



COTTON

Review of the World Situation



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Global Trends in Cotton:
A Review of the 2024/25
Season

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International Cotton Advisory Committee

The International Cotton Advisory Committee (ICAC) is an organization of currently 21 member countries that share an interest in cotton and the textile value chain. Formed in 1939, it is the only inter-governmental body for cotton producing, consuming, and trading countries and is one of only seven International Commodity Bodies recognized by the United Nations.

ICAC acts as a catalyst for positive change in the cotton and textile value chain by helping member countries and stakeholders support and improve the global cotton economy. ICAC accomplishes its mission by providing transparency to the world cotton market by serving as a clearinghouse for technical information and analysis on cotton production, consumption, and trade and by serving as a forum for discussing and addressing issues of international significance.



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Editors: Lorena Ruiz and Mike McCue.

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Global Trends in Cotton: A Review of the 2024/25 Season



PARKHI VATS &
MIKE McCUE

International Cotton Advisory Committee

In 2024/25, the cotton sector navigated a complicated mix of weather shocks, shifting demand, and rising expectations for traceability and environmental performance. Producers contended with irregular rainfall, localized pest outbreaks, and input costs that were slower to retreat than many had hoped. Traders dealt with fragile shipping schedules and occasional bottlenecks in key ports, while spinners and brands balanced inventory discipline with the need to respond quickly to changes in consumer demand. Yet despite the turbulence, the system proved resilient. Plantings stabilized in many origins, and several governments used this period to

refine policies on seed quality, farmer income support, extension services, and incentives for domestic value addition.

A defining feature of this period has been the normalization of “sustainability as strategy.” Where a few years ago environmental and social assurances were often treated as compliance tasks, today they are shaping investment and procurement decisions throughout the value chain. More ginners and merchants are aligning with farm programs that document good practices, while mills and brands are adopting digital tools that integrate farm data with bale identification and shipment records. The trend is not uniform, and

the cost of verification remains a barrier in some smallholder systems, but the direction of travel is clear: data credibility has become part of cotton's competitive proposition.

Another notable shift is the renewed attention to regional integration. West African producers, for instance, are looking beyond lint exports to selective investments in spinning, weaving, and training. In parts of Asia, cluster policies are encouraging co-location of gins, mills, dyeing/finishing units, and logistics services to reduce costs and lead times. Latin America continues to explore near-shoring opportunities that connect agricultural strengths with North American retail demand. Meanwhile, Australia has quietly demonstrated how precision agriculture, efficient water management, and transparent benchmarking can lift productivity and environmental outcomes at the same time.

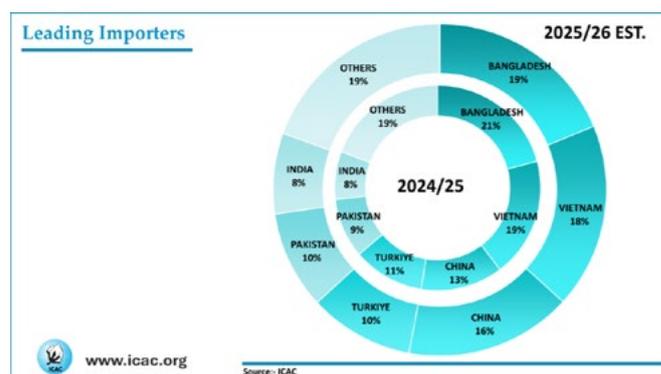
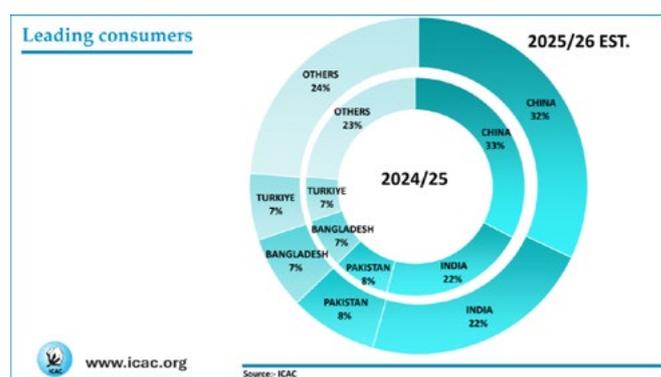
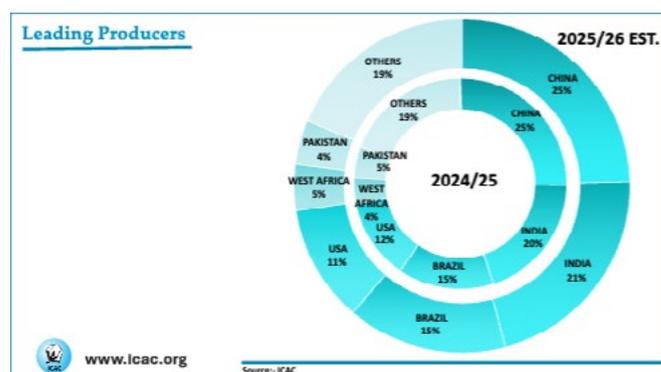
Prices across the period reflected a tug-of-war between cautious demand and persistent supply risks. Periodic weather scares, transportation hiccups, and currency swings generated short spikes, but downstream buyers remained disciplined about inventory. In practice, this rewarded origins that could offer reliable quality, predictable shipping windows, and credible documentation. That mix of factors explains why several exporters maintained share even when their absolute output fluctuated.

