PCCA PLAINS COTTON COOPERATIVE ASSOCIATION

OCTOBER 13, 2025

The Week Ahead

- Many expected the government shutdown to make for a dull stretch with limited data updates, but this past week proved otherwise as U.S.–China trade tensions flared again. The shutdown continues to drag on, creating challenges across the board. With little incentive for either political party to compromise, a funding deal remains stalled while the trade war heats back up. The lack of fresh data has traders flying blind, as they missed key USDA and CFTC reports last week and are likely to do so again this week.
- For commodities, the missed October supply and demand update has left markets guessing. The timing could not be worse for cotton, as harvest is now underway across the Cotton Belt and crucial reports remain unavailable.

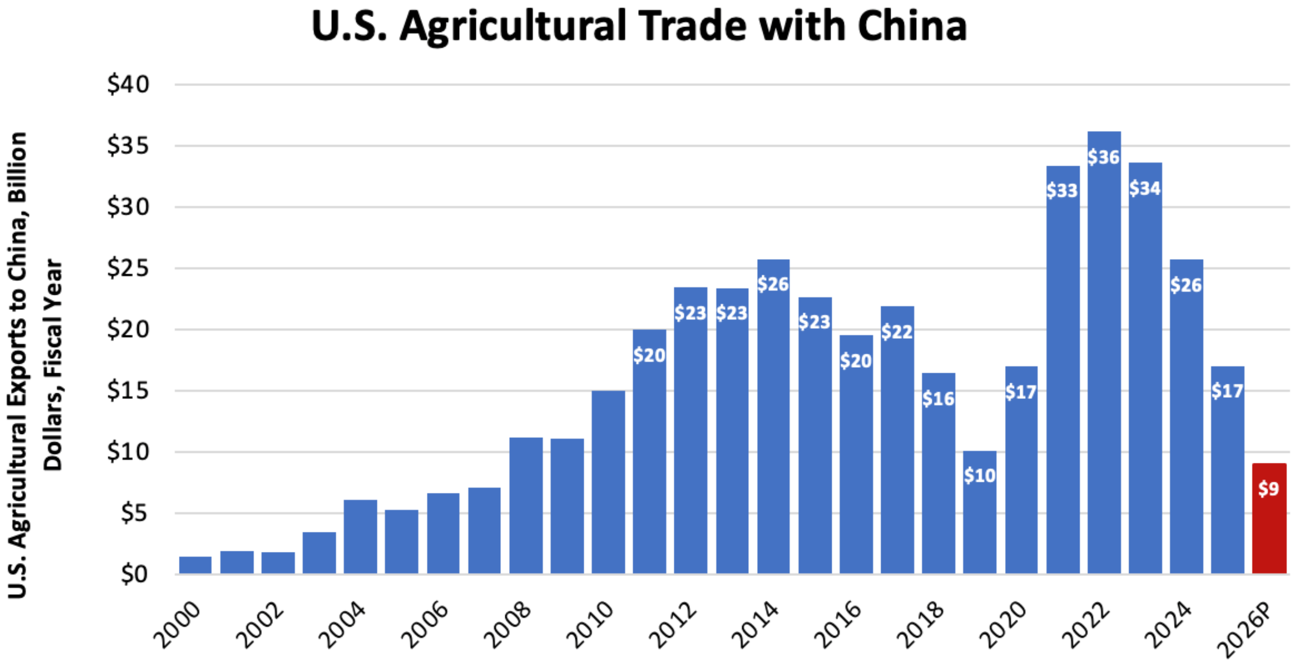
- It is worth reiterating that a key protection of U.S. farm policy, the CCC loan, is not available to farmers (or their cooperatives) just as harvest begins. The industry needs to find a way to continue the loan during lapses in government funding. There is never a good time to not have the loan.

Market Recap

- Cotton extended its risk-off trend last week, with December futures sliding 146 points to 63.84 cents per pound. The market faced a technical breakdown amid ongoing pressure from stalled U.S.–China trade talks and the prolonged government shutdown. With limited data available, speculators appear to have added to short positions, and sentiment remains cautious. Traders are watching for any policy moves or trade progress to help stabilize prices, but shifting headlines continue to keep the market uneasy.
- One of the industry's biggest events, the International Cotton Association's 2025 Trade Event, was held last week in Dubai. Reports from the meetings pointed to slower overall demand, with mills showing a stronger preference for Brazilian cotton over U.S. fiber, due to its price discount. There was also discussion around the potential benefits of the Buy America Cotton Act (BACA) and how its passage could support the broader industry.
- Trading volume stayed active, with some buying near the lows, though demand remains subdued. Open interest climbed to its highest level since April, up 14,318 contracts to 291, 683 while certificated stocks slipped 1,420 bales to 16,471.

Economic and Policy Outlook

- Markets initially shrugged off the government shutdown, with stocks pushing higher—until Friday's wake-up call. In an unusual turn, China took the first swing, imposing new port fees on U.S. ships and launching an antitrust probe that could restrict exports of rare earth metals critical to American manufacturing. The U.S. quickly fired back with an additional 100% tariff set to take effect on November 1. While President Trump hinted at renewed talks over the weekend, the back-and-forth leaves little clarity—and plenty of concern—as the holiday shopping season approaches.



