COTTON MARKET REPORT JUNE 2025

INTERNATIONAL - ICAC projections for the 2025/26 season

World cotton production and consumption for the 2025/26 season, are projected at 25.90 million tonnes, and 25.6 million tonnes respectively. There is a downward revision for US production and an upward revision for US exports, based on the lates report from USDA, which considers the recent heavy rains and planting delays in the delta region.

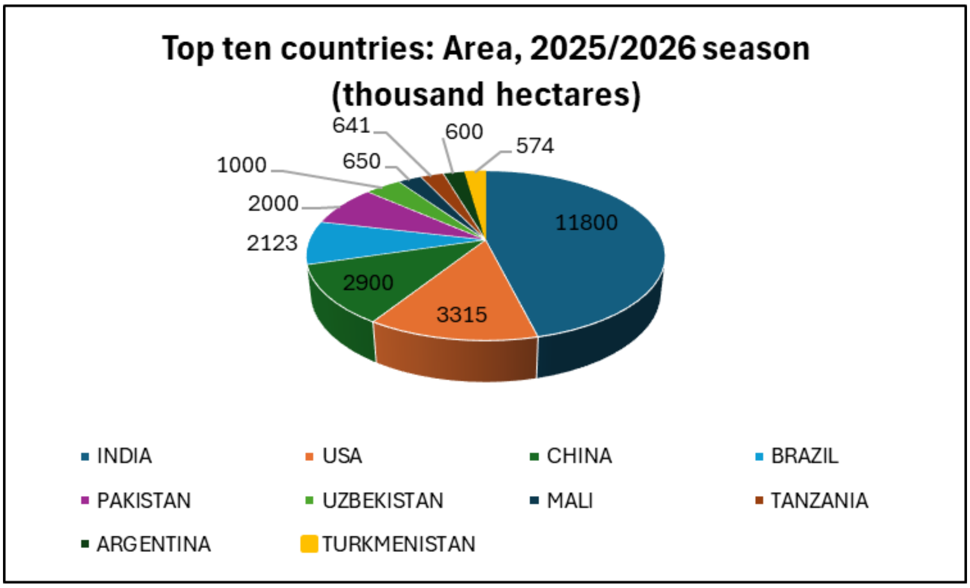
Production & Trade

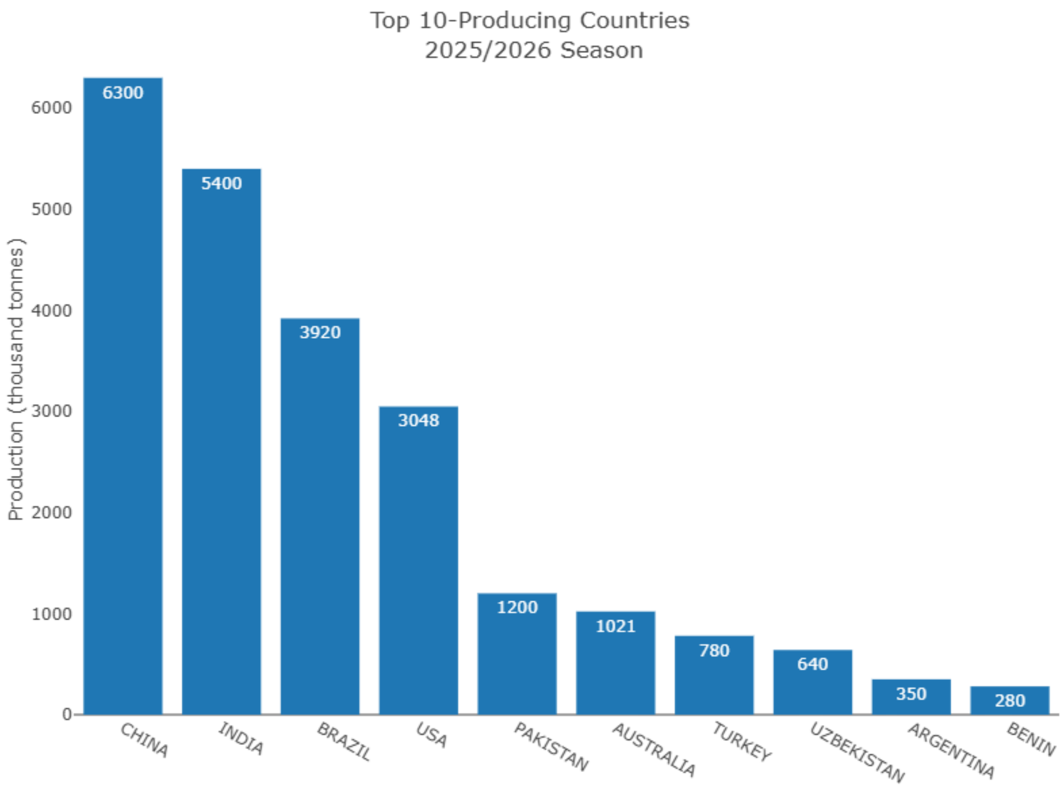
The world cotton lint production projection for 2024/25 is estimated to be at 25,9 million tonnes and consumption at about 25,6 million tonnes. Trade is estimated to be around 9,3 million tonnes. US exports have been revised upwards based on recent monthly export figures, but India, Argentina, Egypt, Burkina Faso, Chad, Cote d'Ivoire, Tanzania, Greece and Turkey, are projected to see decreases in exports. China's imports have also been revised downward based on recent import trends.

