



MARCH 2, 2026

The Week Ahead

This week is shaping up to be anything but quiet after the U.S. carried out airstrikes on Iran over the weekend, drawing the U.S. into conflict in the Middle East and bringing volatility across markets.

- **Global uncertainty remains elevated as the war with Iran enters its third day.** This goes beyond trade disputes, and while there is some talk that the conflict could be short-lived, markets have been extremely volatile and are likely to remain that way until there is a clearer direction. Because of the countries involved, crude oil prices have surged as concerns grow about disruptions to shipments through the Strait of Hormuz. If volatility begins to ease, that would typically be supportive for agricultural markets.

- **Alongside the geopolitical developments, we will also see the U.S. jobs report and unemployment rate on Friday this week.** Expectations are modest, but a stronger-than-expected report would likely be viewed as hawkish for the Fed and could push the U.S. dollar higher.
- **Overall, the week looks lighter on major data releases but still heavy on policy headlines.** Markets will likely take their cues from macro developments and trade policy direction, with President Trump's State of the Union address on Tuesday, the 24th, likely to draw particular attention for any signals on trade, economic policy, and the broader outlook. Additionally, attention will also continue to gradually shift toward spring planting expectations.

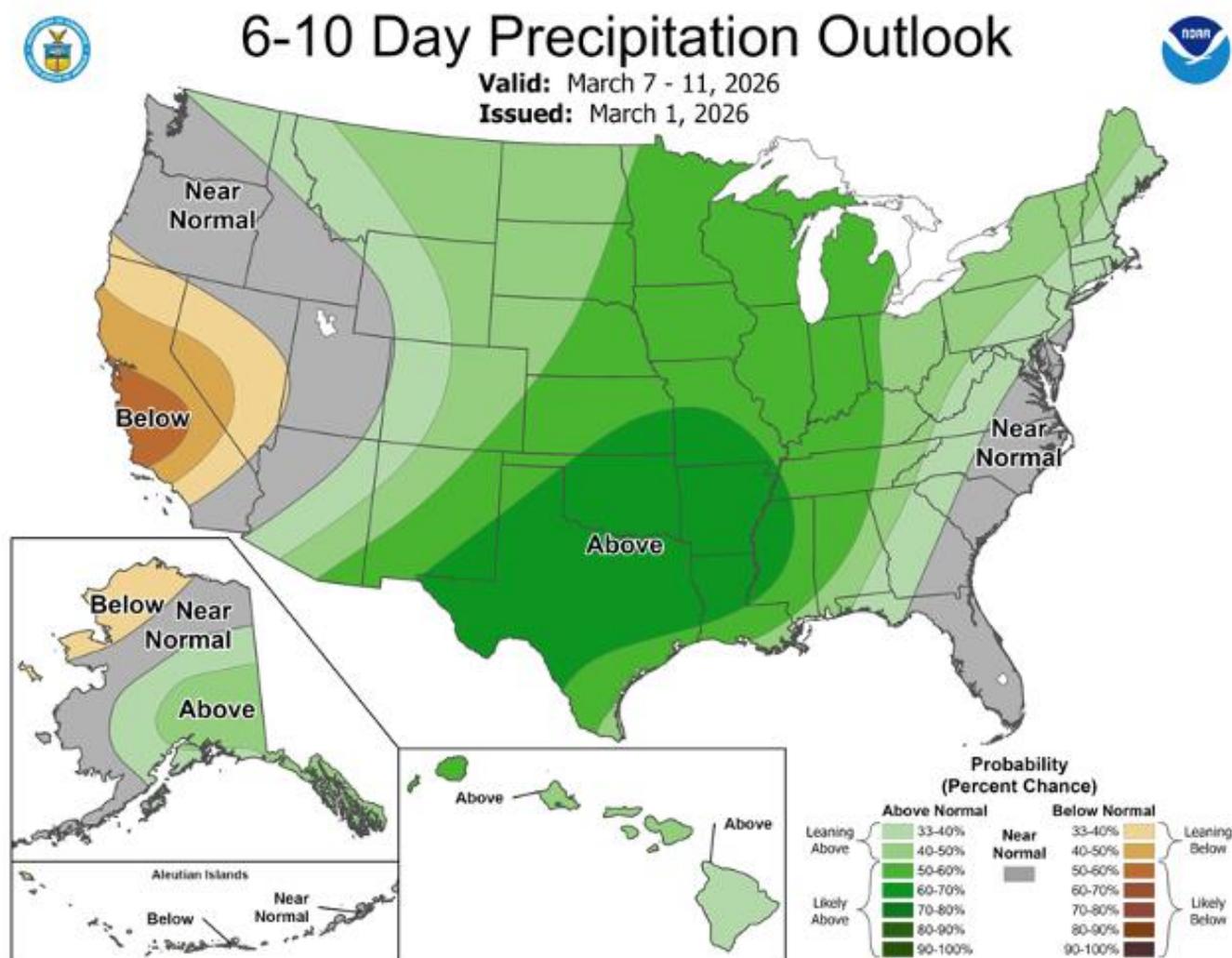
Overall, the week is relatively light on major economic releases but still heavy on policy and global headlines. The focus has shifted toward how much of the Iranian risk markets will need to absorb, with price direction likely to follow developments as the situation unfolds. Updated cotton supply and demand estimates are due next Tuesday, followed by the March Prospective Plantings Report at the end of the month.

