



**COTTON
OUTLOOK**

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AFRICAN COTTON ASSOCIATION

LOMÉ, MAY 2026



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REVIEW OF THE SITUATION SINCE LAST YEAR

Since delegates gathered for the ACA meeting in Dakar last year, the cotton market has taken us on its typical mystery tour. To try to interpret the dynamic and direction, it makes sense to look first of all at the history of prices over the past few months.

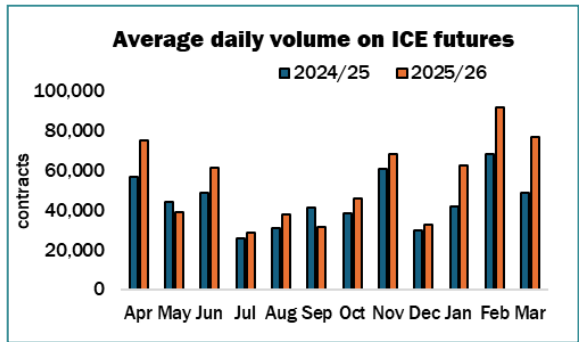
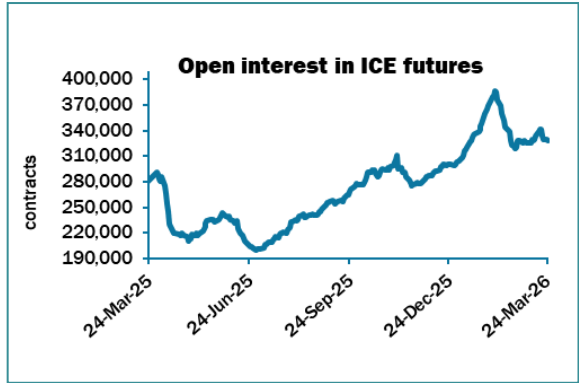
What we see first is cotton offering rates at a plateau for the first few months of 2025. Between January and August, the Cotlook A Index fell within an extremely narrow range of just 5.6 cents between 74.95 cents per lb and 80.55 cents per lb. Cotton demand was stagnant, and offering rates were effectively anchored by the huge amount of low-priced Brazilian supplies in the market.



**ANTONIA
PRESCOTT**

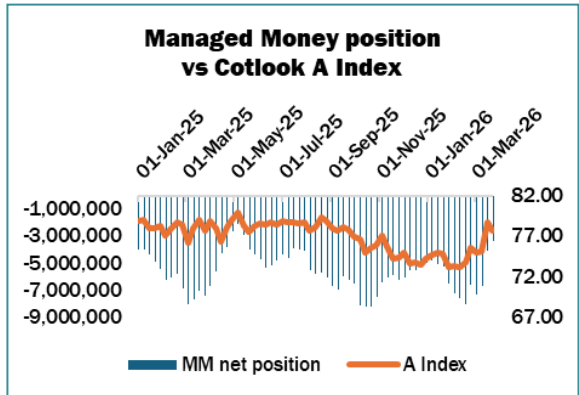
Editor
Cotton Outlook

However, another notable feature is the enormous influence of speculative investors on our market. Participation in New York has increased substantially in the past year: open interest has risen to record proportions, and daily turnover has taken a substantial step upwards as well.



In the autumn of 2025, Managed Money investors built up a record short position, exerting substantial pressure on the market coinciding with growing concerns about the state of the US economy, political interference in the operations of the Federal Reserve, US tariffs, and the consistent global oversupply of cotton in the face of anaemic demand.

Prices moved out of their narrow range and the A Index fell to a five-year low in early February.

