March 10, 2025
For Immediate Release

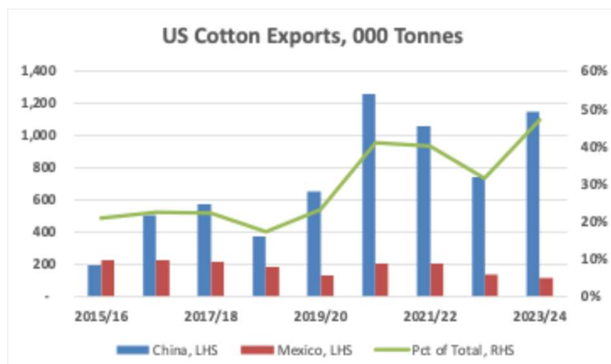
World Natural Fibre Update
March 2025

Let the Distortions Begin

The United States is imposing tariffs of 25% on all imports from Canada and Mexico, and additional tariffs of 20% on imports from China on top of the 25% tariffs imposed during Mr Trump's first term. (As of 6 March, the tariffs on Canada and Mexico have been "paused" until 2 April.)

In addition, President Trump's executive order suspended the customs exemption known as de minimis, which allows imports worth less than $800 to enter duty free. The suspension of de minimus will be a direct challenge to the business models of Chinese based e-commerce sites like Shein. The resulting import duties on shipments of clothing will likely be passed on to consumers, resulting in higher prices, and the duties could result in massive delays in delivery as all e-commerce shipments must now be inspected by Customs.

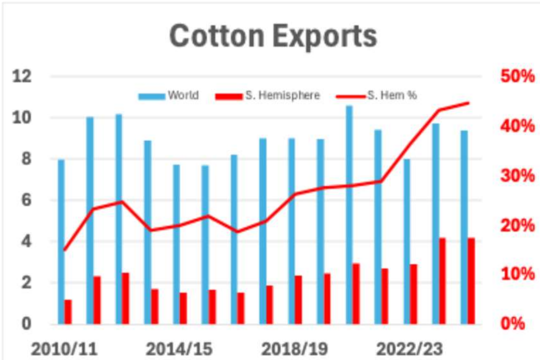
Canada, China and Mexico are retaliating. China has targeted cotton, among other agricultural goods, for additional tariffs of up to 15%. In the current cotton season (August 2024 to July 2025) China is expected to be the largest cotton importer in the world, accounting for 1.7 million tonnes, or one-fifth of all international trade in cotton lint. Mexico is expected to account for 2% of world cotton imports, and all would normally come from the United States.



Natural fibres, including cotton, are inherently fungible assets, and traders/shippers make a living by solving problems. The imposition of tariffs and new customs requirements will not stop trade, but they will cause distortions by forcing the use of higher-cost origins along less-efficient trade routes. The distortions are only beginning as the world adjusts to the new normal.

Under WTO rules, negotiated when China became a member in 2001, China is obligated to allow about 880,000 tonnes of cotton imports from all origins with just a 1% levy. Imports greater than that quantity have always been subject to a sliding scale of import tariffs of up to 40%, subject to the changing annual needs of Chinese textile mills. It remains to be seen if anyone even cares about WTO rules anymore, and even if China adheres to WTO obligations, it could still target US cotton, given that Brazil, Australia and Argentina are experiencing large crops and have ample supplies this season.

During the three most recent seasons, China accounted for 34% of US cotton exports and Mexico 5%. However, ten years ago, cotton exports from the Southern Hemisphere averaged about 2



million tones, or about 10% of world exports. In the current season, exports from the Southern Hemisphere are estimated at 4 million tonnes, 45% of the world total.

The United States cotton industry will not benefit from a trade war. After approximatey two centuries as the largest cotton exporter, the United States was surpassed by Brazil last season, and Brazilian exports are growing larger this season. As US cotton is supplanted by Brazilian cotton in China and Mexico, US cotton will move elsewhere, and the total volume of world trade in cotton may remain unchanged. Nevertheless, distortions result in higher costs for consumers and lower prices for producers. President Trump is promising additional tariffs on just about every country. The ensuing chaos cannot be good for the world trading system and highly-traded commodities like natural fibres.

