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Cotton and Wool Outlook: October 2026

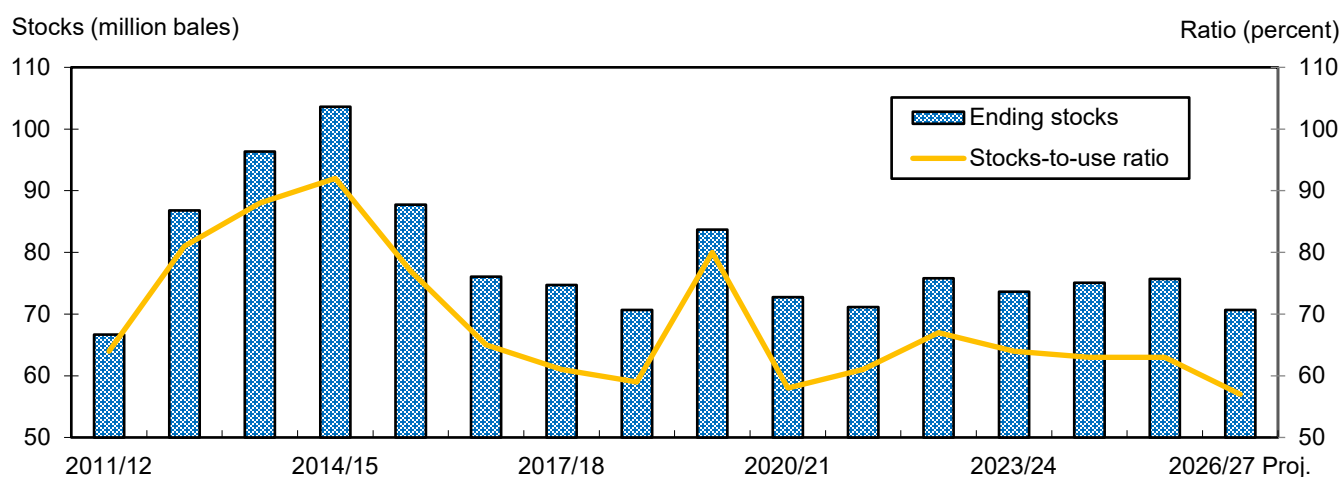
Leslie Meyer and Taylor Dew

Global 2026/27 Cotton Ending Stocks Forecast at Lowest Level in 15 Years

The latest U.S. Department of Agriculture (USDA) cotton projections for 2026/27 (August–July) indicate that global ending stocks are forecast to decrease 5.0 million bales from the year before to their lowest level since 2011/12 (figure 1). All major producing countries' stocks are forecast lower in 2026/27, with Australia and Brazil expecting the largest percentage declines. China continues to hold the largest supplies, with stocks approaching 50 percent of the world total in recent years.

Global cotton production is expected to decrease 4.1 million bales (3.4 percent) to 118.0 million bales in 2026/27, the lowest level since 2023/24. World cotton mill use is projected to rise 2.3 million bales (1.9 percent) in 2026/27 to 123.1 million bales. Mill use in all major spinning countries is expected to increase compared with last season except in Turkey, where it remains unchanged. Global cotton imports (44.7 million bales) are forecast slightly lower in 2026/27, as declines for India and China more than offset increases for the other major importing countries. Brazil and the United States remain the largest exporters in 2026/27.

Figure 1
Global cotton ending stocks and stocks-to-use ratio



Note: 1 bale = 480 pounds.

Source: USDA, Economic Research Service based on USDA, World Agricultural Outlook Board, *World Agricultural Supply and Demand Estimates* reports.