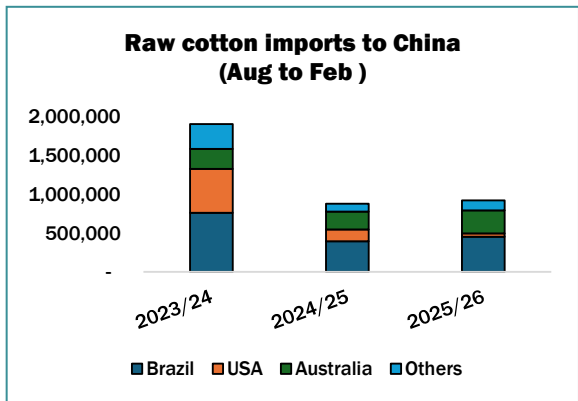
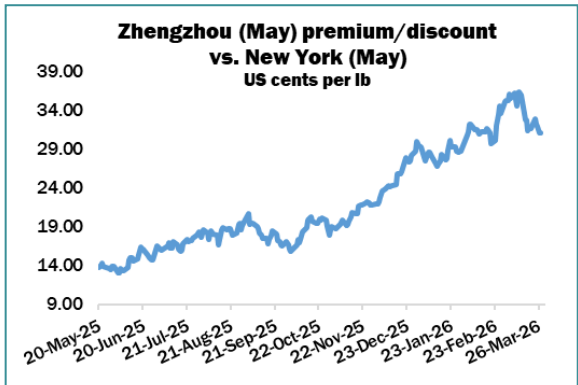
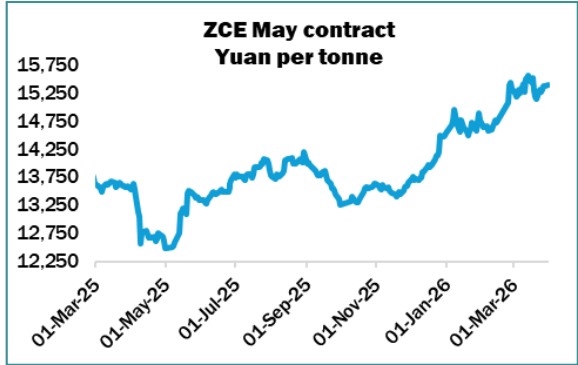


However, we also need to pay attention to activity on another futures market.

In China, futures prices began to rise strongly in December last year and have continued to gain ground in the early months of 2026. The gain for the May cotton contract in Zhengzhou between the start of December and end February was 12 percent.

Prices in New York over the same period were flat, so there was an increasing disparity between prices for domestic cotton and international supplies. This provoked a sudden focus on imported supplies amongst traders seeking to take advantage of opportunities for arbitrage between the two platforms.

Cotton imports to China began to accelerate in December, and the total in the season to February is now five percent ahead of last year. Despite a record crop in the main Chinese producing region of Xinjiang (over 7.5 million tonnes), import demand remains strong and forecasts of the seasonal total are rising. This is thanks to very robust consumption in the country, currently estimated at around 8.9 million tonnes in 2025/26.

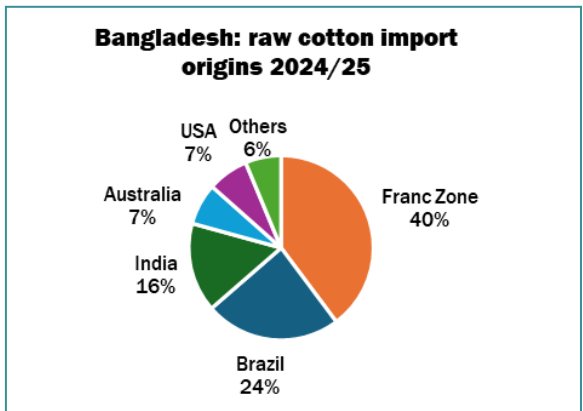
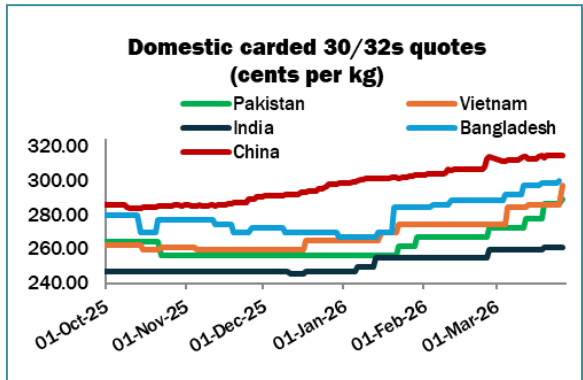
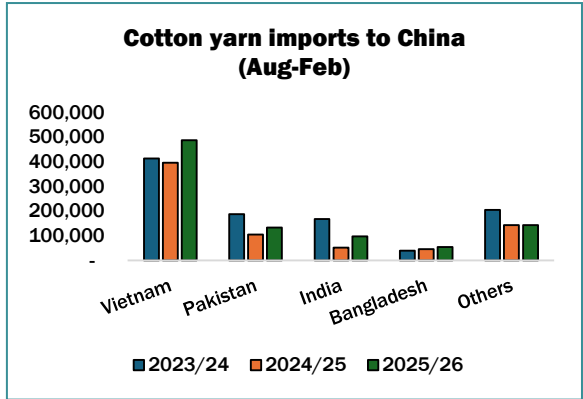


