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Report Highlights:

Post forecasts Egypt's MY 2025/26 cotton production at 320,000 bales, down 25 percent from the previous season due to a significant decrease in area harvested. In MY 2024/25, the government-established auction prices more than doubled from the previous year, discouraging private traders from procuring local production and resulting in higher carryover stocks. As a result, Egyptian farmers are expected to plant less in MY 2025/26. However, Post forecasts MY 2025/26 exports at 300,000 bales, 66 percent higher than MY 2024/25, on steady demand and exports being more competitively priced relative to international prices. Domestic consumption is estimated at 750,000 bales in MY 2025/26, up 3.4 percent from USDA's MY 2024/25 official figure, on expanded spinning and weaving capacity, supported by the Egyptian public sector and international investments.

Cotton Lint

Table 1: Production, Supply, and Demand (1,000 480 lb. Bales)

Cotton Market Year Begins Egypt	2023/2024		2024/2025		2025/2026	
	Aug 2023		Aug 2024		Aug 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	100	100	130	130	0	100
Beginning Stocks 1000 480 lb. Bales	233	233	207	207	0	427
Production 1000 480 lb. Bales	315	315	425	425	0	320
Imports 1000 480 lb. Bales	500	500	625	700	0	600
Total Supply 1000 480 lb. Bales	1048	1048	1257	1332	0	1347
Exports 1000 480 lb. Bales	266	266	300	180	0	300
Domestic Use 1000 480 lb. Bales	575	575	725	725	0	750
Loss 1000 480 lb. Bales	0	0	0	0	0	0
Domestic Use and Loss 1000 480 lb. Bales	575	575	725	725	0	750
Ending Stocks 1000 480 lb. Bales	207	207	232	427	0	297
Total Distribution 1000 480 lb. Bales	1048	1048	1257	1332	0	1347
Stock to Use % (PERCENT)	24.61	24.61	22.63	47.18	0	28.29
Yield (KG/HA)	686	686	712	712	0	697
(1000 HA) ,1000 480 lb. Bales, (PERCENT), (KG/HA)						

Production

Post forecasts MY 2025/26 (August-July) Egyptian cotton production at 320,000 bales, driven by a significant decline in harvested area and lower yield due to weather-related challenges. MY 2024/25 production is estimated to be 425,000 bales, in line with the USDA official figure.

Area

Post contacts and local media reports expect Egypt’s cotton area to decline significantly in MY 2025/26 – in some cases up to 30-40 percent compared to the current year¹ – as the Egyptian government is expected to lower the guaranteed farmer price (relative to international prices) as a result of high carryover stocks from the previous season. This, in turn, is expected to disincentivize farmers from planting more as Egyptian cotton farmers make their planting decisions based on expectations of relative prices and profits.

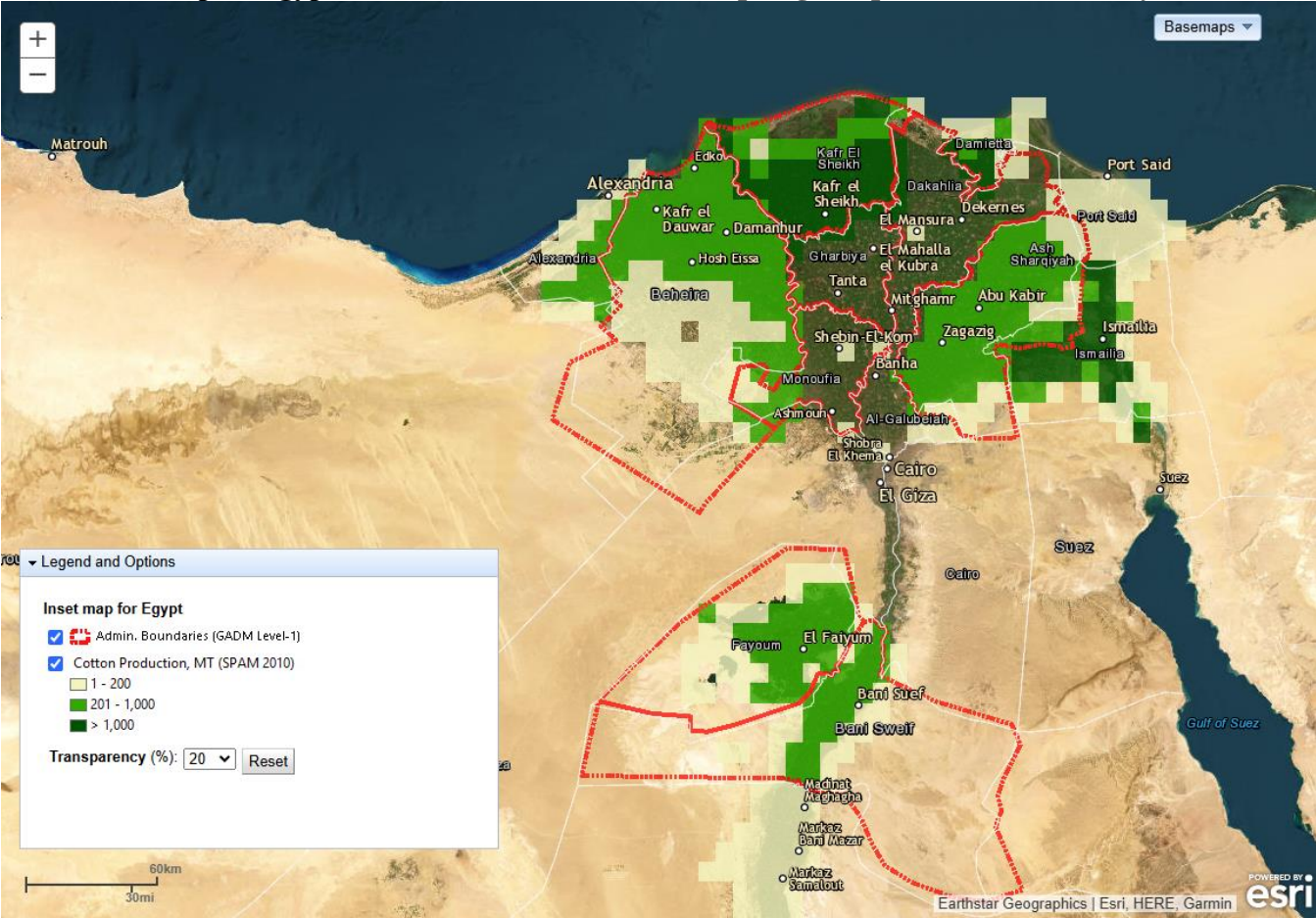
At public auctions from September 2024 to March 2025 (Note: Egyptian cotton is sold at auctions dedicated specifically to cotton purchases, where a guaranteed price is established as the opening bid), a high guaranteed price for Egyptian farmers, relative to international prices, discouraged private buyers from participating and left considerable amounts of domestically produced cotton unsold. As a result of its high carryover stocks, in the coming year, Post expects the Egyptian government will lower the guaranteed price in the near-term. A significant increase in stocks of cotton will also influence cotton area planted in MY 2025/26. For additional information on Egypt’s public auctions, see *Marketing* section.

Approximately 80 percent of Egypt’s total cotton production occurs in the Nile Delta. With roughly two-hundred sunny days per year, the Nile Delta region produces Egypt’s famous namesake “Egyptian Giza

¹ Al Mal News – [Cotton Area Likely to Decrease During the Next Season](#)

cotton.” The Nile Delta enjoys near perfect growing conditions for cotton development, including temperature, humidity levels, and dry weather.

Map 1: Egypt’s Cotton Production – 2024 Spring Crop (March – February)



Source: USDA Cotton Explorer

Egypt’s cotton planting season is from mid-March until mid-May while the harvest starts in September and lasts through mid-December.

Figure 1: Egypt’s Cotton Production and Harvest Season

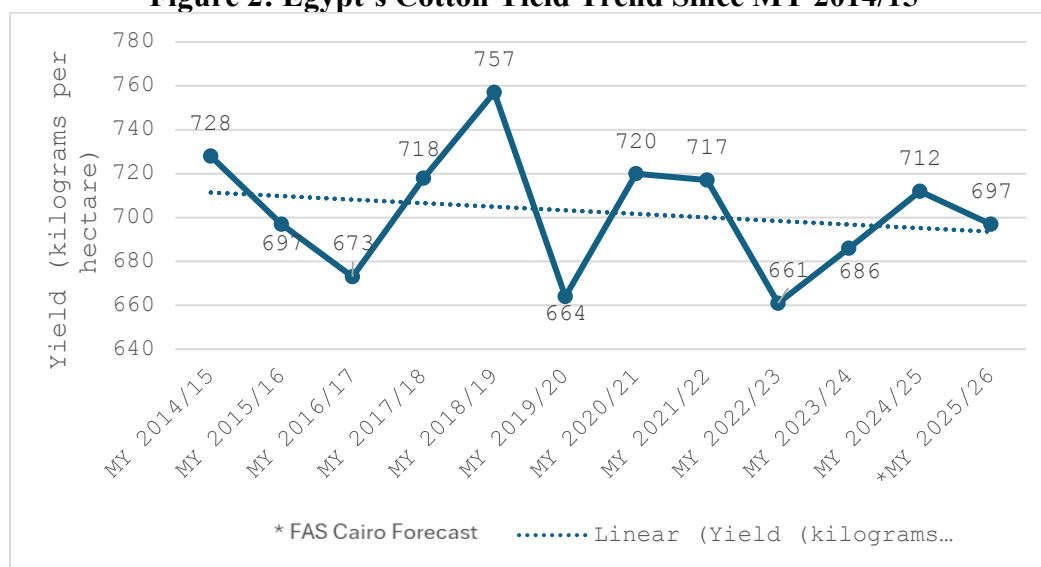


Source: USDA Crop Explorer

Yield

Post forecasts MY 2025/26 cotton yields down 2 percent from the MY 2024/25 yield estimate due to weather-related challenges and pests. Post’s contacts noted that increasingly frequent weather-related challenges and pest management impacted yield and quality of Egypt’s cotton crop in MY 2024/25.

Figure 2: Egypt's Cotton Yield Trend Since MY 2014/15



Source: USDA Crop Explorer and FAS Cairo

Egyptian cotton is cultivated on fragmented plots that average less than five hectares, diminishing productivity. Egypt's cotton farmers also regularly rely on manual labor rather than farm equipment. Egyptian cotton grower stands counts average approximately 107,000 plants per hectare. Due to manual weeding and pest management, the row widths are usually about 11-28 inches wide (25-60 cm).

Figure 3: Egypt's Cotton Yield 5-Year Average

Market Year	Area (1000 Ha)	Production (1000 480-lb Bales)	Yield (Kg/Ha)
2014/2015	157	525	728
2015/2016	100	320	697
2016/2017	55	170	673
2017/2018	91	300	718
2018/2019	141	490	757
2019/2020	100	305	664
2020/2021	65	215	720
2021/2022	85	280	717
2022/2023	140	425	661
2023/2024	100	315	686
2024/2025	130	425	712
5-year Average 2019/20 - 2023/24	98	308	690
Percent Change From 5 Year Average (%)	33	38	3
Record	157	525	757
Record Year	2014/2015	2014/2015	2018/2019

Source: USDA Crop Explorer

Egypt has an arid climate with an annual precipitation ranging between 60-190 mm along the Mediterranean coast and a sparse 25-60 mm in the Nile Delta. In Upper Egypt (the southern portion of Egypt composed of the Nile River valley south of the Nile Delta), arid conditions prevail with less than

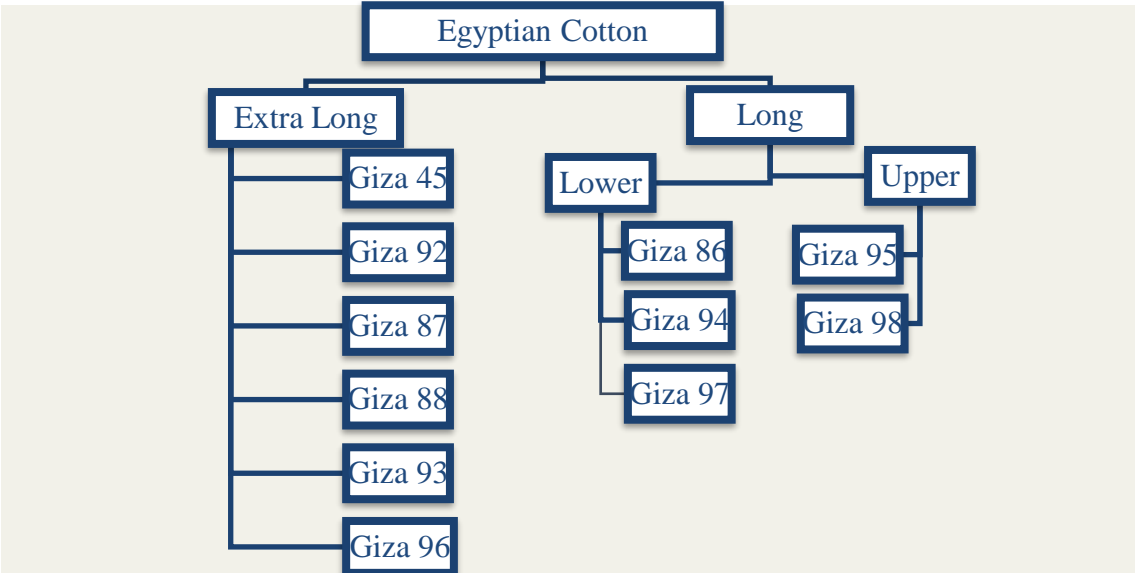
25 mm recorded on average. However, shifts in weather patterns, such as increasingly common early heat waves, have shortened the growing season, limiting pollination or boll development later in the growing season. The shorter season also affects farmers’ ability to replant seeds or recover lost growing days from weather variability. According to cotton breeders in Egypt, hotter and drier weather conditions are the main factor affecting cotton development and yields. Extra-long staple (ELS) cotton (grown in the Nile Delta) is reportedly yield sensitive to changes in temperature and humidity.

Egyptian Cotton Varieties

The Egyptian government, through the Cotton Research Institute (CRI), is developing new cotton varieties that mature earlier and are drought-resistant. CRI is the sole developer and distributor of new varieties of Egypt’s Giza cotton seeds, which are developed using conventional breeding techniques. These efforts aim to improve yields and ensure the sustainability of cotton cultivation in the face of weather-related challenges.² Despite yield improvements, ELS and long staple (LS) cotton varieties in Egypt continue to grow taller, bushier, and feature slower bowl development than Upland cotton varieties, which feature traits that complement fully mechanized technologies and production practices.

The Cotton Arbitration and Testing General Organization (CATGO) (which is affiliated with the Egyptian government), identifies varieties of cotton that come under two categories: ELS and LS. LS cotton is divided into varieties that grow in Lower Egypt (the northernmost region of Egypt consisting of the Nile Delta) and ones that grow in Upper Egypt. However, traders and industry identify and market the LS cotton from Upper Egypt as medium staple cotton, as it is used to produce the same type of yarn that Upland produces.

Figure 4: Egyptian Cotton Varieties



Source: FAS Cairo

Typically, two months before the beginning of the annual planting season, the Minister of Agriculture and Land Reclamation issues a decree that identifies the cotton varieties allowed for planting by region.

² International Cotton Advisory Committee – Egypt Country Report

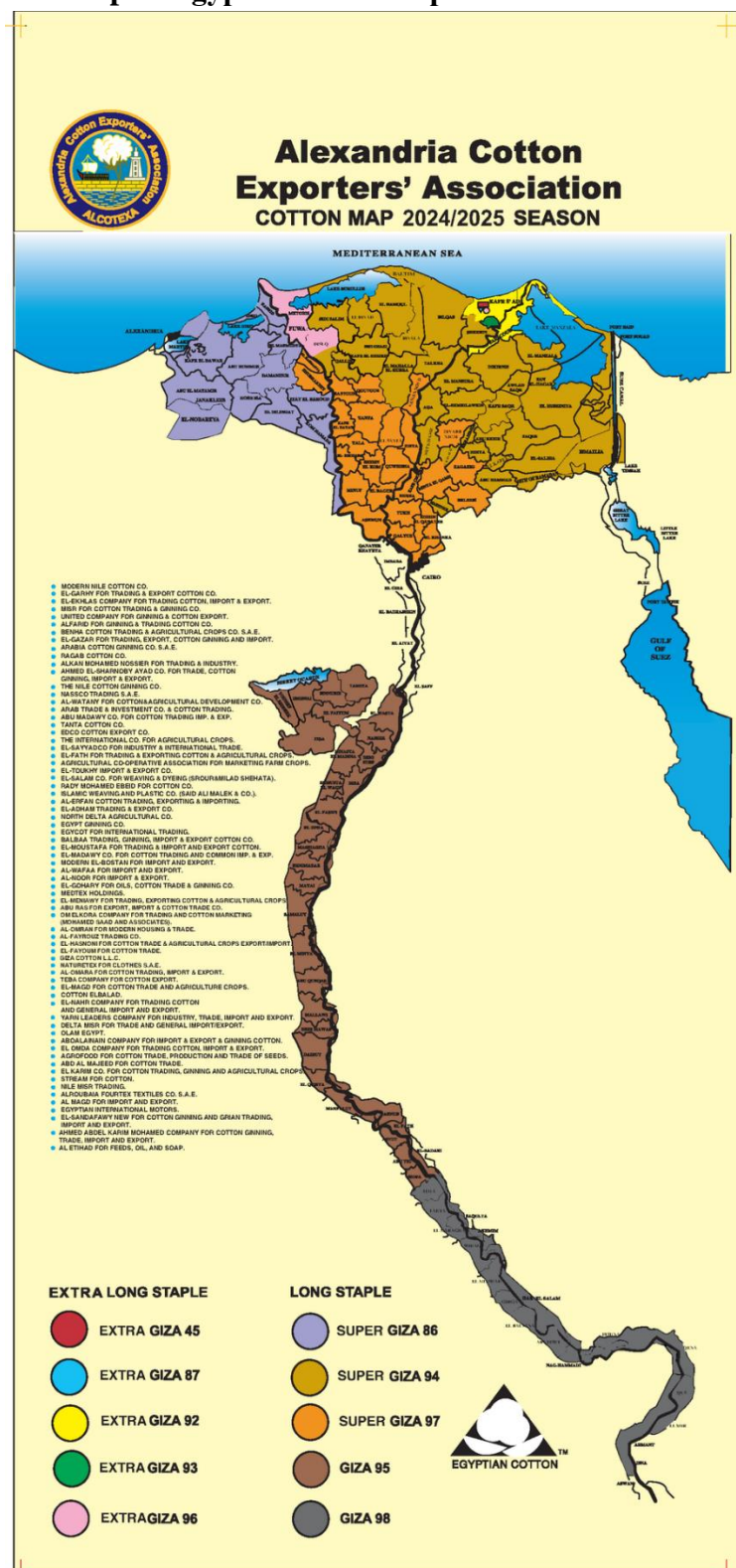
On February 26, 2025, Egypt's Minister of Agriculture and Land Reclamation issued Ministerial Decree no. 92/2025, the 2025 planting season decree. The decree identifies LS varieties for cultivation, including Giza 86 in Beheira (Lower Egypt), Giza 94 in Kafr El-Sheikh (Lower Egypt), Giza 97 in Monufia, Giza 95 in Beni Suef (Upper Egypt), and Giza 98 in Sohag (Upper Egypt), and identifies ELS varieties for cultivation, including Giza 92 in Damietta, and Giza 96 in Kafr El-Sheikh (Lower Egypt). According to the decree, each variety can only be grown in the specified areas. See Map 2 for Egypt's MY 2024/25 regional cotton variety assignments.

In 2015, the Ministry of Agriculture and Land Reclamation (MALR) issued Ministerial Decree no. 1918/2015, which identifies the conditions for qualifying seeds for planting. The decree stipulates that seeds should not be allowed for planting if the degree of genetic purity is less than 99.5 percent, Upland cotton (*Gossypium Hirsutum L*) seeds are present, the germination rate falls below 72 percent, and agricultural values fall below 70 percent (See [GAIN Cotton and Products Annual 2016](#)).

Ginning

The Egyptian government operates a network of publicly owned gins, operating as the [Misr Cotton Trading and Ginning Company](#). The government is undertaking a modernization plan to modernize the country's cotton gins and reduce the number of ginning facilities, while strategically locating them in key cotton-producing regions. Ministerial Decree no. 1320/2011 strictly regulates the movement of cotton, ensuring that specific gins are allocated to specific classes of cotton. In addition to assigning cotton varieties to each region, MALR also assigns the delivery points for ginning cotton varieties.

Map 2: Egypt's Cotton Map 2024/2025 Season



Source: Alexandria Cotton Exporters' Association (ALCOTEXA)

Better Cotton Partnership with Egyptian Cotton

The Egyptian cotton industry, via [Cotton Egypt Association \(CEA\)](#), an organization that promotes and protects Egyptian cotton's reputation globally, has a strategic partnership with [Better Cotton](#), a leading sustainability initiative for cotton. Through this partnership, Egyptian cotton farmers are training on sustainable farming techniques, including efforts that reduce water consumption and pesticide use, improve soil health, manage pest risks, and mitigate the risks of changing weather patterns.³ Approximately five percent of Egyptian cotton farmers participate in the program. As of January 2025, nearly 19,000 Egyptian cotton farmers are affiliated with Better Cotton.

CottonConnect Partnership with Egyptian Cotton

In October 2024, CottonConnect and CEA signed a memorandum of understanding (MOU) agreeing to long-term collaboration to expand regenerative cotton farming in Egypt. As a result, both parties will jointly support efforts to reduce water and chemical use, increase yields, and increase profits for Egyptian farmers. The MOU aims to facilitate sharing of technical expertise, development of a traceability model for Egyptian cotton, and partnerships with local and international brands that consume regenerative cotton.⁴

Consumption

Post forecasts Egyptian cotton consumption in MY 2025/26 at 750,000 bales, up 3.4 percent (25,000 bales) from USDA's MY 2024/25 official estimate, due to expanded spinning and weaving capacity resulting from increased investments in the textile sector and a positive export outlook for Egyptian textiles. MY 2024/25 consumption is estimated to be 725,000 bales, in line with the USDA official figure. Egypt's MY 2024/25 consumption is projected at the highest level in nearly 15 years, also due to expanded spinning and weaving capacity resulting from increased investments in the textile sector. Significant investments during the past year demonstrate that Egypt remains a competitive market for spinning and weaving operations, given its geographical location, duty-free access to the United States if produced in a Qualifying Industrial Zones (QIZ),⁵ duty-free access to the European Union via the Egypt-EU Partnership Agreement,⁶ affordable electricity, and low labor costs.

Egypt's spinning, weaving, and knitting sector is divided among government-owned national enterprises, privately owned operations, and foreign direct investment from Turkey, Syria, Italy, Pakistan, China, and India. The export outlook for the Egyptian spinning and weaving sector remains positive as Egyptian textile exports reached \$1.1 billion in calendar year 2024, representing 2 percent growth compared to 2023, according to the [Textile Export Council \(TEC\)](#), a public-private partnership under the umbrella of the Ministry of Trade and Industry. Asian countries emerged as the leading importers of Egyptian textiles, accounting for 47 percent of total sector exports in 2024. Arab countries ranked second, with exports reaching \$296 million, while the European Union (EU) ranked third at \$230 million in exports. The Egyptian textile industry seeks to achieve 15 percent growth in 2025.⁷

³ Better Cotton – [Better Cotton in Egypt](#)

⁴ Cotton Connect – [CottonConnect and CEA Partner to Increase Awareness and Sope of Regenerative Cotton Across Egypt](#)

⁵ QIZ FAQ -- <http://www.qizegypt.gov.eg/Page/Faqs>

⁶ Ibid.

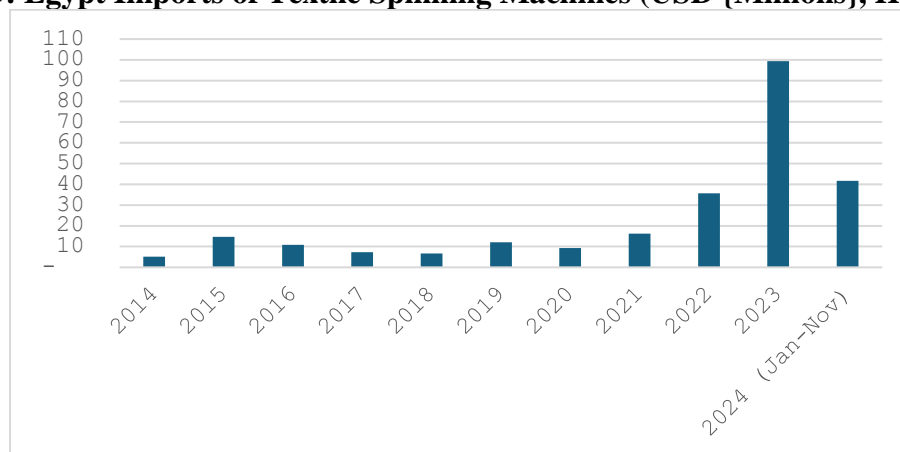
⁷ Business Today – [Egypt's Textile Exports Record \\$1.1 Billion in 2024/TEC](#)

According to industry contacts, some Egyptian textile factories consume very little of the country's cotton. One contact assessed that buyers only buy domestic cotton in small amounts on a month-to-month basis. Most of the domestic cotton consumed locally is Upper Egyptian LS varieties.

Egyptian Government Textile Investments

The Egyptian government is upgrading its textile sector to increase value-added production, and endeavors to utilize all domestically grown cotton within the country's factories. Al-Mahala al-Kobra, a city in Egypt's Nile Delta, hosts dozens of state-owned factories affiliated with the Misr Spinning and Weaving Company (owned by the [Holding Company for Cotton, Spinning, and Weaving](#), a subsidiary of the Ministry of Public Enterprise) that are undergoing upgrades backed by the Egyptian government. In December 2024, Egypt's Prime Minister publicly announced that the first of three phases of this public project is complete. Local media reports estimate the public project cost exceeds \$1.1 billion.⁸ Post's contacts say that these factories are expected to be operating at fully capacity in mid-to-late 2025.

Figure 5: Egypt Imports of Textile Spinning Machines (USD {Millions}, HS 844520)



Source: Trade Data Monitor

Table 2: Egyptian Cotton Yarn* Exports to the World (MT, August-July)

	2019/20	2020/21	2021/22	2022/23	2023/24	5-Year Average
World	37,115	18,078	11,867	22,323	16,193	21,115
Italy	21,500	3,968	3,840	5,177	6,500	8,197
Turkey	7,561	3,646	2,514	2,677	1,499	3,579
Pakistan	813	1,541	232	305	1,253	829
Brazil	1,016	902	689	904	994	901
Germany	1,240	1,229	1,374	1,559	944	1,269
Austria	202	55	306	592	887	408
India	108	78	17	70	852	225
Portugal	784	897	344	3,586	482	1,219
Czech Republic	671	442	319	803	476	542
Romania	0	114	426	722	442	426
Nigeria	158	274	254	337	362	277
United Kingdom	285	166	205	276	261	239
Guatemala	475	40	18	4,217	179	986
United States	214	2,466	147	216	142	637

*HS Code: 5204, 5205, 5207; Source: TDM

⁸ Sunday (Yom Al Sabah) – [Madbouly: The State Aims to Revive the Spinning Industry and Benefit Egyptian Cotton](#)

From August to November 2024, Egypt’s global cotton yarn exports reached 7,603 MT, a 72 percent increase compared to the same period of the previous year.

Table 3: Egyptian Cotton Fabric* Exports to the World (MT, August-July)

	2019/20	2020/21	2021/22	2022/23	2023/24	5-Year Average
World	37,078	19,574	29,979	38,498	33,928	31,811
Turkey	16,503	7,897	7,539	14,413	12,795	11,829
Tunisia	4,353	4,578	8,163	9,673	7,178	6,789
Italy	9,054	1,089	4,981	4,078	3,759	4,592
Morocco	2,115	2,141	2,706	2,072	1,895	2,186
Pakistan	72	204	857	818	1,606	711
Bangladesh	1,099	964	414	801	1,139	883
Syria	260	399	636	658	933	577
Algeria	501	154	23	712	755	429
Netherlands	38	29	162	146	570	189
United Kingdom	286	152	170	669	480	351
Eritrea	31	76	120	160	410	159
United Arab Emirates	340	318	416	709	390	435

*HS Code: 5208, 5209; Source: TDM

From August to November 2024, Egypt’s global cotton fabric exports reached 15,106 MT, a 25 percent increase compared to the same period the previous year.

According to industry sources, Egyptian spinning companies have orders for at least the next 8 months. In this vein, 12 spinning companies, including the state-owned holding company, are expected to add new spinning capacity in 2025, estimated at 563,200 spindles, amounting to an approximate total of 285 MT (1,309 bales) per day, or 104,000 MT (478,000 bales) per year, in additional capacity.

Chinese Textile Investments

China has demonstrated a significant interest in Egypt’s cotton and textile supply chain through various investments and partnerships. Post’s contacts report that, since 2014, China has sought to offshore 10 percent of its textile sector per year, to be more competitive and reduce the impact of textile production and waste on China’s environment. In that vein, China has invested in this sector throughout Africa, with mixed results. However, several recent developments indicate China is increasingly focused on investing in Egypt’s cotton and textile sectors for export to third countries.

For example, in March 2025, Jiangsu Guotai, a prominent Chinese textile and garment company, signed an agreement with the Suez Canal Economic Zone to establish a ready-made garment factory in the Qantara West Industrial Zone. The new facility is reported to be 21,000 sq. meters in size and represents a \$10 million investment (focused on exports).⁹ In December 2024, Egypt’s [General Authority for Investment and Free Zones \(GAFI\)](#) announced that a Chinese company, the Lutai Group, a producer of dyed fabrics and shirts, will establish a factory in Egypt that spans 500,000 sq. meters – a total investment valued at \$385 million. A Lutai Group official signaled the company will be active across the entire supply chain in Egypt – including yarn production, fabric manufacturing, and garment

⁹ Egypt State Information Service – [Egypt Expands Textile Industry with \\$10M New Chinese Investment in Suez Canal Economic Zone](#)

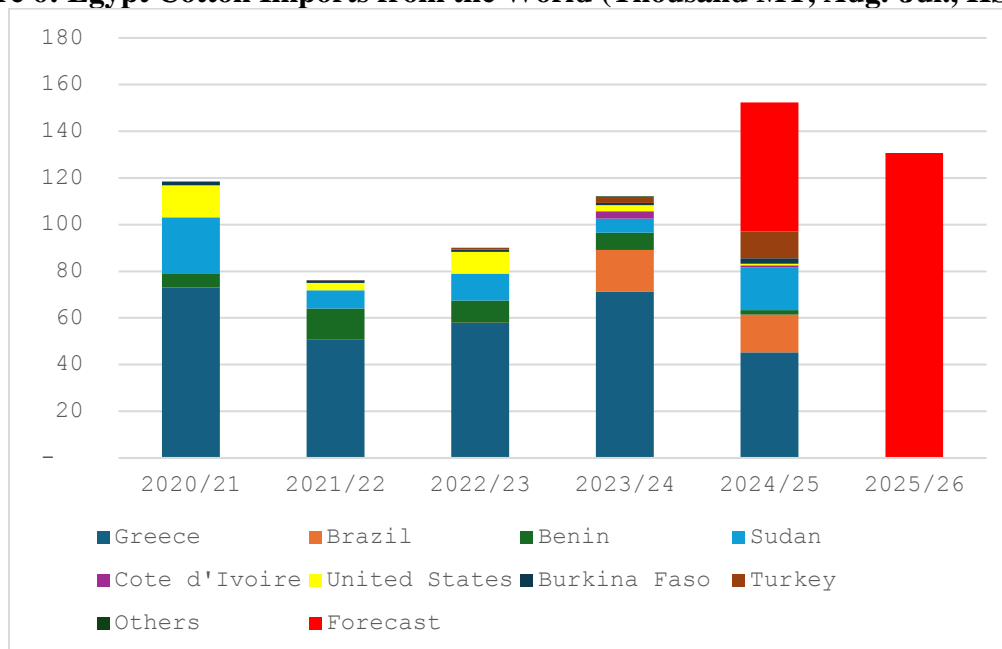
production – and that 100 percent of the company’s output will be exported.¹⁰ Further, in August 2024, GAFI announced the Chinese Jiangsu Lianfa Textile Company plans to establish a \$500 million integrated company for spinning, weaving, and dyeing textiles and ready-made clothing in Egypt, aiming to export 90 percent of its products.¹¹ In total, these Chinese investments in the cotton and textile sector are worth nearly \$1 billion and underscore the significant foothold that China has developed in an Egyptian sector primarily focused on exports.

Trade

Imports

In MY 2025/26, cotton imports are projected to reach 600,000 bales (130,635 metric tons {MT}), a 14 percent decrease compared to Post’s MY 2024/25 estimate, as cotton users process existing inventories of domestic cotton. Given abundant carryover stocks from MY 2024/25, Egypt’s state-owned textile and milling companies may prioritize using locally grown cotton, aligning with the government’s initiative to reduce raw cotton exports. Post forecasts MY 2024/25 cotton imports to 700,000 bales (152,407 MT), in line with USDA official figures. Post’s MY 2024/25 forecast is based on partial year trade data (first four months of the season), including Greek, Brazilian, Turkish, and U.S. export data, and incorporates assumptions about likely Egyptian imports by textile companies that operate in the free zone,¹² which are not reported to Trade Data Monitor. Post expects strong imports from private sector buyers that did not participate in the first three months of the public auctions and had limited participation in the last two months of the auctions, given the high guaranteed price set by the Egyptian government. The cotton traders that are importing consistently are also exporting, using their export revenue to make purchases. On average, ninety percent of Egypt’s cotton imports are consumed to produce textiles domestically.

Figure 6: Egypt Cotton Imports from the World (Thousand MT, Aug.-Jul., HS 5201)



Source: Trade Data Monitor and FAS/Cairo Research

¹⁰ Business Today – [China’s Lutai Group to Invest \\$385M in its First Egyptian Textile Factory](#)

¹¹ Ahram Online – [China’s Jiangsu Lianfa Textile to Establish \\$500M Textile Facility in Egypt](#)

¹² GAFI – [Free Zones](#)

In MY 2024/25, Greece, Brazil, Sudan, Benin, Turkey, Cote d'Ivoire, Burkina Faso and the United States, were Egypt's main foreign cotton suppliers. Greek cotton is popular with Egypt's price-driven spinning sector as it is priced competitively and ships immediately with prompt delivery, limiting exposure to foreign exchange risk and financing costs with lenders. In November 2023, Egypt signed agreements to expand market access for Brazilian cotton.¹³ According to FAS Brasilia, the depreciation of the Brazilian real has also made Brazilian cotton more affordable in global markets, boosting exports.

Local traders and spinning companies understand the quality of U.S. Pima and Upland cotton. Some companies are seeking yarn produced from Pima cotton and express a willingness to pay a premium for U.S. cotton's consistency, grading, and traceability characteristics. Despite this, U.S. cotton imports into Egypt are down due to high shipping costs and transit times, coupled with the relatively recent emergence of Brazil as Egypt's second largest cotton supplier.

Exports

Post forecasts Egypt's MY 2025/26 cotton exports at 300,000 bales, 66 percent higher than Post's revised MY 2024/25 export total of 180,000 bales, on steady demand and assuming the Egyptian government prices domestic cotton more competitively relative to international prices. Post's MY 2024/25 forecast is based on pace of trade derived from ALCOTEXA partial year trade data (total export commitments).

In MY 2024/25, Egyptian cotton exports are struggling as the Egyptian government more than doubled the guaranteed prices for Upper Egyptian and Lower Egyptian cotton from the previous season, which coincided with a decline in global cotton prices.¹⁴ Private buyers limited their participation in the first auctions of the 2024/25 trading season (September 2024 to August 2025), delaying the start of the trading season until October and putting them behind other international competitors. According to ALCOTEXA, as of March 9, 2025, total export commitments for the 2024/25 trading season were only 23,227.5 MT (106,683 bales), representing a 35 percent decline compared to the same period in the 2023/24 trading season, which saw 35,492.7 MT (163,017 bales).

In MY 2024/25, India remains the number one importer of Egyptian cotton, with Pakistan, China, Switzerland, Vietnam, Bangladesh, and others also importing Egypt's production.

¹³ Brazilian Government Press Release – [Brazil and Egypt Sign Agreements to Facilitate Agricultural Trade and Expand Cooperation](#)

¹⁴ Enterprise – [Egypt Halts Cotton Trading System and Mulls Bringing Back Subsidies to Support the Sector](#)

Figure 5: Egypt's Export Commitments by Destination (September 1, 2024 – March 22, 2025, MT)

Alexandria Cotton

Exporters' Association

ALCOTEXA

Information Center

CommitmentsBy TONS

(SEASON 2024/2025) From 01/09/2024 To 22/03/2025

Country	G 45	G 87	G 92	G 93	G 96	G 93*71	E.L.S	G 86	G 94	G 95	G 98	L.S	Grand Total	E.T
India			175.00		1,823.00	1.50	1,999.50	1,642.00	9,723.00	918.00	29.00	12,312.00	14,311.50	22.50
Pakistan	1.00		126.00				127.00	277.00	2,229.00	1,176.00		3,682.00	3,809.00	
China	9.00	9.50		30.50	300.00		349.00		1,831.50			1,831.50	2,180.50	
Switzerland									959.50			959.50	959.50	
Vietnam									920.00			920.00	920.00	
Bangladesh									458.00			458.00	458.00	
Free Zone (EG)			58.00		50.00		108.00	25.00	263.00			288.00	396.00	
Turkey					26.00		26.00	323.00		25.00		348.00	374.00	
DJIBOUTI									300.00			300.00	300.00	
Germany									212.00			212.00	212.00	
Thailand					64.00		64.00		45.00			45.00	109.00	
BAHRAIN									100.50	0.50	2.00	103.00	103.00	
Italy									67.00			67.00	67.00	
Portugal									49.00			49.00	49.00	
Mexico									24.00			24.00	24.00	
Japan					6.00		6.00		6.00			6.00	12.00	
Malaysia					5.00		5.00						5.00	
Grand Total	10.00	9.50	359.00	30.50	2,274.00	1.50	2,684.50	2,267.00	17,187.50	2,119.50	31.00	21,605.00	24,289.50	22.50

Source: [ALCOTEXA](#)

Stocks

Post forecasts MY 2025/26 ending stocks at 297,000 bales, down from Post's revised MY 2024/25 stock estimate of 427,000 bales, as domestic consumption from Egypt's growing textile industry continues, MY2024/25 stocks are utilized, and exports rebound with more competitive pricing. Post revised Egypt's MY 2024/25 stocks to 427,000 as private buyers limited their participation in the public auctions throughout the trading season, confirmed by Post's contacts, due to the government-established prices being too high relative to global cotton markets. According to local media reports, the state-owned Holding Company for Cotton, Spinning and Weaving will buy the unsold quantities for use in government-owned factories, but is struggling with selling its inventory.¹⁵ Local media reports that the February 2025 auction did not exceed 1,000 MT of sales, and the March 2025 auction did not exceed 950 MT of sales, despite more than 50,000 MT being available for auction.¹⁶

¹⁵ Enterprise – [Egypt's Cotton Trading Season was a Wild Ride — Here's What Went Down](#)

¹⁶ Al Arabiya – [Egyptian Cotton Auctions End Early After Reluctance of Private Companies](#)

Prices

At the start of the current season, the Egyptian government set cotton prices at 12,000 Egyptian pounds¹⁷ (EGP) per quintal¹⁸ (\$2.37 per kilogram {kg}) for Upper Egyptian cotton – compared to 5,000 EGP per quintal (\$0.99 per kg) in the previous season – and 10,000 EGP per quintal (\$1.98 per kg) for Upper Egypt-grown cotton.¹⁹ However, private cotton trading companies balked at the set prices, struggling to resell the product, and in December 2024, the Egyptian government started the opening price of the auction at 10,500 EGP per quintal (\$2.08 per kg) for Delta-grown cotton, in response to traders' concerns and to subsidize purchases of domestic cotton.²⁰ The February 2025 auction recorded prices between 10,000-10,700 EGP per quintal (\$1.98– \$2.12 per kg).²¹ Despite this price change, the February and March auctions saw limited private sector participation.

Policy

Textile Industry Revitalization

As mentioned, in December 2024, Egypt's Prime Minister announced the completion of the first phase of Egypt's national project to modernize the textile industry. Now completed, the first phase included Ghazl 4 (reportedly the largest textile manufacturing facility in the world) and Ghazl 1 (reportedly produces between 30-35 MT of textiles per day). The subsequent expansion phases, covering further facilities in different locations, are expected to be completed by mid-2025, with the entire project expected to be completed by early 2026. The project's cost (estimated at more than \$1.1 billion) reflects the government's vision of stabilizing demand for cotton farmers.²²

Government Efforts to Improve Cotton Quality

In 2017, the Egyptian government assumed control of the production and distribution of cottonseed, a role previously managed by the private sector. This intervention was reportedly necessary because the reputation and quality of Egyptian cotton had significantly declined due to the lack of effective quality assurance systems throughout the supply chain, which led to inferior, mixed variety output and a controversy that resulted in U.S. retailers removing falsely labeled Egyptian cotton products from their shelves.²³

Market Access

Egypt's cotton import regulations stipulate that imported cotton should be free from whole or broken seeds and foreign materials (Annex 15: of the Egyptian Plant Quarantine Rules & Regulations: Ministerial Decree 562/2019 attached, Annex 1). Egypt also requires that imported cotton be fumigated at the country of origin prior to shipment to mitigate potential phytosanitary risks. Fumigating the shipment at country of origin does not preclude it from being fumigated at Egyptian ports.

¹⁷ 1 EGP is equivalent to 0.02 U.S. dollars (USD)

¹⁸ 1 quintal is equivalent to .1 metric ton (MT) or 100 kilograms (kg)

¹⁹ Al Arabiya – [Egyptian Cotton Auctions End Early After Reluctance of Private Companies](#)

²⁰ Al Mal Newspaper – [Ministers Respond to Cotton Companies' Demands to Lower Opening Prices of Auctions](#)

²¹ Al Mal Newspaper – [13 Companies Win 8,900 Quintals of Cotton from Lower Egypt Auction](#)

²² Egypt Today – [Madbouly: Phase One of EGP 56B Textile Industry Revamp Completed](#)

²³ The Guardian – [Those Luxury Egyptian Cotton Sheets You Own May Not Be Luxurious – Or Egyptian](#)

Marketing

Auctions

As previously mentioned, Egyptian cotton is sold via an auction dedicated specifically to cotton purchases. CATGO established the auction as an endeavor to ensure high returns for cotton growers, coinciding with a guaranteed price established for the season. Under this system, cotton is graded by CATGO and sold at auctions with an opening bid equal to the guaranteed price or the international price, whichever is greater. The auction system was introduced in 2019 and expanded in 2020 to an additional 15 governorates. Egypt's auctions usually run from September to March, but due to limited participation by private companies, the first 2024/2025 auction started in mid-October. Limited private sector participation continued through the season, and as a result, Egyptian exports in the first half of MY 2024/25 were significantly lower, as previously mentioned.

Egyptian Cotton Association (CEA)

CEA was formed to improve the marketing and reputation of Egyptian cotton in international markets, including through the licensing of a logo that is intended to certify the authenticity of Egyptian cotton. CEA's efforts aim to prevent fraud and ensure consumers purchase genuine Egyptian cotton products. In this vein, CEA established a traceability system to monitor the entire supply chain of their licensees, including the quantities purchased and sold by each licensee. To verify and ensure the authenticity of product that is using the logo, CEA conducts random audits to licensee premises and collects product samples for testing. CEA also monitors websites that promote Egyptian cotton products ensuring proper usage of the logo.

Attachments:

No Attachments