Required Report: Required - Public Distribution

Date: May 07, 2026

Report Number: UZ2026-0002

Report Name: Cotton and Products Annual

Country: Uzbekistan - Republic of

Post: Tashkent

Report Category: Cotton and Products

Prepared By:

Approved By: Rishan Chaudhry

Report Highlights:

This report revises MY 2025/26 lint production to 750,000 MT and forecasts MY 2026/27 at 780,000 MT. Hydrological deficits, with Amu Darya flow at 66.8 percent of historical norm, represent the primary downside risk for the coming season. Uzbekistan's textile sector is gradually shifting toward higher-value fabric and garment exports, supported by record government investment, though sector profitability remains under pressure from rising electricity tariffs and soft demand in traditional export markets.

SECTION I: PRODUCTION

Area, Land Use, and Technological Transition

For MY 2026/27, President Mirziyoyev directed cotton cultivation across 891,000 hectares, similar to MY 2025/26 with marginal and salinized parcels continuing to exit production in favor of higher-quality land. He set a seed cotton production target of 4.5 million metric tons (MMT), mandated full conversion to the 76-centimeter row-spacing scheme and directed the doubling of area under foreign pest- and drought-resistant varieties to 500,000 hectares (Figure 2).

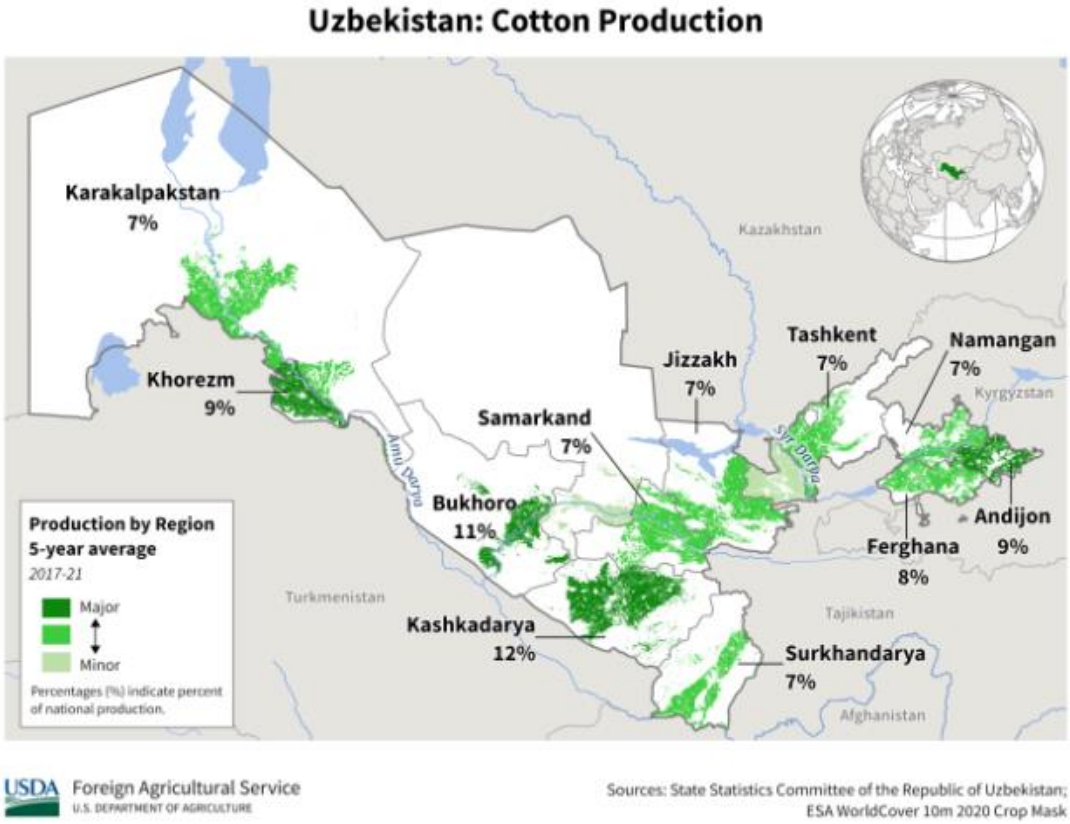


Figure 1. Uzbekistan: Cotton Production

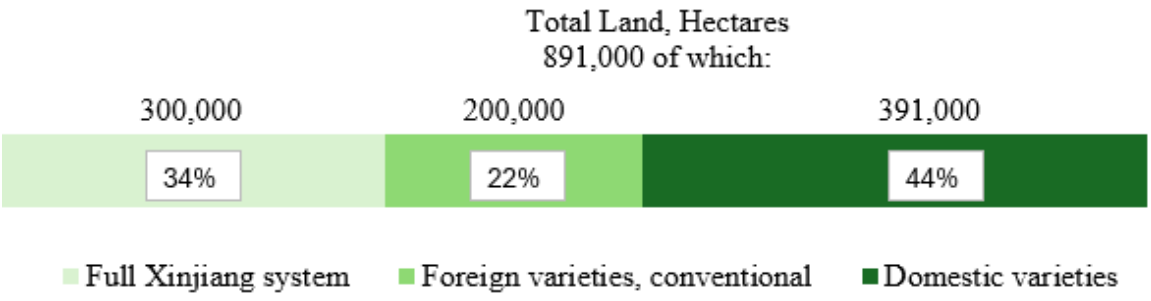


Figure 2. MY 2026/27 cotton planting area by agronomic regime

Basin / Region / Share of National Production

Basin	Oblasts	Share of Production
Amu Darya	Karakalpakstan, Khorezm, Bukhara, Kashkadarya, Surkhandarya, Samarkand	~53%
Syr Darya	Tashkent, Namangan, Fergana, Andijan, Jizzakh	~38%

Figure 3. Basin / Region / Share of National Production
Source: USDA FAS; State Statistics Committee of Uzbekistan. Based on 5-year average 2017–2021.

Full Xinjiang system
Film mulch with subsurface drip irrigation, high-density GE seed, and on-site Chinese agronomic support. At 240,000 plants per hectare, inter-plant competition for water, nutrients, and light is substantially higher than under traditional cultivation. Precise input timing is critical as any deficit is amplified across the entire stand. Highest input intensity and yield potential within the national cotton program but most technically demanding.