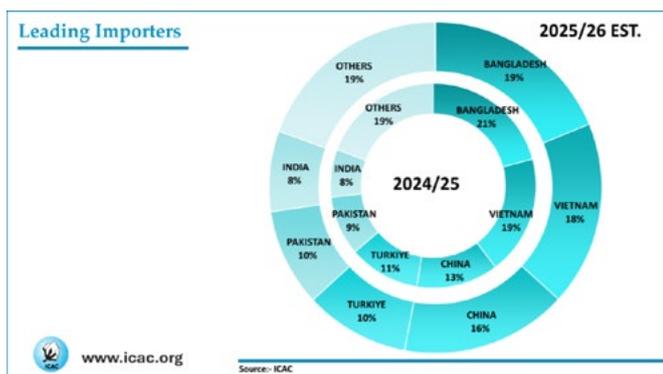
Payment for Ecosystem Services (PES) has matured from pilot ideas into more structured conversations. Farmers and ginners increasingly ask how cotton's contributions to soil health, water stewardship, and biodiversity can be recognized in market mechanisms. While methodologies and crediting pathways still vary widely, the direction is promising: a growing number of projects are quantifying benefits and building the insti-

tutional plumbing necessary to move from one-off pilots to repeatable programs.

Finally, the sector's dialogue has broadened from "farm versus factory" to a more integrated view of the entire value chain. Agronomy improvements, gin modernization, fiber classification, logistics reliability, and mill efficiency are now seen as mutually reinforcing components of competitiveness. The following country summaries highlight how these themes are playing out on the ground.

By the Numbers: 2024/25 Data and Projections for 2025/26





Country Summaries

United States

U.S. producers faced a demanding stretch marked by drought in parts of the Southwest, elevated borrowing costs, and carefully managed demand from mills abroad. Even so, improvements in precipitation patterns provided a measure of relief in some areas, supporting a modest recovery from earlier lows. Growers leaned into agronomic refinements: better variety selection, targeted nutrient strategies, and more precise water use, all of which helped stabilize yields where weather cooperated.

Export performance remained respectable due to consistent quality and a reputation for reliable shipment. That reliability matters in a world of tight mill margins and time-sensitive orders. On the stewardship front, producer enrollment in documented farm programs increased, encouraged by brands' traceability requirements and the perception that data transparency will be rewarded over the medium term. Research institutions continued to advance integrated pest management, soil-health practices, and decision-support tools that blend satellite data with field observations. The long-term focus is clear: maintain global competitiveness by pairing high, predictable quality with verifiable environmental performance.

