ICAC

INTERNATIONAL COTTON ADVISORY COMMITTEE

OCTOBER 2025

WORLD COTTON TRADE

2024/25

World trade was 4% lower in the 2024/25 season at 9.4 million tonnes

VARIABLES

Tariff escalations, cotton lint consumption, regulatory and market pressures and complexity of the cotton value chain.

TRADE BY COUNTRY

Brazil remains the largest exporter and Bangladesh becomes the largest importer

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AUTHOR'S NOTE

The World Trade Report gives an insight into the world cotton line trading patterns and partners — how geopolitical and trade agreements change the trade trends, trade baskets and major partnerships. In August 2020, the ICAC launched its Data Dashboard, a one-stop stop for all cotton data needs. Since the Dashboard provides up to date information on cotton trade for all cotton trading countries, ICAC moved away from publishing Excel sheets in the trade reports. However, this report includes an analysis of variables that affected the cotton trade last season and those that have the potential to impact future trade.

The ICAC Secretariat is also undertaking data rectification work, during which we will perform data adjustments for all our reported regions and countries including ICAC's figures on trade. ICAC is the primary source for all our data on statistics. Therefore, ICAC figures are unique and may or may not perfectly match any other source. The figures are analyzed based on sources from the countries, and different sources may be used as reference points for different variables. We hope you enjoy reading this report and welcome comments and suggestions at Parkhi@icac.org.

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WORLD TRADE

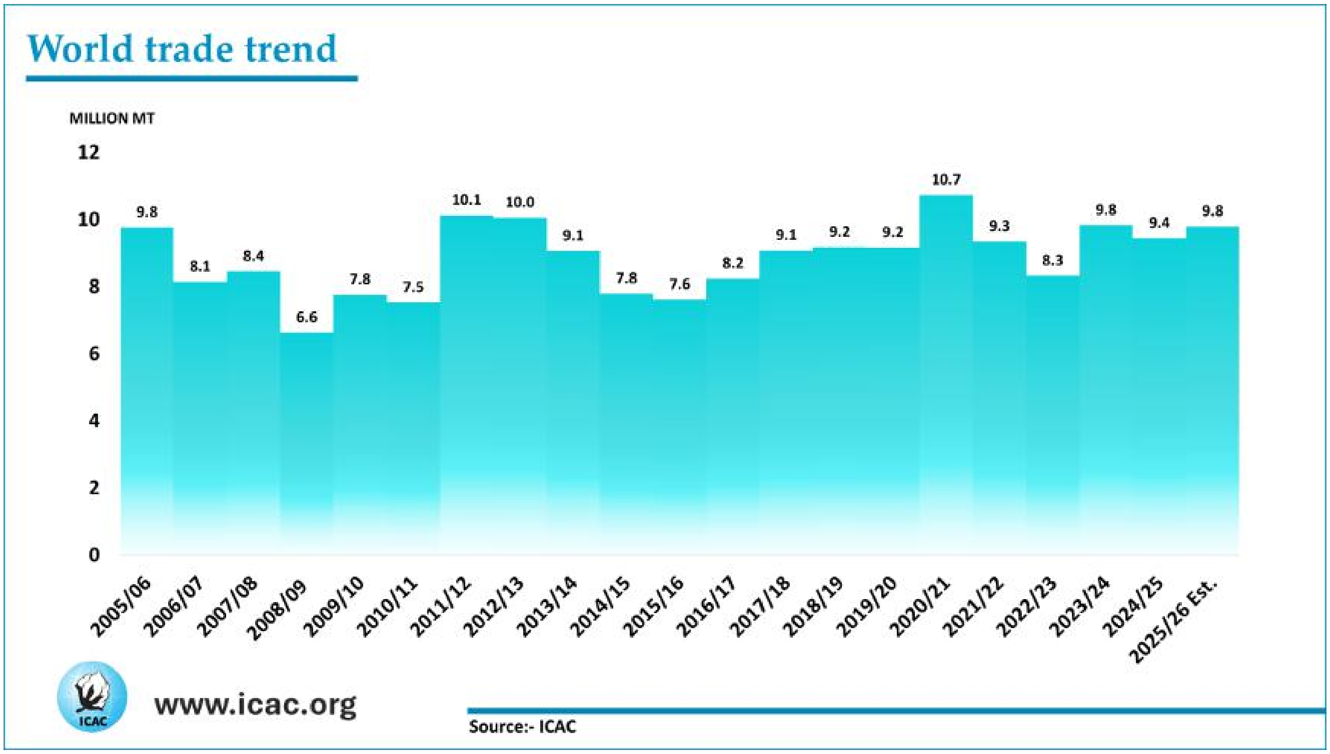
World trade was 4% lower in the 2024/25 season at 9.4 million tonnes mainly due to decreased import demand from China, which more than offsets any increase in imports from other regions. Tariff escalations also caused considerable changes in the trade forecasts and trade baskets for cotton lint in the current season, and we expect the impact in the coming months/seasons. Additionally, the cotton trade is facing supply chain issues due to its highly fragmented industry structure, in addition to factors such as ongoing security issues on the Suez Canal and logistics delays.

Trade is also a function of seasonality, which impacts the level of exports at specific times over the course of any given year. Two of the three largest producers of cotton in the world, Brazil and Australia, harvest their cotton crop in early April — for Australia it's March to June; for Brazil, it's June to August — therefore their production in one season is often reflected in their exports during the next season.

Declining cotton lint consumption is also negatively impacting the lint trade. Cotton consumption has been under pressure for several years, facing heavy competition from cheaply available and widely produced manmade fibers.

Adding to this equation, the cotton industry is also facing regulatory and market pressures to provide full traceability, sustainability, and compliance with labor regulations, among other things. Considering the complexity of the cotton value chain, the implementation of all these policy changes will be difficult and likely will add costs and audit fatigue to the value chain.

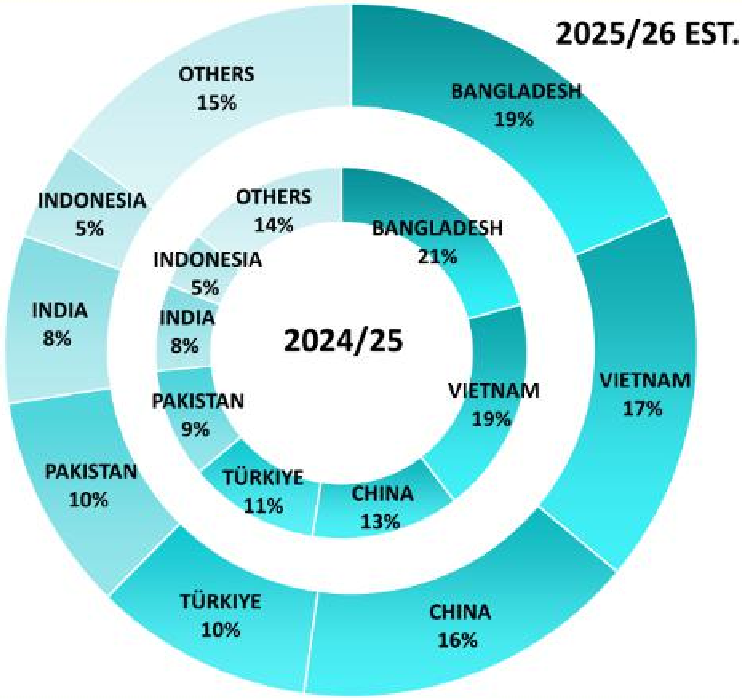
Leading exporters of cotton lint are projected to remain the same in 2025/26, with slight changes in their world market share. Brazil is projected to remain the largest exporter of cotton lint with approximately 3 million tonnes of projected exports, comprising 31% of total world exports. Brazil will be followed by USA, Australia, West Africa region, Türkiye, India, and EU. Exports are highly correlated with production, so any downward projected changes in production will cause exports to change.



In terms of imports, Bangladesh has replaced China as the largest importer of cotton in the 2024/25 season estimates and is projected to remain in the same position for the 2025/26 season. The main reason is the slowdown in imports from China and increase in demand of cotton from outside of China. Bangladesh, Vietnam, and Pakistan all may increase their imports of US cotton to balance their trade deficit with the United States. Additionally, poor and limited cotton lint production in these countries fuel their demand for cotton from the international market.

As of October 2025, ICAC estimates that trade will improve in the 2025/26 season by 4% to increase 9.8 million tonnes with the positive expectation of improved consumption and imports from China and new trade deals that are positive for cotton lint trade.