However, the import demand was not limited to lint. Growing orders for textiles and apparel meant that manufacturers also increased their purchases of yarn from international suppliers as well. China's yarn imports in the season to February are 23 percent higher than at the same time last year. Moreover, purchases from the four major suppliers have all increased.

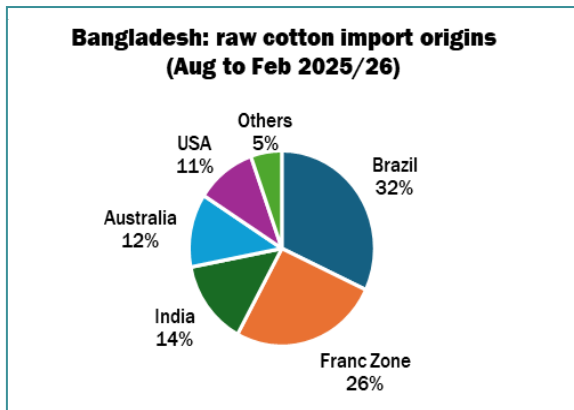
Yarn prices in all the principal yarn-producing countries began to rise, allowing a welcome return to profitability for mills, which have been struggling with flat or negative margins for some time.

However, this acceleration in Chinese demand has benefited Brazilian and Australian cotton principally, while West African origins have a very small footprint in China. Meanwhile, cotton consumption in other major textiles producers does not appear to be growing to the same degree.

The most important market for West African cotton at present is Bangladesh, where imports are running eight percent behind last year at present.



Moreover, there has been a distinct shift towards Brazil, purely on price considerations. While cotton from the Franc Zone made up 40 percent of Bangladesh's raw cotton imports in 2024/25, the total so far is 43 percent behind the figure recorded for the first seven months of last season. Meanwhile, Brazil has increased its total by 75 percent, despite the overall decline.



There is still time for Franc Zone cotton to catch up as Brazilian shipments fade a little in the coming months and exports from West Africa gain momentum. However, the growth in Brazil's production means that a year-round supply is now in prospect and so the competition from that country will be more consistent in future.

Last year, the greatest destabilising factor for the cotton market was the introduction and subsequent shifts of US tariffs. This year, of course, we have to confront the impact of the war in the Middle East.

Between March and April, the July contract in New York increased in value by 8.5 percent. At the time of writing in early April, the Cotlook A Index had reached 81.5 cents per lb, its highest position since August 2025. Part of this rise is associated with a more supportive fundamental picture (improved demand and the prospect of shorter supply in 2026/27), but a greater part has to do with oil prices, which have risen by as much as 75 percent in the weeks since the start of the conflict.

This increase could affect both sides of the cotton balance sheet, and it is not fully clear at this stage whether the overall impact on the sector will be positive or negative in the short term.

On one hand, higher prices can help farmers make sales. However, these gains might be cut by higher prices for fertiliser, which in turn could affect productivity if supplies are interrupted or farmers or governments are unable to afford the amounts needed for optimal production.

Meanwhile, higher prices for oil-based products cut the advantage of cotton's major competitor, polyester, and we already hear about spinners adjusting yarn blends in favour of cotton, which would be positive for overall consumption. However, the higher cost of fuel and freight will eat into the profits of manufacturers and limit their ability to place new orders. This is a particular concern for Bangladesh, which relies overwhelmingly on imported oil and gas from the Middle East.