Conventional 76 cm system
Foreign pest-, herbicide-, and drought-resistant varieties (200,000 ha) and domestic seed (391,000 ha) cultivated under the 76-centimeter row-spacing standard without film mulch. Foreign varieties offer intermediate yield gains over domestic seed; domestic plots benefit primarily from mechanical compatibility with the national combine fleet. Post field observations indicate drip infrastructure is present on a portion of both segments, though aggregate coverage is not officially reported.

Production Estimate and Methodological Note

Post estimates MY 2025/26 cotton lint production at approximately 750,000 MT, with a plausible range of 720,000–780,000 MT, representing a downward revision from Post's December 2025 estimate of 906,000 MT.

The current estimate is underpinned by three concurrent factors: the first full commercial season of foreign high-yield and pest-resistant varieties, including Xinjiang high-density GE cultivars, across an estimated 280,000 ha, as reported by Uzbekistan's Minister of Agriculture (China Daily, June 2025); near-complete bollworm suppression attributable to anomalous growing-season heat; and a recovery from the atypically poor MY 2024/25 baseline, in which pest pressure and payment delays left significant area unharvested. In the absence of officially published ginning outturn data, Post applies a blended conversion rate of 36 percent, consistent with World Bank estimates of 30–33 percent for legacy equipment rising to 40 percent for modernized ginneries (Zorya and Babaev, 2020).

Climatic Conditions and Irrigation Outlook

Inter-season hydrology presents the primary downside risk to MY 2026/27 production. According to data published by the Interstate Coordination Water Management Commission in March 2026, Amu Darya river flow stood at 66.8 percent of historical norms as of February 11, 2026, a sharp deterioration from 101.8 percent recorded at the same point in the prior year. The Syr Darya basin performed above forecast but reached only 87 percent of the long-term average (see Figure 3). The Ministry of Water Resources reported in December 2025 that total water reserves, including transboundary reservoirs, declined by 6.5 billion cubic meters relative to 2024 levels, partially offset by above-normal December 2025 precipitation across most regions (oblasts).

