



Cotton and Wool Outlook: March 2026

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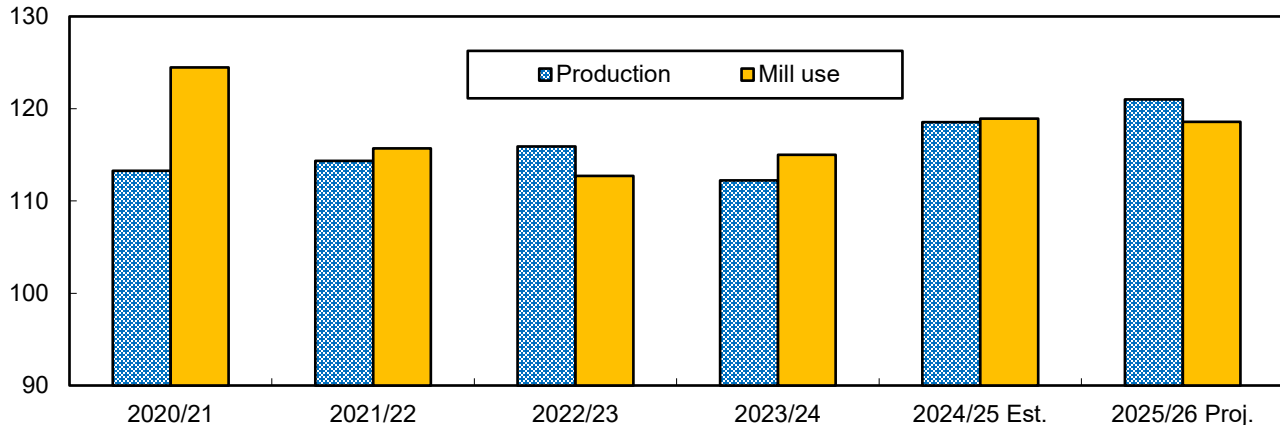
Global 2025/26 Cotton Ending Stocks at Highest Level Since 2019/20

The latest U.S. Department of Agriculture (USDA) cotton projections for 2025/26 (August–July) forecast global ending stocks at 76.4 million bales, nearly 4 percent above last year and the highest total in 6 years. The stock growth is a result of year to year relatively unchanged world mill use and an increase in global cotton production. Cotton stocks are forecast to increase for each of the top four producing countries in 2025/26.

Global production is projected to increase 2.1 percent (2.4 million bales) to 121.0 million bales, the second-highest total in over a decade (figure 1). World cotton mill use is estimated to decrease marginally to 118.6 million bales in 2025/26, a 0.3-percent change from the previous year. World imports are forecast at 43.9 million bales this season, up about 875,000 bales from 2024/25, as a significant increase for India—along with a smaller gain for China—was partially offset by declines in Bangladesh and Pakistan. Global cotton exports are once again led by Brazil and the United States, with the two countries accounting for 60 percent of global cotton trade in 2025/26.

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

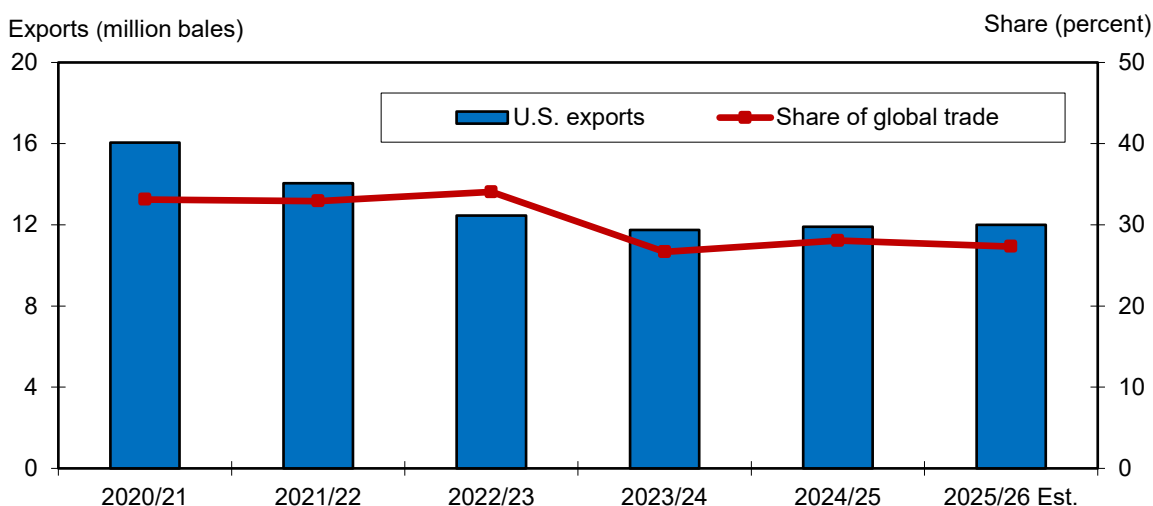
U.S. Cotton Supply and Demand Unchanged in March

