

# **CICCA Update by Member Associations**



Issue 8 – 9 March 2017

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Welcome to this Update, keeping you informed of the new developments at the Member Associations. This publication comes as a result of a decision reached at the 2012 Plenary Meeting that “To facilitate the understanding of the latest cotton related information in the countries of Member Associations and to make CICCA more pro-active if necessary, it was agreed that Member Associations would update their countries’ cotton market information on a quarterly basis, and this would be distributed within the CICCA forum.”

Any suggestions and comments would be greatly appreciated. The following Member Associations have contributed to this issue:

[ACSA Australia](#), [AFCOT](#), [ALCOTEXA](#), [CCA](#), [GCA](#), [ICA](#), [ICE](#) and [JCTA](#).

## **ACA - Association Cotonnière Africaine**

(No update)

## **ACSA – American Cotton Shippers Association**

(No update)

## **ACSA – Australian Cotton Shippers Association**

Australia’s 2016 season resulted in production of 2.77 million bales. End-season quality statistics reveal a solid season with more than 70% of the crop being graded 21-3 and better.

Australian production is forecast to be in excess of 4 million bales for the 2017 season. A significant proportion of this is irrigated cotton but considerable raingrown cotton has been planted this season. Australia is in the middle of a hot, dry summer and is always the case, come January and February, growers are always looking to ensure there is adequate irrigation water to “finish” the crop.

Some early picking has commenced in the Central Queensland region for early planted cotton but peak picking for that area will hit its stride in another three weeks. Other growing regions will not likely commence picking until late March.

## **AFCOT – Association Française Cotonnière**

- AFCOT held its annual cotton event last October in Barcelona. More than 360 attended. Next event will be in Deauville on October 3<sup>rd</sup> 2017.

- Last October, AFCOT published a magazine on cotton which has been distributed to the industry and also to all CICCAs associations. Chairman of CICCAs, Mr Antonio V. Esteve contributed with an article about the role of CICCAs.

- Starting January 2017, all new members have to sign AFCOT code of ethics in which it is recalled that all members have to comply with good business practices as it is promoted by CICCAs and member associations.

### **ALCOTEXA - Alexandria Cotton Exporters' Association**

	<b>Commitments (Tons)</b>	<b>Shipped (Tons)</b>	<b>Value (\$)</b>
<b>1<sup>st</sup> Quarter</b>	21,995.20	7,258.70	64,884.757
<b>Total</b>	<b>21,995.20</b>	<b>7,258.70</b>	<b>64,884.757</b>

### **BBB – Bremer Baumwollbörse**

(No update)

### **BBM – Bolsa Brasileira de Mercadorias**

(No update)

### **BCA – Belgian Cotton Association**

(No update)

### **CAI – Cotton Association of India**

(No update)

### **CAN - Centro Algodonero Nacional**

(No update)

### **CCA – China Cotton Association**

During the past calendar year of 2016, China cotton production continued to shrink especially in inland regions and cotton price experienced unexpected fluctuations; reserve cotton auction was

active and met demand from most domestic mills. The average yearly price of CC Index3128B is 13,677 Yuan/ton, 22% higher than that of last year. The monthly price for the last month of the year is 15,893 Yuan/ton, 2,957 Yuan more than last December.

China Cotton Association adjusted its national cotton production to 4.94 million tons, comprising 3.95 million tons in Xinjiang, which accounts for 80% of the national yield. According to the China Fibre Inspection Bureau, the cotton ginned in Xinjiang in the new season totalled 3.97 million tons by 9<sup>th</sup> February, 2017.

The reserve cotton auction of last season closed by September, 2016, and offered 3 million tons of cotton and sold by 2.66 million tons, 88.53% of turnover rate, among which 2.36 million tons of domestic cotton and 296,300 tons of import cotton. Announced by government department related, the auction of reserve cotton in 2017 will start from 6<sup>th</sup> March till the end of August, at a daily volume of 30,000 tons.

According to the Customs, in 2016, China has imported cotton of 896,600 tons, 39.1% less than that of 2015, cotton yarn import was 1.97 million tons, 16.08% less than last year. The yearly export of textile and apparel valued 262.44 billion USD, 7.58% less than last year.

