



# Cotton and Wool Outlook: April 2024

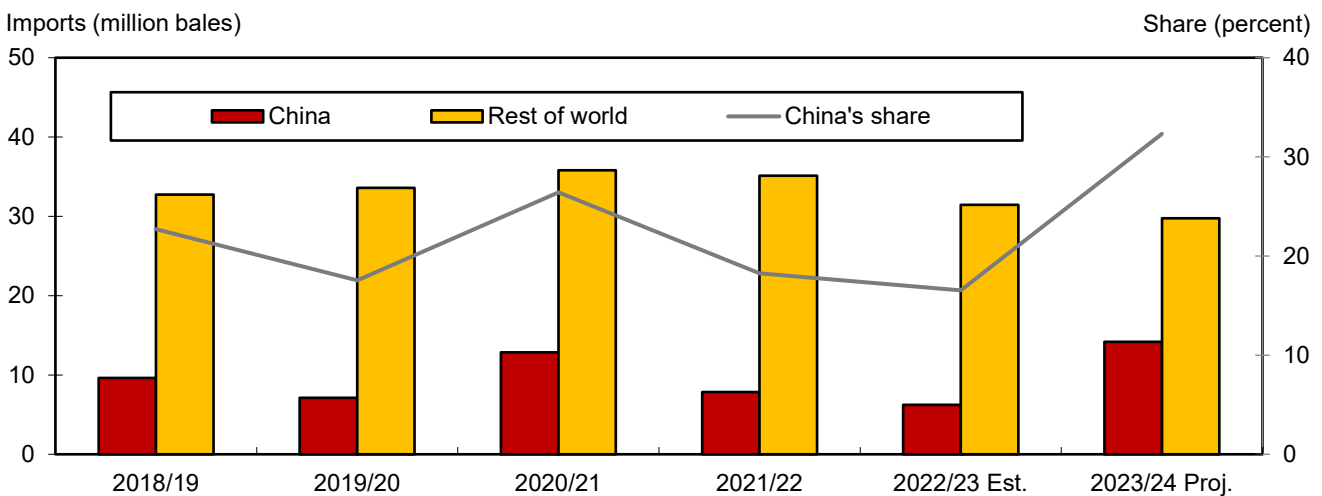
Leslie Meyer and Taylor Dew

## China’s Large 2023/24 Cotton Imports Drive Global Trade Higher

The latest U.S. Department of Agriculture (USDA) estimates for 2023/24 (August–July) indicate that China’s cotton imports are projected to increase to 14.2 million bales, 128 percent above 2022/23 (figure 1). These increased imports are primarily to replenish the national reserve. China’s cotton import estimate accounts for 32 percent of the 2023/24 global total (43.9 million bales) and is significantly higher than 2022/23’s share of 17 percent. Imports for the rest of the world are estimated at 29.7 million bales. Meanwhile, the United States and Brazil are the leading cotton exporters to the world in 2023/24.

Global cotton production in 2023/24 is estimated at 112.9 million bales, 3 percent below 2022/23, as offsetting changes for major producers keep this season’s total crop forecast at a 6-year low. World cotton mill use is projected to increase 1.4 percent to 112.8 million bales in 2023/24, led primarily by Pakistan, India, and China. World ending stocks are expected to increase marginally (0.6 percent) from the previous year to 83.1 million bales.

Figure 1  
**China and rest of world cotton imports**



Note: 1 bale = 480 pounds.

