

## USDA revises Bangladesh cotton import and consumption forecast for 2025–26

Slower garment exports, energy shortages, and rising global supply are weakening Bangladesh's cotton demand. The **United States Department of Agriculture (USDA)** has lowered its forecast for Bangladesh's cotton imports and domestic consumption for the 2025–26 marketing year (August–July). It signals cooling demand in one of the world's largest textile hubs.



Source: USDA Foreign Agricultural Service (World Cotton Markets and Trade Report, March 2026)

According to the USDA World Cotton Markets and Trade report (March 2026), Bangladesh is now expected to import 79 lakh bales of cotton, down slightly from the previous estimate of 80 lakh bales. Domestic cotton consumption is projected at 80 lakh bales, compared with the earlier forecast of 81 lakh bales.

The downward revision reflects weaker global apparel demand. It also shows operational challenges in Bangladesh's spinning and textile mills.

Local textile mills are holding large stockpiles of yarn. Domestic spinning mills have about Tk 12,000 crore (\$1 billion) in unsold inventory.

Mohiuddin Rubel, Additional Managing Director of Denim Expert Ltd, said that slowing international orders have forced garment factories to cut local yarn purchases. This has caused a buildup of unsold yarn across the supply chain.

At the same time, severe natural gas and electricity shortages limit production. Mills in Gazipur and Savar are operating at 40%-70% capacity. Gas pressure has fallen to 0–2 PSI, below the 10–15 PSI needed for smooth operations.

Bangladesh's garment exports, which make up more than 80% of the country's export earnings, are falling. Data from the Export Promotion Bureau (EPB) shows total apparel exports dropped 3.73% to \$25.79 billion in July–February FY2025–26.

The decline is due to weak retail demand in the European Union (EU) and the United States, Bangladesh's main markets.

- EU earnings fell 5.49% to \$12.69 billion

- US shipments slipped 0.74% to \$5.03 billion

Even where orders are stable, exporters face lower unit prices. In the EU, the average price of Bangladeshi apparel declined by 3.84% to compete with prices in China and India.

The USDA report shows that the global cotton supply is increasing. Production increased by 11 lakh bales to 1.21 crore bales, primarily due to larger crops in Brazil and China. This rise offsets a smaller crop in Argentina.

Global cotton consumption is slightly down to 1.18 crore bales. Weak demand is seen in Bangladesh, Pakistan, Vietnam, and Mexico.

Analysts report that the USDA's revision indicates slower textile-sector activity ahead. Bangladesh remains the world's second-largest cotton importer and a top apparel exporter. But rising energy costs, limited infrastructure, and global price pressure are challenging the industry.

Experts argue that the key task for Bangladesh in 2026 is balancing higher production costs with a global market that demands lower prices and faster delivery.