May 18, 2025
For Immediate Release

World Natural Fibre Update
May 2025

Producer's Incomes Threatened by Pending EU Strategy for Sustainable Textiles

The EU Strategy for Sustainable and Circular Textiles aims to enhance sustainability in the textile industry. However, as currently proposed, the Strategy is biased against natural fibres and will almost surely result in reduced consumption at the retail level. European consumers account for about one-seventh (14%) of world cotton consumption and more than half of world wool consumption. A decline in retail level demand for cotton and wool resulting from EU regulations could cause significant price drops, risking billions in annual income for global cotton and wool producers. While the initial emphasis of EU activities is on apparel fibres, the momentum behind the EU process will eventually result in regulations that will put downward pressure on consumer demand for all natural fibres.

As currently proposed, EU regulations will require that products offered for sale in the EU include an environmental footprint score. The methodology used to assess environmental impacts of textiles underrepresents the environmental benefits of natural fibers while failing to fully account for the significant environmental costs of synthetic fibers, such as microplastic pollution and CO_2 emissions from crude oil extraction.

Preliminary information provided by the EU indicates that consumers and brands will be told that purchasing products made of cotton will be roughly 40% more harmful to the environment compared to the same products made of polyester, and products made of wool will be approximately twice as harmful to the environment compared to the same products made of polyester. Such environmental scores will lead inevitably to market share declines for natural fibres.

Assuming the quantity of cotton purchased at the retail level in Europe declines by 20% within 5 years after environmental scores are mandated for use would likely result in a 4% decline in the benchmark Cotlook A Index.

The impacts on wool prices would be several times larger because EU consumers account for a much higher proportion of world wool use than cotton. Assuming the impact on world wool prices would be four times the impact on cotton prices, a 20% reduction in EU consumer use of wool within 5 years after environmental scores are mandated for use would correspond to a 16% decline in wool prices.

This implies $3 billion in annual losses for the world's cotton producers and $1 billion in annual losses for the world's wool producers. Such losses would be compounded annually and potentially expanded if consumer use in the EU falls further and if other markets follow the example set in the EU and decide to pursue similar regulations.

(Assuming an average Cotlook A Index of $1.8 per kilogram, the value of world cotton consumption of 25.4 million tonnes in 2024/25 is approximately $45 billion. Assuming an average Cotlook A Index of $1.7 per kilogram (4% less), the value of world cotton consumption of 24.7 million tonnes (a 20% reduction in the EU) would be worth $42 billion, a difference of approximately $3 billion, or 7%. Actual losses to producers would accumulate year after year.

Assuming an average Eastern Market Indicator (EMI) of prices of Merino wool in Australia of $8 per kilogram, the value of world Merino wool consumption of 400,000 tonnes in 2024 is approximately $3 billion. Assuming an average British Fleece Wool Price Indicator of about $2 per kilogram, the value of world strong wool consumption in 2024 of 600,000 tonnes is about $US 1 billion. The value of total world wool consumption in 2024 is approximately $4 billion.

Assuming an average EMI of $7 (16% less), the value of world Merino wool consumption of 300,000 tonnes (a 20% reduction in the EU) would be $2 billion. Assuming an average British Fleece Wool Price Indicator of $1.70 (16% less), the value of world strong wool consumption of 500,000 tonnes (a 20% reduction in the EU) would be $800 million. The change in the value of world wool consumption would be more than $1 billion, a drop of more than 25%. As with cotton, actual losses to wool producers would accumulate year after year.)