Market Recap

- **Cotton futures had another mixed week, but despite the back-and-forth trade,** May futures slipped just 2 points on the week, finishing at 65.61 cents per pound.
- **Cotton futures traded in a relatively narrow range this week as markets worked through First Notice Day for the March contract and digested ongoing tariff uncertainty.** Headlines around tariffs remained mixed following the recent court ruling and subsequent policy adjustments, keeping outside markets unsettled and limiting clear direction. On-call positions continued to narrow as growers took advantage of recent price strength and reduced unfixed exposure. Although still at a net short, speculative traders also drew attention, posting the largest weekly net purchase since November 2024 and showing early signs of

short covering after holding a sizable net short position during the recent rally.

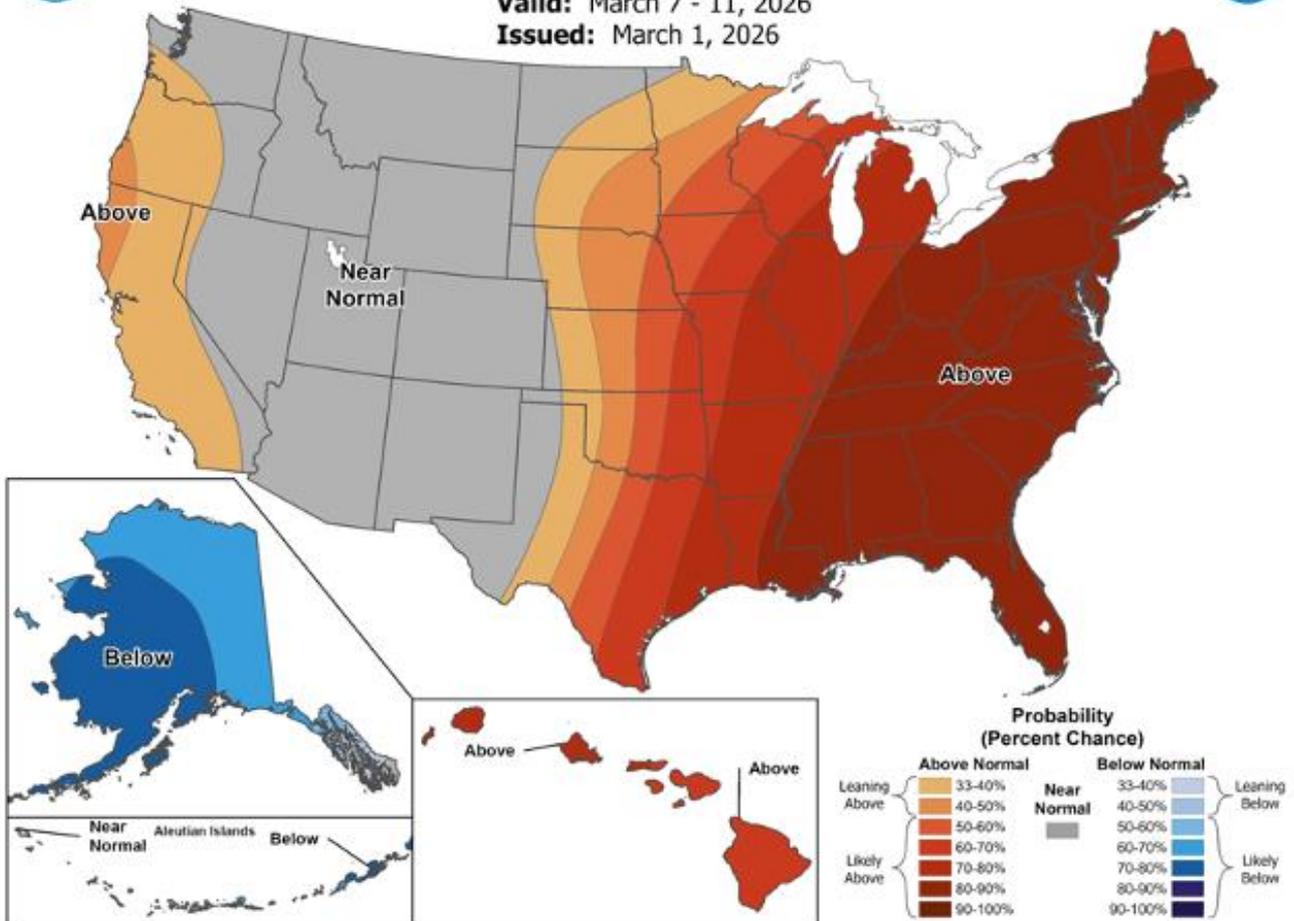
- **Trade activity improved in both export channels and the cash market, though shipments remain a concern as the market continues to look for clearer demand signals.** Planting expectations remain top of mind, particularly in Texas's southernmost areas, as planting quickly approaches. The insurance price was set at 69 cents per pound for West Texas, Oklahoma, and Kansas, while South Texas was set slightly lower at 68 cents per pound.
- **Trading activity stayed strong throughout the week, with solid participation across the board.** Open interest rose by 5,301 contracts to 328,852, while certificated stocks continued to build, increasing 6,721 bales to 126,178.





