

# International Cotton Trade Outlook in a Changing Policy Landscape

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Cotton Focus

Thursday, February 19, 2026

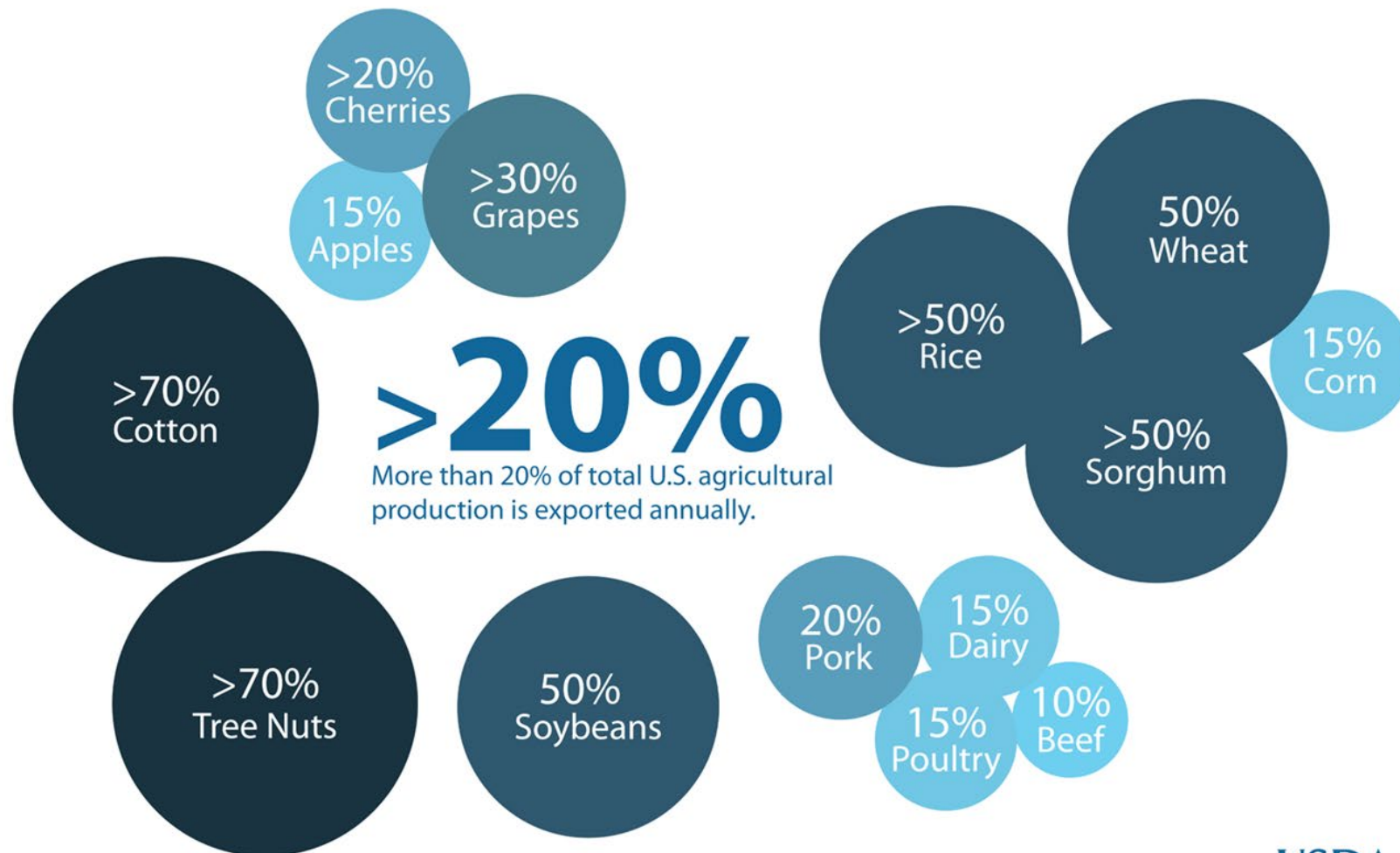
Jackson, TN

How important is international trade to U.S. cotton production?

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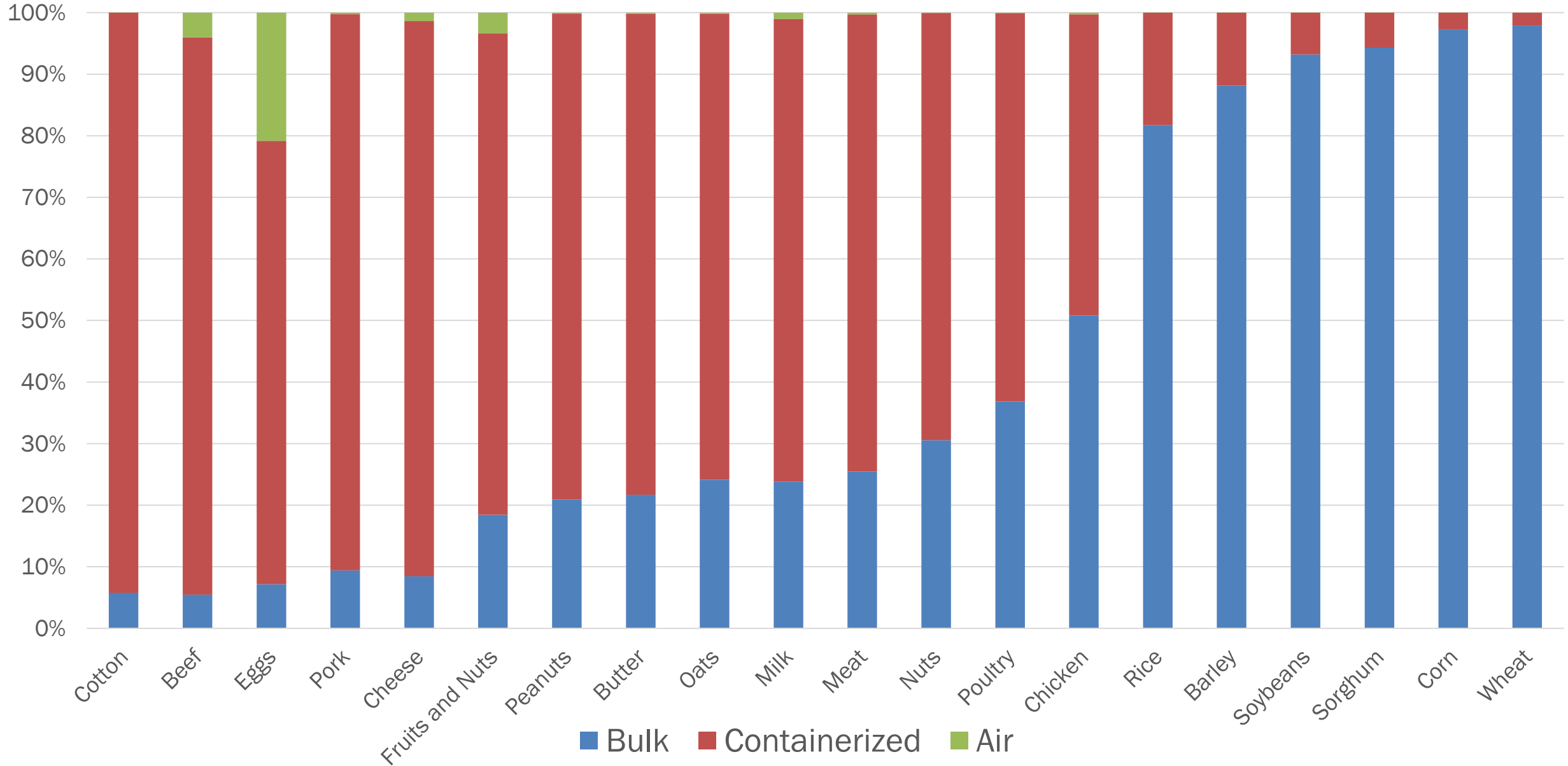


## Share of U.S. Agriculture Exported



Cotton is the most traded agricultural product; 70% to 80% is exported.

