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Cotton and Wool Outlook: March 2025

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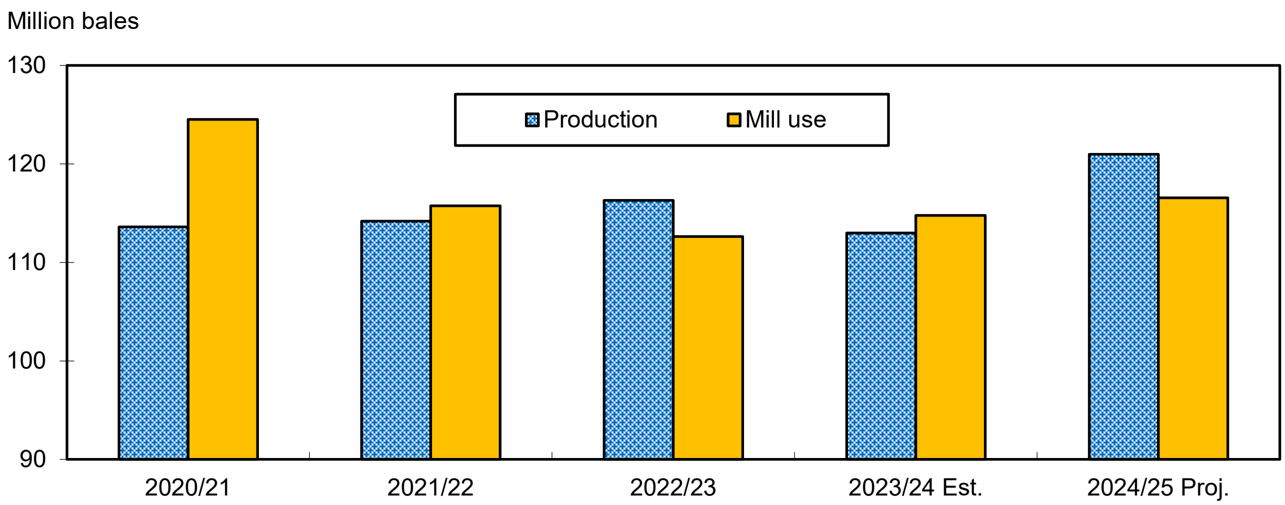
Global 2024/25 Cotton Ending Stocks Higher Year Over Year as Production Outpaces Mill Use

The latest U.S. Department of Agriculture (USDA) cotton projections for 2024/25 (August–July) forecast global ending stocks at 78.3 million bales, slightly down month over month but a 6-percent increase from 2023/24 and the highest total in 5 years. All five major producing countries are projected to increase stocks in 2024/25, led by the United States and Brazil.

Global production is projected to increase 8.0 million bales (7.1 percent) year over year to 121.0 million bales, the second highest since 2012/13 (figure 1). World production growth outpaces the mill use estimate (116.5 million bales), with global mill use projected 1.5 percent above 2023/24. World imports are forecast at 42.7 million bales this season, down 1.3 million bales from 2023/24, as a significant decrease in China's imports more than offsets gains in other countries.

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.

