PLAINS COTTON COOPERATIVE ASSOCIATION

SEPTEMBER 8, 2026

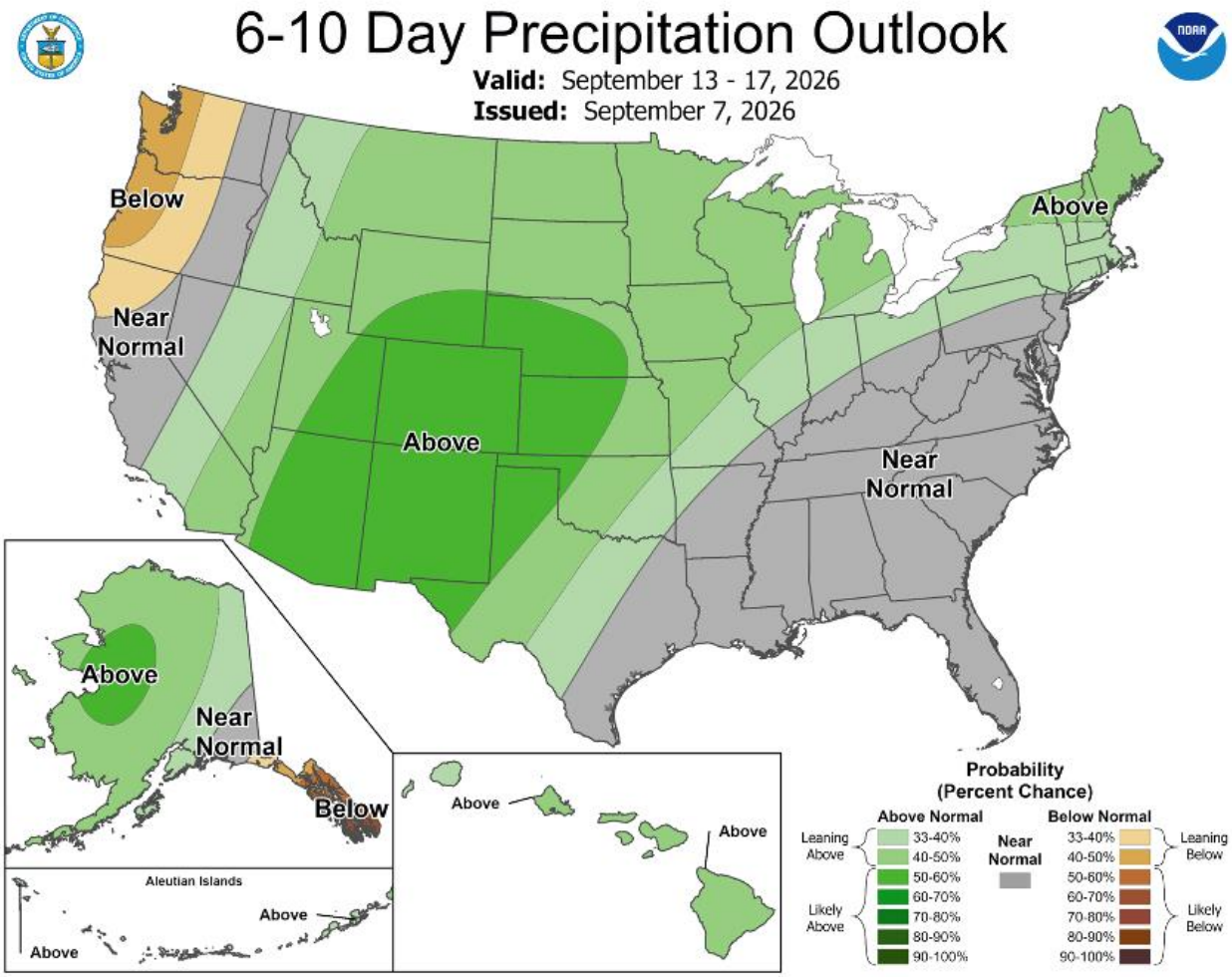
The Week Ahead

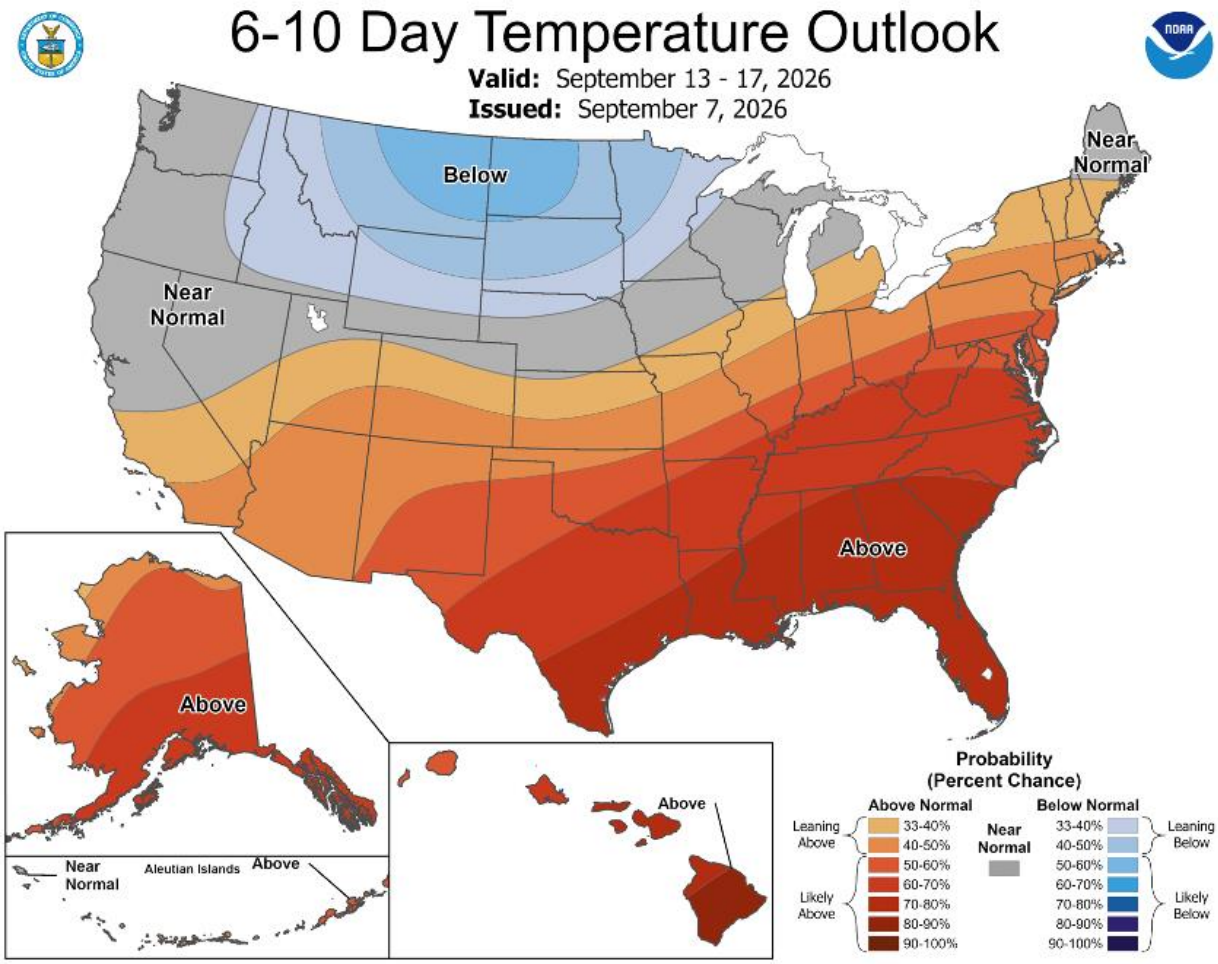
Cotton got a much-needed reset last week after a quick run higher through August, with little changing underneath the market. Now back near 86 cents per pound, the question is whether buyers are ready to step back in.

- **Today's Crop Progress report will give another look at how the U.S. crop is finishing the season.** Attention is shifting toward yield and abandonment as harvest gets closer across the Southwest. After the hot, dry finish to August, another drop in conditions will cast more doubt on the crop.
- **Friday's USDA Supply and Demand Report will be the biggest cotton-specific event of the week.** The market will watch for changes in U.S. production after another difficult month across the Southwest. Harvested acres,

abandonment, and yield will show how much late-season stress USDA is accounting for.

