USDA
United States Department of Agriculture

Outlook
Economic Research Service | Situation and Outlook Report
CWS-25h | August 14, 2025
Next release is September 16, 2025

Cotton and Wool Outlook: August 2025

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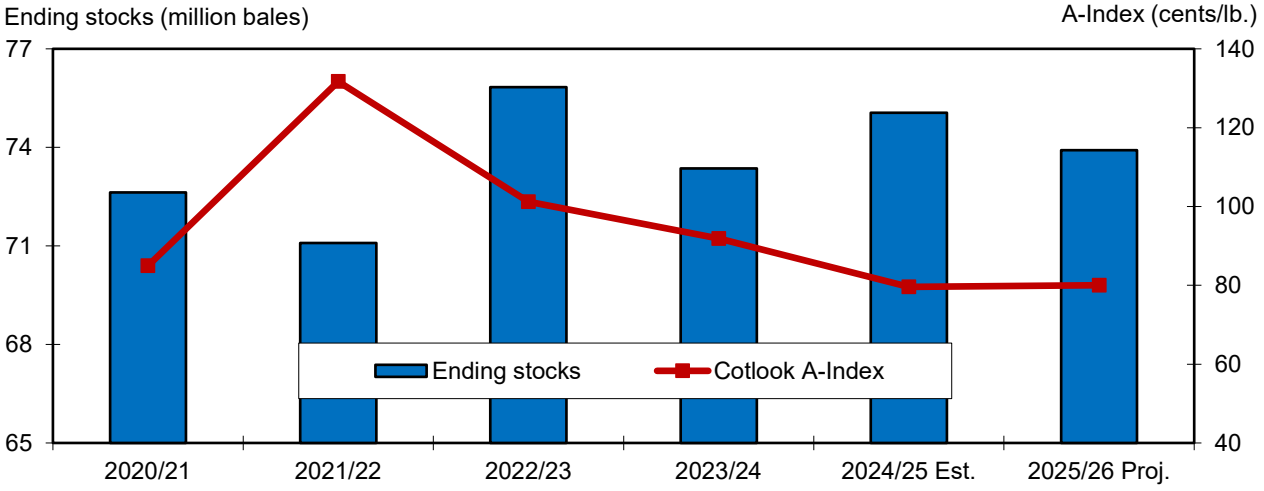
Global 2025/26 Cotton Stocks Reduced as Projected Production Declines

The latest U.S. Department of Agriculture (USDA) cotton projections for 2025/26 (August–July) indicate that world cotton ending stocks are expected to decrease 1.1 million bales (1.5 percent) from the previous year to 73.9 million bales (figure 1). The stock decline results from a global production forecast that is below the mill use projection. With world cotton stocks expected to decline, global cotton prices are projected to rise slightly in 2025/26.

Global cotton production is estimated to decrease 2.5 million bales (2 percent) from the previous year to 116.6 million bales but remains the second highest since 2019/20. Australia, the United States, China, and India are major contributors to the global production decline in 2025/26. World cotton mill use is projected to remain unchanged at 118.0 million bales, with mill use for each of the major cotton-spinning countries expected to remain near their 2024/25 level. Global cotton trade expectations (43.6 million bales) increase slightly from 2024/25 as Brazil and the United States continue as the primary exporters in 2025/26 while Bangladesh and Vietnam are forecast as the leading importers.

Figure 1
Global cotton stocks and prices



1 bale = 480 pounds.
Source: USDA, Economic Research Service using data from Cotlook and USDA, *World Agricultural Supply and Demand Estimates* reports.

