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Cotton and Wool Outlook: June 2026

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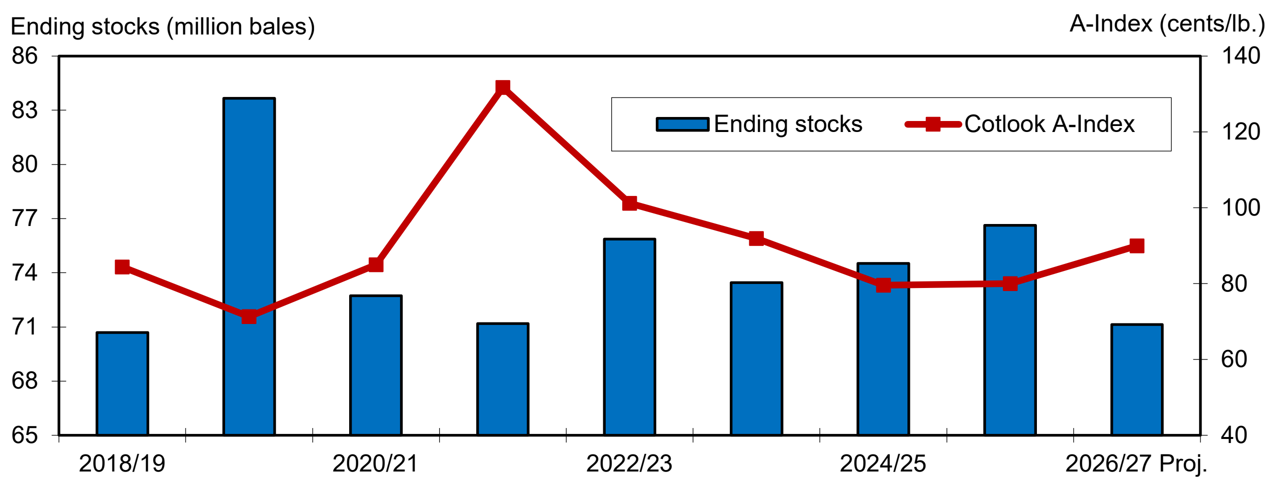
Global 2026/27 Cotton Ending Stocks Projected Lowest in 8 Years

The latest U.S. Department of Agriculture (USDA) cotton projections for 2026/27 (August–July) world ending stocks is 71.1 million bales, a 7-percent (5.5-million-bale) decrease from 2025/26 and the lowest level since 2018/19 (figure 1). The decline is primarily the result of lower 2026/27 world cotton production, with higher forecasted mill use further tightening supplies. All major cotton-producing countries are projected to contribute to the 2026/27 stock reduction.

Global cotton production is forecast at 116.0 million bales, nearly 5.5 percent (6.6 million bales) below 2025/26. A decline for all major cotton producers is expected, except for India. World cotton mill use is forecast to increase nearly 1.5 percent (1.7 million bales) in 2026/27 to approximately 121.8 million bales, the highest in 6 years. Mill use is projected to rise in most cotton spinning countries in 2026/27, except for Turkey and Vietnam which are forecast unchanged from 2025/26. China and India account for more than half of the world cotton mill use total once again in 2026/27. With reduced stocks, 2026/27 global cotton prices are expected to rebound from about 80 cents per pound recorded in the previous two seasons to 90 cents per pound.

Figure 1
Global cotton stocks and prices



1 bale = 480 pounds.
Source: USDA, Economic Research Service using data from Cotlook and USDA, Interagency Commodity Estimates Committee.