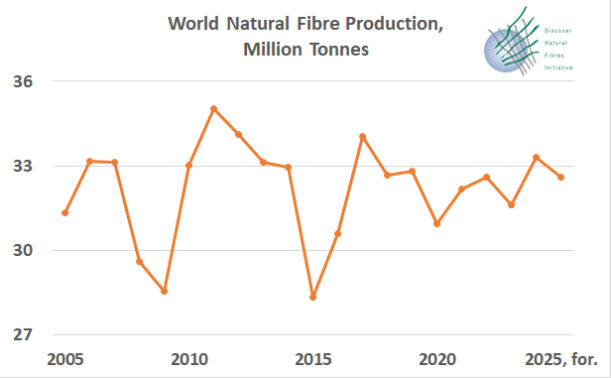
Suggestions for Improvement

The officers of DNFI support a balanced, inclusive, and transparent approach to EU policymaking that can enable the EU to achieve its social and environmental goals while ensuring accurate treatment of natural fibers. Suggestions for improvement include:

- Integrating macro- and micro-plastic pollution impacts into environmental footprint scores.
- Aligning regulations with UN Sustainable Development Goals (SDGs) to support positive social, environmental, and economic outcomes.
- Ensuring inclusive representation of natural fiber stakeholders in regulatory processes.
- Acknowledging the unique benefits of natural fibers such as biodegradability, renewability, and carbon sequestration.

Cotton and Wool Production Likely to Fall in 2025, Production of Other Fibres Risiing

World production of natural fibres in 2025 is estimated at 32.6 million tonnes, a decline of 700,000 tonnes from the current estimate for production in 2024. The estimate of world natural fibre production in 2025 includes 25.6 million tonnes of cotton, 2.8 million tonnes of jute and allied fibres, 1.2 million tonnes of coir, 980,000 tonnes of wool, and 2 million tonnes of all other natural fibres combined.



Cotton production is estimated at 26.4 million tonnes in 2024, jute at 2.8 million, coir and wool

at more than one million tonnes 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 world abaca production is 62,000 tonnes in both 2024 and 2025, 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 and February 2025 were 10% more than in January & February 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, February and March 2025. Abaca export prices averaged $2.51 per kg in 2021 and have been drifting lower since. (Wigglesworth & Co. Ltd. https://dnfi.org/go/wcl/)

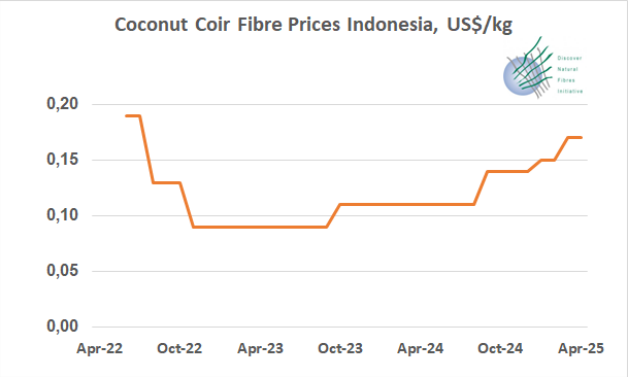
World Fibre Production							
May 2025	2021	2022	2023	Pct of total fibres in 2023	Pct of natural fibres in 2023	2024, pre.	2025, for.
			Metric Tonnes				
Abaca	83.700	76.900	65.000	0,06%	0,2%	62.000	62.000
Coir, without pith	1.099.000	1.105.700	1.136.000	1,00%	3,6%	1.136.000	1.136.000
Cotton Lint	24.931.417	25.321.141	24.596.125	21,75%	77,8%	26.359.678	25.649.902
Fibral Fibres (banana, pineapple, palm)	-	-	2.400	0,00%	0,0%	3.800	5.000
Other Fibre Crops, raw, n.e.c.	624.129	606.700	650.529	0,58%	2,1%	690.000	720.000
Flax Fibre, long fibres only until 2010	328.000	346.000	302.000	0,27%	1,0%	349.307	375.000
True Hemp, raw or retted	334.260	304.774	314.631	0,28%	1,0%	342.000	372.000
Jute, Kenaf & Allied Fibres	3.264.500	3.349.000	3.050.000	2,70%	9,7%	2.818.000	2.800.000
Kapok fibre	76.693	78.184	77.000	0,07%	0,2%	77.000	77.000
Ramie, raw or retted	10.123	9.452	9.437	0,01%	0,0%	9.000	9.000
Sisal, Henequen and similar hard fibers	297.400	276.000	278.000	0,25%	0,9%	270.000	290.000
Silk, raw	86.311	91.319	93.986	0,08%	0,3%	96.000	98.000
Wool, clean	1.036.000	1.050.616	1.046.426	0,93%	3,3%	1.017.461	981.810
Other animal fibres, dehaired	23.000	24.000	23.000	0,02%	0,1%	23.000	23.000
Total Natural Fibers	32.194.533	32.600.000	31.600.000	27,95%	100,0%	33.300.000	32.600.000
Cellulosic	7.155.000	7.195.000	7.576.000	6,7%			
Synthetics:	73.079.000	72.444.000	73.888.000	65,4%			
Polyester	60.369.000	59.769.000	60.845.000	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	47,6%			
Synthetic Staple	20.050.000	19.760.000	20.101.000	17,8%			
Total Manmade Fibers	80.234.000	79.639.000	81.464.000	72,1%			
Total Fiber Production	112.428.533	112.239.000	113.064.000	100,0%			

