang, very close to BCO's estimate of final output for the region (5,590,000 tonnes). Of the total, 5,554,700 tonnes had been inspected.

In Hubei, the small volume of seed cotton still uncommitted is quoted at 8.0/8.1 yuan per kilo, up slightly from the level in late January, while lint is offered at 16,400/16,500 yuan per tonne. Business is described as sporadic and spinners' new yarn orders are still lacking.

Seed cotton produced in Anhui is quoted at 7.0/7.5 yuan per kilo, down slightly from a week ago. Lint is placed at around 15,700/16,200 yuan per tonne, unchanged.

Road transportation lower

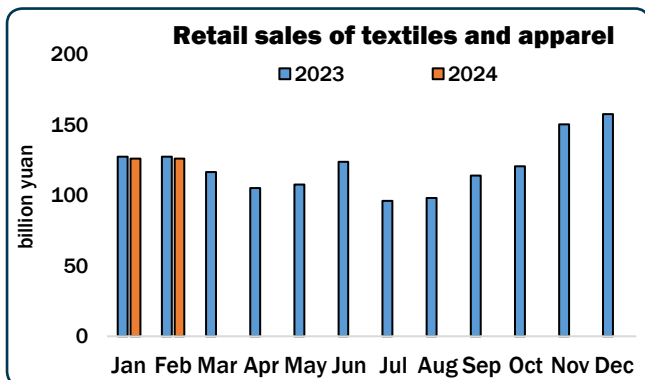
Last week, a total of 77,300 tonnes of Xinjiang raw cotton were transported by road to eastern provinces, down 17 percent from the previous week, and 22 percent lower than during the same period last year. The main destinations (Shandong, Henan and Jiangsu) accounted for 62 percent of the total. Freight costs have decreased further, to around 500/550 yuan per tonne.

Retail sales increase

Value-added industrial output increased by seven percent from a year earlier during the January-February period, while fixed-asset investment rose by 4.2 percent. The value of retail sales of consumer goods expanded 5.5 percent, to 8.13 trillion yuan.

Sales of apparel, hats and shoes, and knitted products totalled 252.1 billion yuan in the first two months of this year, up 1.9 percent from the same period in 2023.

A spokesperson from the National Bureau of Statistics said recently that the domestic economy has maintained good momentum since the beginning of 2024. Conditions are said to be favourable for the achievement of this year's GDP growth target of around five percent.



The **Shanghai Composite Index** of share values has remained on an upward trajectory in the past week. The Index has advanced by 14 percent from its recent low (recorded in early February), ending the period in view at 3,077.11.

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CNCE meeting

At this week's annual meeting held by the China National Cotton Exchange, Wang Jianhong, Executive Vice President of the China Cotton Association, delivered a keynote speech on the topic of 'Promoting the high-quality and sustainable development of the cotton industry with a focus on *new quality productivity*'. Wang said the Chinese economy has recovered somewhat in the past year, but the growth of textile and apparel consumption is still insufficient, and textile exports are under pressure. Meanwhile, the cotton industry faces a series of challenges, including the US ban on imports of Xinjiang products, and the substitution of chemical fibres for cotton. Efforts should be made to promote the high-quality sustainable development of the sector, and speed up innovation.

INDIA

CAI raises production and consumption figures

The Cotton Association of India has issued its February balance sheet for 2023/24. The opening stock figure has been maintained at 28.9 million bales (170 kgs), while production has been raised to 30.97 million bales (versus 29.41 a month earlier), and consumption to 31.7 million (31.1). Imports have been revised lower from 2.20 to 2.04 million, while exports are increased from 1.4 to 2.2 million. The result of the adjustments is that closing stocks are maintained at two million bales.

Arrivals by the February 29 amounted to 22.7 million bales according to the Association. Exports totalled 1.5 million bales and imports 400,000.

Around 4.2 million bales were in the hands of mills at the end of last month (equivalent to six or seven weeks' coverage), and over 6.5 million were controlled by traders, ginners and other bodies, including the Cotton Corporation of India.

Cotton Association of India Balance sheet of five months (1/10/2023 - 29/2/2024) for the 2023/24 season		
	(in lakh bales of 170 kg)	(thou tonnes)
Supply		
Opening stock	28.90	491.30
Arrivals up to 29/2/24	226.82	3,855.94
Imports up to 29/2/24	4.00	68.00
Total Available	259.72	4,415.24
Demand		
Consumption	137.50	2,337.50
Export Shipments up to 29/2/24	15.00	255.00
Stock with mills	42.00	714.00
Stock with CCI, Mh Fed, MCX, MNCs, Ginners, Traders and Exporters	65.22	1,108.74
Total	259.72	4,415.24

CCI auctions

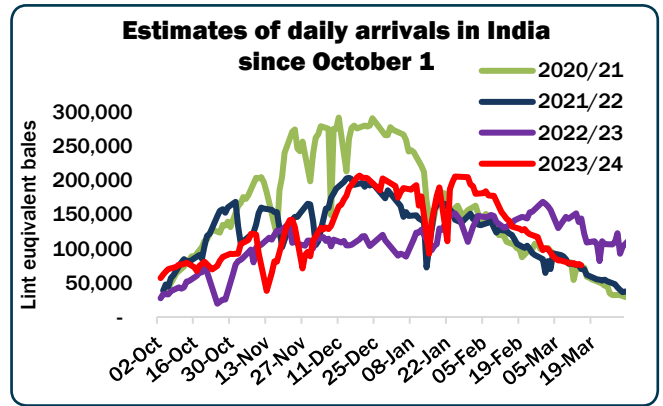
CCI put up a further 513,000 bales for sale in the period from March 18-21, including 12,000 from 2022/23. The floor prices for Shankar-6 from Ahmedabad (Gujarat) ranged from ₹62,400 to ₹62,600 for current crop lots, and ₹62,700 to ₹62,900 for the previous year's stocks. Sales of around 116,000 bales were reported, bringing the total in CCI's hands to 2,950,000 bales.

Arrivals

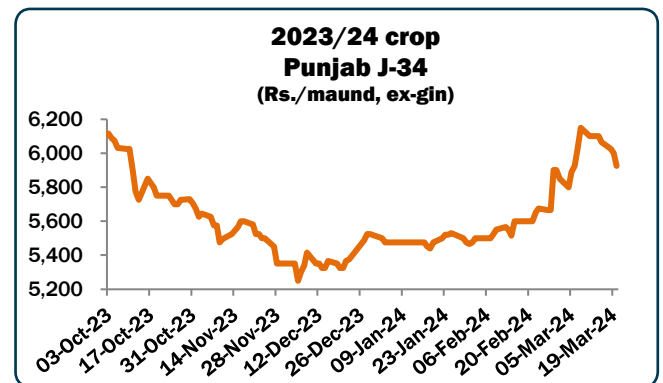
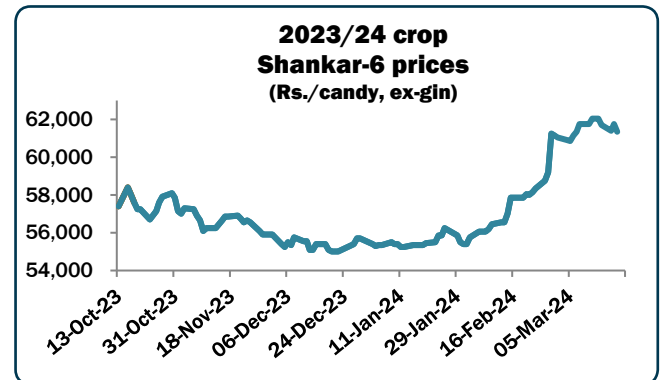
The pace of seed cotton arrivals has continued to slow. This week's independent surveys indicate an average daily figure of around 78,000 lint equivalent bales.

Physical prices

Domestic offering rates have reversed direction to end lower on the week. By March 20, the mid-point of offers for S-6 had fallen by ₹700 to ₹61,350 per candy, or 94.30 cents per lb. Punjab J-34 declined by a nar-

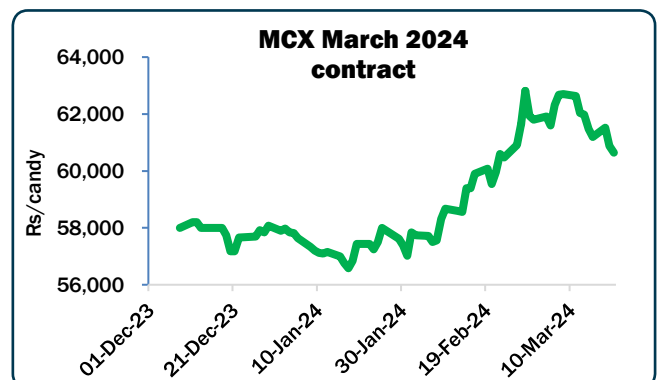


rower margin, to be offered on the same date at around ₹5,925 per candy (86.75 cents per lb).

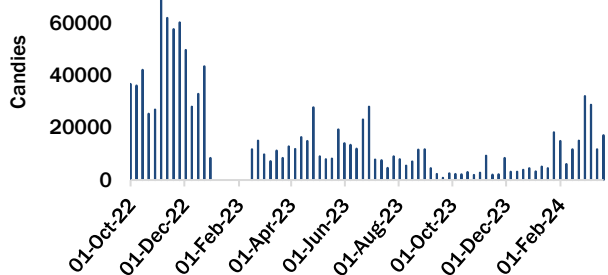


MCX

The March and May contracts have recorded further sharp losses. The lead May delivery ended the period at its lowest level in almost four weeks. Turnover was higher at 356 lots (17,088 candies), and open interest declined again.



Weekly volume traded on MCX platform



Raw cotton trade in January

According to data from the Ministry of Commerce, raw cotton exports continued to rise in January. The total was 47,782 tonnes, compared to 37,954 in December and 28,870 a year earlier. Shipments to Bangladesh were steady at around 30,000 tonnes, so the increase is due to a greater volume destined for China. The total for the first half of the marketing year rose to 185,608 tonnes, roughly three times the quantity recorded for the same period last year. Bangladesh accounts for 72 percent of the total so far while China has increased its share to 15 percent.

By contrast, imports during the month declined to less than 5,000 tonnes. The season's running total is 77,311 tonnes, down 68 percent from 2022/23.

