Required Report: Required - Public Distribution **Date:** December 02, 2025

Report Number: BG2025-0013

Report Name: Cotton and Products Update

Country: Bangladesh

Post: Dhaka

Report Category: Cotton and Products

Prepared By: Tanvir Ahmed

Approved By: Erin Covert

Report Highlights:

For MY 2025/26, Post forecasts an increase in cotton imports, assuming higher global supply. Post also raises the forecast for MY 2025/26 cotton consumption in line with the expected rise in imports. In MY 2024/25, the major cotton suppliers to Bangladesh included Brazil (25 percent market share) and India (15 percent), while the U.S. market share reached 7 percent.

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT POLICY

Production

For marketing year (MY) 2025/26, Post forecasts cotton harvested area and production at 46,000 hectares and 155,000 bales, respectively, the same as Post's previous forecast. For MY 2025/26, cotton cultivation started in August/September 2025 and will be harvested in January/February 2026. Most cotton farmers in Bangladesh are smallholders, typically owning about one acre of land. Cotton cultivation is fully manual, relying heavily on human labor for applying fertilizers, spraying insecticides, and harvesting. Farmers generally prefer hybrid varieties supplied either by the Bangladesh Cotton Development Board (CDB) or by private seed companies.

In Bangladesh, cotton is grown in the northern, north-western, and central regions. The major challenges of cotton production in Bangladesh are land scarcity and the long duration of cultivation. Cotton cultivation takes around six months from seed sowing to harvest. Cotton farmers also have to forgo planting *aman* season rice and winter vegetables to cultivate cotton. As a result, there is very limited opportunity for Bangladeshi farmers to expand cotton cultivation.

Bangladesh produces several varieties of cotton, including Gossypium hirsutum (American upland cotton), Gossypium arboretum, Gossypium herbaceum, and Gossypium barbadense. American upland cotton is cultivated in the *robi* (winter) crop season from August and September and is harvested in January and February. Other varieties are cultivated in the kharif (summer) crop season from March to April and harvested in December and January. Most of the cotton in Bangladesh is cultivated during the *robi* season, and it takes around six months from seed sowing to harvest.

Research and Development

On August 20, 2023, Bangladesh's National Committee on Biosafety granted approval for CDB's application to release the hybrid GE Bacillus thuringiensis (Bt) Cotton varieties JKCH 1947 Bt and JKCH 1050 Bt. In 2025-26, the CDB started limited cultivation for demonstration trials of two Bt cotton varieties JK-1050 and JK 1047. The CDB distributed 72 kg of seed for cultivation on 90 demonstration plots (0.25 acres per plot) and 28 kg of seed for on-farm research plots (0.11 acres per plot) across five research stations. The limited demonstration cultivation was conducted in 13 cotton production zones and five cotton research centers located in the districts of Jashore, Chuadanga, Kushtia, Jhenaidah, Rangpur, Bogura, Rajshahi, Thakurgaon, Dhaka, Mymensingh, Khagrachari, Bandarban, Rangamati, Gazipur, and Dinajpur. The yield performance of these varieties was found to be comparable to that of the hybrid cotton varieties currently cultivated in Bangladesh.

CDB focuses on advancing hybrid and short-duration cotton varieties with high yields and favorable fiber qualities. In partnership with a local private seed company, the CDB is importing hybrid cotton seeds from China. Research efforts are underway to evaluate the suitability and adaptability of these imported varieties to the specific environmental conditions prevalent in Bangladesh.

Overview of the Garment Industry

The ready-made garment (RMG) sector in Bangladesh holds considerable significance within the nation's economy, serving as a key driver of economic growth and development. Playing a central role in this sector is the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), which represents various segments of the industry including woven garments, knitwear, and sweaters. With approximately 4 million individuals employed within this sector, the RMG industry contributes

significantly to employment generation and foreign currency earnings. Per Bangladesh's Export Promotion Bureau (EPB), in fiscal year (FY) 2024-25 (July-June), approximately 81.5 percent of total export income came from the RMG sector. Total RMG export value in FY 2024-25 reached $39.35 billion, up around 9 percent from the previous year (Table 1).

