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Uzbekistan, Republic of

Cotton and Products

Cotton Production Update

2007

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Report Highlights:

Uzbekistan's MY 2006/07 cotton lint production has been lowered to 5.36 million bales due to slightly lower yields. Exports are forecast at 4.62 million bales.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Quarterly Report
Ankara [TU1]
[UZ]

PRODUCTION

According to official data, as of January 1, 2007, Uzbekistan's MY 2006/07 final seed cotton harvest is estimated at 3.63 million metric tons (MMT), which is 90,000 MT lower than in Post's previous report, and almost 120,000 MT lower than estimated 2005/06 seed cotton production. Generally, weather conditions during vegetation and harvesting favored MY 06/07 crop conditions and allowed farmers to reach the state target. Based on seed cotton production numbers, Post therefore forecasts Uzbekistan's MY 06/07 lint production at 5.36 million bales.

Table 1. Cotton Production, Supply and Demand

Uzbekistan, Republic of Cotton										
	2004	Revised		2005	Estimate		2006	Forecast		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Yr Begin		08.2004	08.2004		08.2005	08.2005		08.2006	08.2006	MM/YYYY
Area Planted	0	1391	1420	0	1391	1450	0	1391	1455	(HECTARES)
Area Harvested	1419	1391	1419	1432	1391	1432	1424	1391	1424	(HECTARES)
Begin Stocks	923	616	923	1298	704	1298	1248	1026	1248	1000 480 lb. Bales
Production	5200	5117	5200	5550	5512	5550	5400	5374	5360	1000 480 lb. Bales
Imports	0	0	0	0	0	0	0	0	0	1000 480 lb. Bales
MY Imports US	0	0	0	0	0	0	0	0	0	1000 480 lb. Bales
Total Supply	6123	5733	6123	6848	6216	6848	6648	6400	6608	1000 480 lb. Bales
Exports	3950	3720	3950	4800	4042	4800	4650	3904	4620	1000 480 lb. Bales
Use	875	1309	875	800	1148	800	750	1148	950	1000 480 lb. Bales
Loss	0	0	0	0	0	0	0	0	0	1000 480 lb. Bales
Total Dom. Cons.	875	1309	875	800	1148	800	750	1148	950	1000 480 lb. Bales
Ending Stocks	1298	704	1298	1248	1026	1248	1248	1348	1038	1000 480 lb. Bales
Total Distribut	6123	5733	6123	6848	6216	6848	6648	6400	6608	1000 480 lb. Bales
Stock to Use %	26	14	27	22	20	22	23	26	19	(PERCENT)
Yield	798	801	798	844	863	844	826	841	820	(KG/HA)

CONSUMPTION

Uzbekistan currently utilizes about 20-23 percent of domestic cotton production depending on the crop results. Two years ago GOU announced its intent for the domestic textile industry to process 50 percent of lint by 2008. Although this goal is highly optimistic, based on the current pace of local textile industry development and the increasing number of new textile facilities, Post believes that domestic utilization of lint probably will increase by 2-3 % each year. The government aims to modernize, re-equip, and complete reconstruction of dozens of textile plants, as well as to establish new enterprises. Plans to carry out about 100 investment projects valued at USD 1.2 billion, mostly in the textile industry, have been

announced. The government also has simplified tax incentives for manufacturers, geared in particular toward production of higher value-added products.

Table 2. FY 06/07 Uzbek Cotton Area, Production Target And Harvest By Region

Regions	Planted Area Estimate (1,000 Ha)	Production Target (1,000 tons)	Actual Production Estimate (1,000 tons)
Karakalpakstan	110.9	185.0	193.0
Andijan	110.2	310.0	263.0
Bukhara	128.7	360.0	379.0
Djizakh	106.6	234.0	251.0
Kashkadarya	170.6	426.0	436.0
Navoi	39.4	110.0	109.0
Namangan	101.7	261.0	250.0
Samarkand	106.2	248.0	264.0
Surkhandarya	123.0	345.0	349.0
Syrdarya	119.5	248.0	266.0
Tashkent	111.5	275.0	305.0
Fergana	115.3	323.0	290.0
Khorezm	111.4	275.0	275.0
Country Total:	1455.0	3600.0	3630.0

TRADE

There are no any noticeable changes in the pattern of cotton exports. At the International Uzbek Cotton Fair held last October in Tashkent, Uzbek cotton exporting companies reportedly concluded framework contracts for the sale of 7.8 million bales of Uzbek lint. Of this total, 4.58 million bales are planned to be exported from 2006 crop and the remaining contracted volumes will be shipped from 2007-2008 crops. In MY 06/07 the biggest buyers of Uzbek cotton are trading companies from China, UAE, Singapore, Bangladesh, South Korea and Russia.

Based on the production forecast, MY 06/07 lint exports are forecast at 4.62 million bales.