6-10 Day Temperature Outlook

Valid: March 7 - 11, 2026
Issued: March 1, 2026



Economic and Policy Outlook

- **Markets were volatile last week, with stocks finishing lower overall as concerns around tariffs and artificial intelligence weighed on investor sentiment.** Trade policy remained a key driver, with new tariffs taking effect and continued uncertainty about future actions adding to market unease, while Treasury yields moved lower as investors shifted toward safer assets. Energy markets found support late in the week, and outside markets generally traded nervously into the close. This week, markets will be watching trade developments and broader macro signals for direction, with the newly escalating U.S. conflict with Iran emerging as a major driver.

- **Over the weekend, the U.S. and Israel launched coordinated military strikes against Iran, marking a significant escalation in tensions across the Middle East and prompting retaliatory actions across the region.** The conflict quickly impacted energy markets, with oil prices surging and shipping activity through the Strait of Hormuz slowing as security concerns increased along one of the world's most critical oil transit routes. Several energy facilities across the region have also been disrupted, raising concerns about potential supply interruptions if the conflict continues. The key question now is how long the military operations and related disruptions may last.
- **Farm bill discussions are back in focus this week as the House Agriculture Committee prepares to mark up new legislation.** Lawmakers are attempting to move the long-delayed bill forward, but divisions over spending levels and nutrition programs could make building bipartisan support challenging. While leadership is hoping to push the bill ahead this spring, the path to final passage remains uncertain.
- **Separately, USDA announced a new “One Farmer, One File” initiative aimed at streamlining producer records across agencies.** The effort would create a single file shared among FSA, NRCS, and RMA, reducing duplicate paperwork and making it easier for producers to participate in USDA programs. The goal is to improve efficiency and reduce time spent handling administrative requirements.