Leading cotton lint importers



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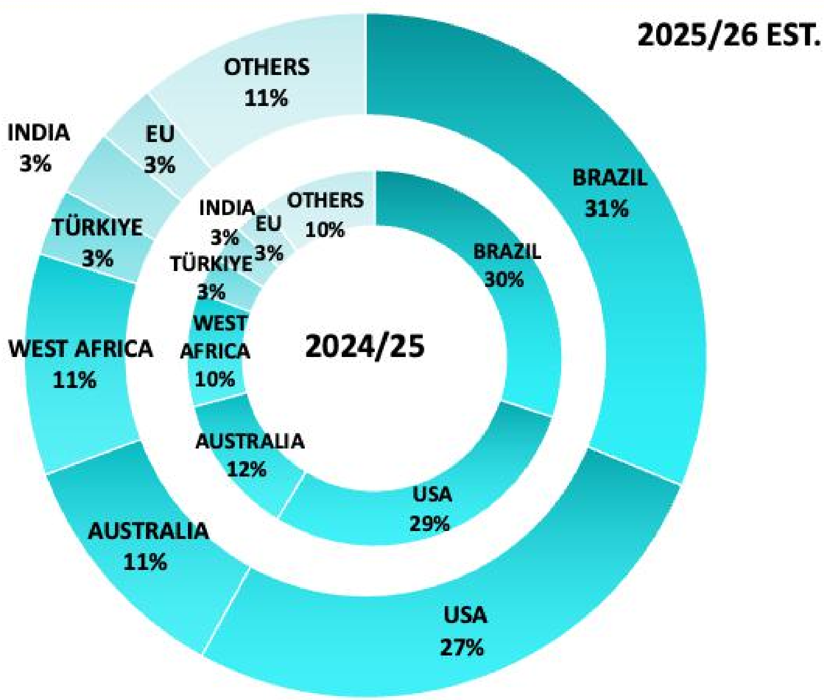
Source:- ICAC

Leading cotton lint exporters



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Source:- ICAC

LEADING EXPORTERS

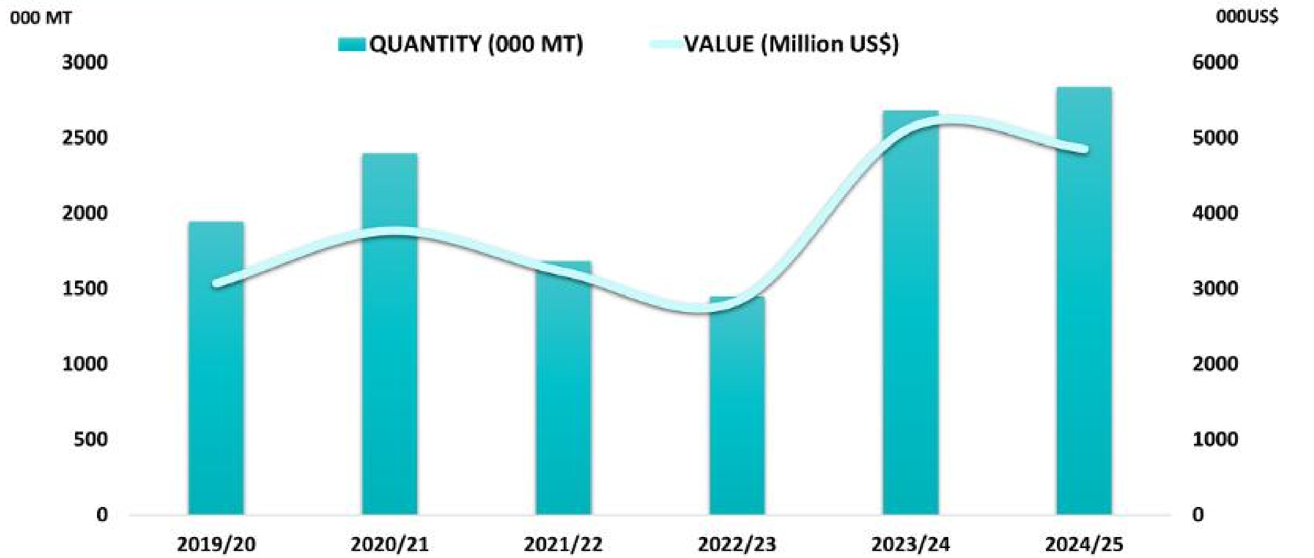
BRAZIL

Brazil remained the largest exporter of cotton lint, with 6% higher exports in the 2024/25 season. Major reasons for the extraordinary increase in Brazil's exports include the rapid expansion in its production to record levels in the 2024/25 season, increased market access in consuming countries by hosting multiple workshops and entering into MOUs and trade agreements with trading partners. These developments unfolded as smaller US crop size and tariff escalations in the same season reduced US cotton supply to consuming countries. Another factor that worked in Brazil's favor was its comparative advantage in terms of price; a weaker domestic currency made its exports cheaper in the international market.

In terms of exports by country, Vietnam was the largest export destination for Brazilian cotton replacing China, as China slowed down its levels of cotton lint imports in the same season. Currently, it is projected that Brazil will continue to increase its cotton lint exports next season, approximately by 7%, to reach 3 million tonnes. The only scenarios that may affect Brazil's exports next season are a reduction in global cotton demand, primarily from Vietnam, Pakistan, and China. There is also the possibility of increased competition from the United States if its crop is large.

Brazil production is projected to increase because of the expansion of area under cotton. In 2024/25, The yields were slightly lower or not as high as last season because of climatic conditions. At the beginning of the season, Bahia faced irregular rainfall due to El Niño and the weather in Matto Grosso was hot and dry. Both the conditions affected yields however it still recorded a higher production than last year. For 2025/26, the area under cotton is projected to increase by 11% and we project an increase in production by 7% and exports by 7%.

Brazil exports trend



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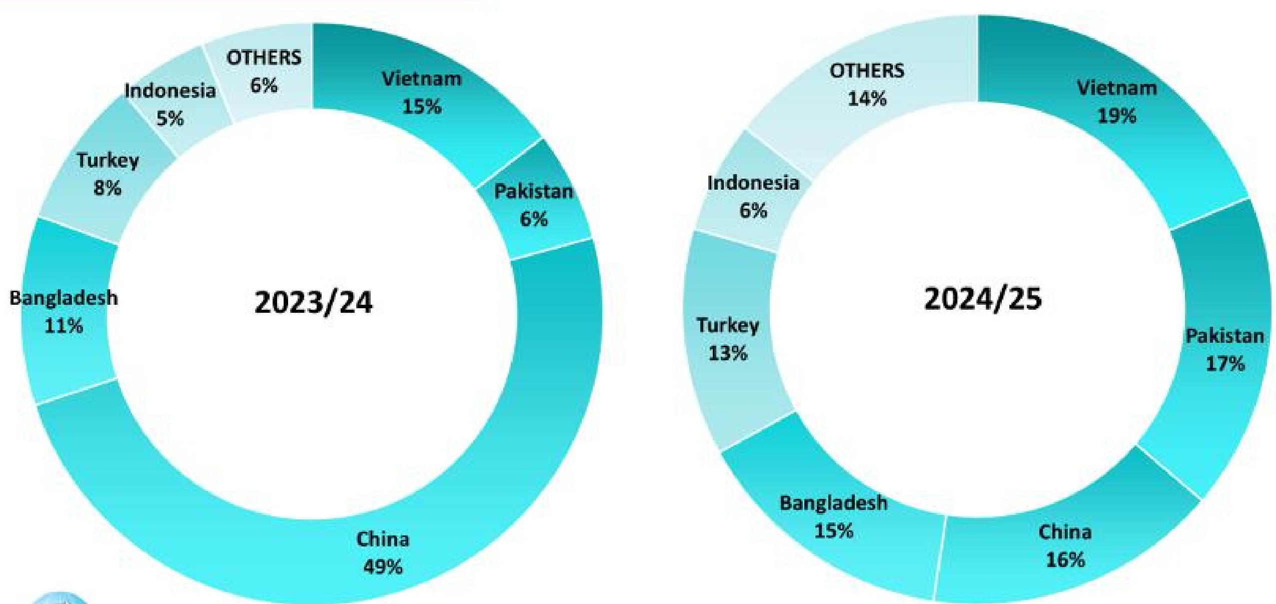
Source:- ICAC

Brazil exports by partners



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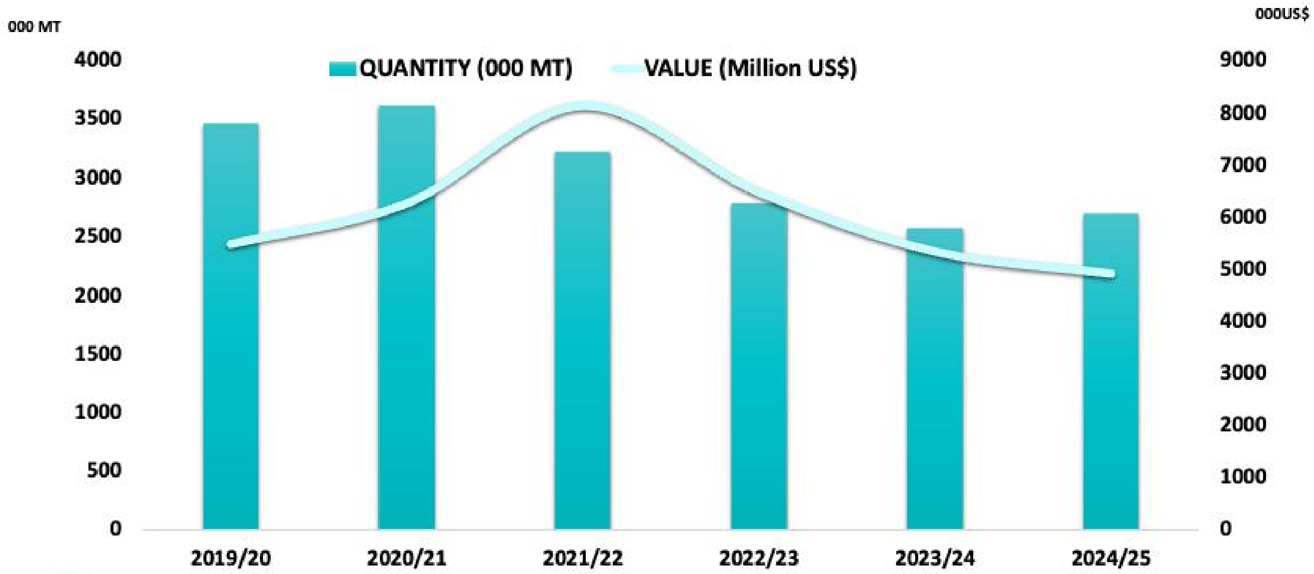
USA

U.S. exports for the 2024/25 season were 5% higher than the previous season at 2.7 million tonnes. The United States has been experiencing fluctuating production in the last few seasons, however, the US production increased in the 2024/25 season after falling consequently for two consecutive seasons in 2022/23 and 2023/24 due to extreme weather conditions.