China

China sits at the heart of cotton consumption and retains a major role in production. Domestic supply is anchored in mechanized systems with an emphasis on yield stability, fiber quality, and efficient water use. Policy-makers kept attention on rural revitalization, mechanization support, and the diffusion of improved seed materials. On the demand side, mills managed a delicate balance between export orders and domestic retail trends, which have been uneven at times.

China's textile ecosystem continues to upgrade, with energy efficiency, wastewater management, and process optimization featuring prominently in investment decisions. Some lower-cost operations have shifted to neighboring countries, but China remains integral to high-throughput, quick-turn manufacturing and to the development of specialty yarns and fabrics. Imports remain important to complement domestic fiber profiles and to meet particular spinning specifications. Over the medium term, the sector's competitiveness will hinge on sustaining quality improvements while managing costs in an environment that increasingly prices carbon and favors transparent supply chains.

India

India consolidated its position as a leading producer while wrestling with variability driven by rainfall, pest pressure, and farm economics. Policy makers maintained support measures for farmers, including minimum support prices and insurance schemes, even as authorities encouraged the uptake of superior seed and integrated pest management. Extension services placed greater emphasis on practical guidance at field level—plant density, nutrient timing, and judicious pesticide use—so farmers can capture yield

without eroding margins.

The textile industry navigated a stop-start demand cycle with a gradual improvement as global retail restocking resumed in phases. Investment interest extended beyond basic spinning to technical textiles and specialty blends, with a view to hedging against volatility. India's strengths remain breadth of the value chain, entrepreneurial clusters, and a large skilled workforce. The challenge is to convert those strengths into higher and more predictable value capture through quality consistency, logistics efficiency, and broader adoption of sustainability documentation that aligns with international buyers' expectations.

Pakistan

Pakistan endured a tough period, but the sector also showed grit and capacity for recovery. Flood impacts from earlier seasons lingered in infrastructure and farmer finances, while elevated input costs constrained planting decisions. In response, public and private actors prioritized improvements in seed quality, farmer training, and rehabilitation of irrigation assets. The textile industry—vital to exports and employment — benefited when energy availability improved and working capital conditions stabilized.

Because domestic lint supplies were tight at times, mills relied on imports to maintain operations, emphasizing fiber lots that match their quality requirements. The policy conversation increasingly recognizes that cotton's revival is inseparable from textile competitiveness. Steps that boost ginning efficiency, reduce contamination, and assist mills in meeting environmental standards can generate benefits across the chain. The near-term outlook hinges on weather and financing conditions; the longer-term path depends on sustained reforms that consistently reward quality.



Brazil

Brazil reinforced its status as a powerhouse in both production and exports. Large, mechanized farms leveraged scale, advanced agronomy, and strong data culture to achieve efficient operations. The logistics story — long a focal point — continued to improve, with ongoing upgrades in storage, road and rail connections, and port handling. That progress has supported reliable flows to key destinations even during periods of global shipping congestion.

Sustainability documentation expanded through farm programs that track good practices, and Brazilian stakeholders placed growing emphasis on aligning agronomic achievements with downstream buyers' traceability needs. Investment discussions increasingly include domestic textile opportunities as well, particularly in regions that can link cotton production with nearby processing. The principal risks are familiar — weather variability, fertilizer cost swings, and currency movements — but the sector's scale and professionalism have provided resilience.

West Africa

West Africa remained a cornerstone of the global exportable surplus, with Benin, Burkina Faso, Côte d'Ivoire, and Mali central to the story. Producer organizations and

companies focused on seed distribution, farmer training, and harvest logistics, aiming to lift yields and minimize quality losses. Favorable rainfall patterns in parts of the period helped, but the gains also reflect steady improvements in extension and ginning practices.

A central strategic question for the region is value addition. Several governments and partners are exploring textile industrial parks, training programs, and targeted incentives to position selected locations for spinning and weaving. The goal is not to displace lint exports overnight but to capture a greater share of value and create jobs near production zones. Price volatility remains a challenge for smallholders; risk-management education and more predictable payment systems can improve household resilience. Over time, stronger grading systems and contamination control should enhance West African cotton's reputation for uniformity and cleanliness.

