COTTON MARKET REPORT OCTOBER 2025

INTERNATIONAL - ICAC projections for the 2025/26 season

Overview

Global ending stocks for the 2024/25 season are estimated at 15.37 million tonnes, a decline of 3.8% from the previous year and the lowest level since 2011/12. The most significant decline occurred in China, where ending stocks fell by 9% to 7.89 million tonnes — the lowest since 2012/13. This reduction resulted largely from China's sharp decrease in cotton imports, which dropped by 65% to 1.1 million tonnes for the 2024/25 season.

Outside of China, ending stocks increased by 2% in the 2024/25 season. The United States recorded the most notable rise, with 9% higher ending stocks, at 817,000 tonnes. Brazil and the West Africa region have also reported higher stocks for the season. However, as updated trade data becomes available, these stock estimates may be revised downward.

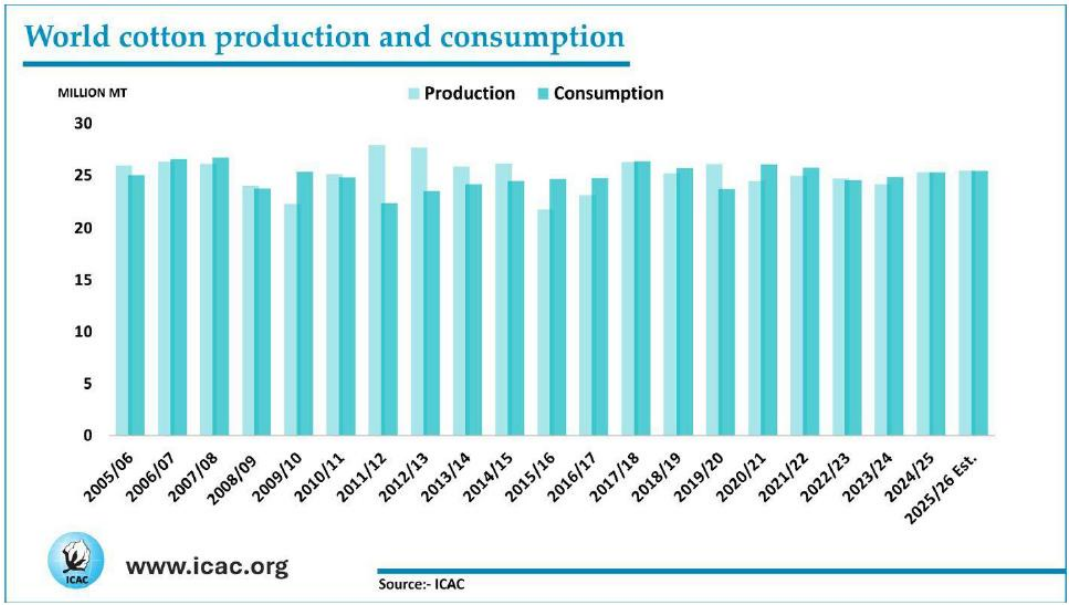
Production and consumption

Global cotton market projections for the 2025/26 season indicate a cautiously improving supply outlook, supported by stronger yields and increased production. Yields are forecasted to improve to 835.13 kg/ha, boosting production to 25.4 million tonnes. However, global consumption is expected to decrease slightly to 25.008 million tonnes due to continued pressure on textile demand and broader economic uncertainties. Trade flows are projected to remain stable, with both global imports and exports at 9.714 million tonnes.

CURRENT GLOBAL COTTON MARKET OUTLOOK FOR 2025/2026

Colour indicates movement from previous season

30.414 Area (million hectares)	**835.13** Yield (kilograms per hectare)	**25.4** Global Production (million tonnes)
15.836 Beginning Stocks (million tonnes)	**9.714** Imports (million tonnes)	**25.008** Consumption (million tonnes)
9.714 Exports (million tonnes)	**16.228** Ending Stocks (million tonnes)	**0.65** Stocks to Mill Use (ratio)



Imports and Exports

The International Cotton Advisory Committee (ICAC) has published its 2025 World Cotton Trade Report, which examines global raw cotton trade developments dating back to 1980. Issued annually, the report includes regional trade analysis, country-level import and export forecasts, detailed trade flow matrices, and in-season updates on export commitments.

