PLAINS COTTON COOPERATIVE ASSOCIATION

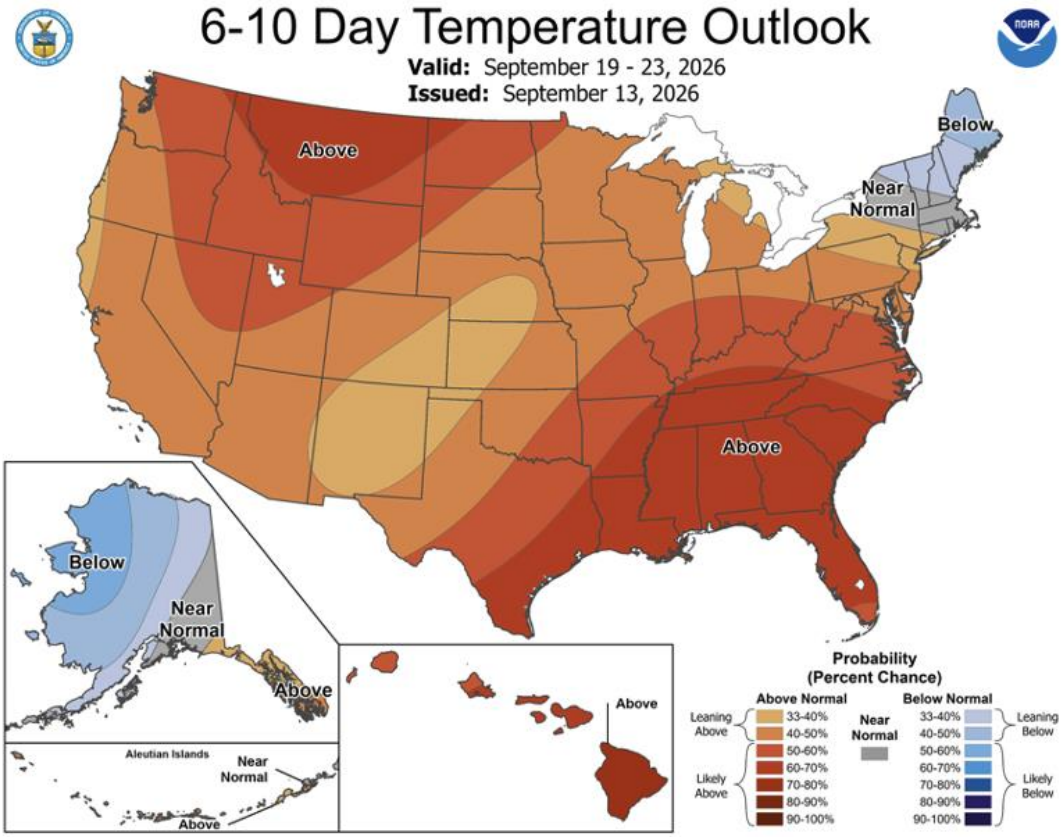
SEPTEMBER 14, 2026

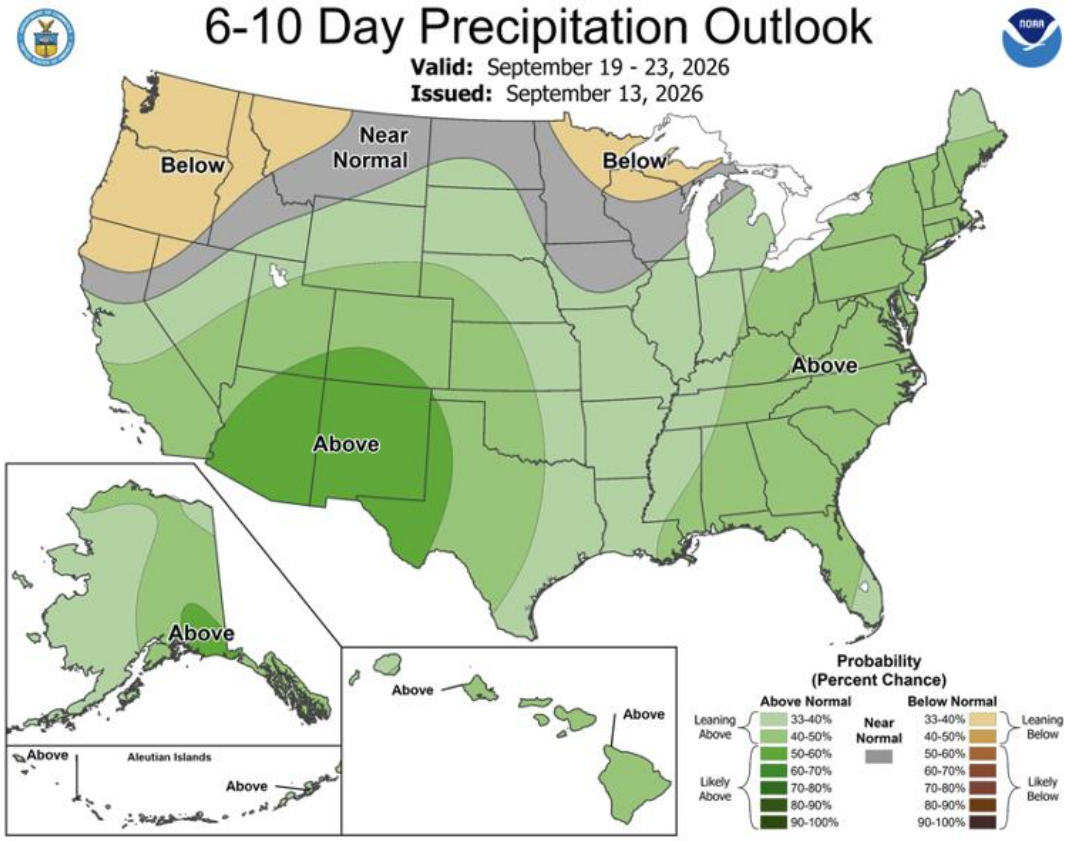
The Week Ahead

Cotton ended last week on shaky ground after Friday's sharp sell-off erased most of the gains from earlier in the week. Now back near 86 cents per pound, the market is caught between weaker short-term momentum and a supply picture that still has plenty of questions.

- **USDA lowered its U.S. production estimate in the latest supply and demand report, but there are still plenty of questions surrounding the size of the crop.** U.S. crop conditions slipped again last week, with the Southwest still carrying much of the concern. Record heat through July and August took a toll on the West Texas crop, leaving yield and abandonment as two of the bigger questions heading into harvest.

- **Funds did some selling last week after buying heavily through August.** They still own a historically large amount of cotton, which leaves the market vulnerable to more selling if prices struggle again this week.
- **Wednesday's Fed decision will be the biggest event for outside markets this week.** Markets are leaning toward a 25-basis-point rate hike, putting plenty of attention on the dollar and broader commodity markets. With a hike already largely expected, what the Fed says about the path forward could matter just as much as the decision itself.
- **China should also stay on the radar as the September 24 meeting gets closer.** Agricultural trade is expected to be part of the discussion, making any headlines leading up to the meeting worth watching. Cotton still needs to see its own demand improve, but any signs of progress between the U.S. and China could bring some attention back to the demand side of the market.





Market Recap