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If sustained, of course, these higher prices for oil will feed into general inflation, and then we could return to a situation similar to that observed after Covid, when interest rates had to rise to combat the inflation produced by monetary loosening. That could reduce the ability of consumers to make discretionary purchases on goods such as home furnishings and apparel, when costs for more essential goods (food, shelter, energy) are higher.

The uncertainty makes predictions about supply and demand for next season even more difficult than usual. At present it seems that Chinese planted area might fall to a certain extent, and if the record yields achieved last year are not repeated, this could bring about a reduction in output for the world's largest producer. Meanwhile, planted area is expected to rise in the US, although the very poor state of soil moisture in early spring suggests that abandonment could be high. Yields, too, could be relatively poor if prices for fertiliser remain high. At present, we estimate that US output will be around eight percent less than in 2025/26. The situation in India is always difficult to determine, as planting will only begin in earnest after the arrival of the Monsoon in June. However, most observers expect a steady or slightly increased output this season, as farmers continue to benefit from the increasingly generous Minimum Support Price programme. Finally, in Brazil, estimates of the crop in 2026 are somewhat lower than the 4.1 million achieved in 2025. However, Conab's current forecast of 3.795 million would still be the second largest Brazilian crop in history.

The prospects for consumption are just as cloudy. However, it is hoped that China's cotton use might remain steady. It seems to be the country best placed to weather the storm, with a very large domestic consumer base and a strong, diversified export network. It also enjoys a close relationship with Iran and is therefore able to benefit from preferential treatment for its tankers through the Strait of Hormuz.

However, it is difficult to say how other large cotton consumers will fare in the months ahead. As we have mentioned, Bangladesh is very exposed to oil prices. It also suffers from a lack of dollars to make international purchases. When oil imports take up more of those dollars, mills have less to spend on other imports such as cotton. The question of whether Bangladesh will be able to return to consumption of around 1.6 to 1.7 million tonnes next season is open to question.



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INTERVIEW WITH KASSOUM KONE, PRESIDENT OF THE ACA

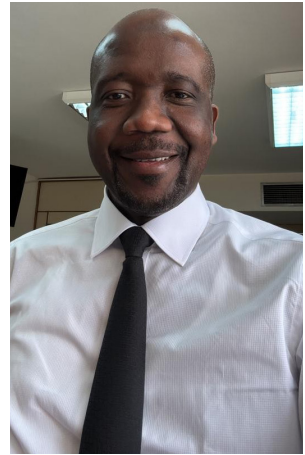
APRIL 2026

1

Geopolitical events and macro-economic dynamics have created difficult conditions for the global cotton market over the past few years. Can you outline some of the particular challenges faced by producers in Africa at present?

In addition to suffering the adverse effects of geopolitical tensions such as price volatility, declining cotton fibre consumption, soaring fertiliser prices, and logistical difficulties, African cotton faces unique challenges.

These include, first and foremost, the means of production and farm size. Not only is cotton cultivation in Africa largely unmechanised, relying primarily on animal traction, but it also involves small farms averaging no more than three hectares each. This situation leads to the low yields we see in Africa. To be more precise, I would say that low yields per hectare are a particularly unfortunate characteristic of cotton farming in Africa.



**KASSOUM
KONE**

President of the ACA

2 We know that Bangladesh is a key market for West African cotton, although Brazil is presenting fierce competition. How can producers in the Franc Zone capitalise on the strong historical relationships and quality credentials preferred by spinners at that destination?

Attracting and retaining the loyalty of spinners in Bangladesh is a priority for the new team at the African Cotton Association (ACA), which I have the responsibility to lead. We believe that despite their long experience using West African cotton, Bangladesh spinners are not truly familiar with our product because we are not in direct contact with the mills. The ACA plans to conduct a promotional mission to Bangladesh to present our sales methods and standards.

In addition, Bangladesh spinners prefer a high level of uniformity in the cotton they use. We must work to maintain this standard in order to secure their loyalty in this market.