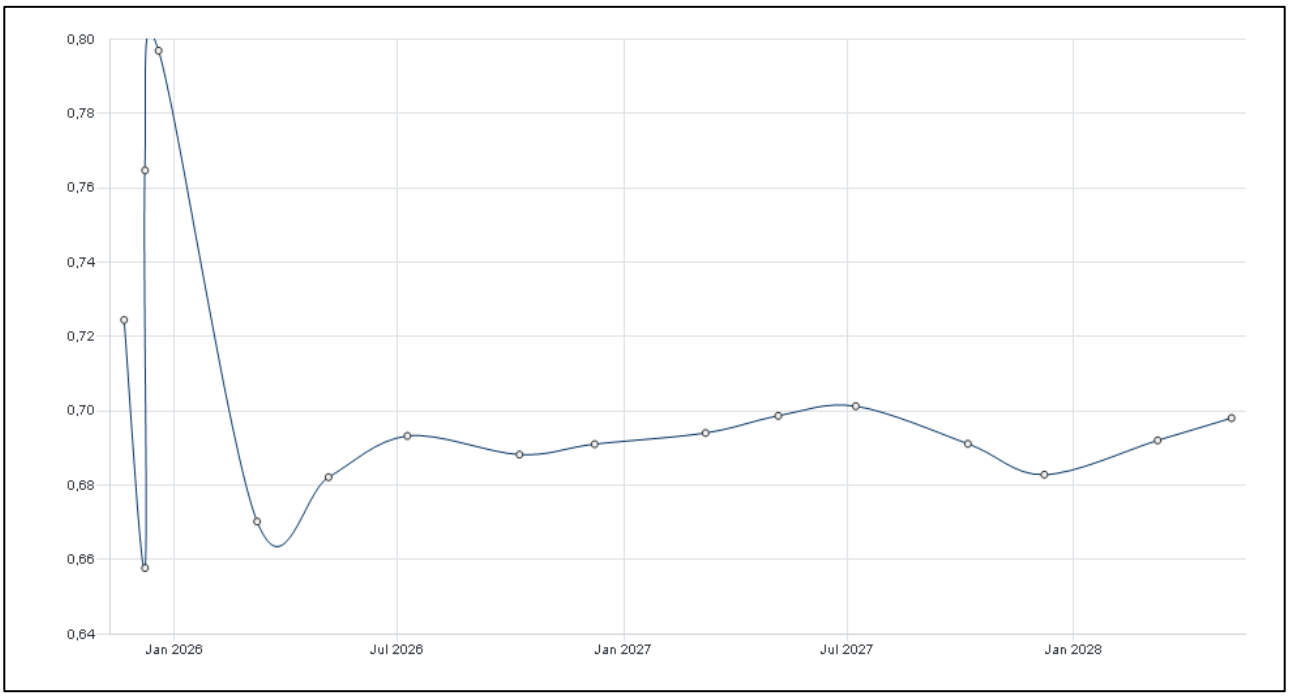
Key insights from the 2024/25 season include:
• A 4% year-on-year decline in global cotton trade to 9.4 million tonnes
• Brazil retaining its position as the world's leading exporter, while Bangladesh emerged as the largest importer
• The influence of key factors such as tariff changes, consumption shifts, regulatory pressures, and the growing complexity of the cotton value chain

Despite notable challenges facing the global cotton and textile sectors, the ICAC highlights some positive signs with global trade which is expected to rebound. A 4% increase in global trade for the 2025/26 season is projected, reaching 9.8 million tonnes, supported by stronger consumption and import demand from China and the formation of new commercial partnerships that are strengthening the cotton lint market.