Approved by USDA's World Agricultural Outlook Board

Domestic Outlook

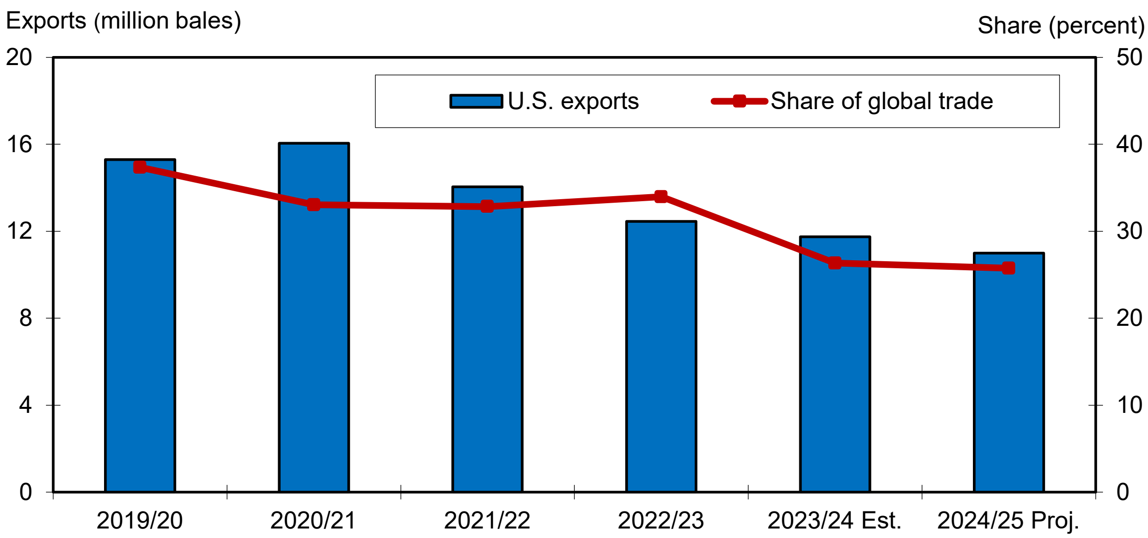
U.S. Cotton Supply and Demand Unchanged in March

U.S. cotton production in 2024/25 remains estimated at 14.4 million bales (upland at 13.95 million bales and extra-long staple at 468,000 bales). The current estimate is 19 percent above the 2023/24 crop but slightly below 2022/23. USDA will release the final U.S. cotton production estimates for 2024/25 on May 12. Based on the latest production estimate and beginning stocks of 3.15 million bales, the 2024/25 cotton supply totals nearly 17.6 million bales, about 850,000 bales above last season but the second lowest in 9 years.

U.S. cotton demand in 2024/25 is projected at 12.7 million bales, approximately 6.5 percent below 2023/24 and the lowest since 2015/16, with both U.S. mill use and exports forecast to decline this season. U.S. cotton mill use is forecast at only 1.7 million bales for 2024/25—the lowest since 1884/85 when mill use was estimated at a similar level. Based on data through the first 6 months of 2024/25, U.S. textile mills used about 0.8 million bales of cotton, 7.5 percent below the comparable period in 2023/24. Based on the latest estimate, U.S. cotton mill use is expected to perform at a similar pace during the last half of the season.

Despite slightly higher U.S. cotton supplies this season, the expectation for reduced foreign import demand coupled with a higher export projection for Brazil have reduced U.S. export prospects this season. Through the first 7 months of 2024/25, U.S. cotton exports totaled 5.2 million bales, or 47 percent of the season's forecast. Over the next several months, however, shipments are expected higher. U.S. cotton exports are projected at 11.0 million bales in 2024/25, about 750,000 bales below 2023/24 and the lowest shipments since 2015/16. The U.S. share of global trade is forecast at approximately 26 percent, similar to 2023/24 but below the 3-year average of 31 percent (figure 2).

Figure 2
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.

