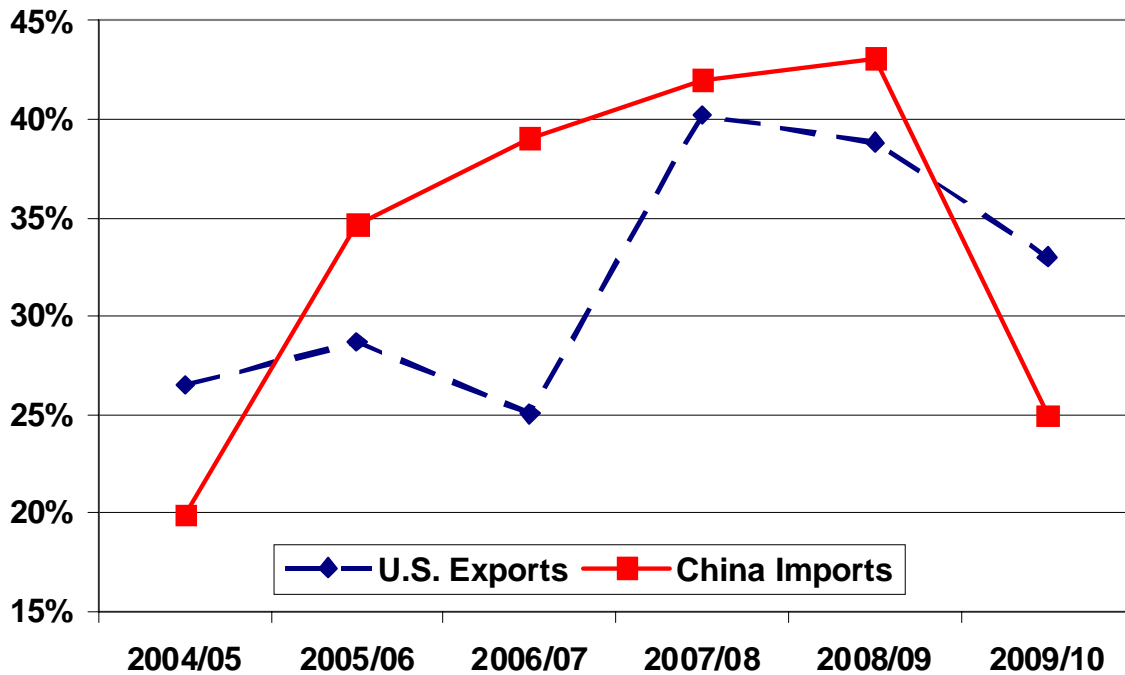




# Cotton: World Markets and Trade

## Shift in Timing of China's Imports Affects U.S. Exports

(First Five Months Trade as Percent of Yearly Total)



In China sales from the state reserves and the resulting change in the timing of sliding-scale TRQ licenses are expected to shift imports into the second half of the year, this will have a significant affect on the timing of U.S. exports. China has great variability in the seasonality of its imports, largely due to changes in government policies affecting imports.

This year reflects a radical departure from the past 2 years' seasonality, but is more in line with long-term U.S. patterns. In the previous two marketing years, early season U.S. exports were well above historical levels, but in line with the shift to earlier season imports by China in those years.

Historically, China was not a major importer and the seasonality of its imports had little effect on U.S. export timing. As a result, U.S. export seasonality was very stable. However, in recent years China's imports have increased dramatically, accounting for over one-third of U.S. exports.















































