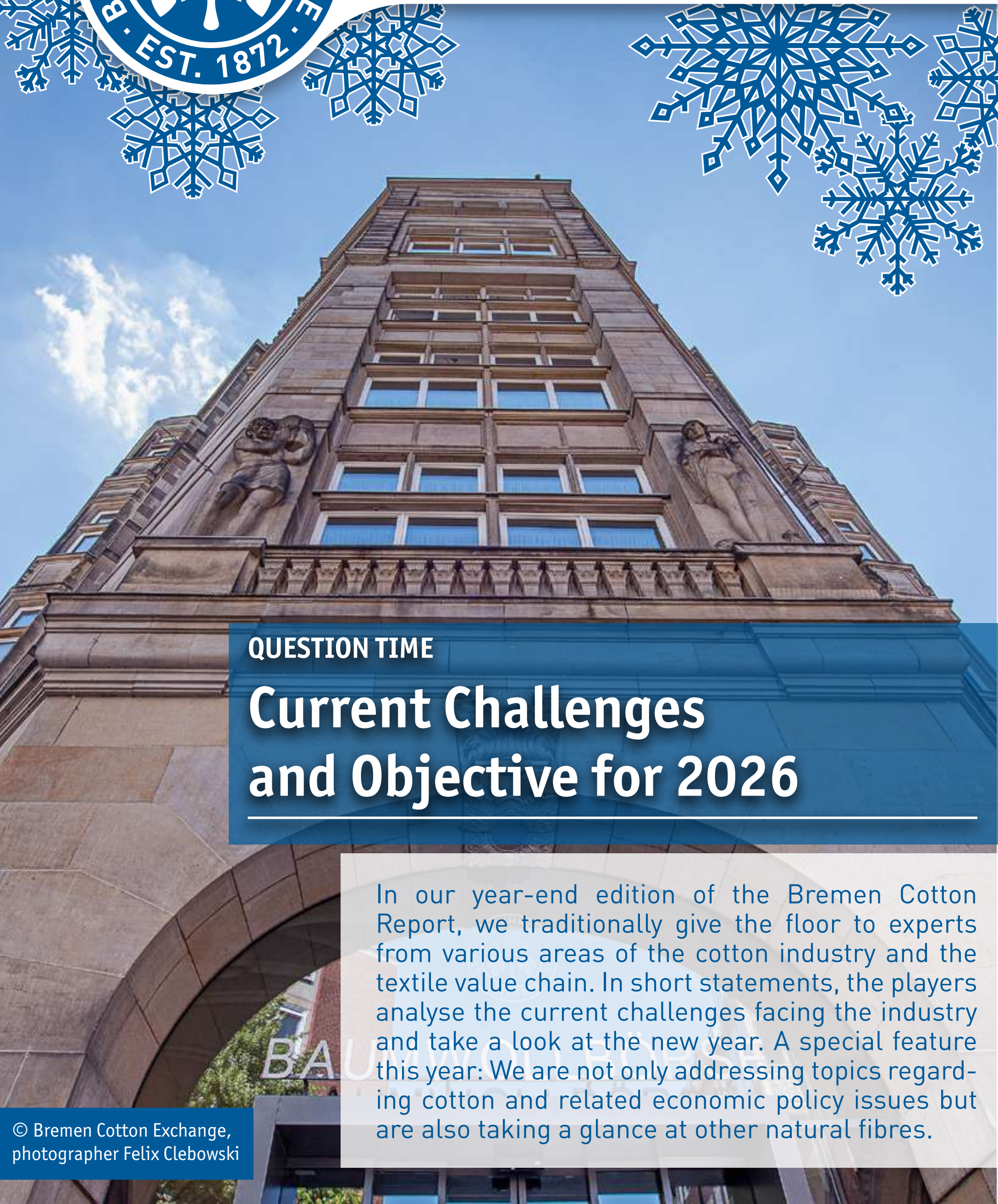
BREMEN COTTON REPORT

ENGLISH VERSION



© Bremen Cotton Exchange, photographer Felix Clebowski

QUESTION TIME

Current Challenges and Objective for 2026

In our year-end edition of the Bremen Cotton Report, we traditionally give the floor to experts from various areas of the cotton industry and the textile value chain. In short statements, the players analyse the current challenges facing the industry and take a look at the new year. A special feature this year: We are not only addressing topics regarding cotton and related economic policy issues but are also taking a glance at other natural fibres.

