COTTON MARKET* REPORT FEBRUARY 2025

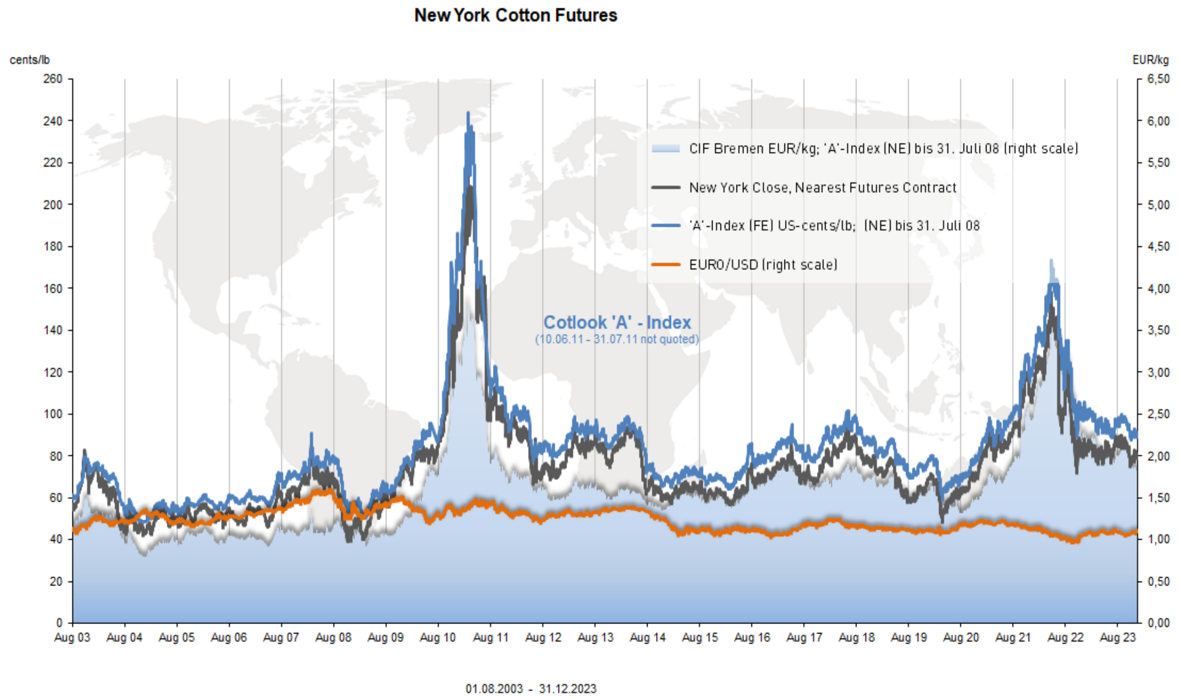
*a shortened market report is presented due to the absence of figures from the ICAC, at the time of writing the report.

International

According to Dr. Kesnath Kranthi (ICAC0, the path to a sustainable cotton future requires collective action, innovative solutions, and a deep commitment to stewardship of the land. Sustainability in cotton is not just a matter of individual efforts; it requires collaboration among farmers, researchers, policymakers, and the private sector. Regenerative agriculture is a key component of this journey. By restoring soil health, enhancing biodiversity, and sequestering carbon, it addresses both environmental and economic challenges. Similarly, precision farming technologies enable more efficient resource use, reducing the environmental footprint of cotton production. In the light of the global view on sustainability, it is becoming more and more important for South Africa to also focus on sustainable production and establishing a sustainable mark for South African Cotton.