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

# Domestic Outlook

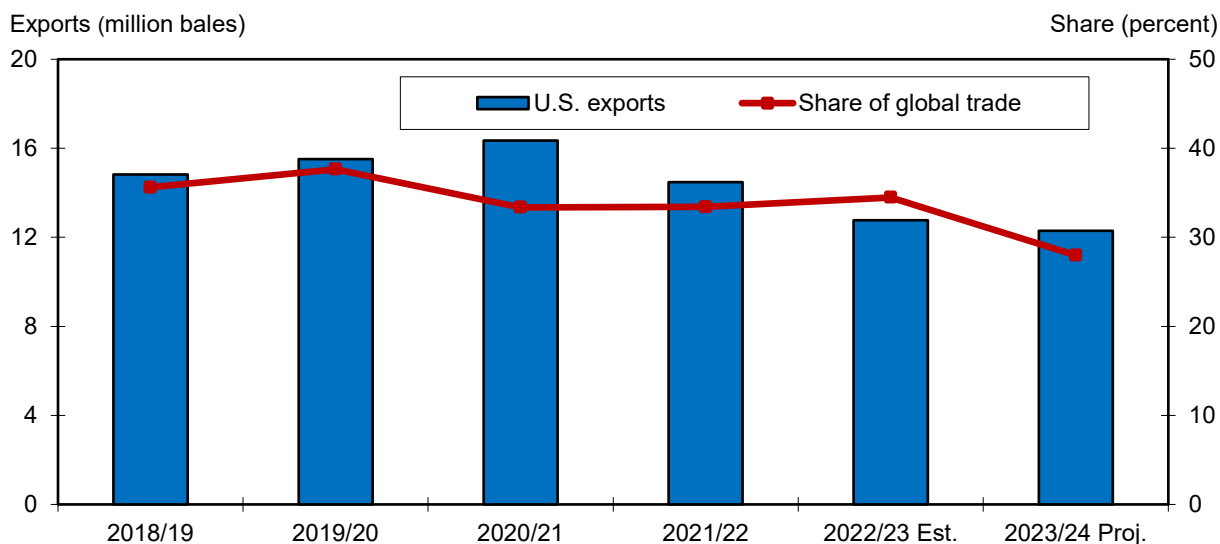
## U.S. Cotton Supply and Demand Estimates Unchanged

The 2023/24 U.S. cotton crop remains estimated at 12.1 million bales (upland at 11.8 million bales and extra-long staple (ELS) at 307,000 bales). This estimate is 16 percent below the 2022 crop and near 2009/10's recent low of 12.2 million bales. USDA will release the final U.S. cotton production estimates for the 2023 crop on May 10. Based on the latest production estimate and beginning stocks of 4.25 million bales, the 2023/24 U.S. cotton supply totals 16.4 million bales, about 2.2 million below 2022/23 and the lowest since 1984/85.

U.S. cotton demand in 2023/24 is projected at approximately 14.1 million bales—5 percent below 2022/23 and the lowest since 2015/16—with U.S. mill use and exports both lower this season. U.S. cotton mill use is forecast at 1.75 million bales in 2023/24, the lowest in nearly 140 years, as lower fiber supplies and uncertainties about the global economy limit spinning activity. Based on data through the first 7 months of 2023/24, U.S. textile mills used just over 1 million bales of cotton, 15 percent below the comparable period of 2022/23.

U.S. cotton exports also are forecast lower this season due to reduced U.S. cotton supplies and the sluggish world economy. Exports are projected at 12.3 million bales in 2023/24, 470,000 bales below 2022/23 and the lowest shipments in 8 years. During the first 8 months of 2023/24, U.S. cotton exports totaled 7.6 million bales, or 62 percent of this season's forecast, with the shipment pace expected to remain strong over the next several months. As a result, the U.S. share of global trade is forecast at 28 percent, compared with the 3-year average near 34 percent (figure 2).

Figure 2  
**U.S. cotton exports and share of global trade**



Note: 1 bale = 480 pounds.

Source: USDA, Economic Research Service using data from USDA, *World Agricultural Supply and Demand Estimates reports*.

## U.S. Ending Stocks Unchanged in April; Farm Price Revised

U.S. cotton ending stocks for 2023/24 are forecast at 2.5 million bales, 41 percent (1.75 million bales) below 2022/23 and the lowest in a decade. The current stocks-to-use ratio is estimated at 18 percent, compared with the previous 2 years which averaged 26.5 percent. Despite lower U.S. cotton ending stocks in 2023/24, uncertainty surrounding global cotton demand has moderated cotton prices this season. The average U.S. upland cotton farm price for 2023/24 is projected at 76 cents per pound, 1 cent below the March forecast and beneath 2022/23's 84.8 cents per pound.