The U.S. primarily produces cotton for export, and in 2023/24 extreme weather conditions reduced production by 17%, directly impacting its trade. As a result of low production, in the same season, for the first time, the U.S. was replaced by Brazil as the world's largest cotton lint exporter which remains the same in this season. (The last time any country exported more than the United States was in 1992/93 when Uzbekistan was the largest exporter). As it faces a weather-related shortfall, the U.S. is also facing intensifying competition from other leading exporters like Brazil and Australia. The comparatively high value of the U.S. dollar also makes its exports more expensive in the international market.

China accounted for 39% of US total cotton lint exports in the 2023/24 season, which then plummeted to 6% in 2024/25 due to ongoing trade issues between the United States and China and overall reduction in China's import levels. The USA has moved away from China and is exporting more cotton to Vietnam, Pakistan, Türkiye and India. These numbers could shift again if the USA gives a tariff or tax preference to products that primarily use US-sourced raw materials. A shift of this nature could move countries that export to the USA to buy more US cotton and document this by through robust traceability practices.

USA exports trend



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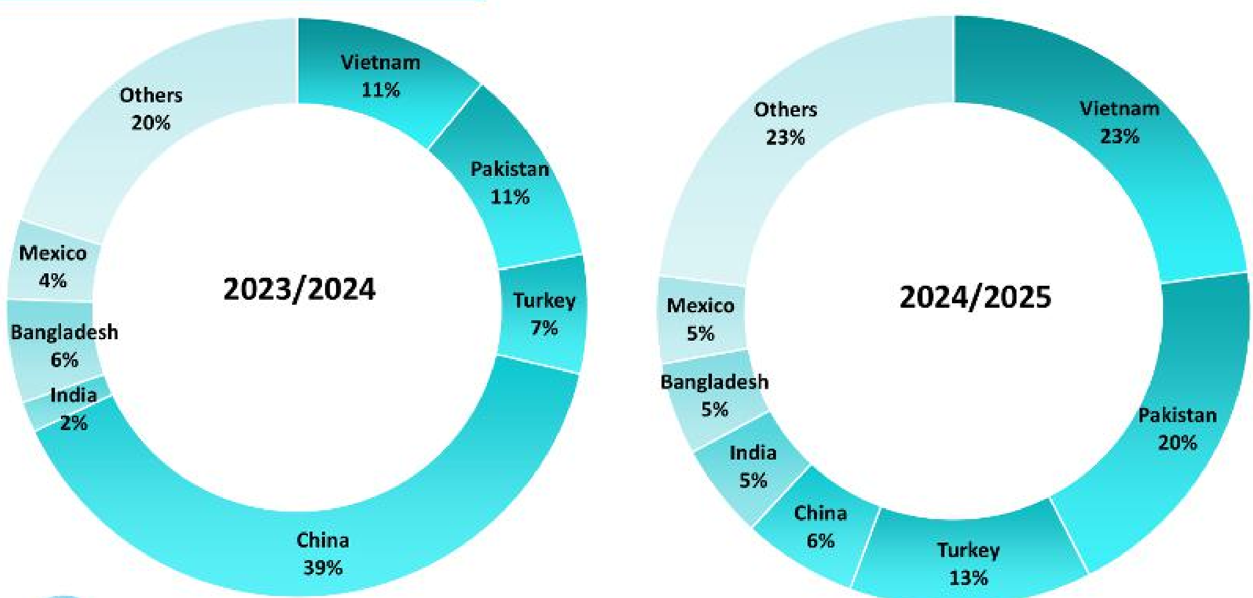
Source:- ICAC

USA exports by partners



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Source:- ICAC

US and Vietnam

On July 2, 2025, a trade deal between the United States and Vietnam was announced, allowing duty free access to all US goods exported to Vietnam (including cotton lint) with US imposing a 20% on all imports from Vietnam. These developments are likely to boost US cotton lint exports to Vietnam. To strengthen their ties, in August 2025, a delegation from Vietnam including fourteen textile mill executives toured the US Cotton Belt during a weeklong COTTON USA™ Special Trade Mission. Vietnam is likely to cut tariffs and import more cotton from the USA.

The two countries already had an established bilateral trade agreement, known as the U.S. Vietnam Bilateral Trade Agreement (BTA), which is a comprehensive document covering:

·Trade in goods,
·Protection of intellectual property rights,
·Trade in services,
·Investment protection, and
·Business facilitation and transparency.

US and Others

Pakistan

Cotton USA™ Leadership Forums also organized in August, 2025, a meeting between United States and Pakistan's cotton and textiles leaders on global cotton supply chain issues. The U.S. trades with Pakistan under the Most Favored Nation (MFN) clause and enjoys duty-free and quota-free access. Falling production and increasing consumption demand from Pakistan in the last few seasons have made Pakistan the leading cotton lint importer in the world.

Uzbekistan and the EU

Although not in the top 10, Uzbekistan and the EU may also import cotton from the US. This expectation is based on the fruitful US and EU trade announcement, and Uzbekistan's ongoing negotiations with the USA, regarding supply of cotton and qualifying it under the GSM-102 program, which allows importing countries to purchase US agricultural products with improved credit terms because of a guarantee of bank payments by the US Department of Agriculture.

US and China
Shifts in trade baskets with tariff escalations in cotton lint trade

USA and China are two of the world's largest traders of cotton lint. For many seasons, they were the world's largest exporter (US) and importer (China). This season they are both the second-largest exporter (US) and importer (China). Any changes in trade policies between these two countries could have ripple effects all over the cotton lint trade.

On March 3, 2025, the US government increased their previous tariff from 10% to 20% on all products from China. The following day, China imposed a retaliatory 15% tariff on US cotton lint exports, which will likely result in a 16% tariff for the in-quota cotton lint export to China. China allows 894,000 tonnes of cotton imports at 1% tariff under the tariff rate quota (TRQ), while all other cotton imports are under the non-TRQ of 40%. This means that the new non-TRQ tariff rate on US cotton exports will be 55%.

The US and China Phase One Economic and Trade Agreement: Did US exports to China[1] increase?

We are experiencing *deja vu* in the US and China cotton lint trade. In 2018 and 2019, we saw tariffs and retaliatory tariffs being imposed by both countries. In January 2020, the two countries signed the US and China Phase One Economic and Trade Agreement.

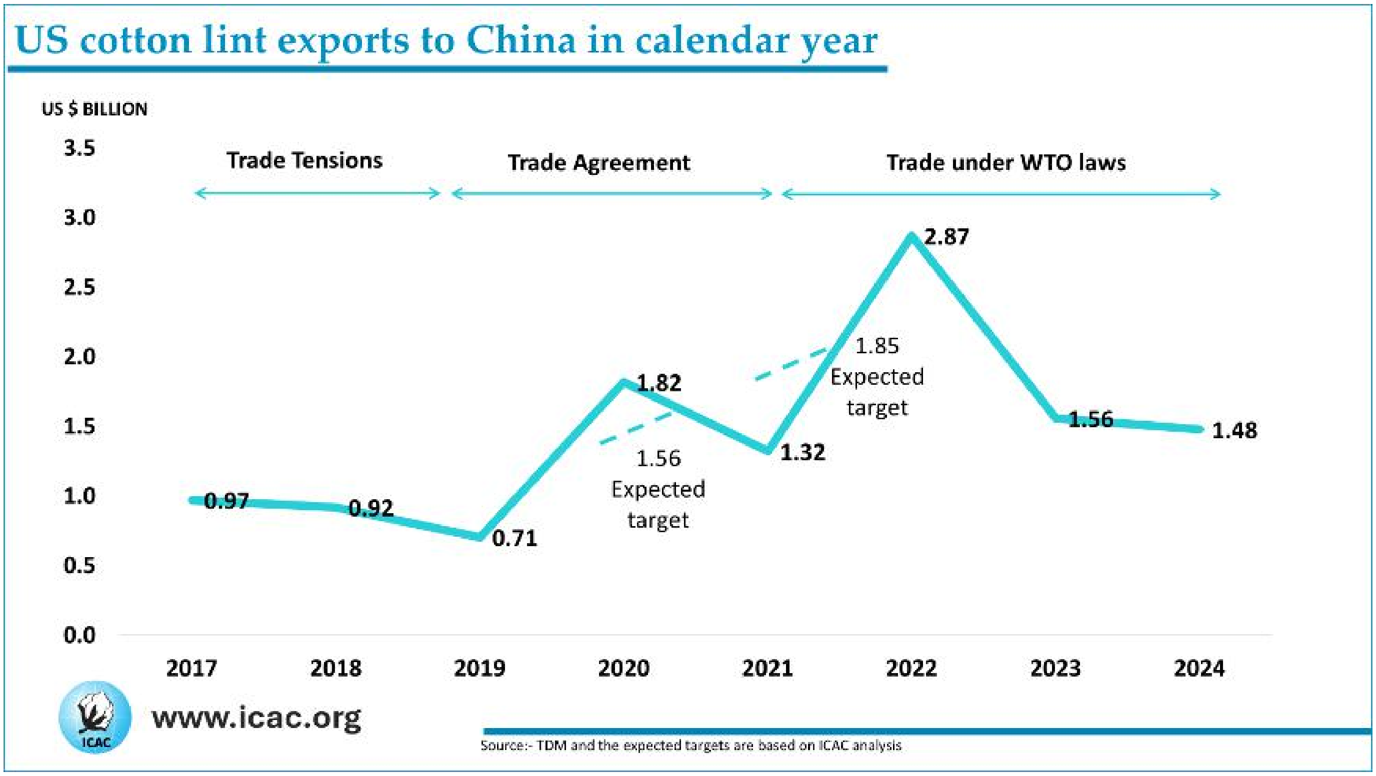
1 Please note all analysis in this section has been made on calendar year and not cotton season because the terms of trade under the US and China phase one economic and trade agreement were based on calendar year and not on cotton season. The base line year of 2017 is the calendar year.

