

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Uzbekistan - Republic of

Cotton and Products Update

Cotton Production Update

Approved By:

Rachel Nelson, Ag Attache

Prepared By:

Nizam Yuldashbaev, Ag
Specialist

Report Highlights:

Uzbekistan's MY 2010/11 cotton lint production and export forecast have been decreased to 4.35 million bales and 3.0 million bales respectively. Due to problems related to irrigation water shortages, the MY2011/12 lint production is forecast at 4.4 million bales.

PRODUCTION

The official target for MY11/12 plant area and seed cotton production remains unchanged at 1.33 million hectares and 3.4 MMT. This year's sowing campaign finished on-time in almost all cotton growing regions. However, the precipitations levels in most areas were below the normal levels which created serious problems in some regions with supply of irrigation water and negatively affected cotton vegetation tempo. The recent weather conditions are generally favorable at this pre-harvest stage, and the farmers will start harvesting cotton in 2-3 days reportedly. Taking into account the problems of irrigation water shortages, MY11/12 lint production is preliminarily forecast at 4.4 million bales.

CONSUMPTION

On October 12-14, 2011 Uzbekistan is planning to host the next International Cotton Fair where they expect again participation of many international organizations and traders. Over the past 5 years the government's policy was directed to process more of Uzbekistan's cotton domestically, but it has had only limited success. About 25 percent of all cotton is still consumed domestically in spite of government's continued plans to increase it to 50 percent. Taking into account certain problems facing ginning industry, in 2007 the government launched a special program for modernization and reconstruction of some old cotton gins during 2007-2012. According to this program, the government planned to modernize 41 cotton gins and close 30 old cotton gins in big cities, in particular those gins with old equipment and with the lowest efficiency. As of today, reportedly more than a dozen cotton gins were reconstructed and this work is continuing.

MY 2011/12 average seed cotton procurement price is reportedly set up at Uzbek Sums 700,000 per 1 ton. (Official exchange rate Uzbek Sums 1,736 = USD1.00)

Currently, the local textile industry has about 45 joint ventures established with partners from Turkey, Germany, South Korea, Japan and Switzerland. As of 2011, foreign investment in the textile industry exceeded USD 1.1 billion. In spite of the past 2 years' difficulties in global economy, the local spinning industry is optimistic about textile production and export growth, especially for value added products. Uzbekistan's MY2011/12 domestic lint consumption is forecast at 1.3 million bales.

STOCKS

There are no official sources of information on stock volumes, so the numbers indicated in the report are rough estimates.

TRADE

Exports of cotton are projected to decline gradually in accordance with GOU plans to increase the share of domestic consumption to 50 percent within the next few years. However, based on various factors, Post believes it will not happen this quickly. Post estimates MY2010/11 lint exports at 3.0 million bales. MY2011/12 exports are preliminarily forecast at the level of 3.1 million bales. Uzbekistan still remains a primary supplier of cotton to Asia, with Bangladesh, China and South Korea major markets for Uzbek cotton. In spite of intergovernmental agreement on long-term cotton supplies to Russia with annual

deliveries of up to 100,000 tons, due to various market related reasons, the exports to Russia decreased considerably in the past two years.

Production, Supply and Demand Data Statistics Table 1.

Cotton Uzbekistan	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Aug 2009		Market Year Begin: Aug 2010		Market Year Begin: Aug 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	1,315	0	1,340	0	1,330
Area Harvested	1,300	1,310	1,300	1,330	1,340	1,300
Beginning Stocks	1,948	1,948	948	1,068	1,148	1,168
Production	3,900	4,000	4,100	4,350	4,300	4,400
Imports	0	0	0	0	0	0
MY Imports from U.S.	0	0	0	0	0	0
Total Supply	5,848	5,948	5,048	5,418	5,448	5,568
Exports	3,800	3,750	2,650	3,000	3,000	3,100
Use	1,100	1,130	1,250	1,250	1,250	1,300
Loss	0	0	0	0	0	0
Total Dom. Cons.	1,100	1,130	1,250	1,250	1,250	1,300
Ending Stocks	948	1,068	1,148	1,168	1,198	1,168
Total Distribution	5,848	5,948	5,048	5,418	5,448	5,568

1000 HA, 1000 480 lb. Bales, PERCENT, KG/HA