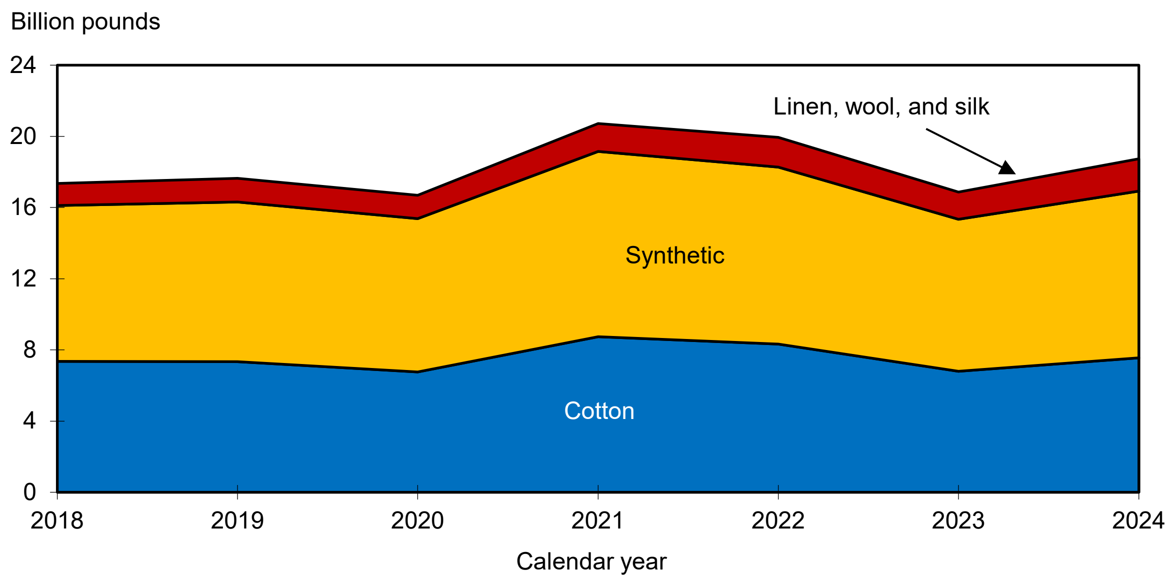
With this season's U.S. cotton production exceeding the demand projection, 2024/25 U.S. ending stocks are forecast nearly 1.8 million bales higher at 4.9 million bales, the largest in 5 years. As a result, the 2024/25 U.S. stocks-to-use ratio is forecast at about 39 percent, compared with 23 percent last season and 32 percent in 2022/23. Based on the U.S. and world cotton supply and demand estimates and recent prices, the 2024/25 average U.S. upland cotton farm price is forecast at 63 cents per pound, compared with 2023/24's 76.1 cents per pound.

U.S. Net Textile and Apparel Imports Increase in 2024

U.S. net textile and apparel fiber imports increased appreciably in calendar year 2024, based on USDA, Economic Research Service (ERS) revised textile import data for calendar years 2021–24. Net imports totaled 18.7 billion raw-fiber-equivalent pounds in 2024, 11 percent above 2023 but still 6 percent below 2022 (figure 3). Total fiber product imports reached 21 billion pounds in 2024, compared with approximately 19.3 billion pounds in 2023. Meanwhile, 2024 textile and apparel exports decreased approximately 6 percent to 2.25 billion pounds, compared with 2.4 billion in 2023.

Net product imports for the major fibers (cotton and synthetics) and for the combined linen, wool, and silk fibers rose in calendar year 2024. Cotton's share of product imports remained constant in 2024 at 40 percent. Meanwhile, the share of synthetic textile and apparel products decreased slightly to 50 percent but continues to account for the largest share in 2024. The combined linen, wool, and silk products contributed the remaining 10 percent of net imports in 2024. (For supplemental data about U.S. annual trade of cotton products by country, see tables 11 and 12 associated with this report. In addition, see the Highlight section in this report featuring U.S. retail cotton use in calendar year 2024.)

Figure 3
U.S. net imports of textile and apparel fiber products



Note: Raw-fiber-equivalent pounds.

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

International Outlook

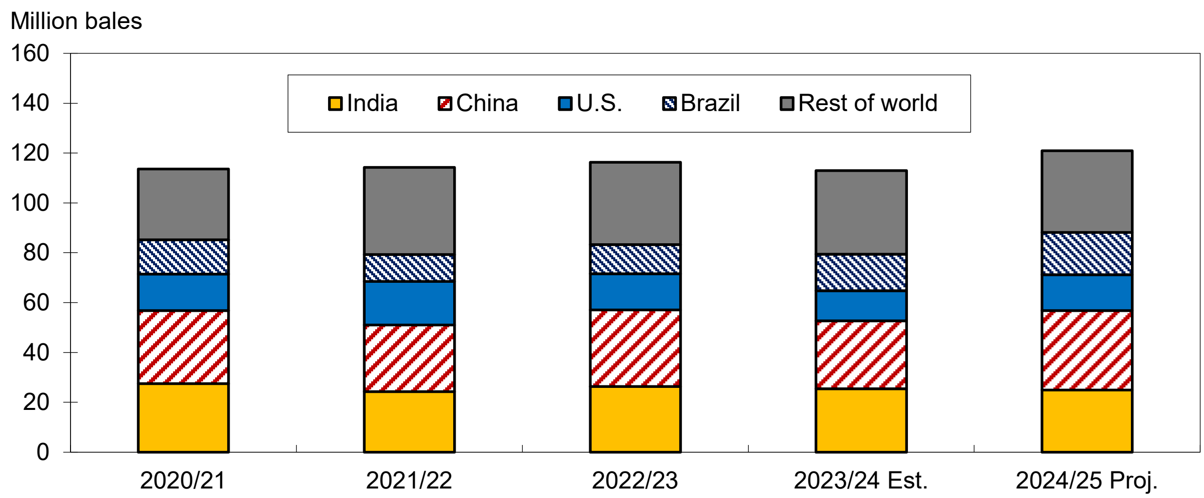
World Cotton Production Highest in 7 Years