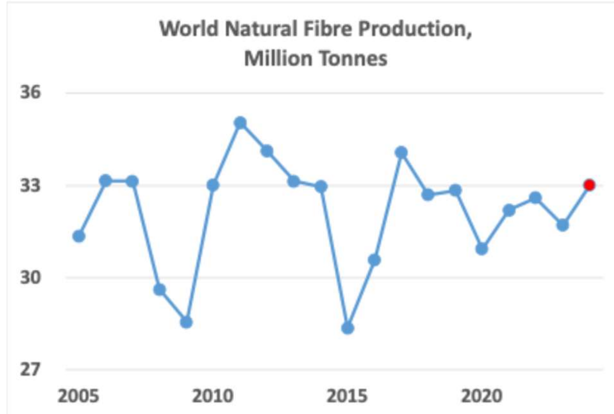
Natural Fibre Production Rising

World production of natural fibres in 2024 is estimated at 33.1 million tonnes. The March estimate is 100,000 tonnes hgher than the February estimate, and 1.4 million tonnes higher than the November 2024 estimate. Cotton planted and harvested in 2024 and counted as 2024 prodution

World Fibre Production							
March 2025	**2021**	**2022**	**2023**	**Pct of total fibres in 2023**	**Pct of natural fibres in 2023**	**2024, pre.**	**2025, for.**
			Metric Tonnes				
Abaca	83,700	76,900	65,000	0.06%	0.2%	11,000	-
Coir, without pith	1,099,000	1,105,700	1,136,000	1.00%	3.6%	1,166,000	-
Cotton Lint	24,931,417	25,321,141	24,598,302	21.74%	77.6%	26,226,867	25,320,000
Fibral Fibres (banana, pineapple, palm)	-	-	2,400	0.00%	0.0%	3,800	-
Other Fibre Crops, raw, n.e.c.	624,129	606,700	650,529	0.57%	2.1%	690,000	-
Flax Fibre, long fibres only until 2010	328,000	346,000	302,000	0.27%	1.0%	349,307	-
True Hemp, raw or retted	334,260	304,774	314,631	0.28%	1.0%	335,000	-
Jute, Kenaf & Allied Fibres	3,264,500	3,349,000	3,050,000	2.69%	9.6%	2,818,000	-
Kapok fibre	76,693	78,184	77,000	0.07%	0.2%	77,000	-
Ramie, raw or retted	10,123	9,452	9,437	0.01%	0.0%	9,000	-
Sisal, Henequen and similar hard fibers	297,400	276,000	278,000	0.25%	0.9%	270,000	-
Silk, raw	86,311	91,319	93,986	0.08%	0.3%	96,000	-
Wool, clean	1,036,000	1,059,730	1,060,908	0.94%	3.3%	1,045,606	1,011,425
Other animal fibres, dehaired	23,000	24,000	23,000	0.02%	0.1%	23,000	-
Total Natural Fibers	32,194,533	32,600,000	31,700,000	28.01%	100.0%	33,100,000	
Cellulosic	7,155,000	7,195,000	7,576,000	6.7%			
Synthetics:	73,079,000	72,444,000	73,897,000	65.3%			
Polyester	60,369,000	59,769,000	60,854,000	53.8%			
Polyamide (includes Nylon)	6,035,000	6,065,000	6,368,000	5.6%			
Acrylic	1,345,000	1,325,000	1,259,000	1.1%			
Polyproylene	3,885,000	3,850,000	3,966,000	3.5%			
Other Synthetic	1,445,000	1,435,000	1,450,000	1.3%			
Synthetic Filament	53,029,000	52,684,000	53,787,000	47.5%			
Synthetic Staple	20,050,000	19,760,000	20,101,000	17.8%			
Total Manmade Fibers	80,234,000	79,639,000	81,473,000	72.0%			
Total Fiber Production	112,428,533	112,239,000	113,173,000	100.0%			

is still being ginned, and crops in Argentina, Australia and Brazil are coming in larger than expected.

The current estimate for 2024 natual fibre production represents a rise of 1.4 million tonnes from 2023. World natural fibre production reached 33.2 million tonnes in 2006, and rose to a record of 35 million tonnes in 2011. Even though production in 2024 was the highest since 2017, production was still less than 13 years earlier.



Cotton production is estimated at 26.2 million tonnes in 2024, jute at 2.8 million, coir and wool at more than one million each, and all other natural fibres combined total 2 million tonnes. Natural fibres accounted for 28% of world fibre production in 2023.