## Share of Commodity Exports by Shipping Mode: 2003 - 2021 Average



# Top Commodities



**Soybeans**

\$24.5 billion



**Pork**

\$8.6 billion



**Dairy Products**

\$8.2 billion



**Corn**

\$13.9 billion



**Beef**

\$10.5 billion



**Wheat**

\$5.9 billion



**Tree Nuts**

\$9.8 billion



**Prepared Food**

\$6.3 billion



**Cotton**

\$5.0 billion

**2024 Total = \$176.4 (ag only)**  
(up by more than \$2 billion from 2023)

Source: FAS Global Agricultural Trade System (GATS)  
[www.fas.usda.gov](http://www.fas.usda.gov)  
@USDAForeignAg

Foreign Agricultural Service  
U.S. DEPARTMENT OF AGRICULTURE



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Foreign Agricultural Service  
U.S. DEPARTMENT OF AGRICULTURE



# 2024 Exports



Forest Products  
\$9.5 billion



Poultry Products  
\$5.5 billion



Distilled Spirits  
\$2.4 billion

# Presentation Overview

- 1) Trade War 2.0 – How did we get here?
- 2) Overall Situation and Outlook for U.S. agricultural trade
- 3) Situation and Outlook for U.S. cotton trade
- 4) Deeper dive into global cotton trade
  - ❖ The rise of Brazil
  - ❖ Chinese Demand and Implications

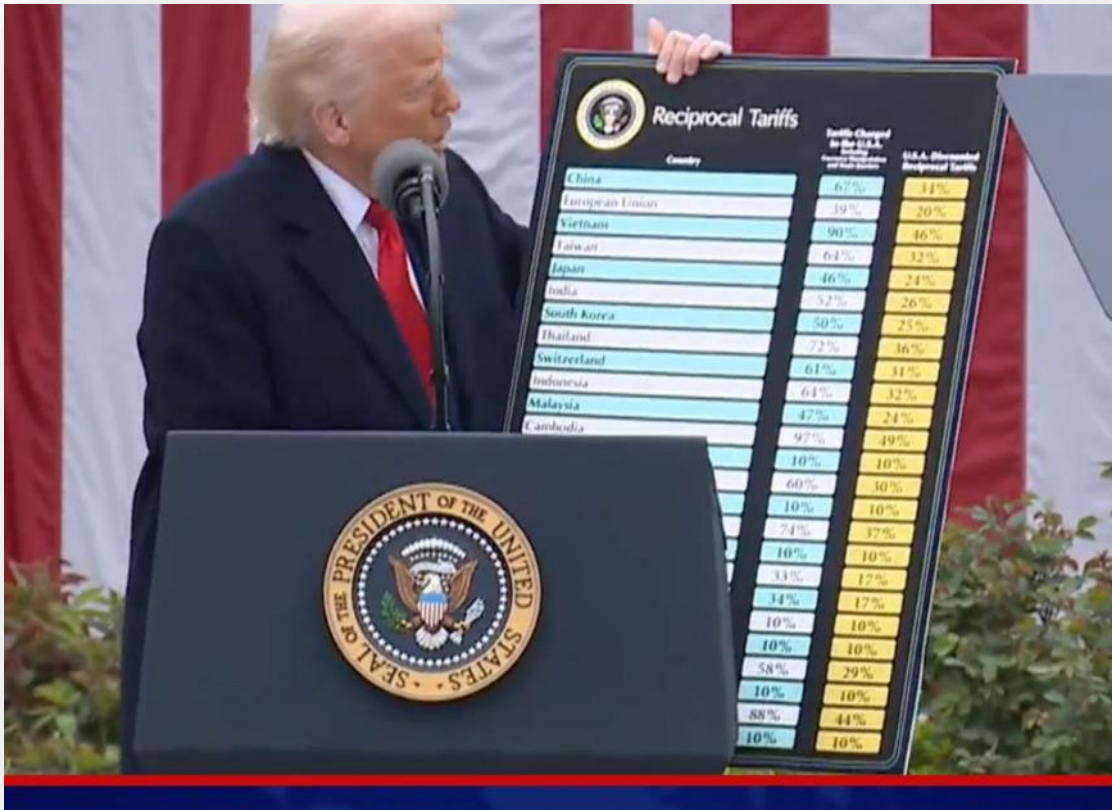


# Trade War 2.0

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	Share of US imports	Rate
Mexico	15.5%	25%
China	13.4%	30%
Canada	12.6%	35%
India	2.7%	50%
Brazil	1.3%	50%
Vietnam	4.2%	20%
Switzerland	1.9%	39%
Taiwan	3.6%	20%

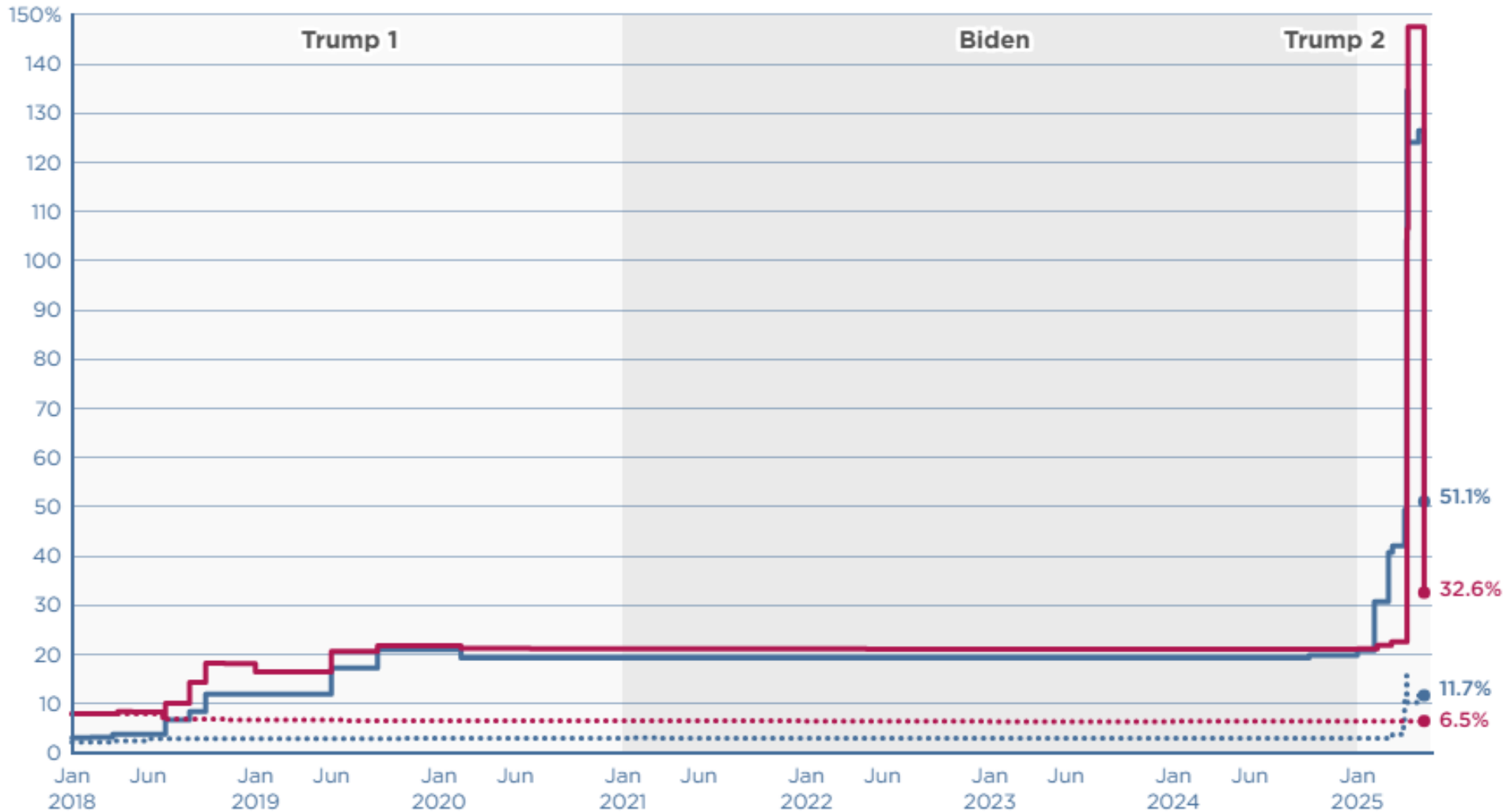
- Part of the reciprocal tariff action in April 2025.
- Even large countries and regions like the EU and China have been muted in their retaliation this time around (compared to the trade war in 2018)
- Now in the hands of the Supreme Court.