The latest cotton planting intention survey was conducted in December, 2016, which was participated by more than 2,800 cotton farmers in both Xinjiang and inland. Deducted from the survey, the national cotton acreage in 2017 will be 2.84 hectares, 3.16% up Y/Y.

## **FITMI - Federazione Imprese Tessili e Moda Italiana**

(No update)

## **GCA – Gdynia Cotton Association**

### **Polish Textile Branch in 2016**

Central Statistical Office data for January – December 2016 show that the Polish textile industry noted drops in manufacture of some of categories of products. Among the most important categories of textiles, increase of production, when compared to the 2015, were noted only in the case of flax yarn 4,386 tonnes (+4%), bed linen 18.644 million pieces (+2%) and fitted carpets 1,510 thou. m<sup>2</sup> (+4.6%).

Decrease of production was noted by manufacturers of other categories of products, whereas the greatest one was in manufacture of pile fabrics (towels, terry fabrics) 6,000 thou. m<sup>2</sup> (-49.5%) and cotton fabrics 8,046 thou. m<sup>2</sup> (-18%).

In 2016, a huge increase (+15.5%) took place in the value of production sold, in the Polish textile branch, when compared to 2015.

In 2016, the value of investments in Polish textile industry also increased impressively – by as much as 20%.

Data from the Central Statistical Office show that the average employment (companies employing 9 or more persons) in production of textiles is stable and at the end of 2016 it was 46 thousand - the same, like at the end of 2015.

According to the GCA estimates, in 2016, ca. 6.9 thousand tonnes of raw cotton materials will be imported and processed – those which are used for yarn, non-wovens and hygienic-cosmetic products based on cotton fibre. This suggests, that imports and consumption of cotton raw materials in Poland will not exceed 7 thousand tonnes in the cotton season 2016/2017.

## **ICA – International Cotton Association**

The ICA has launched a **Professional Certificate in Commodity Management** course with the University of Liverpool. The course is online so participants can join from anywhere in the world, without needing visas or having to pay any travel and accommodation costs.

Using a credit based system, the course is made up of six modules and is set at Level 6 (undergraduate level) on the UK's Qualifications and Credit Framework (QCF).

Some arbitration and default list statistics are as follows:

- Total number of arbitration applications in 2016: 45 (40 in 2015)
- Average time to complete a technical arbitration in 2016: 240 days (291 days in 2015)
- Average cost of technical arbitration award in 2016: £7,541.40 (£7,687.35 in 2015)
- Number of defaulters added to the ICA List of Unfulfilled Awards in 2016: 20
- Number of defaulters removed from the ICA List of Unfulfilled Awards in 2016: 26

The ICA Annual Event 2017 will be held in Singapore on 11-13 October. Registration will start at the end of March.

This year's 'Complete Cotton' training course will take place in Liverpool, on 26 April to 5 May.

## **ICE – Izmir Commodity Exchange**

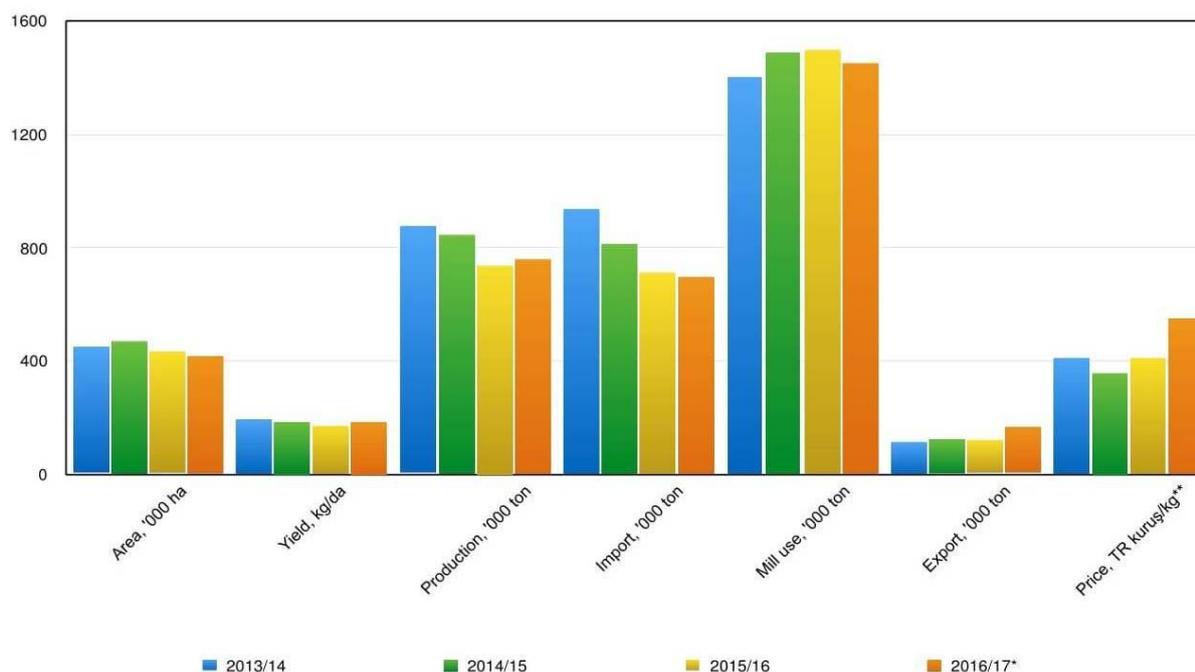
Please find a table and a chart attached regarding the comments below.