Abaca:
The DNFI estimate of 2024 world abaca production is 62,000 tonnes, including approximately 51,000 in the Philippines and 9,000 in Ecuador. Several other countries, including Costa Rica, produce a bit more.

The Philippines accounts for four-fifths of world abaca production, and commercial fibres baled in January 2025 were 13% more than in January 2024, indicating that a rebound in production may be underway. Abaca production in the Philippines declined during each of the three most recent years. (The Philippine Fiber Industry Development Authority: https://philfida.da.gov.ph/fiber-statistics-2024/)

Export prices for abaca, grade S2, Free on Board (FOB) Manila, were stable at $2.32 per kg throughout 2024 and stayed at that level in January 2025. Abaca export prices averaged $2.51 per kg in 2021 and have been drifting lower since. (Wigglesworth & Co. Ltd.)

Coir:
World coir production reached 1.1 million tonnes in 2022 (most recent year of data provided by the Trade and Markets Division of FAO), and production in 2024 is estimated at 1.16 million tonnes. Coir production is trending upward. The average annual increase over the past decade has been about 30,000 tonnes.

Export prices of coir, fob Indonesia, rose from $0.09 per kg by the end of 2023, to $0.11 in mid-2024, $0.14 per kilogram by the end of 2024, and increased to $0.15 per kilogram in January and February. Coir prices were 67% higher in February 2025 than two years earlier. (https://coconutcommunity.org/page-statistics/weekly-price-update)

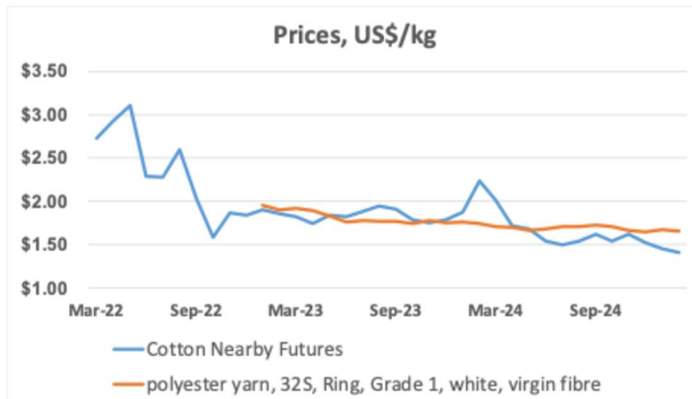
Cotton:
USDA's estimates of 2024 (August 2024 - July 2025) world cotton production climbed from 25.3 tonnes in October 2024 to the current estimate of 26.2 million tonnes, which is 900,000 tonnes above the 20-year average. World cotton production reached nearly 28 million tonnes in 2011, and the trend in the years since has been slightly downward. Cotton production in 2024 is estimated to be approximately 1.6 million tonnes greater than in 2023.

(https://www.usda.gov/about-usda/general-information/staff-offices/office-chief-economist/commodity-markets/wasde-report)

The first estimate of 2025/26 world cotton production has been issued by Cotton Outlook, a private sector cotton information service. Cotton Outlook is forecasting that world production will drop by a million tonnes in 2025 in response to an expectation of average weather conditions and lower cotton prices. Cotton Outlook, whose analysts have excellent contacts with producers around the world, is expecting that production in Brazil will exceed production in the United States by one million tonnes, further cementing Brazil's role as the largest cotton exporter. (https://www.cotlook.com/)

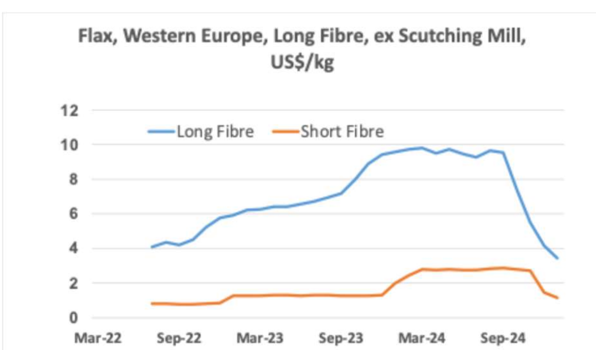
The nearby cotton futures contract (March 2025) on the Intercontinental Exchange (ICE) dropped 3% in January to $1.41 per kg. Cotton futures prices reached more than $3 per kilogram in May 2022 and are down by more than 50% from that Covid-era high. Futures prices have dropped 13% over the last six months as estimates of world production have climbed. https://www.barchart.com/futures/quotes/CT*0/futures-prices