Global cotton production in 2024/25 is forecast at 121.0 million bales, 8 million above last season's estimate of 113.0 million bales (figure 4). A large increase in projected yield accounts for the gain, as global harvested area is estimated to decrease slightly (1 percent) this season. World cotton area is forecast at 30.8 million hectares (76.2 million acres) in 2024/25. The world cotton yield is projected at a record 854 kilograms (kg) per hectare (762 pounds per acre), an increase of 65 kg per hectare (8 percent) from last season's 789 kg per hectare (704 pounds per acre).

Cotton production for the major-producing countries is mixed in 2024/25, as increases in China, Brazil, the United States, and Australia more than offset reductions for Pakistan and India. Production in China—the leading global cotton producer in 2024/25—is forecast at 31.75 million bales, rebounding 16 percent (4.4 million bales) above 2023/24. Harvested area in China is estimated up marginally from 2023/24 at 2.9 million hectares in 2024/25, while yield is projected at a record 2,384 kg per hectare, surpassing the 2022/23 record of 2,160 kg per hectare. China's crop—grown mainly in the high-yielding Xinjiang region—is expected to account for 26 percent of global production this season, compared with 24 percent in 2023/24.

For India, 2024/25 cotton production is projected at 25.0 million bales, about 2 percent below last season's crop. An increase in yield was offset by a decline in harvested area this season, lowering production 400,000 bales. Harvested area in India is estimated to decline to 11.8 million hectares in 2024/25, while yield increased to 461 kg per hectare. India has the highest yield since 2019/20 and the lowest harvested area since 2016/17. Nevertheless, India is forecast to account for approximately 21 percent of world cotton production in 2024/25, slightly below the year before.

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.

Pakistan's 2024/25 cotton production is projected between the 2022/23 flood-damaged crop and last season's 5-year high. For 2024/25, production is forecast at 5.0 million bales (-2 million bales year over year), as yield and harvested area decreased. Yield is forecast at 544 kg per hectare and harvested area is forecast at 2.0 million hectares, down 14 percent and 17 percent, respectively. Pakistan is forecast to account for 4 percent of the global cotton crop in 2024/25, down 2 percent from last season.