Yarn exports

Ministry of Commerce data

India: cotton exports (in tonnes)

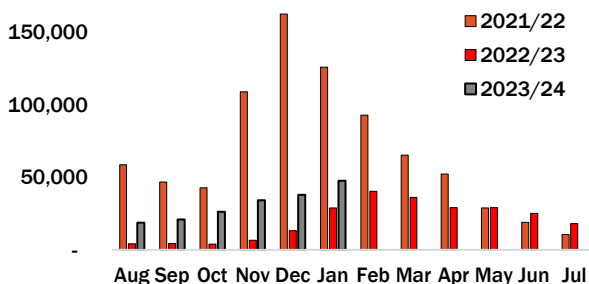
	August/January		
	2021/22	2022/23	2023/24
World	546,307	61,168	185,608
Bangladesh	365,113	39,483	134,151
China	41,957	1,389	27,167
Vietnam	76,012	10,190	14,763
Indonesia	33,304	2,843	4,327
UAE	5,680	2,799	3,135
Japan	539	420	465
Thailand	6,365	149	425
Others	17,336	3,895	1,174

Data source: Department of Commerce

Indian exports of raw cotton

Three seasons

Tonnes



for January show that exports of cotton yarn (5205: containing 85 percent or more by weight of cotton, not put up for retail sale) were lower than the month before at 82,200 tonnes. Bangladesh accounts for 42 percent of international yarn shipments in the season to January, and China for around 20 percent. Exports for the first six months of the marketing year are more than double the volume shipped in the same period of 2022/23, but 16 percent behind the year before that.

MCX cotton futures

	Closing price on Mar 13	Closing price on Mar 20	Price changes on period	OI at close on Mar 20	OI changes on period	Volume Mar 14-20
	Rupees per candy			Lots of 48 candies		
28-Mar-24	61,980	60,640	-1,340	214	-125	212
31-May-24	64,080	62,540	-1,540	326	35	144
				540	-90	356

India: cotton imports (in tonnes)

August/January

	2021/22	2022/23	2023/24
World	74,669	244,181	77,311
Australia	24,415	68,229	23,394
United States	28,399	72,833	15,689
Tanzania	530	9,498	10,468
Egypt	5,411	5,160	10,071
Brazil	710	14,774	5,496
Turkey	990	166	2,707
Greece	2,360	1,000	1,306
Israel	1,882	900	886
Mali	1,374	1,262	669
Burkina Faso	128	2,031	552
Cote d'Ivoire	1,093	10,897	478
Others	7,377	57,431	5,594

Source: Department of Commerce

India: cotton yarn exports

in tonnes

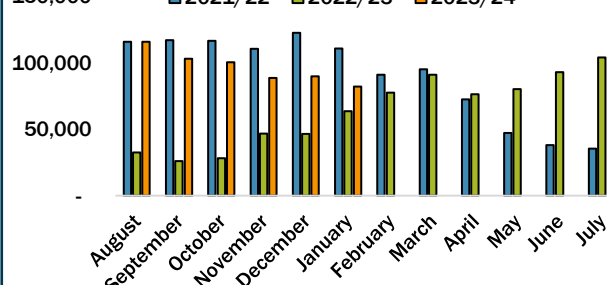
August/January

	2021/22	2022/23	2023/24
World	693,692	244,058	580,539
Bangladesh	276,151	89,690	246,251
China	127,077	20,489	118,660
Egypt	29,661	15,718	26,627
Vietnam	20,727	5,669	23,602
Peru	29,953	13,519	21,632
Portugal	33,959	9,726	18,695
Korea South	20,323	9,666	13,376
Colombia	13,583	5,450	12,902
Sri Lanka	9,534	8,595	9,512
Turkey	30,845	5,503	8,421
Thailand	4,425	2,584	5,597
Guatemala	10,207	2,162	4,964
Others	87,247	55,287	70,300

Source: Department of Commerce

Indian yarn exports in tonnes

■ 2021/22 ■ 2022/23 ■ 2023/24

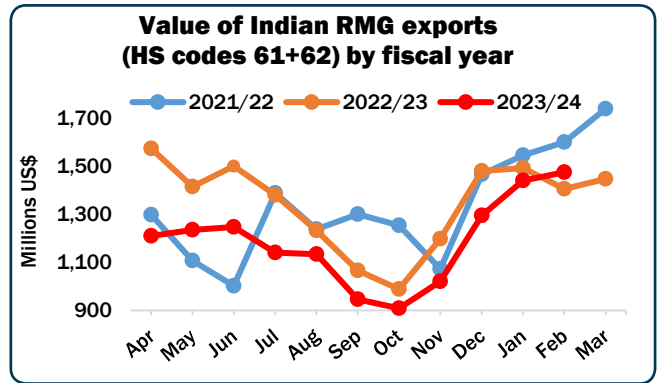


RMG exports recover further in January and February

The value of textiles exports (woven and knitted garments and home textiles, all fibres – HS codes 61/62/63)

rose to US\$1.89 billion in January (the highest monthly figure since March 2023). Shipments to the US were valued at US\$675 million (up three percent from December), those to the EU+UK at US\$668 million (+15 percent), and the UAE at US\$129 million (+6). Textiles exports for the first 10 months of the 2023/24 fiscal year were valued at US\$16.14 billion, 11 percent lower than in the same period of 2022/23.

Preliminary data from the Ministry of Commerce indicate a further recovery in February of the revenue gathered from ready-made garment exports. RMG shipments (i.e. HS codes 61 and 62, all textiles) had a value of US\$1.48 billion last month (compared to US\$1.44 billion in January and US\$1.41 in February 2023). The



running total for the first 11 months of the fiscal year is \$13.06 billion, 11 percent lower than 2022/23.

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BANGLADESH

Mill buying

Numerous spinners have nearby raw cotton needs to cover and the downturn of New York futures has thus encouraged some fresh mill buying during the past week. The readiness of some merchants to concede further ground on basis has also facilitated purchases. However, the longstanding difficulties in obtaining Letters of Credit remain an obstacle. It is reported in the local press that foreign exchange reserves have slipped below US\$20 billion.

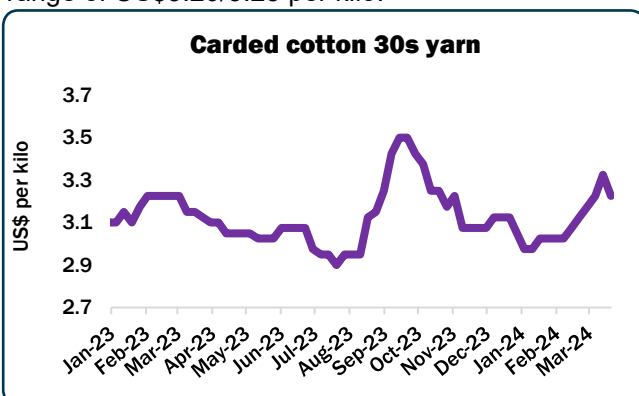


The popular African Franc Zone styles have featured prominently, asking rates for Indian being considered much less attractive than earlier in the season. Benin Bola 's' 1-1/8" has found buyers at 102.75 cents per lb, afloat. Benin BCI Kaba 's' 1-1/8" has fetched around 103.50 cents per lb, also afloat. For April/May shipment, offers of Benin/Burkina Faso described as equal to Middling 1-1/8" have been in circulation at around 1,000 'on' May futures. Mention has also been made of purchases of Cameroon Plebe 1-5/32".

Although Indian has at times attracted buying support on grounds of price and ready availability in recent months, overall, Franc Zone styles have remained the principal source of supply, accounting for 38 percent of arrivals during the first half of the season. India contributed 19 percent during the period and US, Brazil and Australia between 11 and 13 percent each.

Setback to yarn prices

Cotton yarn values have suffered a setback during the past week, losing some ground in sympathy with raw cotton, following several weeks of improvement. The standard carded 30s counts are now quoted in a range of US\$3.20/3.25 per kilo.



Graduation from LDC status

As the country's graduation from Least Developed Country status approaches, the government intends to reduce progressively the 'cash' export incentives currently available to manufacturers of ready-made garments. The benefits are set to disappear by July 2026, prior to the scheduled graduation date in November of the same year.

The loss of LDC status also has implications for duty-free access to export markets. It is reported that the government has been discussing an Economic Partnership Agreement with Japan, under which it may be possible to retain preferential access.



PAKISTAN

Crop update

Mainly dry conditions have prevailed across most of the cotton belt over the last few days. Temperatures have increased further, with daytime highs reported in the low to mid-30s Celsius. The current conditions are expected to continue in the near term.

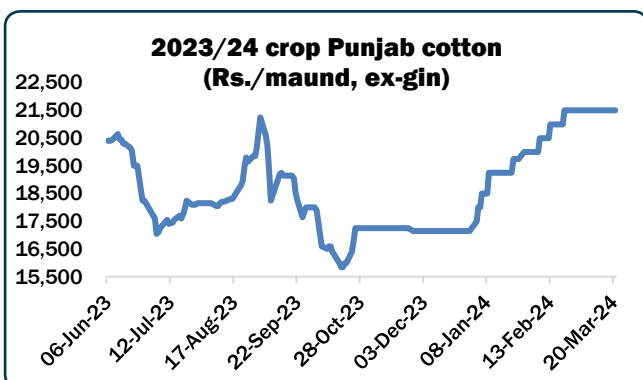
The recent pick-up in temperatures has been welcomed by growers who have already planted cotton or those keen to do so. The warmer weather will enhance germination prospects. It will also aid the maturing winter wheat crop and accelerate harvest activities, allowing for cotton to be sown on those fields. Cotton remains in favour for many growers, particularly due to the firmer prices observed since the turn of the year. However, fertiliser costs have gone up sharply due to the removal of subsidies for gas used by fertiliser manufacturers.

That the Federal Committee on Agriculture (FCA) has yet to announce cotton sowing and production targets for the 2024/25 crop has also caused some concern (the FCA typically meets in early February). Nevertheless, agriculture authorities in Punjab have made clear their intention to encourage early sowing on an area of one million acres this year.

Local market

The recent weakness in ICE futures has further undermined mills' already cautious approach to fresh purchases, and the limited available supplies remain in tight hands. However, some mills in urgent need of cotton have been willing to procure supplies at higher prices on credit terms from ginners. Spinners continue to complain that the prices obtainable for cotton yarn fall short of equivalent raw cotton replacement costs. Some smaller entities have paused their production while larger mills are said to have reduced their operating rates.

Asking prices for remnants from the 2023/24 domestic crop have been unchanged for the past four weeks now. Offers for higher grades are still placed at around Rs. 21,500 per maund, ex gin (roughly 93.85 US cents per lb), while lower qualities are quoted at around Rs. 19,750 per maund (86.20 cents per lb).



