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Uzbekistan, Republic of

Cotton and Products

Cotton Update

2004

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Report Highlights:

Uzbekistan's MY 2004/05 cotton harvest is coming to an end. As of October 27, 2004, Uzbek farmers harvested 3.4 MMT of seed cotton. Based on this forecast seed cotton production increase, lint production and exports are forecast at 1.14 MMT and 850,000 MT accordingly.

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

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PRODUCTION

Uzbekistan's MY 04/05 cotton harvest is coming to an end. As of October 27, 2004 Uzbek farmers harvested 3.4 MMT of seed cotton in total, which is over 25 percent more than it was at the same period last year. This year's favorable weather conditions during the vegetation period and harvesting in September and October considerably benefited the crop condition and allowed the farmers to harvest 94 percent of targeted seed cotton volume. Currently, most independent experts believe that this year Uzbekistan may be very close to achieving its production target of 3.6 MMT in seed cotton. Based on increased seed cotton production Post forecasts an increase in Uzbekistan's MY 04/05 lint production to 1.14 MMT.

Table 1. Production target of seed cotton and the actual harvest in tonnage and percentage by regions

Regions	Target	Actual harvest	
		In tons	In percentage
Karakalpak Republic	176000	179572	102.03
Andijan Region	310000	308749	99.60
Bukhara Region	360000	375436	104.29
Djizzakh Region	230000	230267	100.12
Kashkadarya Region	410000	448610	109.42
Navoi Region	110000	114123	103.75
Namangan Region	270000	241205	88.75
Samarkand Region	235000	233429	99.33
Surkhandarya Region	345000	323952	93.90
Syrdarya Region	264000	184086	69.73
Tashkent Region	275000	235679	85.63
Fergana Region	340000	244379	71.88
Khorezm Region	275000	280711	102.08
Total in Uzbekistan	3600000	3400200	94.45
In 2003 for the same period	3600000	2380608	66.13
Including long staple cotton			
Kashkadarya Region	-	6057	-
Namangan region	-	487	-
Surkhandarya Region	-	30072	-
Total in Uzbekistan	-	36616	-
In 2003 for the same period	-	46748	-

Table 2: Production Supply and Distribution

PSD Table

Country Commodity	Uzbekistan, Republic of Cotton						UOM
	2002		2003	Estimate	2004	Forecast	
Market Year Begin	USDA Official	Revised Estimate	DA Official	Estimate	DA Official	Estimate [New]	MM/YYYY
	08/2002	08/2002	08/2003	08/2003	08/2004	08/2004	
Area Planted	1388000	1388000	1359000	1359000	1330000	1330000	(HECTARE)
Area Harvested	1420000	1388000	1400000	1359000	1330000	1330000	(HECTARE)
Beginning Stocks	227089	166770	194430	166770	162860	134110	(MT)
Production	1001542	1000000	892680	892680	1045090	1140000	(MT)
Imports	0	0	1090	0	0	0	(MT)
MY Imp. from U.S.	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	1228631	1166770	1088200	1059450	1207950	1274110	(MT)
Exports	762043	750000	642290	642290	696725	850000	(MT)
USE Dom. Consumption	272158	250000	283050	283050	288490	290000	(MT)
Loss Dom. Consumption	0	0	0	0	0	0	(MT)
TOTAL Dom. Consumptik	272158	250000	283050	283050	288490	290000	(MT)
Ending Stocks	194430	166770	162860	134110	222735	134110	(MT)
TOTAL DISTRIBUTION	1228631	1166770	1088200	1059450	1207950	1274110	(MT)

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 225,000 per ton, and the average wholesale price for lint procured for state needs is Sums 1.022 million. (The official exchange rate – Sums 1045 = USD 1.00)

The current export price for Uzbek cotton is about USD 1150 (CIF) per ton based on the quotation of Index "A" of the Liverpool Cotton Exchange. However, as in the past, Uzbek exporters, using USD 75 per ton discount from that price, set the final export price, and the lint is sold on FOB basis. Below are the tables with detailed procurement prices by grade for seed cotton and lint:

Table 3. Procurement prices for cotton lint

Industrial Grades and Class Of seed cotton	Types/codes of cotton lint									
	Long Staple grades					Medium Staple grades				
	1a	1b	1	2	3	4	5		6	
	43	42	41	40	39-38	37-36	35	34	33	
I	supreme	1357420	1323060	1288690	1254330	1193110	1088620	1073910	1059950	1047060
	Good	1344490	1310450	1276420	1242380	1181750	1078250	1063680	1049850	1037090
	Average	1292780	1260050	1227320	1194600	1136300	1036780	1022770	1009470	997200
	Ordinary	1247530	1215950	1184370	1152780	1096530	1000490	986970	974140	962300
	Mixed	1195820	1165550	1135270	1105000	1051080	959020	946060	933760	922410
	Supreme	1318640	1285250	1251870	1218490	1159020	1057520	1043230	1029660	1017140
	Good	1291490	1258790	1226100	1193400	1135160	1035750	1021750	1008460	996200

II	Average	1234610	1203350	1172090	1140840	1085160	990130	976750	964050	952330
	Ordinary	1189360	1159250	1129140	1099030	1045390	953840	940950	928720	917420
	Mixed	1137650	1108850	1080050	1051240	999940	912370	900040	888340	877540
III	Good	1247530	1215950	1184370	1152780	1096530	1000490	986970	974140	962300
	Average	1202290	1171850	1141410	1110970	1056760	964210	951180	938810	927400
	Ordinary	1144110	1115150	1086180	1057220	1005620	917550	905150	893380	882520
	Mixed	1085940	1058440	1030950	1003460	954490	870900	859130	847960	837650
IV	Good	1098860	1071040	1043230	1015410	965850	881260	869350	858050	847620
	Average	1034230	1008040	981860	955680	909040	829430	818220	807580	797760
	Ordinary	969590	945040	920490	895950	852220	777590	767080	757110	747900
	Mixed	904950	882040	859130	836220	795410	725750	715940	706630	698040
V	Average	711030	693030	675030	657030	624960	570230	562520	555210	548460
	Ordinary	646390	630030	613660	597300	568150	518390	511380	504740	498600
	Mixed	581750	576020	552300	537570	511330	466550	460250	454260	448740

Table 4. Procurement prices for seed cotton.

Industrial Grades and Class Of seed cotton		Types/codes of cotton lint								
		Long Staple grades					Medium Staple grades			
		1a	1b	1	2	3	4	5		6
		43	42	41	40	39-38	37-36	35	34	33
I	1 class	329050	320720	312390	304060	289220	263890	260330	256940	253820
	2 class	320520	312400	304290	296180	281720	257050	253580	250280	247240
	3 class	256530	250030	243540	237050	225480	205730	202950	200310	197880
II	1 class	284400	277200	270000	262800	249980	228080	225000	222080	219380
	2 class	275870	268880	261900	254920	242480	221240	218250	215410	212790
	3 class	253680	247260	240840	234420	222980	203450	203700	198090	195680
III	1 class	263350	256690	250020	243350	231480	211200	208350	205640	203140
	2 class	234350	228410	222480	216550	205980	187940	185400	182990	180760
	3 class	165810	161610	157410	153210	145740	132970	131180	129470	127900
IV	1 class	196240	191270	186300	181330	172480	157380	155250	153230	151370
	2 class	152150	148300	144450	140600	133740	122020	120380	118810	117370
	3 class	116320	113380	110430	107490	102240	93290	92030	90830	89720
V	3 class	81620	79560	77490	75420	71740	65460	64580	63740	62960

TRADE

There are not any major changes in the pattern of lint exports. Some well-known cotton traders are reportedly being cautious and reluctant to buy large quantities of Uzbek cotton because of a small discount given by Uzbek exporters. While the price for Uzbek cotton declined considerably over the past year, still it is somewhat more expensive than similar quality African or other origin cotton. In spite of this situation, many small trading companies are buying Uzbek cotton at exporters' terms.