Domestic Outlook

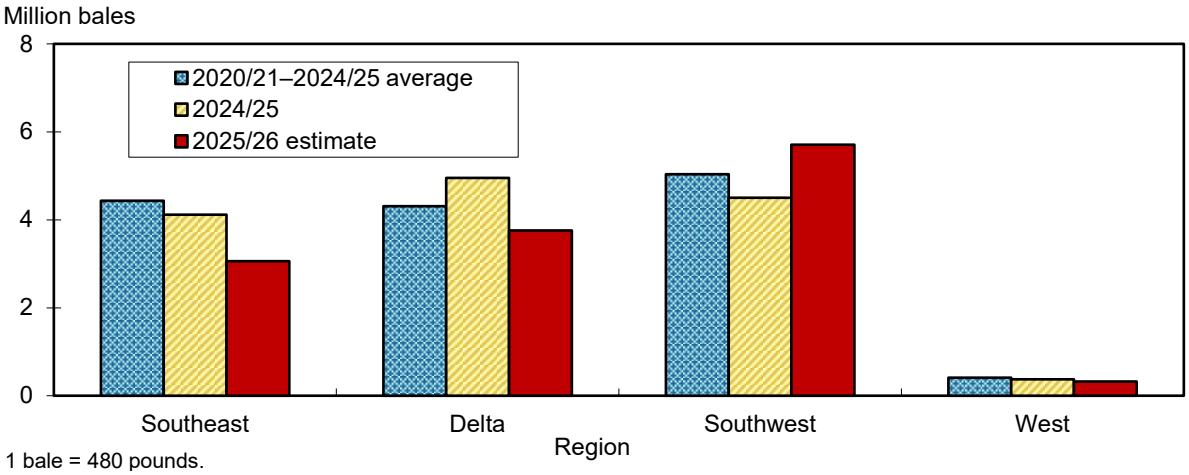
U.S. Cotton Crop Forecast at Second Lowest Since 2015/16

USDA's first survey-based estimate of the 2025/26 U.S. cotton crop is 13.2 million bales, 8 percent below last season's final estimate of 14.4 million bales and the second lowest in a decade. The 2025 cotton planted area estimate of nearly 9.3 million acres is based on all available data, including the latest certified acreage from the USDA, Farm Service Agency. This season's cotton planted area is 17 percent (1.9 million acres) below 2024/25. Two factors contributing to the decrease in 2025/26 planted area were less favorable cotton prices relative to other crops ahead of planting and weather-related issues at planting that prevented some area from being sown.

Across much of Texas—the largest cotton-producing State—improved moisture conditions this season have reduced the early-season national abandonment projection. A U.S. abandonment rate of 21 percent is projected for 2025/26, compared with 30 percent for 2024/25. However, with the reduced planted area this season, U.S. cotton harvested acreage is forecast at about 7.4 million acres, the third lowest in over 150 years (behind 2022/23 and 2023/24 when abandonment was 47 percent and 37 percent, respectively). The U.S. cotton yield is projected at 862 pounds per harvested acre in 2025/26, about 50 pounds below the 3-year average.

U.S. upland cotton production in 2025/26 is forecast at nearly 12.9 million bales, 8 percent below 2024/25 and the second smallest crop since 2015/16. Upland production expectations are lower for three of the Cotton Belt regions this season compared with last year, while the Southwest is forecast considerably higher in 2025/26 (figure 2). Based on the August estimate, 2025/26 Southwest upland cotton production is projected at 5.7 million bales, 27 percent above last season and the highest in 4 years. Crop conditions so far this season are better than the 5-year average, with Southwest abandonment projected at approximately 32 percent, the lowest in 4 years. The Southwest yield is estimated at 692 pounds per harvested acre in 2025/26, near the 10-year average. The Southwest is expected to account for 44 percent of total U.S. upland production in 2025/26, compared with 32 percent last season. However, conditions during the next 2 months will influence production considerably.