At the time of this report, cotton planting is underway across Uzbekistan's major producing oblasts. Post field visits to Tashkent, Fergana, and Namangan oblasts in April 2026 confirmed normal seasonal planting conditions in the Syr Darya basin, with no acute water or input shortages at the farm level. Post notes that southern oblasts, Kashkadarya, Surkhandarya, and Bukhara, dependent on Amu Darya inflows, face materially greater irrigation risk as summer demand peaks, and were not covered by Post's April field assessment.

Government Support

Total state financing for cotton, grain, irrigation, and water-saving technology reached 35 trillion sum ($2.7 billion) in 2026, with an additional 5 trillion sum ($385 million) for agrotechnical inputs including film and drip equipment. Preferential credit from the State Agricultural Support Fund has been expanded to 17.5 million sum ($1,346) per hectare, a 1.4-fold increase, disbursed directly to farmers at rates as low as 2 percent under a new farmer rating system. Cluster debt penalties of 377 billion sum ($29 million) accumulated during 2022–2023 have been written off, with repayment terms extended to

seven years for stable enterprises. A newly established Agricultural Payments Agency centralizes subsidy disbursement from January 2026, cutting processing time from one month to 15 days. VAT refunds on seeds, fertilizers, fuel, electricity, and transport further reduce farmer input costs.

Cotton Pricing and Market Incentives

For MY 2026/27, the opening futures price for seed cotton on the UZEX commodity exchange was set at 8,762,000 sum per MT ($674), determined by the six-month average of ICE New York cotton futures under Presidential Decree PF-7 of January 2025, an increase over the 7,862,000 sum per MT ($605) established for MY 2025/26. Farmers have already concluded futures contracts and received advance payments ahead of the current planting season, providing upfront financing that reduces production risk. Farmers selling through exchange-based transactions receive an additional 1 million sum per MT ($77) subsidy; those financing production independently receive a further 5 percent of exchange sales value. Post considers the MY 2026/27 price environment favorable: the year-on-year increase in the opening price, combined with layered subsidy mechanisms, preserves farmer margins and supports sustained production investment.

Market Structure

The liberalized commodity exchange permits clusters to source raw cotton freely from any farmer at market prices, reducing procurement frictions and improving price discovery relative to the prior administered system. Farmers retain the right to select buyers within their region, with all contracts, including futures, forward, and spot, concluded exclusively through UZEX. Post regards the operational exchange as a meaningful positive for production incentives in MY 2026/27.

Drip Irrigation Expansion

Preferential credits of 2.6 trillion sum ($200 million) continue to finance drip infrastructure installation across cotton-producing areas, supporting yield stability under water-constrained conditions. Post notes a structural risk in the energy-irrigation nexus: hydroelectric generation fell 20 percent in 2025, from 8.16 to 6.3 billion kWh, as water inflows declined 35 percent, according to the Ministry of Energy (December 2025). With drip irrigation systems dependent on electrically powered pumps, reduced hydroelectric output entering a low-water year creates interruption risk during the critical June–July bud formation period. Ongoing grid modernization, supported by a $100 million World Bank concessional credit approved in May 2025 with priority coverage of Karakalpakstan and Surkhandarya, is expected to partially mitigate this risk over the medium term, though infrastructure upgrades will not be complete within the MY 2026/27 production season.

Fertilizer and Crop Protection Inputs

Global fertilizer prices rose 18 percent in 2025 and spiked a further 46 percent month-on-month in February–March 2026 following Strait of Hormuz disruptions (World Bank, March 2026). FAO estimates prices could average 15–20 percent above pre-conflict levels through the first half of 2026, coinciding with Uzbekistan's peak planting and early growing season. The shift to herbicide-resistant GE varieties has increased demand for specific crop protection chemicals sourced primarily from China and Turkey, Uzbekistan's largest pesticide suppliers, whose import costs face additional pressure from regional shipping disruptions. Domestic nitrogen fertilizer production is energy-intensive by nature, with energy accounting for up to 55 percent of production cost according to a December 2025 presidential briefing, limiting the government's ability to fully insulate farmers despite strategic reserve commitments.

Digital Infrastructure

The integration of all cotton transactions into the Agro-platform digital system, mandatory from the 2026 season under Presidential Decree УП-130, provides real-time satellite and drone-based monitoring of planting areas, input use, and harvest progress. The Xinjiang high-density system requires GPS-guided tractor autosteer for precise 76×10 centimeter row placement. Better-capitalized clusters have begun deploying precision agriculture platforms, including crop management software, for input optimization and yield forecasting. Post regards this cumulative digital shift as a meaningful productivity gain. Whether improved data will translate into more transparent official statistics remains an open question.