Table 1: Bangladesh's RMG Exports

Fiscal Year (July-June)	RMG Exports ($ Billion)		
	Woven	Knit	Total
2022-2023	17.82	20.36	38.17
2023-2024	16.86	19.27	36.13
2024-2025	18.19	21.16	39.35

Source: EPB and Bangladesh Bank

Bangladesh exports many different RMG products, including trousers, t-shirts, knitted shirts, sweaters, blouses, and underwear, to more than 50 countries. Buyers prefer Bangladesh's RMG industry due to its cost competitiveness, large production capacity, and skilled workforce. The primary export destination for Bangladesh's RMG products is the EU, constituting around 50 percent of total exports. As a single market, the United States is the largest export destination, accounting for 19.2 percent of Bangladesh's RMG exports, followed by the United Kingdom at 11 percent in FY 2024-25.

Overview of the Textile Industry

The textile industry in Bangladesh comprises yarn, fabric, and dyeing-printing-finishing mills, contributing over 13 percent of the country's GDP. The Bangladesh Textile Mills Association (BTMA) is the largest national trade organization representing yarn and fabric manufacturers and textile product processors mills. According to BTMA, local textile mills fulfill around 85 percent of the demand for knit fabrics and approximately 40 percent for woven fabrics, while the rest is sourced through imports. Per BTMA data, Table 2 shows the capacity of Bangladesh's textile industry in 2025. With a total cotton consumption capacity of around 15 million bales, Bangladesh presently utilizes 8.5 million bales of raw cotton annually. In Bangladesh's textile industry, about 80 percent of the yarn is cotton, with the remaining 20 percent is mixed yarn derived from cotton and artificial fibers.

Table 2: Bangladesh Textile Sector 2025

Items	Number
Number of yarn manufacturing mills	527
Annual yarn spinning capacity	4.4 million MT
Number of fabric manufacturing mills	979
Annual fabric manufacturing capacity	9.15 billion meters
Number of dyeing-printing-finishing mills	342
Annual processing capacity	5 billion meters
Total number of mills under BTMA	1,841
Total cotton consumption capacity	15 million bales (480 lb. bale)

