



# Cotton and Wool Outlook: July 2025

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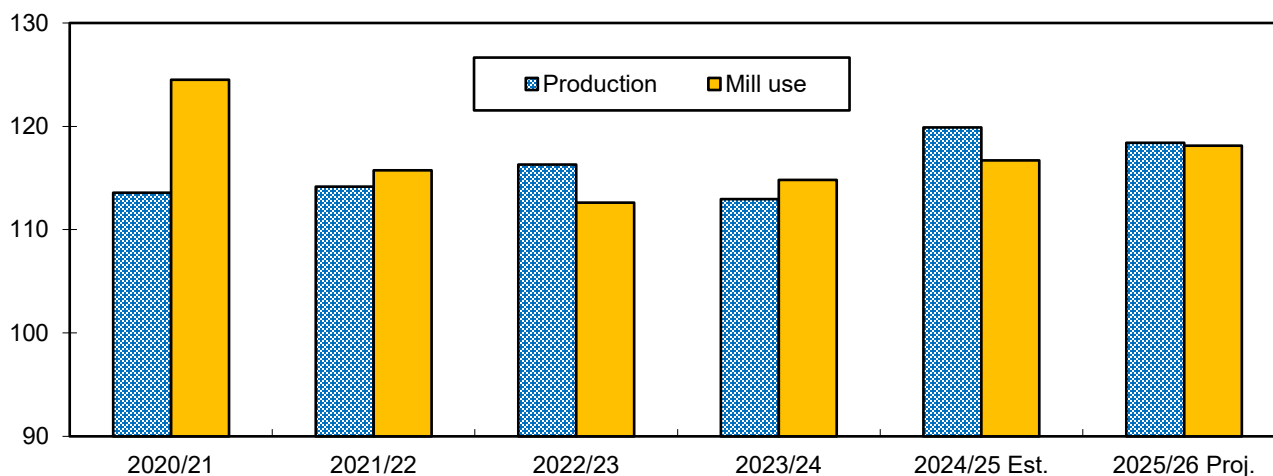
## Global 2025/26 Cotton Production and Mill Use Forecast at Similar Levels

The latest U.S. Department of Agriculture (USDA) cotton projections for 2025/26 (August–July) indicate that world cotton production will decrease 1.5 million bales (1 percent) to 118.4 million bales but remains the second highest total since 2017/18. Australia and China are projected to lead the decrease in global production in 2025/26. World ending stocks are forecast to remain relatively stable in 2025/26 as production and mill use are nearly offsetting (figure 1).

Global cotton mill use is projected to increase slightly to 118.1 million bales in 2025/26, the highest since 2020/21. Except for China, mill use in 2025/26 is expected to increase for each of the top five cotton-spinning countries. World cotton trade expectations (44.7 million bales) show a rebound from 2024/25 and are the second highest since 2012/13. The projected season-average U.S. upland cotton farm price for 2025/26 is 62 cents per pound, similar to the estimated level for 2024/25.

Figure 1  
**Global cotton production and mill use**

Million bales



1 bale = 480 pounds.