East and Southern Africa

Tanzania, Mozambique, Zambia, and neighboring countries continued to modernize their cotton economies. Tanzania drew international attention as it prepared to host a major global meeting focused on leveraging cotton and textiles for rural and industrial development. That theme mirrors national priorities: strengthening farmer organizations, improving access to inputs, and streamlining payments through digital channels that reduce leakage and delays.

Mozambique advanced projects that connect cotton production with environmental co-benefits, including soil and biodiversity outcomes that could qualify for compensation under emerging PES frameworks. Zambia prioritized youth engagement and agribusiness training, building a pipeline of

new producers and service providers. Meanwhile, Ethiopia began to stabilize parts of its textile base through new investment models. Across the sub-region, coordination among ministries of agriculture, industry, and trade has improved, making it easier to align farm productivity initiatives with the needs of ginners and mills.

Egypt

Egypt's long-staple cotton retains strong brand recognition, and the period saw careful work to reinforce quality and market positioning. Efforts focused on varietal integrity, farmer incentives to maintain purity, and partnerships that connect producers with mills capable of extracting premium value from high-quality fiber. Domestic mills pursued modernization to reduce waste, improve energy efficiency, and meet stringent process standards for export markets.

Because high-end brands are sensitive to quality consistency, the system placed renewed emphasis on classification, contamination control, and transparent documentation. The volume base is not large by global standards, but the value proposition is distinctive. The challenge is to preserve heritage attributes while achieving operational reliability at every step — ginning, handling, and shipping — so that buyers can plan with confidence.

Türkiye

Türkiyes vertically integrated textile sector continued to play a bridging role between Europe and Asia. Domestic cotton output stabilized, while mills managed energy costs and adjusted product mixes to evolving demand. Investments in cleaner production — water recycling, chemical management, and energy-saving equipment — featured prominently in modernization plans, reflecting



both regulatory alignment and buyer expectations.

Türkiye's competitive strengths include speed to market, design capabilities, and a dense ecosystem of suppliers and services. Imports of high-quality cotton remained important for premium yarns, and the industry expanded offerings in recycled and blended materials to meet circularity targets. The sector's agility — its ability to reconfigure orders and switch between product categories — remains a key differentiator.

Uzbekistan

Uzbekistan progressed with structural reforms that have reshaped its cotton economy. The shift from state-mandated quotas to private clusters has encouraged investment in mechanization, irrigation efficiency, and better farm management. The international community has recognized improvements in labor practices, opening doors to buyers that had previously held back.

The policy lens now extends beyond farm output to the competitiveness of spinning, weaving, and garment manufacturing. Industrial parks and logistics improvements aim to reduce transaction costs and attract export-oriented investors. The near-term priorities include upgrading ginning capacity, enhancing fiber classification, and ensuring that documentation systems are robust enough to satisfy traceability requirements in destination markets.

Bangladesh

Bangladesh's apparel industry remained one of the world's most important, and with limited domestic cotton production the country continued to rely on imports to feed its mills. The macro picture featured disciplined inventory management and steady, if uneven, order flows from key retail partners. Cost control and energy reliability were recurring concerns, but the industry made progress in operational efficiency and worker safety.

The strategic push is toward more value-added products and improved process sustainability. Mills invested in equipment that reduces wastewater and energy intensity, while buyers encouraged adoption of traceable inputs. Because brands increasingly request documentation, Bangladesh's mills have worked to integrate bale data and quality specifications more seamlessly into their production planning. That integration helps reduce waste and strengthens the case for long-term supplier relationships.

Vietnam

Vietnam sustained its reputation for efficient, trade-oriented textiles despite periodic headwinds from global demand and energy costs. The country's integration into regional and bilateral trade frameworks has lowered barriers, while port and customs processes continued to improve. Although domestic cotton production is minimal, Vietnam's mills are skilled at blending imported fibers to meet exacting yarn requirements.

Sustainability has moved from pilot initiatives to broader adoption. Factories introduced water-saving dyeing technologies, chemical management systems, and digital production controls that enhance quality and transparency. Continued investment in workforce training and factory automation positions the sector to handle complex or-



ders with short lead times, a capability that remains attractive to international brands.

