COTTON MARKET REPORT FEBRUARY 2026

Supply, Demand & Trade

The latest USDA report revised global cotton production for the 2025/26 season upward by 1.1 million bales to 121.0 million bales, while world mill-use was reduced slightly by 140,000 bales to 118.6 million bales. With no changes to historical data, these adjustments resulted in a 1.3 million bale increase in projected global ending stocks, now estimated at 76.4 million bales.

At country level, the largest production increases were recorded for Brazil, where the crop estimate rose by 750,000 bales to 19.5 million, and China, which increased by 500,000 bales to 35.5 million. In contrast, Argentina's production estimate declined slightly by 115,000 bales to 1.3 million.

Revisions to mill-use were led by China, where consumption increased by 500,000 bales to 39.5 million. Smaller downward adjustments were recorded for Bangladesh (-100,000 bales to 8.0 million), Mexico (-100,000 bales to 1.2 million), Vietnam (-100,000 bales to 8.0 million), and Pakistan (-200,000 bales to 10.6 million).

Global cotton trade was revised upward by 200,000 bales, bringing the total forecast to 43.9 million bales. The most notable changes to import projections included a significant increase for India (+800,000 bales to 4.0 million), while imports were reduced for Pakistan (-200,000 bales to 5.5 million), Bangladesh (-100,000 bales to 7.9 million), and Vietnam (-100,000 bales to 8.0 million).

Price Outlook

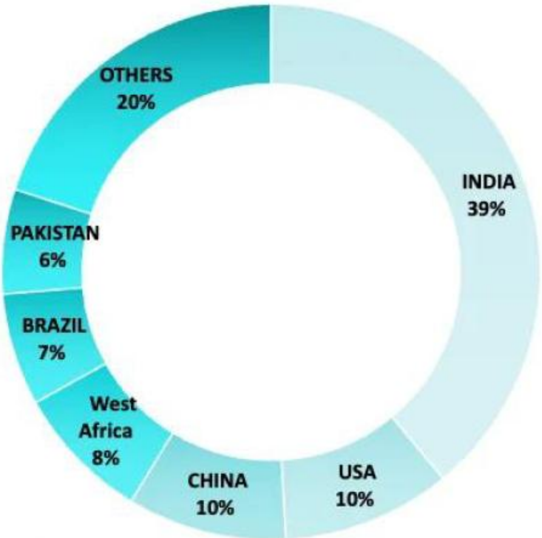
During the USDA Annual Outlook Forum held in late February, preliminary projections for the 2026/27 crop year were released. These early estimates suggest a decline in global cotton production to 116.0 million bales, compared with 121.0 million bales in 2025/26. At the same time, global mill-use is projected to increase to 120.1 million bales, indicating stronger demand in the coming season. Should these projections materialise, the global cotton balance could tighten relative to the current season. International cotton prices have trended downwards since the second quarter of 2024, mainly pressured by strong production prospects for the 2024/25 season. Weaker global demand for textile and apparel and high stock levels have also contributed to the decline. Although global consumption is showing signs of recovery, production is forecast to exceed consumption in the current season, weighing on prices. Additionally, cotton continues to face stiff competition from man-made fibres, which are cheaper but less sustainable and derived from non-renewable resources. Prices will continue to be influenced by competition from these fibres along with changes in consumer preferences and productivity gains.

Leading Countries in the Global Cotton Area

Global cotton yields and the planted area are both projected to decline slightly compared with the current season. The total global cotton area is estimated at approximately 30.2 million hectares, with an average yield of around 822 kg/ha.

India accounts for the largest share of global cotton area, representing approximately 39% of the total planted area worldwide. Other major cotton-producing regions include the United States, China, West Africa, Brazil, and Pakistan. The accompanying table provides further detail on the leading cotton lint producers, including their respective planted areas and average yield.

Leading countries in area under cotton and their yields in 2026/27 proj.



LEADING COUNTRIES IN AREA AND THEIR YIELD IN 2026/27 PROJ.		
	AREA	YIELD
	000 HA	KG/HA
WORLD TOTAL	30284	822
INDIA	11800	458
USA	3075	1007
CHINA	2900	2229
West Africa	2492	191
BRAZIL	2050	1868
PAKISTAN	1910	471

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Source:- Parkhi Vats, ICAC

Local situation

The 2025/26 second crop estimate indicates a 15% increase in total planted hectares compared to 2024/25, driven by expansions in both irrigated and dryland areas, while total production is forecasted to rise by 31% to 81 431 bales, supported by a strong recovery in dryland yields despite a moderate decline in irrigated yields.