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). The U.S. season-average farm price for 2025/26 is 65 US cents per pound.

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

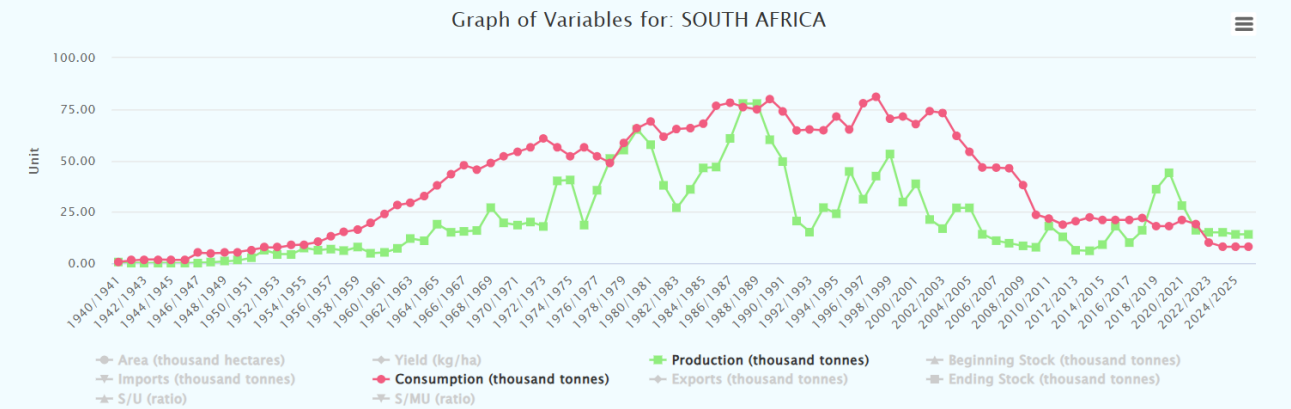


Local situation

Historically, South Africa's cotton sector has experienced significant structural changes over the past several decades. From the early 1960s through the mid-1990s, both production and consumption showed strong growth, with production peaking in the late 1980s and early 1990s at around 70–80 thousand tonnes.

However, from the late 1990s onward, a sharp decline in domestic production is evident. By the 2000s, output fell substantially, driven by the contraction of the domestic textile industry, increased competition from imported fibres and textiles. Consumption remained higher than production for most of the post-2000 period, indicating a strong reliance on imports to meet domestic textile requirements.