Figure 2
U.S. regional upland cotton production



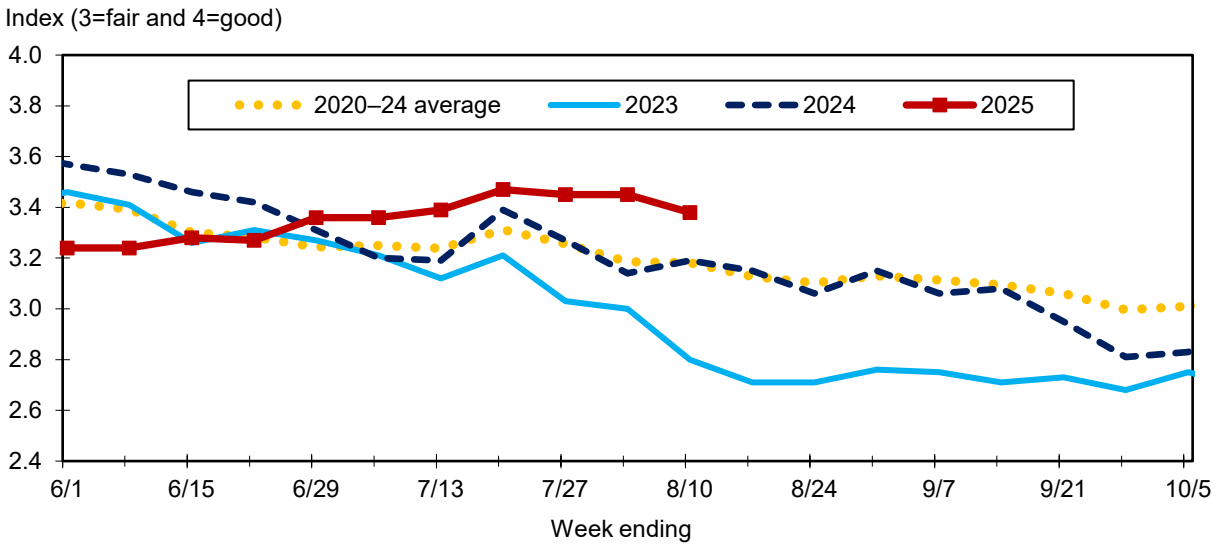
1 bale = 480 pounds.
Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, *Crop Production* reports.

In the Delta, the 2025/26 cotton crop is estimated at nearly 3.8 million bales, 24 percent below last season and the lowest since 2021/22. Area this season is reduced to its lowest level in a decade which is slightly offset by a record yield that is forecast at 1,246 pounds per harvested acre. The Delta region is expected to contribute 29 percent of U.S. upland production in 2025/26. For the Southeast, 2025/26 production is projected at 3.1 million bales, 1 million below last season as planted area is the lowest since 1992/93. Yield is forecast at 871 pounds per harvested acre, equal to 2024/25 but below the 5-year average of 907 pounds per acre. The Southeast region is estimated to produce 24 percent of the 2025/26 U.S. upland crop.

In the West, 2025/26 upland production is estimated to decrease slightly to 325,000 bales, as both harvested area and yield are below 2024/25. The upland area in the West remains one of the lowest on record, while yield is forecast below the 5-year average at 1,241 pounds per harvested acre. The West is expected to account for less than 3 percent of the total U.S. upland crop. Extra-long staple (ELS) cotton (also referred to as American Pima) production is estimated at 364,000 bales in 2025/26, considerably (23 percent) below last season as California—the leading ELS-producing State—responded with decreased area this season. However, a higher ELS national yield—estimated at 1,273 pounds per harvested acre—limits the reduction of the 2025/26 crop.

U.S. cotton crop development continues to trail last season and the 5-year average. Cotton area setting bolls reached 65 percent as of August 10, compared with 72 percent in 2024 and 71 percent for the 2020–24 average. The delay was largely attributable to the Delta region, most notably Mississippi, Tennessee, and Louisiana, where persistent rainfall hampered planting and early plant development. Similarly, only 8 percent of the national area had bolls opening, compared with 12 percent for last year and 10 percent for the 5-year average. U.S. cotton crop conditions, however, remain above the previous 2 years and the 5-year average (figure 3). As of August 10, 53 percent of the U.S. cotton area was rated “good” or “excellent,” compared with 46 percent in 2024, while 18 percent was rated “poor” or “very poor,” compared with 25 percent a year ago.

Figure 3
U.S. cotton crop conditions



Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, *Crop Progress* reports.