Discover Natural Fibres Initiative

Table © DNFI 2025
by Dr. Terry Townsend

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). Coir production is trending upward, and the average

annual increase over the past decade has been about 30,000 tonnes. However, export prices have doubled in the past two years, and Sri Lanka, a major producer, reports a coconut shortage because of disease and aging trees. Consequently, the DNFI estimate of coir production in 2024 and 2025 is held unchanged from the estimate for 2023 of 1.136 million tonnes.



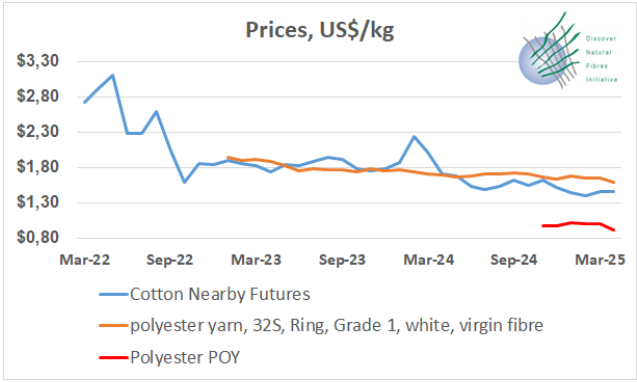
Average monthly coconut consumption in Sri Lanka is 250 million, but production in 2025 is falling about 50 million coconuts per month short of requirements, resulting in “skyrocketing prices” and disruptions to raw material supplies for export. (Ceylon Today, January 25, 2025)

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 $0.17 per kilogram in February and March 2025. (https://coconutcommunity.org/page-statistics/weekly-price-update)

Cotton:

In its first official estimate for 2025/26, USDA pegs world cotton production at 25.6 million tonnes, a decline of about 700,000 tonnes from 2024/25. USDA is expecting yields in Central Asia to return to normal after exceptionally good rainfall and temperatures in 2024/25, and production in Xinjiang China is expected to fall by 650,000 tonnes. Production in Brazil is forecast record high in 2025/26 at nearly 4 million tonnes. The Southern Hemisphere is expected to account for 45% of world cotton exports in 2025/26, and Brazil is expected to be the largest exporter for the third consecutive year.

The nearby cotton futures contract (May 2025) on the Intercontinental Exchange (ICE) was unchanged in April at $1.46 per kg. Cotton futures prices reached more than $3 per kilogram in May 2022 and are down about 50% from that Covid-era high. Futures prices have dropped 10% over the last seven months as estimates of world production have climbed and as announcements of tariffs by the United States have been met with retaliation by importing countries.