Be Cool, BeCotton

Import demand

Import demand likewise remains of modest proportions despite the decline of futures. As we have already reported, many mills have covered their more pressing requirements, and spinners are not keen to accumulate stocks in the period leading up to the arrival of the domestic new crop. Challenging conditions in the downstream market have also tempered mills' enthusiasm for raw cotton purchases.

Merchants are pushing for execution of the still considerable volume of outstanding import contracts.

The limited recent business has largely consisted of Brazilian SLM 1-1/8", priced at around 50-100 points 'on' May futures, and discounted recap lots at around 100-200 points 'off' the same cover month. Argentine Middling 1-1/16" has also found buyers, at 91.50/92.00 cents per lb on a landed basis (one cent lower for SLM). Regular business for Afghan cotton is reported at levels around 85.00/87.00 cents per lb, unchanged from a week ago, on delivered mill terms.

Yarn and textiles

Subdued conditions have prevailed in the local yarn and textiles market. Demand for cotton yarn has been

slow and weavers and knitters are reluctant to meet spinners' selling price ideas. Only those manufacturers in need of nearby cover have procured modest volumes at the prevailing levels. Textile exporters have complained that the yarn prices currently in force are unviable.

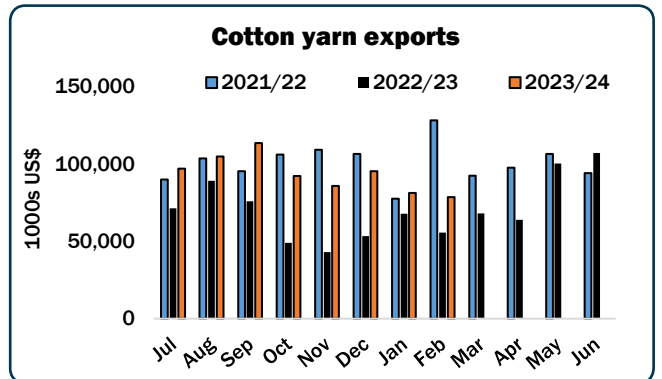
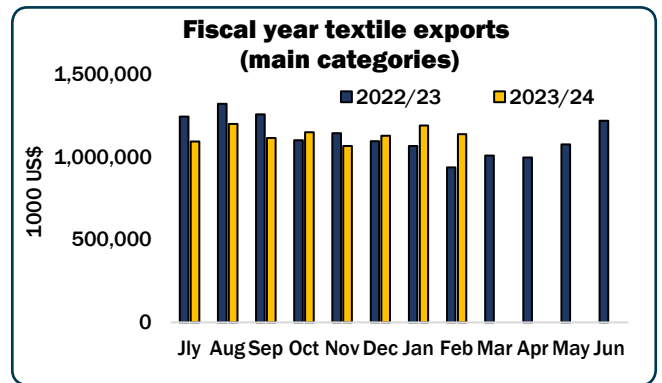
Meanwhile, export enquiries from overseas customers remain sluggish. Demand from the key Chinese market has failed to pick up and foreign buyers have maintained very low price ideas.

Asking prices for 20/21s carded yarn are unchanged at around US\$470/500 per 400-lb bale, FOB, while those for 30/32s carded yarn are also steady around US\$540/570 per bale.

February textile exports

Exports of products in the five main textile categories generated US\$1.14 billion in February, down by four percent from the previous month but up by 21 percent on a yearly basis.

Only fabric increased compared with January, rising by almost nine percent. Bedwear and cotton yarn declined by around 3.5 percent each, while ready-made garments and knitwear were both eight percent lower. However, all categories improved from February 2023, in a range between 12 (fabric) and 41 (yarn) percent.



EGYPT

Export registrations slow

According to the latest export sales report from *Alcotexa*, a net addition of 720 tonnes was recorded in the week to March 16 (all from the

2023/24 crop), while 458 tonnes were shipped. The volume now committed is 36,213 tonnes, compared to 66,218 by the same point in 2023. The average price recorded for Giza 94 was 156 cents per lb.

Stock position

The latest supply and demand position for the season, as indicated by *Catgo*, shows that 56,979 tonnes remained uncommitted by March 17, including 47,083 in the Super Giza category and 5,411 tonnes of Extra Giza.

Egyptian export data (tonnes)			
2023/24 season			
(2022/23 crop, as at March 16, 2024)			
	Total registered	Shipped	% shipped
India	8,378	7,974	95%
Pakistan	2,244	2,227	99%
China	1,978	1,978	100%
Egypt Free Zone	228	221	97%
Turkey	281	174	62%
Others	1,661	1,207	73%
Total	14,769	13,780	93%
(2023/24 crop, as at March 16, 2024)			
	Total registered	Shipped	% shipped
India	16,432	9,236	56%
Pakistan	2,201	538	24%
China	1,210	1,200	99%
Vietnam	698	702	101%
Egypt Free Zone	239	134	56%
Others	665	298	45%
Total	21,444	12,107	56%
Grand total	36,213	25,886	71%

Statistical position of Egyptian cotton by 17/3/24					
(figures in tonnes)	Extra Giza (45/87/93/96/92)	Super Giza (97/94/86)	Giza (95/98)	Others	Total
2023/24 beginning stocks	689	17,698	105	0.4	18,493
Estimated crop	7,077	66,783	9,104	1,069	84,033
Total supply	7,766	84,481	9,209	1,070	102,526
Distribution to local mills	809	7,682	626	-	9,117
Export commitments	1,460	29,347	4,939	217	35,963
Free Zone commitments	86	370	11	-	467
Actual export shipments	781	21,071	3,680	217	25,749
Free Zone shipments	26	318	11	-	355
Total uncommitted	5,411	47,083	3,632	853	56,979

Source: *Catgo*

FAR EASTERN MARKETS

Nearby mill demand

Reports of business during the past week have featured mainly supplies to cover mills' nearby requirements, with a focus on discounted lots, particularly Brazilian.

The cotton and yarn market in **Indonesia** remains quiet and most spinners are still on the sidelines. The garment manufacturing sector, though, is said to be preparing for a more active level of demand in the lead up to the Eid al-Fitr holiday on April 9.

The results of last month's presidential election were officially announced on March 20, but the outlook for policy changes remains unclear at present. The new administration will be sworn in later this year.

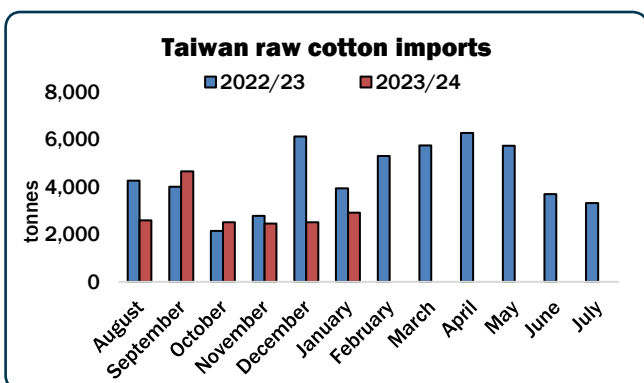
Business concluded in **Taiwan** during the past week or so has included roughly 1,000 tonnes of lower grade cotton from various origins, at prices in a range from 88.00 to 92.00 cents per lb, for April delivery. Around 110 tonnes of South African Development Community cotton were purchased by a Taiwanese-owned mill in Lesotho, at 89.50 cents per lb, for the same arrival period.

Raw cotton imports in January were 2,915 tonnes, the heaviest since September 2023 but below the 3,941 recorded in the corresponding month last year. The United States was again the major supplier, accounting for 63 percent of the total, followed by Australia with 12 percent.

The total for the first six months of the 2023/24 season was 17,644 tonnes, versus 23,289 tonnes during the same period in 2022/23.

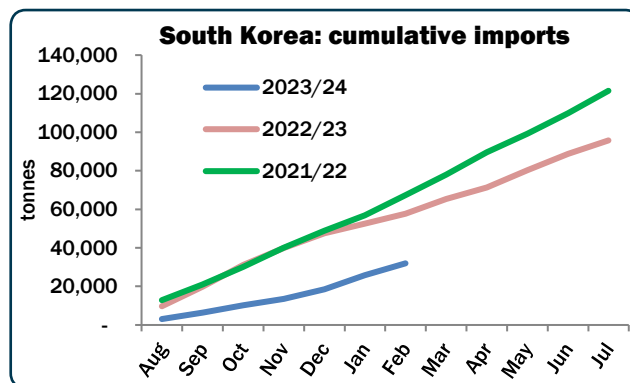
Taiwan raw cotton imports			
	In tonnes		
	2021/22	2022/23	2023/24
August/January			
United States	9,610	18,240	9,895
Australia	10,006	3,760	3,719
Brazil	797	398	1,585
South Africa	2,315	204	1,362
Turkey	520	-	561
Tanzania	-	-	203
Mexico	125	-	160
Argentina	1,107	326	158
India	3,063	290	-
Others	144	71	-
Total	27,687	23,289	17,644

Source: Taiwan Directorate General of Customs



Mills in **South Korea** purchased some Brazilian 2023 crop supplies for nearby shipment in the week ended March 15.

Raw cotton imports declined last month, to 6,127 tonnes, but were above the volume recorded in the same period last year (5,188 tonnes). Brazil was the largest



supplier with 50 percent of the total, followed by Australia with 28 percent. The balance was sourced from the United States (21 percent) and others.

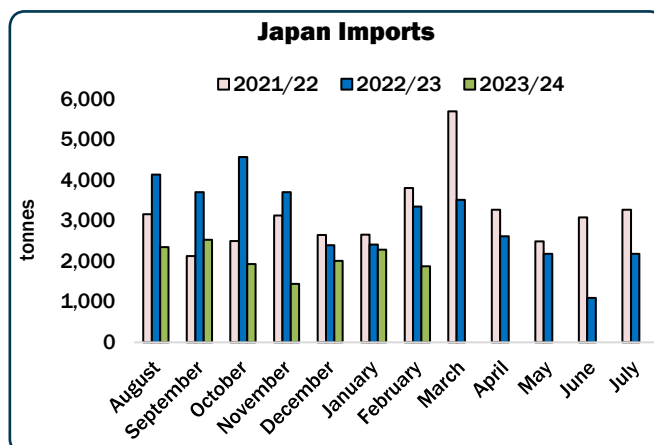
South Korea			
Raw Cotton Imports (in tonnes)			
	2021/22	2022/23	2023/24
August/February			
Brazil	35,418	22,979	15,157
Australia	8,551	27,656	10,501
United States	22,625	6,444	5,803
Costa Rica	150	185	349
Turkey	412	387	65
Others	82	19	13
Total	67,238	57,670	31,889

Source: Customs and Trade Development

The cumulative total for the season thus far stands at 31,889 tonnes, representing a decline of 45 percent from the same point in 2022/23.