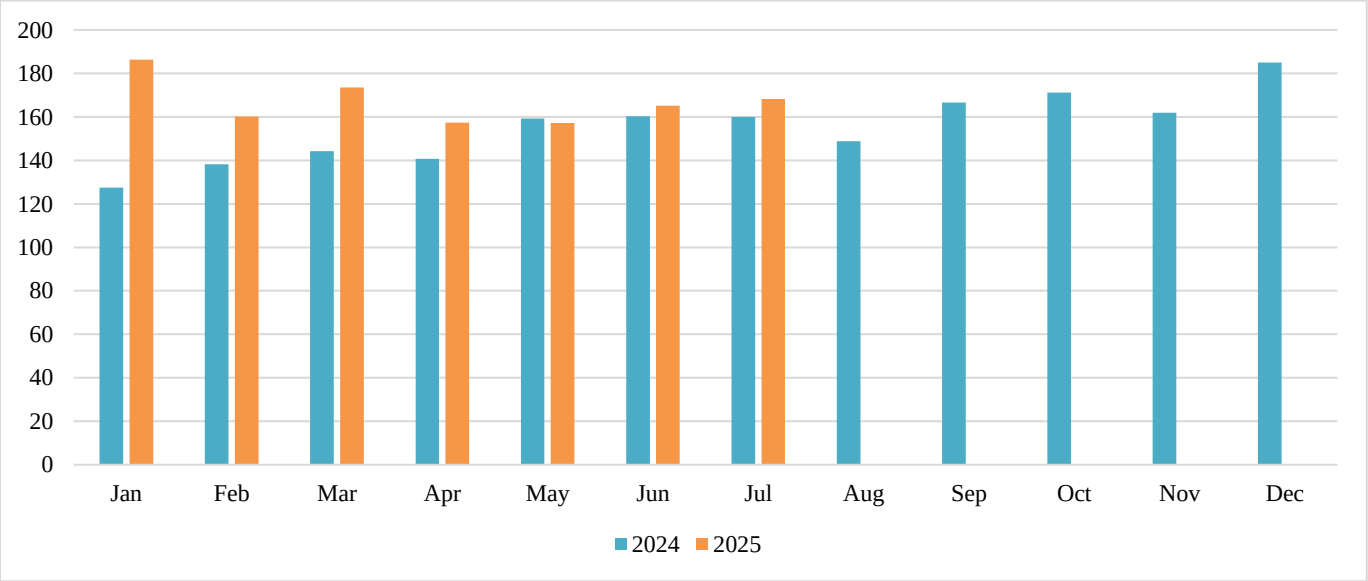
Source: BTMA

Yarn and Fabric Production to Increase
The spinning industry in Bangladesh utilizes raw cotton to produce two types of yarn: cotton yarn and mixed yarn. For MY 2025/26, Post increases the forecast for yarn production to 1.9 million MT, comprising 1.4 million MT of cotton and 500,000 MT of mixed yarn, based on increased import and utilization of raw cotton.

Post estimates MY 2024/25 total yarn production at 1.7 million MT, comprising 1.2 million MT of cotton yarn and 500,000 MT of mixed yarn.

Yarn Imports and Exports Rise
Bangladesh imports a substantial amount of yarn from different countries. According to Trade Data Monitor, LLC (TDM), as of July 2025, the value of Bangladesh's yarn imports under harmonized system (HS) codes 5204, 5205, and 5207 was $1.17 billion, reflecting a 13 percent increase from $1.03 billion from January to July in CY 2024 (Figure 1). As of July 2025, India supplied 82 percent of Bangladesh's total yarn imports, followed by China at 7.5 percent. India consistently holds the top position in cotton yarn exports to Bangladesh. With the world's second-largest spinning industry, India can offer the best prices for Bangladeshi yarn imports. Additionally, as a neighboring country, India benefits from shorter shipment times and lower logistics costs.

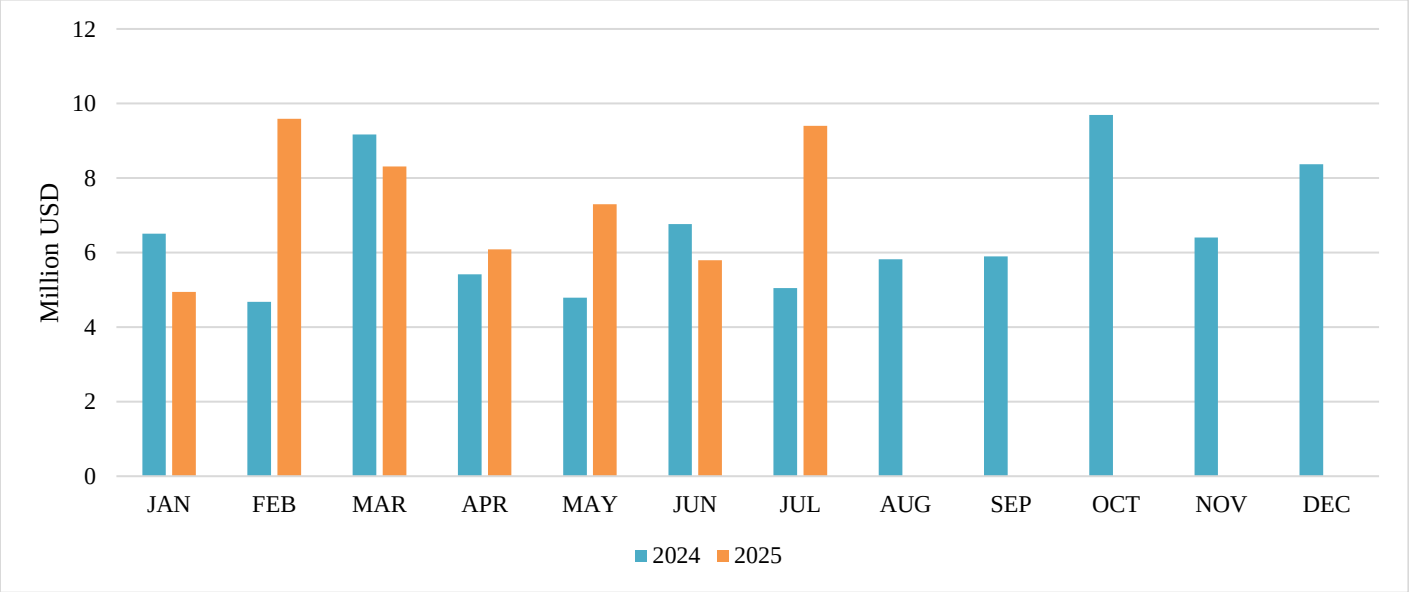
Figure 1: Bangladesh's Yarn Imports in CY 2024 and CY 2025



