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Cotton and Wool Outlook: September 2025

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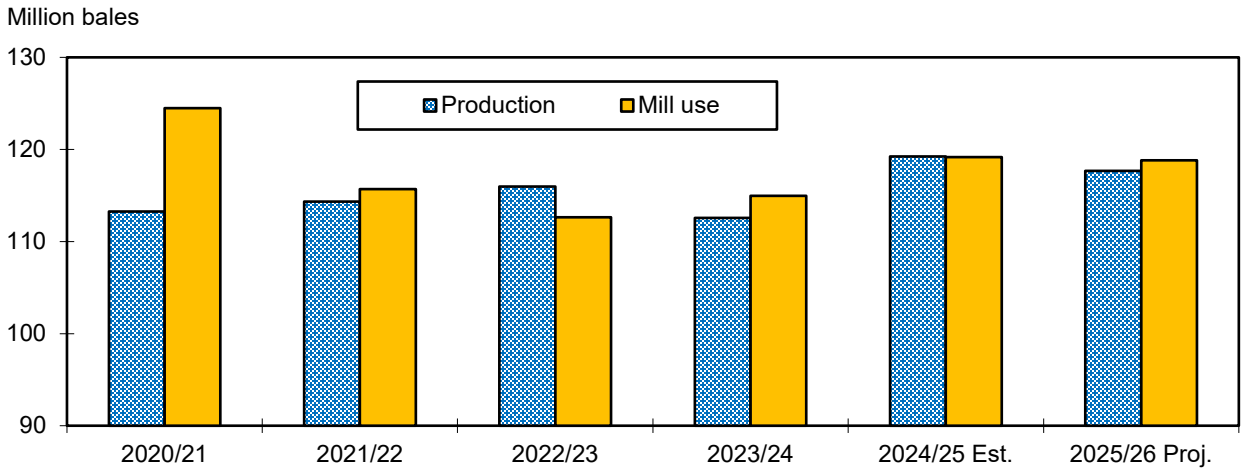
World 2025/26 Cotton Mill Use Projected To Exceed Production

The latest U.S. Department of Agriculture (USDA) cotton projections for 2025/26 (August–July) indicate that global mill use is forecast to decrease 320,000 bales (less than 0.5 percent) from the previous year to 118.8 million bales (figure 1). Declines for China and Turkey are expected to be offset slightly by gains elsewhere. China remains the largest user of raw cotton, accounting for 32 percent of the global total in 2025/26.

World cotton production is expected to decrease 1.5 million bales (1.3 percent) from the previous year to 117.7 million bales in 2025/26. The United States and Australia are the major contributors to the lower production. With global mill use projected to exceed production in 2025/26, world cotton stocks are forecast to decline 1 percent (920,000 bales) to 73.1 million bales, the lowest in 4 years. Global cotton trade in 2025/26 is expected to be slightly elevated from the previous year, with Brazil and the United States continuing as the primary exporters, while Bangladesh and Vietnam are forecast as the leading importers.

Figure 1
Global cotton production and mill use



1 bale = 480 pounds.
Source: USDA, Economic Research Service based on USDA, *World Agricultural Supply and Demand Estimates* reports.

Domestic Outlook

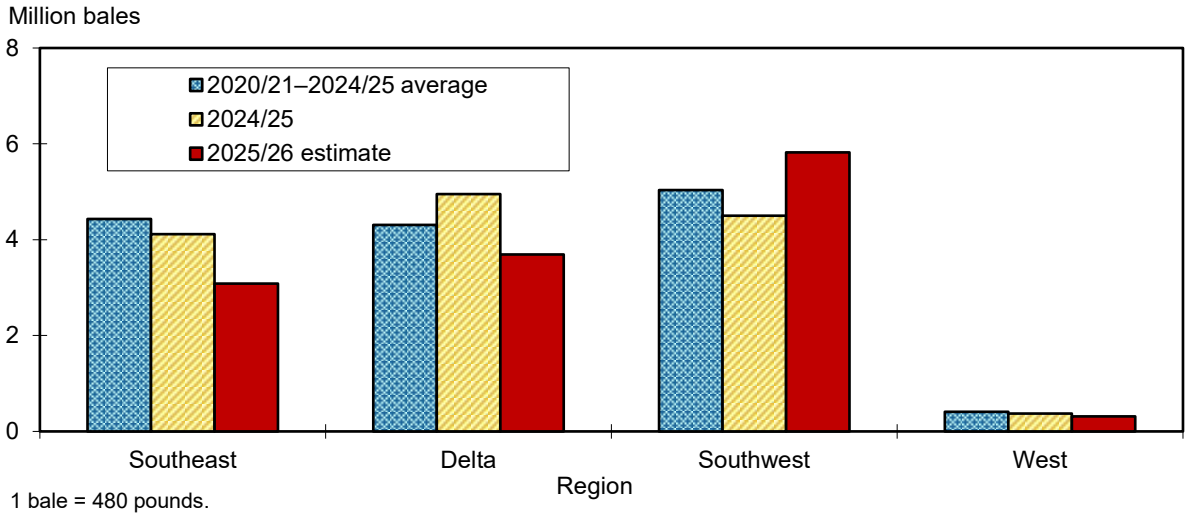
U.S. Cotton Crop Forecast Nearly Unchanged in September