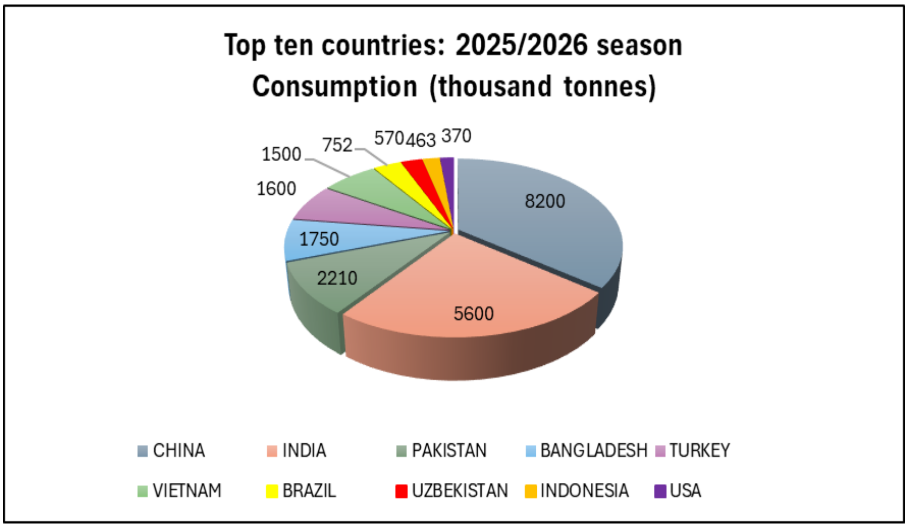
Economic and geopolitical tensions can have an influence on consumer consumption and demand, and it remains to be seen if the increasing tariffs that are suspended for 3 months, will influence trade deals. The effect of the conflict between Israel and Iran has on the market, can be reflected in the imports of Iran. Iran imports about 100 000 tonnes of lint annually, from Turkey and Tajikistan, but also from Azerbaijan, Uzbekistan, India and others. Israel has a production of about 15 000 tonnes of cotton, of which 4 000 tonnes are Extra Long Staple (ELS) and Long Staple (LS) varieties, which is Better Cotton licensed, roller ginned, and 100 % machine picked. The entire crop is exported, to countries such as China, Germany, India and Turkey among others.