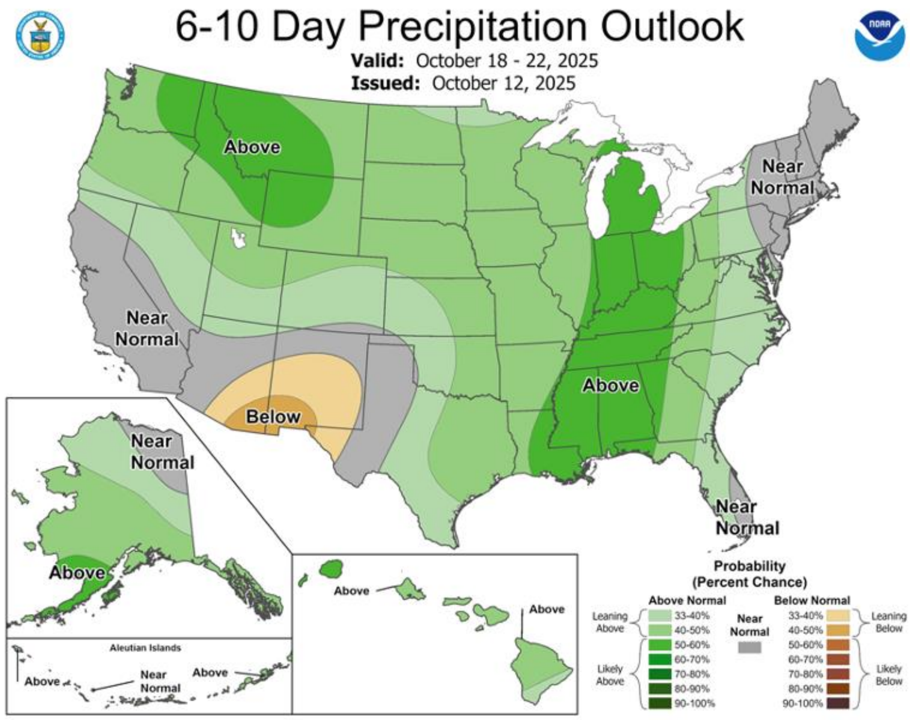
Source: USDA FAS, PCCA

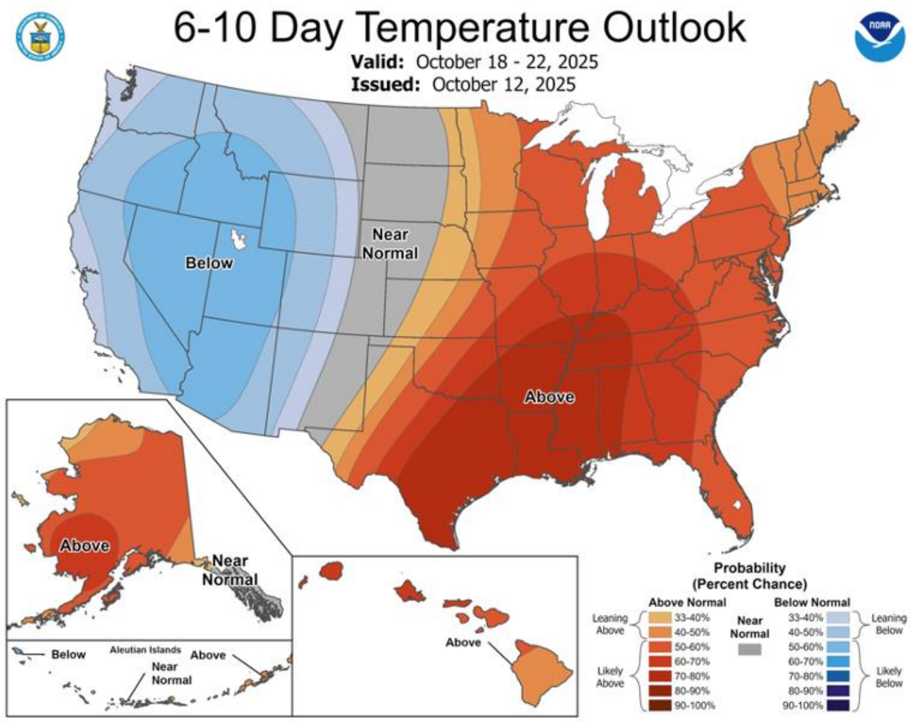
- The government shutdown, meanwhile, drags on, though some federal workers have been called back. The state of the economy remains a key concern, and inflation data is now front and center for markets. Updated CPI and PPI reports, originally due this week, have been delayed until October 24—just days before the Federal Reserve's next policy meeting on October 28–29.

Weather and Crop Watch

- Light rain moved through parts of West Texas, the Panhandle, and southwestern Oklahoma over the weekend, briefly slowing harvest but leaving only light totals. Conditions look mostly favorable in the weeks ahead, with just a couple of quick rain chances—one early this week that could bring up to three-quarters of an inch, and another possible late next week.

- Otherwise, sunny and dry weather should keep cotton moving toward maturity and support steady harvest progress. Temperatures will stay mild, with highs in the 70s to 80s, a brief cooldown this weekend, and a warm-up again next week. Classing offices across Texas have now received samples, marking harvest and ginning officially underway in the entire Southwest.





The Seam

- As of Friday afternoon, grower offers totaled 30,070 bales. There were 2,497 bales that traded on the G2B platform, receiving an average price of 60.88 cents per pound. The average loan for these bales was 55.01, bringing the average premium received to 5.87 cents per pound.

ICE Futures Ending 10/10/2025

	Settlement	Daily Change	Weekly Change
Dec. '25	63.84	-0.63	-1.46
Mar. '26	65.60	-0.74	-1.59
May '26	66.89	-0.77	-1.61
July '26	68.10	-0.77	-1.10