Total U.S. cotton production in 2025/26 remains estimated at 13.9 million bales this month, although the upland and extra-long staple (ELS) WASDE estimates were adjusted slightly based on data in the March *Cotton Ginnings* report. The current U.S. crop estimate is about 500,000 bales below the 2024/25 crop but only slightly below the 3-year average. USDA, NASS will release revised U.S. cotton production estimates for 2025/26 on May 12. Based on the latest production estimate and beginning stocks of 4.0 million bales, the 2025/26 U.S. cotton supply totals 17.9 million bales, about 350,000 bales above last season and the highest total in 3 years.

U.S. cotton demand in 2025/26 is projected at 13.6 million bales, equal to the previous two seasons and the lowest amount since 2015/16. U.S. cotton mill use is forecast at only 1.6 million bales for 2025/26, 100,000 bales below last season and the lowest usage in more than 145 years when mill use was estimated at a similar level. Based on data through the first 6 months of 2025/26, U.S. textile mills used about 0.8 million bales of cotton, 4 percent below the comparable period in 2024/25. Based on the latest estimate, U.S. cotton mill use during the last half of the season is expected to perform at a similar pace.

Despite expectations for increased foreign import demand and slightly higher U.S. cotton supplies this season, U.S. cotton export prospects are only marginally higher year to year as Brazil's exports are projected at a record level in 2025/26. Through the first 7 months of 2025/26, U.S. cotton exports totaled 5.1 million bales, or 43 percent of the season's forecast. Over the next several months, however, seasonal shipments are expected to be higher. U.S. cotton exports are projected at 12.0 million bales in 2025/26, 100,000 bales above 2024/25 and the largest shipments in 3 years. The U.S. share of global trade is forecast at approximately 27 percent, similar to the previous 2-year average but below the early 2020s (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 surpassing the demand projection, 2025/26 U.S. ending stocks are forecast 400,000 bales higher than 2024/25 at 4.4 million bales, the highest amount since 2022/23. Meanwhile, the 2025/26 U.S. stocks-to-use ratio is also forecast larger at about 32 percent, the highest level since a similar stocks-to-use ratio was reached 3 years ago. 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 2024/25’s 63.2 cents per pound.