Source: TDM

Bangladesh's textile industry manufactures over 1.5 million MT of yarn annually for local use. Additionally, Bangladesh engages in limited yarn exports. As of July 2025, Bangladesh's yarn exports reached $51 million, a nearly 21 percent increase from the $42 million recorded during January to July 2024 (Figure 2), on increasing demand from China. China is the major buyer of Bangladesh's yarn according to the TDM, Bangladesh exported 99 percent of its yarn to China from January to July in 2025.

Figure 2: Bangladesh's Yarn Exports in CY 2024 and CY 2025

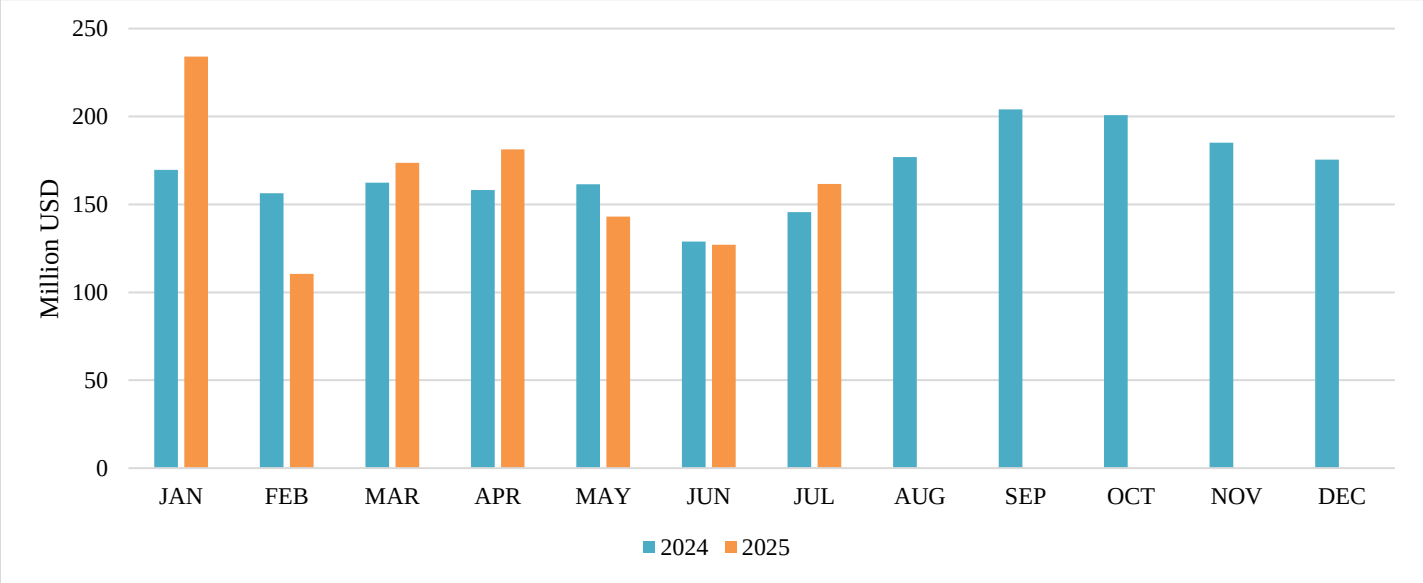


Source: TDM

Fabric Imports Increase

Bangladesh imports large quantities of fabric from the global market and exports limited quantities. According to TDM, from January to July 2025, Bangladesh's fabric imports under HS codes 5208 and 5209 were $1.13 billion, an increase of 4.5 percent from $1.08 billion during the same period in 2024 (Figure 3). China is the top fabric exporter to Bangladesh. As of July 2025, Bangladesh imported 56 percent of fabric from China followed by Pakistan (19 percent) and India (19 percent).