# US-China trade war tariffs: An up-to-date chart

Last updated May 14, 2025

## a. US-China tariff rates toward each other and rest of world (ROW)

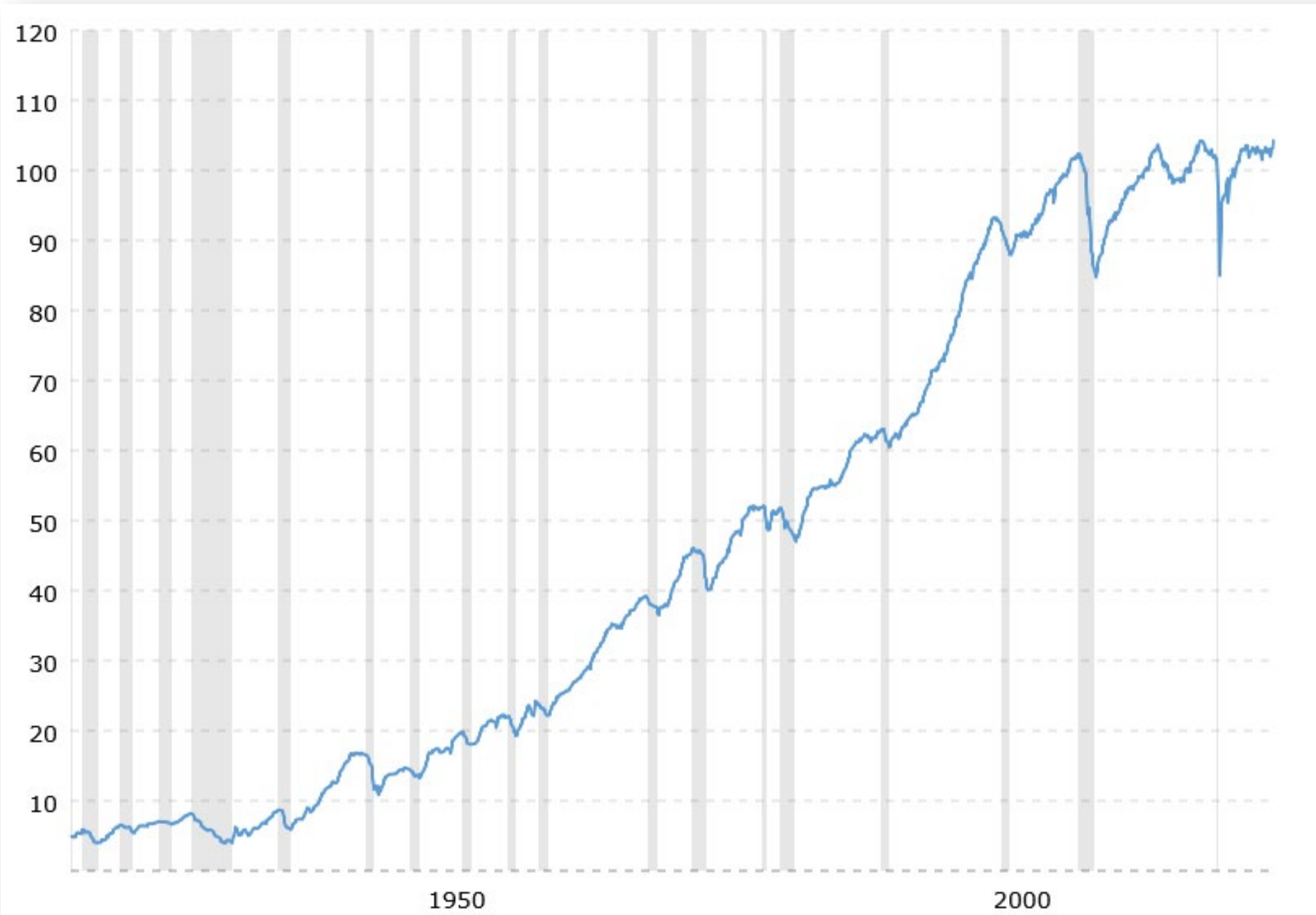
— Chinese tariffs on US exports — US tariffs on Chinese exports ••• Chinese tariffs on ROW exports ••• US tariffs on ROW exports



**Source:** Constructed by Chad P. Bowler with data from U.S. Commerce, Trade Map and Market Access Map (International Trade Centre), as well as announcements from China's Ministry of Finance and the U.S. Trade Representative.

Notes: The chart shows the tariff rates on the Y-axis and time on the X-axis. The chart is divided into three periods: Trump 1 (2018-2020), Biden (2021-2024), and Trump 2 (2025). The chart shows that US tariffs on Chinese exports and Chinese tariffs on US exports have both increased significantly since the start of the Trump 2 administration in May 2025. US tariffs on Chinese exports have risen to 51.1%, while Chinese tariffs on US exports have risen to 32.6%. Tariffs on the rest of the world (ROW) have also increased, with US tariffs on ROW exports rising to 11.7% and Chinese tariffs on ROW exports rising to 6.5%.

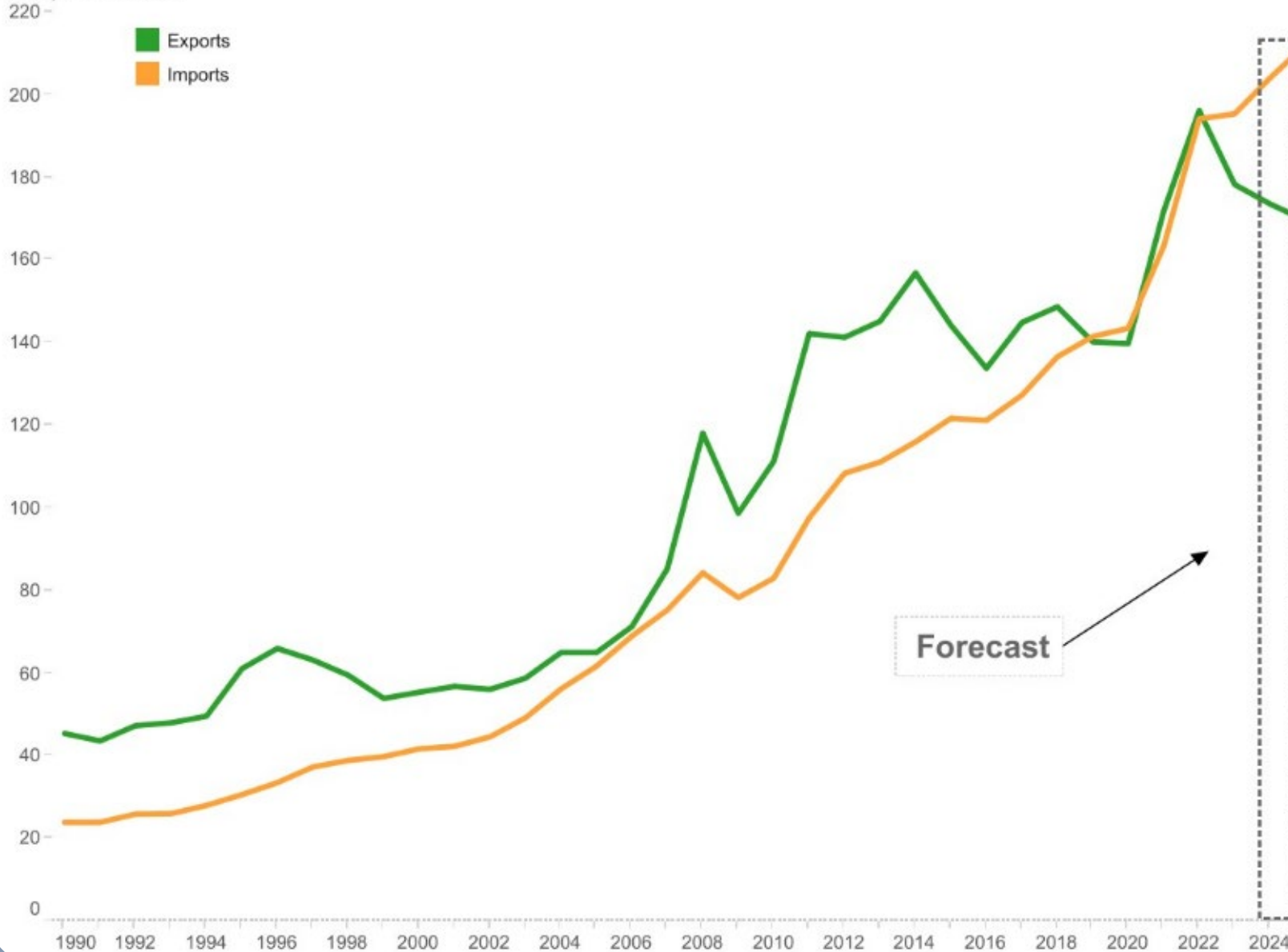
Learn more at <https://www.bls.gov/charts>



**Industrial  
Production  
Index  
(Real Value):  
Jan. 1920 –  
Feb. 2025**

# Situation and Outlook

Value, billion dollars



## U.S. Agricultural Trade Outlook

Exports in FY2026 are forecast at \$173.0 bill.

Imports at \$210.0 bill.

**Trade Deficit = \$37.0 bill.**

Source: U.S. Department of Agriculture, Economic Research Service

# U.S. Agricultural Trade Outlook

(August Report)

Exports in FY2026 are forecast at \$173.0 bill.