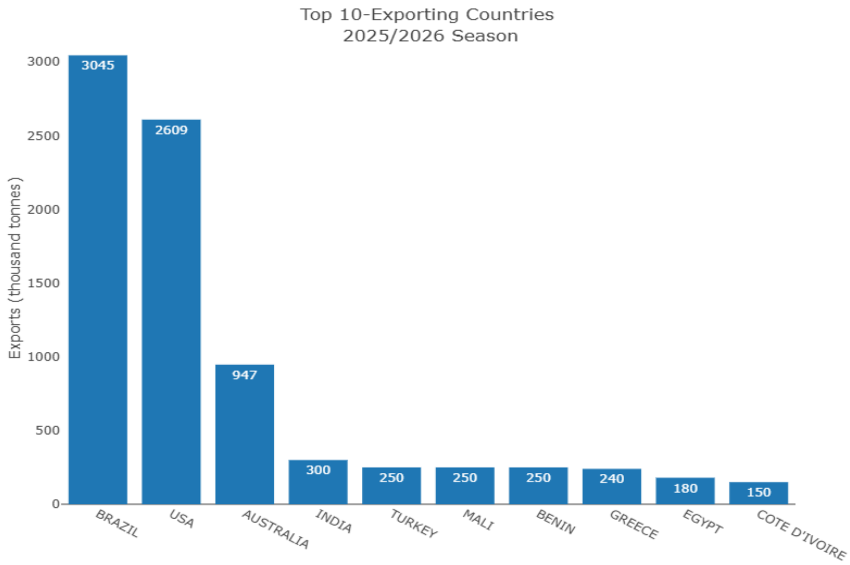
Given the increasingly crisis-ridden global situation, the fact that the cotton market appears unimpressed is surprising. The futures moved mainly sideways in the reporting period with a weak upward trend. The July futures hovered around the 65 c/lb mark, while December remained near the 68 c/lb mark. In the current forecasts for the 2025/26 season, production and consumption volumes have been revised downwards slightly. Nevertheless, this hardly brought any impetus to the market, nor did the weakening dollar exchange rate. Trading volumes on the international markets, primarily in ICE Futures U.S., showed some shallow

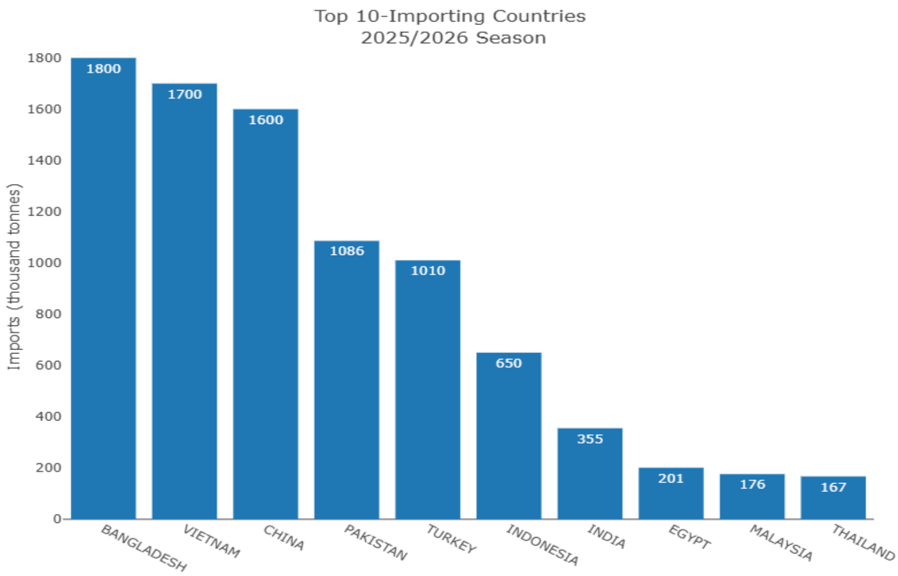
activity, but also a decline in open positions. Some experts were concerned that this could indicate a weakening trend strength. However, the European market remained rather quiet. Only a few inquiries and transactions were recorded by traders (https://baumwollboerse.de/en/marktbericht/the-market-is-at-rest/). The ICAC dashboard provides the figures for the current 2025/2026 season for the top ten countries' production, consumption, import and export figures.