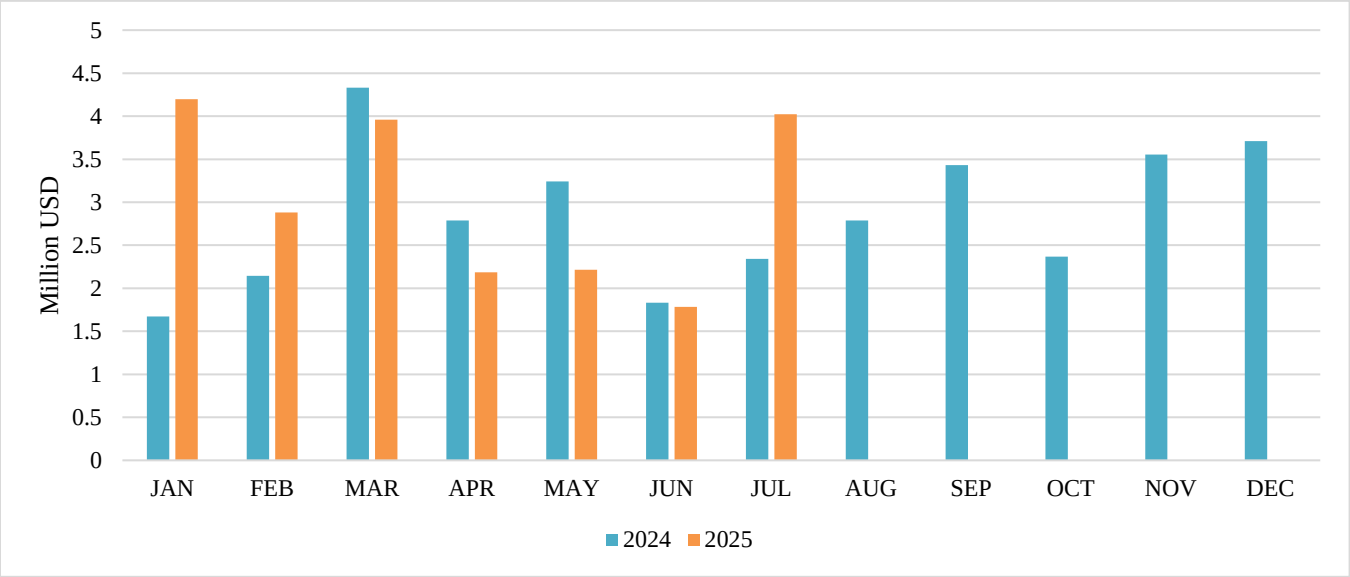
Figure 3: Bangladesh's Fabric Imports in CY 2024 and CY2025



Source: TDM

As of July 2025, Bangladesh's fabric exports under HS codes 5208 and 5209 reached $21 million, up 14.4 percent from $18.3 million during the same period in 2024 (Figure 4). Major export destinations of Bangladesh's fabric in 2025 include India and Sri Lanka.

Figure 4: Bangladesh's Fabric Exports in CY 2024 and CY 2025



Source: TDM

Consumption

For MY 2025/26, Post forecasts total raw cotton consumption at 8.5 million bales, up 2.4 percent from MY 2024/25 estimates, based on projections of higher imports of raw cotton. Bangladesh's textile industry has the capacity to consume about 15 million bales of raw cotton annually, depending on the availability of raw materials, a sufficient power supply, and demand for yarn. Currently, the industry is utilizing only half of its capacity. Post estimates MY 2024/25 raw cotton consumption at 8.3 million bales, reflecting the increased imports of raw cotton during that year.