Approved by USDA's World Agricultural Outlook Board

Domestic Outlook

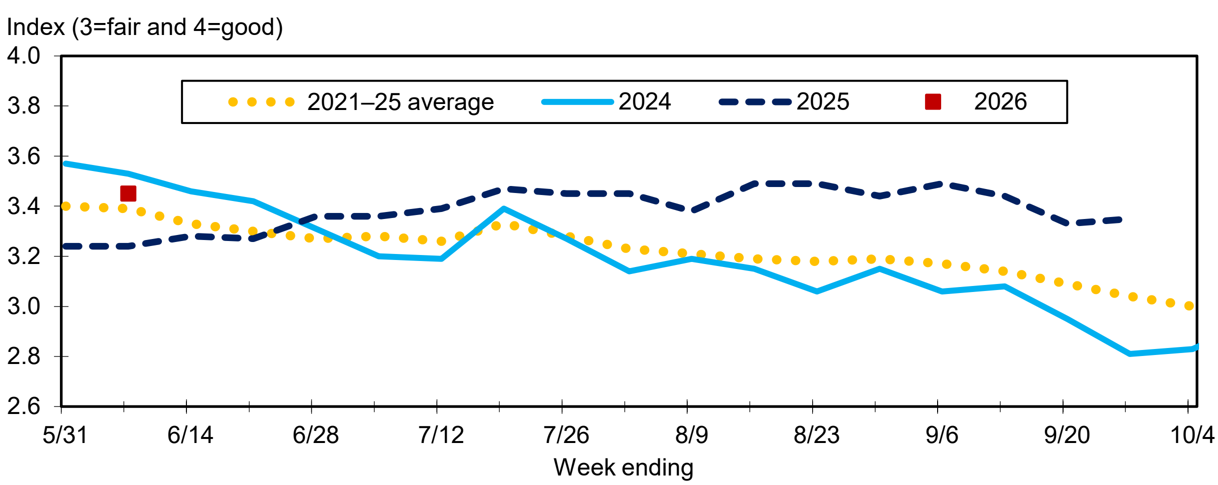
U.S. Cotton Crop Forecast Unchanged in June

USDA's 2026/27 U.S. cotton production projection was unchanged this month at 13.3 million bales, 4 percent below the 2025/26 crop and the lowest estimate since 2023/24's 12.1 million bales. Upland production is estimated at 13.0 million bales, compared with 13.5 million bales last season. The extra-long staple (ELS) crop is estimated at 325,000 bales, compared with 405,000 bales for the 2025/26 crop.

As spring planting approached for the 2026 crop, cotton harvest-time prices were similar to a year ago while competing crop price expectations were slightly below a year ago for corn and slightly above for soybeans. As a result, the relatively small price differences reflect the modest change in 2026/27 cotton acreage intentions. USDA's March *Prospective Plantings* indicated an approximate 4-percent increase in 2026/27 cotton area compared with last season to 9.64 million acres. Weather, in addition to price movements since early spring, is also expected to play a role in the final cotton planted area. Drought conditions have been more prevalent this year across the Cotton Belt. In early May, 98 percent of the cotton production area was affected by drought. Conditions improved somewhat with recent rainfall, but 79 percent of the cotton area continued under drought conditions as of early June. Despite the improvement, the share of area under drought remains significantly above the 6 percent reported in early June 2025.

U.S. cotton planting progress this year has generally tracked last season and the 5-year average. As of June 7, 77 percent of the forecast cotton acreage had been planted, slightly ahead of 2025 but equal to the 2021–25 average. The U.S. cotton planting estimate will be updated in USDA's June *Acreage* report released on June 30. The report will include actual plantings as of early June, as well as estimates of any remaining cotton area to be planted. Reporting of cotton development began in early June. As of June 7, 13 percent of the 2026 area was squaring, compared with 11 percent for both 2025 and the 2021–25 average. U.S. cotton crop conditions reporting also began as of June 7. The initial report places the condition of the 2026 crop above 2025 but below 2024 at this early stage of the growing season (figure 2).

Figure 2
U.S. cotton crop conditions



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

Based on current projections, U.S. cotton harvested area is forecast at approximately 7.4 million acres in 2026/27, nearly 6 percent (450,000 acres) below the final 2025/26 estimate. The current estimate reflects a 10-year weighted average abandonment by region, with the Southwest adjusted to reflect moisture conditions thus far this season. U.S. abandonment is projected at nearly 23.5 percent, compared with approximately 15.5 percent in 2025/26. The 2026/27 U.S. cotton yield—based on a 5-year weighted average by region—is forecast at 866 pounds per harvested acre. The 2026/27 national yield is expected to rebound slightly from last season but remains below each of the previous 3 years.