To expand agriculture trade between the two countries, the Agreement specifies that for agricultural goods (identified in Annex 6.1 of the Agreement), no less than $12.5 billion above the corresponding 2017 baseline amount is to be purchased and imported into China from the USA in 2020; this value for 2021 was $19.5 billion. Individual levels from each agriculture commodity were unknown, therefore, for this article, we have made assumptions for analyzing the impact on cotton trade individually.

In 2017 agriculture exports of covered commodities from US to China was around $20.9 billion[2]— about 1.6 times more than 2017 levels. In 2021, it was about 1.9 times more than the 2017 levels.

2 As calculated by the PPIE https://www.piie.com/research/piie-charts/us-china-phase-one-tracker-chinas-purchases-us-goodS

Assuming that cotton exports would increase at the same levels, in 2017, US cotton exports to China were at $0.97 billion, which implies that for 2020, the target level should be $1.56 billion (1.6 times more than 2017) and for 2021, the target level should be $1.85 billion (1.9 times more than 2017). The actual levels of US cotton exports to China were $1.82 billion in 2020 and $1.32 billion in 2021, indicating that US exports to China did not only increase because of the Phase One agreement, but also met its target by 100% in 2020 and met 71% of its target in 2021.



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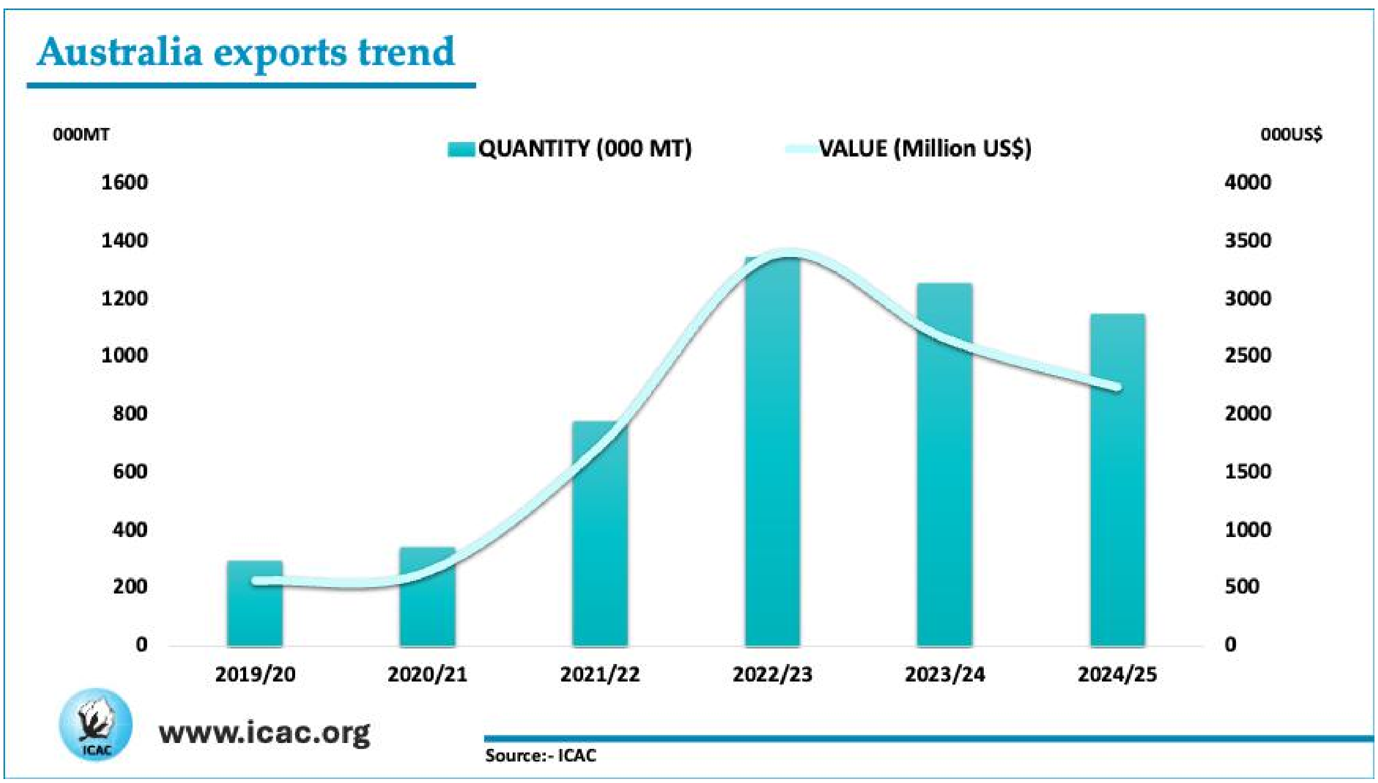
AUSTRALIA

Australia's cotton production is primarily exported. In the 2024/25 season, Australia's exports were slightly lower at 1.1 million tonnes. Its comparative advantage in price and close geographical proximity to the consuming countries provides easy market access for its exports. In terms of partners, Australia exported most of its cotton to China, Vietnam, India, Bangladesh, and Indonesia.

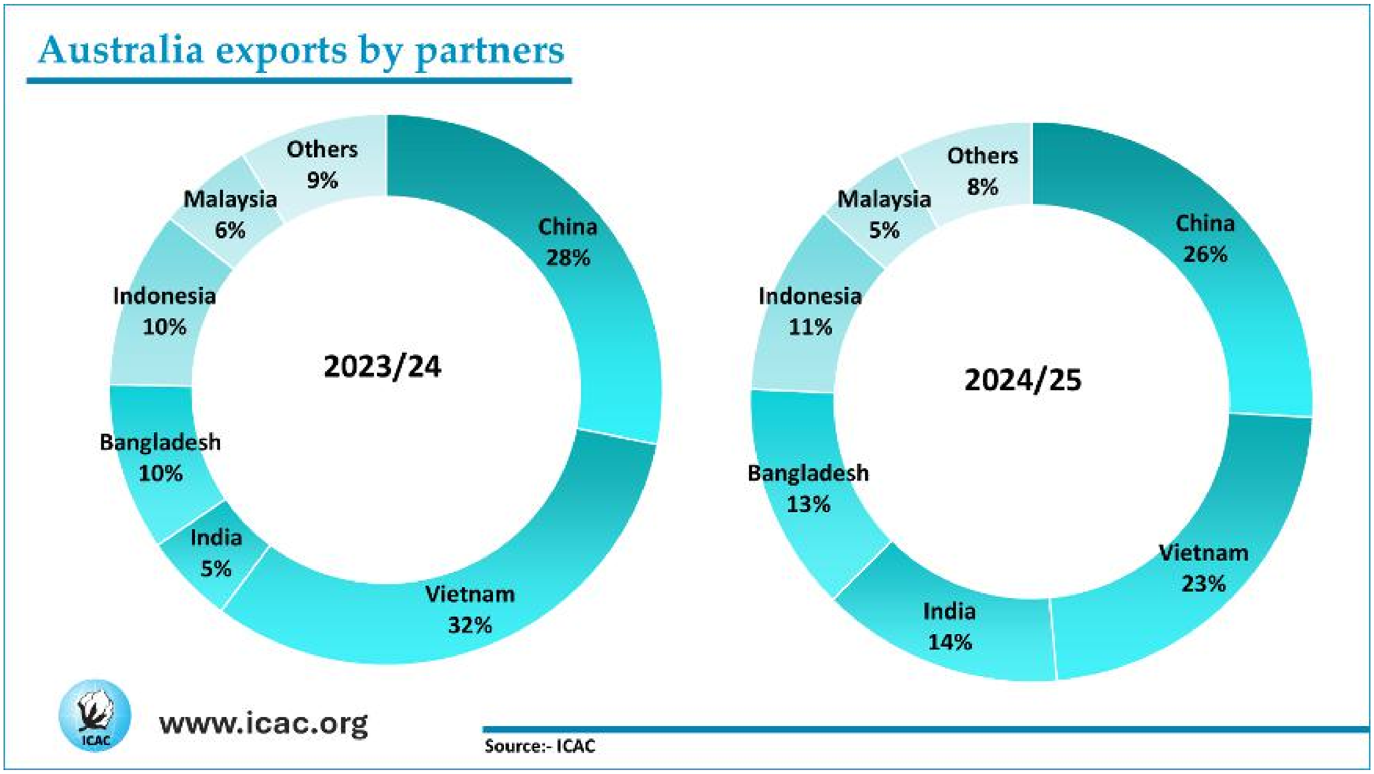


Australia and China

The largest export destination for Australia was China. Australia and China trade relations have seen some tumultuous periods. In 2019/20, more than 60% of Australia's total exports went to China; however, this changed in the following two seasons, amounting to only 2% of Australia's total share in the 2021/22 season. Although no legal restrictions were imposed on the cotton trade between these countries, this may have been influenced by China's reaction to Australia's call for an international inquiry into China's handling of the coronavirus outbreak. Another reason, stated by China, was the availability of quality cotton domestically. However, after three seasons of negligible trade with China, in the 2022/23 season, Australia again started trading with China. In the 2022/23 season, Australian exports to China increased by 531%, comprising 8% of Australia's total cotton lint exports in the 2022/23 season.

Australia and Vietnam

Vietnam slipped to become the second-largest export destination for Australia. Although the exports to Vietnam were lower than the previous season, and the export basket was slightly diverted away from Vietnam and towards China. Australia and Vietnam's trade is governed by three Free Trade Agreements: ASEAN Australia and New Zealand Free Trade Agreement, signed in 2010; the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, signed in 2019; and the Regional Comprehensive Economic Partnership, signed in 2022.