- **Last week's drop took some of the pressure out of a market that had gotten crowded quickly.** Funds had built a historically large long position through the August run, while others took the opportunity to book profits as prices moved higher. More may still shake out, but the underlying cotton story did not weaken nearly as much as prices did.
- **The outside market setup looks a little friendlier this week, but inflation could change that quickly.** Crude oil is higher, and the dollar has softened, giving commodities some support early in the week. Thursday's PPI and Friday's CPI report will help shape expectations heading into next week's Fed meeting, making the dollar one of the bigger outside markets to watch.





Market Recap

- **Cotton pulled back last week after the quick run higher through August, with December futures settling at 86.33 cents per pound, down 505 points on the week.** The contract set a new life-of-contract high of 93.74 cents per pound on Monday before selling picked up through the rest of the week. The decline triggered some shorter-term technical sell signals, but the market has not seen a broader technical breakdown yet.
- **Several factors drove the move lower rather than one clear shift in the market. Funds came into the week carrying a historically large long, while others took advantage of the run higher to book profits.** Pre-Labor Day flows also encouraged some risk reduction, while developments surrounding Russia and Ukraine added to volatility across commodities. Weekly export sales were poor

and certainly did not help, but the broader demand picture has not changed much in our opinion.

- **The supply side still has plenty of questions as the U.S. crop nears harvest.** Late-season heat and dryness across the Southwest have kept yield and abandonment in focus, while production concerns have also grown in other parts of the world. The pullback in futures did little to change those concerns, leaving the size of the U.S. crop as one of the bigger questions hanging over the market.
- **Some supportive pieces stayed in place even as cotton moved lower.** On-call data still favors eventual buying, with unfixed sales exceeding unfixed purchases as contracts are priced. China's reserve auctions have also seen steady demand, with the cotton offered consistently clearing, and U.S. cotton making up a meaningful share of the imported supplies sold.