Dalena White

Dalena White, Campaign Spokesperson, Make the Label Count and Secretary General, International Wool Textile Organisation, Brussels, Belgium

The Make the Label Count initiative has now been met with broad support in the market. What has been achieved so far at EU level to strengthen the position of natural fibres, for example in measuring the ecological footprint?

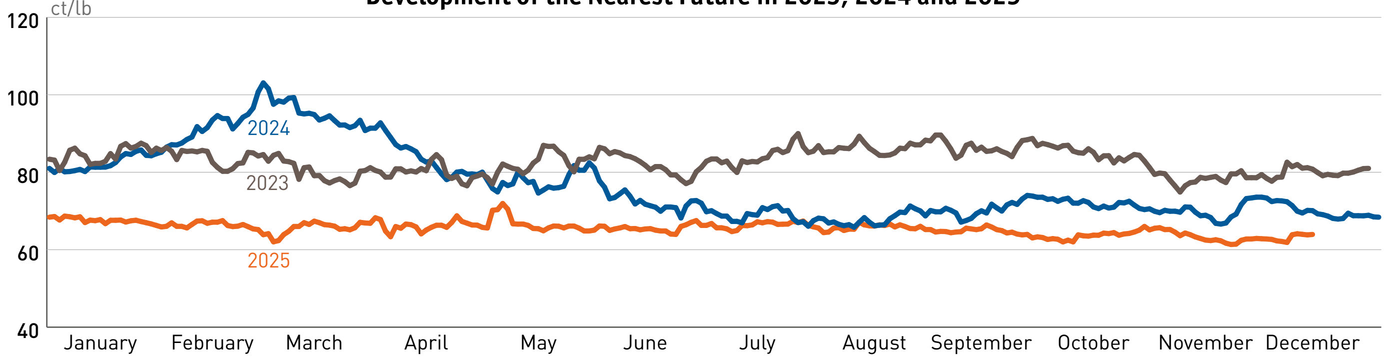
"The Make the Label Count initiative has helped drive meaningful progress in ensuring fair treatment of natural fibres at EU level. Following sustained engagement, the European Commission has ruled out a single consumer-facing PEF score for apparel, preventing a system that would have disadvantaged fibres such as cotton. The Commission has also committed to reviewing the Environmental Footprint methods in 2026, signalling openness to improving how impacts like biodegradability and microplastic release are measured: key issues for renewable, biodegradable fibres. In addition, the approval of an alternative French methodology, which better reflects durability and microplastic emissions, shows growing recognition of these gaps. As this review moves ahead, we continue to monitor developments closely and educate policymakers about the flaws in current assessment tools to ensure fair, science-based comparisons for all natural fibres."

IN THIS ISSUE:

Market Continuously Sideways

The ICE Cotton No. 2 futures also moved predominantly sideways towards the end of the year. Compared to previous years, futures remained within a quite narrow range this year without any major breakouts. Characterized by uncertainty, 2025 saw overall weak demand for short-term supply coverage for only the essentials.

Development of the Nearest Future in 2023, 2024 and 2025



Cotlook 'A' Index 2025/26 (Far East)

– in US-Cents/lb CFR Far Eastern Ports
– middling 1.1/8 inch, US-Cents/lb

16.12.25	Prev. Week (09.12.25)	Prev. Month (11.11.25)	Prev. Year (17.12.24)
73.90	73.70	75.80	79.25

Adjusted World Price (AWP) for US cotton* in US-Cents/lb

12.12.-18.12.	Prev. Week	Prev. Month	Prev. Year
50.39	51.28	0.00°	56.22

* subject to further adjustments acc. to Step 1 (First Handler Marketing Certificate Program)

°AWP not quoted due to shutdown of US government

US SPOT MARKET Price

7 Market Average for SM, 1.1/16 inch, US-Cents/lb

16.12.25	Prev. Week (09.12.25)	Prev. Month (11.11.25)	Prev. Year (17.12.24)
59.46	60.32	60.17	64.15

Daily Rates* Euro / US$

		PREV. YEAR
03.12.2025	1.1668	1.0512
04.12.2025	1.1666	1.0492
05.12.2025	1.1645	1.0540
08.12.2025	1.1655	-
09.12.2025	1.1637	1.0568
10.12.2025	1.1634	1.0527
11.12.2025	1.1714	1.0507
12.12.2025	1.1731	1.0491
15.12.2025	1.1753	-
16.12.2025	1.1776	1.0498