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

# Domestic Outlook

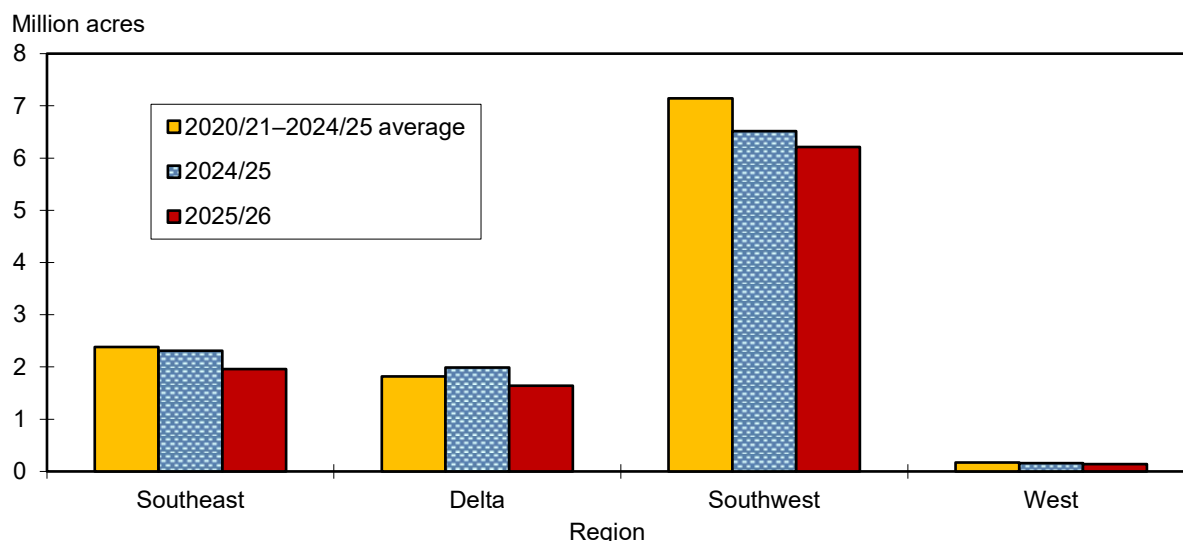
## U.S. 2025/26 Cotton Crop Projection Increased in July

U.S. 2025/26 cotton production is projected at 14.6 million bales this month, up 600,000 bales from the June projection and nearly 200,000 bales (1 percent) above the 2024/25 crop. Based on the USDA, National Agricultural Statistics Service's (NASS) *Acreage* report released June 30, U.S. producers planted or intended to plant approximately 10.1 million acres to cotton for 2025/26. This is 253,000 acres (2.5 percent) above the March indications but nearly 1.1 million acres below the final 2024 plantings. (See table 10 associated with this report.) Relatively lower cotton prices this spring were a major contributing factor to the planted area decline in 2025.

Projected upland cotton area is lower for each of the Cotton Belt regions in 2025/26 and below their respective 5-year averages (figure 2). Planted area in the Southwest is forecast at 6.2 million acres, about 300,000 acres (5 percent) below 2024/25 and 13 percent below the 2020/21–2024/25 average. Nevertheless, the Southwest is expected to account for 62 percent of total U.S. upland area in 2025/26—near the 5-year average—signifying the region's importance to U.S. cotton crop expectations.

In the Southeast, 2025/26 cotton acreage is projected at 2.0 million acres, 15 percent (350,000 acres) lower than last season and the smallest planted area since 1.9 million acres were planted in 2009/10. The Southeast is forecast to account for about 20 percent of the U.S. cotton area in 2025/26, slightly below the 2020/21–2024/25 average. For the Delta region, the 2025/26 cotton area—estimated at 1.6 million acres—is 17.5 percent below 2024/25 but similar to the 2023/24 level. The Delta is expected to account for 16.5 percent of the U.S. upland cotton area in 2025/26, slightly above the 5-year average.

Figure 2  
**U.S. regional upland cotton planted area**



Note: 2025/26 based on *Acreage* report.

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

Upland cotton plantings in the West are forecast to decrease moderately to 139,000 acres in 2025/26 to the second lowest area in more than a century—behind only 2023/24. The West is expected to account for roughly 1.5 percent of the upland area in 2025/26, near the 5-year average. Meanwhile, extra-long staple (ELS) cotton acreage—mostly grown in the West—is forecast at 171,000 acres in 2025/26, 36,000 acres below the previous year but similar to the 2020/21–2024/25 average. Lower prices and reduced demand expectations for ELS cotton are contributing to the smaller area for 2025/26.