U.S. Cotton Demand and Stock Estimates Revised

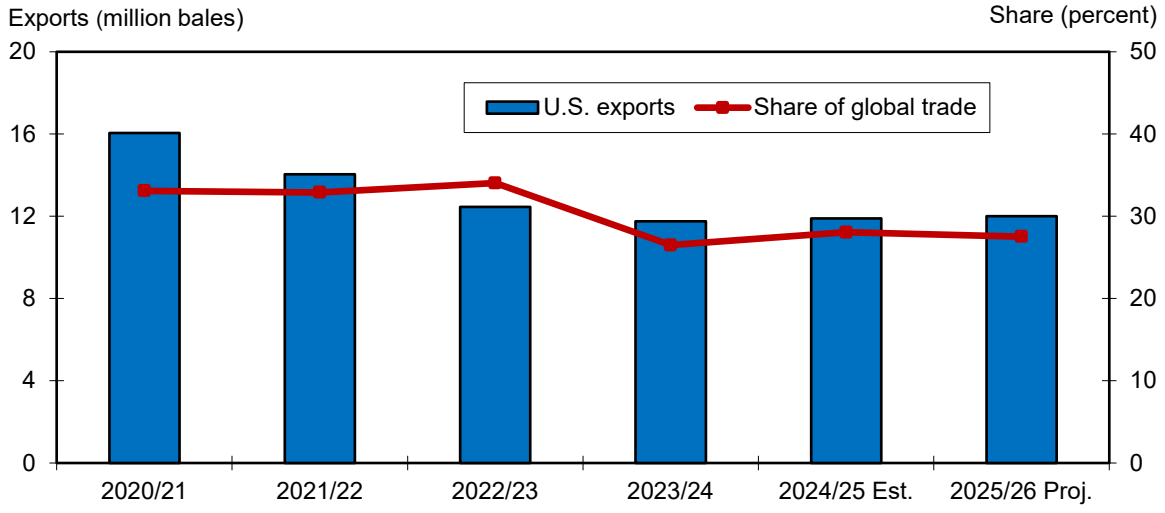
U.S. cotton demand (mill use plus exports) and stocks for 2025/26 and 2024/25 were adjusted in August based on the latest available data. U.S. exports for 2025/26 are forecast at 12.0 million bales, 500,000 bales below the July projection but slightly above the previous year (figure 4). The lower forecast is attributable to the reduced crop estimate this month as well as projected competition from Brazil, a major producer and exporter of cotton. U.S. cotton mill use is projected at 1.7 million bales in 2025/26, unchanged from July and equal to last season.

The U.S. cotton export estimate for 2024/25 was increased 100,000 bales this month to 11.9 million bales, slightly above the previous season but still the second-lowest level since 2015/16 shipments of 9.2 million bales. Complete data for 2024/25 U.S. cotton exports will be available in September. U.S. cotton mill use remains estimated at 1.7 million bales in 2024/25, the lowest in over a century as domestic manufacturing continues to be constrained.

The United States is projected to be the second-largest cotton exporter to the world in 2025/26. Lower U.S. production, associated with drought conditions in recent years, helped elevate Brazil as the top exporter in 2023/24 and Brazil is expected to continue in that role this season with its record crop forecast. The U.S. share of global trade is projected at 27.5 percent for 2025/26, similar to the previous 2 years. U.S. cotton exports are forecast to account for nearly 88 percent of U.S. cotton demand in 2025/26, slightly above the last several seasons.

With total U.S. cotton demand projected to exceed production in 2025/26, ending stocks are expected to decline to 3.6 million bales, 10 percent (400,000 bales) beneath beginning stocks and the second-lowest level in 9 years. The stocks-to-use ratio (26 percent) is also forecast to decrease from 2024/25's 29 percent. Along with the lower U.S. stocks, 2025/26 global cotton mill demand is expected to exceed world production and supports this month's higher seasonal price prospects. For 2025/26, the U.S. upland cotton farm price is forecast at 64 cents per pound, slightly above an estimated 63 cents per pound for 2024/25.

