



Cotton and Wool Outlook: December 2025

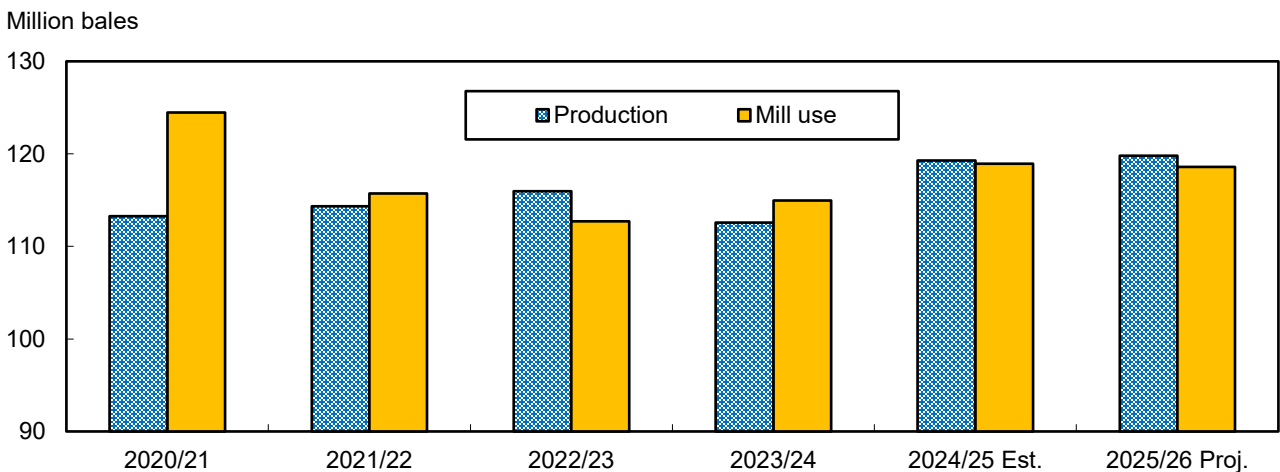
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Global 2025/26 Cotton Ending Stocks Rise as Production Remains Above Mill Use

The latest U.S. Department of Agriculture (USDA) cotton projections for 2025/26 (August–July) indicate that global ending stocks are forecast to rise 1.4 million bales (2 percent) from the previous year to 76.0 million bales. The increase is a result of global production remaining above mill use for the second consecutive year (figure 1). China remains the largest holder of global stocks, accounting for 46 percent of the global total in 2025/26.

World 2025/26 cotton production is expected to increase slightly from the previous year to 119.8 million bales, with China and Brazil the major contributors to the higher production. Global cotton mill use is projected to decrease marginally to 118.6 million bales this season, driven by lower year-over-year use projections for China and Turkey. Meanwhile, global cotton trade in 2025/26 is expected higher, with Brazil and the United States continuing as the primary exporters this season while Vietnam and Bangladesh are forecast as the leading importers.

Figure 1
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.

Domestic Outlook

U.S. Cotton Crop Forecast Slightly Higher in December

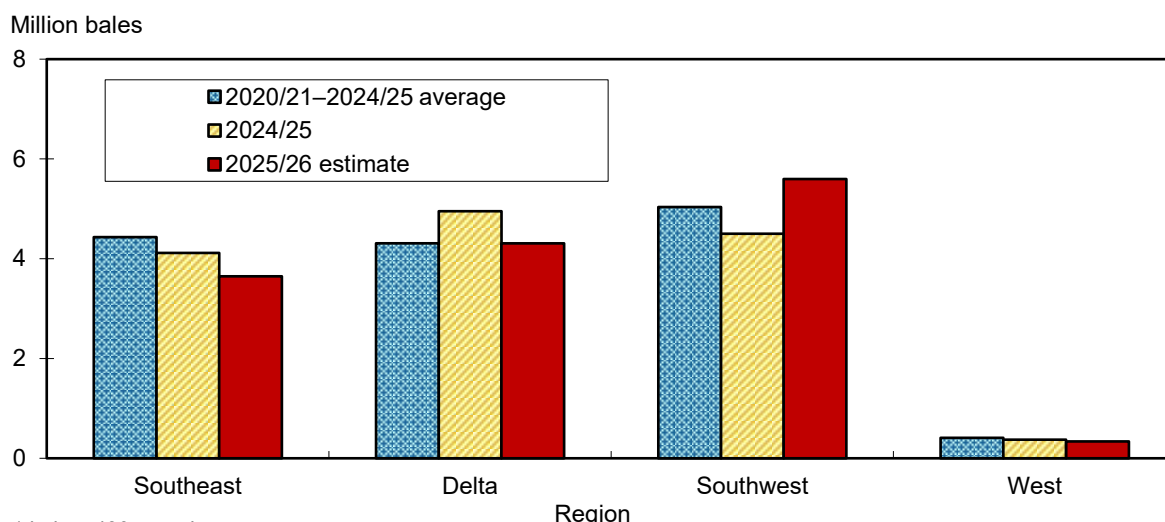
USDA's December *Crop Production* report forecasts 2025/26 U.S. cotton production at nearly 14.3 million bales, 153,000 bales (1.1 percent) above last month's forecast but 140,000 bales (1 percent) below the 2024/25 crop. Harvested area in 2025/26 is estimated at 7.4 million acres, compared with last season's 7.8 million acres.