USDA's September *Crop Production* report forecasts 2025/26 U.S. cotton production at 13.2 million bales, nearly identical to the August estimate but 1.2 million bales (8 percent) below the 2024/25 crop. Offsetting changes in State yields, coupled with several area adjustments, contributed to the September U.S. crop forecast being similar to last month's forecast. The 2025/26 cotton crop is forecast at the second lowest level since 2015/16. (See table 10 for current production estimates by State.)

U.S. cotton planted and harvested area for 2025/26 were both revised marginally higher in September. Planted acreage is estimated at 9.3 million acres by USDA's National Agricultural Statistics Service (NASS), while harvested area is projected at nearly 7.4 million acres. U.S. 2025/26 abandonment is expected to approach 21 percent compared with last season's 30 percent. The national yield is forecast at 861 pounds per harvested acre this season compared with the 3-year average of 913 pounds, as more acreage is expected to be harvested from lower-yielding areas.

Upland cotton production in 2025/26 is forecast at 12.9 million bales, 7 percent (1.0 million bales) below 2024/25 and 1.3 million bales below the 5-year average. Compared with last season, 2025/26 upland production is expected to decrease in three of the four Cotton Belt regions, with the Southwest the exception (figure 2).

Figure 2
U.S. regional upland cotton production



1 bale = 480 pounds.
Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, *Crop Production* reports.

In the Southwest, 2025/26 upland cotton production is forecast at 5.8 million bales, the largest in 4 years as the region rebounds from recent drought-reduced production levels that ranged from 3.1–4.5 million bales. For 2025/26, Southwest upland cotton planted area is estimated at 5.8 million acres (the lowest in a decade) while harvested acreage is projected at approximately 4.0 million acres (the highest in 4 years). As a result, a 2025/26 abandonment rate of about 31.5 percent is forecast in September, compared with 50 percent or more during the previous three

seasons. In addition, the Southwest yield is forecast above the 5-year average at 705 pounds per harvested acre in 2025/26. The region's upland crop is expected to contribute 45 percent of U.S. production in 2025/26, compared with the 3-year average of 28 percent.