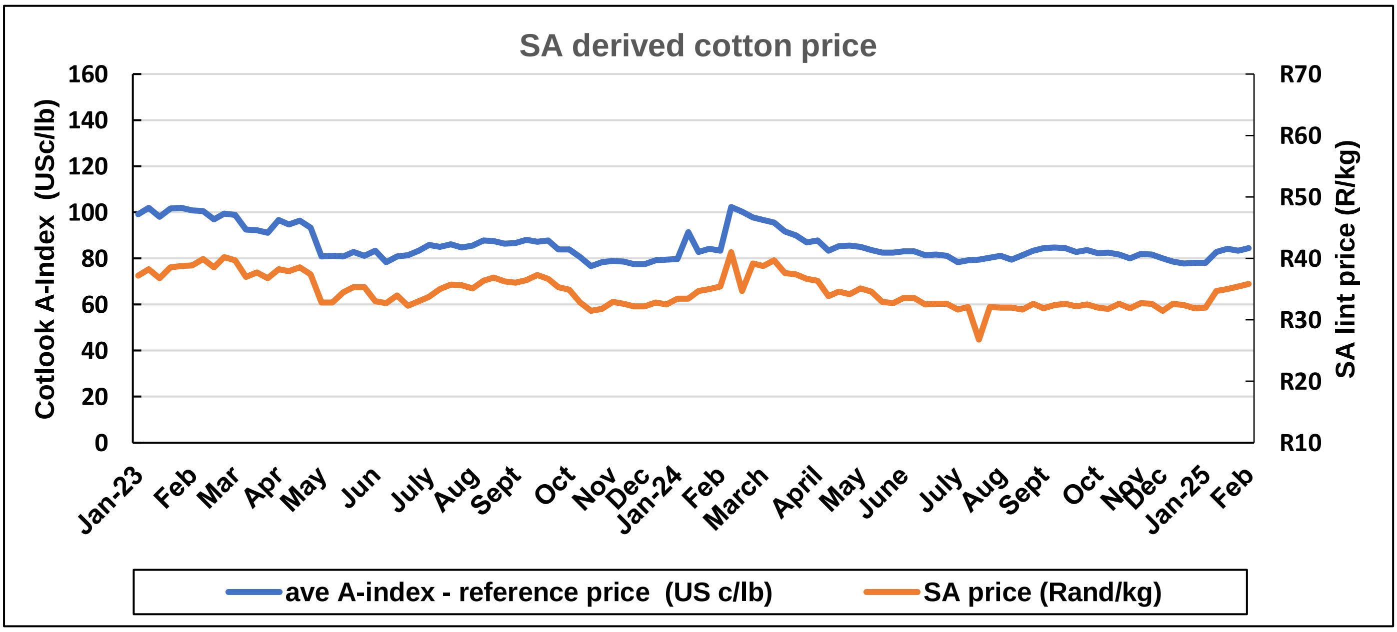
Trade and the economic Environment:

The cotton industry benefits from a long-standing, well-organized commodity trade system. Institutions like the Bremen Cotton Exchange and the International Cotton Association (ICA) provide a stable trading environment, ensuring trans-parency and reliability in transactions. At the international Level the International Cotton Advisory Committee (ICAC) is one of the world's oldest international commodity bodies upholding industry standards, provide critical market data, facilitate dispute resolution, and maintain market integrity, all of which are crucial for fostering international trade, trust, and cooperation. Dec 2025 NY Cotton Futures were trading at 68.78 cents (average) per pound on this week, after dropping to their lowest level since August 2020 earlier this week on concerns about US trade policies. The USDA reported a 45% increase in upland cotton net sales, reaching 241 500 running bales, while exports rose 25% from the prior week. Improved demand was noted, with expectations for strong sales from March through May. Additionally, rising oil prices could push up the cost of polyester, a key cotton substitute, potentially supporting cotton demand. Overall, market sentiment showed signs of recovery after a prolonged bearish trend. Cotton decreased 3.45 USd/Lbs or 5.05% since the beginning of 2025, according to trading on a contract for difference (CFD) that tracks the benchmark market for this commodity.
https://tradingeconomics.com/commodity/cotton



The Cotlook A-Index, NY futures & RSA price

The Secretariat's current price forecast of the season-average A index for 2024/25 ranges from 92.00 cents to 97.00 cents, with a midpoint at 94.00 cents per pound. The average Cotlook A Index on 5 March 2025 was 74,95 US cents per lb for the week.



