# COTTON MARKET REPORT AUGUST 2025

**INTERNATIONAL - ICAC projections for the 2025/26 season**

**Area and Production**

CURRENT GLOBAL COTTON MARKET OUTLOOK FOR 2025/2026

Colour indicates movement from previous season

| | | |
|---|---|---|
| 30.813<br>Area (million hectares) | 829.18<br>Yield (kilograms per hectare) | 25.55<br>Global Production (million tonnes) |
| 16.568<br>Beginning Stocks (million tonnes) | 9.628<br>Imports (million tonnes) | 25.519<br>Consumption (million tonnes) |
| 9.628<br>Exports (million tonnes) | 16.599<br>Ending Stocks (million tonnes) | 0.65<br>Stocks to Mill Use (ratio) |

Production for 2025/2026 is estimated at 25.55 million tonnes and exceeds consumption (25.519 million tonnes). The yield in kilograms lint per hectare is indicated to be 829.18 kg/ha, and the global area under production is estimated to be 30.813 million hectares.

**Consumption, Imports and Exports**

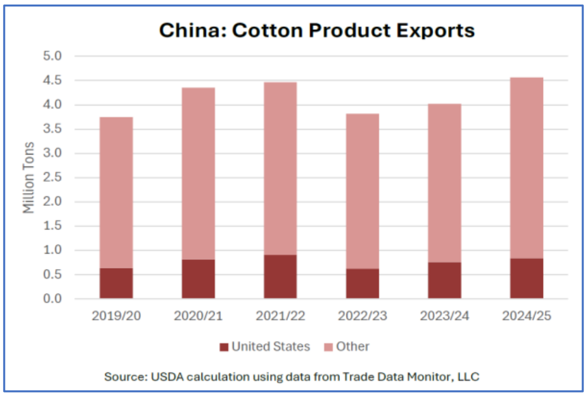
Global consumption is estimated at 25.519 million tonnes of lint, while 9.628 million tonnes are exported globally, and 9.628 million tonnes imported, indicating movement across the globe. China remains the important role player despite the introduction of U.S. tariffs.

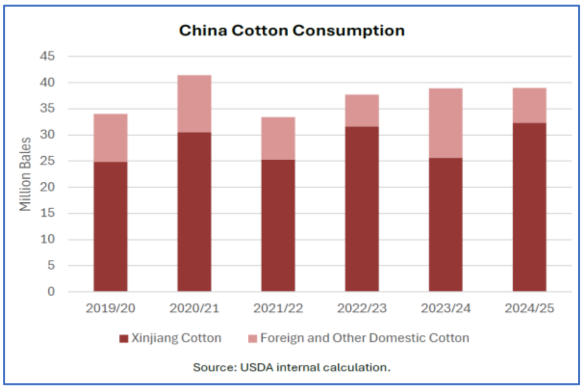
China cotton consumption is projected at 39.0 million bales in marketing year 2024/25 (August 2024 – July 2025), unchanged from the previous year and above previous USDA forecasts. Despite concerns from higher U.S. tariffs, Chinese product exports rose to a 7-year high. Domestic sales of apparel were a record and boosted by government stimulus. The country also witnessed record production and consumption of Xinjiang cotton fibre as imports fell to the lowest level in nearly a decade and the government did not auction from reserves (https://apps.fas.usda.gov/psdonline/circulars/cotton.pdf). China's largest export market for cotton products is the United States and tariff concerns suppressed earlier USDA forecasts. However, competitive product prices and a frontloading of U.S. imports supported higher 2024/25 product exports to the United

States and elsewhere. Major export categories witnessed significantly lower prices compared with recent history; for July, prices were 30 percent lower compared with 8 years ago for women's woven trousers, China's largest cotton product category for the month.

**Stocks**

For the 2025/26 season, slight changes from the previous month, indicates that the total world ending stocks are estimated to be 16.599 million tonnes. Beginning stocks available for trade, apart from what is being produced, is 16.568 million tonnes.