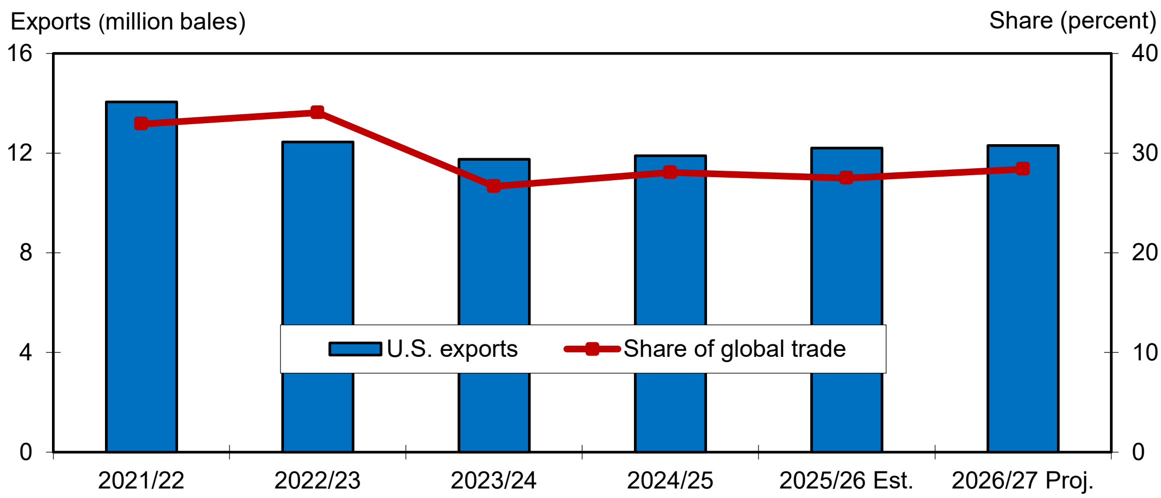
U.S. 2026/27 Cotton Demand Unchanged; Stocks Revised

U.S. cotton demand (exports plus mill use) for 2026/27 remains projected at 13.9 million bales this month, 150,000 bales above the revised higher 2025/26 estimate. U.S. cotton exports—forecast at 12.3 million bales in 2026/27—are slightly above 2025/26. Other producers, mainly Brazil, will continue to compete with the United States for global cotton trade share. The projected U.S. cotton trade share in 2026/27 is about 28.5 percent, a slight increase from 2025/26 but below the early 2020s when the share averaged over 30 percent (figure 3).

U.S. cotton exports are forecast to account for 88 percent of U.S. cotton demand in 2026/27, similar to 2025/26 but slightly above the 2023/24–2025/26 average, as U.S. cotton mill use has trended lower. U.S. mill use contributes the remaining 12-percent share, with the United States a key exporter of yarn and fabric for apparel production elsewhere. U.S. mill use is forecast at 1.6 million bales in 2026/27, slightly above 2025/26 but still one of the lowest levels on record.

Based on USDA's June *World Agricultural Supply and Demand Estimates*, 2026/27 U.S. cotton ending stocks are projected at 3.7 million bales, 12 percent (500,000 bales) below 2025/26 and one of the lowest levels over the last 5 years. The U.S. stocks-to-use ratio is also projected to decline to 27 percent for 2026/27, the lowest level in 3 years. Consequently, the 2026/27 average U.S. upland cotton farm price is projected to increase above the current season's estimate. For 2026/27, the farm price is forecast at 73 cents per pound, compared with the 2025/26 estimate of 63 cents per pound.