Local situation

CURRENT CROP EST vs PREV CROP EST			
	2023/24 Final	2024/2025 1st Estimate	2024/2025 2nd Estimate
Hectares Irrigated	7 226	6 217	6 217
Hectares Dryland	11 159	7 910	7 910
Total Hectares	**18 385**	**14 127**	**14 127**
Yield Irrigated	5 071	4 456	4 456
Yield Dryland	**954**	**985**	**985**
Total Production 200 kg lint bales	**90 118**	**66 910**	**67 255**

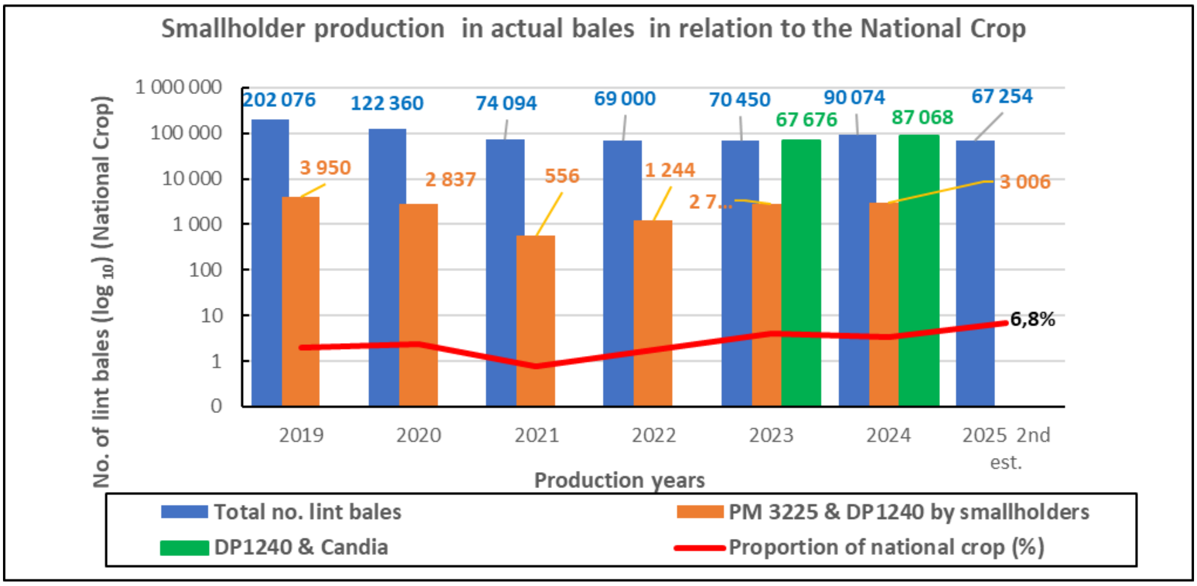
The weekly average cotton reference price based on the Dec 2025 NY Cotton Futures, provided to farmers for the last week ending on 3 March 2025 was 68,78 US c/lb, somewhat lower than the price provided above on 5 March. The basic lint price for SLM 1 $^{1}/_{16}$”, was R28,07. There is no change in the estimates for January 2025 and February 2025, in the returns received from the ginneries. The total no. of hectares estimated (2nd estimate, February 2025) is 6 217 ha planted under irrigation, with a mere 7 910 hectares planted under dryland. This is a total of 14 127 ha.

Some of the larger dryland areas have experienced considerable flooding and many hectares have become lost due to firstly, a hot spell, followed by excessive rains in the Roedtan/Springbok Flat areas. The average yield expected under irrigated conditions is around 4 456 seed cotton per hectare, while the average estimated for dryland, is 985 kg seed cotton per hectare. A higher percentage Gin Out Turn is estimated for the Vaalharts Ginnery, resulting in an increase in the total crop lint bales to 67 255 (200 kg lint bales).

The estimated no. of lint bales originating from smallholder production, is estimated at 4 635 lint bales, while the hectarages planted are 3 470 ha. Total seed cotton production estimated to be produced under irrigation, is 27 702 tonnes, while that under dryland is 7 788 tonnes.

Smallholder production looks somewhat better in the Makhathini region, after good rain has fallen. In the Limpopo Province replanted areas, following a drought and heat spill, have also taken off with the good rains that has fallen, and a good crop is expected among smallholders. The current challenge is weed control, preventing weeds to overgrow the cotton.

Small holder cotton from the Malela project, in collaboration with Great North Cotton gin and Cotton SA.



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