Domestic Outlook

U.S. Cotton Crop Forecast Increased in October

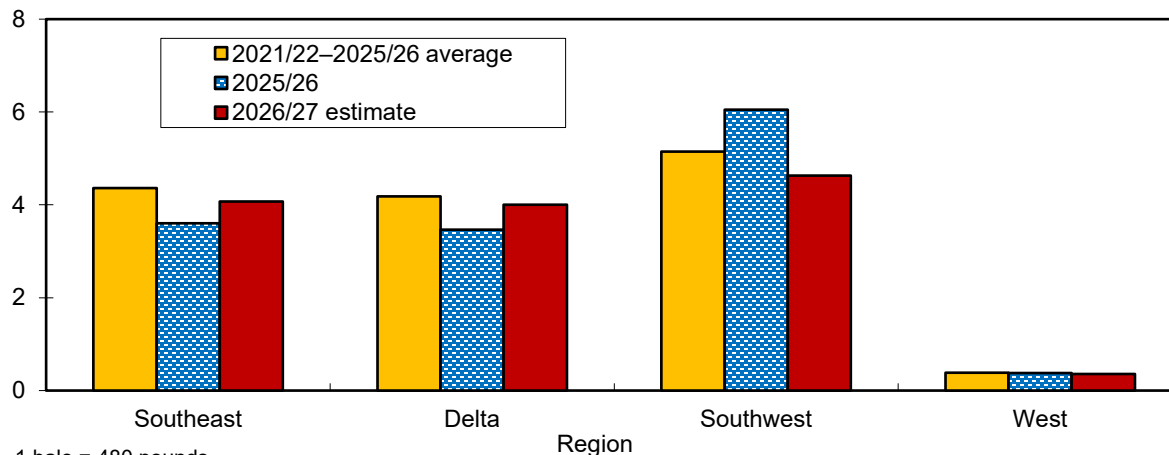
USDA's October *Crop Production* report forecasts 2026/27 U.S. cotton production at 13.4 million bales, 241,000 bales (1.8 percent) above last month's forecast but more than 3 percent (455,000 bales) below the 2025/26 crop. Harvested area in 2026/27 is projected higher than last season, but the national yield is expected lower. The 2026/27 U.S. cotton crop is forecast to be the second smallest since 2015/16, while the national yield is expected to be the lowest since 2015/16.

The 2026/27 U.S. upland cotton crop is forecast at approximately 13.1 million bales, compared with last season's 13.5 million bales. Upland cotton production this season is forecast higher in two of the four Cotton Belt regions (figure 2). In the Southwest, the 2026/27 upland crop is forecast at 4.6 million bales, down 23 percent from the 2025/26 crop that was the largest in 4 years. While 2026/27 planted area (6.5 million acres) was 12 percent above the previous year, harvested area is projected below a year ago as drought conditions worsened from those in 2025/26. Harvested area in the Southwest is forecast at 4.3 million acres, implying an abandonment rate of 34 percent, compared with about 24 percent last season. The 2026/27 Southwest upland yield is projected at 517 pounds per harvested acre, well below the 5-year average and the lowest since 2003/04.

Figure 2

U.S. regional upland cotton production

Million bales



1 bale = 480 pounds.

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

Cotton production in the Delta is estimated at 4.0 million bales in 2026/27, a rebound from the previous year but below the 5-year average of 4.2 million bales. In 2026/27, the Delta's cotton harvested area is forecast at 1.5 million acres—similar to last season—while the region's yield is projected at a record 1,267 pounds per harvested acre.

In the Southeast, 2026/27 cotton production is projected at 4.1 million bales—500,000 bales above last season but similar to 2024/25. This season's increase is the result of higher acreage which more than offset the region's lower yield. Cotton harvested area in 2026/27 is forecast at