Indonesia

Indonesia's textile sector worked through modernization needs while positioning for gradual growth in higher-value categories. Investments targeted aging spinning equipment, digital workflow tools, and compliance systems that help mills demonstrate responsible production. The domestic market provides a floor of demand, but export opportunities continue to guide decisions on product mix and process improvements.

Because Indonesia's cotton supply is largely imported, procurement strategies focused on reliable origins and quality profiles that reduce waste and downstream defects. Some producers explored blends and circularity-oriented inputs to align with brand commitments. The success of this transition will depend on continued access to affordable finance for equipment upgrades and on steady progress in logistics performance.

Australia

Australia delivered a strong rebound supported by precision agriculture, water-allocation management, and high-caliber research and extension. Producers emphasized data-driven decisions—matching varieties to local conditions, optimizing irrigation timing, and reducing input waste. The result has been high, consistent quality that performs well at the mill, making Australian cotton a dependable choice for premium yarns.

The sector also maintained a clear narrative around environmental indicators, documenting gains in water efficiency and supporting biodiversity outcomes at farm scale. That transparency is increasingly recognized by buyers seeking predictable fiber with credible verification. Continued investment

in research ensures that the system adapts to climate variability and maintains its productivity edge.

Latin America (other than Brazil)

Argentina, Paraguay, and Mexico made selective progress. In Argentina, producers balanced agronomy improvements with the realities of inflation and financing constraints; the industry prioritized steps that deliver quick operational payoffs, such as better contamination control and targeted input use. Paraguay expanded smallholder participation with training that focuses on crop husbandry and post-harvest handling, aiming to lift both yields and quality. Mexico's northern producers benefited from irrigation improvements and proximity to mills that serve North American brands, while textile clusters near major industrial centers courted new investment.

Across these countries, the opportunity is to connect farm productivity with niche textile investments in locations that can leverage logistics advantages. While not every region can support a full value chain, targeted additions —s pinning capacity linked to reliable power, specialized weaving for technical fabrics, or finishing units with modern effluent treatment — can anchor incremental gains that persist beyond a single season.

Major Themes

Traceability and Data Credibility

The most notable system-wide change is the integration of farm and bale data into commercial workflows. Gins increasingly capture and transmit identifiers that link fiber lots to known attributes, while merchants and mills standardize how that information

flows through contracts and invoices. The practical benefit is reduced rework and fewer disputes about quality. The strategic benefit is stronger positioning with brands that need to make credible claims about sourcing.

Quality, Contamination, and Mill Performance

Contamination control has moved up the agenda because small improvements here can deliver outsized gains in spinning efficiency. Training at harvest and in gin yards, better bagging materials, and stricter yard management all contribute. Countries that implement coherent national campaigns—supported by classification and feedback loops from mills—tend to see durable improvements that translate into better prices and stickier customer relationships.

Climate Resilience and PES

Producers across diverse systems face similar questions about climate resilience: how to conserve soil moisture, manage pests that respond to weather shifts, and stabilize yields under variability. Conservation tillage, residue retention, and diversified rotations are spreading, assisted by localized extension advice. PES aligns with this agenda by identifying and compensating specific ecosystem services — carbon storage in soils, water filtration, or habitat benefits. For now, program design and measurement costs remain hurdles, but the institutional groundwork is improving.

Logistics and Cost Discipline

The sector learned hard lessons from global shipping disruptions. Exporters that invested in storage near railheads or ports, diversified routes, and strengthened relationships with logistics providers have been better able to meet shipment windows. Mills also diver-

sified suppliers to reduce the risk of supply interruptions. Cost discipline — across energy, transport, labor, and finance — remains decisive for margin preservation throughout the chain.

Outlook

The next stretch will test how quickly the sector can scale what already works: credible data flows, practical farm-level resilience, and targeted value addition. Demand will likely remain sensitive to macro conditions, but cotton's long-term fundamentals — comfort, breathability, and strong performance in blends — are intact. The competitive edge will go to origins and companies that offer three things at once: reliable quality, timely delivery, and verifiable environmental and social assurances.