Imports at \$210.5 bill. **Trade Deficit = \$37.0 bill.**

Source: U.S. Department of Agriculture, Economic Research Service

Item	2020	2021	2022	2023	2024	2025	Forecast	
							Fiscal year 2026	
							August	December
Billion U.S. dollars								
Exports	139.7	171.8	196.0	178.0	174.1	175.6	169.0	173.0
Imports	143.4	163.3	194.1	195.3	206.1	219.4	210.5	210.0
Balance	-3.7	8.5	1.9	-17.3	-31.9	-43.7	-41.5	-37.0

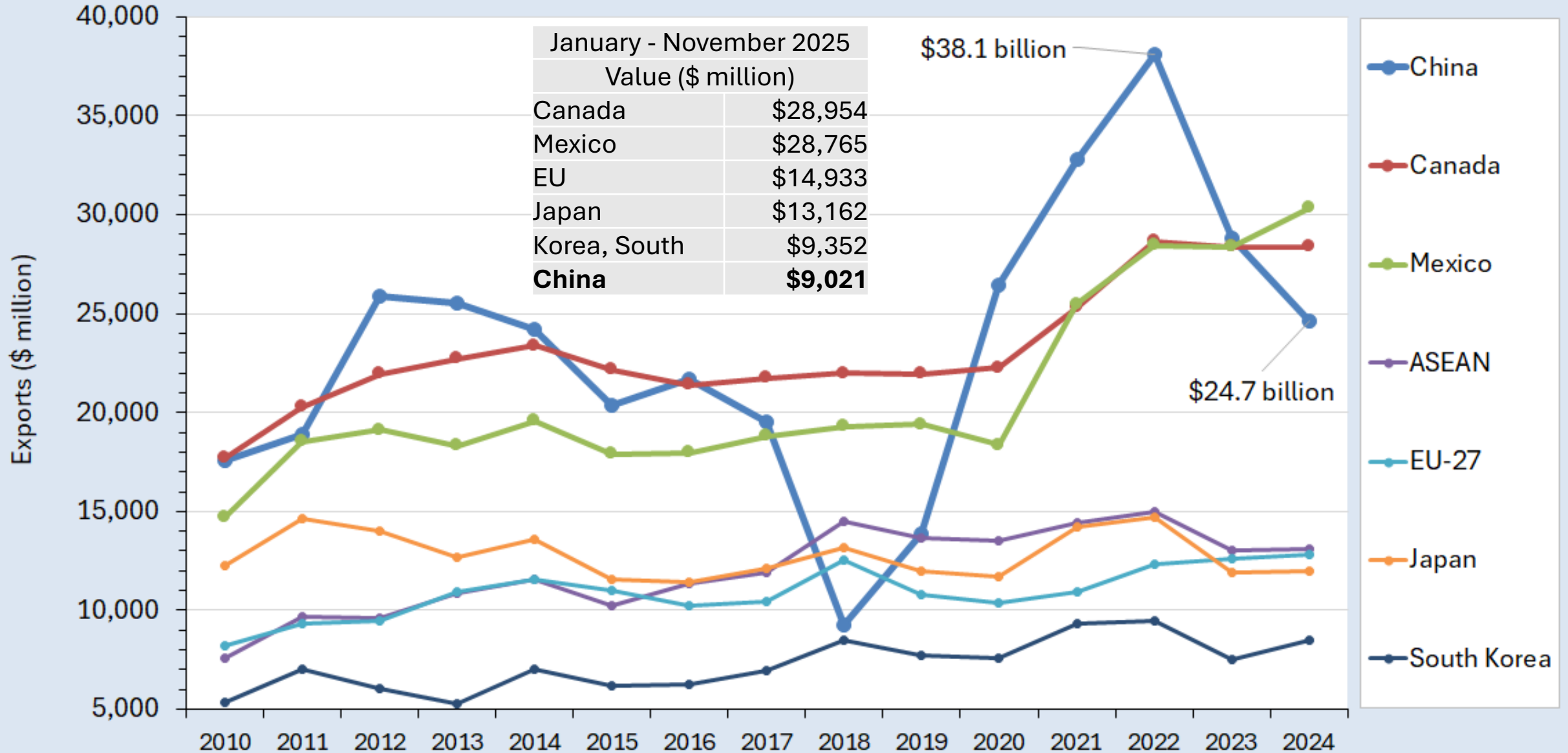
Note: Due to rounding, balance may not agree with import and export data.

1/ Fiscal year is defined as October 1 of previous year through September 30 of current year.

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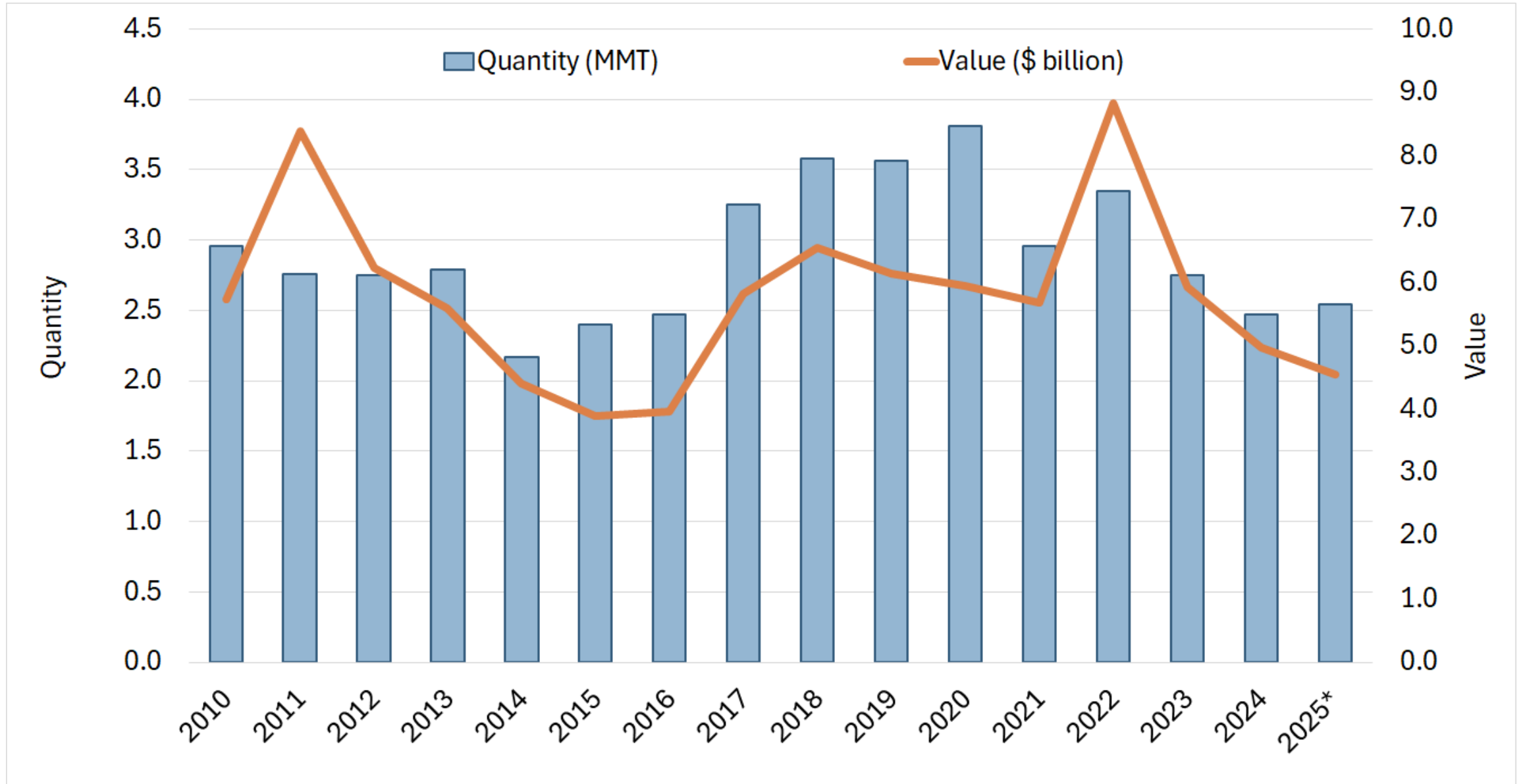
Note: Due to rounding, balance may not agree with import and export data.