*) Reference Quotation ECB

ICE Futures Cotton #2. Basis Strict Low Middling 1.1/16 inch (in US-cents/lb)

DELIVERY MONTH	03.12.2025	04.12.2025	05.12.2025	08.12.2025	09.12.2025	10.12.2025	11.12.2025	12.12.2025	15.12.2025	16.12.2025
Mar 26	64.46	64.08	63.93	63.68	63.86	64.12	63.97	63.83	63.94	63.10
May 26	65.60	65.23	65.00	64.76	64.92	65.17	65.05	64.91	65.06	64.26
Jul 26	66.60	66.26	66.03	65.80	65.91	66.16	66.07	65.94	66.10	65.38
Oct 26	67.40	67.07	66.83	66.57	66.67	66.68	66.66	66.55	66.65	65.87
Dec 26	67.90	67.65	67.51	67.40	67.53	67.68	67.61	67.53	67.69	67.03
Mar 27	68.78	68.54	68.41	68.39	68.46	68.57	68.56	68.49	68.65	68.17
May 27	69.51	69.27	69.14	69.20	69.23	69.27	69.32	69.26	69.42	69.07
Jul 27	70.05	69.81	69.68	69.81	69.81	69.76	69.86	69.80	69.96	69.75
Oct 24	69.04	68.90	68.77	68.90	68.90	68.75	68.85	68.79	68.95	69.00
Dec 24	-	-	68.22	68.35	68.35	68.00	68.12	68.06	68.06	68.15
Mar 25	71.27	71.25	71.10	-	69.95	69.48	70.15	70.09	-	69.06

QUESTION TIME

Jens Wirth

Jens Wirth, Executive Director, Bremen Cotton Exchange, Bremen, Germany

What were the main areas of focus for the Bremen Cotton Exchange in 2025? What will be the key aspects in 2026?

The cotton industry faced a challenging environment in 2025: weak demand, oversupply, and increasing regulatory requirements – particularly from the EU and the US – shaped the market. At the same time, growing social and political pressure to make textiles measurably more sustainable should also be seen as an opportunity. Cotton – the major natural fibre commodity – offers clear potential as a renewable and biodegradable fibre, provided that its advantages are substantiated by reliable data and transparent communication and taken into account by political institutions.

In 2025, we further strengthened the role of the Bremen Cotton Exchange as an independent international competence platform. Our active membership in the European Cotton Alliance since this year will significantly strengthen our synergies in Europe. We have been supporting the harmonization of African cotton standards together with partners such as the African Cotton Association. At the same time, training and laboratory synergies in Bremen and partner countries were expanded, and new testing and analysis methods for cotton and other fibres were evaluated in order to specifically strengthen the joint expertise of the Bremen Cotton Exchange, the Fibre Institute Bremen, and ICA Bremen. At the European level, we actively participated in the PEF debate and presented our position based on facts.

We anticipate significant momentum surrounding the issue of microplastics in 2026. Increasing pollution of the world's oceans and scientific evidence of plastic particles in nearly all areas of the human body are raising awareness among politicians and consumers alike. Natural fibres should therefore be repositioned more strongly in the long term, particularly in everyday clothing and home textiles. The Bremen Cotton Exchange will actively support this process – with international networking, scientific expertise, and a clear voice in European regulation. We will also make targeted use of communication channels outside the traditional cotton community to bring these issues closer to consumers. Brands and retailers play an important role in this regard, but in view of price and volume pressures, the industry may not rely exclusively on them. Special thanks go to the small, highly dedicated team of the Bremen Cotton Exchange, who carry out this work with great professionalism and commitment.

Dr Uwe Mazura

Dr Uwe Mazura, General Manager, Confederation of the German Textile and Fashion Industry (textil+mode), Berlin, Germany

For years, textile industry associations have been calling for a reduction in bureaucracy in the EU and Germany. Do you see any success in your work? Are you able to identify any sign of a change in thinking or greater willingness on the part of the EU or German federal politicians?