Turkey cotton area in 2016/17 is estimated down slightly by 9% to 415 thousand hectares due to lower prices in 2015/16. However, it is forecasted that this can largely be balanced by higher yields and quality thanks to favourable climate conditions, and the production may be increased by 2% to 756 thousand tons.

In 2016/17, Turkey cotton consumption is forecast down 3% to 1.450 million tons. Thus imports are projected to decline to 693 thousand tons, which is the third reduction since 2013/14 when it accounted as the third biggest importer. Turkey's cotton exports are keeping upward movement; exports are expected up 40% to 164 thousand tons, which is the third increase since 2013/14.

In Turkey, national cotton prices are deeply bound up with international ones; Liverpool A Index and New York Futures NYCE prices are main indicators in this manner. The average Izmir Commodity Exchange, 41-Color Grade White Aegean Region Upland cotton price of the last harvest season (Sept.-Dec., 2016) was 5.48 Turkish Lira per kg, which is equivalent to 76 cents/lb. Although it is 2 cents lower than the A Index of the average of the same period, this price was received positively by the farmers because they would be able to sell their products with 30% higher prices than the last season by Turkish Liras.

Turkey Cotton Situation				
	2013/14	2014/15	2015/16	2016/17*
Area, '000 ha	451	468	434	415
Yield, kg/da	195	181	170	180
Production, '000 ton	878	846	738	756
Import, '000 ton	932	810	713	693
Mill use, '000 ton	1.400	1.486	1.500	1.450
Export, '000 ton	110	126	117	164
Price, TR kuruş/kg**	410	355	411	548



\*. Estimated values  
 \*\* Average İzmir Commodity Exchange 41-Color White Upland cotton price of the last harvest season (Sept.-Dec. 2016)

## JCTA – Japan Cotton Traders’ Association

### Cotton Imports into Japan in 2016

Cotton imports into Japan in 2016 totaled 281,183 bales (61,220 MT), down 5% from 294,564 bales (64,133 MT) in 2015. This decrease is largely attributable to continued reduction of spinning equipment and fluctuation of exchange rate from appreciation to depreciation of the Japanese Yen throughout 2016.

The main sources of supply were the United States, followed by Australia, Greece and Brazil. These top four countries accounted for 91% of total imports in 2016. The largest decrease was Brazilian cotton for coarse count yarn production which decreased to 26,498 bales (5,769 MT), down 33% from a year ago. This decrease is attributed mainly to high short fiber content. The U.S. cotton for mainly spinning medium count yarn totaled 120,942 bales (26,332 MT), down 4% from last year. In contrast, Greece cotton for coarse count yarn production remains unchanged at 49,283 bales (10,730 MT).

However, under such circumstances, Australian cotton for spinning medium count yarn increased to 59,675 bales (12,993 MT), up 43 % from last year. This is because contamination is small and staple length is relatively long as well as last year's reasonable prices,

On the other hand, mill use in Japan has been leveled to around 300,000 bales (65,317 MT) in recent years. At its peak, Japan's spinning sector represented 6% of world consumption, but in recent seasons represents less than half of a percent of that total.

### **KCA – Karachi Cotton Association**

(No update)

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