# U.S. Agricultural Exports by Top Destination: 2010 – 2024



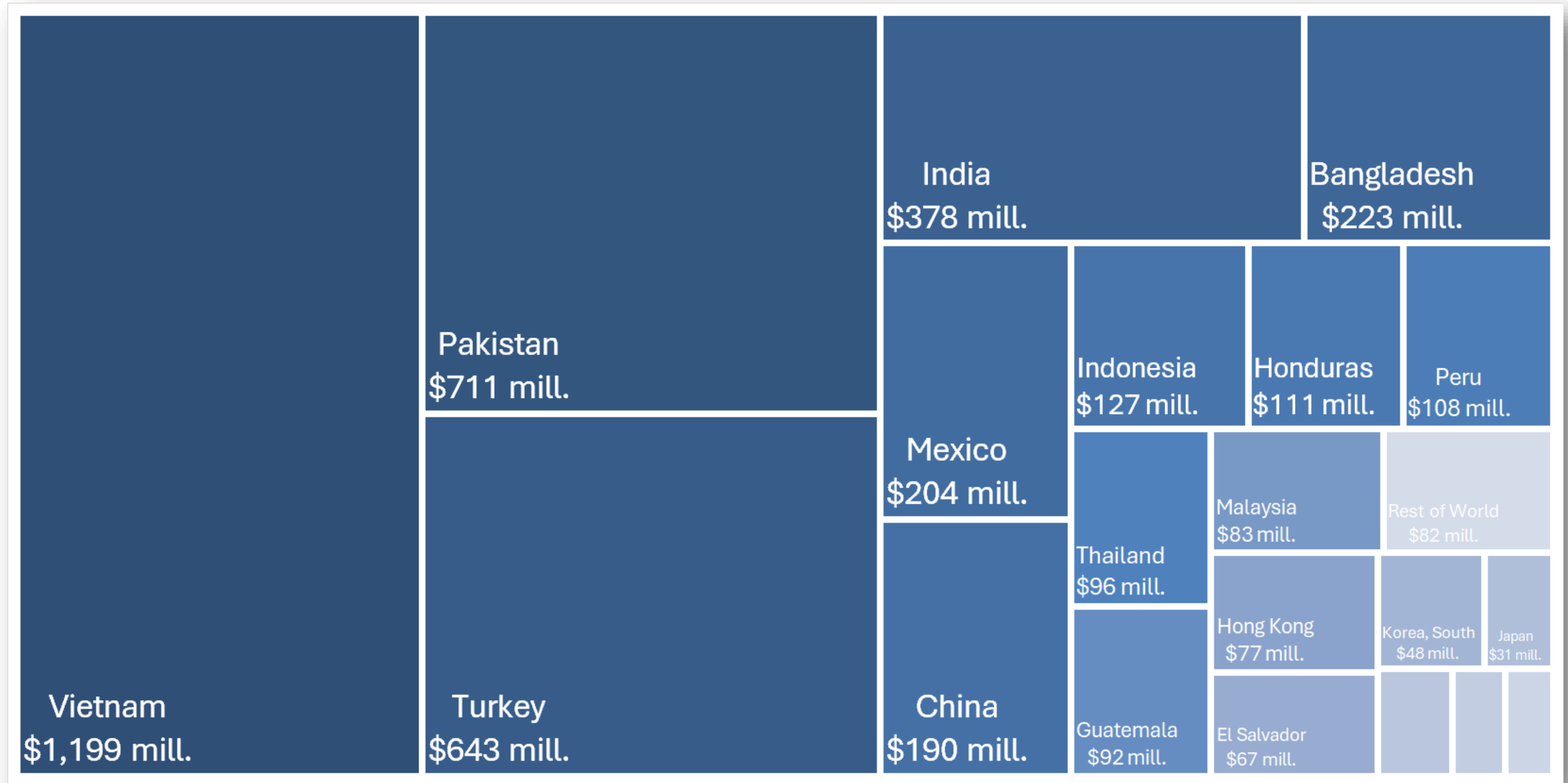
Source: U.S. Department of Agriculture, Global Agricultural Trade System (GATS)

# U.S. Cotton Exports: 2010 – 2025\*



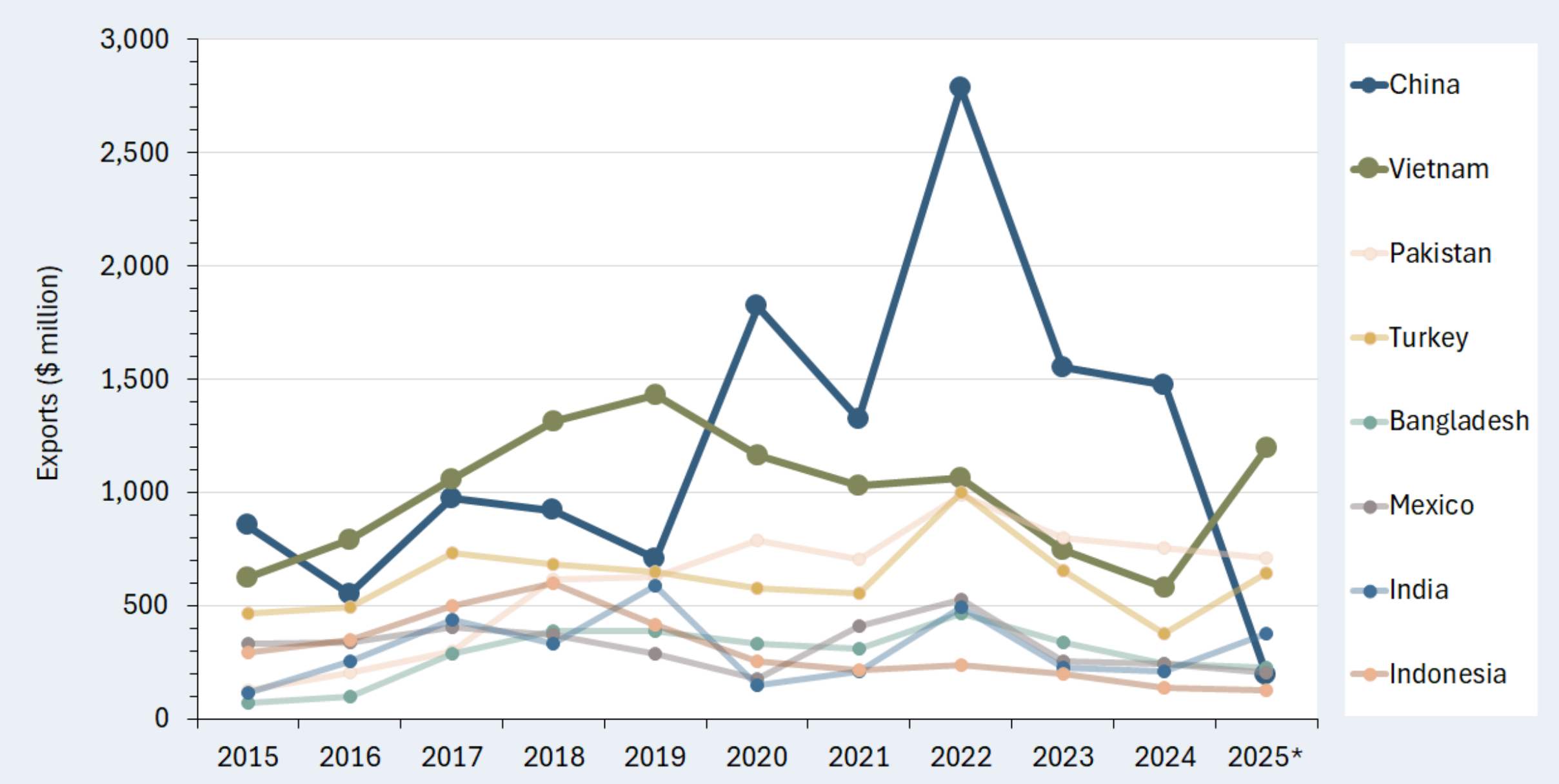
\* Jan.-Nov. (YTD). Source: U.S. Department of Agriculture, Global Agricultural Trade System (GATS)