WEST AFRICA

West Africa's cotton lint exports have shown healthy growth in the last decade, averaging about a million tonnes and reaching their highest levels ever in the 2021/22 season at 1.3 million tonnes. West Africa has very little consumption capacity and therefore mainly produces cotton lint for export. This means that production and exports are highly correlated. The region is also working on expanding its consumption capacities through downstream investments in the textile sector.

The West Africa region's exports in the 2024/25 season were 11% lower than the previous season due to fall in production. West Africa region faced multiple pest infestations that negatively impacted the levels of production, reducing the exports from the region. Amongst this region, the exports were led by Benin followed by Mali, and Cameroon. It is projected that the region will experience a 10% increase in exports in the next season.

LEADING IMPORTERS

BANGLADESH

Bangladesh is currently the world's largest importer in the 2024/25 season at 1.8 million tonnes, 17% higher than the previous season. Bangladesh has very limited production and relies heavily on the imports to meet its mill use demand. In terms of partners, in 2024/25 season, Bangladesh imported most of its cotton from Brazil, India, Australia, and US in that order.

Bangladesh and Brazil

In recent years, Brazil has emerged as one of the leading trade partners for Bangladesh, ensuring a regular supply of quality cotton and rapidly expanding market access into Bangladesh. To cement their partnership, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the Brazilian Trade and Investment Promotion Agency (Apex-Brasil) signed a memorandum of understanding in February 2023.

Bangladesh and India

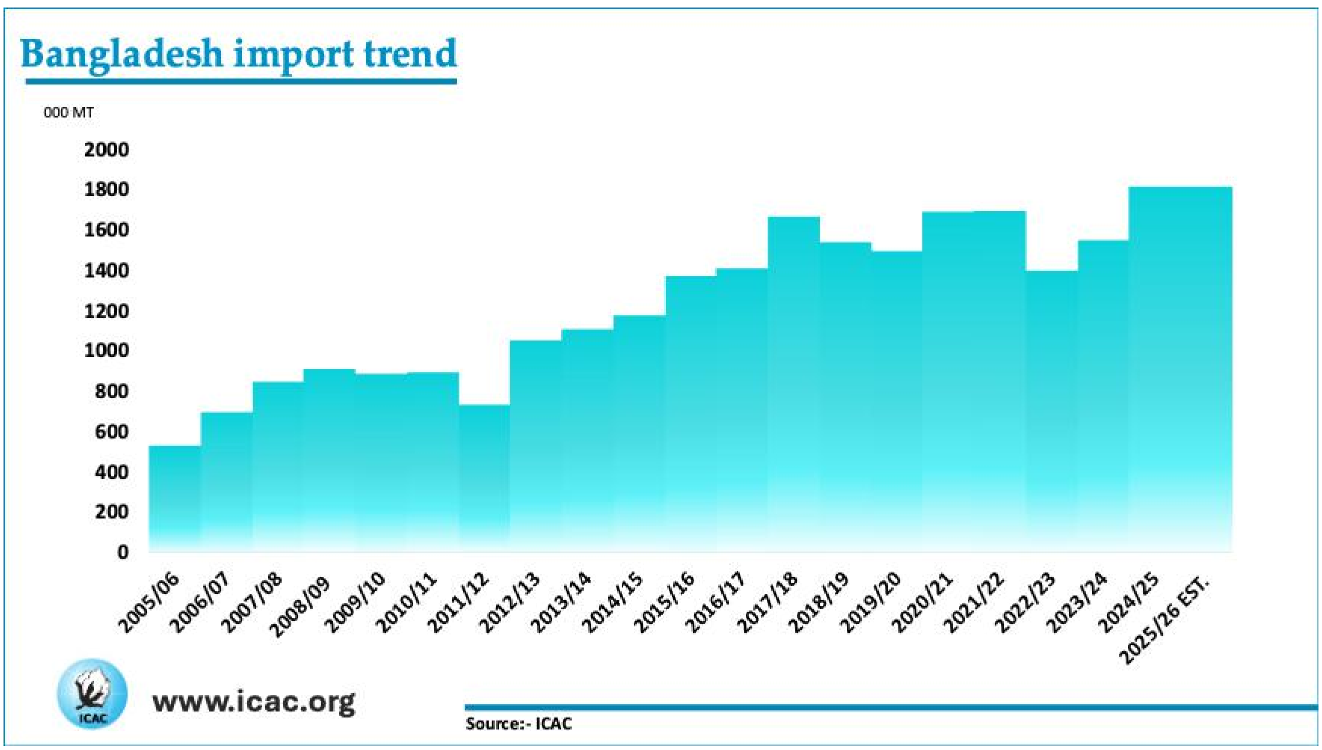
In terms of trade partners, until recent seasons, its biggest trade partner was India, comprising approximately 32% of Bangladesh's total import basket, two seasons ago. India and Bangladesh have been trading partners for a very long time, gaining from their geographical proximity, shorter delivery times, and easily available Indian cotton, all making sourcing cotton easier from India.

Bangladesh and USA

Bangladesh is also under negotiations with the USA to allow US cotton duty-free access to mitigate effects of tariffs imposed against it. Bangladesh is also finalizing a dedicated bonded warehouse facility to be used for US cotton imports.

Bangladesh is estimated to increase its consumption of US cotton lint, per the announcement in a press conference by the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). BGMEA announced that using US cotton lint as the raw material in final textile products would be granted an additional 20% tariff exemption in exports to the United States, which is what the BGMEA will be aiming for. They mentioned that about 75% of their US exports are cotton based apparel. Bangladesh has already started the process of using US raw materials to get tariff waivers.

The US had initially imposed a tariff of 37% on Bangladesh, which was later lowered to 35% and then to 20%. Bangladesh accounted for about 5% of total US cotton lint exports in the 2024/25 season (approx.). In May 2023, Bangladesh lifted its 50-year-old fumigation requirement for U.S. cotton lint imports at the port of entry. The requirement was set in place to protect locally grown cotton from possible boll weevil infestation. Eventually, this practice was deemed unnecessary because of mitigation measures taken by the US prior to export to eliminate any presence of the pest in larval or adult form. This gives US cotton exporters an opportunity to expand market share into Bangladesh.



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VIETNAM

Vietnam recorded a 12% increase in imports in the 2024/25 season, primarily to meet the increase in its domestic demand for cotton. Vietnam entirely depends on foreign cotton to meet its mill use. Vietnam has been consistently increasing its imports and cotton consumption capacity, establishing itself as one of the leading cotton importers in the world, accounting for about 17% of total world imports.

Vietnam and US

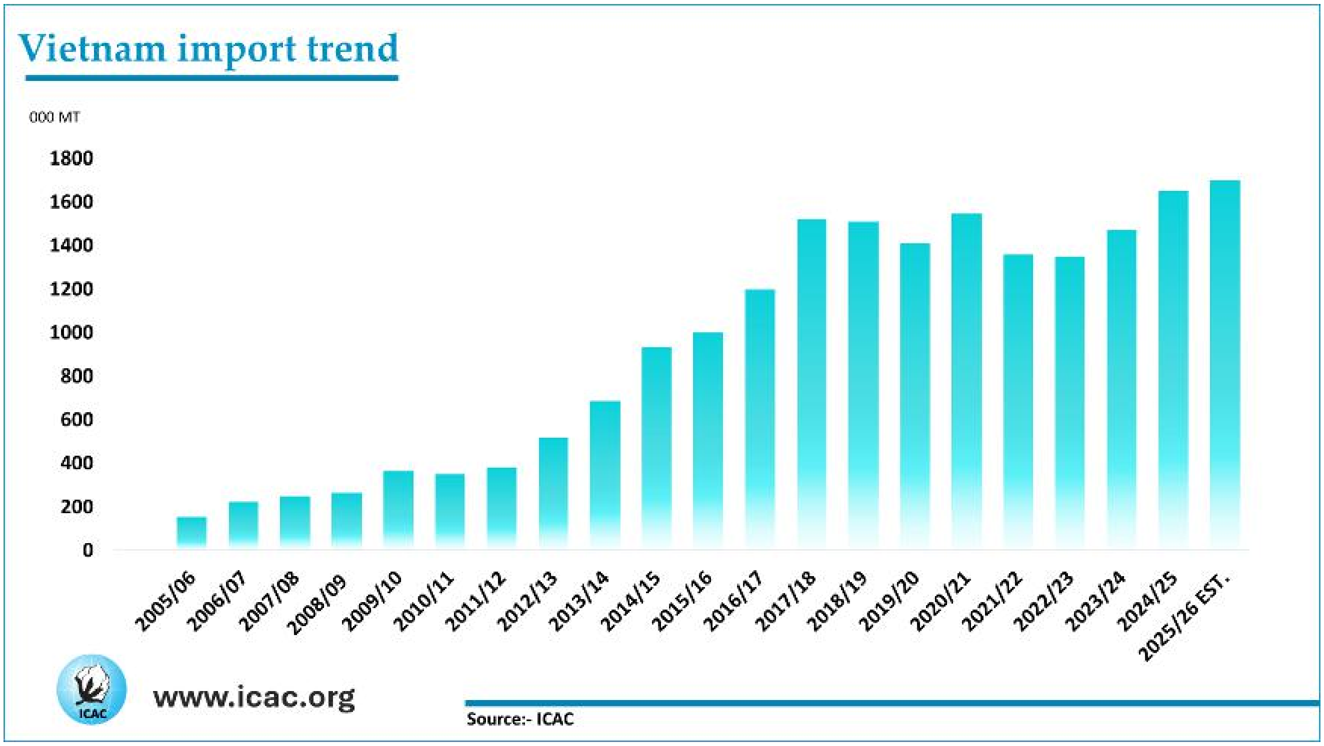
Vietnam in the 2024/25 season imported most of its cotton from US. More on their trade is already covered under US section.