Figure 3
U.S. cotton exports and share of global trade

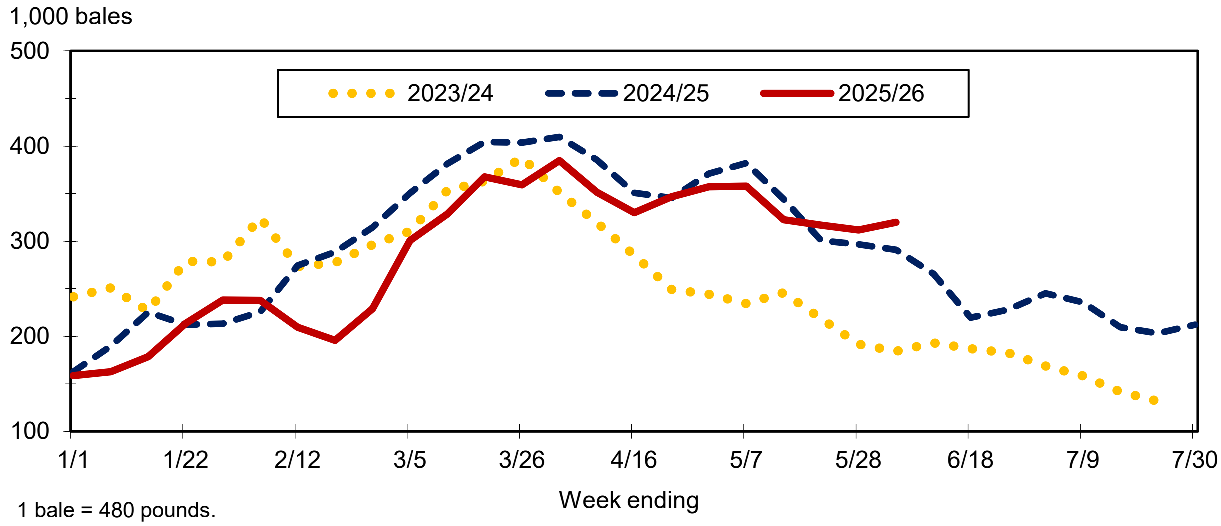


1 bale = 480 pounds.
Source: USDA, Economic Research Service using data from USDA, *World Agricultural Supply and Demand Estimates* reports.

U.S. 2025/26 Cotton Estimates Revised in June

U.S. cotton demand and ending stock estimates for 2025/26 were adjusted in June. The U.S. export forecast was increased 200,000 bales this month to 12.2 million bales based on the strength of recent shipments and expectations through the end of the season. U.S. cotton export shipments follow a seasonal pattern, with shipments—based on a 3-week moving average—usually peaking in late March before trending lower to the end of the marketing year in July (figure 4). Notwithstanding a dip in U.S. cotton shipments during February, 2025/26 exports have followed a similar path as 2024/25, including a boost in late April/early May. The strength of these data—along with additional export data sources—supports this month's upward adjustment. As a result of the revised export forecast, 2025/26 U.S. cotton ending stocks are forecast 200,000 bales lower this month at 4.2 million bales. Nevertheless, 2025/26 ending stocks and the stocks-to-use ratio (31 percent) remain the highest since 2022/23.

Figure 4
Moving average of U.S. cotton export shipments



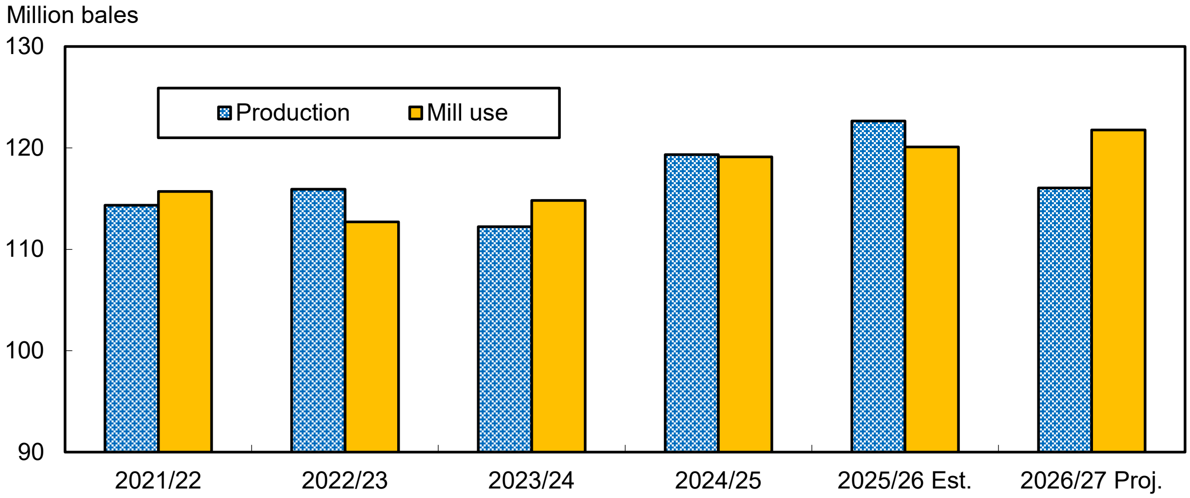
1 bale = 480 pounds.
Note: 3-week moving average shipments for last 7 months of marketing year.
Source: USDA, Economic Research Service using data from USDA, *Export Sales* reports.