# U.S. Cotton Exports: 2025 (YTD: November) (2025 YTD = \$4.5 billion)



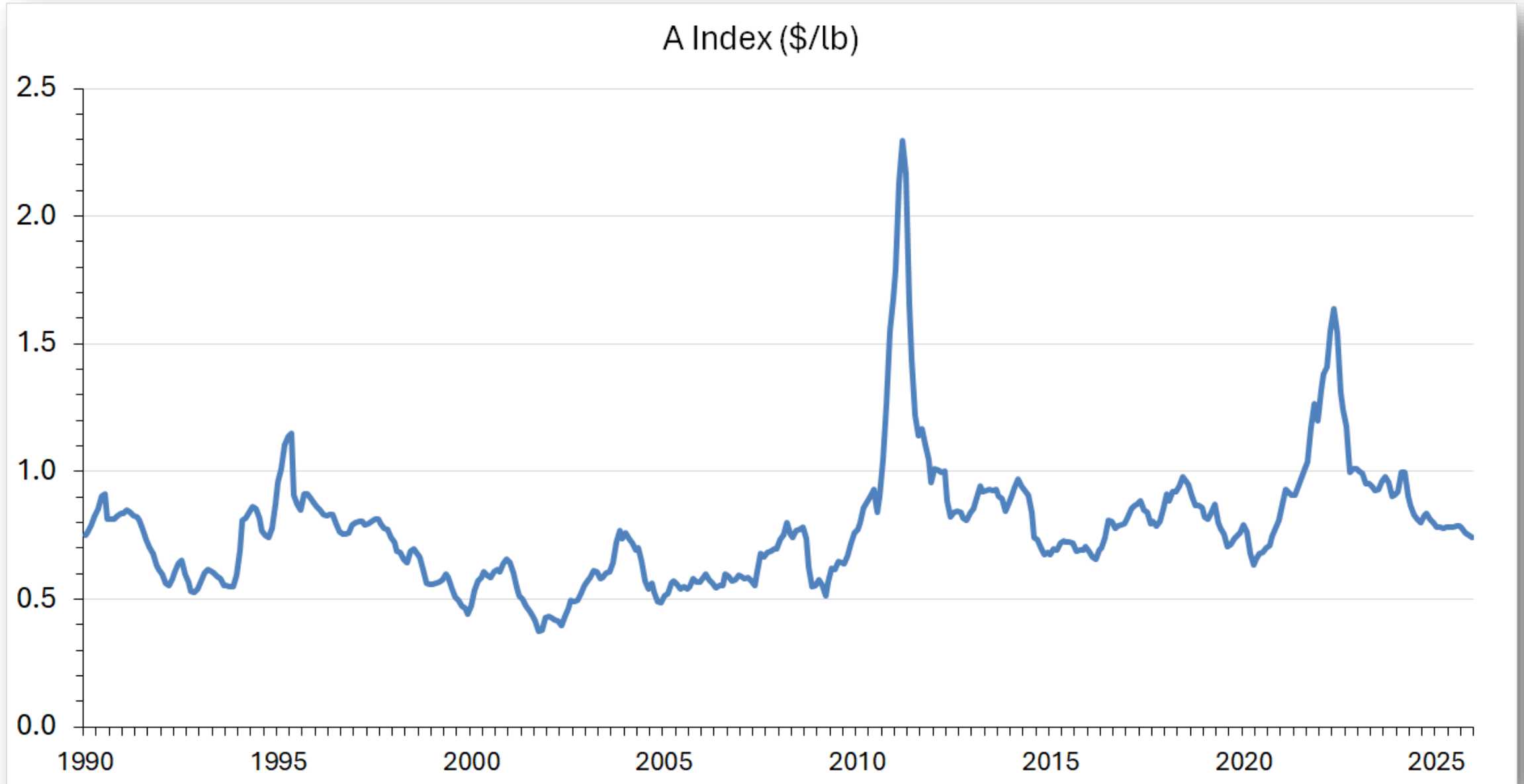
Source: U.S. Department of Agriculture, Global Agricultural Trade System (GATS)

# U.S. Cotton Exports (Top Markets): 2015 – 2025\*



\* Jan.-Nov. (YTD). Source: U.S. Department of Agriculture, Global Agricultural Trade System (GATS)

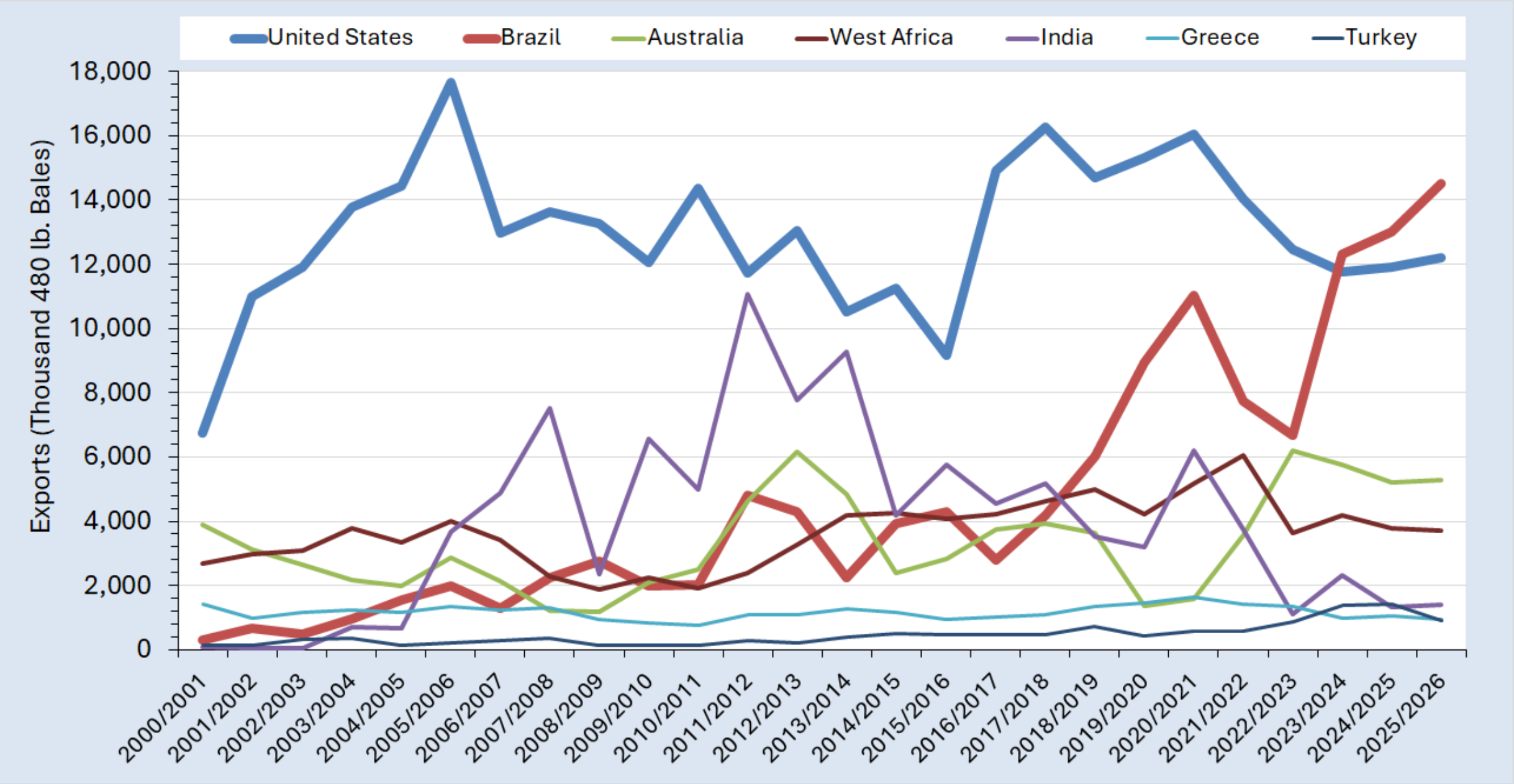
# Cotton Prices (A-Index \$/lb): Jan. 1990 – December 2025



Source: World Bank Commodity Price Data (The Pink Sheet)