3 How do you view the impact of programmes such as Cotton made in Africa and Better Cotton for the continent? Would you welcome the expansion of their presence?

These certification programmes are a key feature of the global cotton industry. Whether for producers, traders, spinners or designers, they are absolutely indispensable marketing tools. It is clear they can help producers in marginalised parts of the world.

However, the sheer number of programmes is becoming a source of stress for producers, who find themselves applying virtually the same criteria in order to qualify for multiple certifications. What we really need is a unified African sustainability standard.

4 Cotton-producing systems across the continent are not homogeneous. In fact, we see some systems that are progressing, some are steady and others seem to be in a moment of decline. What lessons can be drawn from the recent developments in – for example – Benin, Mali and Cote d’Ivoire?

In general, the cotton sector across Africa is organised around the same principle: farmers are grouped in producer organisations (POs), their upfront financing is provided by the state or cotton companies, and reimbursement is made upon collection.

It is true that African countries have experienced varying fortunes. Some countries, such as Benin, have seen significant growth due to a rigorously implemented state policy, encompassing everything from seed research to marketing.

Security and rainfall conditions are the principal reasons for the decline in the other two countries. In Mali and Burkina Faso, the massive displacement of populations from regions plagued by jihadism has led to a sharp drop in the number of producers.

In Côte d’Ivoire, the cotton sector is still struggling to recover from the socio-political crisis that shook the country more than twenty years ago. What is more, the technical aspects of production are particularly disrupted by the effects of climate change.

Ultimately, in order to revive cotton cultivation in a sustainable fashion, we must adapt to climate change in a peaceful political environment.

5

We know that some analysts are of the view that the future of African cotton production might be secured via a system that restricts planted area but places greater emphasis on productivity, focusing on quality and sustainability. Do you have any views on how such a model might be implemented and how successful it might be?

If I were asked to summarise the difficulties facing the African cotton sector in a single word, I would say: productivity. To be competitive in today's market, lowering production costs, which necessarily involves improving yields per hectare, is essential.

The meteoric rise of Brazilian cotton production is a perfect illustration of this. We must follow suit, although without the same resources.

As President of the ACA, I am working with my team on promoting a specific model. We believe we need equipment adapted to the size of our farms. Our small farms are not compatible with the large machinery used elsewhere (USA, Brazil, Australia).

With this in mind, the current ACA Board of Directors is increasing its contacts with agricultural equipment manufacturers in pursuit of more appropriate machinery. If, in addition, we intensify the use of new technologies, we can reposition cotton in Africa effectively.

6

What does the international cotton community need to do to support and promote the interests of African farmers?

As part of our quest to improve the living standards of African producers, the ACA conducted an internal review. We arrived at the stark conclusion that no one can do the work for us, we have to do it ourselves. It is absolutely essential to develop a well-coordinated approach involving all stakeholders in our sector, with a particular focus on research (into all aspects of cultivation) through to local processing.

From the international cotton community, we simply expect a fairer distribution of income among stakeholders. It is clear that primary producers, and African producers in particular, are underpaid in terms of the total revenue generated from the field to the finished garment. The most significant share of the profit goes to the distributor of the finished product.

In addition, we believe that most small-scale producers are excluded from the income generated by programmes such as BCI and CMIA. Correcting this injustice will create a more humane system.

7

How do you view the role of the ACA in the coming years?

The ACA's role remains to coordinate initiatives across the continent that serve the common interest.

Ultimately, though, the ACA must move beyond its function as an administrative secretariat and begin to lead multi-disciplinary, cross-sector projects that can have a much broader impact. To achieve this, we must bring together all cotton-producing countries in Africa. This is the true challenge for our team!



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Weekly round up of all major developments in the cotton industry

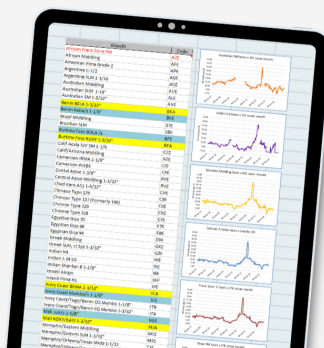


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