

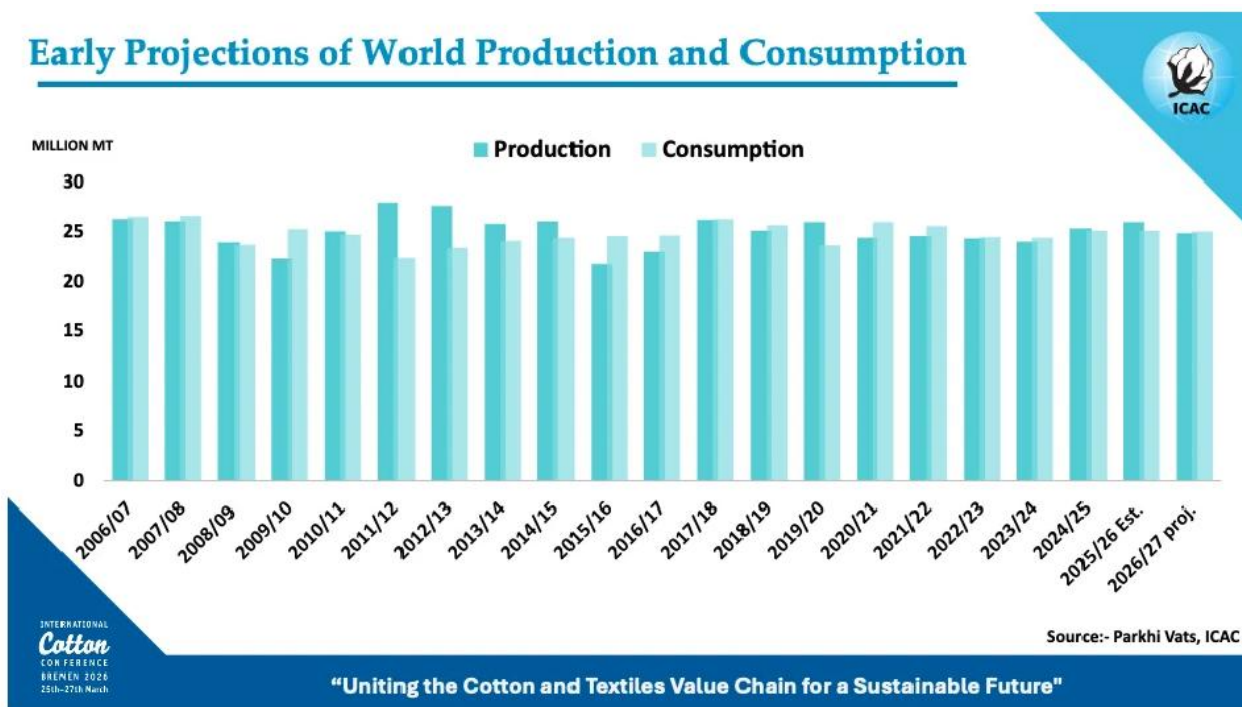
# COTTON MARKET REPORT MARCH 2026



## Global Cotton Market Outlook (ICAC Plenary, Bremen, Germany)

Early projections for the 2026/27 season suggest that global cotton consumption will remain stable at approximately 25 million tonnes, in line with the current season. In contrast, global production is forecast to decline by around 4% to 24.9 million tonnes, with modest reductions expected in Brazil and Australia. This decline is primarily driven by lower cotton prices and weak demand, particularly from China. In addition, the U.S. National Cotton Council’s Early Season Planting Intentions Survey indicates a shift away from cotton towards competing crops such as corn and soybeans.

## Early Projections of World Production and Consumption



These estimates remain provisional and are subject to changes in agro-economic conditions, price developments, and policy dynamics. Upside risks include potential production increases in India and China. Furthermore, policy developments—such as the Buying American Cotton Act and evolving EU



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textile regulations, including the Digital Product Passport—may significantly influence future consumption patterns.

## Global Production Outlook

Global cotton production is expected to remain led by China, with output projected at approximately 6 million tonnes, supported by a high average yield of 2 229 kg/ha. China will be followed by India, Brazil, the United States, the West Africa region, and Australia, which together are expected to account for around 82% of total global production. A marginal decline is anticipated in Brazil. In the United States, production is currently projected slightly higher, reflecting expectations of reduced abandonment rates; however, this estimate may be revised downward as updated data on planted area becomes available.