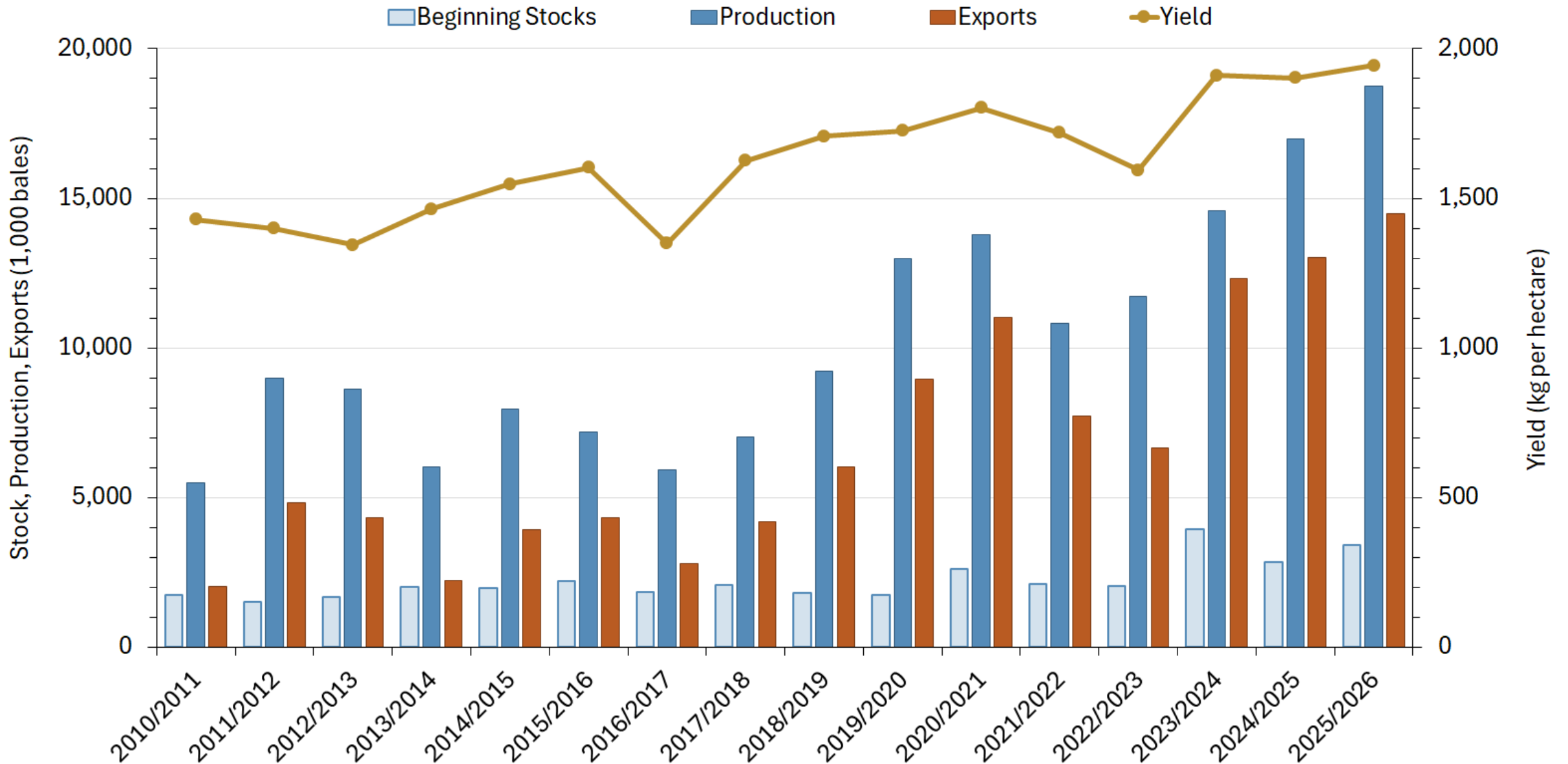
What happened?

# Cotton Exports (Top Countries): 2000/2001 – 2025/26



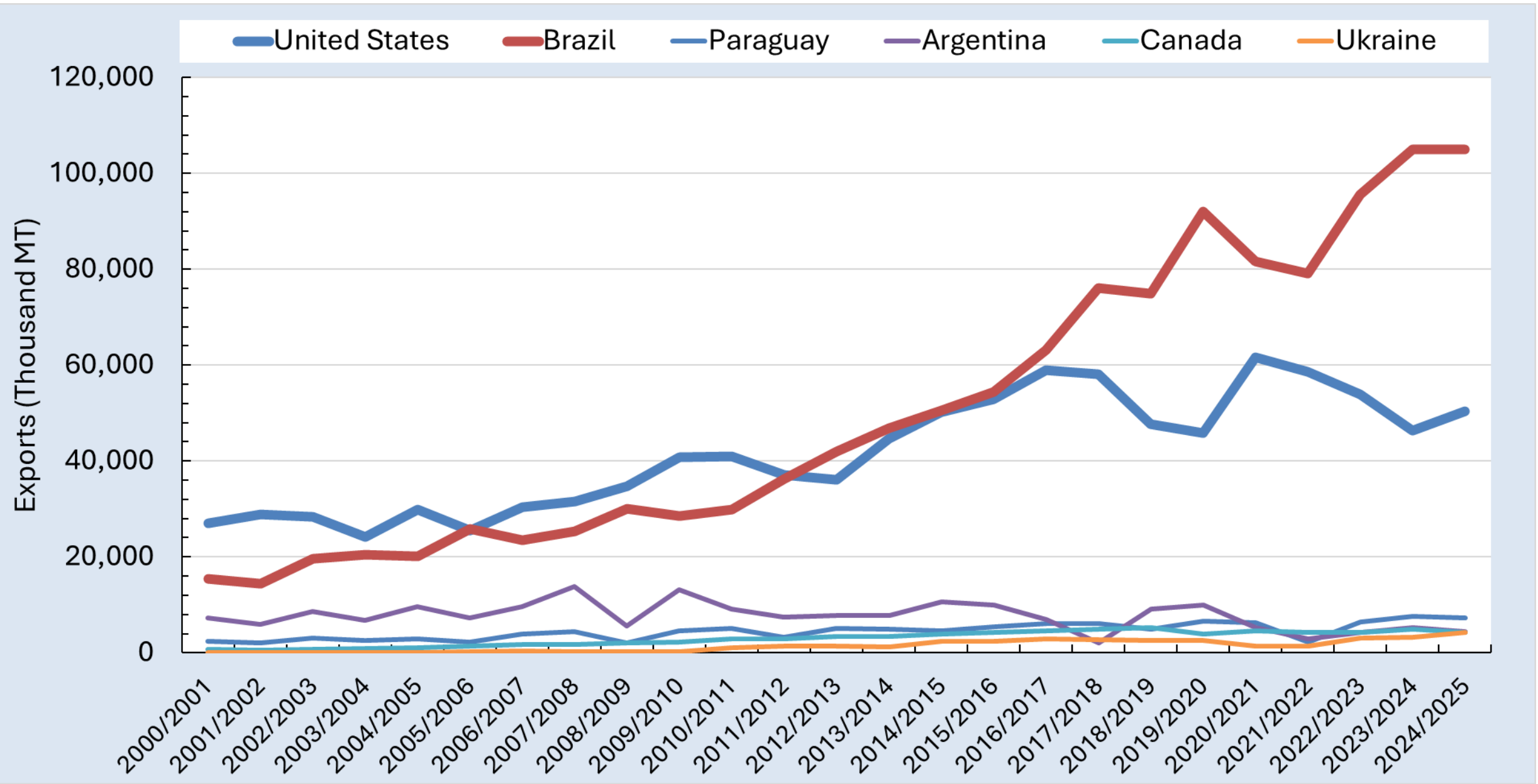
Source: U.S. Department of Agriculture, FAS PSD Database

# Brazil Cotton Stocks, Production, Exports, and Yield: 2010/2011 – 2025/26



Source: U.S. Department of Agriculture, FAS PSD Database

# Soybean Exports (Top Countries): 2000/2001 - 2024/25



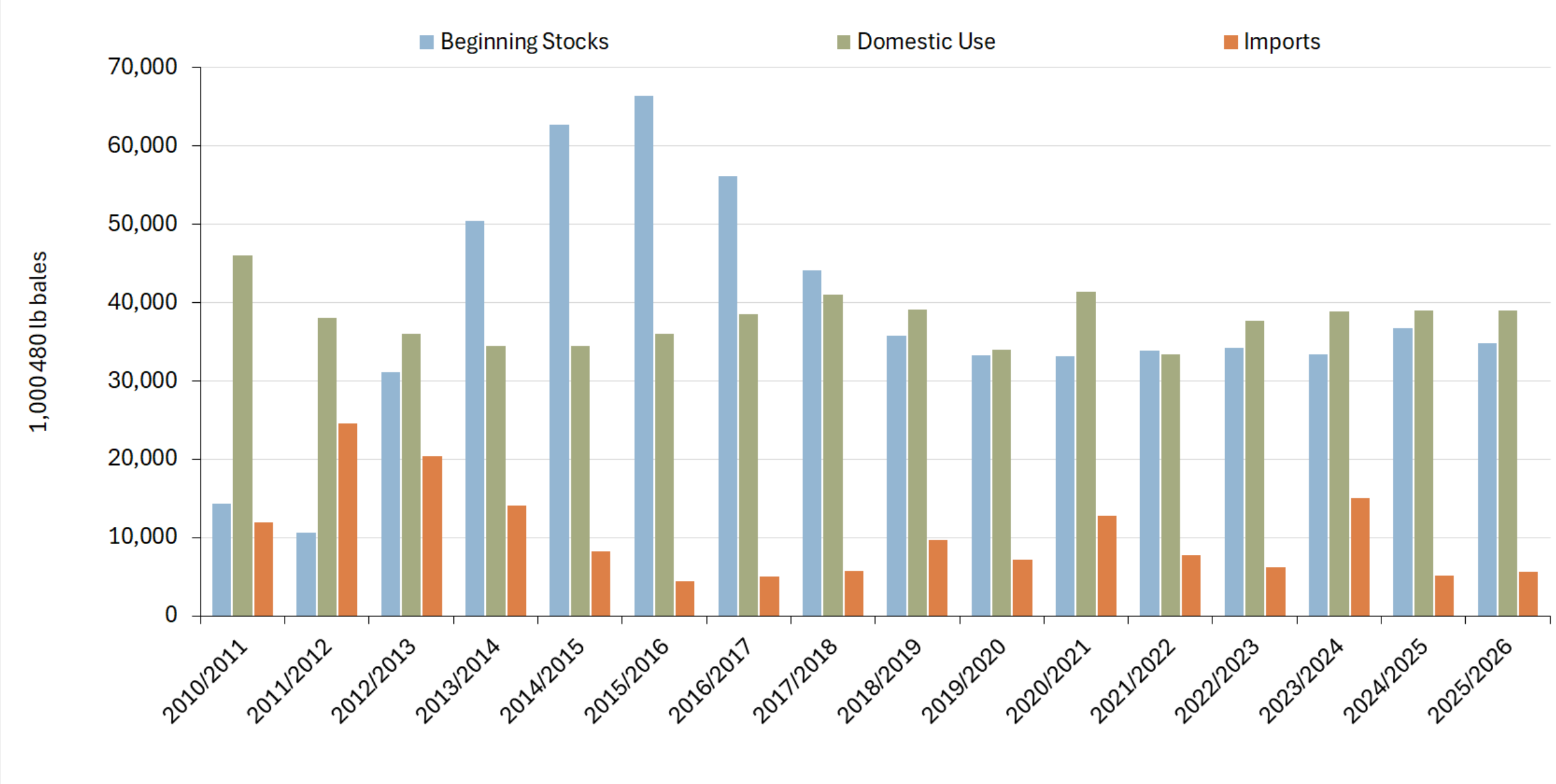
Source: U.S. Department of Agriculture, FAS PSD Database