International Outlook

World Cotton Production Projected Lower in 2026/27

Global cotton production in 2026/27 is projected at 116.0 million bales, 5 percent (6.6 million bales) below the previous year but only slightly (1 percent) below the 5-year average at 116.9 million bales (figure 5). For 2026/27, cotton production for all the major-producing countries is projected lower than the previous year except for India. World 2026/27 cotton harvested area is forecast at 29.2 million hectares (72.2 million acres), down slightly from 2025/26 and more than 1.5 million hectares below the 5-year average. The 2026/27 global cotton yield is forecast at 864 kilograms (kg) per hectare (771 pounds per acre), down almost 5 percent from last year's record of 907 kg per hectare.

Figure 5
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.

World cotton production is concentrated among a few countries, with the top 4 countries (China, India, Brazil, and the United States) accounting for 76 percent of total expected production in 2026/27, up slightly from last year. China and India are forecast to remain the leading global cotton producers in 2026/27, accounting for 29 percent and 21 percent, respectively. China is forecast to produce 33.5 million bales in 2026/27, 2.3 million bales (6 percent) below the previous year. China's national yield is expected to be the main reason for the decline, as harvested area is forecast only slightly lower at 3.0 million hectares. China's national yield is projected to decline 5 percent to 2,431 kg per hectare in 2026/27, compared with a record 2,556 kg per hectare in 2025/26. Production in India is forecast at 24.0 million bales, about 1 percent above 2025/26, with an increase in harvested area more than offsetting a decline in yield. Harvested area is forecast to 11.5 million hectares, an increase of 300,000 hectares (3 percent) from 2025/26, while yield is expected to decline 2 percent (9 kg per hectare) to 454 kg per hectare, near the 3-year average.

Brazil's production is forecast to decline 2 million bales (10 percent) to 17.5 million bales, the first reduction in 5 years as both harvested area and yield decrease. Brazil's harvested area is forecast to drop 170,000 hectares (8 percent) to 2 million hectares, while yield is expected to decrease 52 kg per hectare (3 percent) to 1,905 kg per hectare. For Pakistan, the production forecast for 2026/27 is expected to decrease 200,000 bales compared with last season. With harvested area unchanged from 2025/26, at 2 million hectares, the decrease is a result of a 4-percent (22 kg per hectare) decline in yield to 555 kg per hectare. Meanwhile, Australia is forecast to reduce production by one-third (1.5 million bales) in 2026/27. The continuing decline in water availability accounts for a lower estimate for harvested area and yield. Australia's harvested area is projected 31 percent (145,000 hectares) lower at 325,000 hectares, while the national yield is expected 4 percent lower at 2,010 kg per hectare.

Global Cotton Mill Use Growth Forecast in 2026/27

World cotton mill use is projected to increase 1.4 percent (1.7 million bales) in 2026/27 to nearly 121.8 million bales, the highest in 6 years (figure 5). Consumer demand for cotton apparel products is expected to rise with world economic growth, although mill use is likely to be limited by the continued competition from synthetic fibers. In addition, relatively stable world cotton fiber prices during 2025/26 and the need to replenish yarn and fabric inventories are also expected to support the higher mill use forecast for 2026/27. Global cotton mill use is forecast to improve for the fourth consecutive year in 2026/27.

Each major country's cotton mill use is projected to rise in 2026/27 from its year-ago level except for Vietnam and Turkey, where mill use is forecast unchanged. China and India remain the leading cotton-consuming countries and together are forecast to account for 55 percent of the global total. China's mill use is projected at 41.5 million bales in 2026/27, 500,000 bales (1.2 percent) above 2025/26 and the highest since 2010/11 as China remains the largest supplier of apparel products to the world. China alone is expected to account for over one-third of 2026/27 global cotton mill use.