Mills in **Japan** are thought to have covered their nearby requirements and have reverted to a cautious approach to fresh raw cotton purchases. Some overseas factories entered the market during price dips last week, mainly for US, Brazilian and Australian styles, for delivery up to June. The total volume of business concluded during the period in view is estimated at around 3,000 bales.

According to the latest data from the Japan Cotton Traders' Association, raw cotton imports in February were just 1,875 tonnes, lighter than the previous month and considerably below the volume recorded in the same period last year. The US was by far the main supplier, accounting for 1,546 tonnes (82 percent of the total). Australia was in second place, with 282 tonnes. The small balance was from Mexico and India.



VIETNAM

Mill demand improves

The less erratic appearance of New York futures in the past week or so, coupled with shippers' willingness to discount their basis levels in order to dispose of their burdensome long positions, have encouraged a more active level of buying interest from mills. Brazilian continues to occupy the limelight, and spinners remain focused primarily on cotton available for nearby delivery or located in bonded warehouses at ports (ex-Qingdao lots have been mentioned in various reports of confirmed business during recent days). Australian and Mexican have also found buyers. Franc Zone cottons have attracted some attention, but the prices quoted by

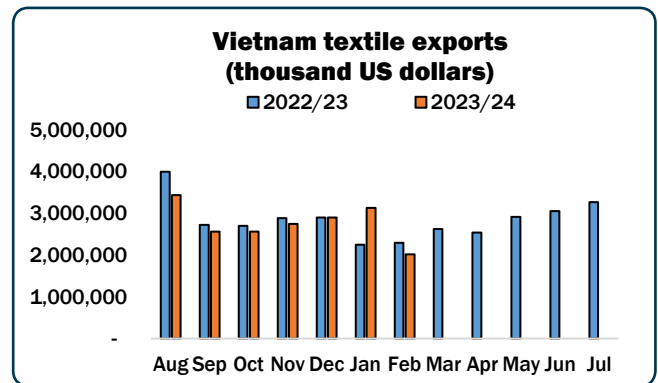
Purchases in the week ending 16/03/2024				
Origin	Crop year	Grade/staple	Shipment	Price (cts/lb)
Brazilian recap (BCI)	2022	Midd/SM	Ex-Qingdao	97.0
Brazilian recap (BCI)	2022	Midd/SM	Ex-Qingdao	96.6
Brazilian recap (BCI)	2022	Midd	Ex-Qingdao	96.2
Brazilian recap (BCI)	2023	SM	Afloat	100.7
Brazilian recap (BCI)	2023	SM	Prompt	100.9
Brazilian (BCI)	2023	SM	April	95.3
Brazilian (BCI)	2023	SM	April	94.3
Brazilian (BCI)	2023	Midd	April	93.4
Brazilian (BCI)	2023	Midd	April/FH May	93.4
Brazilian (BCI)	2023	Midd	April/FH May	94.3
Australian	2024	SM	May	102.3
Australian	2024	SM	May	101.8

shippers are not considered viable by many. Generally, mills are still unwilling to build inventories in view of the inverted July/December spread and have bought only to cover their more pressing requirements.

Yarn and textiles market

The pace of yarn orders has improved somewhat, and most mills are now working at closer to full capacity. However, higher interest rates and difficulty in securing lines of credit from banks remain challenges for the sector.

Textiles exports, meanwhile, have suffered from longer lead times and increased freight rates owing to the ongoing conflict in the Red Sea area. Customs data released recently show that the value of textile and garment exports in February was some 35 percent lower than that recorded in the previous month, and 12 percent behind the value in February 2023.





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UNITED STATES

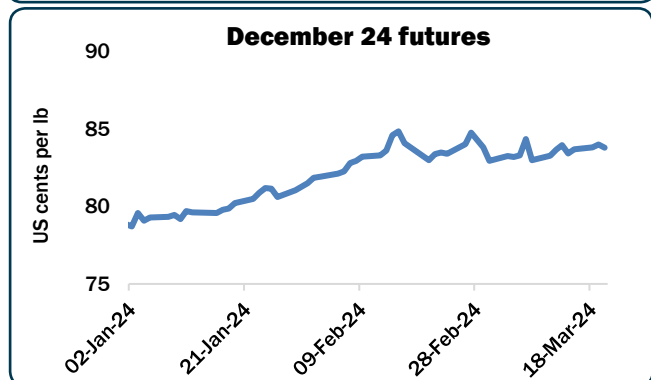
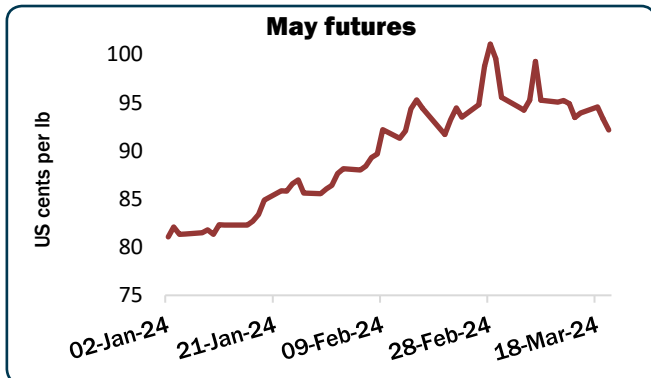
The Federal Reserve announced on March 20 that interest rates will remain unchanged, marking a fifth consecutive meeting with no adjustment. The central bank also noted that reductions are anticipated later in the year. Share values had risen strongly by the close of trading on the same day. However, New York cotton ended lower.

ICE cotton loses ground

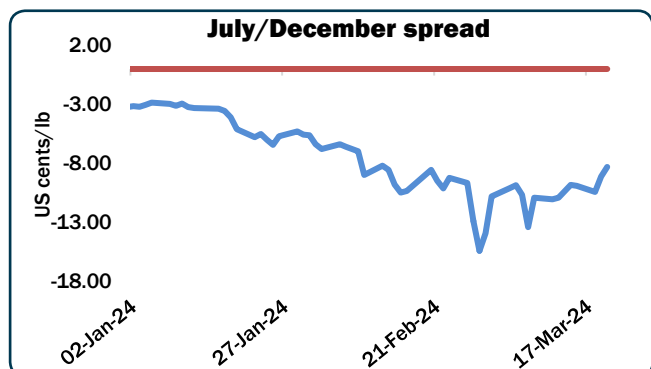
Futures have been back-and-forth this week, but ultimately succumbed to downward pressure, May falling to a level not seen since February 20.

The spot contract started the reporting period under sharp pressure to end 142 points lower, before recovering during the next two sessions, gaining 46 and 63 points. Two days to the downside then saw losses of 123 and 116 points. May traded in a range between 91.81 to 96.20 cents/lb and declined by 272 points on the week.

Once again, movements in December futures were more measured. The key new crop delivery stayed within a narrow range between 82.93 to 84.15 cents/lb, decreasing by 16 points during the five days under review.



By the end of the period, the July/December spread weakened to a 832-point July premium as of March 20, compared with 1,038 points a week earlier.

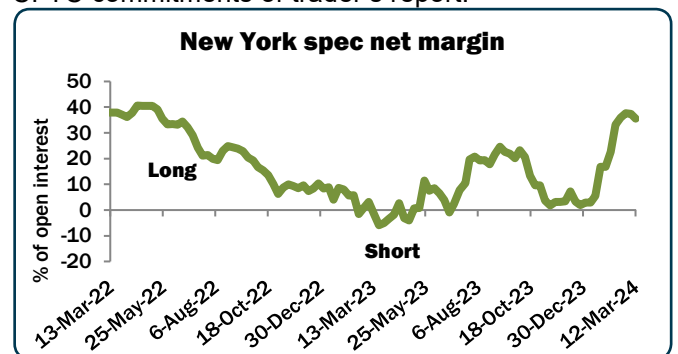


ICE No. 2 Cotton Futures			
(in cents per lb)			
No. 2:	20-Mar	13-Mar	Change
May-24	92.18	94.90	-2.72
Jly-24	92.12	94.34	-2.22
Oct-24	85.99	87.50	-1.51
Dec-24	83.80	83.96	-0.16
Mar-25	84.58	84.52	0.06
May-25	84.94	84.83	0.11
Jly-25	85.03	84.96	0.07
Oct-25	81.78	81.57	0.21
Dec-25	79.37	78.90	0.47
Mar-26	79.97	79.50	0.47

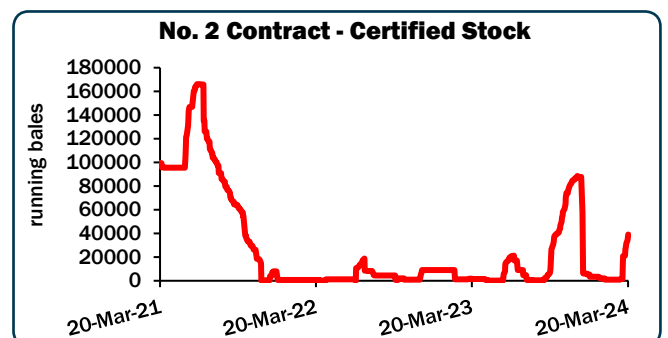
Certificated stock as of March 19 totaled 39,156 bales.

Chicago Futures			
(in cents per bushel)			
	20-Mar	13-Mar	Change
Soybeans			
May-24	1209.50	1196.75	12.75
July-24	1223.25	1210.25	13.00
Sep-24	1202.75	1189.50	13.25
Wheat			
May-24	545.00	544.25	0.75
July-24	560.25	558.25	2.00
Sep-24	575.75	572.50	3.25
Corn			
May-24	439.00	441.25	-2.25
July-24	452.25	453.50	-1.25
Sep-24	461.50	461.00	0.50

Based on the latest CFTC report, by March 12 speculators had reduced longs by 1,764 positions and added 1,835 shorts for a resulting net long margin of 35.5 percent of the total open interest in futures (274,746 contracts) versus a 37.3 percent net long margin the week prior. Commercial traders increased longs by 5,158 and shorts by 2,078 positions in the same period, for a resulting net short margin of 38.8 percent, compared with a 40.5 percent net short margin in the previous CFTC commitments of trader's report.