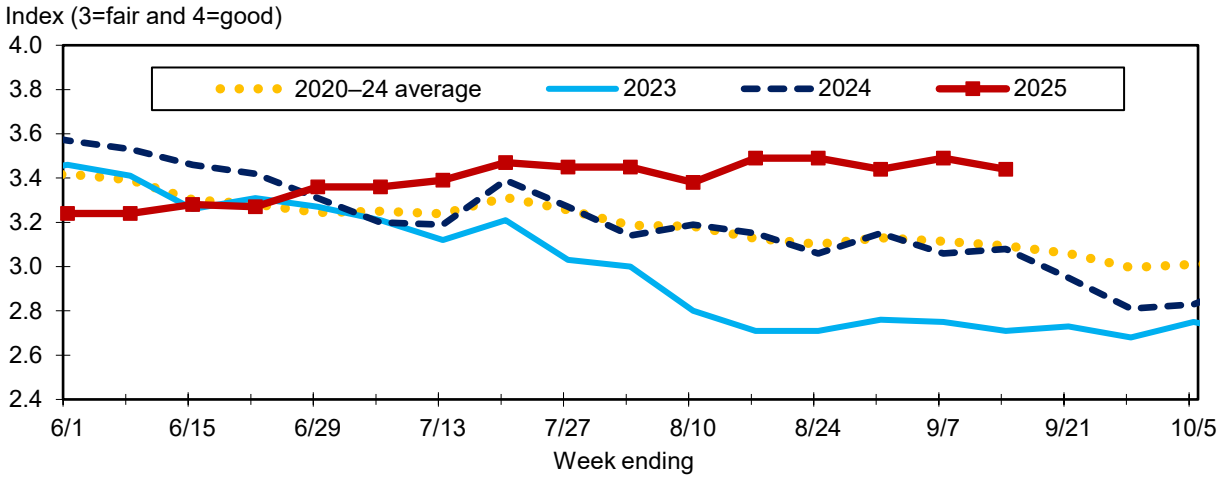
Upland cotton production in the Delta in 2025/26 is projected to reach 3.7 million bales, 25 percent below a year earlier and the lowest since 2016/17 when area was at a similar level. The Delta harvested area is forecast at 1.45 million acres in 2025/26 while the region's yield is expected to decline slightly from 2024/25's record (1,230 pounds per harvested acre) to 1,220 pounds per harvested acre, the second-highest level. The 2025/26 Delta crop is forecast to account for 29 percent of U.S. upland production, slightly below the 5-year average.

The 2025/26 Southeast cotton crop is forecast at 3.1 million bales, 25 percent below 2024/25 due to the lowest area since 1993/94. Although the area is significantly lower, the regional yield is expected to be above the year-ago level and is forecast at 877 pounds per harvested acre. The Southeast is estimated to produce 24 percent of the U.S. upland crop this season versus 30 percent in 2024/25.

In the West, 2025/26 upland cotton production is projected at 315,000 bales, the second lowest in nine decades behind 2023/24's 285,000 bales. Lower area and yield (1,193 pounds per harvested acre) are forecast for the region this season. Upland output in 2025/26 is projected to contribute about 2.5 percent of the U.S. total. Extra-long staple (ELS) cotton—primarily grown in the West—is forecast at 309,000 bales in 2025/26, the lowest since 1987/88. ELS harvested area is expected to reach 139,000 acres while the yield is estimated at 1,066 pounds per harvested acre this season.

U.S. cotton crop development in mid-September is running near last season and the 5-year average. As of September 14, 50 percent of the cotton area had bolls opening, compared with 53 percent last season and the 2020–24 average of 49 percent. Texas and Georgia—the States with the largest area—had bolls opening on 46 and 62 percent of their respective acreage, compared with each State's 5-year average of 45 and 51 percent, respectively. U.S. cotton crop conditions in 2025 continue above the previous 2 years and the 2020–24 average (figure 3). As of September 14, 52 percent of the cotton area was rated "good" or "excellent," compared with 39 percent last year, while 14 percent was rated "poor" or "very poor," compared with 26 percent a year earlier.

Figure 3
U.S. cotton crop conditions



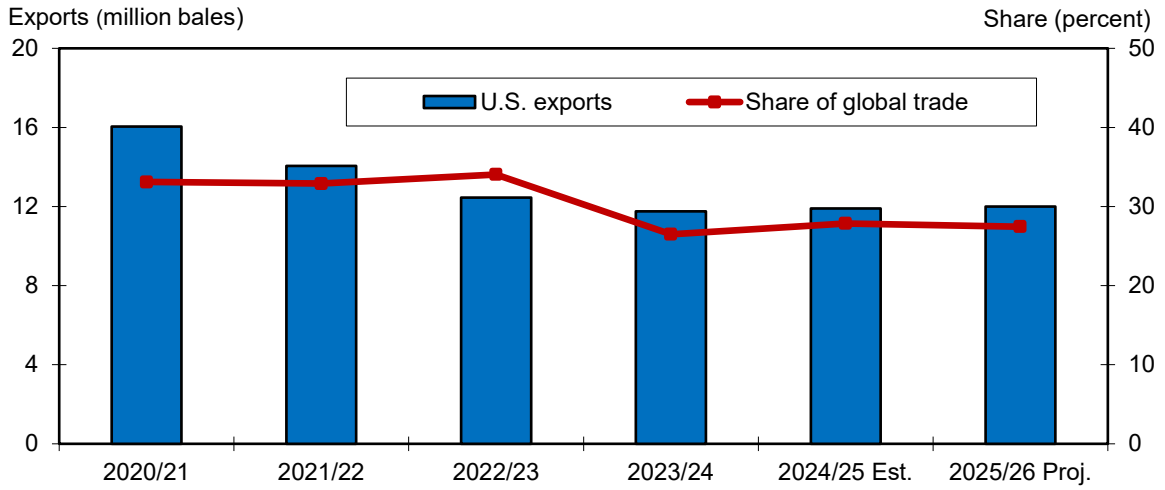
Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, *Crop Progress* reports.