## Local situation

The 2025/26 third crop estimate indicates a 16 % increase in the total planted hectares compared to 2024/25, driven by expansions in both irrigated and dryland areas, while total production is forecasted to rise by 26 % in the total number of bales, supported by a strong recovery in dryland yields despite a moderate decline in irrigated yields. The estimate for the total number of hectares for March 2026, is 15,154 ha, and the total number of lint bales expected is estimated to be 78 738 statistical bales.

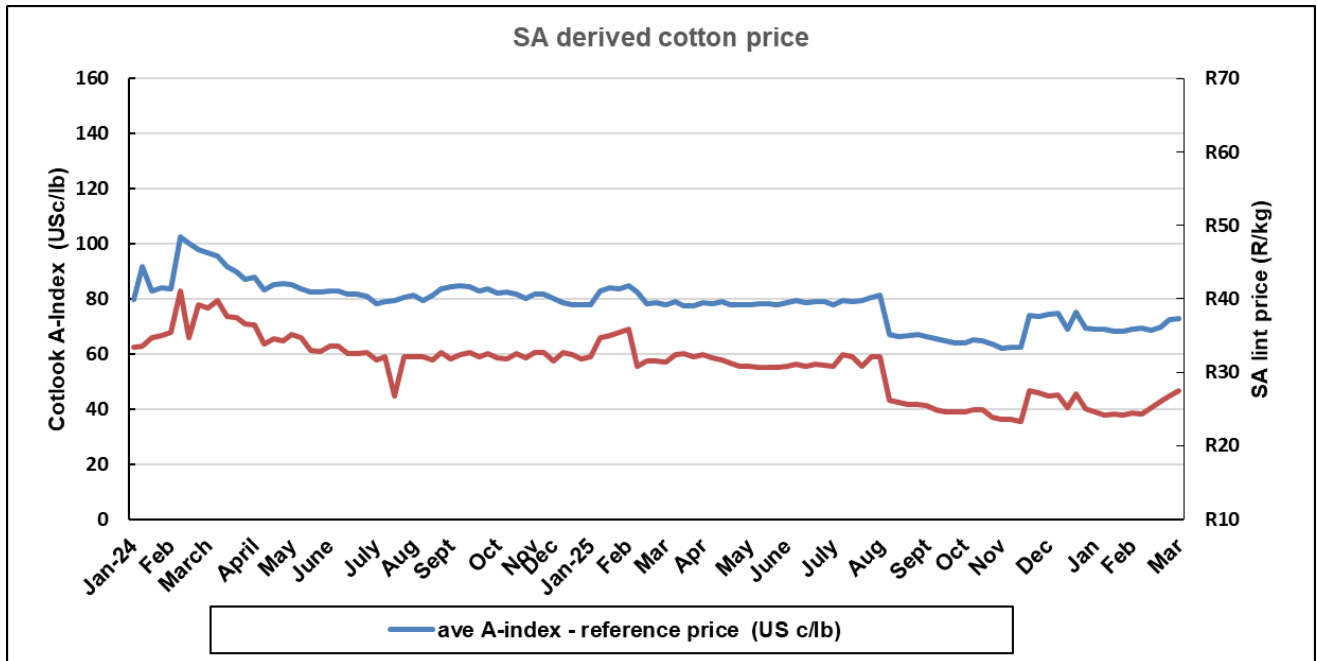
The number of hectares from the provinces varies, with the Limpopo province estimated to have around 4 119 ha established under irrigation, and 5 078 ha under dryland. In the Northern Cape, a total of 1 742 ha is established under irrigation, 1 600 ha under dryland and 190 ha under irrigation in the Northwest, 1 300 ha under dryland in KZN, and in Mpumalanga 935 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.

## Price

From February to March, the market shows a modest recovery. The SA lint price was trending upwards after a relatively flat February. The Cotlook A-Index increased slightly, suggesting slight strengthening of the price linked to strengthening of the ZAR and international fluctuations. Overall, this pointed to improved sentiment in the cotton market heading into March, although levels remained below earlier highs. Current price increases at the time of writing this report for April 2026, shows a good recovery in the price, with the NY futures Dec'26 prices, increasing to 80,81c/lb and the basic lint price for SLM 1 1/16" reaching R29, 63 nearing the end of April.