Figure 4
U.S. cotton exports and share of global trade



1 bale = 480 pounds.

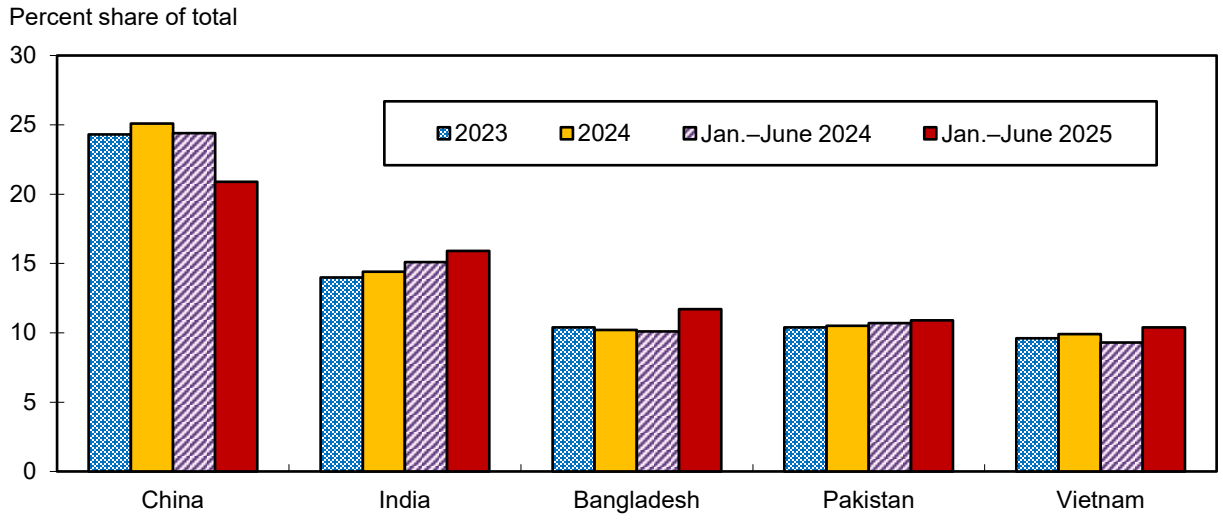
Source: USDA, Economic Research Service using data from USDA, *World Agricultural Supply and Demand Estimates* reports.

U.S. Cotton Product Trade Mixed in First Half of 2025

Total U.S. cotton textile and apparel trade varied during the first half of calendar year 2025, compared with the corresponding 2024 period. U.S. cotton product imports increased 5 percent and totaled the equivalent of 8.6 million 480-pound bales of raw cotton during January–June 2025 compared with the revised 8.2 million bales during the first 6 months of 2024. In contrast, cotton product exports decreased 4 percent to approximately 1.1 million bale-equivalents. As a result, the cotton textile and apparel trade deficit rose 7 percent during the first half of 2025, reaching 7.5 million bale-equivalents.

U.S. cotton product imports are sourced from numerous countries, although most products are imported from a handful of suppliers. During the first half of 2025, the top five countries (China, India, Bangladesh, Pakistan, and Vietnam) contributed 70 percent of total U.S. cotton product imports (raw-fiber-equivalent volume), marginally above the corresponding period in 2024. Although the total share is similar to a year ago, shifts occurred among the major supplying countries (figure 5). Despite being the lead supplier of cotton products to the United States, China's market share declined 3.5 percentage points to 21 percent during the first half of 2025 (compared with a year ago) while other countries experienced gains. India's share of cotton products imported by the United States continued to trend higher and reached 16 percent during the first 6 months of 2025, up from about 14.5 percent in 2024 and 14.0 percent in 2023. Textile and apparel shipments to the United States also increased for Bangladesh, Pakistan, and Vietnam during the first half of 2025 and corresponds with the growing cotton mill use for each country. For Bangladesh, the market share surpassed 11.5 percent so far in 2025, while the shares for Pakistan and Vietnam advanced to approximately 11 percent and 10.5 percent, respectively.