- **Cotton spent most of the holiday-shortened week trying to recover before Friday erased nearly all of the progress.** December futures were basically unchanged Tuesday before gaining nearly a cent on both Wednesday and Thursday. The contract traded as high as 88.80 cents per pound before Friday's sell-off sent prices 216 points lower to settle the week at 86.06 cents.
- **Friday offered plenty for traders to digest, but there was no clear reason for the move lower.** The market struggled to hold its early strength, and once selling picked up, cotton quickly gave back earlier gains. Managed Money also turned into net sellers after five consecutive weeks of buying. After the quick run higher through August, some of that buying appears to have cooled.
- **There are still a few supportive pieces underneath the market.** On-call data still favors eventual buying, while China's reserve auctions stayed well supported overall.

Those factors have not disappeared, even as cotton has struggled to regain its footing following the August rally.

Economic and Policy Outlook

- **Inflation came in a little hotter in August, adding to expectations that the Fed could raise rates at its meeting this week.** Headline CPI rose 0.4%, while core prices increased 0.3%, and producer prices also picked up as higher energy costs added to inflation pressure. Higher rates have already been a drag on the broader economy, and the possibility of another hike has kept pressure on outside markets and added another headwind for cotton.
- **AI concerns added another layer of uncertainty to outside markets last week after leaders at several of the largest AI companies called for slowing development of their most advanced models.** The headlines raised questions about the technology sector that has helped drive equity markets higher, creating broader risk-off pressure that also weighed on cotton prices.