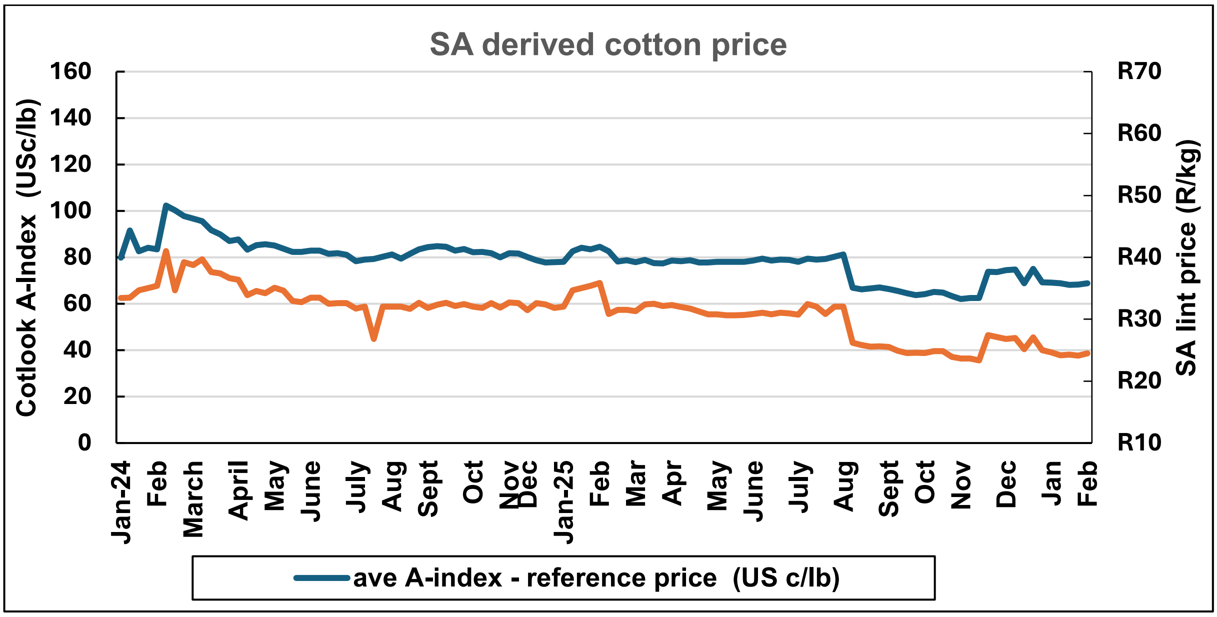
The number of hectarages from the provinces varies, with the Limpopo province estimated to have around 4161 ha established under irrigation, and 5004 ha under dryland. In the Northern Cape, a total of 2100 ha are established under irrigation, 1500 ha under dryland in the Northwest, 1300 ha under dryland in KZN, and in Mpumalanga 985 ha under dryland. At least 400 ha was lost due to hail in the Northwest, while some hectares were lost in the Vaalharts district also because of hail. Cotton has a strong ability to recover, and despite the challenges posed by hail, flooding, and the excessive heat experienced across production areas in January, the crop still shows promising potential as the season progresses.

CURRENT CROP ESTIMATES VS PREVIOUS CROP ESTIMATES

	2025/2026 2nd Estimate	Change previous year	2024/25 Final
Hectares Irrigated	6 261	13%	5 535
Hectares Dryland	8 789	16%	7 546
Total Hectares	**15 050**	**15%**	**13 081**
Yield Irrigated	4 649	0%	4 655
Yield Dryland	1 539	63%	946
Total Production 200 kg lint bales	**81 424**	**31%**	**62 320**

Price

The SA price per kg lint remained low, for the month of February. Efforts are underway to assess cotton prices and per-hectare returns relative to other crops.



A recent study has shown that when comparing crops head-to-head, cotton looks expensive and less attractive. However, when we compare rotations over two years and per rand invested, cotton shows its true potential and value:

- It reduces input costs of follow-up crops.
- It increases margins of wheat and maize.
- It improves return per capital input.
- It places less financial strain on the farmer's cash flow. (See Cotton SA magazine, Vol 27 (4) pg. 8 The Rotation effect of cotton/Die rotasie effek van Katoen).

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