



**INTERNATIONAL
COTTON
ADVISORY
COMMITTEE**

COTTON THIS MONTH

Edging toward a bearish cotton market outlook. Cotton consumption and sourcing are under pressure.



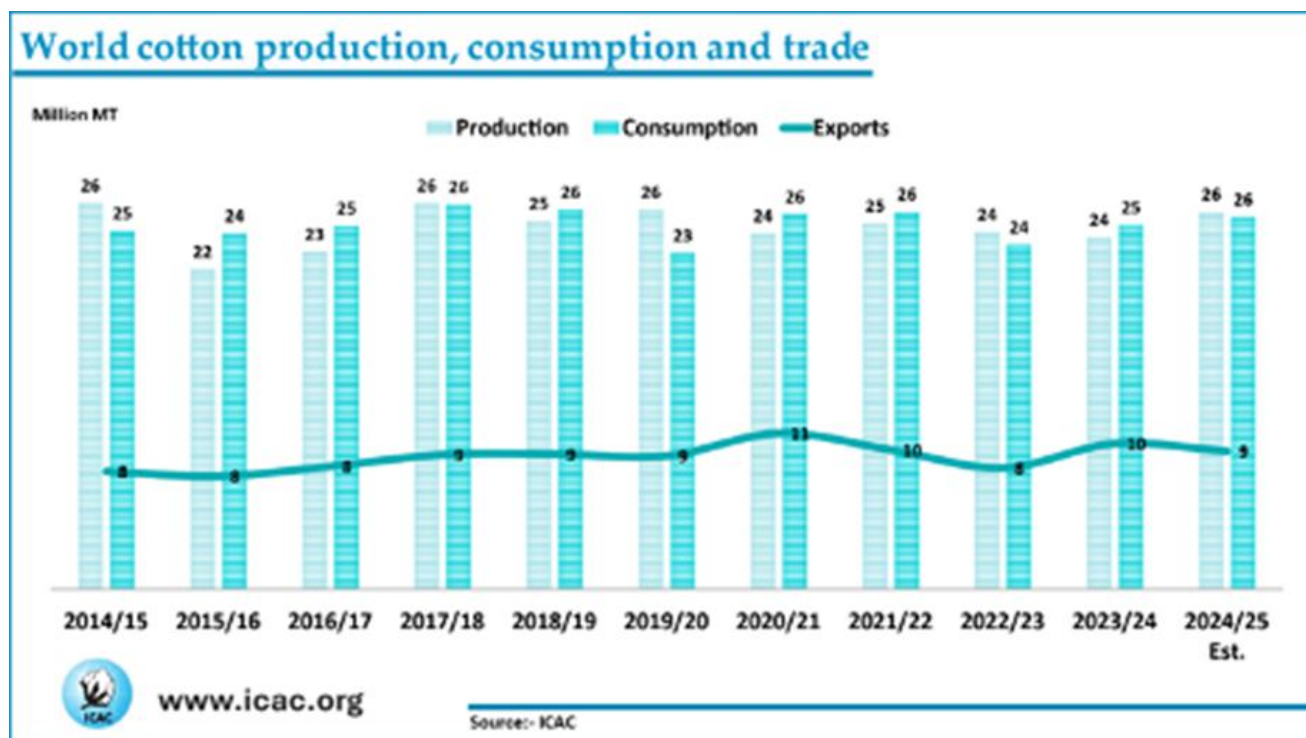
MAY 2025



COTTON THIS MONTH

World production continues to outpace consumption this month. World cotton lint production currently is estimated to be about 25.8 million tonnes roughly 7% higher than last season with major cotton producers like the USA, Brazil, and China reporting an increase from last season. World cotton consumption is estimated to be around 25.5 million tonnes, currently 2% higher than the last season, with consumption in China remaining unchanged and a slight increase in consumption outside China.

Trade has been revised downward to 9.45 million tonnes due to decreased import demand from China, which more than offsets any increase in imports from other regions. With tariff escalations, we can expect considerable changes in the trade forecasts and trade baskets for cotton lint in the coming months/seasons. Additionally, the cotton trade is already facing supply chain issues due to its highly fragmented industry structure, in addition to factors like the security issues on the Suez Canal and logistics delays.





Cotton consumption and sourcing likely to remain under pressure

China

More than half of world cotton lint stocks remains with China, enough to take care of its consumption needs. China is likely to import less cotton than last season, due to its existing reserves of cotton, domestic supply, and heavy use of manmade fibers. However, it remains the world's largest consumer of cotton, at about 8.3 million tonnes in 2024/25.

Imports from China are revised downward as China has imported around 881,176 metric tonnes of cotton in the 2024/25 season through February 2025. With five months remaining in the season, ICAC estimates that China won't come close to last year's import levels. Considering the tariffs that are in place, China is also likely to divert its cotton imports away from the USA and toward countries like Brazil and Australia.





Consumption outside China offers some positive news, with reports of boosts in the consumption capacity (and expected increase in imports) from Bangladesh, Egypt, Turkey, India, and Vietnam.

Bangladesh is currently estimated to become the world's largest importer in 2024/25. The country 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.

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. Egypt's imports have been revised upward this month, and the country is estimated to import more cotton to fuel its textile industry in the future.

Indonesia is not expected to 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.

India, at this point in the 2024/25 season, has already consumed about 390,000 tonnes of cotton, which is about five times more than the amount it consumed in the first six months of last cotton season. 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.

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.



Turkey is largely unaffected by US tariff escalations and is expected to continue its current trajectory in the cotton lint trade.

Vietnam is likely to cut tariffs and import more cotton from the USA.

According to the Executive Orders by the US president, the textile products that primarily use US-sourced raw materials could be exempt from increased tariffs. This indicates that all the major countries that export to the USA will soon be scrambling to buy more US cotton which would require that traceability be enforced in the cotton industry.