Trade

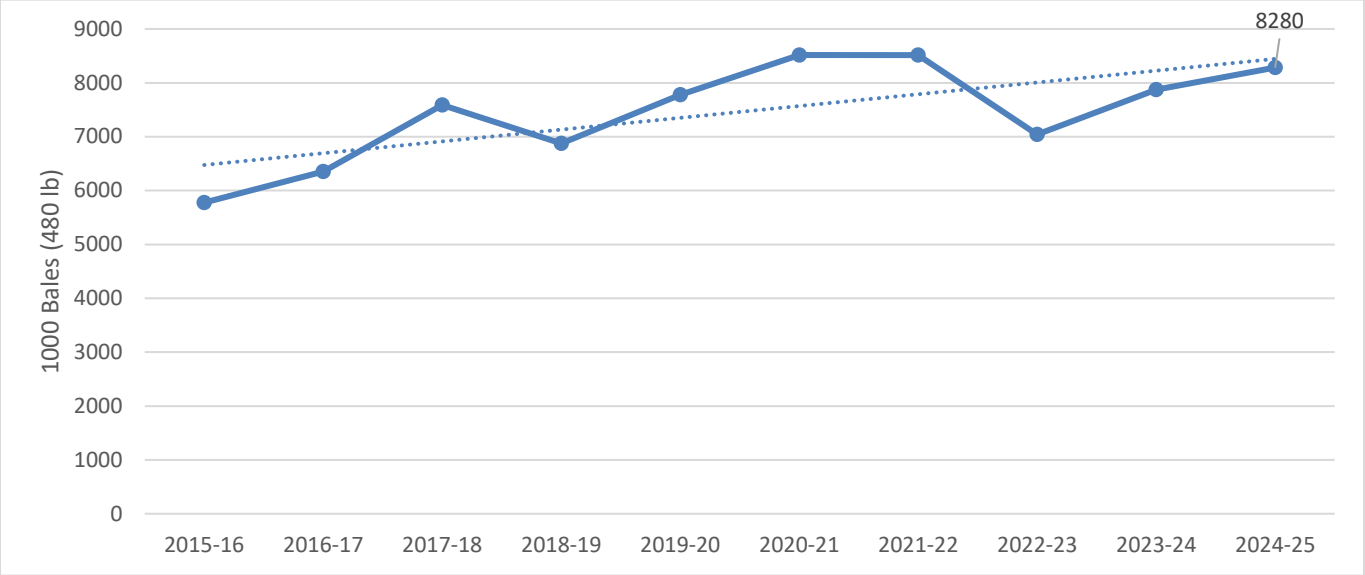
Cotton Imports to Increase

For MY 2025/26, Post forecasts raw cotton imports at 8.4 million bales, up 1.4 percent from MY 2024/25 estimate, on higher utilization of raw cotton by the spinning industry.

For MY 2024/25, Post revises the estimate for raw cotton imports to 8.28 million bales based on data from the National Board of Revenue (NBR). Total cotton imports in MY 2024/25 are 5.2 percent higher than the 7.8 million bales imported in MY 2023/24 (Figure 5).

On August 5, 2024, Bangladesh underwent a political regime change, when former Prime Minister Sheikh Hasina fled the country following a student-led movement and mass uprising that started in July 2024. An interim government (IG) was formed on August 8, 2024, led by Nobel Laureate Muhammad Yunus as the Chief Advisor. Various political processions and unrests continued during the initial months of the new IG that disrupted RMG production. Despite this, cotton imports remained stable throughout MY 2024/25 and the accumulated imports surplus the previous MY.

Figure 5: Bangladesh's Cotton Imports by MY (2014-2025)