Figure 5
Leading suppliers of U.S. cotton textile and apparel imports



Note: Share of U.S. cotton product import volume (raw-fiber-equivalent basis) by major supplier.

Source: USDA, Economic Research Service using data from U.S. Department of Commerce, Bureau of the Census.

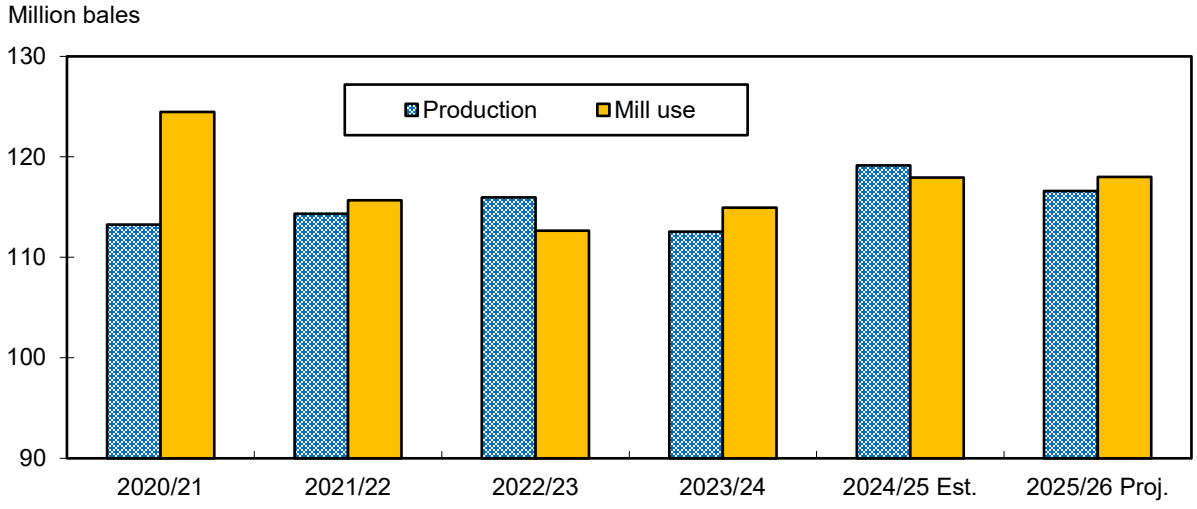
International Outlook

Global 2025/26 Cotton Production Forecast Lower

Global cotton production in 2025/26 is projected at 116.6 million bales, about 2 percent (2.5 million bales) below the previous year but 1 percent above the 5-year average (figure 6). For 2025/26, cotton production prospects for most of the major-producing countries are projected to decrease. The global decline is primarily the result of reductions in Australia, the United States, India, and China, offset slightly by an increase in Brazil. World 2025/26 cotton harvested area is forecast at 29.6 million hectares (73.2 million acres), 2 percent below the previous year. The 2025/26 global cotton yield is forecast at 858 kilograms (kg) per hectare (765 pounds per acre), 7 percent above the 5-year average and the second highest on record.

World cotton production remains concentrated among a few countries, with the top four countries (China, India, Brazil, and the United States) accounting for 74 percent of total expected production in 2025/26, 1 percentage point above the previous season. China and India are expected to continue as the leading cotton producers in 2025/26, accounting for 27 percent and 20 percent, respectively, of the global total. China is projected to produce 31.5 million bales of cotton, down 1.6 percent (500,000 bales) from 2024/25. China's harvested area is expected to increase slightly (1.7 percent) in 2025/26 to 2.95 million hectares. The higher harvested area offsets the small (3 percent) decline in expected yield to 2,325 kg per hectare, still the second highest on record. Production in India is forecast at 23.5 million bales, 2 percent (500,000 bales) below 2024/25, with a slightly higher yield offsetting a 2.6-percent (300,000 hectare) decline in harvested area. India's yield is projected to increase less than 1 percent to 457 kg per hectare.