U.S. Cotton Demand and Stock Estimates Unchanged in September

The estimate for U.S. cotton demand (mill use plus exports) for 2025/26 remains projected at 13.7 million bales, with U.S. exports contributing the bulk of the total. U.S. cotton exports are projected at 12.0 million bales in 2025/26, slightly above the previous year as global trade competition from Brazil is expected to limit U.S. export growth. Despite world trade prospects that are 2 percent (1 million bales) higher in 2025/26, the U.S. share of global trade is projected to remain near that of 2024/25. For 2025/26, the U.S. share is forecast at 27.5 percent, marginally below last season and below the 5-year average of approximately 31 percent (figure 4). U.S. cotton mill use is projected at 1.7 million bales in 2025/26, unchanged from August and last season.

Based on the latest supply and demand estimates, the U.S. ending stocks estimate for 2025/26 is projected at 3.6 million bales, unchanged this month but 400,000 bales lower than the 2024/25 level. The U.S. stocks-to-use ratio is expected to be 26 percent at the end of the season, compared with 29 percent for 2024/25. With fewer supplies, a lower stocks-to-use ratio, and the current global outlook, the 2025/26 average farm price is expected to rise modestly this season. The 2025/26 upland cotton farm price is forecast at 64 cents per pound, 1 cent above the 2024/25 estimate. The final 2024/25 upland farm price estimate will be released by USDA, NASS at the end of September.

Figure 4
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.

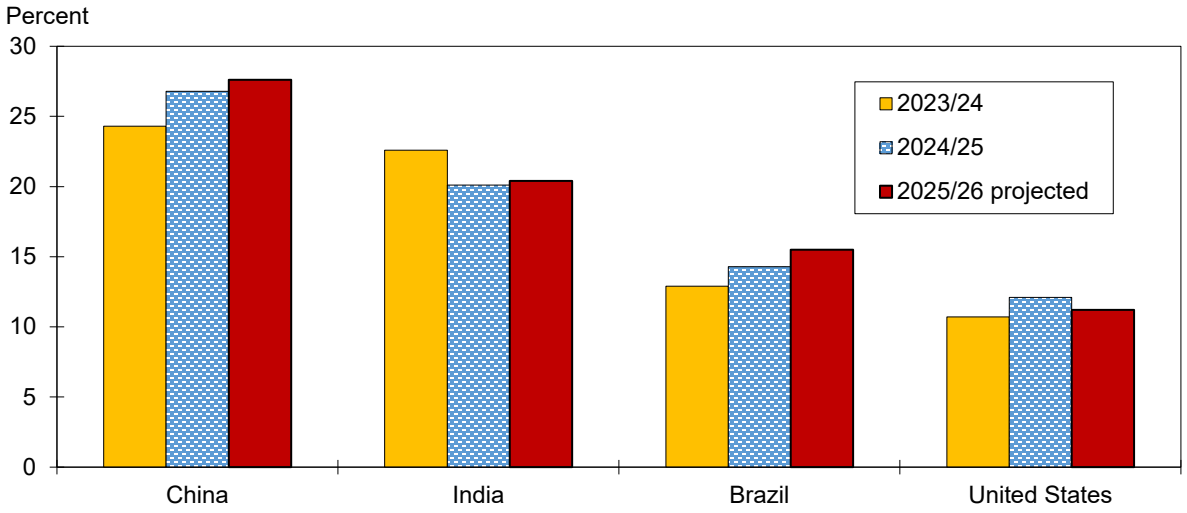
International Outlook

Global 2025/26 Cotton Production Forecast Lower

Global cotton production in 2025/26 is projected at 117.7 million bales, 1 percent (1.5 million bales) below the previous year. For 2025/26, cotton production prospects for most of the major-producing countries are projected to remain unchanged or decline. The global decrease is primarily the result of reductions this season for the United States and Australia. While India and Pakistan remain unchanged in 2025/26, small increases for Brazil and China limit the global decline this season. World 2025/26 cotton harvested area is forecast at 29.5 million hectares (73.0 million acres), 2 percent below the previous year. The 2025/26 global cotton yield is forecast at 867 kilograms (kg) per hectare (773 pounds per acre), 8 percent above the 5-year average and the highest on record.