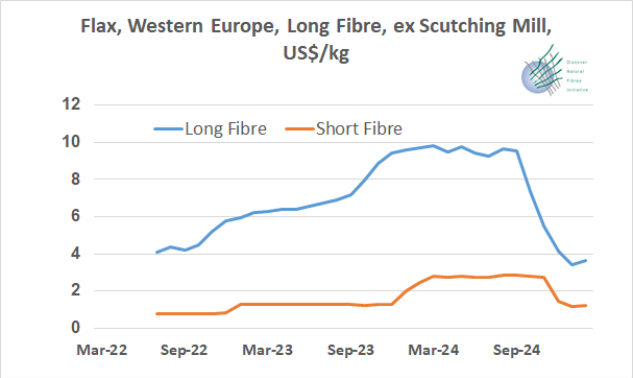
(https://www.barchart.com/futures/quotes/CT*0/futures-prices)

Polyester yarn in China, 32 count, single, white, virgin material, grade 1, (directly competitive with spun cotton yarn) declined 3% in dollars during April to US$1.60/kg. The gap between polyester in China and cotton futures prices narrowed to 14 cents per kg by the end of April.

Polyester POY (pre-oriented yarn) is the first form of yarn made directly from PTA & MEG or by spinning Polyester PET Chips. Polyester POY fell 8% in April to $0.92 per kg. (http://www.sunsirs.com/uk/prodetail-1241.html)

Textile Flax:

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 and 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 $3.66 per kg in February 2025, and prices of short fibre averaged $1.22 per kg. (https://dnfi.org/go/aeflh/)

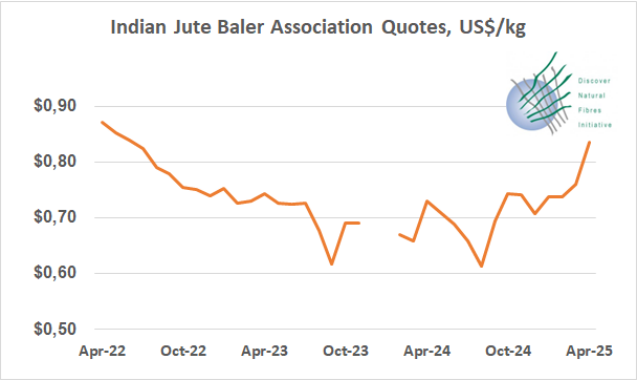
Jute:

World production of jute, kenaf and allied fibres is estimated at 2.8 million tonnes in 2025, unchanged from 2024, but down 10% from 2023. World production of jute, kenaf and allied fibres had been around 3 million tonnes for two decades.

To support the jute industry, the Indian government announced a 6% increase in the Minimum Support Price (MSP) 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 66 US cents per kg at the current exchange rate.) (Wilhelm G. Clasen GmbH & Co. KG)

Sowings of both Meshta and White Jute started from the second half of March in Bangladesh, especially in lowland areas. During the first half of March, Bangladesh enjoyed sunshine with moderate temperatures. In the second half of March, rainfall was reported across the country, which is beneficial for White Jute and Meshta sowings. However, Bangladesh experienced a drought for most of April, making proper sowing nearly impossible for many farmers. As a result, numerous farmers had to rely on local water pumps to continue planting, and the lack of rainfall, combined with an ongoing heatwave, led to desiccation of plants in certain regions and slowed plant growth overall. (https://www.wgc.de/en/)

In India, rains during April were not sufficient, but they were beneficial for soil preparation and sowing. The market fears that some farmers that may switch to more rewarding crops, and cultivated area may be less than the 600,000 hectors reported earlier. The 600,000 hectors already represented a decline of about 15% compared to the previous season.



The Indian Jute Balers Association (JBA) market quotes converted to USD rose 10% in April to 84 cents per kilogram. Jute prices have been rising sharply since hitting a recent low of 61 cents per kg in August 2024. Rising exports, and an expectation of reduced sowings during 2025, may explain the rise in prices over the last nine months.

Silk:
World silk production is estimated at 98,000 tonnes in 2025, assuming a continued recovery in production that began after 2021.