"Yes, the willingness is evident. The process will still cost us all a great deal of effort and energy, though. Reducing bureaucracy is not an end in itself. Our aim is to ensure that our companies can continue to sell their high-quality products, which they manufacture to the highest standards, in the future. This is their business model, which provides millions of jobs and added value in the global supply chains. Customers appreciate high-quality textiles. However, quality and high production standards also come at a price. That is why it is important to gradually reduce unnecessary, absurd reporting requirements and legislation that only generate additional costs and are of more than dubious effectiveness. A start has been made with the so-called omnibus package from Brussels. But the German federal government will also have ample opportunity in 2026 to follow up its announcements for greater competitiveness with action."

AVERAGE PRICES CIF BREMEN

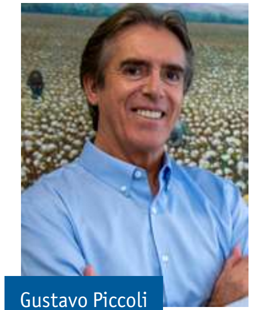
(CASH ON ARRIVAL, MICRONAIRE GRUPPE 5)

Nearby Deliveries - in US-Cents/lb

N = Nominal, n.q. = not quoted		10.12.2025	17.12.2025
		Medium Staple	
West Africa	Strict Middling, 1.1/8"	82.50	82.50
	Middling, 1.3/32"	81.00	81.00
East Africa	Strict Middling, 1.1/8"	84.00	84.00
	Middling, 1.3/32"	83.00	83.00
Central Asia	Strict Middling, 1.1/8"	83.00	82.50
	Middling, 1.3/32"	81.50	81.00
	Strict Low Middling, 1.1/16"	80.00	79.50
Greece	Strict Middling, 1.1/8"	82.50	82.00
	Middling, 1.3/32"	80.50	80.00
	Strict Low Middling, 1.3/32"	79.50	79.00
Spain	Strict Middling, 1.1/8"	81.00	81.00
	Middling, 1.3/32"	80.00	80.00
	Strict Low Middling, 1.1/16"	79.00	79.00
Brazil	Strict Middling, 1.1/8"	79.00	78.50
	Middling, 1.3/32"	77.50	77.00
	Strict Low Middling, 1.1/16"	76.00	75.50
Argentina	Middling, 1.3/32"	n.q.	n.q.
	Strict Low Middling, 1.1/16"	n.q.	n.q.
USA E/M/O/T	Strict Middling, 1.1/8"	80.25	79.75
	Middling, 1.3/32"	78.25	77.75
	Strict Low Middling, 1.1/16"	77.25	75.75
India	S-6, 1.1/8"	n.q.	n.q.
	Mech, 1.3/32"	n.q.	n.q.
Türkiye	Middling, 1.3/32"	n.q.	n.q.
	Strict Low Middling, 1.3/32"	n.q.	n.q.
		Long/Extra -Long Staple	
Egypt	Giza 94, G/FG	158.00	158.00
USA Pima	Gr. 2, 1.7/16"	180.00	180.00
Israel Pima	H-1, 1.7/16"	182.00	182.00
Israel Acalpi	H-1, 1.3/8" - 1.7/16"	n.q.	n.q.
Bremen CIF-Index (M 1.3/32")		**79.45**	**79.15**

Photo © Israel Cotton Board, Matanya Zuntz

QUESTION TIME



Gustavo Piccoli

Gustavo Piccoli, President, Brazilian Cotton Producers Association (Abrapa), Brasília, Brazil

Brazil is the world's largest cotton exporter. What makes Brazilian cotton so successful? What led to success?

"Brazil's cotton success stems from the unity and strategic action of its producers. The creation of Abrapa in 1999 organized the sector and established national standards that strengthened production. From this collective work, Brazil built its key pillars: traceability, sustainability, quality, and market promotion.

The SAI (Abrapa Identification System) and SouABR programs track each bale and, in the domestic market, allow consumers to view the entire chain from seed to waredrobe. The ABR program (Brazilian Responsible Cotton Program), benchmarked with Better Cotton Initiative, ensures socio-environmental responsibility. In quality, the Brazilian Cotton Reference Center and Standard Brasil HVI standardizes laboratories and increases market confidence. Sou de Algodão and Cotton Brazil expand engagement with brands and industry.

This coordinated structure has generated scale, transparency, and consistency, making Brazil a global reference and the world's largest cotton exporter."