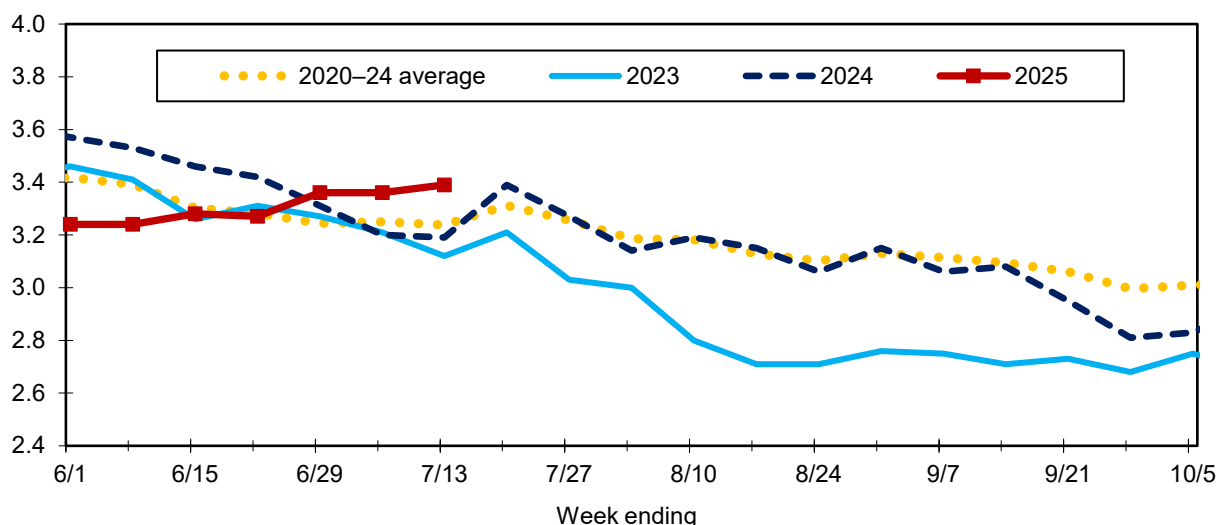
Total 2025/26 cotton harvested area is projected in July at nearly 8.7 million acres, about 11 percent higher than 2024/25. U.S. abandonment in 2025/26 is forecast at approximately 14.5 percent, compared with 30 percent last season and 37 percent in 2023/24. The abandonment projection is based on 10-year averages by region, with the estimates for the Southwest, Delta, and Southeast adjusted to reflect precipitation and crop conditions to date. The U.S. cotton yield is projected at 809 pounds per harvested acre and is based on 5-year average yields by region, with reductions for the Southwest and Delta due to moisture conditions to date. If realized, the U.S. yield would be the lowest in 10 years, as a larger proportion of lower yielding Southwest cotton acreage is projected to be harvested this season. USDA NASS will publish its first survey-based cotton estimates for 2025/26 in August.

U.S. cotton crop development as of July 13 indicated that 61 percent of the 2025/26 crop was squaring, marginally below both last season and the 2020–24 average. Cotton area setting bolls reached 23 percent, compared with 26 percent in 2024 and a 5-year average of 22 percent. U.S. cotton crop conditions have risen slightly this season and as of mid-July are above those of the last several years (figure 3). As of July 13, 54 percent of the U.S. cotton area was rated “good” or “excellent,” compared with 45 percent in 2024, while 17 percent was rated “poor” or “very poor,” compared with 23 percent a year ago.

Figure 3

### U.S. cotton crop conditions

Index (3=fair and 4=good)