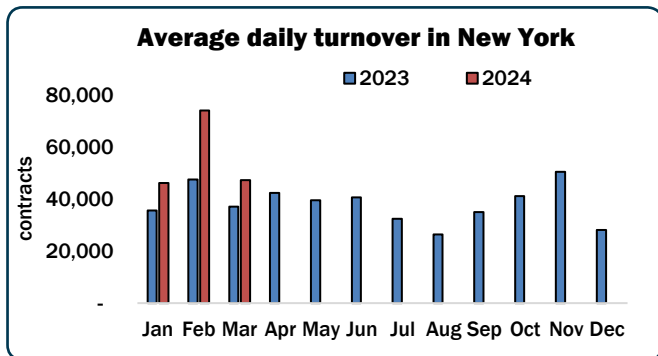


A sizeable increase (12,491 bales) in certificated stocks raised the total to 39,156 bales, its highest level

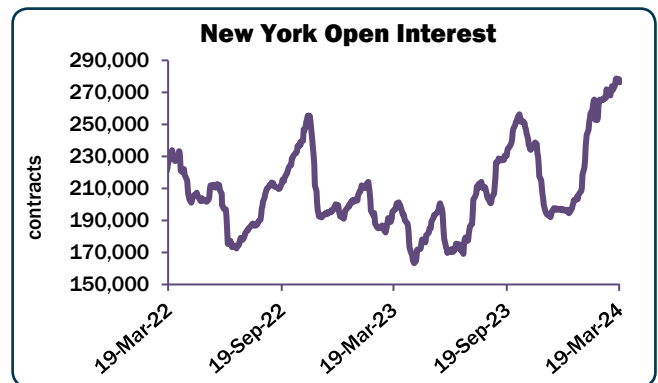


since December 4, 2023 (58,324). A total of 24,920 bales were being held in Dallas/Ft. Worth area warehouses followed by 12,497 bales in Memphis, TN and 1,284 bales in Houston, TX, 444 bales in Galveston, TX and 11 bales in Greenville, SC. There were no bales awaiting review and no bales reported in both CCC loan and cert stock.

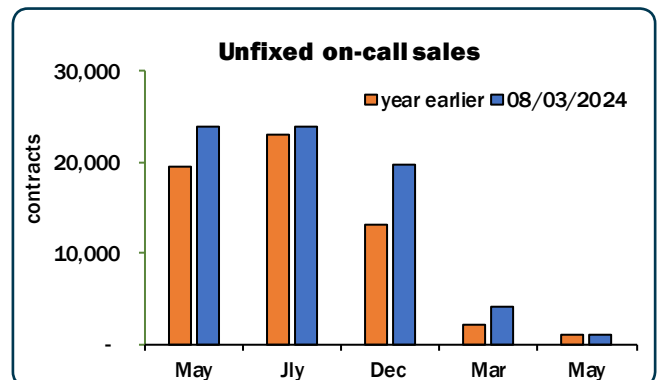
Weaker volume this week lowered the total to 192,546 contracts, below last week's 255,346. However, the average daily turnover so far for the month of March, at 47,413 contracts, remains well above the 37,056 recorded for the same month in 2023.



Total open interest was reported on March 19 at 276,278 contracts, up 1,351 from a week earlier. On March 14, interest reached 278,661 contracts, its highest level since November 11, 2021 (286,951).



Unfixed on-call sales rose by 3,659 contracts during the week ended March 8, to stand at 74,349, according to the latest report from the Commodity Futures Trading Commission. The corresponding figure a year earlier was 62,633 contracts.



Unfixed positions on the lead May delivery fell by 1,296 contracts, to 23,883. That adjustment was more than offset by additions for July (up 654 to 23,909),

December (up 2,727 to 19,760), and March 2025 (up 1,399 to 4,044). Smaller changes were recorded for the months further forward.

During the week ended March 18, current crop upland entries into the Commodity Credit Corporation's loan program amounted to 1,586 bales, while 132,739 bales were redeemed. The unpaid balance for the 2023/24 season, therefore, fell to 2,067,299 bales, of which cooperatives and loan servicing agents accounted for the majority of the stock at 1,905,894 and independent growers held 161,405 bales.

Spot market sales totaled 2,153 bales in the five days ended March 20 and West Texas/Kansas/Oklahoma growths accounted for most of the cotton sold (2,010), followed by the Southeast (89) and the South Delta (54). The season's cumulative total increased to 794,026. Basis levels were unchanged on the week.

		Basis Levels 2023/24 cents per lb
Southeast	SLM 1- 3/32"	100 to 250 "off"
Memphis Territory	SLM 1-3/32"	200 to 350 "off"
Texas/Oklahoma	SLM 1-3/32"	750 to 900 "off"
Far West - SJV	Midd 1-3/32"	15 "off" to 100 "on"
DSW - Arizona	Midd 1-3/32"	475 to 600 "off"
May '24 New York Futures FOB railcar/truck - Southeast and Memphis Territory. FOB whse - Arizona uncompressed, California compressed. ** Premium required by growers to enter commitment to sell cotton held in the CCC Loan		

Grower sales on *The Seam* were reported at 628 bales (539 from the Southwest and 89 from the Southeast) while business turnover totaled 2,877 bales (2,823 from the Southwest and 54 from the Memphis Territory). The average prices paid were 73.88 and 70.49 cents per pound, respectively.

Grower To Business				
Region	Avg Price	Staple		Total
		34 or Less	35 or More	
Southeast	73.94	50	39	89
Southwest	73.87	4	535	539
Total	73.88	54	574	628
Business To Business				
Region	Avg Price	Staple		Total
		34 or Less	35 or More	
Mfs Terr	85.00	0	54	54
Southwest	70.21	1,076	1,747	2,823
Total	70.49	1,076	1,801	2,877

Advance Monthly US retail sales report

The Advance Monthly US retail sales report showed a decrease of 0.9 percent from the previous month in February 2024, but an increase of 1.3 percent compared with the same month a year earlier. The most current estimate reported sales of clothing and clothing accessories at 26,289 million dollars, compared with the January estimate of 26,413 million.

The 2-month total (January-February 2024) was reported at 52,702 million, just above the 52,483 million reported for the same time frame in 2023.



US UPLAND AND PIMA STATISTICS

LOAN STATISTICS

CCC Data as of March 18, 2024 (running bales):

Crop	Total Entries	Repossessions	Forfeitures	Outstanding Stock
23/24	5,443,510	3,376,211	0	2,067,299
22/23	6,527,467	6,527,266	201	0
Totals	11,970,977	9,903,477	201	2,067,299
Last period's total (Mar. 11)				2,198,452

*Including 161,405 bales held by individuals and 1,905,894 by cooperatives and loan servicing agents

Details by state for 2022/23 crop and 2023/24 upland cotton remaining under loan are as follows (the figures include cotton from both individual growers and the cooperatives):

	- OUTSTANDING -	
	2023/24	2022/23
N. Carolina	142,253	-
S. Carolina	95,065	-
Georgia	407,721	-
Alabama	90,006	-
Florida	32,403	-
Virginia	12,152	-
Southeast	779,600	0
Tennessee	168,682	-
Illinois	105	-
Missouri	260,987	-
Mississippi	288,248	-
Arkansas	320,583	-
Louisiana	40,598	-
Memphis Ter	1,079,203	0
Texas	131,694	-
Oklahoma	19,310	-
Kansas	14,672	-
South West	165,676	0
New Mexico	4,732	-
Arizona	16,101	-
California	21,987	-
Far West	42,820	0
Upland Total	2,067,299	0

Pima CCC Loan Activity

running bales to March 18, 2024

	Total Entries	Repayments	Forfeitures	Outstanding Stock
2023/24	195,473	39,305	-	156,168
2022/23	288,175	288,175	-	0
	483,648	327,480	0	156,168
Previous Total Outstanding (Mar. 11)				158,658
			2023/24	2022/23
		Arizona	11,843	-
		California	101,931	-
		New Mexico	19,713	-
		Texas	22,681	-
		Pima Total	156,168	0

SPOT MARKETS

OFFICIAL QUOTATIONS FOR SLM 1-1/16" (41/4/34):

	Prices		Turnover
	20-Mar	13-Mar	
Southeast	90.18	(92.90)	89
N. Delta	89.18	(92.15)	0
S. Delta	89.18	(92.15)	54
E. Tx/Okla	83.18	(87.15)	0
West Texas	83.18	(87.15)	2,010
Desert Southwest	82.93	(86.90)	0
San Joaquin Valley	83.18	(87.15)	0
7 MARKET AVERAGE	85.86	(89.36)	

Turnover for the period ending March 20

Total turnover for season to March 20

Selected markets to March 20 (March 13 in parenthesis)

NORTH DELTA

	Middling (31)	SLM (41)	
1-1/16" (34)	90.43 (93.40)	89.18	(92.15)
1-3/32" (35)	91.18 (94.15)	89.18	(92.15)

Basis for SLM 1-1/16" (41/34):

NY No.2 May '24 -300

SAN JOAQUIN VALLEY

1-3/32" (35)	92.08 (96.05)	85.18	(89.15)
1-1/8" (36)	95.58 (99.55)	85.98	(89.95)

Basis for Midd.1-3/32" (31/35):

NY No.2 May '24 -10

WEST TEXAS

15/16" (32)	76.68 (80.65)	76.43	(80.40)
1" (33)	78.93 (82.90)	77.43	(81.40)
1-1/32" (34)	83.93 (87.90)	83.18	(87.15)

W. Texas Micronaire (cent points per lb):

	20-Mar	13-Mar
24 & Below	-1850	-1825
25-26	-1850	-1750
27-29	-1300	-1225
30-32	-825	-825
33-34	-625	-625
35-36	0	0
37-42	0	0
43-49	0	0
50-52	-450	-450
53 & Above	-525	-525

Strength grams/tex (cent points per lb):

	Mfs Terr	W Texas	SJV
	*	-475	*
20.0-20.9	*	-475	*
21.0-21.9	-850	-450	*
22.0-22.9	-800	-425	*
23.0-23.9	-750	-400	*
24.0-24.9	-700	-400	-500
2.50-25.9	-650	-275	-400
26.0-26.9	-300	-250	-300
27.0-28.9	0	0	0
29.0-29.9	0	0	0
30.0-30.9	25	5	75
31.0-32.9	50	15	125
33.0 & Above	50	25	250

* Strengths have no history of being produced.

Note: Official quotations for cotton of 3.5-3.6 & 4.3-4.9

Micronaire, strengths 23.5-25.4 g/tex, compressed in

Mixed lots, FOB car/truck.