Polyester yarn in China, 32 count, single, white, virgin material, grade 1, (directly competitive with spun cotton yarn) fell 1% during February and reached US$1.66/kg. The gap between polyester in China and cotton futures prices widened to 25 cents per kg by the end of February, the best competitive relationship for cotton since 2019. (http://www.sunsirs.com/uk/prodetail-1241.html)



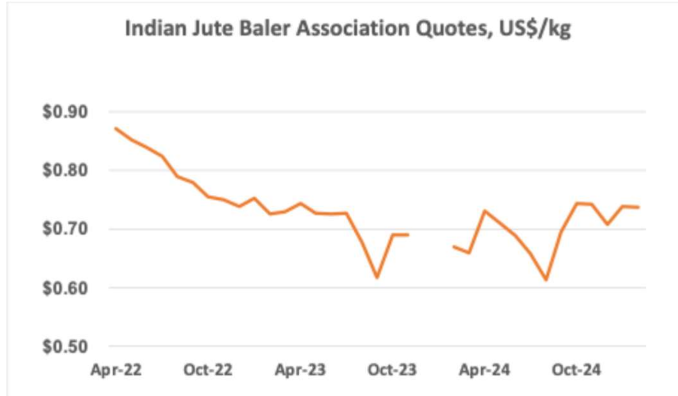
Flax:
It has been a wild ride for flax during the past year, and prices of textile flax fibres plunged in recent months. World production of textile flax, long fibre, is estimated at 160,000 tonnes in 2024, a significant increase over the drought-reduced level of 2023.

In addition, flax short fibres production is estimated at about 190,000 tonnes in 2024 (estimated from information provided by the Alliance for European Flax/Linen & Hemp).



Prices of textile flax, long fibre, ex scutching mill, more than doubled between 2022 and mid-2024, reaching nearly $10 per kg in March 2024. Prices leveled out toward the end of 2024 and then plunged at the end of the year as new-crop flax became available. Prices for long fibre converted to USD averaged $3.44 per kg in January 2025, and prices of short fibre averaged $1.15 per kg.

Jute:
World production of jute, kenaf and allied fibres is estimated at 2.8 million tonnes in 2024, down from 3.1 million in 2023. World production of jute, kenaf and allied fibres has been around 3 million tonnes for two decades.

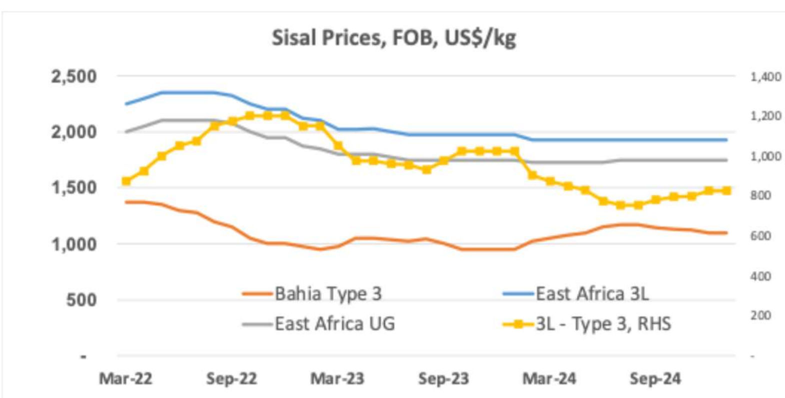


To support the jute industry, the Indian government has announced a 6% increase in the Minimum Support Price (MSP) for jute for the new season. The MSP is an average price for a specific quality at which the Government stands ready to purchase jute from farmers, ensuring that market prices cannot fall lower.

The MSP for 2025-26 will be around IRs 5,650 per 100kg (approximately 65 US cents per kg at the current exchange rate.) (Information by Wilhelm G. Clasen)

The Indian Jute Balers Association (JBA) market quotes converted to USD was stable in February at 74 cents per kilogram.

Sisal:
Prices of Brazilian sisal, Bahia, Type 3 DB, FOB Salvador were quoted at US$1.100 per kilogram in January (most recent month available), up 16% compared with the previous year.