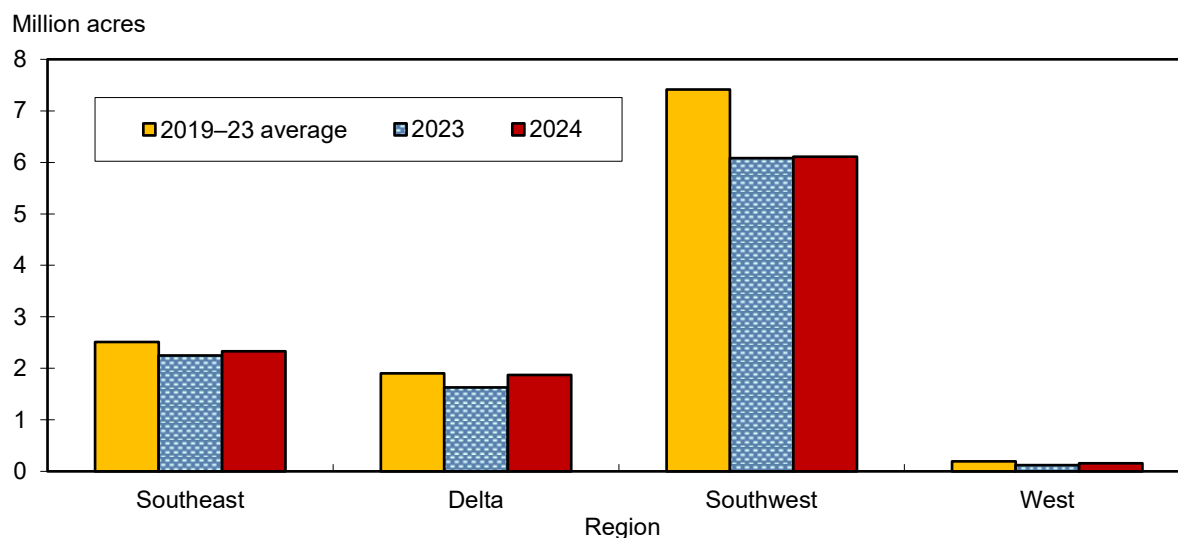
## Slightly Higher U.S. Cotton Plantings Projected for 2024

Total U.S. cotton planted acreage is projected 4 percent higher in 2024 after a decrease of more than 25 percent in 2023. Based on the USDA, National Agricultural Statistics Service's (NASS) *Prospective Plantings* report that surveyed farmers in early March, producers intend to plant approximately 10.7 million acres of cotton in 2024. The initial projection is 440,000 acres above 2023 plantings but still the second lowest in 8 years. Upland acreage is forecast at 10.5 million acres in 2024, while ELS area is expected higher at 203,000 acres. (For area projections by State and region, see table 10 associated with this report.)

Upland cotton area is expected to increase from last season as harvest price expectations for cotton have been more favorable than those for competing crops this spring. Each of the four Cotton Belt regions are forecast to plant more cotton in 2024, with the key Southwest region indicating only a marginal increase in area devoted to cotton (figure 3). The seasonal outlook for most of the Southwest for the upcoming growing season is for above normal temperatures and below normal precipitation, with weather playing a critical role again in the 2024/25 cotton crop outcome. As of early April, only 5 percent of the expected U.S. cotton area was planted. Consequently, the 2024 planting intentions remain tentative and estimates will be updated at the end of June in USDA, NASS's *Acreage* report.

Figure 3

### U.S. regional upland cotton planted area



Note: 2024 based on *Prospective Plantings* report.

Source: USDA, Economic Research Service based on USDA, National Agricultural Statistics Service, *Crop Production* reports.

The Southwest is forecast to plant 6.1 million acres to upland cotton in 2024, marginally above 2023 but still one of the lowest of the last decade. Corn and soybean acreage in the region are each forecast to decline from the year before. The Southwest is expected to account for 58 percent of total U.S. upland cotton acreage in 2024, below the 5-year average of 62 percent. Nevertheless, production prospects in the region will play an influential role in the size of the 2024 U.S. cotton crop.

In the Southeast, 2024 cotton plantings are forecast to rise 3.5 percent (80,000 acres) from a year ago to approximately 2.3 million acres, with lower area planted to alternative crops, particularly corn. Cotton acreage in the Southeast is expected to contribute 22 percent of the U.S. upland total, equal to the 10-year average. In the Delta, where cotton area is forecast to rise 15 percent (240,000 acres), 2024 upland acreage is projected at 1.9 million acres. Corn area in the Delta is expected lower but soybean acreage is forecast to expand in 2024. Delta cotton planted area is projected to account for 18 percent of the total upland cotton acreage in 2024, the highest in 15 years.