Growing conditions in the Southwest region were improved relative to the previous three seasons as abandonment was reduced considerably for the region. The implied U.S. abandonment rate for 2025/26 is estimated at approximately 21 percent, compared with last season's 30 percent. The 2025/26 national yield of 929 pounds per harvested acre is above the 5-year average of 882 pounds and the highest since 2022/23's record of 953 pounds. Upland cotton production is estimated at 13.9 million bales, while the extra-long staple (ELS) crop is forecast at 378,000 bales. (See table 10 for current production estimates by State.)

Upland cotton production this season is forecast lower in three of the Cotton Belt regions while higher in the Southwest (figure 2). In the Southeast, 2025/26 cotton production is projected at 3.6 million bales—about 11.5 percent (471,000 bales) below 2024/25 and 18 percent lower than the 2020/21–2024/25 average. Cotton harvested area in 2025/26 (1.7 million acres) is forecast at its lowest since a similar area was harvested in 1993/94. The Southeast yield is projected well above the 5-year average (907 pounds) at a record 1,036 pounds per harvested acre this season.

Cotton production in the Delta region is estimated at 4.3 million bales in 2025/26, 642,000 bales below the year before but equal to the 5-year average. In 2025/26, cotton harvested area is forecast to be 1.45 million acres—the lowest in a decade—while the region's yield is projected at a record 1,423 pounds per harvested acre, outperforming last season's 1,230 pounds.

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 Southwest, the 2025/26 upland crop is projected at 5.6 million bales, 1.1 million above last season and the largest crop in 4 years as crop conditions this season were more favorable. While 2025/26 planted area (5.8 million acres) was the lowest in a decade, harvested area is forecast above the 5-year average and the highest since 2021/22. Harvested acreage in the Southwest is projected at 4.0 million acres in 2025/26—with a calculated abandonment rate of 32 percent, compared with last season’s 50 percent. The 2025/26 Southwest upland yield is forecast at 679 pounds per harvested acre, marginally above the 5-year average.

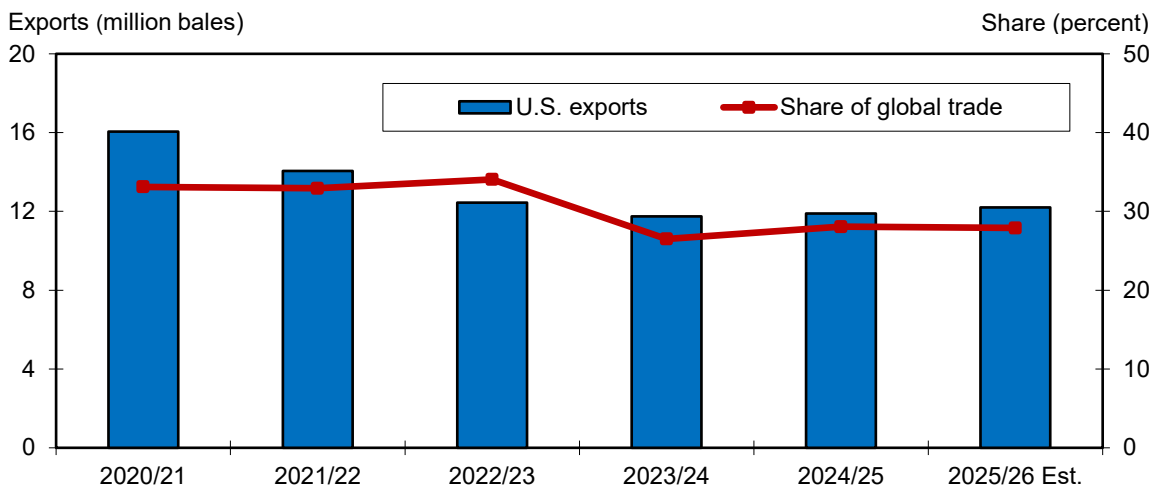
In the West, 2025/26 upland production is projected at 335,000 bales, 18 percent below the 5-year average and the second-lowest production total since 1932/33. Harvested area is estimated at a relatively low 127,000 acres, while this season’s yield (1,269 pounds per harvested acre) is forecast near the 3-year average. The extra-long staple (ELS) crop—grown mainly in the West—is projected at 378,000 bales in 2025/26, below last season’s 471,000 bales. With harvested area estimated near recent lows, the ELS yield (1,303 pounds per harvested acre) is forecast to be its highest in 5 years.