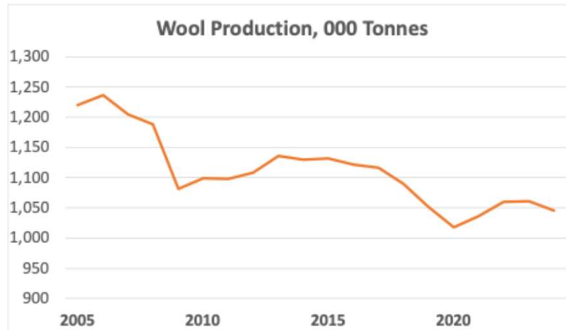
Tanzania/Kenya 3L, FOB was quoted at $1.925 per kg in January, while UG was quoted at $1.750 per kg. The substantial differential between prices of East African and Brazilian narrowed by 20% during the past year. As of January 2025, East African 3L was $0.825 higher than Bahia Type 3. (Wigglesworth & Co Ltd)

Wool:
The Eastern Market Indicator for merino wool in Australia rose 2% in February to US$7.56 per kilogram, clean. (https://www.wool.com/market-intelligence/weekly-price-reports)

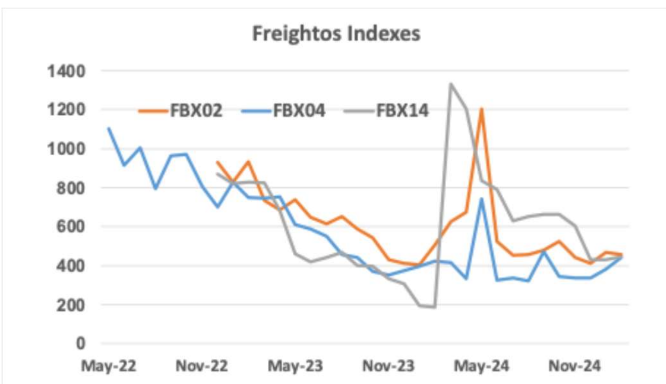
The British Fleece Wool Price Indicator dropped 3% in February to $1.97 per kg, clean. https://www.britishwool.org.uk/price-indicator)

The 2024 estimate for world wool production is issued by Independent Commodity Services on behalf of the International Wool Textile Organization. World wool production in 2024 is estimated at 1.05 million tonnes, down 1.5% from 2023. Production in Australia, Iran, Morocco, Mongolia and Syria are estimated lower in 2024 because of a range of economic and weather factors. Australia accounts for 25% of world wool production, and production in Australia alone is estimated 5% lower in 2024.

New Zealand Wool Services International reports that the sheep flock has fallen from 26.0 million head in 2020-21 to a forecast 23.3 million in 2024-25. Wool production fell from 134,000 tonnes greasy in 2020-21 to 114,000 tonnes greasy in 2024-25. Shearing expenditures are estimated at 102% of wool revenue in 2024-25, indicating further declines in wool production in 2025-26. Most New Zealand wool is in the strong category.



Ocean Freight Rates Stabilizing:



The Freightos Index for 40' containers, including surcharges, for backhaul traffic from US West Coast ports to China (FBX02), rose 16% in February to $440.

The Index for traffic from the USA East Coast to Asia using the Panama Canal (FBX04) fell 16% to $427 at the end of February.

The Freightos Index for traffic using the Red Sea, FBX14 was $500 at the end of February 2025. (https://fbx.freightos.com/freight-index/FBX)

Exchange Rates:

The US Dollar WSJ Index based on a basket of currencies of six major currencies trading partners with the USA fell 1% in February to 107.24

Of the major currencies important to trade in natural fibres, only the Indian Rupee fell relative to the US dollar in February. The Indian Rupee is down about 7% relative to the US dollar compared with the average value in 2024.