Production Outlook

Post forecasts MY 2026/27 lint production at 780,000 MT, representing a 4 percent increase over the revised MY 2025/26 estimate. Broad-based government support, a year-on-year increase in opening cotton prices, and continued expansion of foreign variety area provide a constructive production baseline. Hydrological deficits documented in the preceding section remain the primary downside risk, compounded by fertilizer cost pressures and potential irrigation interruptions during peak summer grid stress. Post field visits to Tashkent, Fergana, and Namangan oblasts in April 2026 confirmed normal planting conditions across the Syr Darya basin.

SECTION II: CONSUMPTION

Textile Sector Overview

All domestically produced lint is processed within Uzbekistan under a government policy prohibiting raw lint exports. The sector comprises 134 cotton-textile clusters employing 623,000 workers. Installed spinning capacity exceeds domestic lint production, making imports a structural feature of the supply balance. Post estimates effective capacity utilization at approximately 70 percent, reflecting weak external demand and below-optimal operation of legacy equipment.

Consumption Estimate and Forecast

Post estimates MY 2025/26 cotton lint consumption at approximately 880,000 MT. For MY 2026/27, Post forecasts consumption broadly stable at approximately 880,000 MT, as energy cost pressures and weak external demand broadly offset new capacity additions in fabric and garment processing. Elevated ending stocks reflect in part inventory held at cluster ginneries as producers await more favorable processing conditions amid rising electricity tariffs and a gradual recovery in yarn prices.

Rising Energy Costs

Electricity tariffs rose 52.5 percent in May 2024 and are subject to further annual increases of up to 10 percent from May 2026 as the government pursues full cost recovery by the end of 2026. Energy subsidies of 12.3 trillion sum ($956 million) allocated in 2025 will phase out by 2028. The social tax rate for cotton-textile clusters has been reduced to 1 percent for three years from September 2025, partially offsetting rising costs.

Global Demand Context

Cotton's share of global fiber consumption has declined below 25 percent, down from nearly 40 percent in the early 2000s, as synthetic fibers continue to displace cotton in volume segments. Global spinning profits were in a loss-making state for most of 2025, with Uzbekistan's average yarn export price reaching $2,901 per MT in 2024, down 5 percent year-on-year and 16 percent below the 2022 peak. Turkey's domestic cotton output declined 24 percent in MY 2025/26, potentially increasing Turkish demand for imported lint and yarn.

Export Performance

Textile exports reached approximately $2.0 billion in 2023, rising to $2.5 billion in 2025. Russia remains the largest fabric export market and third largest yarn market. Yarn exports to Russia peaked at 111,033 MT in 2022 before declining 43 percent to 63,348 MT in 2024 (UN Comtrade). The European Union represents only 5-6 percent of textile exports despite GSP+ preferential access, with EU market entry contingent on continued compliance with labor and sustainability standards that Uzbekistan has progressively strengthened since the ILO's 2022 verification of systemic forced labor elimination.

Structural Transition: From Yarn to Value-Added Products

The GOU is accelerating the shift from yarn exports through an escalating export levy of $0.20 per kilogram from January 2025. New capacity additions for 2026 include 207,000 MT of synthetic and blended yarn, 397 million square meters of fabric, and 224 million garment units, targeting exports of $3.3 billion by end-2026 and $7 billion by 2028. The government reimburses up to 70 percent of transport costs for fabric, knitwear, and garment exports to European and North American destinations and has established over 60 trading houses in 10 countries. Post regards the EU market pivot as strategically sound but near-term execution is constrained by certification and fiber quality requirements.

SECTION III: TRADE

Lint Exports

Cotton lint exports have effectively ceased under the GOU's policy of 100 percent domestic processing. Post projects MY 2026/27 lint exports at zero.

Yarn Exports

Cotton yarn exports declined from 425,511 MT in 2023 to 272,064 MT in 2024, a contraction of 38 percent, with losses across all major markets: China -41 percent to 83,724 MT, Turkey -35 percent to 74,116 MT, and Russia -27 percent to 63,348 MT (UN Comtrade). The decline reflects post-pandemic demand weakness, price compression, and the GOU's escalating yarn export levy of $0.20 per kilogram from January 2025. Preliminary 2025 data indicate continued contraction consistent with weak external demand.