PIMA SPOT QUOTATIONS

Selected markets to March 20, with March 13 in parenthesis, were as

AMERICAN PIMA

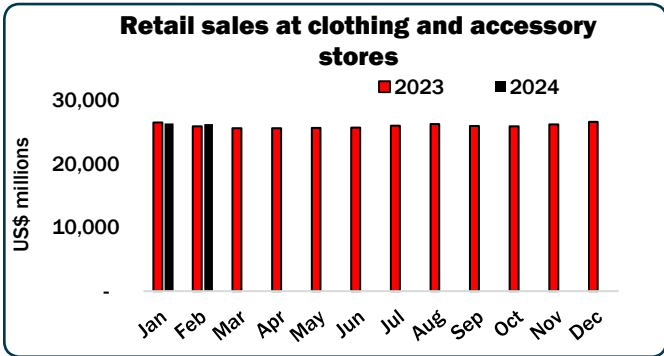
GRADE	1-3/8" (44)	1-7/16" (46)
2	170.25 (170.25)	176.00 (176.00)
3	157.50 (157.50)	165.25 (165.25)
4	137.00 (137.00)	144.75 (144.75)

MICRONAIRE DISCOUNTS (cent points per lb):

2.6 and below	-2000
2.7 to 2.9	-1500
3.0 to 3.2	-1000
3.3 to 3.4	-500
3.5 and above	Base

Note: Official quotations reflect cotton equal to the Official Standards, net weight, in mixed lots, uncompressed, FOB Warehouse.





Weather and crop developments

Following light to moderate rain across **South Texas** earlier in the period, a mix of sun and clouds, along with warmer temperatures soon returned, allowing outside activities to proceed. Final spring pre-plant fieldwork is drawing to a close across most of the Upper Coastal Bend district, and seeding has commenced in fields where soil temperatures have reached optimal levels.

Sowing has resumed in the Coastal Bend area amid favourable conditions, and seeds are sprouting in some of the earlier-planted fields. Meanwhile, seeding is already nearing an end in the Rio Grande Valley, and emergence has been relatively good.

Thunderstorms are in the near-term forecast for the region, and between 0.50" and 1.50" of rain is projected for mainly the Coastal and Upper Coastal Bend districts, while only showers are expected in the RGV.

As shown in the National Oceanic Atmospheric Administration's (NOAA) 8 to 14 Day Precipitation and Temperature Outlook maps that were released on March 19, near to above normal temperatures are forecast for the region from March 27 to April 2, which will help spur seed germination and push early seedling development, but below normal chances of precipitation are projected. The mainly non-irrigated crop will of course require rainfall during the growing cycle ahead.

Elsewhere in the state, stormy weather developed in central and northern parts of Texas earlier in the reporting period, bringing hail and damaging winds to many locales. Another storm system is expected to enter central and northern locales in the upcoming days as warm, moist air from the Gulf of Mexico is funneled inland. Although the precipitation will hamper final spring field preparations, it will help ease dry soils.

Mostly open skies and above-average temperatures from the upper 60°s to 70°s (F) were reported in **West Texas** late in the period, but clouds have begun to roll into the

region ahead of a weak cool front. Scattered showers could fall in the upcoming days, but little, if any, significant rain is expected, which will allow spring fieldwork to advance with little interruption.

Welcome precipitation was recorded in some locales earlier in the reporting period, helping settle the dust and make fields more manageable. Unseasonably cold temperatures, though, followed, with nighttime readings briefly dropping into the 20°s and 30°s.

Producers have been preparing seedbeds and scheduling deliveries of fertilizer and pre-plant herbicides. Abnormally warm, dry, windy weather during the week ended March 12 increased soil moisture evaporation rates, and consequently, a deterioration in soil moisture levels was reported in parts of the region, where many northern locales were categorized 'abnormally dry'.

Thus, slow-soaking rains would be welcomed in the next couple of months to alleviate droughty conditions and boost groundwater table supplies. Based upon NOAA's 8 to 14 Day Precipitation and Temperatures Outlook maps, near to above normal chances of precipitation are forecast for the March 27 to April 2 period, while below-normal temperatures are projected.

Weather conditions have varied widely across the **Memphis Territory** during the period under review. Thunderstorms brought widespread, moderate to heavy rains to much of the Delta ahead of a cold front earlier in the period, with parts of the South Delta receiving between 6.00" and 9.00". Hence, flash flooding occurred in low-lying areas.

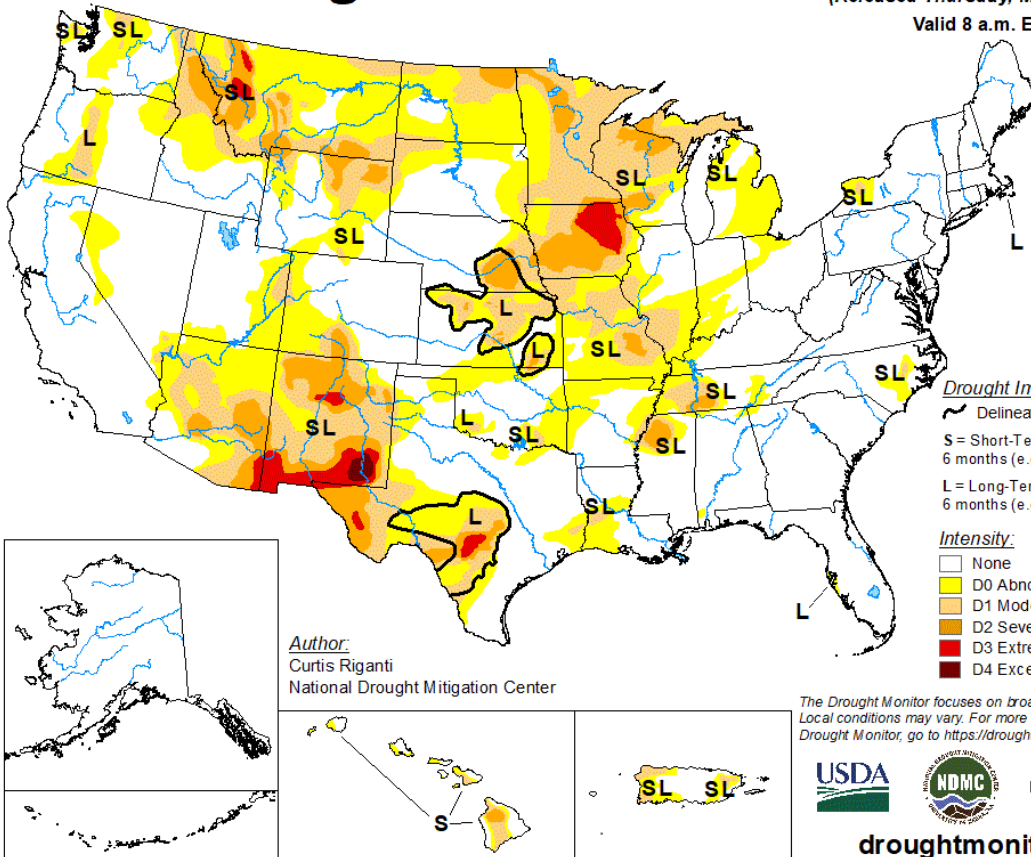
Since soil moisture levels in many cotton growing areas ranged from 'abnormally dry' to 'severe drought' as of March 12, with the hardest hit part being in North Mississippi, the precipitation was welcomed.

Producers have been preparing equipment and booking fertilizers, pre-plant herbicides and seed for the upcoming season. Fieldwork is underway, and grain sowing usually commences in southern parts of the region



U.S. Drought Monitor

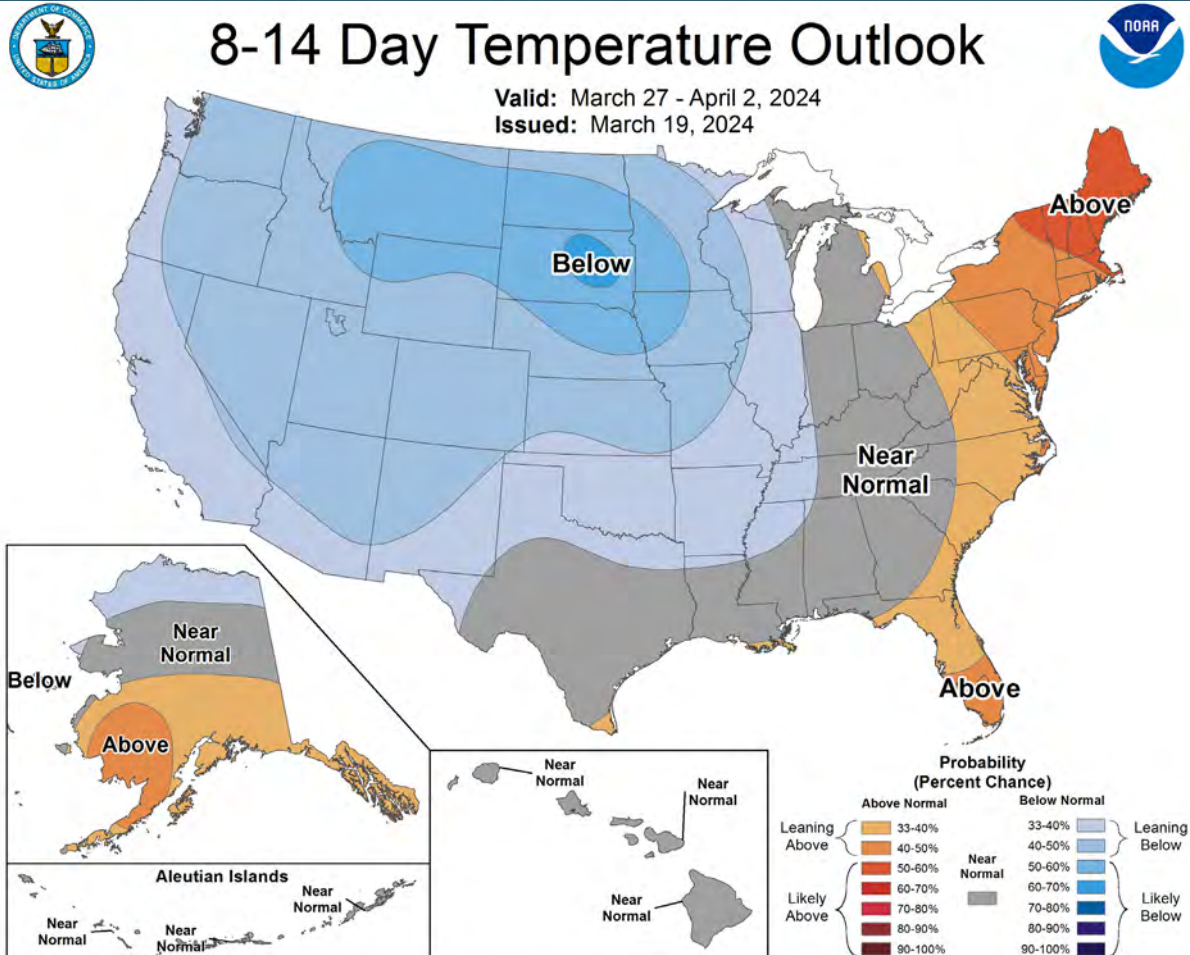
March 12, 2024
 (Released Thursday, Mar. 14, 2024)
 Valid 8 a.m. EDT