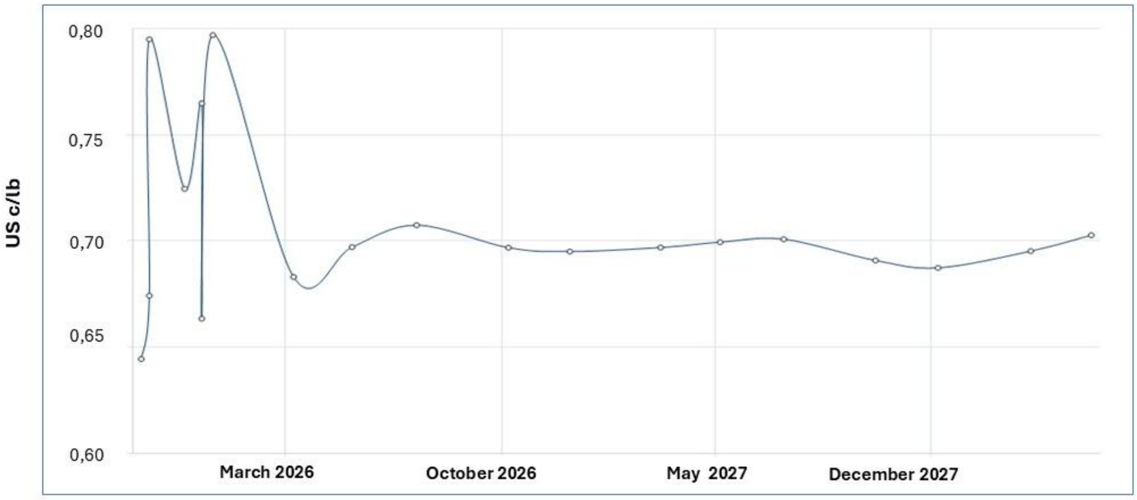



**Price projections**

The cotton forward curve indicates the expected price development for cotton, the world's most important textile raw material. This commodity is in demand worldwide. Based on hourly market prices on ICE Futures US, the cotton forward price curve serves as an indicator of future price developments ([https://www.finanzen.net/rohstoffe/baumwollpreis/chart#forwardcurve](https://www.finanzen.net/rohstoffe/baumwollpreis/chart#forwardcurve)). The U.S. season-average farm price for 2025/26 is unchanged at 64 cents per pound.

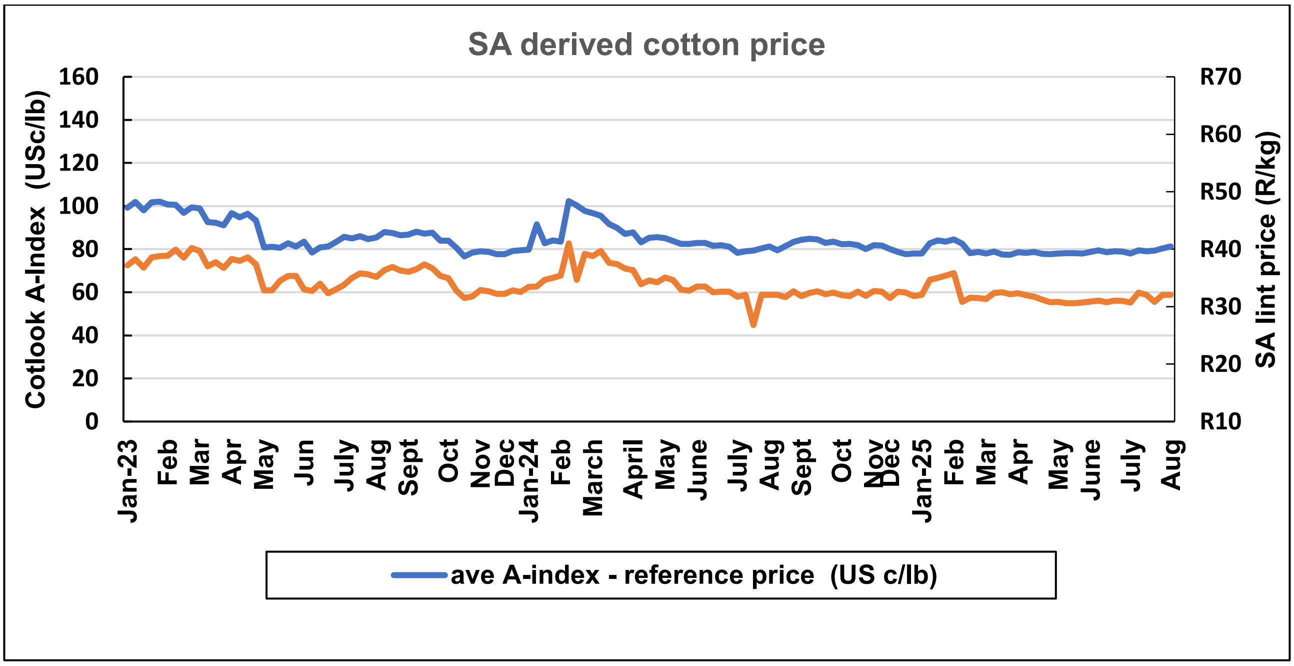
Between March and October next year, it is predicted to be around 70c/lb.




**LOCAL SITUATION**

Fluctuations in the weekly average of the Cotlook A-Index in relation to the RSA price can be seen below. The weekly average RSA price, based on the cotlook A index at the end of August was R30,69. The weekly average, for the week ending 29 August, Dec' 25 NY Futures for STRICT LOW MIDDLING, 1 $^{1}/_{16}$", was 66,91 US c/lb, equalling R26,19 (Ave exchange rate R17,6694 to 1 US$ for the last week in August).

Note: A-Index is published by Cotton Outlook and reflects the average of the five cheapest quotations (quality being Middling 1 $^{1}/_{8}$ ") of upland cottons traded internationally; the delivery price reflects Cost and Freight (CFR) to a Far Eastern Port.