U.S. Cotton Demand Estimate Reduced; Stocks Higher

U.S. cotton demand for 2025/26 is projected slightly lower in December at 13.8 million bales, above the previous 2 years’ level of 13.6 million bales. U.S. cotton exports account for the largest share of demand and are forecast at 12.2 million bales in 2025/26. U.S. mill use is expected to continue its trend lower and accounts for an additional 1.6 million bales this season—the lowest in nearly 150 years.

With a modest rise in the world trade projection this season—including higher import demand from countries such as Vietnam, China, and Turkey—higher U.S. cotton export prospects are expected despite increased competition from Brazil. Based on the December projections, the 2025/26 U.S. share of global trade is forecast to remain relatively stable this season at about 28 percent, compared with the 2020/21–2022/23 average of 33 percent (figure 3).

Figure 3
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.

With the December increase in the U.S. cotton production estimate and demand reduced slightly, 2025/26 U.S. ending stocks are forecast 200,000 bales higher this month, at 4.5 million bales. U.S. cotton stocks are 500,000 bales above 2024/25 and 1.35 million bales above 2023/24. The stocks-to-use ratio (32.6 percent) is forecast above 2024/25's 29 percent and the highest since 2019/20. Based on the U.S. and world cotton supply and demand estimates and recent prices, the 2025/26 average U.S. upland cotton farm price is forecast at 60 cents per pound, compared with the final 2024/25 price of 63 cents per pound and 2023/24's 76.1 cents.

International Outlook

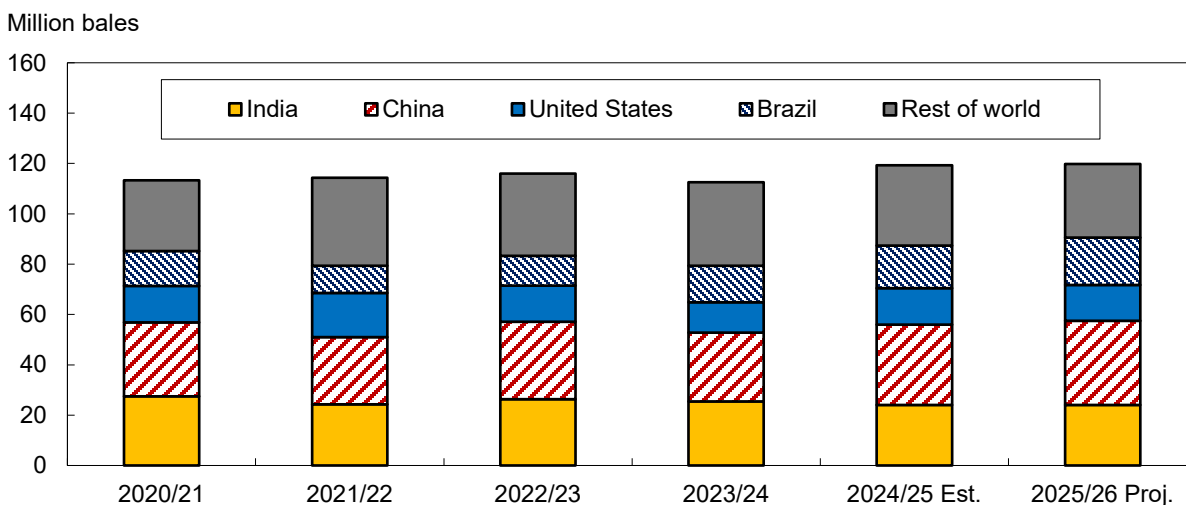
Global 2025/26 Cotton Production Forecast Slightly Higher