U.S. Net Textile and Apparel Imports Decrease in 2025

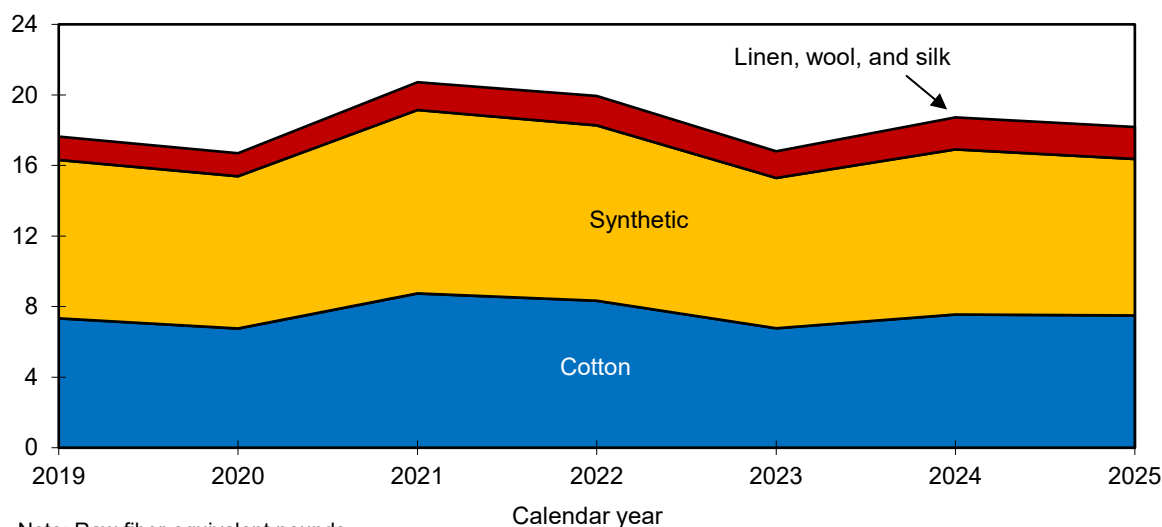
U.S. net textile and apparel fiber imports decreased modestly in calendar year 2025, based on the latest USDA, Economic Research Service (ERS) textile trade data. Net imports totaled 18.2 billion raw-fiber-equivalent pounds in 2025, nearly 3 percent below 2024 but still 8 percent above 2023 (figure 3). Total fiber product imports reached 20.4 billion pounds in 2025, compared with approximately 21.0 billion pounds in 2024. Meanwhile, textile and apparel exports decreased approximately 4 percent in 2025 to 2.2 billion pounds, compared with 2.3 billion in 2024.

Net product imports for the major fibers (cotton and synthetics) declined in calendar year 2025 while rising marginally for the combined total of linen, wool, and silk. Cotton’s share of net product imports advanced slightly in 2025 (at 41 percent) as net imports of synthetic fibers experienced a larger decrease. The share of synthetic textile and apparel products declined slightly (at 49 percent) but continued to account for the largest share in 2025. The combined linen, wool, and silk products contributed the remaining 10 percent of net imports in 2025. (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 2025.)

Figure 3

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

Billion pounds



Note: Raw-fiber-equivalent pounds.

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

International Outlook

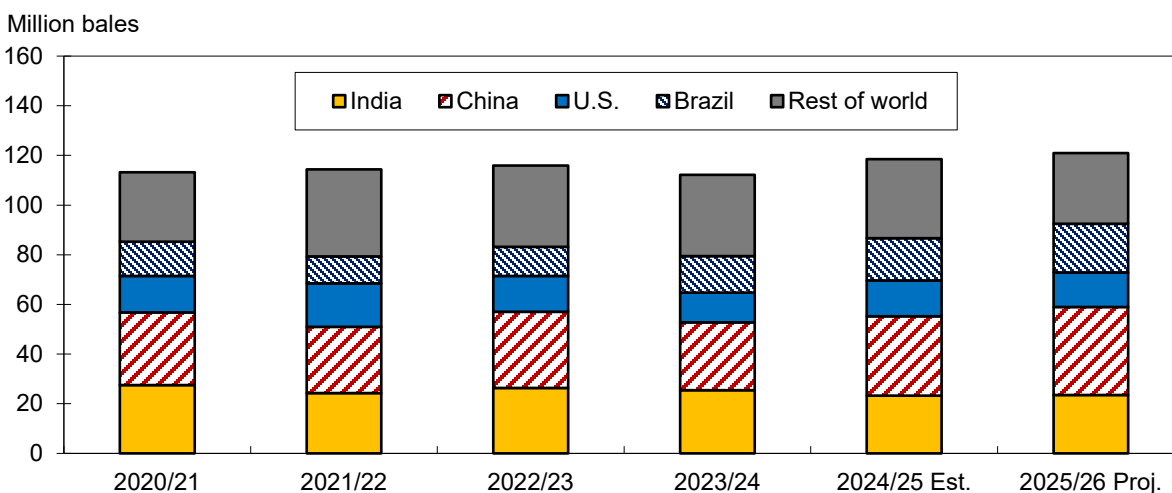
World Cotton Production Second Highest Since 2012/13