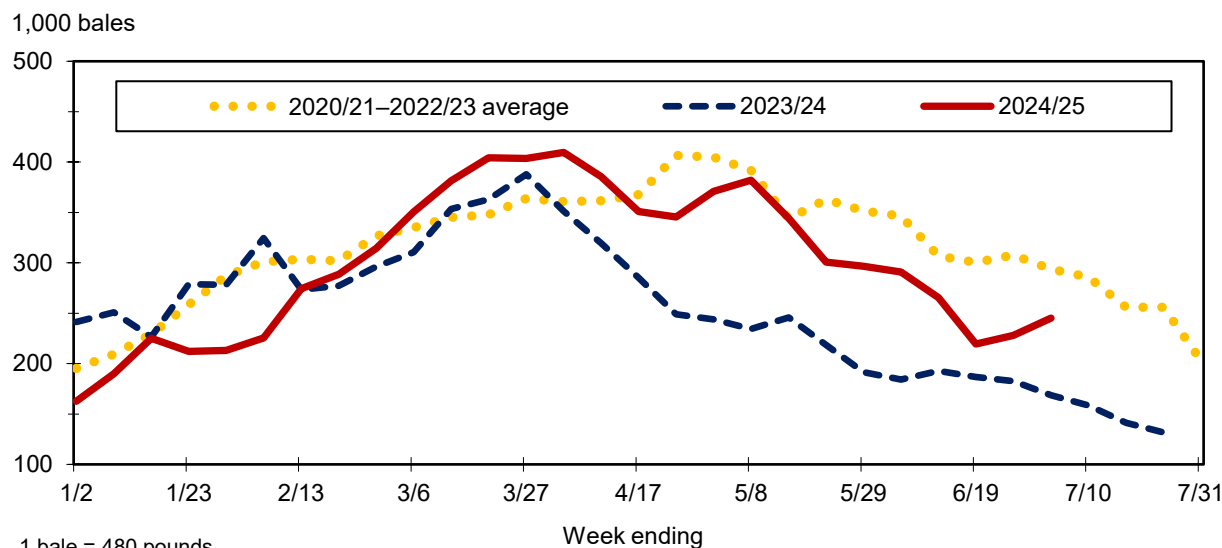
Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, *Crop Progress* reports.

# U.S. 2025/26 Cotton Demand Unchanged; 2024/25 Exports Revised Upward

The U.S. cotton demand (mill use plus exports) forecast for 2025/26 remains projected at 14.2 million bales, 5 percent above the revised 2024/25 estimate. For 2025/26, U.S. cotton mill use is forecast at 1.7 million bales, equal to the year before and one of the lowest levels on record. Larger U.S. supplies for 2025/26—along with increased foreign import demand—are expected to boost export prospects 6 percent during the upcoming season, with exports projected at 12.5 million bales for 2025/26. However, larger supplies in several other exporting countries—notably Brazil—are expected to limit the gain in U.S. cotton exports. Nevertheless, the U.S. share of global cotton trade is projected at a relatively stable 28 percent in 2025/26, compared with approximately 27.5 percent during the previous year and 26 percent in 2023/24.

For 2024/25, U.S. cotton exports were revised this month based on the strength of recent data. The export forecast was raised 300,000 bales in July to 11.8 million bales and is now forecast to rebound slightly from 2023/24. U.S. cotton exports generally follow a seasonal pattern, peaking in the spring before declining through the end of the season. For 2024/25, U.S. cotton exports peaked earlier than usual—similar to 2023/24—but unlike in 2023/24, exports during the latter part of the current season have recorded stronger shipments that support this month's upward revision to the 2024/25 forecast (figure 4).

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.