Figure 6
Global cotton production and mill use



1 bale = 480 pounds.
Source: USDA, Economic Research Service based on USDA, *World Agricultural Supply and Demand Estimates* reports.

In 2025/26 cotton production is projected to decrease for the United States while increasing for Brazil. Brazil's production is estimated to rise nearly 7.5 percent from the previous year to a record 18.25 million bales due to an 8-percent (150,000 hectare) expansion in harvested area to

2.1 million hectares. The area increase more than offsets a marginal yield decline. Yield is forecast at 1,892 kg per hectare, compared with 1,903 kg per hectare realized in 2024/25 and 2023/24's record of 1,911 kg per hectare.

For Pakistan, 2025/26 cotton production is expected to remain unchanged from 2024/25 at 5.0 million bales. Harvested area in Pakistan is expected to decrease 2.5 percent (50,000 hectares) to 1.95 million hectares in 2025/26, offset by an increase in yield that results in the unchanged production. Yield is expected to increase 14 kg per hectare in 2025/26 to 558 kg per hectare. Australia's cotton production is expected to decrease 27 percent to 4.1 million bales in 2025/26. A reduction in both harvested area and yield is responsible for the decline. Australia's harvested area is expected to decrease 23 percent (140,000 hectares) to 460,000 hectares in 2025/26 while yield is forecast to decline 4.5 percent to 1,941 kg per hectare.

World 2025/26 Cotton Mill Use Projected To Remain Flat

Global cotton mill use in 2025/26 is forecast at 118.0 million bales, marginally above the revised 2024/25 estimate and the highest since the Coronavirus (COVID-19) rebound of 2020/21 when mill use reached a record 124.5 million bales. Steady global economic growth expectations and stable cotton fiber prices are projected to support world cotton mill use in 2025/26.

Cotton mill use in China—the leading cotton spinner—is projected at 37.5 million bales in 2025/26, 500,000 bales (1.3 percent) below the previous year. China is forecast to account for 32 percent of global cotton mill use in 2025/26, similar to a year earlier. Mill use in India is projected to remain at 25.0 million bales in 2025/26 as product exports continue to support cotton mill use. India is expected to account for 21 percent of the world mill use total in 2025/26. Pakistan's 2025/26 cotton mill use is forecast at 10.9 million bales, slightly above the year before, contributing 9 percent of the global total. Increased cotton mill use in 2025/26 is also projected for Vietnam (8.0 million bales), while Bangladesh's mill use (8.1 million bales) is forecast slightly lower.

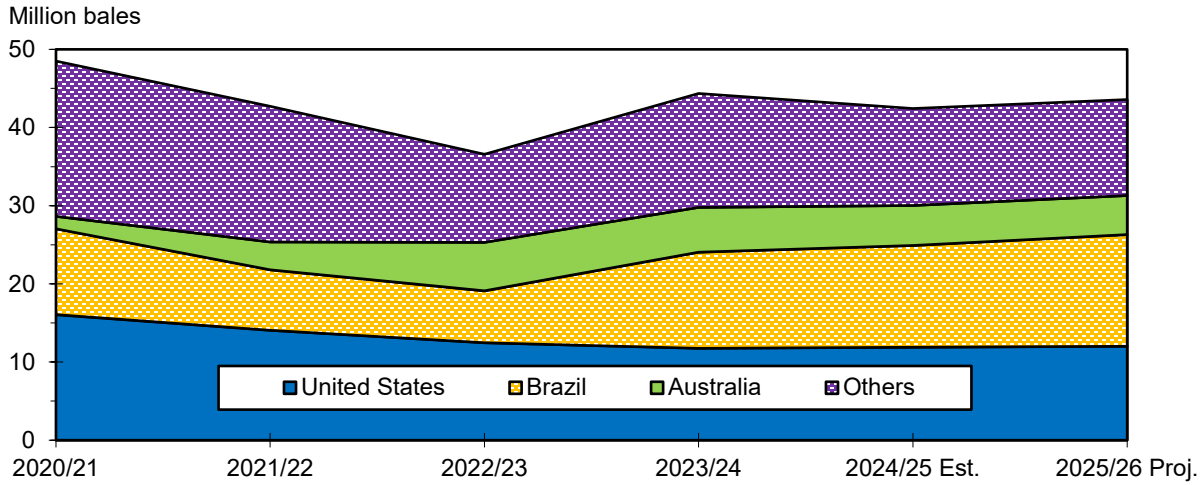
Global Cotton Trade Expected Higher in 2025/26; Ending Stocks Forecast Lower