**Crop estimates vs previous estimates**

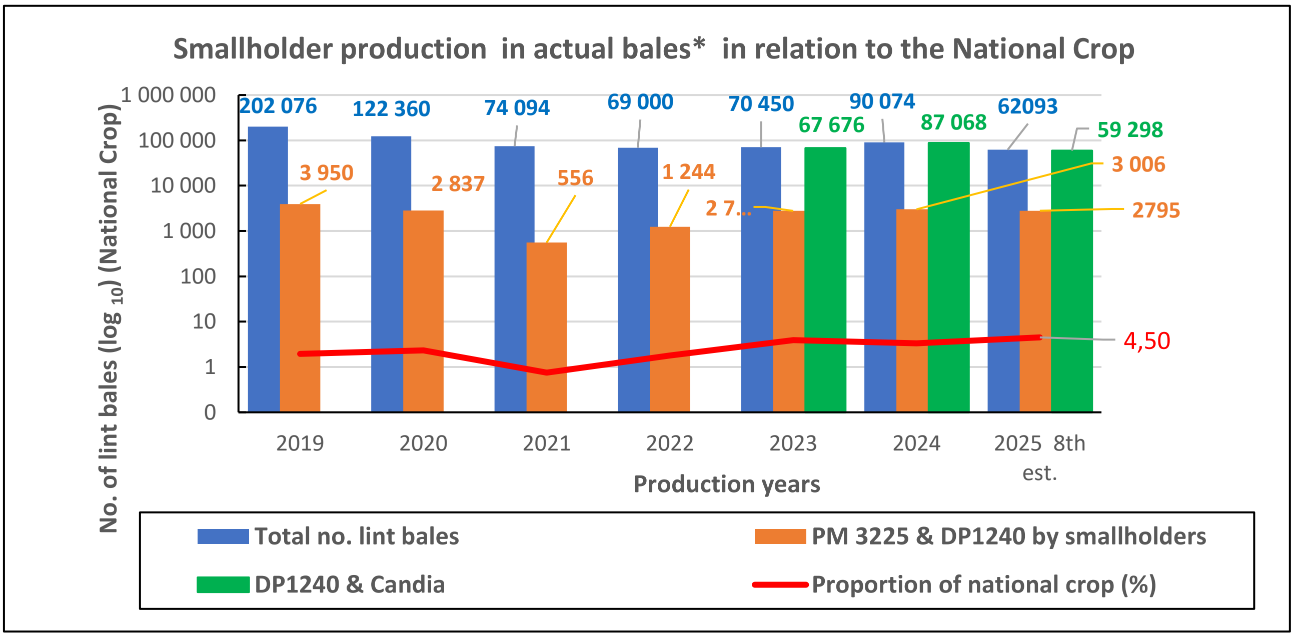
The number lint bales samples processed by the Cotton SA Grading Facility is 50 506 up to 31 August 2025. Average fibre length for the season so far is 1.18 HVI length (1 $^{3}/_{16}$”), a Micronaire of 4.28, Strength of 29,68 g/tex, Uniformity of 82,06, with most samples representing a leaf grade code 3, and most samples (88.8%) falling in the Strict Middling, Middling and Strict Low Middling colour grades.

**Latest crop estimates**

| | 2024/2025 8th Estimate | 2024/2025 7th Estimate | Monthly Change | Change previous year | 2023/24 Final |
|---|---|---|---|---|---|
| Hectares Irrigated | 5 745 | 5 975 | -4% | -20% | 7 226 |
| Hectares Dryland | 6 928 | 6 697 | 3% | -38% | 11 159 |
| **Total Hectares** | **12 673** | **12 672** | **0%** | **-31%** | **18 385** |
| Yield Irrigated | 4 628 | 4 678 | -1% | -9% | 5 071 |
| Yield Dryland | 896 | 1 051 | -15% | -6% | 954 |
| **Total Production 200 kg lint bales** | **62 093** | **66 149** | **-6%** | **-31%** | **90 118** |

The 8th crop estimate shows a sharp decline in the number of lint bales expected, with the total production of lint bales standing on 62 093 bales. The volume of seed cotton expected is 32 796 tonnes, of which around 26 587 will originate from production under irrigation, while 6 209 tonnes seed cotton, are estimated to come from dryland production.

**Smallholder production**



The 8th estimate for smallholders is predicted as a mere 2 795 lint bales and is much lower than expected. The total number of hectares planted by smallholders is estimated at 3 606 ha. The number of smallholder farmers reported stands on 2 047. The crop delivered by smallholders was hugely affected by the weather conditions that prevailed through the season. However, some smallholders managed to perform much better and produced close to 1 ton/ha seed cotton, when the projects were under supervision and mentoring for example by means of a ginnery's extension services. It appears that the effect of weather on crop development can be circumvented to an extent, when mentoring was continuous and has played an important role during the production season. Planting date, land preparation done in time to be ready for synchronized planting, and appropriate cultivation practices play an important role to minimize these risks.

**Enquiries:**

**Dr Annette Bennett: 012 804 1462**