COTTON MARKET REPORT APRIL 2025

INTERNATIONAL

World production continues to be more than world consumption, and world production is currently estimated to be about 25.8 million tonnes, which is about 7% higher than the previous season. Major cotton producing countries like USA, Brazil and China are reporting an increase from the previous season. Consumption is around 25.5 million tonnes of lint, which is 2% higher than the previous season. Consumption in China remains unchanged, while the increase in consumption is seen outside China. There is a decrease import demand from China, which shows a downward trend, reflecting a downward trade of 9.45 million tonnes lint. The effect of tariff escalations on trade, has created expected changes in the trade forcasts for the coming months/seasons. Cottton trade is already facing supply chain issues due to its highly fragmented industry structure, in addition to security issues experienced in the Suez Canal with logistical delays.

China remains the main competitor, with more than half of the world cotton lint stocks remaining with China, serving its consumption needs. China is likely to import less cotton than last season, due to its existing reserves of cotton, domestic supply, and heavy use of manmade fibres. It remains the world's largest consumer of cotton at about 8,3 million tonnes in 2024/2025. Imports from China are revised downward as China has imported around 881,176 metric tonnes of cotton this production season, through February 2025. With five months remaining in the season, the ICAC estimates that China won't come close to last year's import levels. Considering the tariffs that are in place, China is also likely to divert its cotton imports away from the USA and toward countries like Brazil and Australia.

The textile products that primarily use US sourced raw materials could be exempted from increased tariffs. This indicates that all the major countries that export to the USA will soon be scrambling to buy more US cottton which would require that traceability be enforced in the cotton industry. Cotton Consumption has been under pressure for several years, facing heavy competition from cheaply available and widely produced manmade fibres. Adding to this, the cotton industry is also facing regulatory pressure to provide full traceability, sustainability and compliance with labour regulations,

WORLD COTTON LINT BALANCE SHEET							
	Area	Yield	Production	Beginning Stocks	Imports	Consumption	Exports
	'000 ha	kg/ha	'000 metric tonnes				
2004/05	35379	763	26999	9084	7318	23612	7775
2005/06	34791	746	25939	11920	9603	25013	9757
2006/07	34375	766	26345	12649	8220	26586	8139
2007/08	32779	796	26104	12940	8540	26676	8448
2008/09	30222	793	23961	12516	6640	23747	6625
2009/10	29777	750	22328	12336	7929	25305	7825
2010/11	32965	762	25103	9293	7804	24805	7647
2011/12	35710	783	27946	9708	9850	22389	10312
2012/13	34254	808	27684	14841	10213	23440	10158
2013/14	32492	795	25835	19065	8858	24092	9219
2014/15	34050	776	26439	20384	7800	24579	8071
2015/16	30777	712	21921	21925	7829	24413	7735
2016/17	29906	774	23138	19491	8092	24898	8413
2017/18	33047	801	26463	17394	9041	26352	9211
2018/19	32593	773	25210	17340	9222	26031	9254
2019/20	34419	756	26036	16494	8780	23050	9129
2020/21	31748	769	24420	19103	10658	25710	10680
2021/22	32722	766	25062	17801	9612	25830	9545
2022/23	31934	766	24465	17109	8223	23641	8305
2023/24	31313	770	24118	17869	10077	24960	9977
2024/25 Est.	31340	824	25829	17132	9450	25527	9450

among other things. Implimentation of all these policy changes will be difficult and would add costs to the value chain.