World cotton production remains concentrated among a few countries, with the top four countries (China, India, Brazil, and the United States) accounting for 75 percent of total expected production in 2025/26, 1.5 percentage points above the previous season. China and India are expected to continue as the leading cotton producers in 2025/26, accounting for 28 percent and 20 percent, respectively, of the global total (figure 5).

Figure 5
Share of total cotton production by major producer



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

China is projected to produce 32.5 million bales of cotton, up 1.6 percent (500,000 bales) from 2024/25 and its largest crop since 2013/14. China's harvested area is expected to increase slightly (3 percent) in 2025/26 to 3.0 million hectares. The higher harvested area offsets a small (1.8 percent) decline in expected yield to 2,359 kg per hectare, still the second highest on record. Production in India is forecast at 24.0 million bales, unchanged from 2024/25, with an increase in yield offsetting a decrease in harvested area. India's yield is projected 3 percent higher at 467 kg per hectare, while harvested area is projected to decline 3 percent (300,000 hectares) to 11.2 million hectares.

Brazil's production is estimated to rise 7.4 percent from the previous year to a record 18.25 million bales due to nearly an 8-percent (150,000 hectare) increase in harvested area to 2.1 million hectares. The higher area more than offsets a marginal yield decline. Brazil's yield is forecast to be 1,892 kg per hectare this season, compared with 1,903 kg per hectare realized in 2024/25 and the record of 1,911 kg per hectare set in 2023/24.

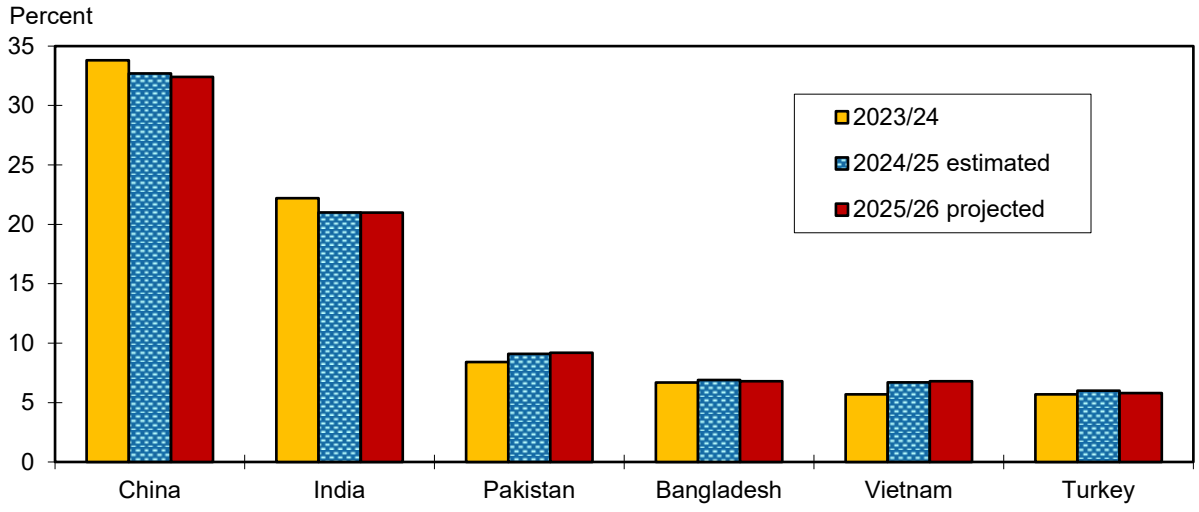
In 2025/26, the U.S. cotton crop is projected to decline due to a lower area and yield. Cotton production in Pakistan is expected to remain unchanged from 2024/25 at 5.0 million bales. Harvested area in Pakistan is expected to decrease 2.5 percent (50,000 hectares) to 1.95 million hectares in 2025/26, offset by an increase in yield that results in the unchanged production total. Yield is expected to increase 14 kg per hectare in 2025/26 to 558 kg per hectare. Australia's cotton production is expected to decrease nearly 20 percent to 4.5 million bales in 2025/26, largely the result of a decline in harvested area as acreage shifted to alternative crops. Australia's cotton harvested area is expected to decline 20 percent (120,000 hectares) to 480,000 hectares in 2025/26 while yield is forecast to increase marginally to 2,041 kg per hectare.