Global cotton production in 2025/26 is projected at 119.8 million bales, revised slightly lower from November and now 510,000 bales (0.4 percent) above the previous year. For 2025/26, cotton production prospects for most of the major-producing countries are split, with year-over-year declines in Australia and the United States projected to partially offset the increases in China and Brazil (figure 4). India and Pakistan remain unchanged in 2025/26 from the previous year. World 2025/26 cotton harvested area is forecast at 29.4 million hectares (72.8 million acres), nearly 2.5 percent below the previous year. The 2025/26 global cotton yield is forecast to be 886 kilograms (kg) per hectare (790 pounds per acre), 10 percent above the 5-year average and the 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 76 percent of total expected production in 2025/26, 2.3 percentage points above the previous season. China and India are expected to continue as the leading cotton producers in 2025/26, accounting for 28 percent and 20 percent, respectively, of the global total.

China is projected to produce 33.5 million bales of cotton, up 1.5 million bales (5 percent) from 2024/25 and its largest crop since 2012/13. China's harvested area is expected to increase 5 percent in 2025/26 to nearly 3.1 million hectares. The higher harvested area more than offsets a small (0.4 percent) decline in expected yield to 2,391 kg per hectare, still the second highest on record. Production in India is forecast at 24.0 million bales, unchanged from 2024/25, with an increase in yield offsetting a decrease in harvested area. India's yield is projected 3 percent higher at 467 kg per hectare, while harvested area is projected to decline 300,000 hectares from last season to 11.2 million hectares.

Figure 4
World cotton production



1 bale = 480 pounds.

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

Brazil's production is estimated to rise 10 percent from the previous year to a record 18.75 million bales. The growth is a result of a nearly 8-percent (150,000 hectare) increase in harvested area to 2.1 million hectares and a 2-percent increase in yield. Brazil's yield is forecast to be the highest on record at 1,944 kg per hectare this season, compared with 1,903 kg per hectare realized in 2024/25 and the previous record of 1,911 kg per hectare in 2023/24.

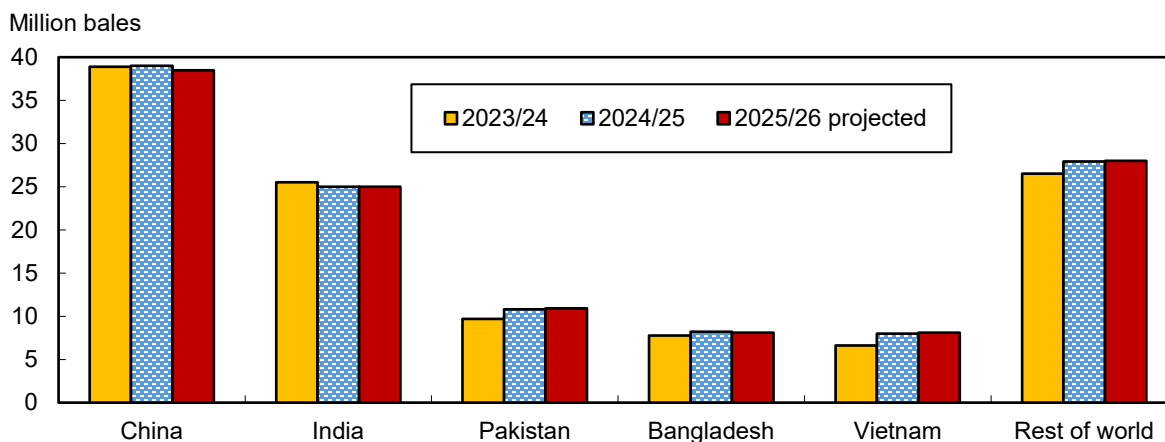
In 2025/26, cotton production in Pakistan is expected to remain unchanged from 2024/25 at 5.0 million bales. Harvested area in Pakistan is expected to decrease 2.5 percent (50,000 hectares) to 1.95 million hectares in 2025/26, offset by an increase in yield that results in the unchanged production total. Yield is expected to increase 14 kg per hectare in 2025/26 to 558 kg per hectare. Australia's cotton area and production are expected to decrease 20 percent each to 480,000 hectares and 4.5 million bales, respectively, due to less favorable growing conditions in 2025/26. Australia's national yield, however, is forecast to rise slightly to 2,041 kg per hectare.