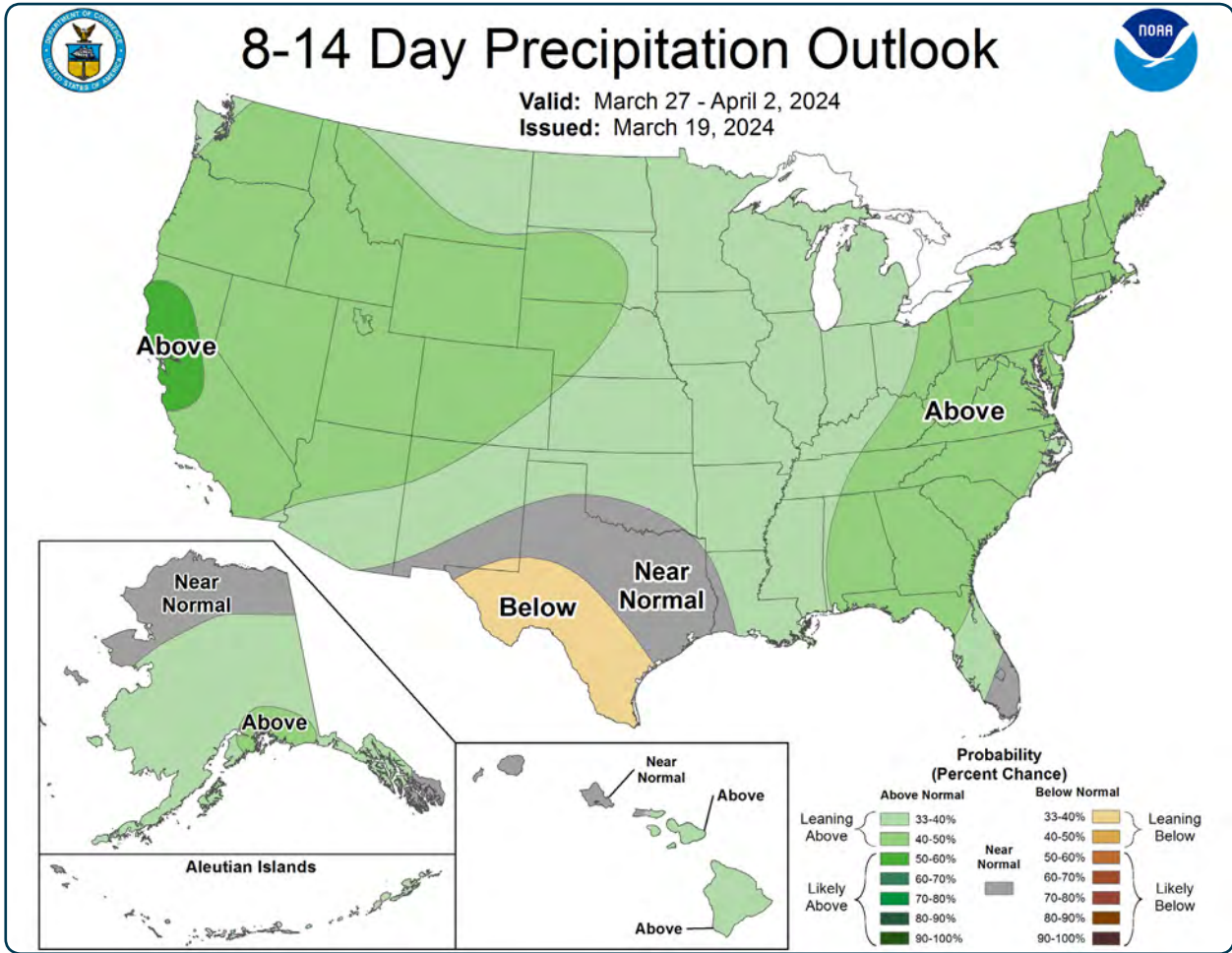


The U.S. Drought Monitor is jointly produced by the National Drought Mitigation Center at the University of Nebraska-Lincoln, the United States Department of Agriculture, and the National Oceanic and Atmospheric Administration. Map courtesy of NDMC.

8-14 Day Temperature Outlook

Valid: March 27 - April 2, 2024
 Issued: March 19, 2024





during April, with cotton planting following. Additional precipitation, therefore, would be helpful in the coming weeks to enhance soil moisture levels.

Another cool front is in the near-term forecast, and light to moderate rain is projected, with the heaviest amounts expected in central and southern locales. According to NOAA's 8 to 14 Day Precipitation and Temperature Outlook maps that were released on March 19, there is an above normal chance of rain forecast while near to below normal temperatures are expected during the same period.

Similar conditions have been reported across the **Southeast**. Stormy weather moved through earlier in the period under review, generally bringing light to moderate rain. A few locales, though, received heavier amounts, along with hail and damaging winds in some of the stronger thunderstorms. Since groundwater table supplies were already at or near a surplus, flash flooding occurred in low-lying locales.

In the upcoming days, more scattered thunderstorms are forecast, with light to moderate rain projected. Hence, spring field preparations will likely be idled. Mostly sunny skies are expected to follow, but according to NOAA's latest Precipitation and Temperature Outlook maps for the March 27 to April 2 period, above normal chances of rain are forecast for the region, and near to or above normal temperatures are projected.

In the **Far West**, the Pima planting season has commenced in California's San Joaquin Valley fields that have reached optimal levels as growers rush to get as

much seed in the ground before forecasted inclement weather arrives in the upcoming days. Light to moderate rain is projected, and since soil moisture levels are at or near a surplus throughout northern and central parts of the state, any additional precipitation could cause flash flooding. Below normal temperatures, though, are also forecast, and the combination of cool, wet weather could chill soils and slow seed germination. However, the cooldown is expected to be short-lived as more seasonable temperatures are forecast to soon return, with readings projected from the upper 60's to 70's by Tuesday.

Sowing is advancing in Yuma County, Arizona (southwestern part of state) amid favourable conditions, and seeds are sprouting in some of the earliest-planted fields. Elsewhere, spring field preparations are nearing an end in central locales, and weather permitting, sowing is expected to commence in the next week to 10 days.

Cotton Trust Protocol

April 30 is the deadline for growers to enroll their cotton crop into the US Cotton Trust Protocol. "The Climate Smart Cotton Program offers financial and technical support to assist growers with the adoption and implementation of sustainable practices that benefit both their operations and the environment. The program began less than one year ago and has already approved applications for 778 farming entities of the 1,650 available. To date, more than \$1.5 million has been paid to these growers and more payments will be made before March 30."



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US EXPORT SALES

In the week ended March 14, net sales registrations of upland cotton for shipment this season were 92,600 running bales. The main increases, for Turkey (23,800), Peru (13,700), Vietnam (11,700), Bangladesh (11,400), and Pakistan (10,200), were partially offset by reductions for Singapore (2,200), Guatemala (800), and South Korea (100). China added just 2,200 bales to its commitment during the period.

Export shipments of 397,300 bales, representing a marketing-year high, were mainly for China (183,700), Vietnam (61,300), Pakistan (58,700), Turkey (22,800), and Mexico (15,000).

Net sales of 40,500 running bales were registered for 2024/25, for Bangladesh (26,400), Turkey (8,800), Pakistan (4,400), and Peru (900).

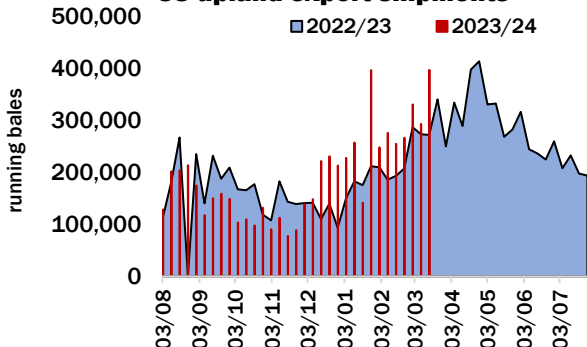
US export sales

in thousand running bales

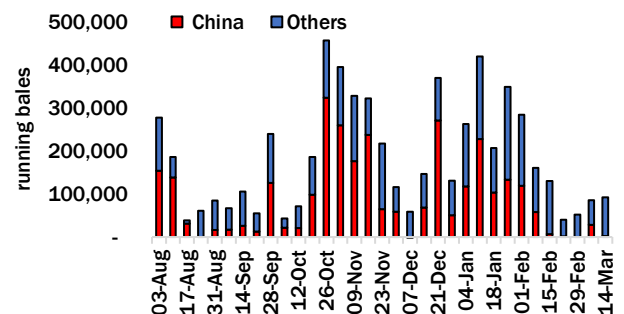
	2023/24			2024/25	
	Upland	Pima	All cotton	Upland	Pima
Week ended March 14					
Previous unshipped commitments	4,647.7	64.5	5,660.2	950.1	3.3
New sales	104.7	2.1	106.8	40.5	0.0
Cancellations	12.1	0.0	12.1	0.0	0.0
Net sales	92.6	2.1	94.7	40.5	0.0
New commitments total	4,740.3	66.6	4,806.9	990.6	3.3
Week's shipments	397.3	1.2	398.5	0.0	0.0
Cumulative shipments	6,364.8	191.0	6,555.8	0.0	0.0
Unshipped commitments	4,343.1	65.5	4,408.6	990.5	3.3

The net increase in Pima export registrations was 2,100 running bales, for India (800), Brazil (600), and Indonesia (400).

US upland export shipments



Upland sales to China and ROW



US PRICE MECHANISM

The Adjusted World Price is calculated from CFR Far East quotations, adjusted to reflect quality differentials and an 'average cost to market'. The quality adjustment is derived from the loan difference between Middling 1-3/32" and SLM 1-1/16". The 'average cost to market' is determined by using values provided to USDA by cotton shippers. USDA has amended the cost at 21.82 cents until further notice. Further adjustments to the AWP are applied by reference to differences between World Quality and Loan Quality values in the form of a Fine Count and a Coarse Count Adjustment.