Global Cotton Mill Use Projected Marginally Lower in 2025/26

World cotton mill use in 2025/26 is forecast at 118.8 million bales, 320,000 (0.3 percent) below 2024/25 but the second highest since 2020/21 when global mill use reached a record 124.5 million bales. Stable cotton fiber prices and steady world economic growth projections are expected to maintain global cotton mill use near last season's level.

For the top six cotton-spinning countries—China, India, Pakistan, Bangladesh, Vietnam, and Turkey—mill use is projected to account for a combined 82 percent of the world total in 2025/26, slightly below the last two seasons. Cotton mill use in 2025/26 is forecast to change marginally for each of the major countries. For China, mill use is forecast at 38.5 million bales in 2025/26, 500,000 bales below the previous year. Despite the expected reduction, China remains the leading cotton spinner, accounting for approximately one-third of world cotton mill use (figure 6).

Figure 6
Share of total cotton mill use by major spinner



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

Mill use in India is projected at 25.0 million bales for 2025/26, unchanged from the year before and sustained by India's cotton product exports. India is expected to account for 21 percent of the world mill use total in 2025/26. For Pakistan, 2025/26 cotton mill use is expected to contribute 9 percent (10.9 million bales) of the global total, slightly above 2024/25. Similarly, mill use in Vietnam is forecast to expand marginally to 8.1 million bales or 7 percent of the total. On the other hand, lower cotton mill use in Bangladesh and Turkey are projected for 2025/26. For Bangladesh, mill use is forecast at 8.1 million bales (100,000 bales less than the previous season) while Turkey's mill use is expected to decline 200,000 bales to 6.9 million bales as a result of a lower crop.

Higher World Cotton Trade Forecast; Ending Stocks Lower

Global cotton trade is forecast at 43.7 million bales in 2025/26, 2 percent (1.0 million bales) above last season. Nearly offsetting changes among the major importers account for the modest growth in projected trade. A lower U.S. cotton crop this season, combined with a record production in Brazil, is expected to benefit Brazil's cotton exports and secure a larger share of global trade for the Southern Hemisphere country in 2025/26. Brazil is forecast to export a record 14.3 million bales of cotton this season (up 10 percent) and account for one-third of the world total. In comparison, cotton exports by the United States in 2025/26 are forecast at 12.0 million bales, only 1 percent above last season. Australia's 2025/26 cotton exports are expected to be 3 percent below a year ago at 5.1 million bales due to a reduced crop and greater export competition.

Increased imports by Vietnam and Turkey are projected in 2025/26, while declines are seen for other importing countries such as Pakistan and India. In 2025/26, Vietnam and Bangladesh are each expected to import 8.1 million bales of cotton, with Vietnam's level a record amount. Turkey's imports are projected to expand for the second consecutive season and reach their highest in 4 years as domestic stocks are at their lowest since 2012/13. For China, cotton imports are projected to remain unchanged at 5.2 million bales in 2025/26 as another large crop and national reserve rotation policies limit the need for imports. Pakistan's imports are forecast 200,000 bales lower in 2025/26 at 5.9 million bales while India is expected to import 2.8 million bales, 250,000 bales fewer than last season.

Based on the latest cotton supply and demand estimates, global cotton ending stocks for 2025/26 are forecast at 73.1 million bales, slightly (1 percent) below last season and the lowest level in 4 years. While stocks in India and Brazil are each expected to rise by approximately 500,000 bales in 2025/26, lower stocks elsewhere—particularly in China, Australia, and the United States—more than offset the higher stocks in two of the largest producing countries. China, the largest stockholder, is projected to account for 46 percent (34.0 million bales) of the global total at the end of 2025/26. India is expected to hold 14 percent or 10.5 million bales at season's end while Brazil's stocks are projected at nearly 3.8 million bales. Australia's ending stocks are forecast at 4.3 million bales in 2025/26, with stocks in the United States projected 10 percent lower at 3.6 million bales.