Public policy can accelerate this transition by aligning seeds and standards, investing in classification and extension, and supporting pilot-to-program pathways for PES. Private investment can do the same by backing gin upgrades, contamination control, and mill modernization that demonstrably lift efficiency. For producers and processors alike, the playbook is the same: pair operational excellence with transparent proof. Do that consistently, and cotton will continue to deliver livelihoods for farming families while meeting the expectations of a more demanding marketplace.





Cotton Prices in 2024/25: A Season of Adjustment



LORENA RUIZ

Economist, International Cotton Advisory
Committee

2025 is proving to be a year of continued realignment in commodity markets, shaped by lower energy prices, improving food supply conditions, and ongoing uncertainty in global demand. Oil continues to trend lower, with Brent expected to average around 68 dollars per barrel in 2025 as slower growth in key markets and expanding supply weigh on prices. Food commodities are also adjusting, supported by solid harvests and better trade flows, while fertilizer prices remain above pre-pandemic levels, putting pressure on farm margins in several producing countries. As markets recalibrate and supply chains stabilize, uncertainty around policy, trade, and

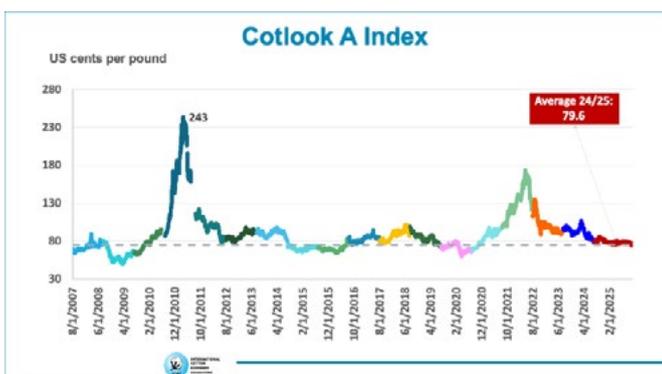
climate remains central to near-term price dynamics.

Cotton is navigating its own adjustment phase. Prices have weakened after two volatile seasons, reflecting shifts in global textile demand, competition from synthetic fibers, and weather-driven supply variability. While cotton demand generally moves with broader macroeconomic cycles and consumer spending, structural factors such as environmental policies and evolving trade measures are playing a growing role in market sentiment. Looking ahead to 2026, cotton prices will be influenced not only by global growth and policy stability, but also by producers' ability to manage



rising input costs and climate uncertainty as the sector adjusts to evolving market conditions.

In this context, the Cotlook A Index (from now on referred to as the A Index) fell for the third consecutive season, averaging 79.6 cents per pound in 2024/25, down 13.4% from the previous season and marking the lowest seasonal average since 2020/21. Prices held relatively steady through 2024/25 as global supply remained ample, led by strong exportable availability from Brazil, Australia, and the United States, while demand recovered gradually. China significantly reduced imports after building stocks and harvesting a large domestic crop, shifting more buying activity toward other markets. Trade-policy uncertainty, particularly surrounding U.S.–China tariffs, weighed on sentiment and slowed new orders across textile and apparel supply chains. At the same time, Weather events affected production in some regions, but ample global supply helped buffer risks and limit price volatility.



In 2024/25, cotton prices showed less volatility compared with the previous season. The ICAC Secretariat assesses price variability using two measures: the relative spread and the coefficient of variation. The relative spread is defined as the ratio of the difference between the maximum and minimum price to the average price during the season, providing a measure of price dispersion relative to the seasonal average. The A Index reached its peak on 25 September 2024 at 85.8 cents per pound and its lowest value on 5 March 2025 at 74.95 cents per pound. This resulted in a relative spread of 13.63%, the lowest level in nearly three decades. The coefficient of variation for 2024/25 was 6.7%, almost four percentage points below the previous season and the lowest since the 1990/91 season, marking one of the least volatile periods on record.

