

Cleveland on Cotton: Cotton's Bulls Lose Some Momentum

Mar 09, 2026

By Dr. O.A. Cleveland



After two weeks of feeding the bulls, the cotton market fell back into its long-established trading range as prices spent the week struggling, just as they have for the past year, and unfortunately just as they will for the coming year. Note: Please let that comment prove to be incorrect. The May futures contract did break below its price support at 64 cents, suggesting that the 61-62 cent price low could return. However, the May contract ended the week at 64.20, at the lower end of the weekly trading range, suggesting that next week's trading will favor the bearish side of the market.

The market is uncovering demand between 63.50 and 64.50. That, coupled with the neutral to favorable balance between on-call sales and on-call purchases, the May contract should be supported at 64 cents, or a fraction below. However, the past week's trading has kept the door open for another challenge of the season's lows, but the probability of sinking back to that level is diminishing. That, in itself, is a victory for those optimistic about cotton prices. Remember, it is very unlikely that neither the May nor the July futures contract prices will move above 68 cents. Too, there is a

very heavy price lid sitting at 67 cents. The new crop December will continue its current very narrow 200-point, 68-70 cent trading range. Mother Nature is the only fundamental that will change that range. A market without demand has little room to maneuver.

The highly respected annual MidSouth Gin Show cotton discussion held center stage last week. The discussion centered on changes in the world cotton industry, and rightfully so. We have harped on the subject almost weekly for the past year. Apparently, the industry needs to hear it a thousand times over. The two major factors affecting the U.S. grower prices were discussed: (1) continuing loss of market share to Brazil and Australia, and (2) cotton's loss of favor with the world consumer and, more importantly, the U.S. consumer. These are the principal factors that have led to low cotton prices and declining U.S. land area devoted to cotton production.

There are other factors, but for all practical purposes, those are the only two that have mattered. Also included in the discussion was the fact that cotton's only lifeline is coming from government support payments, as the industry has steadfastly refused to promote cotton to the consumer. The industry's continued reluctance to connect with the American consumer, the world's primary consumer of cotton, has been the principal demise of the U.S. cotton industry.

The export market was slightly positive for U.S. cotton on the week as net sales of Upland totaled 150,400 bales, with the principal buyers being Vietnam, Pakistan, India, and Indonesia. Sales to Vietnam accounted for nearly one-third of the sales. The positive news came from the actual shipments of cotton, a marketing year high of 282,200 bales. Shipments need to average some 305,000 weekly if actual shipments are to reach the USDA annual export estimate of 12.0 million bales. U.S. cotton sales to date total 9,199,800 bales. Shipments to date total only 4,861,500 running bales. However, the primary shipping season is just beginning. Therefore, it is very feasible, but not a cinch, to reach the USDA goal of shipping 12.0 million statistical bales during the 2025-26 season (August 2025-July 2026). As a reminder, the primary customers for U.S. cotton are China, Vietnam, Pakistan, Bangladesh, and Turkey. These five countries account for over 70% of all U.S. cotton exports. The top five suppliers of textiles to the U.S. are China, Vietnam, India, Bangladesh, and Mexico. Of note is that those five countries account for 70% of all US. textile imports.

As commented last week, the May contract is locked between 63 and 67 cents, with a vast majority of the trading expected to be within 125 points of 64 cents. The opportunity to use the LDP program for old crop sales continues, and the pricing decision between the POP and the LDP favors using the LDP. December futures continues to have a heavy lid at 69 cents, and market pricing looks to the anomaly of weather patterns across the Northern Hemisphere.

Give a gift of cotton today!