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Uzbekistan, Republic of

Cotton and Products

Cotton Harvest Update

2007

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Report Highlights:

Because of favorable weather the forecast of Uzbekistan's MY 2007/08 cotton harvest has been raised slightly to 5.5 million bales. Exports nevertheless are forecast to decrease slightly to 4.1 million bales because of increased domestic use. China, Bangladesh and Russia are the top buyers.

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

PRODUCTION

Uzbekistan's MY 07/08 cotton harvest has come to an end. This year's favorable weather conditions during the vegetation period and harvesting in September and October considerably benefited the crop and allowed the farmers to exceed targeted seed cotton volume (3.6 MMT). According to preliminary official statements, Uzbek farmers harvested a total of 3.73 MMT of seed cotton, 3.6 percent more than the official production target. However, some independent observers believe that the real harvested seed cotton number is closer to 3.65 MMT which is in line with Post's estimates. So, based on estimated seed cotton output Post forecasts Uzbekistan's MY 07/08 lint production at 5.5 million bales.

Table 1: Cotton Production, Supply and Demand

Uzbekistan, Republic of Cotton										
	2005	Revised		2006	Estimat		2007	Forecast		UOM
	USDA Official	Prev. Post Est.	New Post Est.	USDA Official	Prev. Post Est.	New Post Est.	USDA Official	Prev. Post Est.	New Post Est.	
Market Year Begin		08/2005	08/2005		08/2006	08/2006		08/2007	08/2007	MM/YYYY
Area Planted	0	0	0	0	1391	0	0	1400	1430	Ha.
Area Harvested	1432	1432	1432	1430	1430	1430	1450	1430	1430	Ha.
Beginning Stocks	1298	1298	1298	1248	1248	1248	1198	1315	1208	1000 Bales
Production	5550	5550	5550	5350	5467	5360	5400	5320	5500	1000 Bales
Imports	0	0	0	0	0	0	0	0	0	1000 Bales
MY Imports U.S.	0	0	0	0	0	0	0	0	0	1000 Bales
Total Supply	6848	6848	6848	6598	6715	6608	6598	6635	6708	1000 Bales
Exports	4800	4800	4800	4500	4500	4500	4450	4000	4100	1000 Bales
Use	800	800	800	900	900	900	1000	1150	1150	1000 Bales
Loss	0	0	0	0	0	0	0	0	0	1000 Bales
Total Dom. Cons.	800	800	800	900	900	900	1000	1150	1150	1000 Bales
Ending Stocks	1248	1248	1248	1198	1315	1208	1148	1485	1458	1000 Bales
Total Distribution	6848	6848	6848	6598	6715	6608	6598	6635	6708	1000 Bales
Stock to Use %	22.3	22.3	22.3	22.2	24.4	22.4	21.1	28.8	27.8	Pct.
Yield	844	844	844	815	832	816	811	810	837	(KG/HA)

DOMESTIC AND EXPORT PRICES

In the beginning of September, just before the harvest, the Ministry of Finance established the procurement prices for seed cotton as well as lint. The current average procurement price for seed cotton (based on grade 2 class 5) equals Sums 352,000 per ton, and the average wholesale price for lint procured for state needs is Sums 1.595 million per ton.

(Official exchange rate – Sums 1,284 = USD 1.00)

The current export price for Uzbek cotton is about USD 1,562 per ton based on the quotation of Index "A" of the Liverpool Cotton Exchange. However, as in the past, Uzbek exporters, using USD 70 per ton discount from that price, set the final export price, and the lint is sold on FOB basis.

TRADE

In MY2007/08 Uzbekistan's cotton exports are forecast to decrease to 4.1 million bales compared to 4.5 million bales in MY2006/07. In September of 2007, Uzbekistan held the Third International Uzbek Cotton Fair where Uzbek exporters reportedly sold 1.6 million bales of lint. As in the previous two years, buyers of Uzbek cotton were mostly from China, Bangladesh, Vietnam and Russia. In general, Russia remains the traditional buyer, although since MY 2005/06 China and Bangladesh have become the leading import markets for Uzbek cotton exports. According to trade related sources, Uzbek exporters are planning to conclude contracts directly with Chinese companies for exporting 200,000 tons of lint from this year's crop.