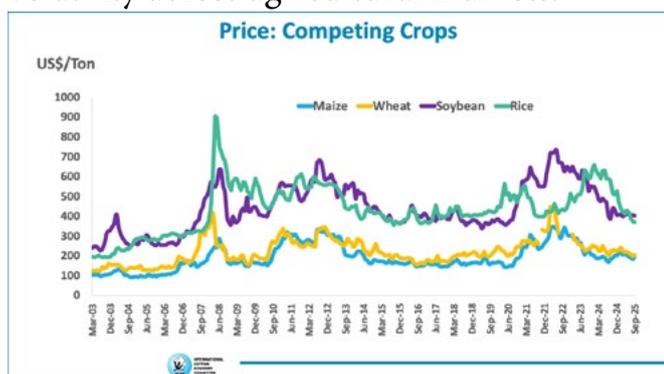


While weather events affected production at various stages during the season — including weaker crop conditions in parts of Texas and storm-related losses in the U.S. Southeast — the market absorbed these impacts without significant price reaction. Ample exportable supply from Brazil, Australia, and the United States, along with reduced Chinese imports following increased stock levels in 2023/24, helped contain the impact of weather on price formation. Policy uncertainty, particularly around U.S.–China trade measures, also made buyers more cautious and delayed new order commitments. As a result, weather events slowed supply expansion.

sion in some regions but did not create sustained upward pressure on prices given the overall supply environment and still-gradual demand recovery.

Prices for Competing Crops¹

Cotton was not the only commodity facing downward pressure during the 2024/25 season. Most food commodity prices also trended lower, supported by strong harvests, adequate global supplies, and the lifting of export restrictions in key producing countries, particularly for rice. Improved availability helped stabilize trade flows and reduce price volatility across agricultural markets.

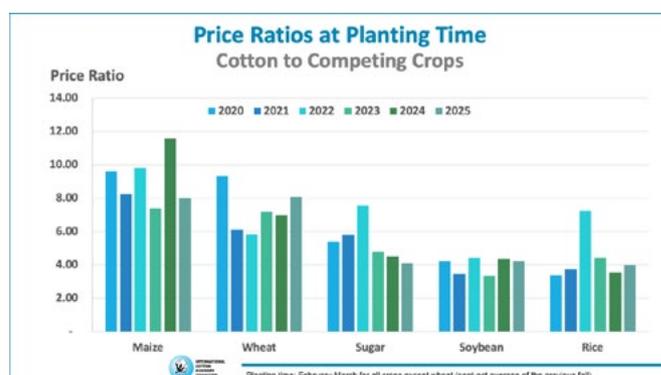


Season-average prices for major crops that compete with cotton, including maize, wheat, soybeans, rice, sorghum and sugarcane, declined in 2024/25. Compared with the previous season, average soybean prices fell by 21.5%, maize prices by 0.8%, and sugar and wheat prices by 16.0% and 11.5%, respectively. Rice recorded the sharpest adjustment, with average prices falling by 23% year-over-year. These movements reflected stronger supply and more reliable shipping and logistics conditions in major trade corridors.

¹ Season-average prices for competing crops are estimated by averaging monthly quotes published by the World Bank in the 'Pink Sheet' (Soybeans, from January 2024, U.S Gulf Yellow Soybean #2, CIF Rotterdam; December 2007 to September 2025, U.S. No. 2 yellow meal, CIF Rotterdam; previously US origin, nearest forward; Wheat (US), no. 2, soft red winter, ordinary protein, export price delivered at the US Gulf port for prompt or 30 days shipment; Rice (Thailand), 5% broken, white rice (WR), milled, indicative price based on weekly surveys of export transactions, government standard, f.o.b. Bangkok; Sugar (world), International Sugar Agreement (ISA) daily price, raw, f.o.b. and stowed at greater Caribbean ports.



Farmers' planting decisions continue to respond to commodity price trends, expected returns from alternative crops and seasonal weather conditions. With cotton prices weaker during the main planting window in the Northern Hemisphere, global cotton area contracted by 2.1% to 30.6 million hectares in 2024/25. In contrast, soybean and rice plantings increased by 4.4% and 2.8%, while global maize and wheat planted area fell by 2.3% and 0.1%, respectively. These shifts illustrate how relative price signals and expected margins guided producers' choices across major crop.