Upland cotton area in the West is projected at 160,000 acres in 2024, up from last season's historic low. In 2024, the region's upland acreage is forecast to account for 1.5 percent of the U.S. total and is one of the smallest shares in over eight decades. ELS cotton area, grown mainly in the West, is projected to increase 38 percent to 203,000 acres in 2024, compared with the 5-year average of 177,000 acres. A 50-percent reduction in ELS cotton stocks, the result of a small 2023 crop and increased exports to mills abroad, is expected to lead to increased ELS plantings in 2024. The West region is forecast to account for 80 percent of the total ELS cotton area in 2024, with Texas contributing the remaining 20 percent.

# International Outlook

## Global Cotton Production Lower in 2023/24

World cotton production in 2023/24 is forecast at 112.9 million bales, slightly below 2022/23's estimate of 116.15 million bales (figure 4). With global cotton harvested area nearly identical to the previous year, a lower yield accounts for the production decrease in 2023/24. Global cotton area is estimated flat at 31.7 million hectares (78.4 million acres) in 2023/24 but is slightly below the 3-year average. The 2023/24 world cotton yield is projected at 775 kilograms (kg) per hectare (691 pounds per acre), down from last season's 798 kg per hectare (712 pounds per acre).

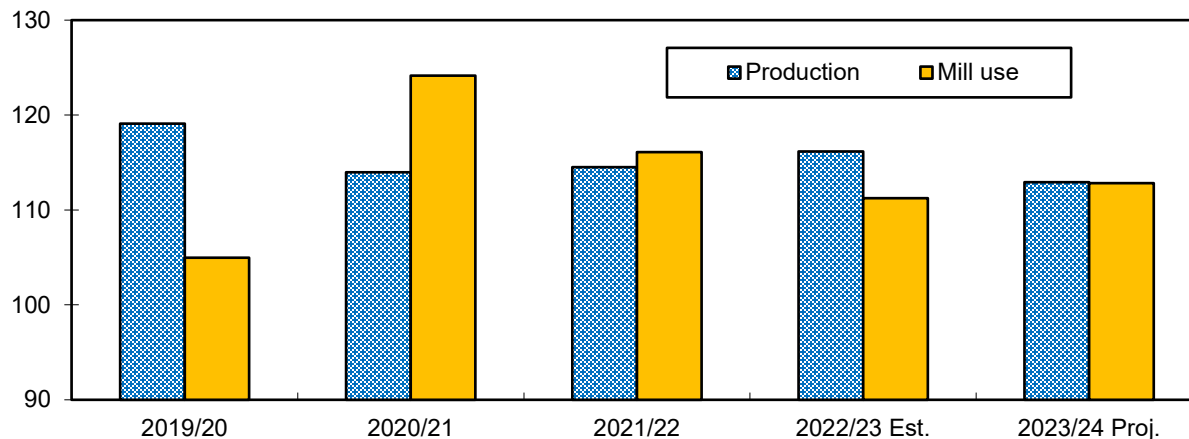
Cotton production estimates have been mixed this season for the major-producing countries, as year-over-year declines in China, India, the United States, and Australia more than offset considerable gains in Brazil and Pakistan. Production in China—the leading cotton producer in 2023/24—is estimated at 27.5 million bales, a 10-percent (3.2-million-bale) decline year-over-year as both area and yield are lower. Harvested area is estimated at 2.9 million hectares, 8 percent below 2022/23 and equal to the 2016/17 level, which was the lowest in more than 55 years. China's 2023/24 yield is expected to decrease modestly from last season's record of 2,122 kg per hectare. For 2023/24, the yield is forecast at a relatively high 2,065 kg per hectare as most of the crop is in the high-yielding Xinjiang region. China is expected to account for more than 24 percent of global cotton production this season.

For India, 2023/24 cotton production is estimated at 25.5 million bales, 3 percent below last season's crop as both area and yield are lower. Harvested area is estimated 2 percent lower, while this season's national yield declines to 437 kg per hectare, slightly below the 3-year average. India is forecast to account for 23 percent of world cotton production in 2023/24. In addition to the U.S. production decline of 16 percent (2.4 million bales), Australia's cotton crop is forecast 17 percent (1 million bales) lower at 4.8 million bales. The United States accounts for 11 percent of the global crop in 2023/24, while Australia contributes 4 percent.

Figure 4

### Global cotton production and mill use

Million bales



Note: 1 bale = 480 pounds.