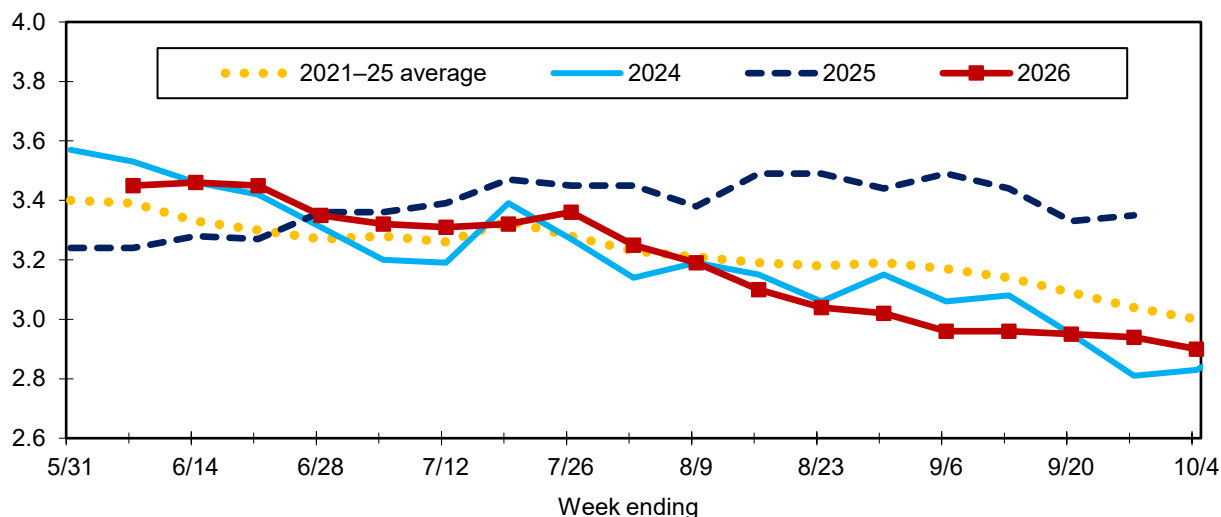
2.1 million acres, while the Southeast's yield is projected at 937 pounds per harvested acre, compared with the 5-year average of 947 pounds.

In the West, the 2026/27 upland crop is projected at 359,000 bales, slightly below last season and the smallest in 3 years. The region's upland cotton harvested area (131,000 acres) is expected to rebound slightly from last season but remains one of the lowest in over 100 years. Meanwhile, this season's yield (1,318 pounds per harvested acre) is forecast at the average of the previous 3 years. The extra-long staple (ELS) crop—grown mainly in the West—is projected at 383,000 bales in 2026/27, the lowest in 3 years as ELS planted area decreased to its lowest level since 2021/22. Although a lower yield is also forecast this season, it remains the second highest in 6 years.

Total 2026/27 U.S. cotton harvested area is estimated at nearly 8.2 million acres, compared with last season's 7.8 million acres, and the highest since 2021/22. The national yield is projected at 790 pounds per harvested acre, compared with 2025/26's 852 pounds. As of October 4, 23 percent of the U.S. cotton crop was harvested, compared with the 2021–25 average of 21 percent. Meanwhile, U.S. cotton crop conditions in 2026 have continued below the previous season and below the 5-year average since early August as drought conditions persisted across parts of the Cotton Belt this season (figure 3). As of October 4, 37 percent of the cotton area was rated “poor” or “very poor,” while 33 percent of the crop area was rated “good” or “excellent.” For current production estimates by State, see table 10 published separately with this report.

Figure 3
U.S. cotton crop conditions

Index (3=fair and 4=good)