World Cotton Mill Use Projected Slightly Lower in 2025/26

Global cotton mill use in 2025/26 is forecast to decrease marginally (0.3 percent) from the year before to 118.6 million bales. Although the world cotton use projection is 3 million bales above the most recent 4-year average, it remains approximately 5 percent below the record (124.5 million bales) set in 2020/21. Global economic uncertainties and favorable synthetic fiber prices in recent years have weighed on cotton mill use.

For 2025/26, cotton mill use estimates are mixed for the leading cotton-spinning countries—China, India, Pakistan, Bangladesh, and Vietnam—with China expected to see the largest reduction this season (figure 5). Despite a 500,000-bale lower forecast for China in 2025/26, the top five countries are expected to account for approximately 76.5 percent of total global cotton mill use, similar to last season.

Figure 5
Leading global cotton consumers



1 bale = 480 pounds.

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

For China, 2025/26 cotton mill use is forecast at 38.5 million bales, a 1.3-percent reduction from the previous year but equal to the 3-year average. Despite the year-to-year reduction, China will remain the leading cotton spinner in 2025/26, contributing nearly one-third of the global total.

For India—the second-largest cotton spinner—2025/26 mill use is forecast at 25.0 million bales, unchanged from both the November forecast and the previous year. India is expected to account for 21 percent of global mill use this season.

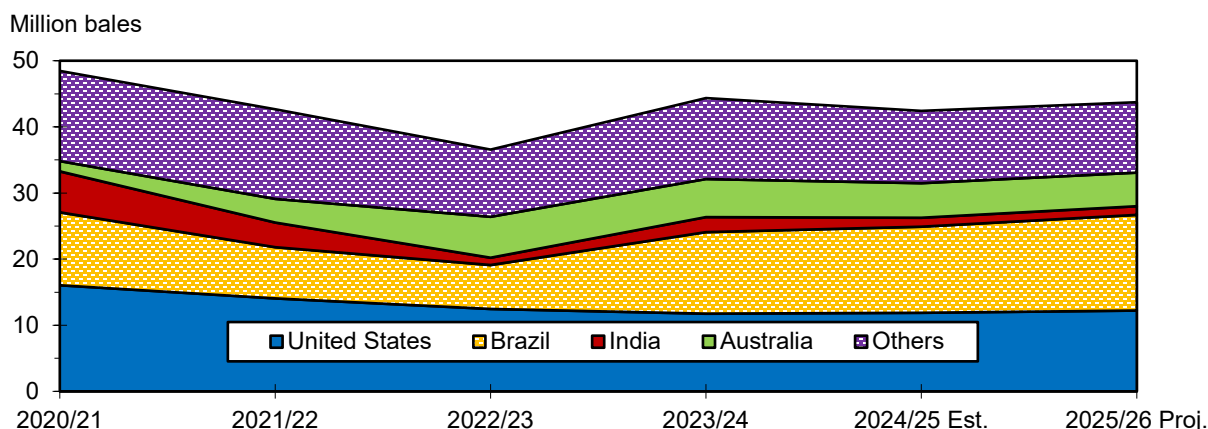
Cotton mill use is forecast to increase in Pakistan and Vietnam in 2025/26, contributing a combined 16 percent of world mill use, similar to the previous year. In Pakistan, 2025/26 cotton mill use is expected to increase nearly 1 percent after last season’s 11-percent gain. Cotton mill use in Pakistan is forecast to reach 10.9 million bales this season, matching its highest level since 2008/09. Mill use in Vietnam is forecast to continue its trend higher, reaching a record 8.1 million bales in 2025/26. Cotton mill use in Bangladesh is also forecast at 8.1 million bales but is 100,000 bales lower than a year ago and below the 2021/22 record of 8.8 million bales.

Global Cotton Trade and Stocks Higher in 2025/26

World cotton trade in 2025/26 is projected to expand, largely the result of increased import projections for several major importers. Global imports are forecast at 43.7 million bales in 2025/26, slightly above the 5-year average. Vietnam and Bangladesh are forecast to be the leading cotton importers in 2025/26. Cotton imports by Vietnam are expected to reach a record 8.1 million bales in 2025/26 to help supply its growing textile industry. Imports by Bangladesh (at 8.0 million bales) are expected to remain similar to last year although the level is below the 8.45-million-bale record in 2021/22. Cotton imports by Pakistan and China are forecast at 5.9 million bales (down 200,000 bales from last year) and 5.4 million bales (up about 200,000 bales), respectively.