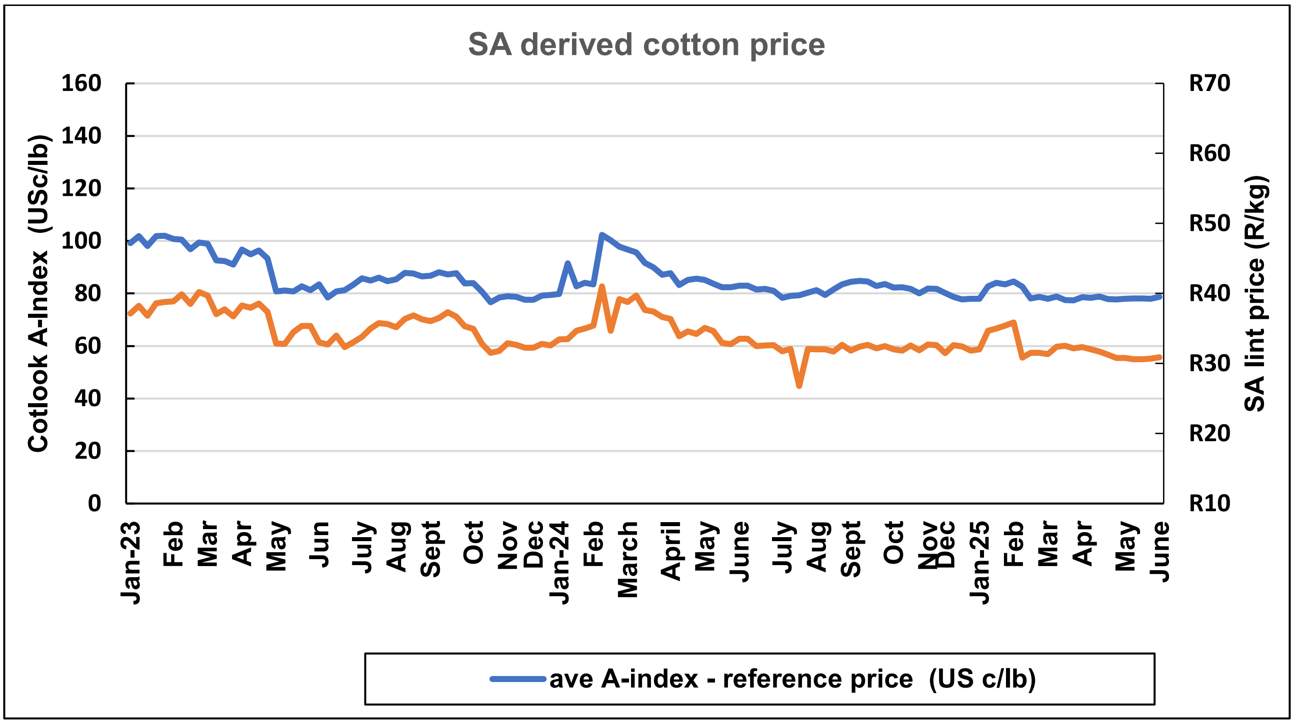

Top ten countries: 2025/2026 season
Consumption (thousand tonnes)
8200
5600
2210
1750
1600
1500
752
570
463
370
CHINA
INDIA
PAKISTAN
BANGLADESH
TURKEY
VIETNAM
BRAZIL
UZBEKISTAN
INDONESIA
USA


Top 10-Exporting Countries
2025/2026 Season
Exports (thousand tonnes)
3045
2609
947
300
250
250
250
240
180
150
BRAZIL
USA
AUSTRALIA
INDIA
TURKEY
MALI
BENIN
GREECE
EGYPT
COTE D'IVOIRE


Top 10-Importing Countries
2025/2026 Season
Imports (thousand tonnes)
1800
1700
1600
1086
1010
650
355
201
176
167
BANGLADESH
VIETNAM
CHINA
PAKISTAN
TURKEY
INDONESIA
INDIA
EGYPT
MALAYSIA
THAILAND

LOCAL SITUATION

Fluctuations in the weekly average of the Cotlook A-Index in relation to the NY futures & RSA price can be seen below.



The weekly average RSA price, based on the cotlook A index varied between R30,80 on the 30th May to R30,86 on 27th of June. The weekly average, for the week ending 27 June 2025, Dec' 25 NY Futures for STRICT LOW MIDDLING, $1\ ^{1}/_{16}$", was 68,33 US c/lb, equalling R26,78 (Ave exchange rate R17,7885 to 1 US$ for the last week).

