

# Quarterly Update by Member Associations



Issue 6 – 8 February 2016

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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, BBB, CAN, CCA, GCA, ICA and JCTA.

## **ACA - Association Cotonnière Africaine**

(No update)

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

(No update)

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

With the 2015 wrapped up, quality data from the 2015 crop suggests a marked improvement compared to the weather damaged 2014 season crop. 92% of the crop was Middling or better with 43% of that graded at 21-3 and better. Staple length has shown a continual improvement over the last 10 years with more than 70% of the crop now 1-3/16” and longer and 69% of our cotton was in the 3.8-4.5 mic target range.

Total plantings for 2016 is pegged at 270,500 hectares with 207,800 of those being irrigated. There have been some isolated regional weather situations impacting on production and the current forecast for production is 2.4 million bales.

Harvest in Australia’s northern cotton growing sector of Central Queensland will commence in late February and continue through to June in the southern sector of the Riverina region.

## **AFCOT – Association Française Cotonnière**

AFCOT’s 2015 cotton seminar and dinner took place in Deauville, France on October 8th.

More than 350 attended the event. This year, the cotton seminar and dinner will take place in Barcelona on October 7th.

Last November, an AFCOT and West African cotton producers delegation visited Vietnam and Indonesia. During that one week trip some meetings took place with spinners and agents and visits to spinning mills were organised.

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

### **Quarterly Update by Alexandria Cotton Exporters' Association (ALCOTEXA)**

	<b>Commitments (Tons)</b>	<b>Shipped (Tons)</b>	<b>Value (\$)</b>
<b>1st Quarter</b>	12,572.50	1,250.00	34,796,293
<b>2nd Quarter</b>	20,303.50	15,427.00	49,617,411
<b>3rd Quarter</b>	13,123.50	16,794.00	33,292,789
<b>4th Quarter</b>	4,682.50	15,806.50	11,033,593
<b>Total</b>	<b>50,682.00</b>	<b>49,277.50</b>	<b>128,740,086</b>

## **BBB – Bremer Baumwollbörse**

An appeal for a technical arbitration was completed and quality arbitrations for Central Asian and West African cotton were carried out.

Trade is calm, but steady. Prices moved more or less sideways, so the textile industry continues to concentrate on deliveries for prompt and up to four months in advance.

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

(No update)

## **BCA – Belgian Cotton Association**

(No update)

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

(No update)

## **CAN - Centro Algodonero Nacional**

General Spanish cotton crop 2015/16 information:

Final planting area: 63,262 hectares

Gross production: 185,621 tons

Lint production: 52,000 tons

## **CCA – China Cotton Association**

The annual statistics of CCA indicates a significant decline in national yield from 6.5 million tons of last year to 5.15 million tons, meanwhile the consumption of 2015/16 season is estimated to fall from 7.42 million tons last season to 6.7 million tons. The domestic cotton price index (3128B) decreased by 5% to 12,922 Yuan/ton by the 31st December, 2015.

According to Customs, the export value of textiles and apparel in 2015 totals 1.76 trillion RMB, 3.9% down Y/Y, among which, textile export declined by 1.3% and apparel down by 5.4%.

Affected by sluggish market performance and declined cotton price, the first planting intention survey of 2016 conducted by CCA shows 7% decline nationwide compared to the corresponding time last year, 7.6% down in Xinjiang, 5.2% and 6.4% down separately in Yellow River and Yangtze regions. This decline rate is levelled off by the relative larger profit decline from competitive crops.

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

(No update)

## **GCA – Gdynia Cotton Association**

### **Polish Textile Branch in 2015**

Results of production of the Polish textile branch in twelve months of 2015 appeared to be quite good. In the case of most categories of textile products, there were growths of production volume in comparison to the 2014.

The highest growths were noted by manufacturers of: flax yarn (+39%), carpets and runners (+22%), as well as bed linen (+8%). The growth of production volume also was noted by manufacturers of cotton yarn (+2%) and cotton woven fabrics (+5%).

Contrary - significant decreases were noted in case of production of cotton fabrics with terry coating (-32%) as well as fabrics from synthetic fibres (-8%).

In 2015, a considerable increase (+5%) took place in the value of production sold, in the Polish textile branch, when compared to 2014, despite huge drop of sales in August last year.

Data from the Central Statistical Office show that the average employment (companies employing 9 or more persons) in production of textiles increased in 2015 by ca. 3 thousand people and at the end of December it was 44 thousand.

According to the GCA estimates, in 2015, ca. 6.9 thousand tonnes of raw cotton materials were 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 2015/2016.

## **ICA – International Cotton Association**

**ICA Mutual** – The ICA Mutual will assist with the enforcement of ICA arbitration awards and protect arbitrators who have claims brought against them. It is being launched in stages, with the first stage covering arbitrators having been opened for business in October 2015 at our San Francisco Conference. A new web-site for the Mutual is being designed and it is planned to launch all sections of the mutual in mid-2016, when trading companies can sign up and obtain protection against the huge expense of enforcing ICA arbitration awards.

**On-Line Professional Certificate in Commodities Management** – In collaboration with the University of Liverpool, the ICA will be offering the opportunity for cotton industry personnel to gain an on-line qualification with a top UK University, The University of Liverpool. This is the first on-line commodities based qualification of its kind with a University anywhere in the world. The first module of the course is called: “Financial Markets and Risk Management for Cotton

Market Professionals” and will provide an introduction to commodity markets, foreign exchange and the derivative markets. It will be ready for its first intake of students in late 2016. Once it has been completed, students can progress to take other cotton related topics on offer, in order to obtain the University of Liverpool Certificate/Diploma in Commodities Management.

**ICA Bremen** - Significant progress has been made to accurately measure the percentage of marked cotton in final garments simply by scanning it, which involves adding an identifier to fibres at the ginning stage.

**World Cotton Contract (WCC)** - ICA Bremen joined USDA (US Department of Agriculture) as one of two classing authorities on the WCC - a move that required a change in US law and approval from the US Senate. Some ICA Bremen certified laboratories will also be licensed to act as WCC classing laboratories.

### **IME – Izmir Mercantile Exchange**

(No update)

### **JCTA – Japan Cotton Traders’ Association**

#### **2015 imports**

Despite continued reduction of spinning equipment, cotton imports into Japan in 2015 Calendar year increased to 64,133 tons (294,564 bales- 480-lb bales), up 2.5% from 62,595 tons (287,499 bales) in 2014. This was due to low international prices and changes in trend of spinning coarse count yarn from fine count yarn.

The main source of supply was the United States, followed by Greece, Australia and Brazil. These top four countries accounted for 88% of total imports in 2015.

#### **Supima President visit Osaka**

Supima President Jesse Curlee and Vice President Marc Lewkowitz visited Osaka and Supima’s reception was held at Hilton Osaka Hotel on Thursday November 19. Reception was a grand event and almost all of the textile firms, traders and agents participated. Dr. Terry Townsend, former Executive Director of ICAC, visiting Japan also joined the reception.

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

(No update)

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