India, the world's sixth-largest textile exporter, recorded a 3.9 percent decline in cotton textile exports in FY2025-26, with the Iran conflict driving up freight costs and extending shipping routes by 20-25 days. As a sea-dependent exporter, India faces materially higher logistics costs relative to Uzbekistan, which routes exports by overland rail. Uzbekistan exports by overland rail and is not exposed to these disruptions, improving its competitive position in land-accessible markets. South Africa emerged as a

new destination, reaching 254 MT in 2024, up 239 percent year-on-year. Post field contacts indicate emerging interest from Middle East and Sub-Saharan Africa buyers.

Fabric Exports

Cotton fabric exports fell from 16,703 MT in 2023 to 10,019 MT in 2024, down 40 percent (UN Comtrade). Russia absorbed 8,848 MT or 88 percent of total fabric exports despite an 18 percent year-on-year decline.

Lint Imports

MY 2025/26 lint imports are forecast at 50,000 MT, sourced primarily from Azerbaijan, Tajikistan, and Turkmenistan. Kazakhstan is expected to reduce exports as domestic processing capacity expands. Post forecasts MY 2026/27 imports stable at approximately 50,000 MT.

U.S. Cotton Imports

Uzbekistan made a bilateral commitment to purchasing 100,000 MT of U.S. cotton over three years at the C5+1 Summit. U.S. extra-long staple and Pima varieties provide premium fiber quality that unlocks higher-value yarn grades, BCI and organic certification, and access to EU and U.S. retail supply chains. Post regards this commitment as a positive signal for sector repositioning toward premium markets. Significant volumes have not yet materialized, as commercial and logistical arrangements remain under development.

Photo credit: USDA FAS Post, Uzbekistan, April 2026

Trade Outlook

Uzbekistan is gradually shifting from yarn toward fabric and garment exports, supported by the export levy, transport subsidies, and active market development. The Strait of Hormuz disruption creates a near-term opening in land-accessible markets. The EU remains the priority long-term destination but requires certification and fiber quality upgrades that will take time to achieve at scale.

Tables 1 & 2: Production, Supply, and Distribution Tables

(Thousands of Hectares, Thousands of 480 lbs. bales, 1 bales = 4.5923 metric tons)

Cotton	2024/2025		2025/2026		2026/2027	
Market Begin Year	Aug-24		Aug-25		Aug-26	
Uzbekistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,000	940	930	875		891
Beginning Stocks	2,000	1,864	2,040	1860		1493
Production	3,000	2,939	2,550	3444		3582
Imports	100	92	200	230		230
Total Supply	**5,100**	**4,895**	**4,790**	**5,533**		**5,305**
Exports	10	5	10	0		0
Use	3,100	3,031	3000	4041		4041
Total Dom. Cons.	3,100	3,031	3000	4041		4041
Ending Stocks	1,990	1,860	1780	1493		1263
Total Distribution	**5,100**	**4,895**	**4,790**	**5,533**		**5,305**
Stock to use %	63.99	61.52	59.14	46.02		36.93
Yield	653	681	597	1035		876

(Thousands of Hectares, Thousands of Metric Tons, 1 metric tonne ≈ 0.2177 bales)

Cotton	2024/2025		2025/2026		2026/2027	
Market Begin Year	Aug-24		Aug-25		Aug-26	
Uzbekistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	1,000	940	930	875		891
Beginning Stocks	435	406	433	405		325
Production	653	640	555	750		780
Imports	22	20	44	50		50
Total Supply	**1,110**	**1,066**	**1,032**	**1,205**		**1,155**
Exports	2	1	2	0		0
Use	675	660	653	880		880
Total Dom. Cons.	675	660	653	880		880
Ending Stocks	433	405	388	325		275
Total Distribution	**1,110**	**1,066**	**1,043**	**1,205**		**1,155**
Stock to use %	64.19	61.52	59.42	46.02		36.93
Yield	653	681	597	857		876

Table 3: Uzbekistan Cotton Yarn Exports, Top 15 (HS Code: 5204, 5205, 5207), Metric Tons