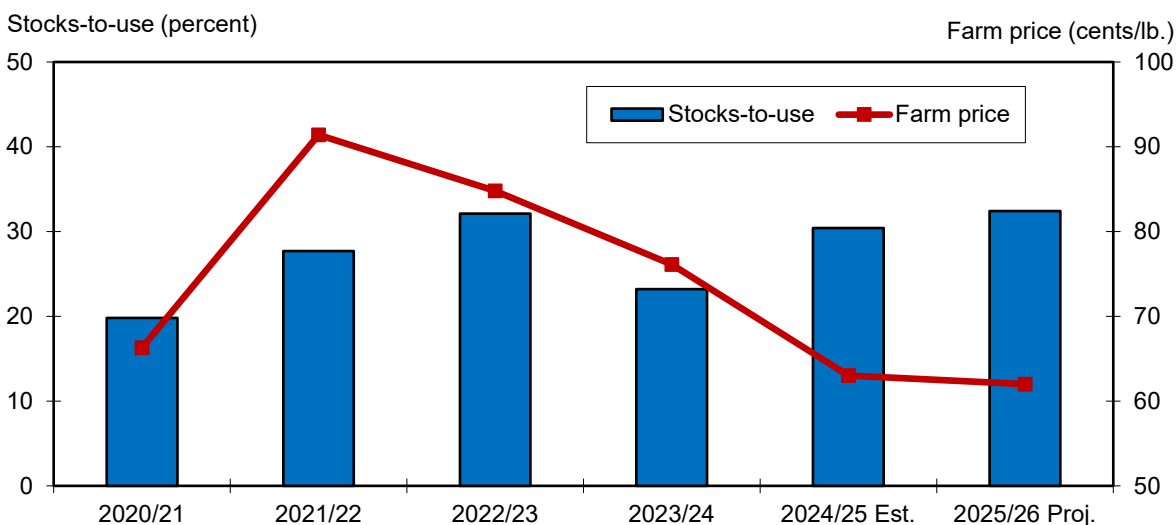
Source: USDA, Economic Research Service using data from USDA, *Export Sales* reports.

## U.S. 2025/26 Cotton Stocks and Stocks-to-Use To Rise

Based on USDA's July supply and demand estimates, 2025/26 U.S. cotton ending stocks are projected at 4.6 million bales, 500,000 bales above the year before and the highest since 2022/23 when ending stocks were 4.65 million bales. The 2025/26 stocks-to-use ratio, at 32.4 percent, is forecast to be 2 percentage points above 2024/25 but similar to the 2022/23 level (figure 5). Based on current U.S. supply and demand estimates, cotton prices are expected to remain relatively flat in 2025/26. The average U.S. upland farm price is forecast to decrease for the fourth consecutive season from the recent high in 2021/22. With stocks rising in 2025/26, the U.S. farm price is projected at 62 cents per pound compared with 63 cents per pound estimated for 2024/25 and 76 cents per pound in 2023/24.

Figure 5

### U.S. cotton stocks-to-use and price



Note: Farm price = average received by upland producers.

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

# International Outlook

## World 2025/26 Cotton Crop Forecast Lower Year-Over-Year

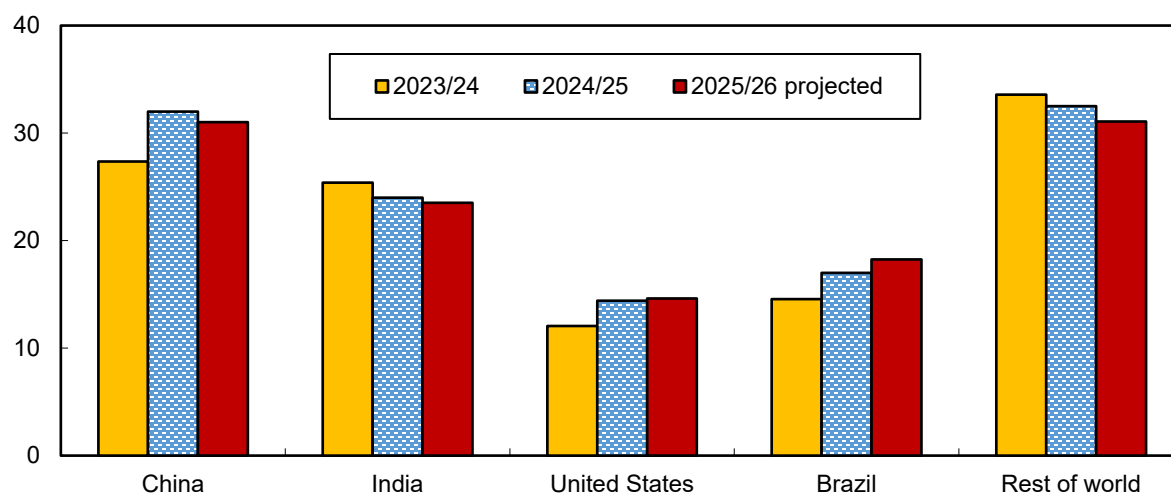
Global cotton production in 2025/26 is projected at 118.4 million bales, 1 percent (1.5 million bales) below the previous year but 3 percent above the 5-year average. For 2025/26, cotton production prospects for most of the major producing countries declined, with only Brazil and the United States showing an increase and Pakistan remaining unchanged from 2024/25. The world cotton harvested area is projected to be virtually unchanged from last year. Global harvested area is forecast at 30.3 million hectares (74.9 million acres) in 2025/26, the same as in 2024/25 but 3 percent below the 5-year average. The harvested area increase is largely attributable to gains in the United States and Brazil, while the largest decrease occurred in India. The 2025/26 global cotton yield is forecast at 850 kilograms (kg) per hectare (758 pounds per acre), down from last season's record but 4 percent above the 3-year average.