World cotton trade in 2025/26 is projected at 43.6 million bales, compared with 42.4 million bales in 2024/25. The export increase in 2025/26 is largely attributable to Brazil. Large exportable supplies associated with consecutive record cotton crops have helped promote Brazil to become the leading cotton exporter for an anticipated third consecutive season. Small export gains are seen for several other countries including the United States. Brazil and the United States are expected to account for a combined 60 percent of global cotton exports in 2025/26, slightly above the year before (figure 7). Brazil is forecast to export a record 14.3 million bales (+1.3 million bales) of cotton in 2025/26, nearly one-third of the world total. Australia's exports are projected at 5.0 million bales, modestly below last season as supplies are expected lower in 2025/26. For Mali and Benin—the largest African Franc Zone exporters—cotton exports are forecast to reach 1.2 million bales for each country in 2025/26 based on larger supplies.

Despite an unchanged global cotton mill use forecast for 2025/26, world cotton import demand is expected to increase 2 percent. The modest gain is associated with somewhat offsetting changes among the major importing countries. While cotton imports are forecast unchanged for Bangladesh (8.1 million bales), the anticipated top importer in 2025/26, imports by Vietnam (8.0 million bales), China (5.3 million bales), and Turkey (4.6 million bales) are each expected to see

small gains. On the other hand, modest cotton import reductions are forecast for Pakistan and India, where imports are projected at 5.9 million bales and 2.9 million bales, respectively.

Figure 7
Leading global cotton exporters



Note: 1 bale = 480 pounds
Source: USDA, Economic Research Service based on USDA, *World Agricultural Supply and Demand Estimates* reports.

World cotton ending stocks for 2025/26 are projected at 73.9 million bales, 1.1 million bales (1.5 percent) below last season but near the average of the previous 4 years. The 2025/26 global stock decrease is led by China, Australia, and the United States, where stocks are projected to be 775,000 bales, 750,000 bales, and 400,000 bales lower than the previous year, respectively. Partially offsetting these reductions are higher stocks in India and Brazil.

In China, cotton ending stocks are estimated at 35.0 million bales in 2025/26, down 2 percent from last season. India's stocks are projected 400,000 bales (4 percent) higher in 2025/26 to total 10.25 million bales, the highest in 3 years. Cotton stocks in Australia are forecast 15 percent lower at approximately 4.2 million bales, the lowest since 2020/21 and coinciding with the smallest crop in 5 years. Brazil's stocks are estimated at nearly 3.8 million bales at the end of 2025/26, an increase of nearly 14 percent year over year and the second highest on record as a record crop is anticipated. The 2025/26 global cotton stocks-to-use ratio is projected to remain relatively flat for a third consecutive year despite reduced stock levels. Forecast at 63 percent, the stocks-to-use ratio represents 7.5 months of mill use at the current global use estimate.

Ending stocks by country as a share of world supplies vary from year to year depending on production and trade. Stocks for the top four producing countries combined are projected to account for about 71 percent of the global total, slightly above the 5-year average. China—the largest stockholder—is projected to hold approximately 47 percent of the global total in 2025/26, while India accounts for an additional 14 percent. The United States and Brazil are each forecast to hold approximately 5 percent of the global cotton supplies at the end of 2025/26, near their shares in the preceding year.

Suggested Citation

Meyer, L., & Dew, T. (2025). *Cotton and wool outlook: August 2025* (Report No. CWS-25h). U.S. Department of Agriculture, Economic Research Service.

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