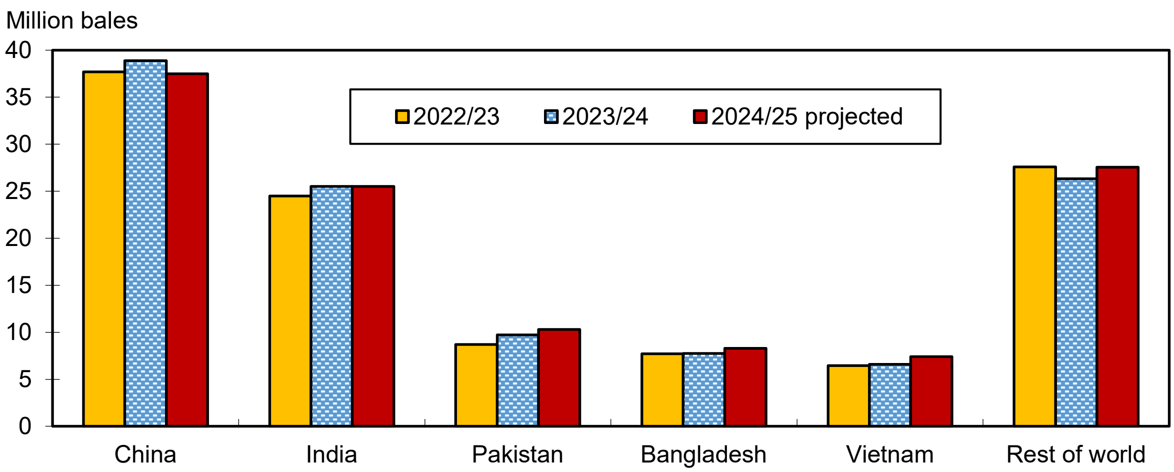
In the Southern Hemisphere, a significant increase in cotton production is expected for Brazil, while a moderate increase is forecast for Australia in 2024/25. Brazil's cotton production is estimated at 17.0 million bales—2.4 million above 2023/24—with an increase in harvested area more than offsetting a slight decrease in yield. Brazil has seen production increases in 3 consecutive years. Brazil's 2024/25 yield is forecast just below the record (1,911 kg per hectare) at 1,879 kg per hectare, while area is forecast to increase 310,000 hectares to 2.0 million hectares. Brazil is expected to account for 14 percent of the world's cotton production this season. For Australia, cotton production of 5.4 million bales is projected for 2024/25, with an increase in area more than offsetting a decrease in the national yield. Australia's area is estimated at 600,000 hectares, while the yield is forecast at 1,960 kg per hectare. Australia's share of the global crop is forecast at 4 percent in 2024/25.

World Cotton Mill Use Growth Projected in 2024/25

Global cotton mill use in 2024/25 is forecast to rise modestly for a second consecutive year. Mill use in 2024/25 is forecast at 116.5 million bales, 1.5 percent above 2023/24. With global economic growth projected to stabilize, 2024/25 cotton mill demand is forecast to increase above the long-run (2000/01–2022/23) average rate of 1.2 percent and help replenish product inventories that were depleted in recent years. This season's world mill use is projected to rise 1.8 million bales, but it remains well below the 2020/21 record of 124.5 million bales.

Cotton mill use continues to be concentrated among a few countries, with China and India accounting for 54 percent of global mill use in 2024/25, and the top five countries contributing more than 75 percent of the world total. In 2024/25, moderate increases are expected for most of the major cotton-spinning countries—with India unchanged and China slightly lower (figure 5).

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* reports.

For China—the leading cotton spinner—2024/25 cotton mill use is expected to reach 37.5 million bales, below 2023/24 but near the 2022/23 level. China is projected to account for 32 percent of global cotton mill use this season. Cotton mill use in India is forecast to remain at 25.5 million bales—the highest in 4 years—contributing 22 percent of the 2024/25 global total.

Higher cotton mill use is forecast for Pakistan, Bangladesh, Vietnam, and Turkey in 2024/25. In Pakistan—the third-largest spinner of cotton—mill use is projected to expand 6 percent to 10.3 million bales this season. Despite a smaller crop, increased imports are projected to support the highest mill use for Pakistan in 3 years. Similarly, mill use in Bangladesh is forecast to increase 7 percent in 2024/25 to a 3-year high of 8.3 million bales in 2023/24. In Vietnam, 2024/25 cotton mill use is forecast to rise 12 percent (800,000 bales) from last year to a record 7.4 million bales, as the country's textile industry continues its growth trend. Cotton mill use in Turkey is expected to rebound modestly in 2024/25 as last season's limited supplies weighed on the textile industry. Turkey's mill use this season is forecast 400,000 bales higher, at 7.0 million bales. Combined, these four countries are forecast to account for 28 percent of global cotton mill use in 2024/25, up from approximately 26.5 percent in 2023/24.

Global Cotton Trade Lower; Stocks To Increase in 2024/25

World cotton trade in 2024/25 is projected to decrease nearly 2 million bales, the result of a significant import reduction in China that more than offsets gains elsewhere. In 2023/24, China imported 15 million bales of raw cotton to help restock its national reserve inventories and are not expected to duplicate that this season. In addition, China's 2024/25 cotton crop is forecast at its highest since 2013/14 and has further limited the need for imports this season.