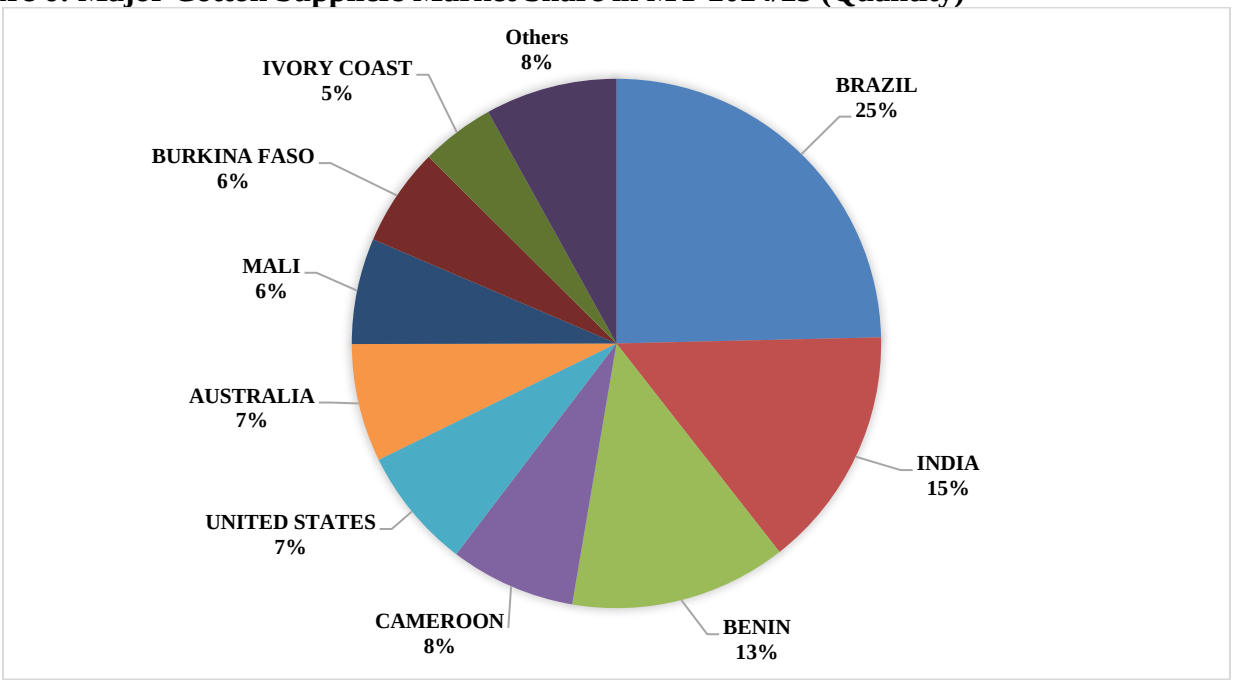


Source: NBR

Brazil Emerged as the Leading Cotton Supplier

In MY 2024/25, Brazil emerged as the top exporter of cotton in Bangladesh supplying with around 1.9 million bales holding a 25 percent market share. With an export volume of 1.4 million bales, India holds the 2nd position as cotton supplier to Bangladesh followed by Benin (1.06 million bales), Cameroon (616,538 bales) and United States (595,902 bales) (Figure 6).

Figure 6: Major Cotton Suppliers Market Share in MY 2024/25 (Quantity)



Source: NBR

Marketing
Industry contacts mention often that the quality of U.S. cotton is better than cotton from other sources. Many spinning mills in Bangladesh prefer U.S. cotton, however, they express concerns about the lead time and freight cost of obtaining U.S. cotton. The market shares of West African and South American cotton are gradually increasing based on logistical advantages, but some spinners expressed increased interest in purchasing U.S. cotton more in the future.

The U.S. Cotton Trust Protocol is growing its membership among global brands, but among Bangladeshi spinners it remains less well-known than Better Cotton Initiative. Greater traction of the U.S. Cotton Trust Protocol could potentially boost the market share of U.S. cotton in Bangladesh.

There is a growing interest in utilizing GSM-102 for U.S. cotton in Bangladesh. USDA continues to promote the program and works with interested importers to share information on how to access it.

Stocks
Cotton is only stocked by spinning mills to cover a few months' supply. For MY 2025/26, Post forecasts ending stocks at 1.95 million bales, 2.8 percent lower than Post estimate of MY 2024/25. Post estimates MY 2024/25 cotton ending stocks at 1.89 million bales.

Bangladesh's Production, Supply, and Distribution of Raw Cotton

Cotton	2023/2024		2024/2025		2025/2026	
Market Year Begins	Aug 2023		Aug 2024		Aug 2025	
Bangladesh	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	46	46	45	45	45	45
Beginning Stocks 1000 480 lb. Bales	1731	1731	1711	1759	1764	1892
Production 1000 480 lb. Bales	155	155	153	153	153	153
Imports 1000 480 lb. Bales	7575	7873	8100	8280	8100	8400
Total Supply 1000 480 lb. Bales	9461	9759	9964	10192	10017	10445
Exports 1000 480 lb. Bales	0	0	0	0	0	0
Domestic Use 1000 480 lb. Bales	7750	8000	8200	8300	8100	8500
Loss 1000 480 lb. Bales	0	0	0	0	0	0
Domestic Use and Loss 1000 480 lb. Bales	7750	8000	8200	8300	8100	8500
Ending Stocks 1000 480 lb. Bales	1711	1759	1764	1892	1917	1945
Total Distribution 1000 480 lb. Bales	9461	9759	9964	10192	10017	10445
Stock to Use % (PERCENT)	22.08	21.99	21.51	22.8	23.67	22.88
Yield (KG/HA)	734	734	740	740	740	740
(1000 HA) ,1000 480 lb. Bales, (PERCENT), (KG/HA)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments