PLAINS COTTON COOPERATIVE ASSOCIATION

DECEMBER 1, 2025

The Week Ahead

- Market sentiment has turned more constructive, and the week ahead will test whether softer U.S. labor data and a weaker dollar are beginning to reinforce expectations for a December Fed rate cut. Traders will focus on Wednesday’s ADP jobs report, followed by a heavy calendar of end-of-week inflation data and export updates as USDA and CFTC work through shutdown backlogs. With geopolitical risks shifting and major reports lining up ahead of the December 9 supply and demand update and the December 10 Fed decision, markets enter December positioned for volatility and opportunity.

Market Recap

- March futures had a good week, finishing higher every session of the shortened trade week, increasing 86 points to settle at 64.71 cents per pound.
- March managed a string of modest gains through the holiday-shortened week, but the tone stayed muted, and the market continued to struggle against broadly soft technicals that still point lower. December liquidation has mostly run its course, and while trade flows were mixed, export sales and on-call activity showed just enough life to keep the market from breaking down further. Per the delayed Commitments of Traders report, specs continued to build out their short for the fourth straight week, leaving positioning stretched and raising the odds of a short-covering bounce if any supportive catalyst emerges. With prices holding just below near-term resistance and demand still uneven, the market looks poised for a period of consolidation as traders wait for the next round of data.
- Daily volume was subdued due to the Thanksgiving holiday, open interest increased 1,734 contracts to 278,698, and certificated stocks were unchanged at 20,344 bales.

Supply and Demand Overview

- USDA released three more delayed Export Sales reports over the last week, giving us a clearer view of mid-October demand, although overall results ran a bit below average for this point in the season.
- For the week ending October 9, Upland sales totaled 157,700 bales with 139,300 bales shipped, while Pima sales were 3,000 bales and shipments reached 7,100 bales.
- The week ending October 16 showed 175,600 bales in Upland sales and 159,600 bales shipped, with Pima sales at 5,000 bales and shipments at 5,100 bales.
- The latest report, covering the week ending October 23, posted 132,700 bales in Upland sales and 174,800 bales

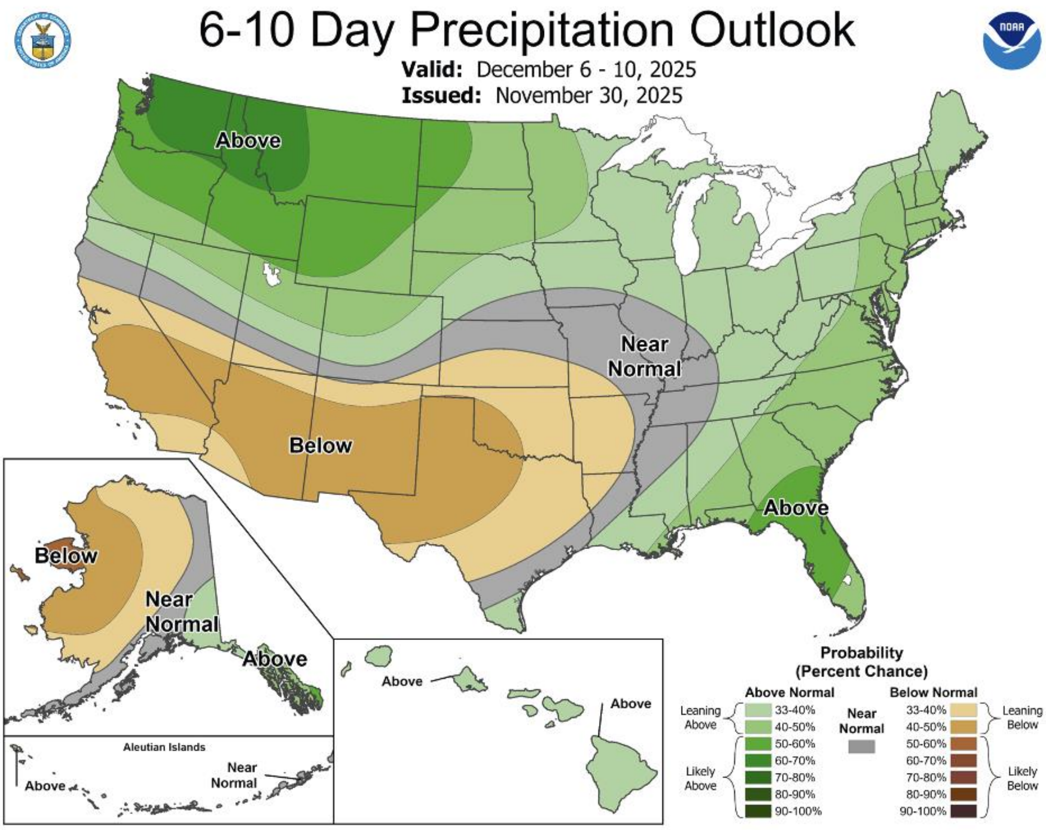
shipped, with Pima sales at 6,600 bales and shipments at 10,000 bales. Another Export Sales Report will be released on Thursday as USDA continues working through the delayed schedule.

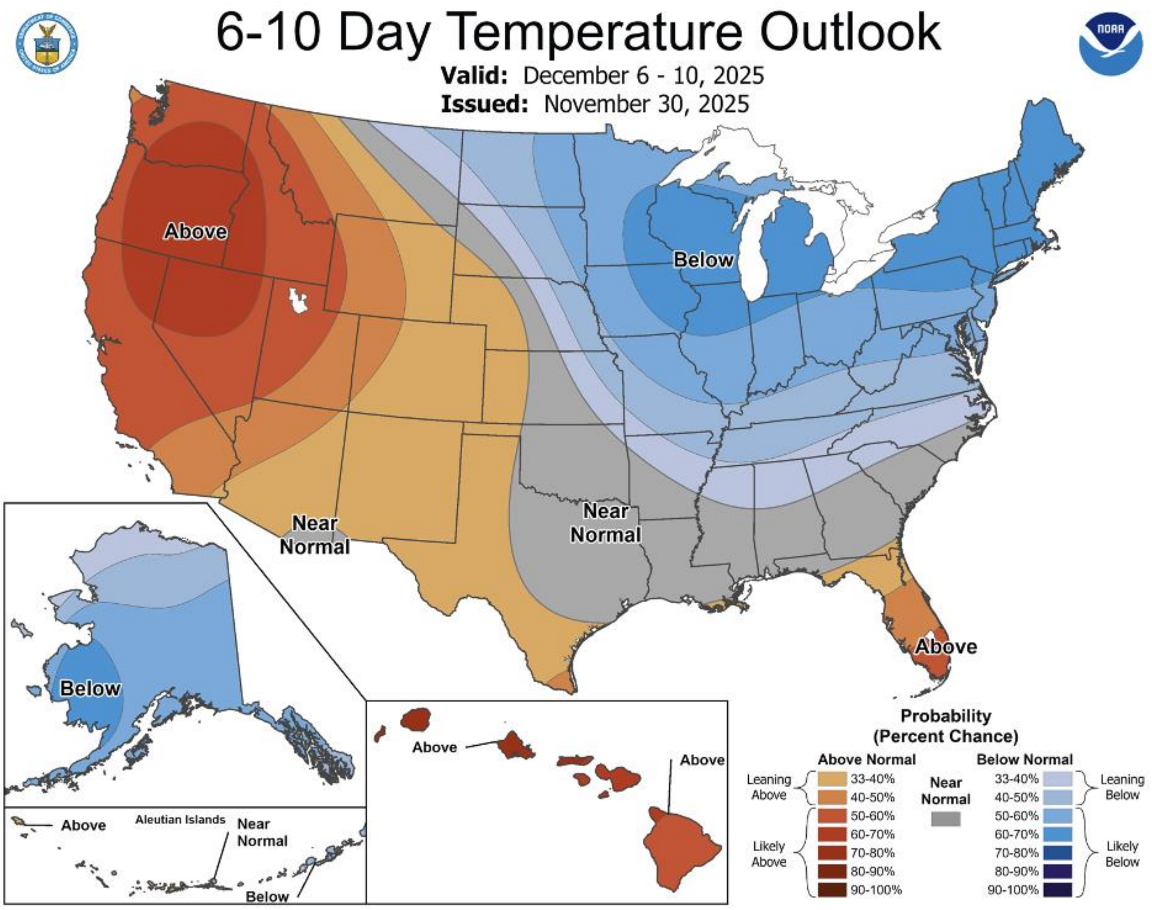
Economic and Policy Outlook

- Congress enters December with only a few working days left and must address several major deadlines, including the December 31 expiration of enhanced Affordable Care Act premium subsidies. The subsidy extension was a central point of contention during the recent shutdown and contributed to how long the standoff lasted. The issue remains unresolved as the Senate prepares a vote without support from the White House. Lawmakers are also working on FY2026 government funding and finalizing the National Defense Authorization Act, which still contains unresolved AI provisions. Several states, including Florida, Texas, Indiana, and Wisconsin, are also entering a critical stretch for redistricting decisions that could shape the 2026 elections.
- USDA Secretary Brooke Rollins says the long-awaited farm-aid package will be released this week, with payments planned for early January. Major details are still undecided, including the funding level, how it will be financed, and whether it will follow a trade-mitigation model like past MFPs or a broader bridge-aid structure. Eligibility and payment rates will depend entirely on that choice, and USDA is balancing the need for simple formulas that allow fast January payments with more detailed methods. Rollins is expected to preview the plan through media appearances or op-eds, possibly alongside key farm-state lawmakers.
- Thanksgiving came and went without the Trump–Xi signing Scott Bessent had floated, making the week feel more like a missed appointment than a milestone. Yet the administration is still carrying out the agreed trade steps, from extending tariff exclusions to monitoring China's early agricultural purchases.

Weather and Crop Watch