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

U.S. Cotton Demand Estimate Unchanged in October; Stock Estimate Slightly Higher

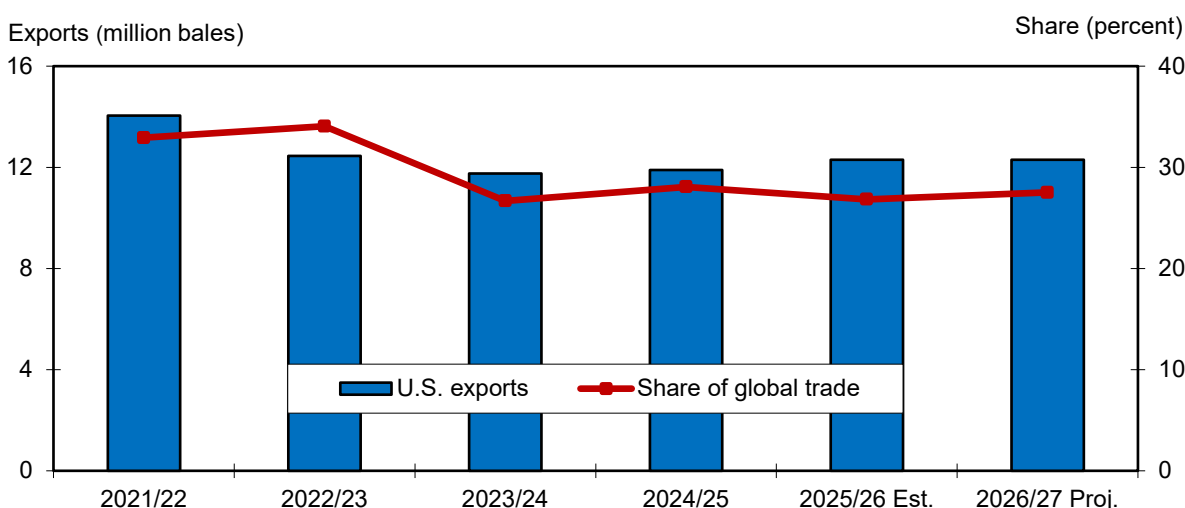
The estimate for U.S. cotton demand (mill use plus exports) for 2026/27 is projected at 13.8 million bales, with U.S. exports contributing the largest share of the total. U.S. cotton exports are forecast at 12.3 million bales in 2026/27, unchanged from both last month and the previous year

as global trade competition from Brazil is expected to continue. With world trade prospects projected to be slightly lower in 2026/27, the U.S. share of world trade is expected marginally higher. For 2026/27, the U.S. share is forecast at 27.5 percent, slightly above last season and the 3-year average (figure 4). U.S. cotton mill use is projected at 1.5 million bales in 2026/27, unchanged from last month's forecast and equal to last season's final estimate.

Based on the latest cotton supply and demand estimates, U.S. ending stocks for 2026/27 are projected at 3.8 million bales, 200,000 bales higher than forecast in September but 350,000 bales (8 percent) lower than the 2025/26 level and the lowest in 3 years. The U.S. stocks-to-use ratio is expected to be 28 percent at the end of the season, compared with 30 percent for 2025/26. With fewer supplies, a lower stocks-to-use ratio, and the current global outlook, the 2026/27 average farm price is expected to rise this season. The 2026/27 upland cotton farm price is forecast at 77 cents per pound, 1 cent below the September forecast but nearly 15 cents above the final 2025/26 estimate of 62.2 cents per pound.

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.

International Outlook

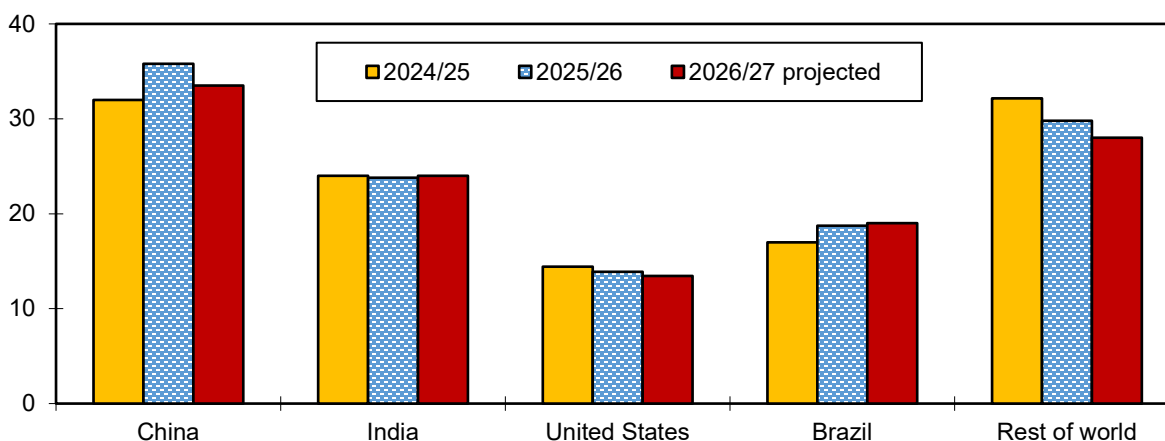
Global 2026/27 Cotton Production Forecast Lower