Global cotton production in 2025/26 is forecast at 121.0 million bales, 2.4 million above last season's estimate of 118.5 million bales (figure 4). A slight (2 percent) decline in global harvested area is expected to be more than offset by an increase in the global yield this season. The world cotton yield is projected to reach a new record, with the 2025/26 yield increasing 4 percent from last year's record to 893 kilograms (kg) per hectare (797 pounds per acre). Last season the global yield reached 859 kg per hectare (766 pounds per acre).

Cotton production from the major-producing countries is varied in 2025/26, as increases in China, Brazil, and India more than offset reductions for the United States and Australia, while Pakistan remains unchanged. Production in China—the leading global cotton producer in 2025/26—is forecast at 35.5 million bales, rising 11 percent (3.5 million bales) above 2024/25. Harvested area in China is estimated to increase 150,000 hectares to 3.05 million hectares in 2025/26. Yield is also estimated to increase 5 percent to a record high of 2,534 kg per hectare in 2025/26, surpassing last year's record of 2,402 kg per hectare. China's crop—grown mainly in the high-yielding Xinjiang region—is expected to account for 29 percent of global production this season, compared with 27 percent in 2024/25.

For India, 2025/26 cotton production is projected at 23.5 million bales, about 1 percent above last season's crop. A yield increase more than offset a slight decline in area harvested this season, boosting production by 300,000 bales. Harvested area in India is estimated to decline to 11.2 million hectares in 2025/26, while yield is forecast to increase 4 percent to 457 kg per hectare. India's cotton harvested area continued a downward trend and is the country's lowest since 2016/17, while the yield is forecast at its highest level in 6 years. India is forecast to account for approximately 19.5 percent of world cotton production in 2025/26, slightly below the previous year.

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 2025/26 cotton production is projected to remain unchanged from 2024/25, at 5.0 million bales, with a slight decline (2.5 percent) in harvested area offset by a similar increase in yield. Harvested area is forecast at 1.95 million hectares, the second lowest in nearly 50 years, while yield is forecast at 558 kg per hectare, slightly above the 5-year average. Pakistan is forecast to account for 4 percent of the global cotton crop in 2025/26, unchanged from last season.

In the Southern Hemisphere, cotton production prospects are mixed in 2025/26, with Australia forecast to decline due to reduced water availability while Brazil continues to experience year-over-year production gains. Brazil’s cotton production in 2025/26 is projected at a record for the third consecutive season. Cotton production in Brazil is estimated at 19.5 million bales—2.5 million bales above 2024/25—with increases in both harvested area and yield. Brazil’s 2025/26 yield is forecast at a record 1,957 kg per hectare, while area is forecast to increase 225,000 hectares (11 percent) from 2024/25. Brazil is expected to account for 16 percent of the world’s cotton production this season, compared with 14 percent in 2024/25. For Australia, cotton production is forecast to decrease 1.1 million bales in 2025/26 to 4.5 million bales, or about 4 percent of the world total. Area harvested is estimated 22 percent (130,000 hectares) lower this season, while yield is forecast to increase approximately 2.5 percent as dryland area is reduced.

World Cotton Mill Use Growth Flat in 2025/26

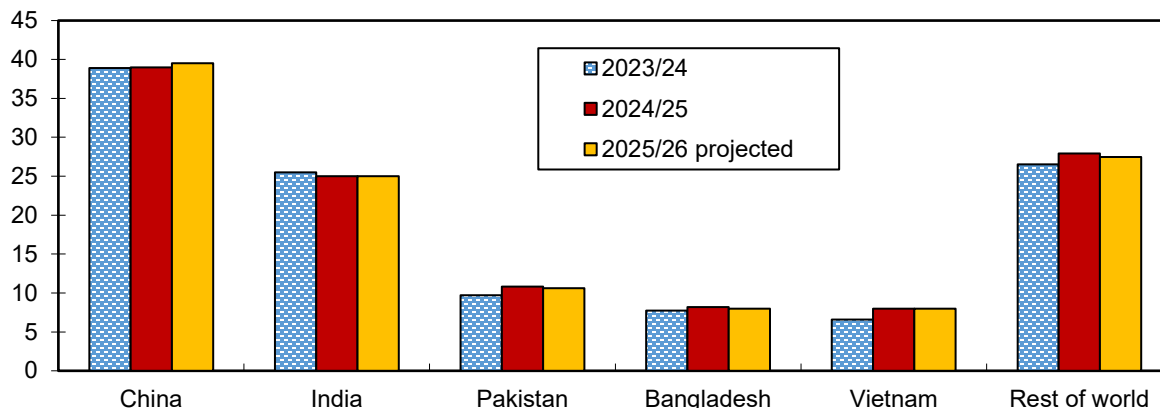
Global cotton mill use in 2025/26 is forecast to remain relatively flat compared with the previous year. Mill use in 2025/26 is forecast at 118.6 million bales, marginally below 2024/25. Although rising global economic growth has been projected for calendar years 2025 and 2026, 2025/26 cotton mill demand is forecast to decrease from the long-run (2005/06–2024/25) average rate of 0.7 percent as competition with synthetic fibers and changes in trade policy softened cotton mill demand. While this season’s world mill use is only projected to be approximately 350,000 bales lower, 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 2025/26, and the top five countries contributing more than 75 percent of the world total. In 2025/26, a modest increase is expected for China, a slight decline is projected for Pakistan, Bangladesh, and Turkey, while mill use in India and Vietnam remains unchanged from 2024/25 (figure 5).

Figure 5

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*

For China—the leading cotton spinner—2025/26 cotton mill use is expected to reach 39.5 million bales, 500,000 bales above last season and the highest usage in 5 years. China is projected to account for one-third of global cotton mill use this season. Cotton mill use in India is forecast to remain at 25.0 million bales, the average of the last 4 years but below the 2020/21 record of 26.0 million bales. India is expected to contribute 21 percent of the 2025/26 global total.

Cotton mill use is forecast to decrease slightly for Pakistan, Bangladesh, and Turkey in 2025/26. In Pakistan—the third-largest spinner of cotton—mill use is projected to decline 2 percent to 10.6 million bales this season. Despite an unchanged crop, reduced imports are projected and will limit available cotton supplies for the spinning industry in Pakistan in 2025/26. Similarly, mill use in Bangladesh is forecast to decrease 2 percent in 2025/26 to 8.0 million bales, 9 percent below the 2021/22 record of 8.8 million bales. Cotton mill use in Turkey is expected 4 percent lower in 2025/26 due to a reduced crop. Turkey's mill use this season is forecast 300,000 bales lower, at 6.8 million bales. In Vietnam, 2025/26 cotton mill use is forecast unchanged from last season's record of 8.0 million bales. Vietnam is tied for the fourth-largest spinner of cotton in 2025/26. Combined, these four countries are forecast to account for 28 percent of global cotton mill use in 2025/26.

Global Cotton Trade and Stocks To Increase in 2025/26

World cotton trade is projected to rise this season to 43.9 million bales, largely the result of increased import demand by India and China. In 2025/26, India's cotton imports are expected to reach a record 4.0 million bales—up 1 million bales from 2024/25—to help support the robust textile industry as area devoted to cotton has recently shifted to alternative crops. China is projected to import 5.6 million bales of raw cotton in 2025/26, 8 percent above 2024/25 but well below the 15 million bales imported in 2023/24, as the need to restock its national reserve inventories is limited and China's 2025/26 cotton crop is forecast at its highest level since 2008/09.

For 2025/26, Vietnam is projected to edge out Bangladesh as the leading cotton importer. Vietnam's imports are projected at 8.0 million bales, marginally above 2024/25 as its textile industry growth continues. Vietnam's imports are expected to account for 18 percent of the world total in 2025/26. Bangladesh is projected to import 7.9 million bales this season, 2 percent below 2024/25, accounting for 18 percent of global imports in 2025/26.

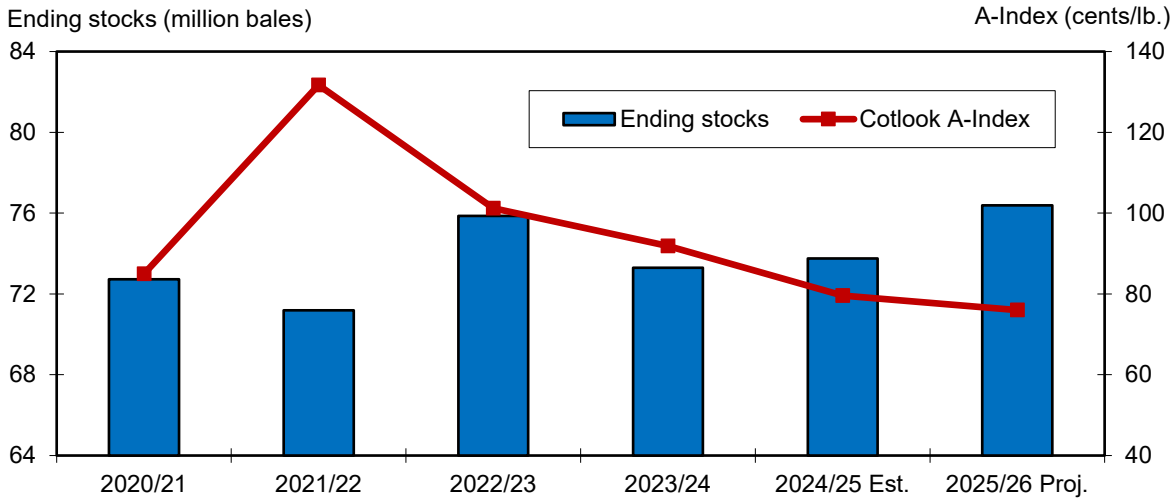
For the major suppliers—Brazil and the United States—cotton shipments are forecast to contribute 60 percent of the global cotton export forecast in 2025/26. For Brazil, exports are forecast at a new high of 14.5 million bales (+1.5 million) this season as a third consecutive record cotton crop is estimated for 2025/26. U.S. cotton exports are forecast at 12.0 million bales (+100,000 bales) in 2025/26, as competition from Brazil and Australia is expected to keep U.S. cotton exports relatively unchanged and similar to the previous 3-year average. Australia is forecast to export 5.7 million bales of cotton in 2025/26, 9 percent above the year before.

Based on the latest cotton supply and demand projections, world cotton stocks increased this month and are forecast approximately 3.5 percent higher in 2025/26 at 76.4 million bales, the highest total in 6 years (figure 6). For most of the major producing countries, 2025/26 ending stocks are forecast to increase, with stocks in Brazil, India, and the United States rising nearly 47 percent, 12 percent, and 10 percent, respectively.

Stocks in China are projected higher at approximately 36.4 million bales in 2025/26, compared with 34.8 million bales last season. At the end of 2025/26, China is projected to hold nearly 48

percent of the global cotton supplies. In India, ending stocks are forecast at 10.3 million bales (+1.1 million), or 13.5 percent of the 2025/26 global total. Cotton stocks in Brazil are forecast to rise 1.6 million bales in 2025/26 to 5.0 million bales, or 6.5 percent of the world total. U.S. stocks are expected to rise 400,000 bales to 4.4 million, accounting for nearly 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 2025/26 world cotton price (Cotlook A-Index) is projected to decline for the fourth consecutive season to average below 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.

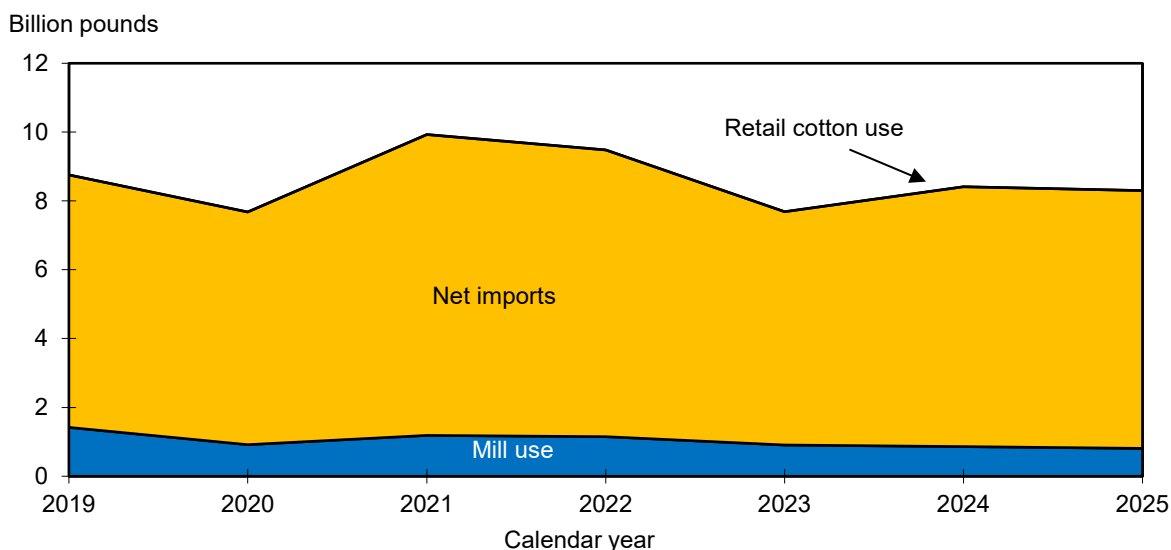
Highlight

U.S. Apparent Retail Cotton Use Marginally Lower in 2025

U.S. apparent retail cotton use (mill use plus net textile imports) declined 1 percent in calendar year 2025 after experiencing a 9-percent increase in 2024 (figure 7). Although 2025 U.S. consumer demand for cotton products remained relatively stable year over year, it was 8 percent above the recent lows of 2023 and the Coronavirus (COVID-19) pandemic-related decline of 2020, the lowest level in more than 25 years. Based on USDA, ERS textile trade data, retail cotton use in 2025 was estimated at 8.3 billion raw-fiber-equivalent pounds, or 17.3 million 480-pound bale equivalents, compared with the recent high of 9.9 billion pounds (20.7 million bale equivalents) in 2021.

In calendar year 2025, U.S. cotton textile and apparel product imports decreased about 1 percent to approximately 8.5 billion pounds and considerably below the 2021 level (10.2 billion pounds) and 2007's record of 10.4 billion pounds. Synthetic product imports also decreased in 2025, declining 5 percent to their lowest level since 2023. Meanwhile, U.S. cotton mill use in calendar year 2025 declined 6 percent to approximately 0.8 billion pounds. U.S. cotton product exports were 3 percent lower in 2025 at 1.0 billion pounds—the lowest mark in three decades. As with total U.S. apparent retail cotton use, the U.S. per capita estimate of cotton use slipped from slightly above 24.5 pounds in 2024 to marginally below in 2025. For calendar year 2026, the world growth projection of 3.3 percent is expected to match the 2025 estimate and help support global textile and apparel demand. However, the 2026 growth projection for the United States is less robust (2.4 percent), and as the largest importer of cotton products, U.S. retail cotton use—including textile and apparel trade—may only rebound slightly in 2026.

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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