Global cotton exports are forecast higher in 2025/26, with Brazil and the United States accounting for the growth (figure 6). For Brazil, cotton exports are expected to benefit from another record crop as exportable supplies rise 2.3 million bales. Brazil is projected to export a record 14.5 million bales in 2025/26, up 11 percent (1.5 million bales) from a year ago. Brazil is also expected to be the largest exporter for the third consecutive season with its share of 2025/26 global cotton trade forecast near 33 percent. Slightly higher exports by the United States (up 300,000 bales or 2.5 percent) are also the result of increased supplies of high-quality cotton. Slight offsetting declines are seen for Australia, India, and Mali while exports by Benin are expected unchanged from 2024/25.

Figure 6
Leading global cotton exporters



1 bale = 480 pounds

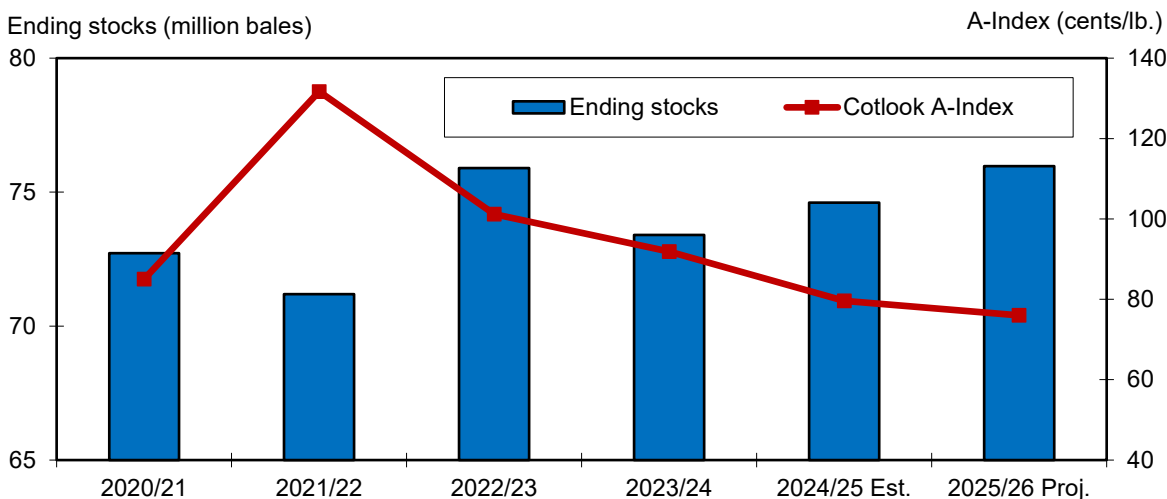
Source: USDA, Economic Research Service based on USDA, *World Agricultural Supply and Demand Estimates* reports.

Based on the latest cotton supply and demand projections, global ending stocks are forecast at 76.0 million bales in 2025/26, compared with 74.6 million bales last season. World cotton stocks are forecast to increase nearly 2 percent (1.4 million bales) as global production exceeds mill use once again this season.

For most of the major producing countries, 2025/26 cotton ending stocks are forecast to rise, with the exception of Australia where a smaller crop is reducing supplies. Cotton stocks in China—the largest holder of cotton—are forecast at 35.2 million bales, up nearly 1 percent from last year. At the end of 2025/26, China is expected to hold 46 percent of global cotton stocks. In India, this season’s cotton stocks are projected at 10.5 million bales (14 percent of the global total), or 500,000 bales (5 percent) higher than last year. Significant increases are also seen for the United States and Brazil, which are expected to account for a combined 11.5 percent of the world cotton stocks in 2025/26. U.S. stocks are forecast to increase 12.5 percent (500,000 bales) to 4.5 million bales in 2025/26. Cotton stocks in Brazil are projected at nearly 4.3 million bales in 2025/26, a year-over-year increase of 25 percent (850,000 bales) due to a record crop.

With continued economic uncertainty affecting world cotton demand for textile and apparel products, global cotton stocks and the stocks-to-use ratio (64 percent) are projected slightly higher in 2025/26. Consequently, the 2025/26 world cotton price (Cotlook A-Index) is expected to decline for the fourth consecutive season, averaging below the 2024/25 level of 80 cents per pound (figure 7).

Figure 7
Global cotton stocks and prices



1 bale = 480 pounds.

Source: USDA, Economic Research Service using data from Cotlook and USDA, Interagency Commodity Estimates Committee.

Note: The information in this report reflects data available at the time of publication of the December 9, 2025, *World Agricultural Supply and Demand Estimates (WASDE)* report, unless otherwise specified.

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