Global cotton production in 2026/27 is projected at 118.0 million bales, 3.4 percent (4.1 million bales) below the previous year but slightly higher than the 5-year average of 116.9 million bales. For 2026/27, cotton production prospects are mixed for the major producing countries with most forecast to decrease. Production declines are forecast for China, Pakistan, the United States, and Australia, while output in India and Brazil is expected to increase slightly (figure 5). World 2026/27 cotton harvested area is forecast at 29.6 million hectares (73.2 million acres), relatively unchanged (0.3 percent lower) from the previous year. The 2026/27 global cotton yield is forecast at 867 kilograms (kg) per hectare (773 pounds per acre), 3 percent below last year's record high but still the second highest on record.

Figure 5

Leading global cotton producers

Million bales



1 bale = 480 pounds.

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

World cotton production is concentrated among a few countries, with the top four countries accounting for 76 percent of the total expected production in 2026/27, up 0.7 percentage points from the previous season. China and India are expected to remain the leading cotton producers in 2026/27, accounting for 28 percent and 20 percent, respectively, of the global total. China is projected to produce 33.5 million bales of cotton, 6 percent below 2025/26 and the result of both lower area and yield. China's yield is projected at 2,431 kg per hectare, 5 percent lower than last year's record high in which ideal growing conditions occurred in the Xinjiang region. Production in India is forecast at 24.0 million bales, 1 percent (200,000 bales) above 2025/26, with a small decline in harvested area offset by an increase in yield. India's area is expected to remain relatively flat at 11.5 million hectares in 2026/27, while the national yield is forecast roughly 1 percent higher at 454 kg per hectare.

Brazil's 2026/27 cotton production is estimated to increase 1 percent over the previous year to 19.0 million bales, the fourth year-over-year record-high production. A record national yield, at 2,068 kg per hectare, more than offsets a 4-percent decline in harvested area. Brazil's harvested area is estimated at 2.0 million hectares, 90,000 hectares below 2025/26, while yield

is estimated to increase 6 percent in 2026/27. Brazil is expected to account for approximately 16 percent of the total global cotton production in 2026/27—up from the previous year's 15 percent—and remains the third-largest producer for the fifth consecutive year.

For Pakistan, 2026/27 cotton production is projected to decline 300,000 bales (6 percent) from 2025/26 to 5.0 million bales. Harvested area in Pakistan is expected to decline 5 percent (100,000 hectares) from 2025/26 to 1.9 million hectares, while a lower projected yield also contributes to the decrease. Pakistan's yield is forecast to decline slightly in 2026/27 to 573 kg per hectare. Australia's 2026/27 cotton production is projected to decrease 33 percent, a result of declines in both harvested area and yield due to expected drought conditions. Australia's harvested area is forecast to decrease 31 percent (150,000 hectares), while yield is expected to decline 4 percent to 2,010 kg per hectare.