Source: UN Comtrade

Total	439,850	537,465	401,033	425,511	272,064	-38%
Country	2020	2021	2022	2023	2024	% Change 23/24
China	188,418	231,476	86,347	142,731	83,724	-41%
Türkiye	87,958	142,250	141,338	113,205	74,116	-35%
Russian Federation	92,934	106,022	111,033	86,350	63,348	-27%
Iran	7,601	10,783	16,977	31,239	16,680	-47%
Poland	9,643	13,616	13,727	11,384	5,717	-50%
Kyrgyzstan	781	379	473	9,525	497	-95%
Italy	236	453	769	7,902	354	-96%
Egypt	5,435	7,497	4,723	5,198	4,501	-13%
Other	44,941	24,463	25,549	17,977	23,106	29%
Belarus	3,331	3,608	4,139	3,992	2,155	-46%
Ukraine	6,538	3,971	2,034	3,809	1,081	-72%
Bangladesh	4,286	3,026	2,470	1,918	1,519	-21%
Pakistan	7,097	-	4,106	1,373	9,573	597%
Rep. of Moldova	276	241	320	1,158		-100%
Morocco	715	188	666	707	1,155	63%
Armenia	407	307	677	651	166	-74%
Germany	620	2,173	3,612	545	482	-11%
Lithuania	18	18	303	533	604	13%
Portugal	1,680	1,784	814	482	2,762	473%
Belgium	650	1,317	754	455	407	-11%
Kazakhstan	355	425	523	424	164	-61%
Brazil	577	604	-	406	501	23%
Bulgaria	281	479	470	281	317	13%
Austria	18	42	191	168	78	-54%
Tunisia	-	147	332	164	128	-22%
Czechia	228	216	278	150	146	-3%
United Arab Emirates	30	176	-	104	251	140%
Japan	151	123	131	88	16	-82%
Serbia	1,168	41	95	80	37	-53%
South Africa	60	-	-	75	254	239%
Azerbaijan	76	179	50	62	12	-81%
Greece	1	108	34	59	-	-100%
Turkmenistan	-	-	25	55	-	-100%
Uruguay	-	-	-	41	-	-100%
Romania	62	163	41	40	5	-87%

Table 3 Cont'd.: Uzbekistan Cotton Yarn Exports, Top 15 (HS Code: 5204, 5205, 5207), Metric Tons
Source: UN Comtrade

Total	439,850	537,465	401,033	425,511	272,064	-38%
Country	2020	2021	2022	2023	2024	% Change 23/24
North Macedonia	295	250	232	38	19	-49%
Latvia	36	35	-	37	18	-50%
Spain	208	780	178	36	58	62%
Venezuela	-	-	-	22	-	-100%
Colombia	2,152	125	312	19	-	-100%
Tajikistan	-	1	0	5	2	-70%

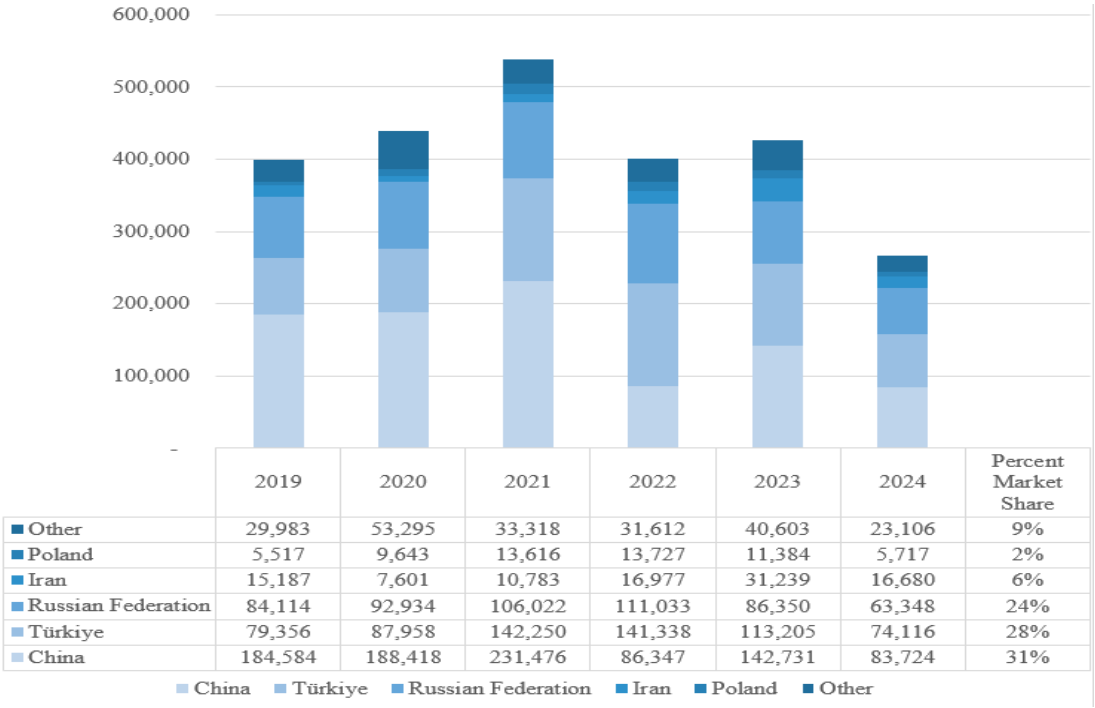
Table 4: Uzbekistan Cotton Fabric Exports (HS Code: 5208, 5209), Metric Tons
Source: UN Comtrade