World cotton production is concentrated among a few countries, with the top four countries accounting for 74 percent of total expected production in 2025/26, compared with 73 for the previous season (figure 6). China and India are forecast to remain the leading cotton producers in 2025/26, accounting for 26 percent and 20 percent, respectively, of the global total. China is projected to produce 31.0 million bales of cotton in 2025/26, down 3 percent (1 million bales) from 2024/25. China's area is forecast slightly higher year over year to 2.95 million hectares in 2025/26 but still one of its lowest levels historically. China's yield is projected at 2,288 kg per hectare, down nearly 5 percent from last year's record of 2,402 kg per hectare. Production in India is forecast at 23.5 million bales, 2 percent (500,000 bales) below 2024/25, with lower area harvested offset slightly by a higher yield. India's cotton area is projected to fall 2.6 percent in 2025/26 to 11.2 million hectares as farmers shift to alternative crops, while the yield is forecast to increase to a 6-year high of 457 kg per hectare due to above-average monsoon rains.

Figure 6

### 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.

Production in the United States is projected to rebound slightly in 2025/26 after drought conditions in the Southwest region adversely affected the cotton crop during the previous 3 years. U.S. cotton production is forecast to rise only slightly (1 percent) despite the harvested area projection increasing 11 percent from 2024/25. The U.S. yield is forecast to decrease year over year as lower-yielding dryland harvested area increases in the Southwest. Production in Brazil is forecast at a record 18.25 million bales in 2025/26, an increase of nearly 7.5 percent (1.25 million bales) from the previous year. The larger crop projection is the result of an increase in area while yield remains slightly below the record set in 2023/24. Brazil's harvested area is forecast at 2.1 million hectares, up nearly 8 percent (150,000 hectares) from 2024/25.

For Pakistan, 2025/26 cotton production is forecast to remain unchanged from 2024/25 at 5 million bales. Although harvested area is projected to decline, Pakistan's yield is expected to increase slightly to 558 kg per hectare to keep production unchanged in 2025/26. Australia's cotton production is forecast to decline 27 percent (1.5 million bales) from 2024/25 to 4.1 million bales. The 2025/26 decline is a combination of both lower area harvested and yield. Australia's harvested acreage is forecast to drop 23 percent (140,000 hectares) as area transitions to alternative crops, while the yield also is projected to decrease modestly to 1,941 kg per hectare in 2025/26, 4.5 percent below 2024/25.

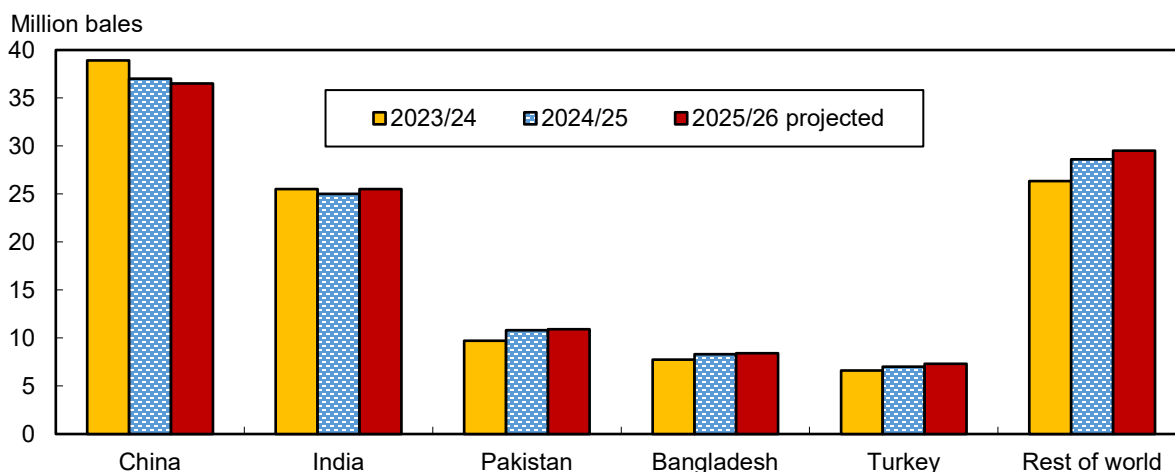
## Global Cotton Mill Use Projected Higher in 2025/26

World cotton mill use is forecast to increase year over year to 118.1 million bales, up 1 percent (1.4 million bales) and the highest level in 5 years. Global economic growth projections for calendar years 2025 and 2026 are anticipated to support increased demand for cotton apparel products despite headwinds from synthetic fibers. Based on the 2025/26 projection, world cotton mill use is forecast to improve for the third consecutive year.

Mill use for each of the major cotton-spinning countries is forecast to rise slightly in 2025/26 with the exception of China (figure 7). The top five countries account for 76 percent of global cotton mill use, similar to 2024/25. China is expected to continue as the largest cotton mill user as it remains a key exporter of cotton apparel products. China is projected to account for 31 percent (36.5 million bales) of global cotton mill use in 2025/26, down 500,000 bales from 2024/25 and its lowest total since 2021/22.

India's cotton mill use is forecast to increase 2 percent (500,000 bales) to 25.5 million bales and contribute 22 percent of the global cotton total in 2025/26. Mill use in India is projected to tie the 2023/24 level but remain below the 2020/21 record of 26.0 million bales. Pakistan's mill use is expected to increase to 10.9 million bales (+100,000 bales) in 2025/26, its highest since 2008/09, accounting for 9 percent of the world total. In addition, cotton mill use in Bangladesh, Vietnam, and Turkey is forecast above the respective 3-year averages, with Bangladesh and Vietnam projected to reach records in 2025/26.

Figure 7

**Leading global cotton consumers**

1 bale = 480 pounds.

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

## Global Cotton Trade Forecast To Increase in 2025/26; Stocks Projected Marginally Higher

World cotton trade in 2025/26 is projected at 44.7 million bales, up 1.7 million bales year over year. With global mill use estimated to increase 1.4 million bales (1 percent) in 2025/26, imports by most of the major importers of raw cotton are also projected to rise. World cotton trade in 2025/26 is led by increased exports by Brazil and the United States, combining for 60 percent of global trade. U.S. cotton exports are expected to rise 6 percent in 2025/26 to 12.5 million bales. Brazil's cotton exports also are projected higher (+10 percent) for 2025/26 at 14.3 million bales—a third consecutive record, if realized. Shipments from Australia in 2025/26, however, are forecast to decrease slightly, as exports are forecast lower for the third consecutive year after reaching a record (6.2 million bales) in 2022/23. Australia's 2025/26 cotton exports are forecast at 5.0 million bales due to a lower production projection.