Vietnam and Brazil

In the last few years, Brazil has rapidly expanded its market access into Vietnam, becoming the second largest trade partner of Vietnam in the 2024/25 season. According to reports, Vietnam and Brazil are also working on a bilateral trade deal that may positively impact the cotton trade between them.

Vietnam and Australia

Gaining from Australia's geographical proximity and comparatively cheap prices of Australian cotton. The Australian dollar remained weaker than the US dollar in the previous season, giving Australia export competitiveness over other competitors. The trade between Australia and Vietnam gained momentum after the cotton trade between China and Australia slowed down in 2020. Vietnam has three FTAs with Australia.



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CHINA

In 2024/25, China's imports fell by 65% to reach 1.1 million tonnes, lowest in the last 8 seasons, due to its existing reserves of cotton, domestic supply, and heavy use of manmade fibers. In the same season, China had a bumper crop, and its production was 12% higher than the previous season, while the area under cotton remained unchanged the increase in production was due to exceptional increase in yields. China witnessed yields of about 2,211 kg/ha the highest levels ever observed. This happened mainly because no major adverse weather events affected cotton planting, maturation, or harvest.

For 2025/26, we currently hold production for China very close to the current season and expect that imports will be revised upwards to meet consumption demand and restock the reserves. China also remains the world's largest consumer of cotton, at about 8.3 million tonnes in 2024/25. In terms of stock reserves, more than half of world cotton lint stocks remains with China.

China and Brazil

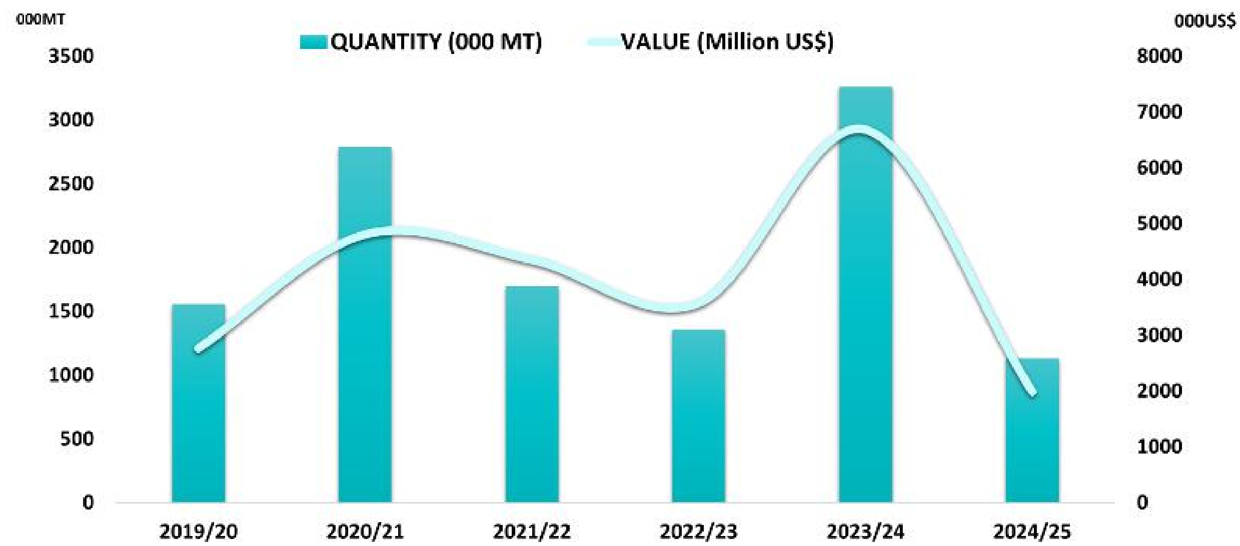
In terms of imports by country, last season Brazil replaced the USA to become China's largest trading partner and maintained its position this year. Brazil became a major beneficiary of the tariff escalation between the USA and China and was able to increase exports to China sharply in the 2018/19 and 2019/20 seasons. In the following season, the US-China trade deal came into force that slowed this increase. As a result, in the 2020/21 season, Brazil maintained its share of about 30%.

To deepen their ties, the China National Cotton Exchange (CNCE) and the Brazilian Association of Cotton Producers (ABRAPA) signed a formal MOU in June 2021. Brazil and China also signed 15 bilateral agreements in April 2023, including trade in agriculture, that are expected to have a positive impact on the cotton trade between the two countries.

China and Australia

Imports from Australia have also been improving, making it China's second-largest importing destination. Close geographical proximity to China can also further aid their trade in cotton.

China import trend



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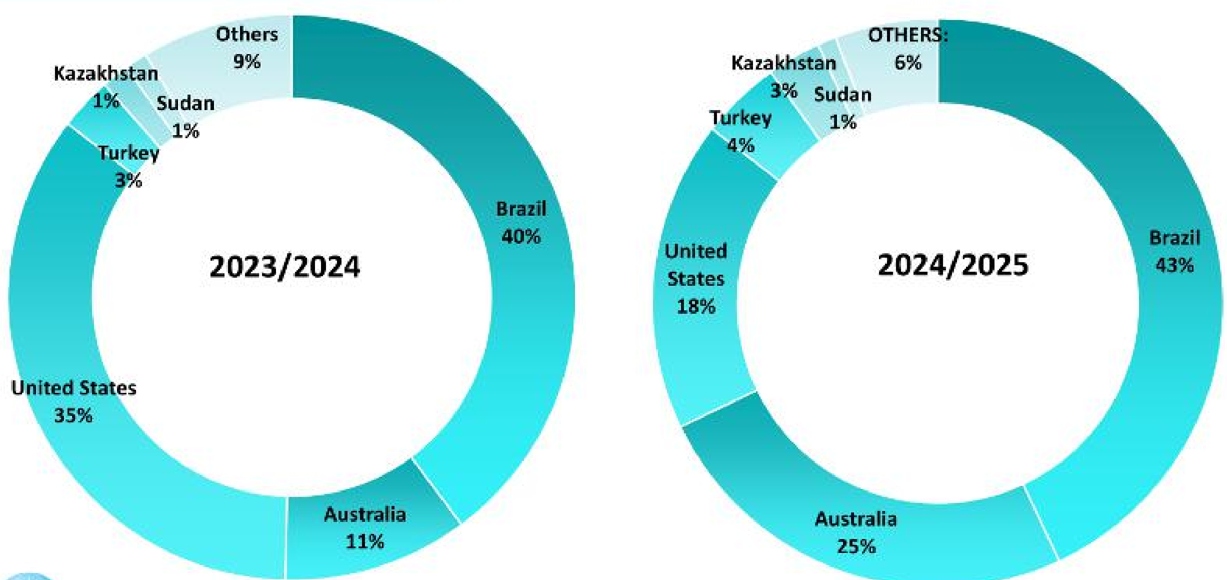
Source:- ICAC

China imports by partners



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OTHER EMERGING IMPORTERS

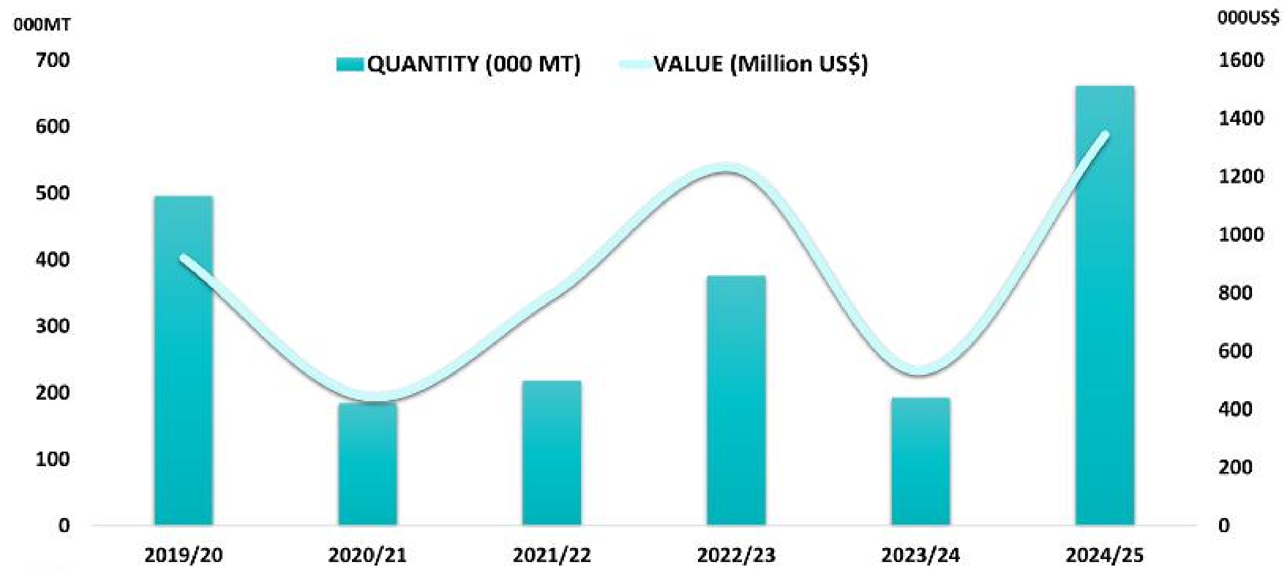
INDIA

India’s cotton lint imports increased by 243% in the 2024/25 (est) season compared to 2023/24, a jump of almost 3.3 times. Adding to this major boost in imports and consumption, the government’s Central Board of Indirect Taxes and Customs (CBIC) announced exemptions of all expected duties (currently 11%) for all imports under heading 5201 — which covers raw cotton — between August 19 and December 2025, a move that will increase access to the Indian cotton market and boost cotton lint imports. In February 2024, the Indian government also removed the import duty on cotton that exceeds the length of 32 mm

In the 2024/25 season (est.), India imported most of its cotton from Australia, Brazil, and the United States, together comprising about 60% of the country’s total cotton lint imports. In recent years, India has been expanding its consumption capacity and cotton lint imports and is reportedly negotiating with the USA to potentially increase US cotton lint imports.