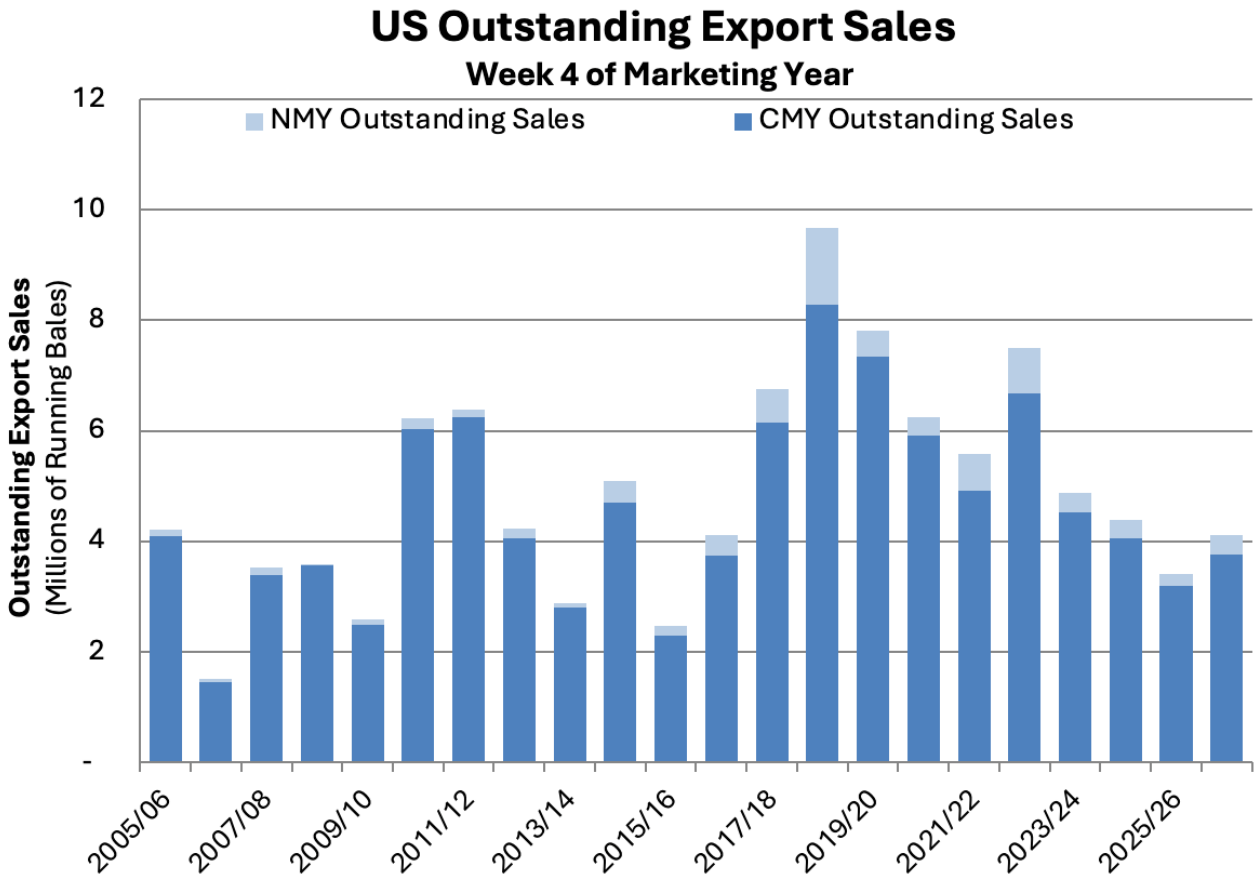
Economic and Policy Outlook

- **Outside markets were mixed last week as traders balanced stronger economic data, shifting interest rate expectations, and higher crude oil.** The August jobs report came in stronger than expected, increasing expectations for a September rate hike and giving the U.S. dollar some strength heading into the long weekend. Crude oil moved sharply higher on supply concerns and geopolitical tensions, providing some support to the broader commodity complex. Attention now shifts to Friday's CPI report, which will be one of the last major data points ahead of next week's Fed meeting and could determine whether the dollar becomes a greater headwind for cotton.
- **Headlines surrounding Chinese President Xi Jinping's expected U.S. visit were mixed last week, but agriculture looks likely to be part of the conversation.** What comes of the talks remains unclear, but any movement on trade barriers or agricultural purchases could be important for cotton.

- **Cotton received significant policy news last week, with the Buying American Cotton Act (BACA) receiving an official Statement of Administration Policy from the White House.** The SAP formally backs the bill and recommends that it be signed if it reaches the President's desk, an important step toward advancing the legislation. BACA would provide tax incentives for products made with U.S.-grown cotton to boost domestic demand. The House also passed a temporary funding measure through December 11, avoiding a near-term shutdown that could disrupt FSA operations during harvest.

Supply and Demand Overview

- **Upland net sales fell sharply to 27,500 bales for the week, down from 209,400 bales in the previous report.** India and Vietnam led purchases with 10,800 bales each, followed by Bangladesh with 5,200 bales. The slowdown was disappointing, but it also came as cotton traded near its recent highs, which may have kept some buyers on the sidelines.
- **Upland exports totaled 189,500 bales, down from 222,000 bales the previous week.** Vietnam accounted for more than 40% of shipments at 77,300 bales, followed by India, Pakistan, Mexico, and Indonesia. Shipments were lower on the week but held up considerably better than new sales.
- **Pima net sales totaled 1,800 bales, led by India, Thailand, and Pakistan. Pima exports reached 4,600 bales, with Vietnam and India accounting for more than half of the week's shipments.**
- **Overall, this was a disappointing week for new sales, but one report does not change the broader demand picture just yet.** Total commitments are still running ahead of last year, and the timing of the slowdown alongside cotton's move into the 90s is worth noting. With futures now back in the mid-80s, the next few reports should help show whether buyers were simply waiting for better prices or if demand has started to soften more broadly.



*Source: USDA, *Current Year USDA Production*

The Seam®

- **As of Friday afternoon, grower offers totaled 3,060 bales.** The past week, 453 bales traded on the G2B platform received an average price of 87.59 cents per pound. The average loan redemption rate (LRR) was 60.59, bringing the average premium over the LRR to 27.00 cents per pound.

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

ICE Futures Ending 9/4/2026

	Settlement	Daily Change	Weekly Change
December '26	86.33	-0.12	-5.05
March '27	88.62	-0.18	-4.72
May '27	89.97	-0.24	-4.51
July '27	89.47	-0.27	-4.20

Adjusted World Price (AWP)

	Current Value	Weekly Change
Adjusted World Price	73.92	+2.40
Loan Deficiency Payment	0.00	0.00
Fine Count Adjustment 2025	0.00	0.00
Coarse Count Adjustment	0.00	0.00

Official 9/4/26 - 9/10/26