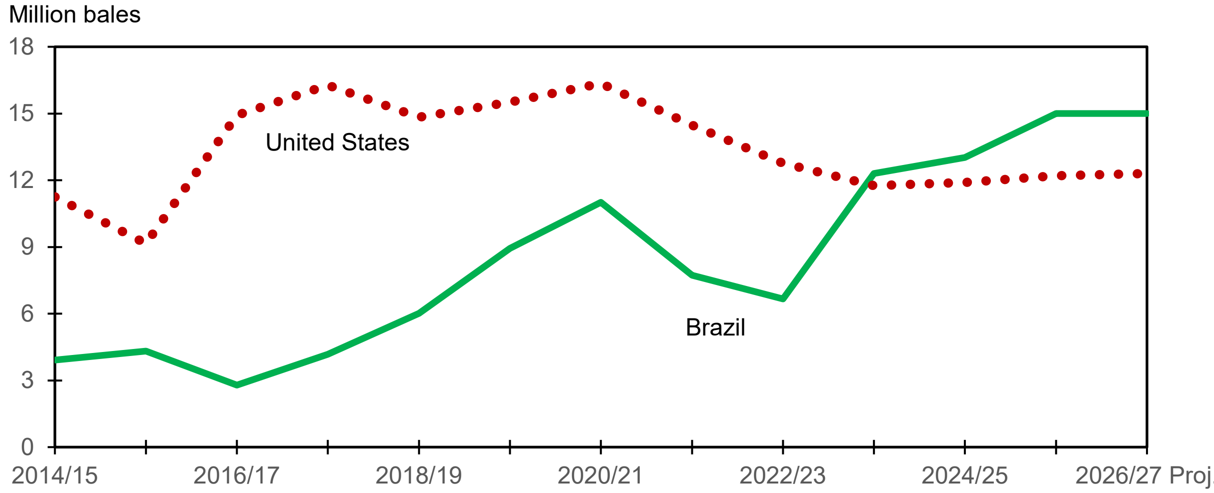
Although cotton mill use growth for China is below the world average of 1.4 percent, several other countries—India, Pakistan, and Bangladesh—are forecast to experience growth that exceeds the global average in 2026/27 as they each look to expand their textile and apparel product exports. India's cotton mill use is forecast at 26.0 million bales (+2 percent) in 2026/27, 500,000 bales above 2025/26 and matching the record set in 2020/21. India is expected to contribute approximately 21 percent of total world cotton mill use in 2026/27. Pakistan's 2026/27 cotton mill use is forecast to rebound 2 percent (200,000 bales) to 10.2 million bales after a 600,000-bale decline in 2025/26. Pakistan is forecast to account for 8 percent of the world total in 2026/27. Mill use in Bangladesh is forecast to rise 2.6 percent (200,000 bales) to 7.8 million bales in 2026/27, contributing nearly 6.5 percent of the global total.

Meanwhile, 2026/27 cotton mill use in Vietnam and Turkey are projected at 2025/26 levels. Vietnam's mill use is forecast at 7.8 million bales in 2026/27, slightly below the 2024/25 record. Vietnam is forecast to account for nearly 6.5 percent of the world total in 2026/27. Cotton mill use in Turkey is projected at 6.8 million bales in 2026/27, or 5.5 percent of the global total.

World Cotton Trade Lower Year Over Year in 2026/27; Stocks To Reach Lowest Level Since 2018/19

Despite an expected increase in world cotton mill use, global cotton trade in 2026/27 is projected to decline slightly to 43.3 million bales. Lower exports projected for Australia are partially offset by small gains for the United States and India, with Brazil's exports projected unchanged in 2026/27. The leading cotton exporters—Brazil and the United States—are forecast to account for a combined 63 percent of global cotton exports in 2026/27. Competition between Brazil and the United States has grown as Brazil's cotton production increased significantly in recent years which provided additional supplies available to the world market. As a result, Brazil's exports increased, and it surpassed the United States in 2023/24 as the largest cotton exporter (figure 6). For 2026/27, Brazil is forecast to export a record 15.0 million bales of cotton once again in 2026/27, accounting for 34.5 percent of global trade. The United States is expected to contribute about 28.5 percent of world cotton trade (12.3 million bales) in 2026/27. Lower exports are forecast for Australia (4.5 million bales) as reduced supplies are anticipated in 2026/27 while exports by India (1.5 million bales) are projected to rebound from a two-decade low.