India is also a major market for ELS and LS cotton production, consumption and trade. Total production of ELS and LS cotton in India in the 2024/25 season was about 110,000 tonnes, highest in the world and 10% higher than the previous season, comprising 0.4% of total world cotton production. Production is projected to remain the same in the next season.

India import trend



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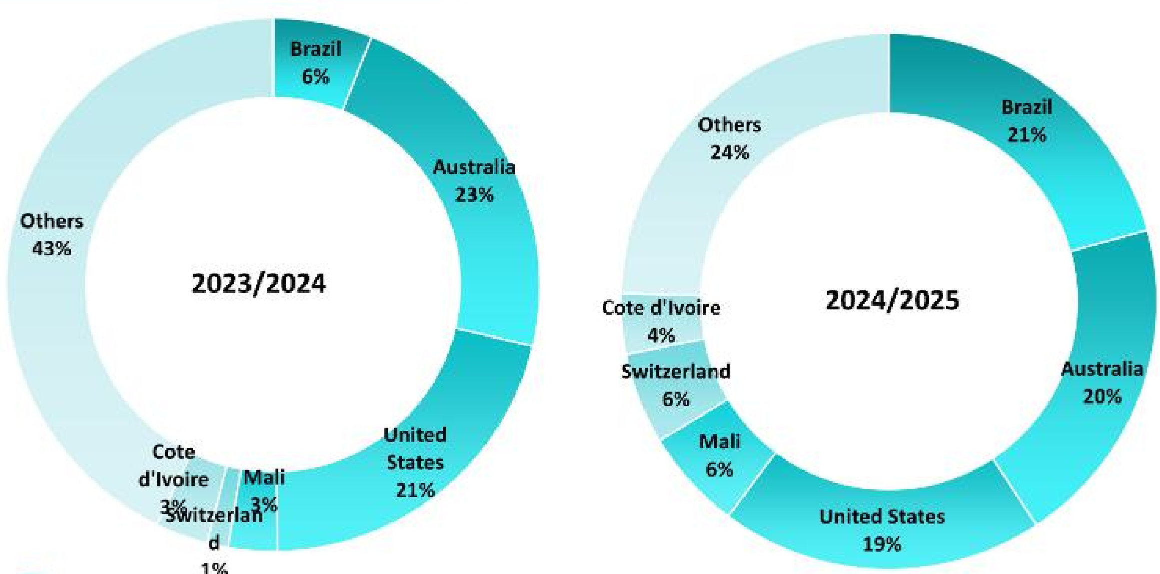
Source:- ICAC

India imports by partners



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Source:- ICAC

EGYPT

Egypt's imports in the 2024/25 season were 69% higher than the previous season and one of the highest levels reached in the past 15 seasons at 160,000 tonnes. Egypt is expanding its domestic cotton consumption capacity and has invested roughly $1.1 billion in developing and modernizing its spinning and weaving hub in al-Mahala al-Kobra. In terms of trading partners, Egypt imported most of its cotton from Brazil, Sudan, and Turkey.

INDONESIA

Indonesia imports were slightly lower than the previous at 430,000 tonnes; however, it is expected to not retaliate against the tariffs imposed on it by the USA, instead considering an increase in US cotton lint imports to help revise the trade imbalance. The country is also considering a tax cut for US goods. In the 2024/25 season, Indonesia imported the largest imports from Brazil followed by US and Australia.

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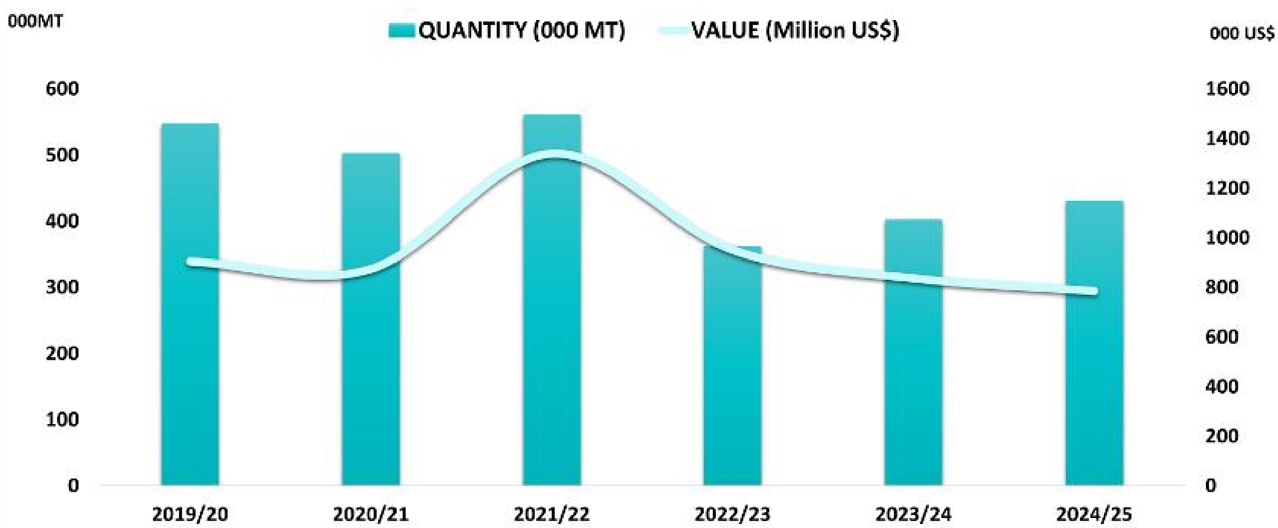
Indonesia import trend



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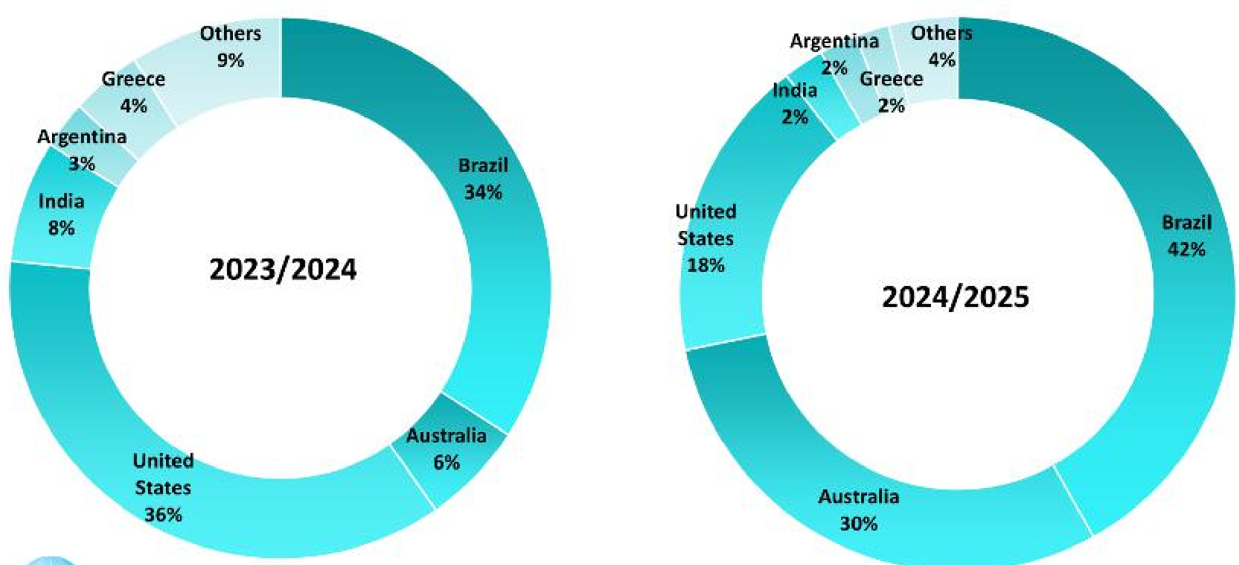
Source:- ICAC

Indonesia imports by partners



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Source:- ICAC

PAKISTAN

Pakistan's imports in the 2024/25 season were 178% higher than the previous season at 835,000 tonnes. Pakistan's consumption capacity exceeds its domestic production, and it therefore relies heavily on imports. The high consumption in Pakistan is mainly due to significant demand for cotton yarn, especially from China. Increasing demand for textiles because of the European Union's granting of duty-free status for Pakistan's textile exports under the Generalized System of Preferences (GSP) continues to support cotton mill use in Pakistan.

For the 2024/25 season, Pakistan's production was 15% lower than the previous season because cotton area was lower as farmers shifted to crops with the potential for greater returns, particularly rice and corn. The cotton crop was negatively impacted by frequent heatwaves, especially early in the season, and untimely rains, which delayed growth and led to late harvesting in some areas.

In terms of partners, Pakistan's biggest trade partner in cotton is US, closely followed by Brazil and then Afghanistan. Pakistan has already increased US cotton imports in 2024/25 and could continue the trajectory. It is reportedly under negotiations to increase cotton and soybean imports from cotton to reduce its trade deficit with the USA.