- Harvest is entering its final stretch across the Southwest, helped along by the hard freeze late last week, which should push the remaining producers who were waiting on fields to move forward. The coming week looks mostly dry with slightly above-average temperatures for West Texas and the surrounding region, with only spotty light moisture possible and no meaningful delays expected. Conditions should stay cool but stable, giving growers solid field time as they work toward wrapping up the last of the crop.
- Loan values have edged lower in West Texas, with both Lubbock and Abilene showing slightly lower qualities as more bark and a few lower grades work into the mix, while most other parameters remain fairly steady. Qualities from the Lamesa office are holding up well, and the Corpus Christi classing office continues to maintain strong quality as classing slowly starts to wrap up. Although the loan is slightly lower overall, quality has remained relatively stable, even with a bit more variability showing up in the past few days.





The Seam

- As of Friday afternoon, grower offers totaled 70,775 bales. The past week, 18,001 bales traded on the G2B platform received an average price of 60.86 cents per pound. The average loan redemption rate (LRR) was 53.49, bringing the average premium over the LRR to 7.37 cents per pound.
- *Note: The Loan Redemption Rate (LRR) is the loan rate minus the current Loan Deficiency Payment (LDP).

ICE Futures Ending 11/28/2025

	Settlement	Daily Change	Weekly Change
Dec. '25	64.71	+0.14	+0.86
Mar. '26	65.92	+0.17	+0.85
May '26	66.96	+0.19	+0.78
July '26	68.12	+0.30	+0.53

Adjusted World Price (AWP)

	Current Value	Weekly Change
Adjusted World Price	50.77	-0.03
Loan Deficiency Payment	1.23	+0.03
Fine Count Adjustment 2025	0.00	0.00
Fine Count Adjustment 2024	0.00	0.00
Coarse Count Adjustment	0.00	0.00

Official 11/28/25 - 12/04/25