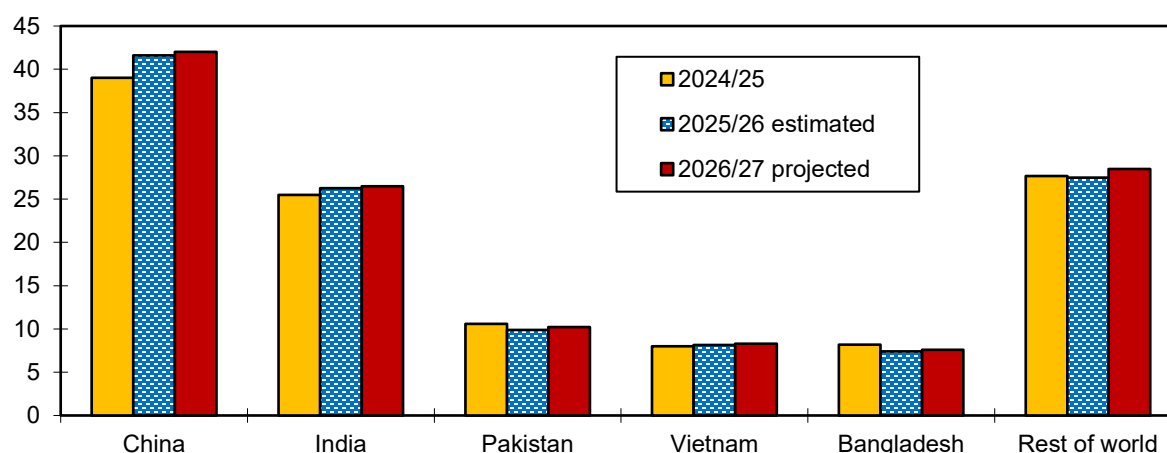
World Cotton Mill Use Projected at Highest Level Since 2020/21

Global cotton mill use in 2026/27 is forecast at 123.1 million bales, 1.9 percent (2.3 million bales) above 2025/26 as mill demand is expected to rise to its largest level in 6 years. Cotton mill use among the leading cotton-spinning countries—China, India, Pakistan, Vietnam, Bangladesh, and Turkey—is forecast to increase or remain unchanged compared with last year's levels (figure 6). The top six countries account for 82 percent of the global total in 2026/27, slightly below the year before.

For China, 2026/27 cotton mill use is projected at 42.0 million bales, a 400,000-bale (1 percent) increase from the previous year as consumption demand increases globally. China remains the leading cotton spinner in 2026/27, contributing over one-third of the global total. In India, cotton mill use is forecast to rise 1 percent (250,000 bales) to a record 26.5 million bales in 2026/27 and account for 22 percent of global mill use, similar to last season.

Figure 6
Leading global cotton consumers

Million bales



1 bale = 480 pounds.

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

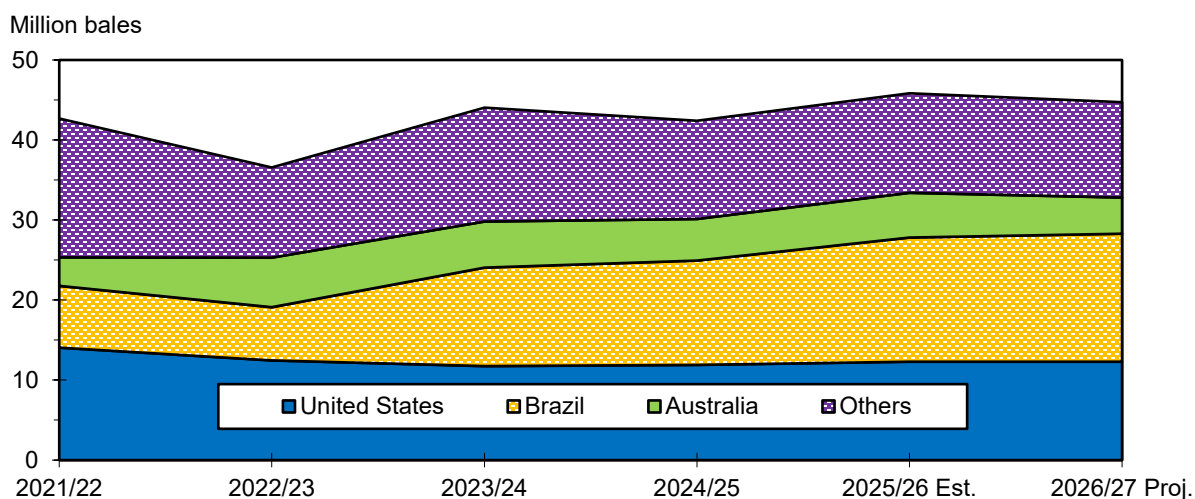
The other leading countries—Pakistan, Vietnam, Bangladesh, and Turkey—are forecast to contribute a combined 27 percent of world cotton mill use in 2026/27, essentially unchanged from last year. In Pakistan, cotton mill use is projected at 10.2 million bales, up 3 percent (300,000 bales) as increased demand is supported by higher imports. Similarly, mill use in Vietnam is forecast to increase nearly 2 percent (150,000 bales) to 8.3 million bales in 2026/27. Cotton use in Bangladesh is forecast at 7.6 million bales in 2026/27, with mill use expected to rebound from last season's decline. Lastly, Turkey is forecast to remain unchanged from 2025/26 at 6.8 million bales.