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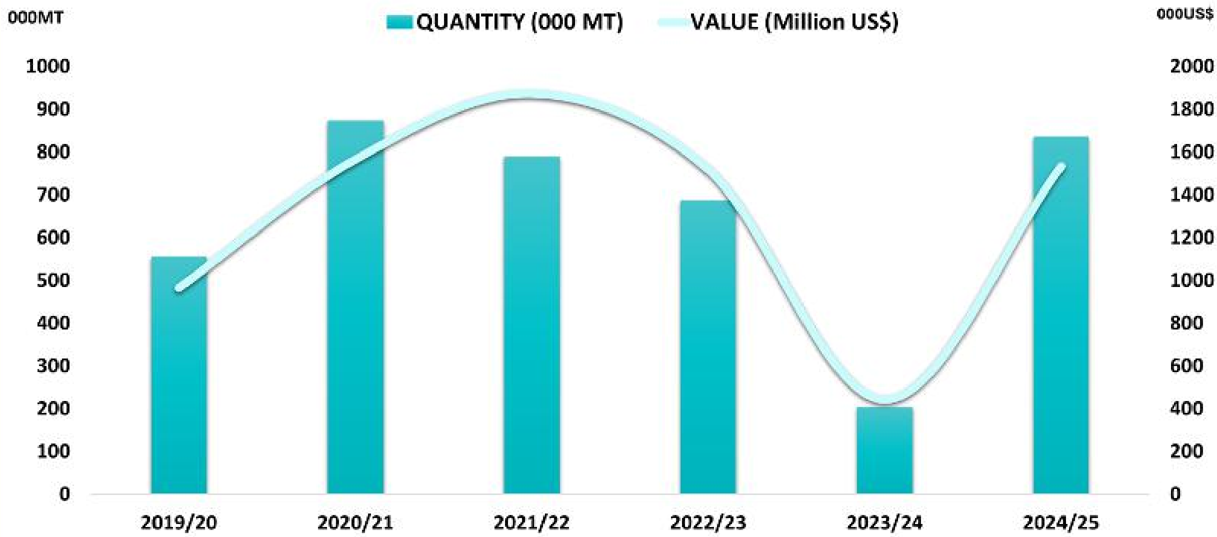
Pakistan import trend



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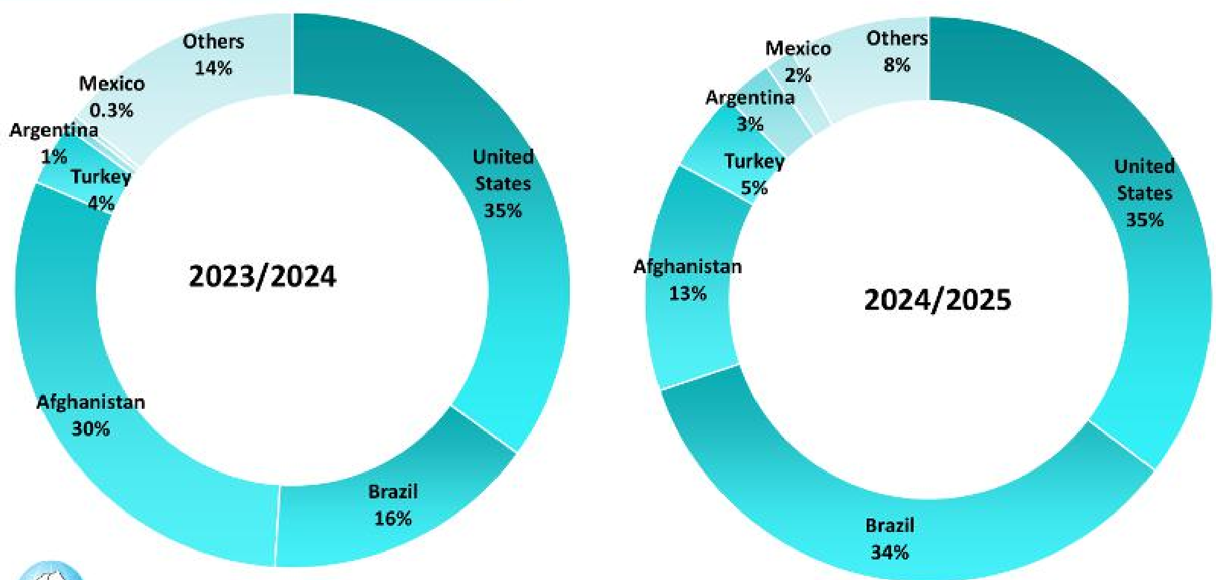
Source:- ICAC

Pakistan imports by partners



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Source:- ICAC

TÜRKIYE

Türkiye's levels of imports were 56% higher than the previous season, reaching 1 million tonnes. Türkiye was heavily impacted by devastating earthquakes in 2023, seriously affecting its consumption and thus its imports. It was also impacted by the Russia-Ukraine conflict, as both Russia and Ukraine are Türkiye's trade partners for textile exports.

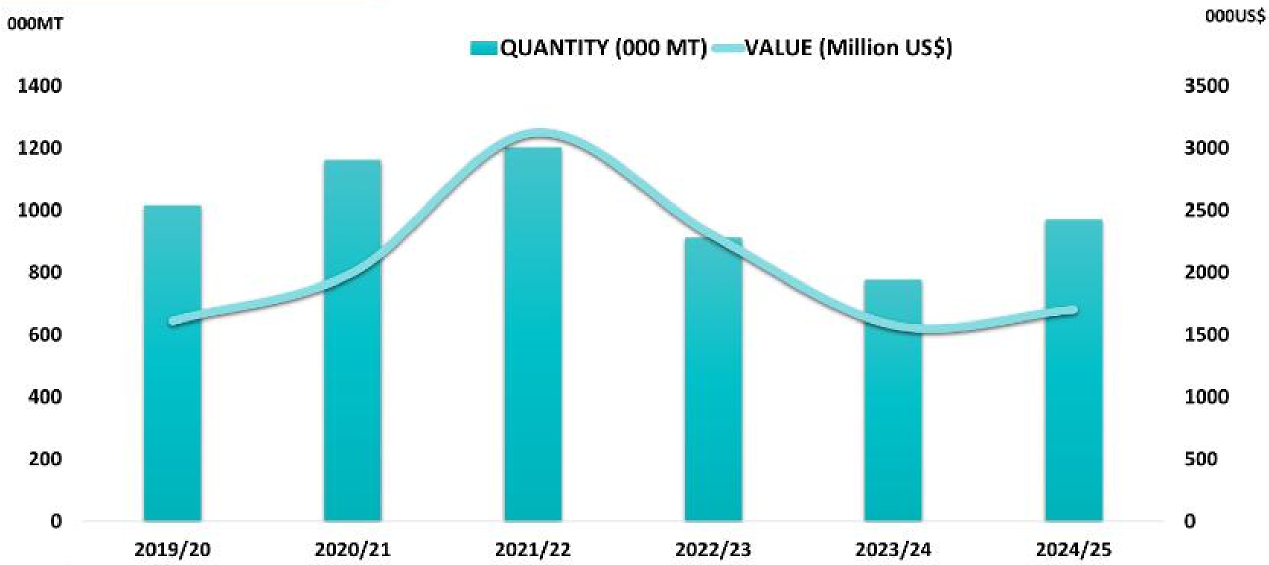
Türkiye and Brazil

Brazil has been rapidly expanding market access in Türkiye, and this season it became Türkiye's largest trade partner. The cotton trade between Türkiye and Brazil has grown in recent years, and now cotton is the second largest commodity imported by Türkiye from Brazil.

Türkiye and USA

USA was a close second trading partner of Türkiye. Cotton is one of the largest commodities imported by Türkiye from the USA. In 2021, it removed the 3% anti-dumping duty it had imposed on US cotton. Even when the import duty was in effect, Türkiye still imported more cotton from the USA than any other country. Türkiye is largely unaffected by US tariff escalations and is expected to continue its current trajectory in the cotton lint trade.

Turkiye import trend



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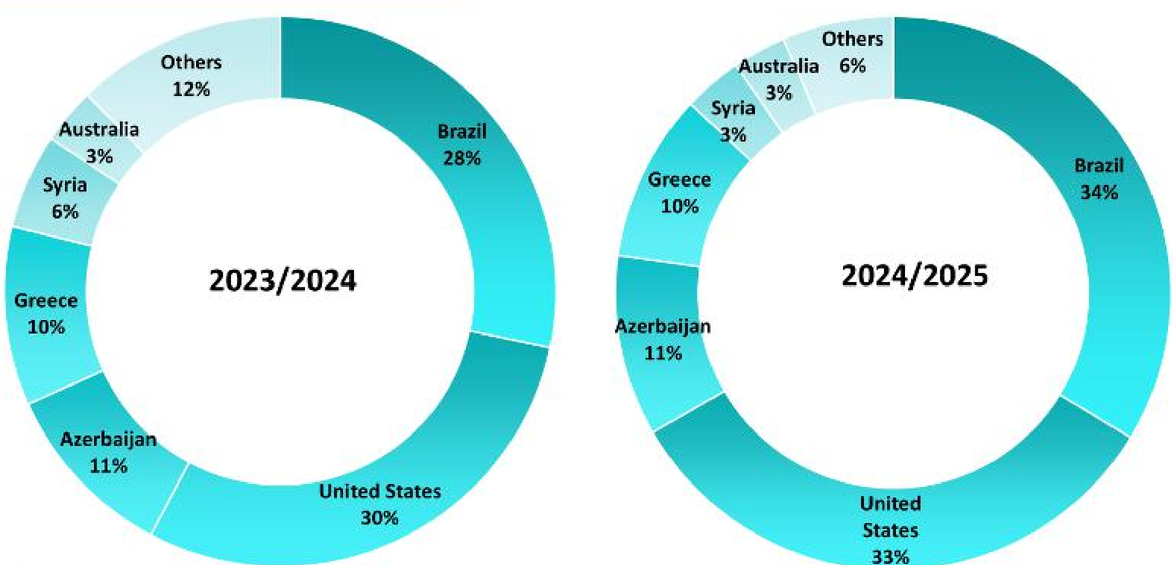
Turkiye imports by partners



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