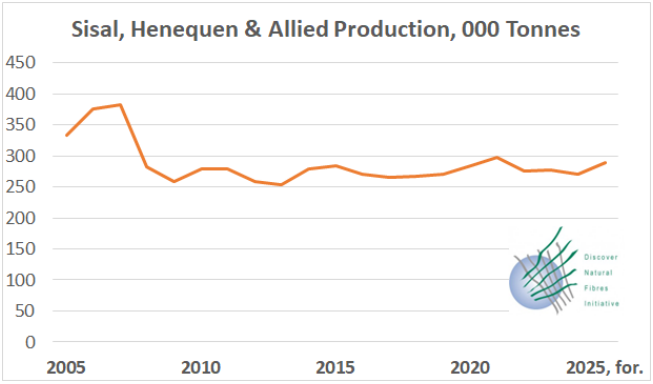
Prices of silk (grade 3A; Denier 20/22D; regain 11%) in China were about US$64/kg at the end of April. Silk prices show little volatility compared to prices of other fibres, and there has been little change in the Sunsirs quotes over the last two years. (http://www.sunsirs.com/uk/prodetail-322.html)

World silk production rose from approximately 160,000 tonnes per year between 2010 and 2014 to 202,000 tonnes in 2015 and then fell to 86,000 tonnes by 2021. The preliminary estimate of silk production in 2023 is 93,986 tonnes. (International Sericulture Commission (https://www.inserco.org/en/home).

Sisal:
World sisal production is forecast at 300,000 tonnes in 2025, up 10% from 2024, based on expectations of favorable weather.

Production of sisal and related products (baler twine, yarn, ropes, carpets and other) in Brazil fell by approximately 14% in 2024, while production of sisal in Tanzania rose by about 8%.

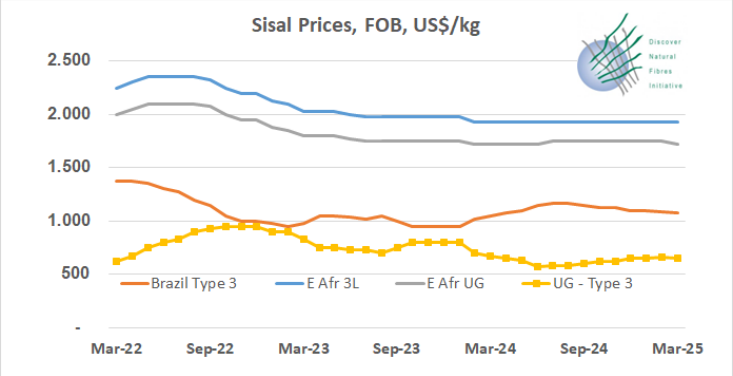
Brazil accounts for about one-third of world production of sisal, henequen and allied fibres and Tanzania a little more than 10%. Competition for labor from the coffee industry is hampering sisal production in Brazil. Weather conditions in the regions where sisal is grown in Brazil have been favorable in recent years - there have been no significant periods of drought (as used to be the rule), making the decline in production in 2024 more concerning. (Sisal Market Report, update April 2025, https://dnfi.org/sisal-fibres/)



Prices of Brazilian sisal, Bahia, Type 3 DB, FOB Salvador were quoted at US$1.075 per kilogram in March (most recent month available), up 2% compared with the previous year(Wigglesworth & Co. Ltd. https://dnfi.org/go/wcl/)

Tanzania/Kenya 3L, FOB was quoted at $1.925 per kg in March, while UG was quoted at $1.725 per kg. The substantial differential between prices of East African UG* and Brazilian Type 3 narrowed by about 20% during the past two years. As of March 2025, East African UG was $0.650 per kg higher than Bahia Type 3; the premium for East African over Brazilian has been climbing for six months. (Wigglesworth & Co Ltd)

* Note: Price comparisons should be made between standard types - which are UG grade from East Africa and TYPE 3DB from Brazil. However, monthly price data for Brazilian 3DB are not available, so East African UG is compared to Brazilian Type 3. Historically the difference in pricing between African and Brazilian Sisal of like grades has always been ranging between USD 500 and USD 600 per ton. (WILHELM G. CLASEN GmbH & Co. KG) *Nevertheless, given that quality premiums are relatively stable, the pattern in price differentials between UG and Type 3 is still relevant for evaluation of patterns.*