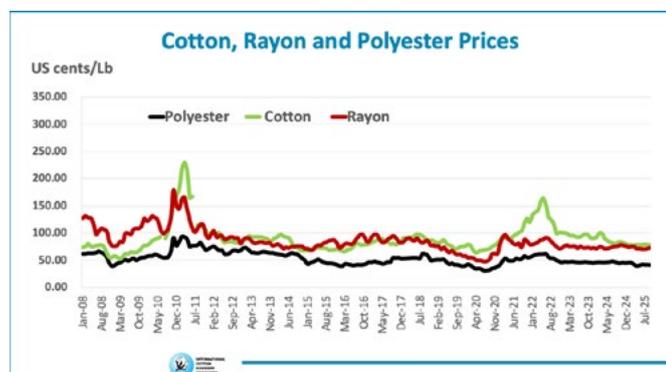
Cotton Less Competitive vis-à-vis Polyester and Rayon

The price relationship between cotton and synthetic fibers remains a critical competitiveness signal for the global cotton sector. When cotton prices rise significantly above polyester and rayon, spinners and brands often increase the use of synthetics in blends, a trend that has been observed repeatedly over the past decade. The 2010 to 2011 price spike



is a clear example. Cotton futures reached record highs in early 2011, with the A Index topping 229 cents per pound in March 2011. As a result, many mills shifted toward lower-cost polyester and rayon, especially in China, contributing to a long-term rise in synthetic fiber consumption and a gradual decline in cotton's share in global fiber demand.

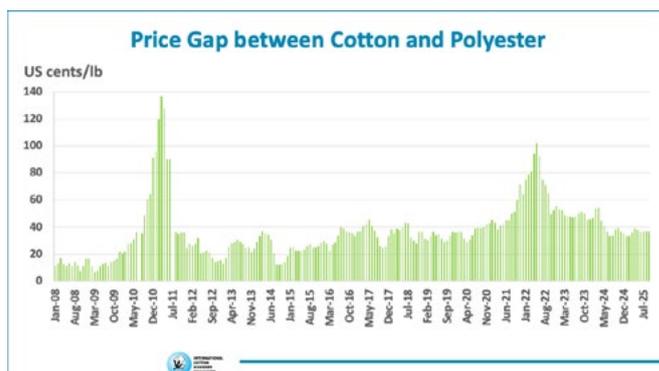
Polyester staple prices (1.5d, Asia) fell from 55.6 cents per pound in 2022 to 46.0 cents in 2023 (-17.3%) and remained relatively stable near 45.6 cents per pound in 2024. Cotton prices increased through much of 2023 and then moved lower in 2024. As a result, the cotton to polyester price spread narrowed from 49.0 cents per pound in 2023 to 41.1 cents per pound in 2024. The cotton to rayon spread followed a similar path, declining from 20.6 cents per pound in 2023 to 12.1 cents per pound over the same period.



Historical patterns show that when the gap widens sharply, substitution accelerates. For example, in 2010 and 2011 the cotton to polyester price difference briefly exceeded

120 cents per pound at its peak, leading mills to significantly adjust blends toward synthetics. A smaller widening took place again in 2021 and 2022, reinforcing that relative pricing plays a central role in fiber selection decisions.

Preliminary data for January to September 2025 show that the price difference between cotton and polyester stayed narrower than in recent years. During this period, cotton averaged around 78 cents per pound and polyester around 40–45 cents per pound, resulting in a gap of roughly 33–39 cents per pound. The cotton to rayon difference also stayed relatively small, averaging about 3–8 cents per pound. These levels are lower than those seen in 2022 and 2023, when cotton prices were much higher relative to synthetic fibers. A smaller gap so far in 2025 suggests more balanced competitive conditions, although cotton still trades above man-made fibers. Maintaining a narrower price gap with synthetics could help protect cotton's share in global fiber blends as demand improves.





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