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 pressure 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 would add costs and audit fatigue to the value chain.

ICAC's Statistical Data Portal

For the most up-to-date statistics, please refer to the ICAC's Statistics Portal. It is updated with new data constantly, and that new information is immediately reflected in Portal, making it a valuable resource all month long.

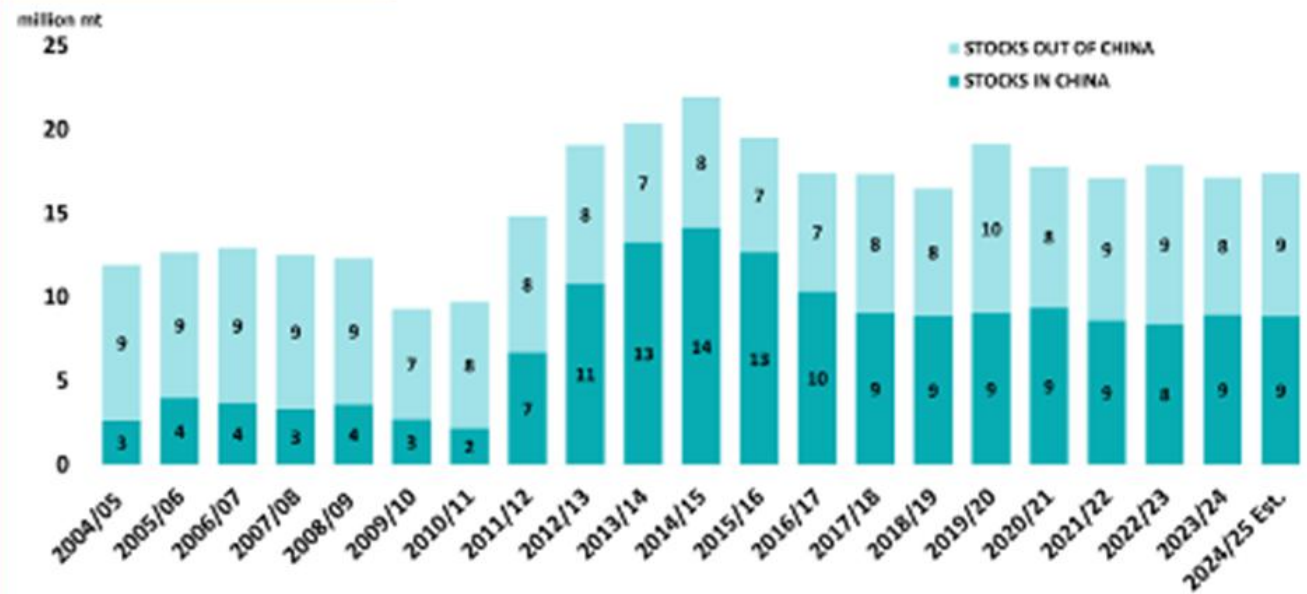
ICAC's Price Projections

The Secretariat's current price forecast of the season-average A index for 2024/25 ranges from 79 cents to 88 cents, with a midpoint at 83 cents per pound.

**ICAC's Price Projections are made by Ms. Lorena Ruiz, Economist,
ICAC**



World cotton stocks



www.icac.org

Source: ICAC

US COTTON LINT EXPORTS BY PARTNERS AND TARIFF IMPACTS								
Percentage of total US cotton lint exports								
Export Partners	2021/22	2022/23	2023/24	2024/25*	Previous Rate	Any retaliatory rate announced on US	Updated rate by USA	Timeline
China	33	26	39	10	34%	125%	145%	no timeline set
Pakistan	11	15	11	23	29%	None	10%	29% paused until July 25
Turkey	12	13	7	8	10%	None	10%	no timeline set
Vietnam	13	12	11	17	46%	None	10%	46% paused until July 25
Bangladesh	4	5	6	5	37%	None	10%	37% paused until July 25
India	4	3	2	5	26%	None	10%	26% paused until July 25

Note: * For 2024/25, the data only reflects exports through Feb 2025.



WORLD COTTON LINT BALANCE SHEET							
	Area	Yield	Production	Beginning Stocks	Imports	Consumption	Exports
	'000 ha	kg/ha	'000 metric tonnes				
2004/05	35379	763	26999	9084	7318	23612	7775
2005/06	34791	746	25939	11920	9603	25013	9757
2006/07	34375	766	26345	12649	8220	26586	8139
2007/08	32779	796	26104	12940	8540	26676	8448
2008/09	30222	793	23961	12516	6640	23747	6625
2009/10	29777	750	22328	12336	7929	25305	7825
2010/11	32965	762	25103	9293	7804	24805	7647
2011/12	35710	783	27946	9708	9850	22389	10312
2012/13	34254	808	27684	14841	10213	23440	10158
2013/14	32492	795	25835	19065	8858	24092	9219
2014/15	34050	776	26439	20384	7800	24579	8071
2015/16	30777	712	21921	21925	7829	24413	7735
2016/17	29906	774	23138	19491	8092	24898	8413
2017/18	33047	801	26463	17394	9041	26352	9211
2018/19	32593	773	25210	17340	9222	26031	9254
2019/20	34419	756	26036	16494	8780	23050	9129
2020/21	31748	769	24420	19103	10658	25710	10680
2021/22	32722	766	25062	17801	9612	25830	9545
2022/23	31934	766	24465	17109	8223	23641	8305
2023/24	31313	770	24118	17869	10077	24960	9977
2024/25 Est.	31340	824	25829	17132	9450	25527	9450

Author
Parkhi Vats
Economic Affair
Officer
ICAC
parkhi@icac.org

Approved by
Eric Trachtenberg
Executive Director
ICAC