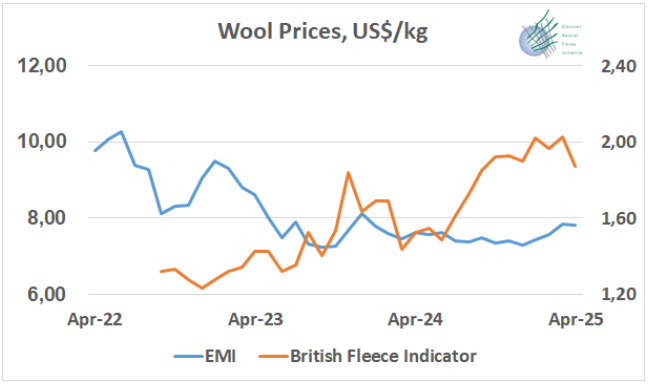


Wool:

Wool production in 2025 is forecast to fall below 1 million tonnes, the lowest level of world production since the 1940's. (Independent Commodity Services (ICS) on behalf of the International Wool Textile Organization.)

Australian shorn wool production is expected to be down by 10% in mid-2025. New Zealand production is forecast to be down 3.7%. Production in Uruguay and Argentina are expected to drop by around 10%.

Drought conditions are intense in Northern Africa, with the Moroccan sheep census in 2024 finding that sheep numbers were 38% below 2015 levels (the last time a census was conducted). Current estimates for sheep numbers in Sudan are not available, so ICS is assuming a 10% fall in supply.



The steppe flocks and wool clips (Russia, Central Asia, Mongolia and China) have had reasonable seasonal weather conditions, so their wool clips should be steady in 2025.

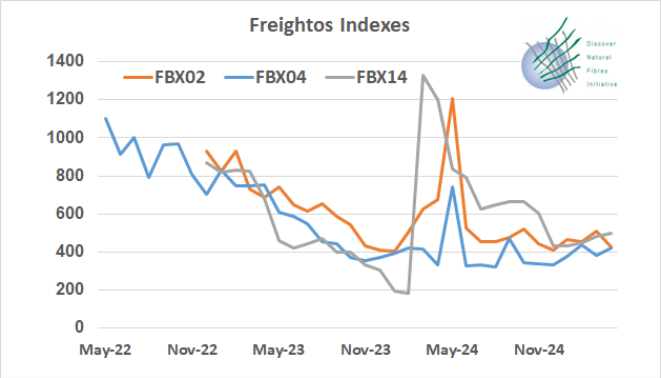
The Eastern Market Indicator for merino wool in Australia was about unchanged in April at US$7.83 per kilogram, clean. The EMI fell to $7.29 in December 2024 and climbed during January - March. The Australian Wool Production Forecasting Committee (AWPFC) issued a stark forecast for a significant reduction in 2025 production in December 2024. (https://www.wool.com/market-intelligence/weekly-price-reports)

The British Fleece Wool Price Indicator dropped 7% in April to $1.86 per kg, clean. British wools are stronger but less fine than merino breeds, appropriate for use in home furnishings and bulkier knitwear. https://www.britishwool.org.uk/price-indicator)

