China and the Future of Cotton

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Population Growth

Population Growth over the Last 500 Years
China, India, Africa, Latin America, Western Europe, and United States

- China develops faster maturing varieties of grains for use in Double-Cropping
- Four-Field Crop Rotation introduced in Great Britain
- High-yield Grains Developed

Source: Angus Maddison, University of Groningen
Income Growth

Chinese per capita GDP
Yuan, constant prices

Constant yuan prices per capita

Year


What if Chinese cotton consumption equaled that of the United States?

- 4.4 pounds/person in China – 33 pounds in the U.S.
- Means an increase in cotton consumption over 80 million bales
Trends to Consider

- More population + higher incomes means more demand for:
  - Meat products – more acres devoted to grains
  - Textiles – both manmade and natural fibers
  - Energy – higher energy costs here
The future

- Need to prepare
  - Visit China
  - Learn Mandarin
  - Acquire a taste for Kung Pao chicken

- Understand the Chinese culture and business practices are very different that western sensibilities

- We cannot forget India as a demand source and export competitor
Don’t get cocky…

- Brazil has almost 250 million arable land acres currently idle
  - For perspective, that is about the same as total U.S. arable land
- China is currently purchasing large parts of Africa as a means of self-producing