QUESTION TIME


Jesse S. Daystar

Jesse S. Daystar, PH.D., Chief Sustainability Officer, Cotton Incorporated, Cary/NC, USA

Clothing made from synthetic fibers or fiber blends is responsible for microplastic pollution in the environment. You recently published the results of a consumer study on this issue. From Cotton Inc.'s perspective, what measures could be taken to encourage consumers and the fashion industry to reduce microfiber pollution?

"Clothing made with synthetic fibers is a significant contributor to microplastic pollution. In fact, synthetic textiles are estimated to generate about 35 percent of primary microplastics released into the environment, with the apparel sector leaking millions of tons of plastic annually, most of it coming from synthetic garments responsible for the majority of microfiber waste.

Through our consumer research, I've found that many people don't realize their clothes shed microplastics simply through everyday washing and wearing. Cotton Incorporated Lifestyle Monitor™ Survey reveals that only 42 percent of consumers who are aware of microplastic pollution connect it with the clothing they wear.

Addressing microfiber pollution starts with the choices we make about materials and design. Cotton, as a natural fiber, biodegrades within months in wastewater, soil, and marine environments - even when dyed or finished, while polyester microfibers tend to persist much longer.

It's important for clearer labeling and enhanced education so consumers can make informed choices, like selecting more cotton products. Our team works closely with brands to reduce reliance on synthetics, avoid unnecessary blends, design longer-lasting apparel and circular options like composting, where possible."

QUESTION TIME

Dr Christian Schindler

Dr Christian Schindler, Director General, International Textile Manufacturers Federation (ITMF), Zurich, Switzerland

How are spinning mills, weaving mills, and knitting mills in Asia coping with the ups and downs of US customs policy? Can customs duties be passed on in full to downstream stages?

"The slow recovery of global markets that had begun towards the end of 2024 was interrupted or set back by a year by the US tariff policy. The announcement of so-called reciprocal tariffs and then their lengthy negotiations – between 15 and 50 percent depending on the country – led to maximum uncertainty and thus also to an investment backlog. But US consumers were also negatively affected by this tariff policy which led to increased inflationary pressure and thus to lower disposable income.

Spinning and weaving mills in Asia, but also beyond, have been suffering from a noticeable lack in demand for around three years. The latest ITMF Global Textile Industry Survey from November 2025 showed once again that the business situation is largely unsatisfactory. Under these circumstances, it is difficult to pass on the full conversion costs, including any tariffs. Instead, the profit margins of most spinners, weavers, and knitters continue to shrink. As a result, capacity has been shut down in many countries."

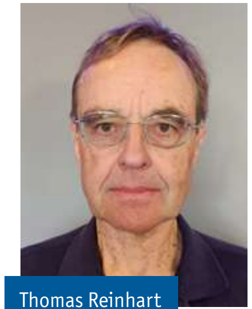
Marjory Walker

Marjory Walker, Vice President of Council Operations and Director of Communications for the National Cotton Council of America (NCC), Cordova/TN, USA

A few months ago, your organization launched the "Plant Not Plastic" campaign. What is the aim of the campaign? Who is the target audience? Which media are being used?

"The „Plant Not Plastic" campaign, launched by National Cotton Council of America, aims to raise awareness about microplastic risks from synthetic clothing and promote cotton's health benefits, emphasizing how fiber choices impact personal and family health.

It targets health-conscious individuals and parents, focusing on general well-being rather than an eco-niche. Materials visually highlight microplastics' pervasive nature by showing words breaking apart, contrasting with an intact cotton boll, illustrating their presence and impact. Resources include fact sheets, science-backed infographics, visuals, animations, and a strong social media presence across platforms like Instagram, Facebook, LinkedIn, YouTube, X, and TikTok, in addition to an earned media strategy across industry and consumer verticals to engage the public directly and disseminate the message broadly."



Thomas Reinhart

Thomas Reinhart, Board Member, Paul Reinhart AG, Winterthur, Switzerland

Based on your observations, what impact does US customs policy have on the cotton trade in China and in Asia in general?

„The United States of America are the world's largest importer of consumer goods, including clothing and textiles. Hence, US customs policy naturally has a major impact on the textile trade.

However, the statistics show that the effects were hardly visible until at least the end of August this year. According to the US Census Report, total imports of yarn, textiles, and clothing for January-August 2025 amounted to approximately USD 79 billion, compared to USD 78 billion in the same period last year.