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

In contrast, the largest year-to-year increases in 2023/24 cotton production are estimated for Brazil and Pakistan. Brazil's cotton crop of nearly 14.6 million bales in 2023/24 is 2.8 million bales above the previous season, with both harvested area and yield higher. Harvested area is estimated at 1.66 million hectares while yield is forecast at a record 1,910 kg per hectare. Brazil is expected to account for 13 percent of the world's cotton production this season. Pakistan's 2023/24 cotton production (6.7 million bales) is forecast to rebound considerably, rising 2.8 million bales from last season's flood-damaged crop. Harvested area is estimated 33 percent higher at 2.4 million hectares while the yield is also higher at 608 kg per hectare. Pakistan is forecast to account for 6 percent of the global cotton crop in 2023/24.

## Slightly Higher World Cotton Mill Use Forecast in 2023/24

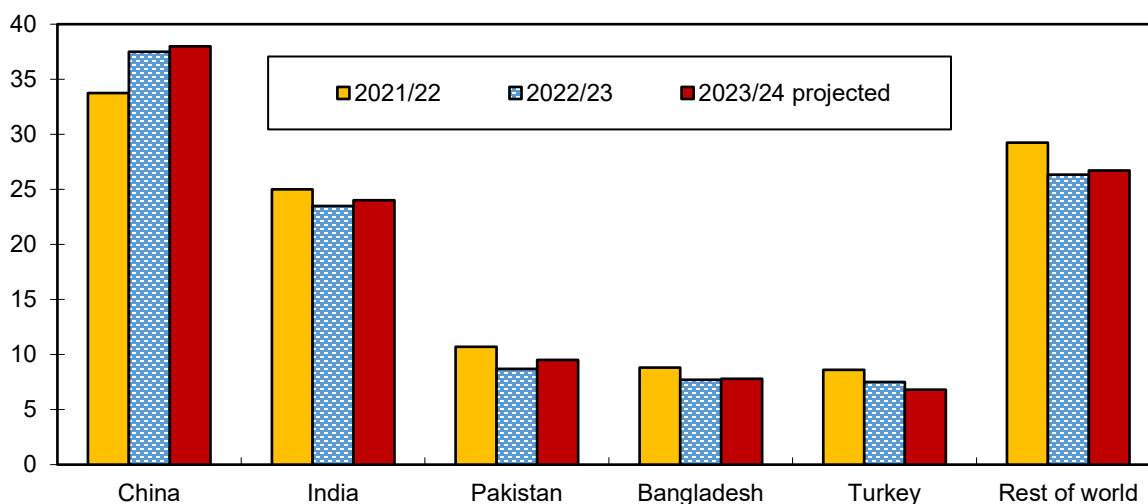
Global cotton mill use in 2023/24 is projected at 112.8 million bales, 1.4 percent (1.6 million bales) above last season but equal to the long-run (1999/2000–2022/23) average growth rate (figure 4). The modest growth is supported by yarn inventory reductions despite continuing economic headwinds that have limited global cotton mill use during the last 2 years. Mill use, although expanding this season, is among the lowest of the last 8 years.

The top five consuming countries are again projected to account for more than 75 percent of global cotton mill use in 2023/24. China and India are by far the largest users, combining for 55 percent of the total (figure 5). Small increases are expected for most of the major cotton-spinning countries, except for Turkey where mill use is forecast lower. For China, cotton mill use is forecast at 38 million bales in 2023/24, up slightly (500,000 bales) from 2022/23. China is expected to account for 34 percent of global cotton mill use this season.

Figure 5

### Leading global cotton consumers

Million bales



Note: 1 bale = 480 pounds.

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

Cotton mill use in India is forecast 2 percent (500,000 bales) higher in 2023/24, at 24 million bales, as a rebound in yarn exports—particularly to China—have increased prospects. Cotton mill use in India is forecast to contribute 21 percent of the world total in 2023/24. Higher cotton mill use is also forecast for Pakistan, Bangladesh, and Vietnam in 2023/24. For Pakistan—the third largest cotton spinner—mill use is forecast at 9.5 million bales (+9 percent) in 2023/24 as adequate supplies are available this season compared with last year. Cotton mill use in Bangladesh is forecast at 7.8 million bales (+100,000 bales) in 2023/24. As the fourth largest user of raw cotton, Bangladesh accounts for 7 percent of the global total. Vietnam and Turkey are each expected to use 6.8 million bales of cotton in 2023/24. For Vietnam, cotton mill use is rebounding to the 3-year average as yarn exports to China have supported the increase. In contrast, Turkey’s 2023/24 mill use forecast is 9 percent (700,000 bales) lower than a year earlier, attributed to lower supplies and significantly higher raw cotton exports that limit mill use.