Global 2026/27 Cotton Trade and Stocks Forecast Lower

World cotton imports are forecast at 44.7 million bales in 2026/27, about 300,000 bales below 2025/26. The reduced trade is largely the result of decreased import expectations by India, where 2026/27 imports (3.3 million bales) are approximately 1.9 million bales (36 percent) lower following substantial cotton purchases in 2025/26. Imports by China are also forecast lower at 7.0 million bales this season, compared with 7.25 million bales in 2025/26. Partially offsetting these 2026/27 reductions include higher cotton imports for Vietnam, Bangladesh, and Pakistan. For 2026/27, Vietnam is projected once again to be the leading cotton importer, with imports forecast at 8.3 million bales or 150,000 bales above the year before. Bangladesh's imports in 2026/27 are forecast 200,000 bales higher at 7.4 million bales. Meanwhile, Pakistan's 2026/27 cotton imports are projected to rise 700,000 bales to 5.1 million bales to help offset their lower crop expectations this season.

Global cotton exports in 2026/27 continue to be led by Brazil, where exports are forecast at a record 16.0 million bales this season, compared with 15.5 million bales in 2025/26 (figure 7). Brazil's increase is attributable to both a record crop this season and lower U.S. and Australian supplies resulting from reduced crop prospects. Although U.S. exports (12.3 million bales) are forecast to remain flat in 2026/27, cotton shipments by Australia are expected to decline nearly 20 percent (1.1 million bales) to 4.5 million bales. Brazil's share of global cotton trade is projected to climb to 36 percent, compared with the U.S. share of 27.5 percent. Australia's cotton export share in 2026/27 is projected to decline 2 percentage points to 10 percent.

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.

Based on the latest cotton supply and demand projections, 2026/27 global ending stocks are forecast at 70.7 million bales, more than 6.5 percent (5.0 million bales) below last season and the lowest since 2011/12. The global stocks-to-use ratio is also estimated lower at 57 percent in 2026/27, compared with 63 percent during the previous two seasons.

World cotton stock declines are forecast for all of the major producers in 2026/27, with the largest reduction (down 1.6 million bales) expected in China, the largest stockholder. China's ending stocks are projected at nearly 34.7 million bales, accounting for 49 percent of the global total in 2026/27. India is forecast to hold an additional 15 percent (10.4 million bales) of this season's total stocks, 700,000 bales below 2025/26. In addition, lower stock projections are forecast for the United States, Brazil, and Australia, where stocks are projected at 3.8 million bales, 3.2 million bales, and 2.5 million bales, respectively. With the lowest level of global cotton ending stocks in 15 years and the lowest stocks-to-use ratio since 2010/11, higher world cotton prices are projected for 2026/27.

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