It is questionable, though, whether this calm reaction will last. Initial reports from China show a sharp drop in exports in September of approximately eight percent compared to the previous month, and similar reports are coming in from other exporting countries. This is certainly putting pressure on demand for cotton.

In the medium term, however, it can be assumed that US import demand will hardly decline significantly. Even a considerably higher tariff level would not be sufficient to offset the cost advantages of Asian countries. A major slump in demand would only be expected if the US were to fall into recession, but there are currently no signs of this happening."

QUESTION TIME


Klaus Steger

Klaus Steger, President, International Wool Textile Organisation (IWTO), Brussels, Belgium

Unlike cotton, wool is of animal origin. What are the most important arguments regarding sustainability of wool? Are there any significant differences between wool and plant-based fibres?

"Wool shares fundamental advantages with plant-based fibres as an ideal solution for the circular economy. Like cotton, wool biodegrades completely in soil and water without contributing to microplastic pollution. Wool and plant-based fibres are both renewable and recyclable.

Within the natural fibre family, wool offers its own distinct environmental benefits. Sheep graze on plants that absorb atmospheric CO_2 through photosynthesis, converting this captured solar energy into protein-rich fibre.. Emissions from this process are part of the circular flow of biogenic carbon, fundamentally different from fossil carbon that adds new carbon to the atmosphere. In fact, 50 percent of clean wool's weight is pure biogenic carbon, and through responsible farm management practices, wool farmers can further enhance carbon storage in pastures and soils. When wool garments are in use, wool's inherent odour resistance, and natural elasticity support less frequent, lower-impact washing, saving on water and power resources. Research demonstrates that wool garments last longer and are kept for longer than their counterparts, reducing overall textile waste.

Every natural fibre comes with its own range of performance and sustainability benefits, and together, natural fibres like cotton and wool offer time-tested and practical alternatives to fossil fuel-based synthetics."


Terry Townsend

Terry Townsend, Cotton Analytics, Statistician Discover Natural Fibres Initiative, Houston/TX, USA

The volume of natural fiber supply has not increased in recent years. What are the reasons for this? What conditions must be met for natural fibers to increase their market share?

"World production of natural fibres ranged between 28 million and 35 million tonnes between 2005 and 2025, with no statistically significant trend. Cotton and jute are the largest of the plant fibres, while wool is the most important of the animal fibres.

Like all agricultural commodities, production of cotton is sensitive to prices. Between 2000 and 2025, nominal (not counting inflation) prices of soybeans, maize, rice, wheat and sugar rose between 126 percent and 256 percent. In contrast, prices of cotton rose by just 78 percent, creating an incentive for some farmers to reduce cotton area in favor of other crops, particularly maize and soybeans. World production of cotton reached 26 million tonnes in 2006, and production in 2025 is no higher.

In contrast with cotton, nominal prices of jute and wool increased as much as prices of other major commodities between 2000 and 2025. However, yields of jute per hectare and wool per fleece did not change, and consequently production of each is not growing."

QUESTION TIME


Elke Hortmeyer

Elke Hortmeyer, Director Communication and International Relations, Bremen Cotton Exchange, Bremen, Germany

In March 2026, the cotton community will meet for the International Cotton Conference in Bremen. What makes the conference inevitable for participants?

"Participants can expect a high-quality program, and plenty of opportunities to exchange knowledge. Leading experts will present the latest developments in global market trends, trade flows, cotton production and quality, sustainability, textile recycling, and circularity. Both practical challenges and strategic questions about the future are addressed.

LET'S TALK ABOUT COTTON.

Key topics include: Keynote on modern agriculture and presentations on breeding, cultivation, and increase in productivity, since new innovations in production and processing are increasingly important in light of competition from synthetic fibres. In an exclusive session with the Discover Natural Fibres Initiative (DNFI), the current EU and global regulations will be discussed, including developments under the Green Deal.

The conference will take place in the light-filled ballroomof the Bremen Parliament building. Transparency is central to our mission – through clear facts, open discussion and accessible communication."

We sincerely thank all interview partners for their contribution!

The interviews in the column "Question Time" embody the opinion of the respective interview partner and do not represent the position of the Bremen Cotton Exchange as neutral, independent institution.

IMPRINT

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BREMEN VALUE DIFFERENCES
The value differences of the Bremen Cotton Exchange No. 2/23 according to Bremen Cotton Report No. 29/30 of 03 August 2023 remain in force until further notice. They can be found on the website of the Bremen Cotton Exchange.