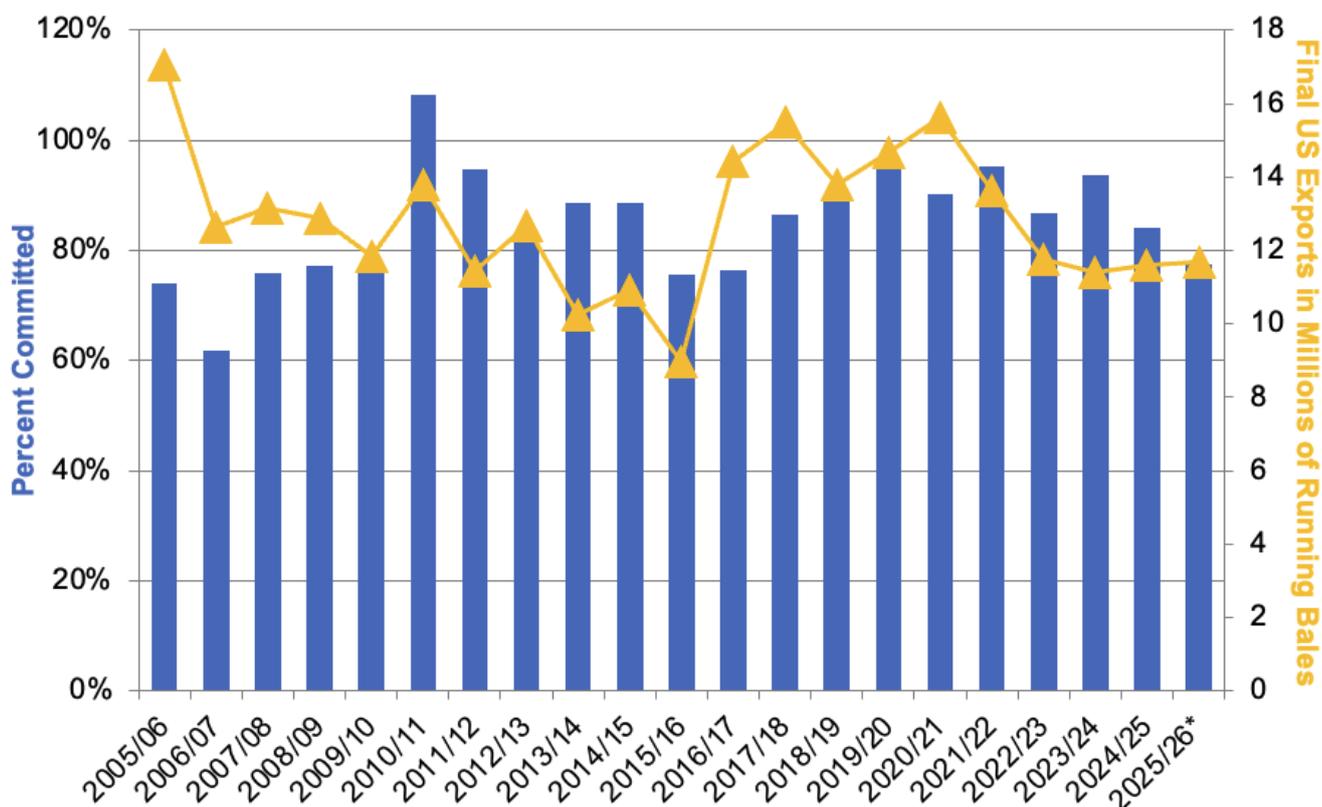
Supply and Demand Overview

- **Export sales pulled back from the previous week's marketing-year high but remained solid overall for the latest reporting period.** Net Upland sales totaled 253,200 bales, with an additional 29,700 bales booked for the next marketing year, while Pima sales reached 15,200 bales. Shipments remained light at 193,000 Upland bales and 4,200 Pima bales, continuing to run below the pace needed to reach USDA's 12 million bale export projection. Total commitments now stand at 77% of the expected final total,

still well below the five-year average, indicating the U.S. will need stronger shipments and continued sales in the weeks ahead.

US Export Commitments as % of Final Exports

Week 29 of Marketing Year



Source: USDA, *WASDE forecasted exports

The Seam®

- As of Friday afternoon, grower offers totaled 46,062 bales. The past week, 38,038 bales traded on the G2B platform received an average price of 59.67 cents per pound. The average loan redemption rate (LRR) was 50.02, bringing the average premium over the LRR to 9.65 cents per pound.

Note: The Loan Redemption Rate (LRR) is the loan rate minus the current Loan Deficiency Payment (LDP).

ICE Futures Ending 2/27/2026

	Settlement	Daily Change	Weekly Change
May '26	65.61	+0.25	-0.20
July '26	67.32	+0.25	+0.14
December '26	69.70	+0.25	+0.40
March '27	70.64	+0.24	+0.50

Adjusted World Price (AWP)

	Current Value	Weekly Change
Adjusted World Price	51.84	+1.79
Loan Deficiency Payment	0.16	-1.79
Fine Count Adjustment 2025	0.00	0.00
Fine Count Adjustment 2024	0.00	0.00
Coarse Count Adjustment	0.00	0.00

Official 2/27/26 - 3/5/26

Sustainability Enrollment Windows

- **Enrollment for the U.S. Cotton Trust Protocol will be open *January 5th- April 30th, 2026*.** Growers who are currently enrolled will need to renew their membership to continue their involvement in the program. *If your gin would like to host an Enrollment Field Day during this time, please reach out to PCCA at (806)763-8011.* Click here for a list of in-person sign-up dates.
- **New Grower Enrollment for the Better Cotton Initiative will be open from *March 3 to May 30*.** Growers interested in joining this global sustainability program should contact PCCA (806) 763-8011.