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## Comments

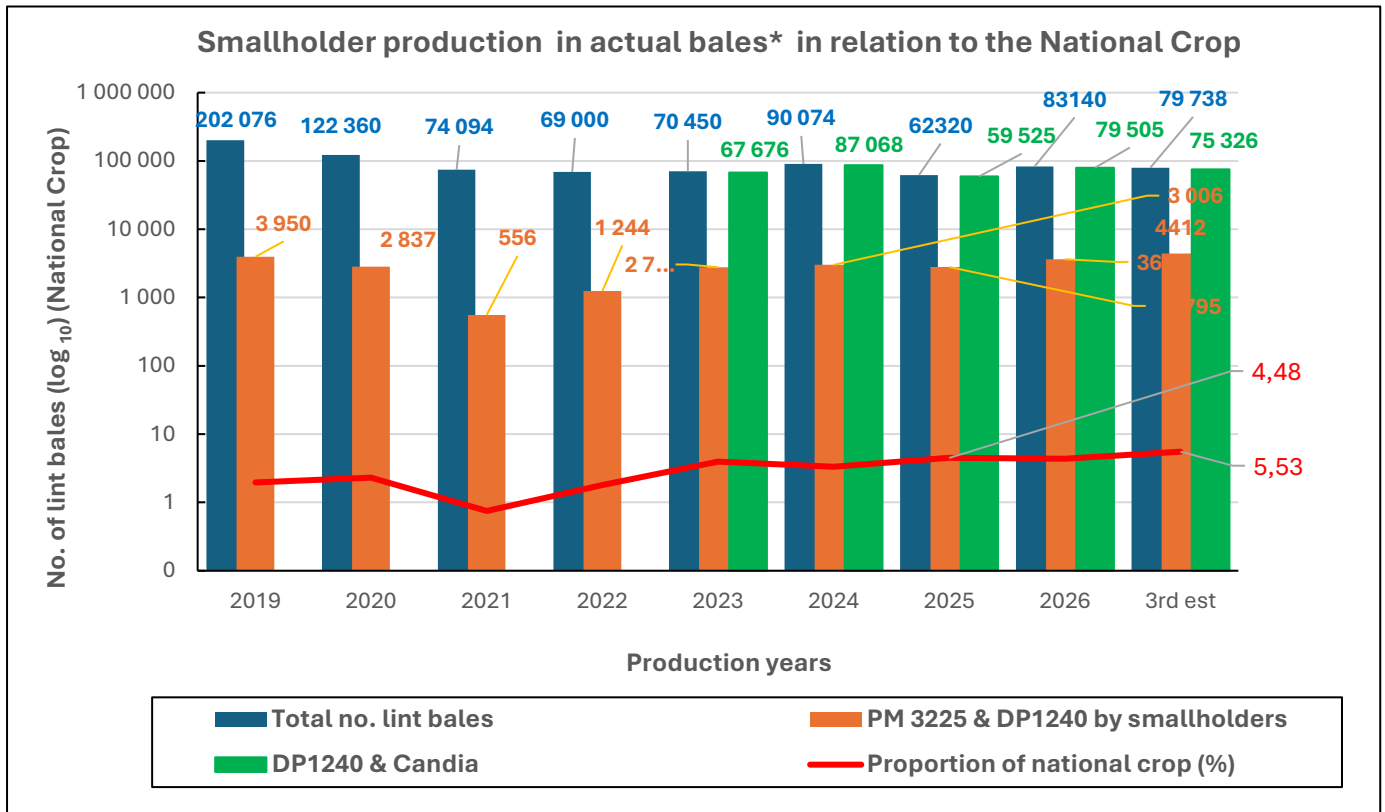
Cotton SA was invited to the 38<sup>th</sup> International Cotton Conference in Bremen, Germany during March 2026. The Cotton SA laboratory, an ICA Bremen certified laboratory, participates in the CSITC committee, which shows that the SA laboratory plays an integral role in the international cotton industry.

Farmers are starting to harvest their crop, and the hope is that despite all the climatic fluctuations, cotton will show its persistence to reach the expected margins. Late rains on open bolls can cause lower grades on cotton ready to be harvested.

The smallholder contribution to the national crop remains challenged and much has been done to encourage smallholder farmers. The smallholder contribution to the national crop is estimated to increase to 5.5%. Challenges in KZN remain the erection of the new ginnery and getting the current crop delivered to a ginnery. The closest is Great North Cotton. Transport fees of the crop will influence the income of the farmer for his seed cotton. Cotton SA is reconsidering the mentoring support provided to potential smallholder farmers to assist them more closely to reach optimal production potential. A workshop is being held on 6 May in Mbombela to discuss potential projects in a smallholder setup taking possible rotational systems into account.



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