Natural Fibre Prices								
Table © DNFI 2025 by Dr. Terry Townsend		2022 Avg	2023 Avg	2024 Avg	2025 Jan	2025 Feb	2025 Mar	2025 Apr
		US$ per Kg						
Abaca	Grade S2, US$/kg, fob Mania Port	$ 2,49	$ 2,43	$ 2,32	$ 2,32	$ 2,32	$ 2,32	
Coir, without pith	Coconut Coir Fiber Indonesia FOB	$ 0,14	$ 0,10	$ 0,12	$ 0,15	$ 0,15	$ 0,17	$ 0,17
Cotton Lint	Cotton Nearby Futures	$ 2,33	$ 1,84	$ 1,68	$ 1,45	$ 1,41	$ 1,46	$ 1,46
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	$ 3,66		
True Hemp, raw or retted	Industrial Hemp Grown in the Open for Fiber in the United States, prices paid to farmers	$ 3,00	$ 0,60	$ 0,40				
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	$ 0,76	$ 0,84
Sisal, Henequen and similar hard fibers	Sisal, Bahia, Type 3 DB, fob Salvador	$ 1,21	$ 1,00	$ 1,11	$ 1,100	$ 1,085	$ 1,075	
	Sisal, Tanzania/Kenya, 3L, fob	$ 2,29	$ 2,01	$ 1,93	$ 1,925	$ 1,925	$ 1,925	
	Sisal, Tanzania/Kenya, UG, fob	$ 2,04	$ 1,78	$ 1,74	$ 1,750	$ 1,750	$ 1,725	
Silk, raw	Silk, Grade 3A, denier 20/22D regain 11%	$ 62,46	$ 65,48	$ 68,09	$ 64,09	$ 62,62	$ 64,32	$ 63,82
Wool, clean	Wool, EMI	$ 9,18	$ 8,11	$ 7,48	$ 7,42	$ 7,56	$ 7,86	$ 7,83
	British Fleece Wool Price Indicator	$ 1,29	$ 1,45	$ 1,69	$ 2,02	$ 1,97	$ 2,03	$ 1,88
Freightos Freight Indexes	FBX02	907	569	398	380	440	385	421
	FBX04	897	580	554	511	427	504	520
	FBX14	840	426	668	480	500	633	648

Ocean Freight Rates:

The Freightos Index for 40' containers, including surcharges, for backhaul traffic from US West Coast ports to China (FBX02), rose 9% in April to $421.



The Index for traffic from the USA East Coast to Asia using the Panama Canal (FBX04) rose 3% to $520 at the end of April.

The Freightos Index for traffic using the Red Sea, FBX14 was $648 at the end of April 2025. (https://fbx.freightos.com/freight-index/FBX)

Exchange Rates:

The US Dollar WSJ Index, based on a basket of six major currencies of trading partners with the USA, fell 4% in April to 99.5.

(Table next page)

Exchange Rates with US Dollar									
	2020 Avg.	2021 Avg.	2022 Avg.	2023 Avg.	2024 Avg.	2025 Jan	2025 Feb	2025 Mar	2025 Apr
US$ Index	93,89	94,23	112,12	106,22	100,78	108,46	107,24	103,84	99,47
		USD Purchased per currency unit							
Australia	0,688	0,751	0,695	0,665	0,660	0,620	0,620	0,630	0,640
Bangladesh	0,01179	0,01175	0,01078	0,00926	0,00868	0,00822	0,00823	0,00823	0,00823
Brazil	0,1958	0,1855	0,1940	0,2004	0,1863	0,1664	0,1690	0,1731	0,1762
China	0,1445	0,1550	0,1488	0,1414	0,1393	0,1391	0,1374	0,1397	0,1376
India	0,0135	0,0135	0,0127	0,0121	0,0120	0,0115	0,0114	0,0117	0,0118
Pakistan	0,0062	0,0062	0,0049	0,0036	0,0036	0,0036	0,0036	0,0036	0,0035
		2020=100							
Australia	100,0	109,3	101,0	96,7	96,0	90,2	90,2	91,6	93,1
Bangladesh	100,0	99,7	91,4	78,5	73,6	69,8	69,8	69,8	69,8
Brazil	100,0	94,7	99,1	102,3	95,1	85,0	86,3	88,4	90,0
China	100,0	107,3	103,0	97,9	96,4	96,3	95,1	96,7	95,2
India	100,0	100,3	94,4	89,8	88,6	85,5	84,8	86,6	87,6
Pakistan	100,0	99,3	79,0	58,1	58,0	57,9	57,8	57,5	56,5
https://www.exchange-rates.org/exchange-rate-history/aud-usd									
https://www.exchange-rates.org/exchange-rate-history/bdt-usd-2025									
https://www.unitconverters.net/currency/brl-to-usd.htm									

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.