Total	11,718	14,808	17,479	16,703	10,019	-40.02%
Country	2020	2021	2022	2023	2024	% Change 23/24
Russian Federation	7,178	7,093	11,437	10,733	8,848	-18%
Poland	-	1,777	1,669	1,366	515	-62%
Kazakhstan	449	305	427	774	166	-79%
China	157	264	116	534	-	-100%
Lithuania	400	364	373	512	54	-89%
Kyrgyzstan	916	616	465	475	40	-92%
Tajikistan	92	206	140	347	23	-94%
Czechia	311	316	256	329	50	-85%
Belgium	148	537	57	315	-	-100%
Rep. of Korea	580	530	403	267	21	-92%
Italy	80	485	248	212	33	-85%
Ukraine	381	328	503	208	76	-64%
Azerbaijan	118	42	113	151	56	-63%
Germany	125	244	238	105	8	-92%
Türkiye	-	403	405	98	-	-100%
Belarus	31	43	113	63	42	-33%
Rep. of Moldova	28	105	55	56	7	-87%
Iran	-	-	74	42	23	-46%
Afghanistan	2	-	-	40	-	-100%
Latvia	214	210	124	21	19	-9%
Hungary	-	0	27	19	10	-49%
Tunisia	57	13	-	14	-	-100%
Spain	-	50	159	13	20	54%

Table 5: Uzbekistan Cotton Imports (HS Code: 5201)
Source: UN Comtrade

(Metric Tons, 1 metric ton = 4.5923 bales)				*(480 lbs. bales, 1 bale = 0.217 metric tons)*		
MY 2020/21	**MY 2021/22**	**MY 2022/23**		**MY 2020/21**	**MY 2021/22**	**MY 2022/23**
565	726	24	*Afghanistan*	2594	3334	110
-	-	252	*China*	-	-	1156
0	0	-	*France*	0	0	-
0	0	-	*Italy*	0	0	-
-	22	-	*Iran*	-	100	-
-	945	-	*Kazakhstan*	-	4341	-
-	242	304	*Kyrgyzstan*	-	1110	1398
2821	7346	2608	*Tajikistan*	12953	33736	11975
0	0	-	*Türkiye*	2	2	-
1	1	0	*United States*	5	5	0
3,387	*9,283*	*3,188*	*Total*	*15,553*	*42,629*	*14,639*

Graph 2: Yarn Exports from Uzbekistan (HS Codes: 5204, 5205, 5207)



	2019	2020	2021	2022	2023	2024	Percent Market Share
Other	29,983	53,295	33,318	31,612	40,603	23,106	9%
Poland	5,517	9,643	13,616	13,727	11,384	5,717	2%
Iran	15,187	7,601	10,783	16,977	31,239	16,680	6%
Russian Federation	84,114	92,934	106,022	111,033	86,350	63,348	24%
Türkiye	79,356	87,958	142,250	141,338	113,205	74,116	28%
China	184,584	188,418	231,476	86,347	142,731	83,724	31%

Attachments:

No Attachments