## Global Cotton Trade To Jump Significantly; Stocks Relatively Flat in 2023/24

World cotton trade for 2023/24 is forecast to rise 19 percent above 2022/23, largely the result of a dramatic increase in cotton imports by China. Global cotton imports are led by China, Bangladesh, and Vietnam in 2023/24 and account for a combined 65 percent of the total. For China, 2023/24 cotton imports are expected to reach 14.2 million bales, 8 million higher than in 2022/23 as China restocks its national reserve and mill use rises modestly. Bangladesh imports are forecast to rebound 7 percent (500,000 bales) to 7.5 million bales, but imports remain more than 10 percent below the 2021/22 level. In Vietnam, cotton imports also are projected to rise, reaching 6.8 million bales (+5 percent) in 2023/24, the highest in 3 years.

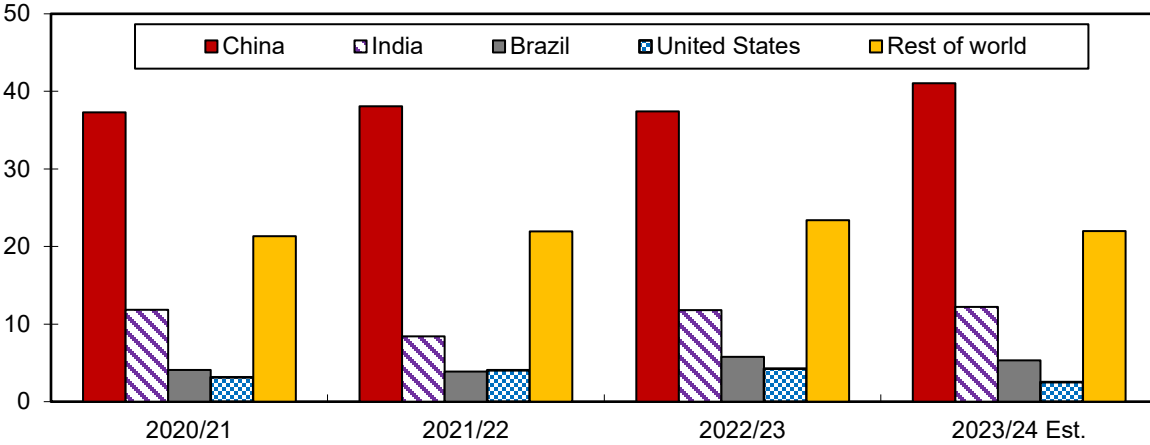
Global cotton exports in 2023/24 are projected at approximately 44 million bales, 6.9 million bales above last season and the highest in 3 years. While lower supplies in the United States and Australia are limiting export prospects this season, larger supplies in Brazil are providing increased export opportunities. U.S. cotton exports are forecast approximately 500,000 bales lower in 2023/24 at 12.3 million bales, while exports from Australia are expected to reach 6 million bales (-3 percent). For Brazil, cotton exports are forecast at a record 11.7 million bales in 2023/24, a significant increase of 5 million bales from the previous year. If realized, Brazil’s share of global trade would climb to 27 percent, second only to an expected share of 28 percent for the United States.

Based on these global cotton supply and demand projections, 2023/24 world stocks are forecast to rise less than 1 percent from the previous year to 83.1 million bales. Stocks in China—the largest holder of cotton—are forecast to rise this season as are cotton stocks in India (figure 6). In China, cotton stocks at the end of 2023/24 are projected at 41.1 million bales, up 10 percent, accounting for 49 percent of the global total. For India, cotton stocks are forecast to reach 12.2 million bales in 2023/24, compared with 11.8 million last season. India is forecast to contribute 15 percent of the global stock total in 2023/24. Ending stocks in Brazil are forecast 7.5 percent lower, as record exports are expected to reduce stocks to 5.3 million bales by July 31, 2024. Brazil is expected to account for 6 percent of the world total in 2023/24. U.S. cotton stocks are forecast at 2.5 million bales, or 3 percent of the world total. Stocks in the rest of the world (22 million bales) are expected to decline 6 percent, contributing 26 percent of the 2023/24 total.

Figure 6

### Global cotton ending stocks

Million bales



Note: 1 bale = 480 pounds.

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

### Suggested Citation

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