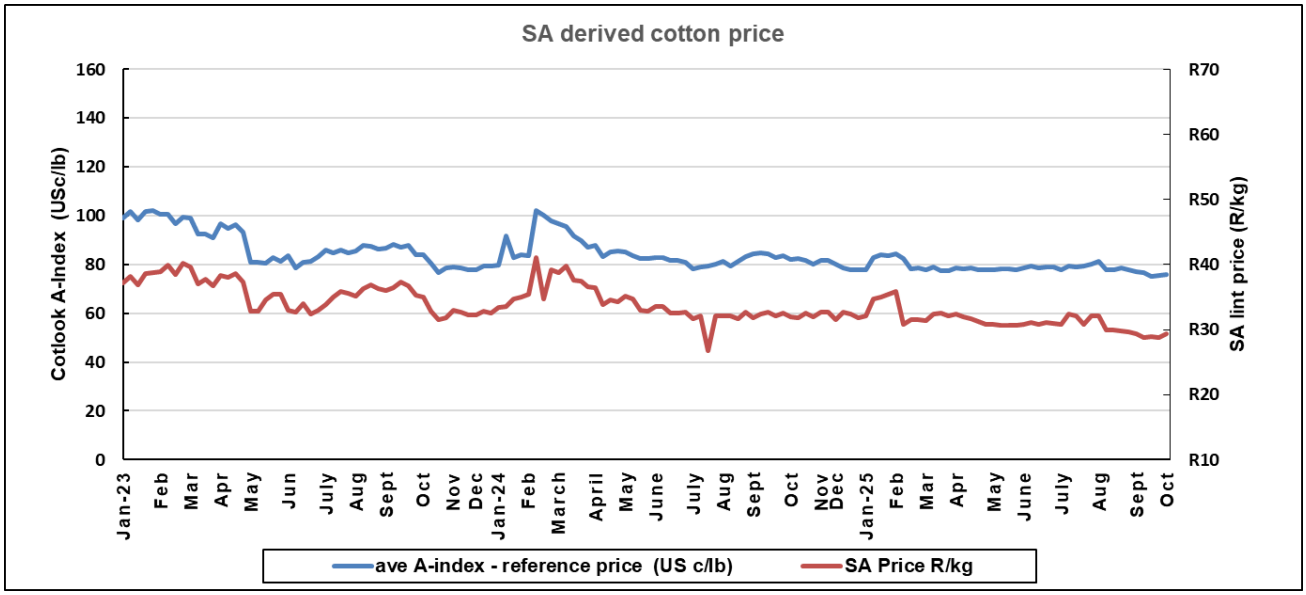
In recent years, production has stabilised at much lower levels than historical highs, with modest improvements visible after 2016 as the industry revitalisation initiatives, contract farming, and increased interest from smallholder growers gained traction. With an increase in hectarages and production during the 2018 & 2019 years, the industry has taken a decline, due to several factors like rising input costs, no access to alternative cultivars and technology, competition with other crops and the increase in the cost and maintenance of harvesting equipment.



There is a new commitment from seed companies to encourage growth, and the hope is that the farmers will take advantage of new initiatives and cultivars that will be available commercially in 2026/2027. The lower price must be seen in relation to the profit margin that can be achieved per hectare under irrigated conditions. The importance of a higher fibre percentage outturn provides higher lint yields per hectare that combats the decline in price per kg lint. Niche markets are starting to open, and it is here where the farmer can achieve a premium for his crop.

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 October, was R29,33. The weekly average Dec '25 NY Futures for STRICT LOW MIDDLING 1 $^{1}/_{16}$ ", was 65,16 US c/lb for the period of 4 - 31 October. This amounts to R24,87, at an average exchange rate of R17,22 to the US dollar.