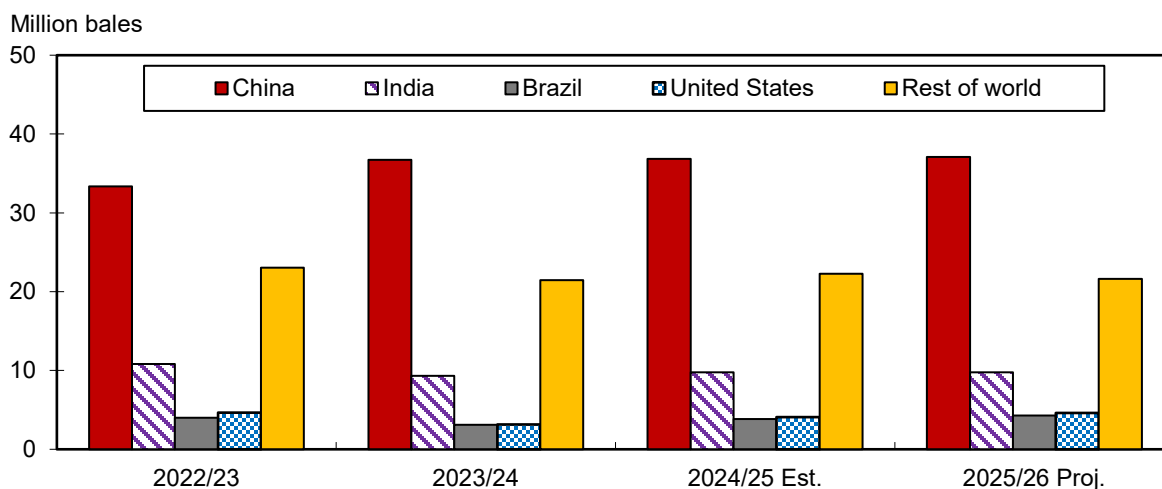
Global cotton imports are expected to increase more than 2.0 million bales (5 percent) from 2024/25, with Bangladesh forecast to continue as the leading cotton importer in 2025/26, followed closely by Vietnam. For Bangladesh and Vietnam, 2025/26 cotton imports are projected to rise nearly 2.5 percent (200,000 bales) for each country to 8.4 million bales and 8.0 million bales, respectively. China's imports are forecast to rebound to 5.8 million bales in 2025/26, compared with an estimated 5.2 million bales the year before—its lowest total since 2016/17. Turkey and India are also contributing to the higher global cotton import projection in support of the local textile industry as cotton mill use is expected to expand. Imports by Turkey are forecast 500,000 bales (11.6 percent) higher at 4.8 million bales, while imports by India are 150,000 bales (5.3 percent) larger at 3.0 million bales.

World cotton ending stocks are projected at 77.3 million bales in 2025/26, less than 1 percent (540,000 bales) above 2024/25, as global production exceeds mill use for the second consecutive season. Cotton stocks are expected to reach the highest level since 2019/20, largely the result of increases for the United States and Brazil (figure 8). China remains the leading cotton stockholder (37.1 million bales) in 2025/26 and, while only marginally above the year before, accounts for 48 percent of the global total. Stocks in India are forecast unchanged



in 2025/26 at approximately 9.8 million bales, contributing about 13 percent of the world total. Meanwhile, U.S. cotton stocks (4.6 million bales) and stocks in Brazil (4.3 million bales) are projected to each rise approximately 12 percent in 2025/26 as a result of larger crops. On the other hand, a smaller cotton crop forecast for Australia is expected to reduce stocks there in 2025/26 to nearly 4.2 million bales. The global stocks-to-use ratio is forecast at approximately 65.5 percent in 2025/26, similar to the previous 3-year average.

Figure 8  
**Global cotton ending stocks**



1 bale = 480 pounds.

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

## Suggested Citation

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