Exchange Rates with US Dollar							
	2020 Avg.	2021 Avg.	2022 Avg.	2023 Avg.	2024 Avg.	2025 Jan	2025 Feb
US$ Index	93.89	94.23	112.12	106.22	100.78	108.46	107.24
		USD Purchased per currency unit					
Australia	0.688	0.751	0.695	0.665	0.660	0.620	0.624
Bangladesh	0.01179	0.01175	0.01078	0.00926	0.00868	0.00822	0.00823
Brazil	0.1958	0.1855	0.1940	0.2004	0.1863	0.1664	0.1690
China	0.1445	0.1550	0.1488	0.1414	0.1393	0.1373	0.1400
India	0.0135	0.0135	0.0127	0.0121	0.0120	0.0116	0.0110
Pakistan	0.0062	0.0062	0.0049	0.0036	0.0036	0.0036	0.0036
		2020=100					
Australia	100.0	109.3	101.0	96.7	96.0	90.2	90.7
Bangladesh	100.0	99.7	91.4	78.5	73.6	69.8	69.8
Brazil	100.0	94.7	99.1	102.3	95.1	85.0	86.3
China	100.0	107.3	103.0	97.9	96.4	95.0	96.9
India	100.0	100.3	94.4	89.8	88.6	85.8	81.5
Pakistan	100.0	99.3	79.0	58.1	58.0	57.8	58.1

Natural Fibre Prices						
		2022 Avg	2023 Avg	2024 Avg	2025 Jan	2025 Feb
				US$ per Kg		
Abaca	Grade S2, US$/kg, fob Mania Port	$ 2.49	$ 2.43	$ 2.32	$ 2.32	
Coir, without pith	Coconut Coir Fiber Indonesia FOB	$ 0.14	$ 0.10	$ 0.12	$ 0.15	$ 0.15
Cotton Lint	Cotton Nearby Futures	$ 2.33	$ 1.84	$ 1.68	$ 1.45	$ 1.41
Fibral Fibres (banana, pineapple, palm)	Banana and plantain fibre, raw		$ 4.70			
	Pineapple leaf fibre, raw		$ 8.85			
Flax Fibre, long fibres only until 2010	Flax, Western European Long Fibre, ex Scutching Mill, avg of all qualities	$ 4.69	$ 7.08	$ 8.52	$ 3.44	
True Hemp, raw or retted	Industrial Hemp Grown in the Open for Fiber in the United States, prices paid to farmers	$ 3.04	$ 0.55			
Jute, Kenaf & Allied Fibres	Indian Jute Balers Association, avg of TD-4 and TD-5	$ 0.82	$ 0.71	$ 0.69	$ 0.74	$ 0.74
Sisal, Henequen and similar hard fibers	Sisal, Bahia, Type 3 DB, fob Salvador	$ 1.21	$ 1.00	$ 1.11	$ 1.10	
	Sisal, Tanzania/Kenya, 3L, fob	$ 2.29	$ 2.01	$ 1.93	$ 1.93	
	Sisal, Tanzania/Kenya, UG, fob	$ 2.04	$ 1.78	$ 1.74	$ 1.75	
Silk, raw	Silk, Grade 3A, denier 20/22D regain 11%	$ 62.46	$ 65.48	$ 68.09	$ 64.09	$ 62.62
Wool, clean	Wool, EMI	$ 9.18	$ 8.11	$ 7.48	$ 7.42	$ 7.56
	British Fleece Wool Price Indicator	$ 1.29	$ 1.45	$ 1.69	$ 2.02	$ 1.97
Freightos Freight Indexes	FBX02	907	569	398	380	440
	FBX04	897	580	554	511	427
	FBX14	840	426	668	480	500

More About DNFI

The Discover Natural Fibres Initiative facilitates the exchange of information and experiences and works to advance the common interests of all natural fibres in the face of competition with oil-based and wood-based manmade fibres. Membership in DNFI is open to anyone with an interest in the growth of natural fibre industries. To become a member, simply register on-line at https://dnfi.org/.

DNFI is a member of Make the Label Count (https://www.makethelabelcount.org/), a coalition of natural fibre and environmental organizations working to ensure that sustainability claims for textile products in the EU are technically sound. Sustainability claims must be transparent, accurate and complete, allowing producers and consumers to make informed choices about the clothing and home furnishings they make and buy.

DNFI has observer status to the FAO Intergovernmental Group (IGG) on Hard Fibres and the IGG on Jute, Kenaf and Allied Fibres, which represents a forum for intergovernmental consultation and exchange on trends in production, consumption, trade and prices of jute, kenaf and allied fibres, including regular appraisal of the global market situation and short term outlook. The Group, under The Food and Agriculture Organization of the United Nations (FAO) auspices, considers changes in national policies and examines their international effects as pertaining to the current and prospective market situation.