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

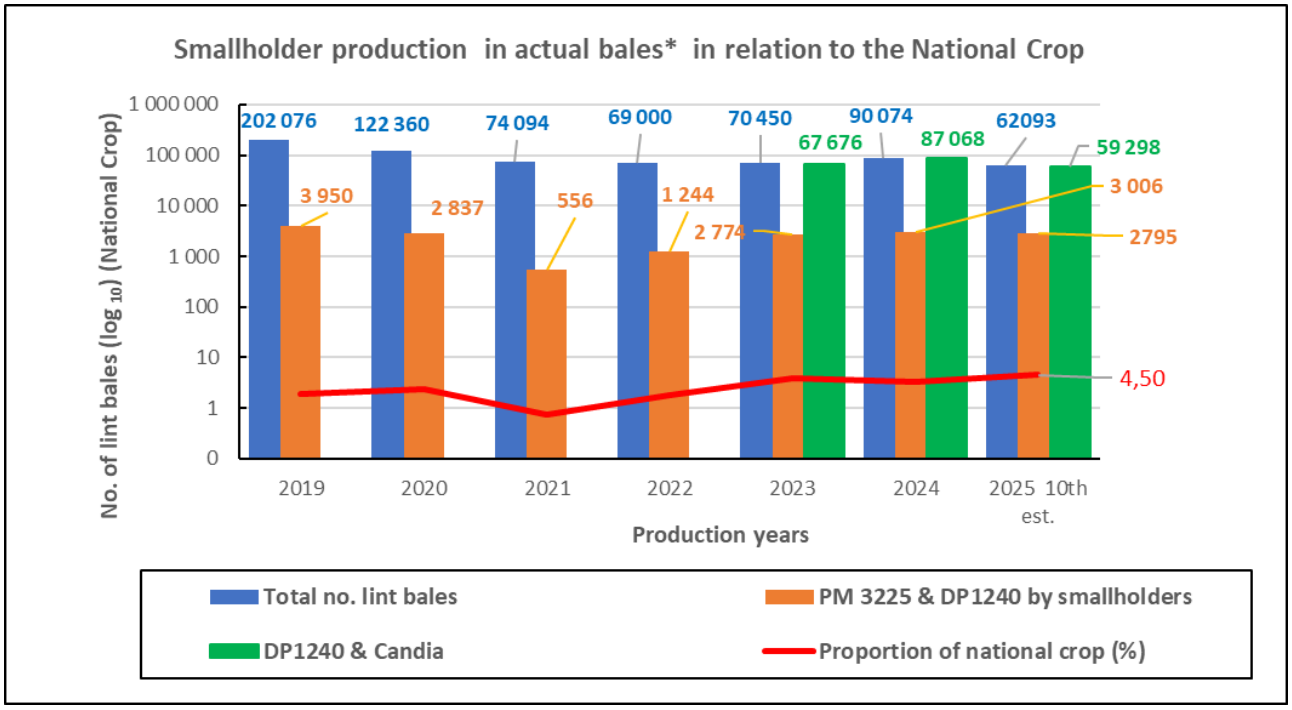
The number of lint bale samples processed by the Cotton SA Grading Facility, was 60 684 from April to the end of October 2025. This was however below the estimated number for this season. The 10th crop estimate indicates a decline in the number of lint bales expected, with the total estimated production of lint bales standing on 62 320 bales. The volume of seed cotton expected is 32 901 tonnes, of which around 25 765 will originate from production under irrigation, while 7 136 tonnes seed cotton, are estimated to come from dryland production.

	2024/2025 10th Estimate	2024/2025 9th Estimate	Monthly Change	Change previous year	2023/24 Final
Hectares Irrigated	5 535	5 745	-4%	-23%	7 226
Hectares Dryland	7 546	7 206	5%	-32%	11 159
Total Hectares	**13 081**	**12 951**	**1%**	**-29%**	**18 385**
Yield Irrigated	4 655	4 628	1%	-8%	5 071
Yield Dryland	946	920	3%	-1%	954
Total Production 200 kg lint bales	**62 320**	**62 897**	**-1%**	**-31%**	**90 118**

The average fibre length for the season so far is 1.16 HVI length (1 $^{5}/_{32}$”), with an average micronaire of 4.21, fibre Strength of 29,36 g/tex and Uniformity of 81,87. The average leaf grade varied between leaf code 2 and 3, with most samples (89.1%) falling in the Strict Middling-, Middling- and Strict Low Middling colour grades.

Smallholder production

The 10th estimate for smallholders is predicted as a mere 2 795 lint bales and is much lower than expected. The yield per ha under dryland was expected to be around 1 ton/ha seed cotton. At this estimated yield, bales should have been over 6 600 bales at a Gin Out Turn of 37%. The total number of hectares planted by smallholders was estimated to be around 3 606 ha. The number of smallholder farmers reported stands on 2 047.



The crop delivered by smallholders was disappointing and the hectarages lower than expected. DALRRD Mpumalanga funded seed for smallholders for the Nkomazi region, and the hope is that this will encourage farmers to plant in this region. Sustainable cotton production training is being initiated in three provinces, MP, KZN and LP, and three demonstration trials are planted for this purpose. The hope is that informal mentoring services by means of demonstrating production practices will encourage farmers to plant if the weather co-operates in these regions. Planting date, together with land preparation done in time to be ready for planting must not be overlooked. Farmers are encouraged during training sessions and meetings to become independent and work together to share inputs and work with leader farmers.

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