Blank maps: www.d-maps.com

Privacy Policy: https://baumwollboerse.de/en/privacy-policy/

Season's Greetings and a Happy New Year!

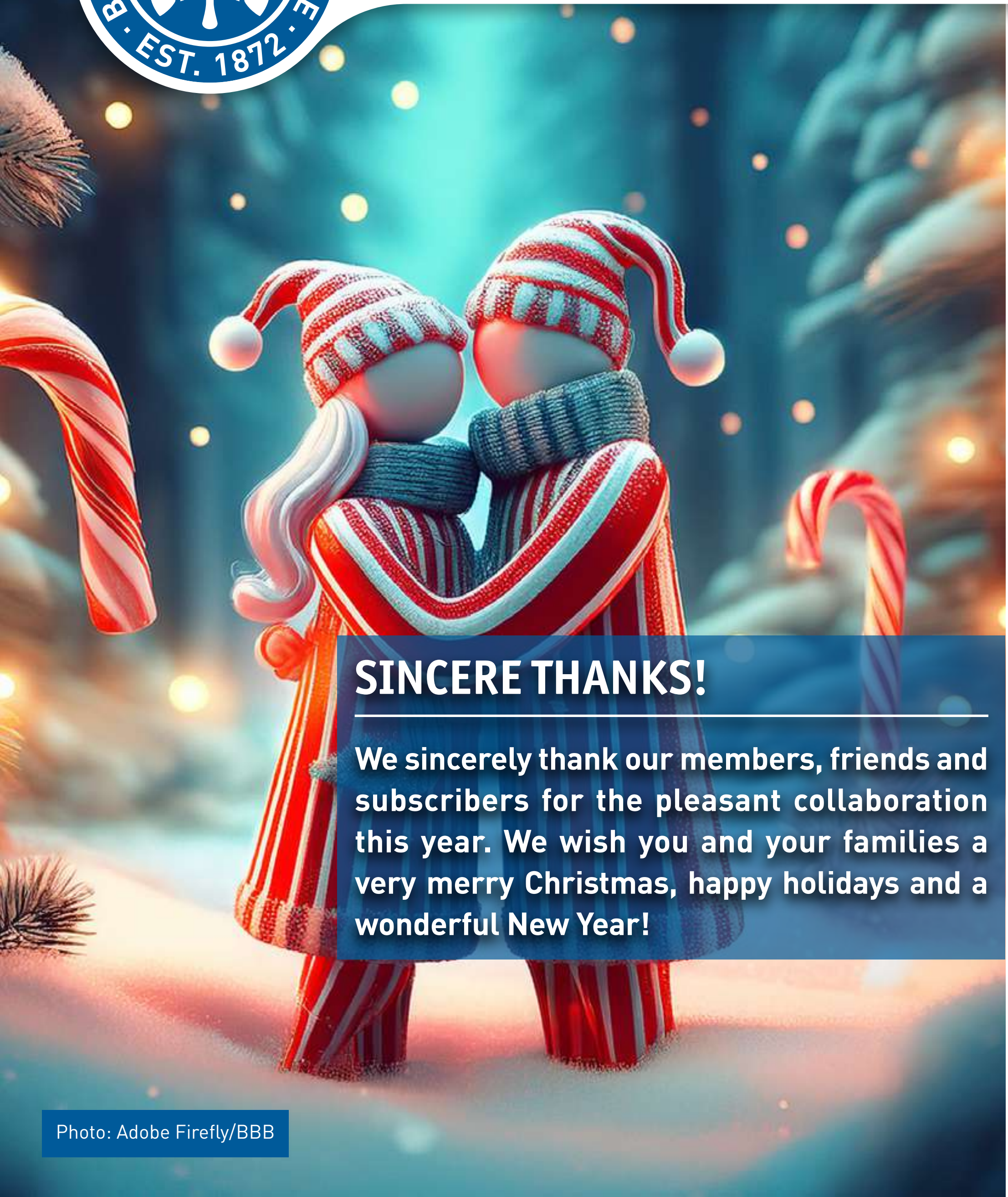

Photo: Adobe Firefly/BBB

SINCERE THANKS!

We sincerely thank our members, friends and subscribers for the pleasant collaboration this year. We wish you and your families a very merry Christmas, happy holidays and a wonderful New Year!

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