Crop estimates vs previous estimates

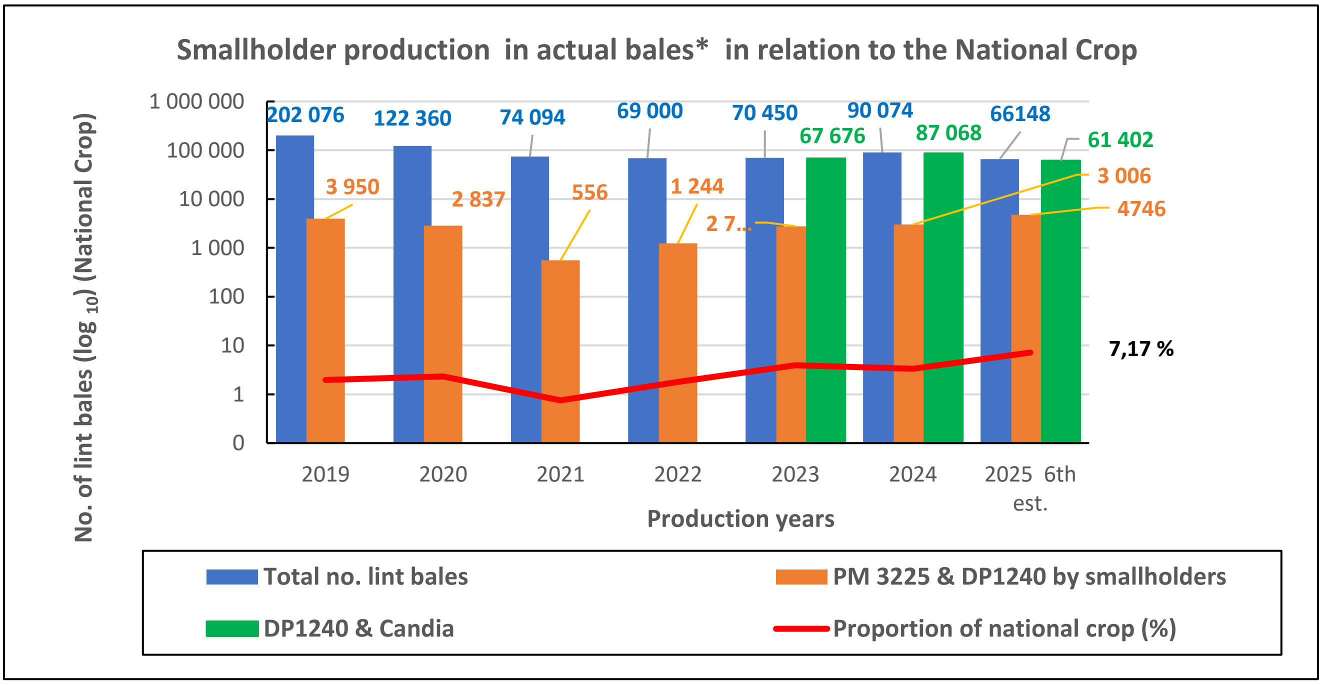
The number lint bales samples processed by the Cotton SA Grading Facility is 38 524 up to 7 July 2025. Average fibre length for the season so far is 1.19 HVI length ($1\ ^{3}/_{16}$"), a micronaire of 4.24, Strength of 29,67 g/tex, Uniformity of 82,13, with a leaf grade code of nearly 3, and most samples falling in the SM, MIDD and SLM colour grades.

Latest crop estimates

	2024/2025 6th Estimate	2024/2025 5th Estimate	Monthly Change	Change previous year	2023/24 Final
Hectares Irrigated	5 975	5 975	0%	-17%	7 226
Hectares Dryland	6 697	6 265	7%	-40%	11 159
Total Hectares	**12 672**	**12 240**	**4%**	**-31%**	**18 385**
Yield Irrigated	4 678	4 558	3%	-8%	5 071
Yield Dryland	1 051	1 020	3%	10%	954
Total Production 200 kg lint bales	66 149	63 660	**4%**	**-27%**	90 118

The 6th crop estimate shows a slight increase in the number of lint bales expected. Some farmers have reported an increase in yield under dryland as well as under irrigation. The crop is currently being harvested, and it remains to be seen if the yield increases will counterbalance the loss of crops due to flooding. The hectarages are down from last season, around 31%, mainly due to late rains and farmers were challenged to get the initial crop established, which was then impacted by excessive rain in February. The Springbokvlakte Pluismeule has started to gin, and up to date, about 1200 lint bales are expected from this ginnery, which is encouraging to have another ginnery for the next season!

Smallholder production



The number of estimated smallholder lint bales remain 4 746 bales. The smallholder crop is currently being harvested. In the Nkomazi area, the hectarages remain 414ha planted under dryland conditions, while in Nokaneng the hectarages are 142 ha. Total number of hectares planted are estimated at 3375 ha. The number of smallholder farmers reported is 2 047.

The hope is that as the harvesting progresses in the dryland areas where cotton was planted a bit late, the volumes of seed cotton will increase. However, the vulnerability of the seasonal weather and the cold spell received early in June, might influence the ripening of the fibre negatively. It remains to be seen if cotton can outperform other crops during this late season period.

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