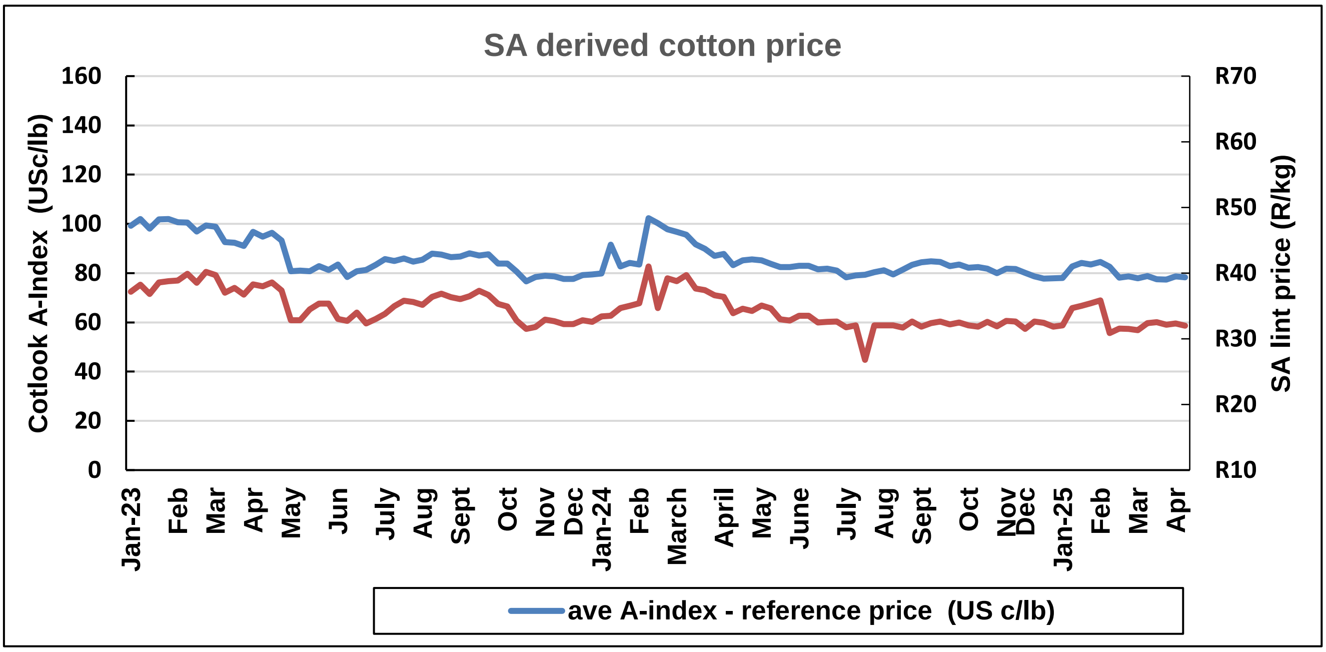
LOCAL SITUATION

The Cotlook A-Index, NY futures & RSA price

The weekly average, for the week ending 2 May 2025, Dec’25 NY Futures for STRICT LOW MIDDLING, 1 $^{1}/_{16}$”, was 68,46 US c/lb, equalling R27, 89 (ave exchange rate R18,5496 to 1 US$ for the last week).