Highlight

The U.S. Cotton Ending Stocks Calculation for 2024/25

U.S. cotton supply, demand, and stocks estimates are updated monthly in USDA's *World Agricultural Supply and Demand Estimates (WASDE)* report. During most of the marketing year, the ending stocks estimate is a function of the cotton supply estimate for the season minus the cotton demand estimate. In addition, in most months a nominal quantity is added or subtracted to allow ending stocks to round to the nearest 100,000 bales. However, once the season has ended, USDA's cotton Interagency Commodity Estimates Committee (ICEC) is tasked with finalizing ending stocks based on actual stock surveys and other relevant data.

Table A shows the components used to calculate the 2024/25 and 2023/24 U.S. cotton ending stocks. Adjustments were made to reflect the lag between the report dates and the July 31 end of the marketing year. In addition, the calculation includes a deduction for any reported new crop cotton ginnings prior to the end of the marketing year to prevent double counting production in the subsequent season's supplies.

Since the establishment of the USDA, NASS survey in 2015, reports exist for all stock categories except for stocks in transit and at ports. This category is estimated by the cotton ICEC. Historically, the source utilized to calculate in-transit stocks was USDA, Foreign Agricultural Service (FAS) *Export Sales* shipment data. However, a review of the in-transit data implications during last year's methodology adjustment for calculating marketing year cotton exports indicated the need for higher in-transit stocks than previously estimated.

Table A–U.S. Department of Agriculture's U.S. cotton ending stocks calculation, 2023/24 and 2024/25

Item	Units	2023/24	2024/25
Cotton stocks components:			
(a) Stocks held in public storage and compresses 1/	1,000 running bales	2,495	3,259
(b) Preseason ginnings 2/	1,000 running bales	68	7
(c) Upland cotton mill stocks 3/	1,000 running bales	84	76
(d) Extra-long staple (ELS) cotton mill stocks 4/	1,000 running bales	1	1
(e) Stocks held in private storage 4/	1,000 running bales	160	64
(f) Stocks subtotal (a minus b plus c, d, and e)	1,000 running bales	2,672	3,393
Further adjustments:			
(g) Stocks in transit and at ports 5/	1,000 running bales	401	509
(h) Estimated ending stocks (f plus g)	1,000 running bales	3,073	3,902
(i) Adjusted cotton ending stocks (h multiplied by 1.025)	1,000 480-lb. bales	3,150	4,000

1/ Inventory data (adjusted to July 31) from USDA, Agricultural Marketing Service (AMS) *Bales Made Available for Shipment (BMAS)* report.
2/ Data from USDA, National Agricultural Statistics Service (NASS) August 2025 *Cotton Ginnings* report.
3/ Data from USDA, Farm Service Agency (FSA) *Economic Adjustment Assistance Program* report.
4/ Data from USDA, NASS September 2025 *Cotton System Consumption and Stocks* report.
5/ Estimated based on USDA, AMS *BMAS* cotton shipment data during the last 2-3 weeks of the season.

Source: USDA, Economic Research Service based on various USDA reports.

Last update: 9/16/25.

The ending stocks calculations shown in table A incorporate estimates for in-transit stocks based on data from USDA, Agricultural Marketing Service (AMS) *Bales Made Available for Shipment (BMAS)* report. In addition, the conversion factor (1.025) from running bales to statistical 480-pound bales closely matches the weights reported in the USDA, NASS *Cotton Ginnings* annual summary report.

Based on the available data, U.S. cotton stocks on July 31, 2025—the end of the 2024/25 marketing year—are computed to be approximately 3.9 million running bales or 4.0 million statistical (480-pound) bales. The 2024/25 U.S. ending stocks estimate is 850,000 bales (27 percent) above the 2023/24 estimate of 3.15 million bales, and the stocks-to-use ratio is 6 percentage points higher at 29 percent. However, the 2024/25 stocks and stocks-to-use ratio are near the respective 3-year averages.

Note: Starting October 1, 2025, ERS historical reports and data previously hosted on the Mann Library site will remain fully accessible through the National Agricultural Library's platform. New reports and data updates will be released on the ERS website.

Suggested Citation

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