Figure 6
U.S. and Brazil's cotton export estimates



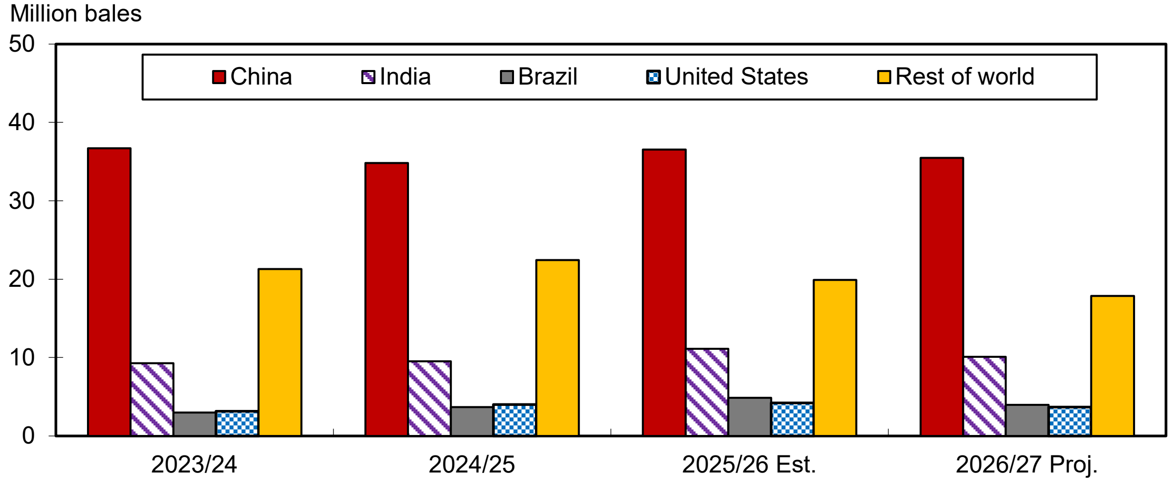
1 bale = 480 pounds.

Source: USDA, Economic Research Service using data from USDA, Foreign Agricultural Service *Production, Supply, and Distribution* query.

Vietnam is expected to be the leading cotton importer in 2026/27 as imports are projected to increase 200,000 bales from the year before to a record 8.0 million bales. Vietnam is forecast to account for 18.5 percent of global imports in 2026/27. Bangladesh's cotton imports are projected at 7.6 million bales in 2026/27, a rebound of 200,000 bales but well below 2021/22's 8.45-million-bale record. For China, cotton imports are projected to account for 16 percent of the world total. China is forecast to import 7.0 million bales of cotton in 2026/27, equal to the previous year but well below 2023/24's 15.0 million bales when China imported significant amounts to restock the national reserve. Other major importers include Pakistan and Turkey, where 2026/27 cotton imports are projected at 5.0 million bales and 4.8 million bales, respectively.

With global cotton mill use forecast to exceed production in 2026/27, world ending stocks are projected to decline 5.5 million bales year over year to 71.1 million bales—the lowest in 8 years. For each of the major producing countries, 2026/27 ending stocks are forecast to decline. Stocks in China are projected at 35.5 million bales for 2026/27, compared with 36.6 million bales the previous season (figure 7). At the end of 2026/27, China is projected to hold half of the global cotton supplies. In India, ending stocks are forecast at 10.1 million bales, or approximately 14 percent of the global total. Meanwhile, Brazil is expected to hold 4.0 million bales of stocks at the end of 2026/27, the United States is expected to carry 3.7 million bales, while Australia's cotton stocks decline to less than 2.4 million bales. With 2026/27 world stocks forecast at their lowest level since 2018/19 and the stocks-to-use ratio projected to decrease to its smallest share since 2010/11, global cotton price expectations are for the Cotlook A-Index to average about 10 cents per pound above the 2025/26 level of 80 cents per pound.

Figure 7
Global cotton ending stocks



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

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