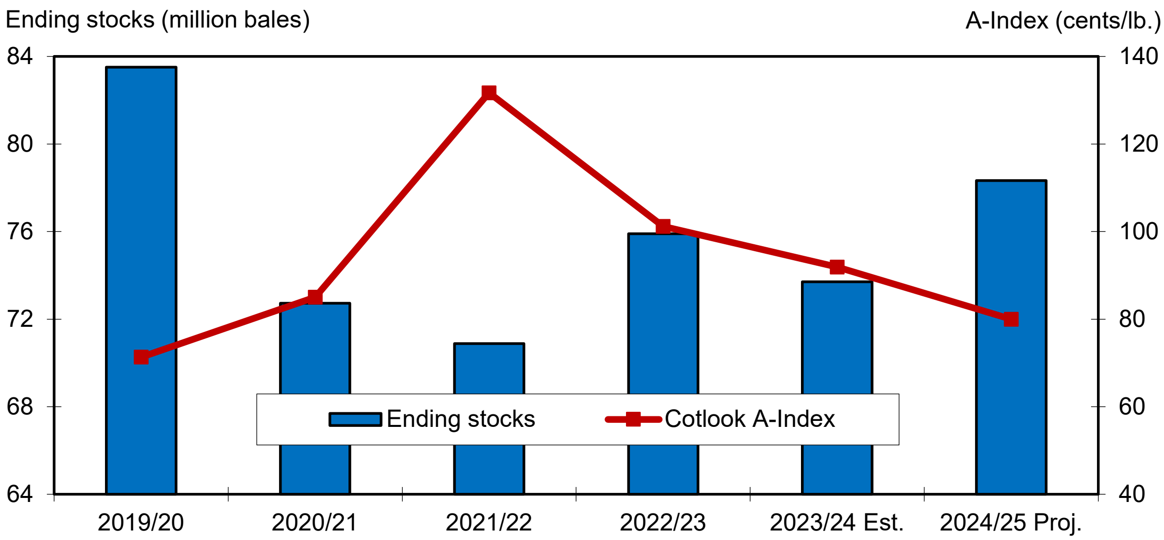
Global cotton trade is forecast at 42.7 million bales in 2024/25—4 percent below 2023/24—as the leading cotton importers (excluding China) are expected to acquire additional supplies this season. For 2024/25, Bangladesh is projected to be the leading cotton importer, with imports raised this month and projected to rise 8 percent to 8.2 million bales this season. Bangladesh is expected to account for 19 percent of global imports in 2024/25. Vietnam's imports are projected at 7.4 million bales, an increase of 12 percent to help support its textile industry growth. Vietnam's imports are expected to account for 17 percent of the world total in 2024/25. Despite a reduced import projection this month and year over year, China remains a major importer. In 2024/25, China is forecast to import 6.8 million bales, or 16 percent of the global total this season.

For the major suppliers—Brazil and the United States—cotton shipments are forecast to contribute more than half of the global cotton export forecast in 2024/25. For Brazil, exports are forecast at a new high of 13 million bales (+690,000 bales) this season as a consecutive record cotton crop is estimated. U.S. cotton exports are forecast at 11 million bales (-750,000 bales) in 2024/25, as competition from Brazil—coupled with reduced world import demand—is expected to keep U.S. cotton exports at its lowest level since 2015/16. Smaller suppliers, like Australia, are also seen reducing cotton exports in 2024/25.

Based on the latest cotton supply and demand projections, world cotton stocks are reduced slightly this month, but are still forecast 6 percent higher in 2024/25 at 78.3 million bales, the highest in 5 years (figure 6). For all the major producing countries, 2024/25 ending stocks are forecast to increase, with stocks in the United States and Brazil rising nearly 56 percent and 23 percent, respectively.

Stocks in China are projected at approximately 37.7 million bales in 2024/25, compared with 36.7 million bales last season. At the end of 2024/25, China is projected to hold 48 percent of the global cotton supplies. In India, ending stocks are forecast at 10 million bales (+700,000 bales), or 13 percent of the global total in 2024/25. Cotton stocks in Brazil are forecast to rise 710,000 bales to approximately 3.8 million bales, or 5 percent of the 2024/25 world total. Meanwhile, U.S. stocks are expected to increase 1.75 million bales this season to 4.9 million bales, accounting for 6 percent of the global total. With continued world economic uncertainty surrounding cotton demand and this season's rising global stocks and stocks-to-use ratio forecast, the 2024/25 world cotton price (Cotlook A-Index) is projected to decline for the third consecutive season to average near 80 cents per pound.