Supply and Demand Overview

- **September supply and demand estimates came in about as expected, with USDA trimming the U.S. crop and tightening ending stocks.** Production was cut 3% to 13.2 million bales as the national average yield fell 22 pounds to 776 pounds per harvested acre. Yields and production were lowered in the Delta and Southwest, while the Southeast and West saw slight increases.
- **U.S. mill use was also cut to 1.50 million bales, but smaller beginning stocks and production still pulled ending stocks down 400,000 bales to 3.60 million.** The stocks-to-use ratio fell from 28.8% to 26.1%.
- **The global balance sheet was more mixed and offered little new for the demand side of the market.** World production was lowered by more than 300,000 bales to 117.3 million, with cuts to the U.S., Turkey, and Pakistan partially offset by a larger Brazilian crop and increases elsewhere.

Brazil is becoming an increasingly important piece of the global supply picture, with another large crop adding to export competition for U.S. cotton.

- **Global consumption was essentially unchanged, while higher beginning stocks ultimately pushed world ending stocks slightly higher to roughly 69.9 million bales.**
- **USDA also made a few adjustments to the 2025/26 balance sheets as year-end trade data came into focus. U.S. exports rose to 12.30 million bales, lowering ending stocks to 4.15 million bales.** Globally, imports, consumption, and ending stocks were revised higher, largely reflecting updated trade data rather than a major shift in the broader outlook.

2026/27 (Proj.) World and U.S. Cotton Supply and Use
(Million 480-Pound Bales)

	Beginning Stocks	Production	Imports	Domestic Use	Exports	Ending Stocks	Stocks-to-Use
United States							
August Report	4.20	13.61	0.01	1.60	12.30	4.00	28.8%
September Report	4.15	13.20	0.01	1.50	12.30	3.60	26.1%
Change	-0.05	-0.41	0.00	-0.10	0.00	-0.40	-2.7%
World							
August Report	74.80	117.63	43.80	122.92	43.82	69.69	56.7%
September Report	75.31	117.32	44.24	122.92	44.22	69.86	56.8%
Change	0.51	-0.31	0.44	0.00	0.40	0.17	0.1%

Source: USDA WAOB

- **Upland net sales improved to 73,900 bales for the week, up from just 27,500 bales in the previous report.** Pakistan led purchases with 19,400 bales, followed by Vietnam with 17,500 bales, Mexico with 11,900 bales, Bangladesh with 10,500 bales, and India with 9,500 bales. While the rebound was welcome, sales are still lackluster and well below the pace the market would like to see.
- **Upland exports totaled 177,800 bales, down from 189,500 bales the previous week.** Vietnam and India led shipments with 50,300 and 47,000 bales, respectively, followed by Pakistan, Honduras, and Mexico.
- **Pima net sales jumped to 10,000 bales, led by India with 6,600 bales, followed by Peru, Thailand, Bangladesh, and Italy.** Pima exports totaled 5,200 bales, with India and Pakistan accounting for most of the week's shipments.

- **Overall, this week was better than the last, but demand is still not showing the strength the market would like to see.** Upland sales nearly tripled from last week's unusually low total, but 73,900 bales is hardly a strong number. The pullback in prices may have brought some buyers back to the table, but not enough yet to signal a meaningful pickup in demand. With cotton back in the mid-80s, stronger sales over the next few reports would go a long way toward supporting the demand side of the market.

The Seam®

- **As of Friday afternoon, grower offers totaled 3,059 bales.** The past week 1,050 bales traded on the G2B platform received an average price of 79.63 cents per pound. The average loan redemption rate (LRR) was 57.73, bringing in an average premium over the LRR of 21.90 cents per pound.
- **Note:** The Loan Redemption Rate (LRR) is the loan rate minus the current Loan Deficiency Payment (LDP).

ICE Futures Ending 9/11/2026

	Settlement	Daily Change	Weekly Change
December '26	86.06	-2.16	-0.27
March '27	88.56	-2.10	-0.06
May '27	89.95	-2.08	-0.02
July '27	89.52	-1.91	+0.05

Adjusted World Price (AWP)

	Current Value	Weekly Change
Adjusted World Price	69.51	-4.41
Loan Deficiency Payment	0.00	0.00
Fine Count Adjustment 2025	0.00	0.00
Coarse Count Adjustment	0.00	0.00

Official 9/11/26 - 9/16/26