## China's Cotton Imports: 2024 and 2025

Source: China Customs,  
Trade Data Monitor®

	2024	2025	Change	% Change
<b>Value (\$ million)</b>				
World	\$5,314	\$1,932	-\$3,382	-63.6%
Unites States	\$1,854	\$226	-\$1,628	-87.8%
Brazil	\$2,210	\$809	-\$1,401	-63.4%
<b>Quantity (million kg)</b>				
World	2,609	1,065	-1,544	-59.2%
Unites States	875	115	-760	-86.8%
Brazil	1,102	465	-637	-57.8%

# China Cotton: Stocks, Domestic Use, and Imports: 2010/2011 – 2025/26



Source: U.S. Department of Agriculture, FAS PSD Database

# Global Expenditure Elasticities: Cotton

$$\varepsilon_i = \frac{\% \Delta q_i}{\% \Delta \sum_i q_i} = \frac{\text{percent change in imports from country } i}{\text{percent change in global import demand}}$$

Confidence Interval (95%)	
U.S.	Brazil
[0.90, 1.17]	[1.41, 1.97]

# Global Price Elasticities: Cotton

$$\varepsilon_{ii} = \frac{\% \Delta q_i}{\% \Delta p_i} = \frac{\text{percent change in imports from country } i}{\text{percent change in price in country } i}$$

Cotton, uncompensated price elasticities, 95% confidence intervals (short run)

	Australia	Brazil	Greece	India	U.S.	ROW
Australia	<b>[-3.64, -1.51]</b>	[-0.46, 0.89]	[-0.21, 0.33]	[-0.93, 0.40]	[0.10, 2.21]	<b>[2.31, 4.52]</b>
Brazil	[-0.26, 0.65]	[-0.65, 0.39]	[-0.07, 0.23]	[-1.10, -0.32]	[-0.88, 0.19]	<b>[1.58, 2.92]</b>
Greece	[-0.39, 0.95]	[-0.13, 0.97]	<b>[-1.10, -0.43]</b>	[-0.90, 0.21]	[-0.65, 1.04]	[-0.39, 1.43]
India	[-1.01, 0.28]	[-1.80, -0.67]	[-0.44, -0.01]	<b>[-1.95, -0.23]</b>	[-0.94, 0.64]	<b>[5.40, 7.78]</b>
U.S.	<b>[0.12, 0.58]</b>	[-0.24, 0.11]	[-0.07, 0.08]	[-0.00, 0.35]	<b>[-1.42, -0.68]</b>	[1.18, 1.74]
ROW	<b>[0.36, 0.90]</b>	[-0.23, 0.16]	[-0.11, 0.07]	<b>[0.12, 0.54]</b>	[-0.46, 0.17]	<b>[-1.03, -0.50]</b>

	Jan. - Oct. 2024	Jan. - Oct. 2025	\$ Change	% Change
<b>World</b>	\$2,394.6	\$2,143.8	-\$250.9	-10.5%
<b>Distilled Spirits</b>	<b>769.2</b>	<b>663.0</b>	<b>-106.2</b>	<b>-13.8%</b>
<b>Cotton</b>	830.4	665.4	-165.0	-19.9%
<b>Bake goods, cereal, pasta</b>	218.4	227.5	9.1	4.2%
<b>Forest Products</b>	153.0	128.2	-24.8	-16.2%
<b>Poultry</b>	77.9	138.2	60.4	77.5%
<b>Tobacco</b>	60.6	42.7	-17.9	-29.5%
<b>Dextrins, peptones, proteins</b>	40.8	35.7	-5.1	-12.4%
<b>Soup, other food prep.</b>	34.2	41.4	7.2	21.2%
<b>Chocolate products</b>	31.9	28.7	-3.2	-10.0%
<b>Sugars, sweeteners</b>	27.1	21.2	-5.9	-21.8%
<b>Live Animals</b>	20.1	18.3	-1.8	-8.8%
<b>Other Vegetable Oils</b>	12.3	14.6	2.3	18.7%
<b>Other Feeds</b>	16.8	14.5	-2.3	-13.8%
<b>Coffee, Roasted and Extracts</b>	14.7	9.3	-5.3	-36.2%
<b>Dairy Products</b>	13.9	15.0	1.1	7.8%
<b>Essential Oils</b>	9.6	11.3	1.7	17.7%
<b>Dog &amp; Cat Food</b>	8.1	13.4	5.3	65.6%
<b>Condiments &amp; Sauces</b>	6.7	5.9	-0.8	-11.3%
<b>Wheat</b>	5.9	2.9	-3.0	-50.3%

## Tennessee Agricultural & Related Exports (\$ million): 2024 and 2025 (YTD)

Source: U.S. Department of  
Agriculture, Global  
Agricultural Trade System  
(GATS)

	<b>Jan. - Oct. 2024</b>	<b>Jan. - Oct. 2025</b>	<b>\$ Change</b>	<b>% Change</b>
<b>World</b>	\$2,394.6	\$2,143.8	<b>-\$250.9</b>	<b>-10.5%</b>
<b>EU</b>	536.3	345.3	<b>-191.0</b>	<b>-35.6%</b>
<b>China</b>	496.1	59.7	<b>-436.4</b>	<b>-88.0%</b>
<b>Canada</b>	283.0	256.6	<b>-26.4</b>	<b>-9.3%</b>
<b>Mexico</b>	98.0	125.1	27.1	27.7%
<b>UK</b>	80.9	89.9	9.0	11.1%
<b>Pakistan</b>	68.0	143.3	75.3	110.8%
<b>Turkey</b>	78.4	143.8	65.4	83.4%
<b>Vietnam</b>	72.4	161.5	89.1	122.9%
<b>Bangladesh</b>	48.8	49.0	0.2	0.4%
<b>U.A.E.</b>	37.9	48.3	10.4	27.4%
<b>Dom. Rep.</b>	35.0	25.4	<b>-9.6</b>	<b>-27.5%</b>
<b>Guatemala</b>	34.2	39.9	5.7	16.8%
<b>Brazil</b>	31.7	55.0	23.3	73.3%
<b>Australia</b>	34.6	57.6	23.0	66.6%
<b>Japan</b>	31.3	20.2	<b>-11.1</b>	<b>-35.5%</b>
<b>India</b>	24.4	56.9	32.5	133.3%
<b>Angola</b>	24.8	9.7	<b>-15.1</b>	<b>-60.9%</b>
<b>S. Korea</b>	23.8	15.4	<b>-8.5</b>	<b>-35.5%</b>
<b>Hong Kong</b>	26.0	24.0	<b>-2.0</b>	<b>-7.8%</b>

## Tennessee Agricultural & Related Exports (\$ million): 2024 and 2025 (YTD)

Source: U.S. Department of  
Agriculture, Global  
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# Inbound and Outbound Trade Mission to Vietnam: 2023





# MID-SOUTH AGRICULTURAL

## Trade Conference

Hosted by the Mid-South Farm & Gin Show

The Mid-South Agricultural Trade Conference seeks to inform and provide network opportunities for farmers, exporters, policymakers, and industry stakeholders about key developments shaping global agricultural trade.



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- Update on Tennessee Department of Agriculture (TDA) global initiatives and upcoming trade programs
- Insights into global market trends for agricultural commodities
- Policy and regulatory updates affecting U.S. agricultural exports
- Strategies for improving market access in key foreign markets
- Keynote address from a public official or leading industry expert



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