Figure 6
Global cotton stocks and prices



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

Highlight

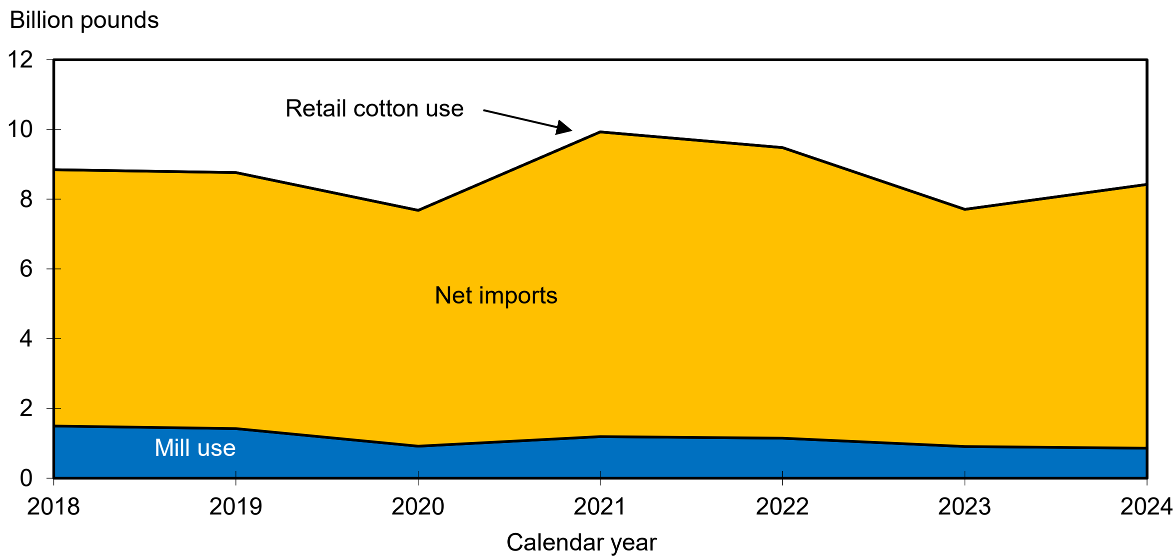
U.S. Apparent Retail Cotton Use Rises in 2024

U.S. apparent retail cotton use (mill use plus net textile imports) increased 9 percent in calendar year 2024 after experiencing a 19-percent decline in 2023 (figure 7). In 2024, U.S. consumer demand for cotton products rebounded from a level similar to the Coronavirus (COVID-19) pandemic-related decline of 2020, the lowest level in more than 25 years. Based on USDA, ERS revised textile import data for calendar years 2021–24, retail cotton use in 2024 was estimated at 8.4 billion raw-fiber-equivalent pounds, or 17.5 million 480-pound bale equivalents.

In calendar year 2024, U.S. cotton textile and apparel product imports rose an estimated 8.5 percent to approximately 8.6 billion pounds, still considerably below the 2021 level (10.2 billion pounds) and 2007's record of 10.4 billion pounds. In 2024, synthetic product imports increased 8.2 percent. U.S. cotton mill use in calendar year 2024 declined 5 percent to approximately 0.9 billion pounds. U.S. cotton product exports were 7 percent lower in 2024 at 1.1 billion pounds—the lowest in three decades. Meanwhile, the U.S. per capita estimate of retail cotton use rose from 23 pounds in 2023 to nearly 25 pounds in 2024. For calendar year 2025, the world and U.S. economy are projected to respectively grow by similar percentages as in 2024. As a result, U.S. retail cotton use, including textile and apparel trade, may expand slightly once again in 2025.

Figure 7

U.S. apparent retail cotton use



Note: Raw-fiber-equivalent pounds.
Source: USDA, Economic Research Service using data from U.S. Department of Commerce, Bureau of the Census.

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