Crop estimates vs previous estimates

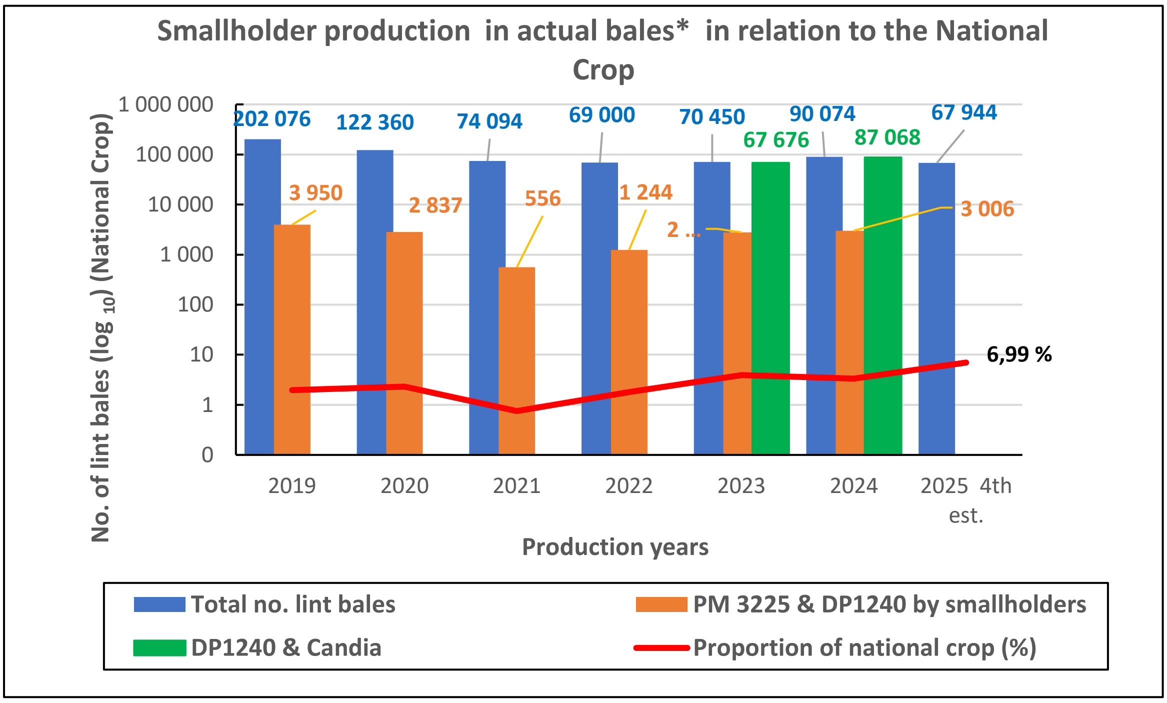
The 4th crop estimates showed the same no. of hectares, with a slight increase in the total number of lint bales predicted in comparison with the 3rd estimate.



	2024/2025 4th Estimate	2024/2025 3rd Estimate	Monthly Change	Change previous year	2023/24 Final
Hectares Irrigated	5 975	5 975	0%	-17%	7 226
Hectares Dryland	8 465	8 465	0%	-24%	11 159
Total Hectares	**14 440**	**14 440**	**0%**	**-21%**	**18 385**
Yield Irrigated	4 558	4 449	2%	-10%	5 071
Yield Dryland	1 002	999	0%	5%	954
Total Production 200 kg lint bales	**67 944**	**66 102**	**3%**	**-25%**	**90 118**

Smallholder production

The number of estimated smallholder lint bales stands on 4 746 bales. The total number of smallholders recorded from the different regions in April 2025, is 2 047, of which most farmers are from the Makhathini (KZN) region, followed by Nkomazi (Mpumalanga). From the Limpopo province (Matlerekeng) only 12 farmers have succeeded to have a successful crop planted which is being harvested currently. Only two farmers from Rust de Winter have been recorded. The estimated Dryland hectares for the season is 3 687, while the potential dryland hectares are around 22 000. There are vast areas to unlock for cotton production for smallholders, but the costs of inputs and access to land in terms of title deeds to facilitate access to funding, remains a huge barrier to entry to farming. Hectares available to be planted under irrigation by smallholders are over 5000 ha. Access to land and associated funding is needed to unlock this potential. Cotton SA has embarked on a programme to support the Matlerekeng farmers with the assistance and extension support of the Great North Gin. Cotton is currently being harvested, and it will be good to see if these close mentoring services and financial support has made a difference to these communities. Mentorship programmes with commercial farmers need to be established to train dryland farmers in production methods under irrigation.



In summary, the national crop is being harvested, while large losses were experienced in some areas due to flooding. The expectation is that the crop yields might be lower, but that in some dryland areas yields per hectare, might show increases.

With new ginneries starting to arise, farmers will be encouraged to plant more hectarages to provide a throughput for the ginneries. The Springbokvlakte Katoen (Pty) Ltd ginnery has started up and this will stimulate production in this area.

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