US Price Mechanism

- 2023/2024 season -

- value if applied today, March 21, 2024 -

Take 5-day average of:-

A) Five Far Eastern Midd.1-3/32" CFRs	96.76
B) Three Far Eastern 'fine count' CFRs	99.02
C) Three Far Eastern 'coarse count' CFRs	102.52
D) Cheapest US Midd. 1-3/32" CFR	103.10

ADJUSTED WORLD PRICE CALCULATION

Deduct from A	
Average cost to market	21.82
Loan Quality Differential	
(at average location) between:	
Middling 1-3/32"	54.45
SLM 1-1/16"	52.00 2.45
E) Total Adjustment Factor	24.27
F) Adjusted World Price (A - E)	72.49
G) Fine Count' Adjustment Factor	must be above zero
2023 Crop (current values 2.45-(B-A))	0.19
H) Coarse Count' Adjustment Factor	must be above zero
(current values A-C-5.60)	-11.36
I) Loan Deficiency Payment, Basic Loan (52.00) - F	-20.49

The AWP may be further amended if, at the Secretary of Agriculture's discretion, such an amendment is necessary to 1) minimise potential loan forfeitures, 2) minimise accumulation of Government stocks, 3) ensure free and competitive marketing of upland cotton, both domestically and internationally and 4) ensure an appropriate transition between current and forward quotations.

Cotton entered into the Loan may be redeemed with cash at the Basic Loan value or at an AWP lower than the Basic Loan plus storage and interest charges (thus avoiding such charges either entirely or in part).

American Pima Competitiveness Payment

Basic Loan Trigger

P1) Cheapest competing foreign quote CFR Far East: (week to date average)	170.00
P2) P1 adjusted for quality and transportation (P1+10)-(-23.63)	156.37
P3) Basic ELS Loan Rate (95.00) adjusted for quality 2-2-46	95.00
P4) Basic Loan Trigger = .113% of P3. P2 must be lower than P4 for four weeks for payments to be triggered <i>The Basic Loan Trigger criterion must be met for any payment to be calculated</i>	107.35

Payment Calculation

P5) Friday/Thursday US Pima CFR Far Eastern Average	205.00
P6) Weekly average cheapest competing foreign quote CFR Far East (adjusted for quality)	180.00
P7) Theoretical value (P5-P6)	N/A
P8) No. of completed wks. P5 must exceed P6 for four consecutive weeks.	0
P9) Official current rate payable through Thursday March 21	N/A

BRAZIL

Mixed field reports

Field reports from Mato Grosso are rather mixed, although generally optimistic in tone. Some parts of the state have recorded plentiful rain – up to 80 millimetres in certain areas – but others have received very little moisture and would welcome some rainfall. Sunny conditions have ruled in the periods between showers, accompanied by high temperatures.

Overall, the standing crop is looking promising. As already reported, the incidence of boll weevil has been high this season but it seems that farmers are effectively controlling pest attacks.

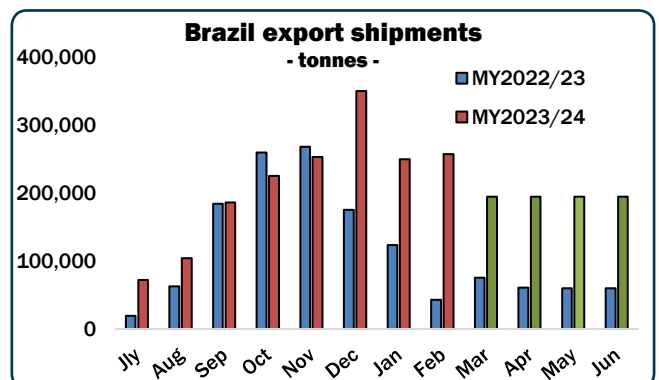
Reports from Bahia and other states are also encouraging.

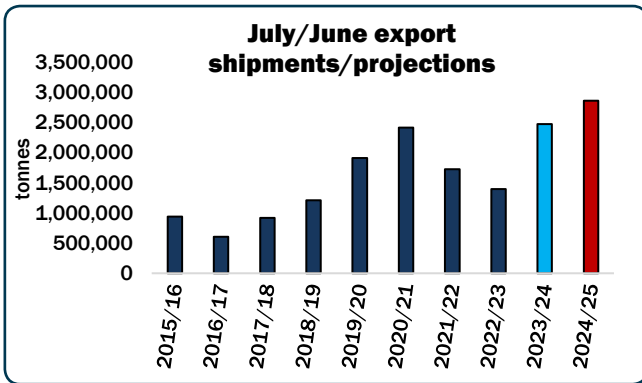
As things stand, most participants seem confident that a bumper crop (close to the estimate advanced last week by the official forecasting agency, CONAB) is achievable.

Bumper crop in prospect

CONAB's number – 3,560,100 tonnes of lint, a new record – has prompted some reflection with regard to the marketing and logistical challenges that lie ahead.

Between July 2023 and February 2024, just over 1.7 million tonnes (mainly from the 2023 crop) were shipped for export. In order to avoid a rise in stocks at the end of June (at which point the 2024 crop will be poised to





move), shipments will need to average about 195,000 tonnes per month (as illustrated in the chart). Of course, not all of the cotton in question has been sold from first hands or from merchants to final mill consumers.

The monthly average for the July/February period was just below 213,000 tonnes. Exports reached a peak of almost 351,000 tonnes in December of last year. The all-time record monthly shipment volume – over 370,000 tonnes – was attained in December 2020.

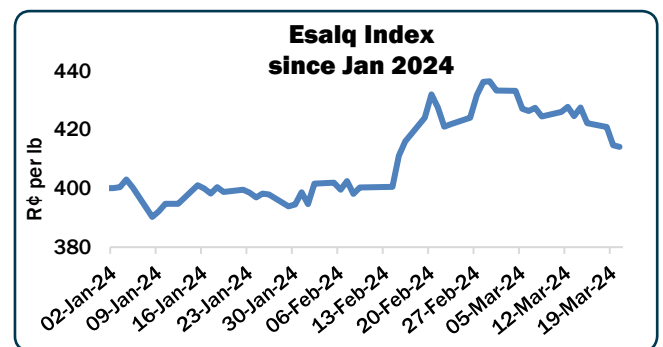
Self-evidently, marketing and timely shipment of the record crop anticipated this year poses a still greater challenge. Allowing for domestic consumption, an exportable surplus of about 2,860,000 tonnes (the column in red in the accompanying chart) will need to be disposed of if a rise in stocks is to be avoided. That figure would require average monthly shipments approaching 240,000 tonnes.

Local and export markets

Export business in 2023 crop has continued at weakening basis levels. It is reported that Middling 1-1/8” can be purchased, FOB Santos, at around 300 cent points ‘off’ May futures.

Forward sales of 2024 crop are estimated by ABRAPA (the national producers’ association) at 58 percent of prospective output. Based on CONAB’s estimate, that would imply a volume just over two million tonnes already committed from first hands.

On the local market, prices have also tended lower, influenced by still selective domestic mill demand and the movement of international values. The *Esalq* spot Index (41-4-35, delivered mill South Brazil, payment at eight days) stood on March 20 at R\$414.22 (about 83.25 US cents) per lb, its lowest since mid-February.



ARGENTINA

Crop update

The pace of picking remains slow, with less than 5,000 hectares completed so far in Chaco, according to a report from the provincial authorities dated March 18. Work should begin to accelerate from April.

According to the Ministry of Agriculture’s latest bulletin, plants generally are in good condition. Some local reports voice concern at the impact of exceptionally high temperatures and the poor rainfall received in certain areas. The soybean crop has been the worst affected and observers are hopeful that cotton will tolerate the conditions better.

Scattered rainfall has been received over Chaco Province, with the heaviest accumulations amounting to around 75 millimetres. Weather over most other cotton areas has been dry, but isolated storms are forecast over parts of Chaco, Santiago del Estero and northern Santa Fe in the coming days, following which clear conditions should return. On balance the moisture is considered beneficial for the developing crop.

Demand from the domestic mill sector remains at a low ebb. On the export front, some new business has been concluded in the past week, but the volumes under discussion have been small.



BREMEN INTERNATIONAL COTTON CONFERENCE

Delegates gathered this week in Bremen for the 37th International Cotton Conference. The official opening on Wednesday was followed by keynote speeches on the market outlook, impending EU legislation on sustainability and a view of the cotton market from the financial sector.

Colin Iles (Executive Manager, Cotton and Sugar at Viterro) began with a review of the world market. Mr Iles reflected on the poor consumption growth cotton has experienced over the past 30 years relative to other crops and oil, and the relationship between prices and demand. He observed that global cotton demand tends to struggle in the wake of price spikes and suggested that a better market share for cotton would be achievable if supply were more plentiful

(with opportunities in Brazil, for example) allowing for increased price competitiveness for the fibre in downstream markets. Furthermore, it was noted that the need to communicate cotton’s sustainability assets versus polyester would also be key for growth.

Mr Iles then made comparisons between the price rallies experienced so far in 2024 with those of 2008, acknowledging the similarities but highlighting some key differences, including this year’s tight US balance sheet and a more robust and resilient trading sector.

Analyst Veronica Bates Kassatly then discussed sustainability legislation, and EU proposals in particular, reviewing their effectiveness and the data and methods used to shape them. Ms Kassatly observed some problematical



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areas in the legislation as currently drafted, suggesting that data sets and Life Cycle Assessments according to which the sustainability credentials of various fibres are gauged should be reviewed and improved. Unless the foundations for the legislation are reinforced, she argued that the effect could ultimately be detrimental in environmental and social development terms.

Sustainability continued to be at the heart of the day's proceedings, discussed from various points of view. Representatives from Commerzbank considered the role of capital and investment in the expansion and consolidation of cotton sustainability start-ups, and the prospects for emissions trading. A Cotton Brazil panel session highlighted regenerative certifications, traceability, and the need for better communication along the supply chain to enable a greater understanding of the specific problems and opportunities apparent in each part.

Speakers in the afternoon session – 'A Wider View' – offered insights into their respective sectors. Eric Trachtenberg (Executive Director, ICAC) opened with a summary of the ICAC's work, upcoming projects and goals. There followed a review of textile footprinting and its limitations by Klaus Steger (International Wool Textile Organisation), a brand's view on demand for regenerative and sustainability certified cotton offered by Heinz Zeller (Hugo Boss), and the impact of farming systems on the environment by Jens Soth (Helvetas).



Finally, Prof. Stefan Schlichter discussed the journey and opportunities for a circular textiles market.

The conference continues and will conclude on Friday March 22.

