



PLAINS COTTON
COOPERATIVE ASSOCIATION



SEPTEMBER 15, 2025

The Week Ahead

- Markets are optimistic heading into Wednesday's Fed meeting, where a 25 basis point rate cut is widely expected and would mark the first in nine months. Investors will also be watching U.S.–China trade talks this week alongside Tuesday's retail sales report, both of which could shape sentiment around growth and demand. Chair Powell's press conference will be key for signals on inflation, labor market weakness, and tariffs.
- Cotton markets remain focused on demand signals and weather as harvest continues in South Texas and bolls begin to crack open across other areas in the Southwest. Export sales stay the primary benchmark, though competing origins continue to pressure the U.S. share.

Market Recap

- Cotton prices held in a narrow range despite the latest supply and demand update. December futures still managed four straight days of gains, ending the week up 80 points at 66.83 cents per pound.
- Speculators added to their short positions again, bringing them close to a record net short. Specs have held a net short position for a record 72 weeks in a row. The previous longest streak was 41 weeks back in 2006. Trading volumes were light, and the technical outlook remains flat, leaving the market exposed to sudden shifts. Open interest slipped by 443 contracts to 255,983, while certificated stocks held at 15,474 bales, the lowest level since early May.
- All eyes were on Friday's September 12 World Agricultural Supply and Demand Estimates (WASDE) report. The update proved largely uneventful, with only marginal adjustments on the U.S. balance sheet. The lone domestic change was a 10,000-bale increase in production, now projected at 13.22 million bales.
- Globally, revisions were more active but still limited in scope. World production increased 1.06 million bales to 117.68 million, led by a 1-million-bale increase in China's crop. Global consumption rose 840,000 bales to 118.83 million, also driven by higher Chinese use. China's imports, however, were trimmed 100,000 bales in response to stronger domestic production and demand. As a result, world ending stocks fell 770,000 bales to 73.14 million, pulling the stocks-to-use ratio down to 61.6 percent. It is good to see an overall increase in cotton demand, but the number needs to move firmly higher to change cotton's narrative enough to prod specs off their short position.

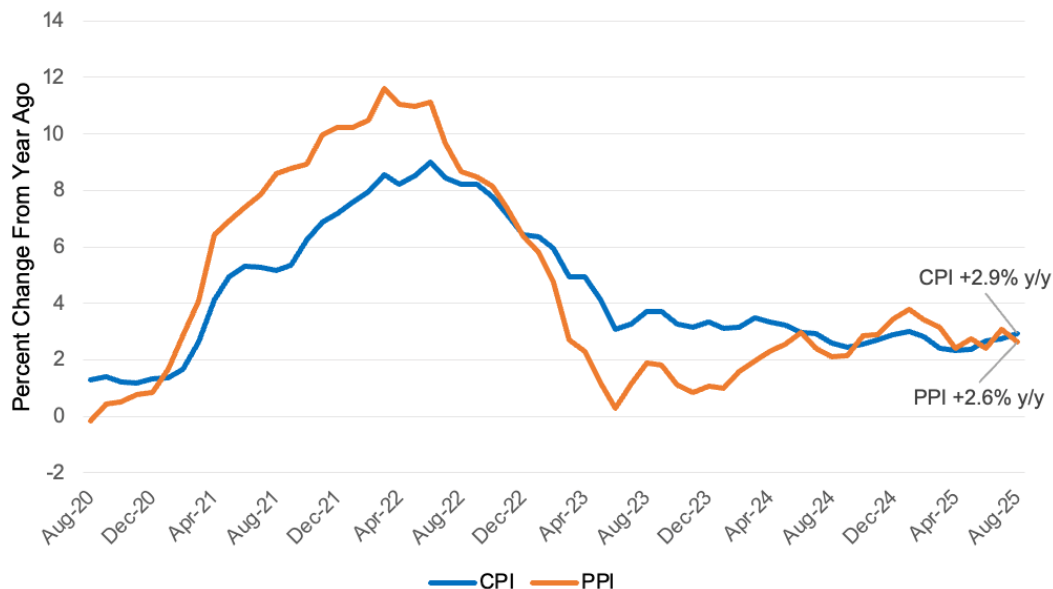
2025/26 (Proj.) World and U.S. Cotton Supply and Use
(Million 480-Pound Bales)

<i>United States</i>							
	Beginning Stocks	Production	Imports	Domestic Use	Exports	Ending Stocks	Stocks-to-Use
August Report	4.00	13.21	0.01	1.70	12.00	3.60	26.3%
September Report	4.00	13.22	0.01	1.70	12.00	3.60	26.3%
Change	0.00	0.01	0.00	0.00	0.00	0.00	0.0%
<i>World</i>							
August Report	75.05	116.62	43.58	117.99	43.59	73.91	62.6%
September Report	74.06	117.68	43.71	118.83	43.70	73.14	61.6%
Change	-0.99	1.06	0.13	0.84	0.11	-0.77	-1.1%

Economic and Policy Outlook

- Headlines last week were dominated by inflation data, with both the Consumer Price Index (CPI) and Producer Price Index (PPI) released ahead of this week's Federal Open Market Committee (FOMC) meeting. CPI came in largely as expected, up 0.4% on the month and 2.9% year-over-year, while core rose 0.3% and 3.1%, respectively. Inflation remains sticky, but markets still expect the Fed to move forward with a rate cut this week. Producer prices told a different story, slipping 0.1% from July while rising 2.6% on the year – the first monthly decline since April. If the Fed decides to make a series of rate cuts, it could help lift commodities like cotton out of the current rut. Of course, some completed trade deals would be good medicine, too.

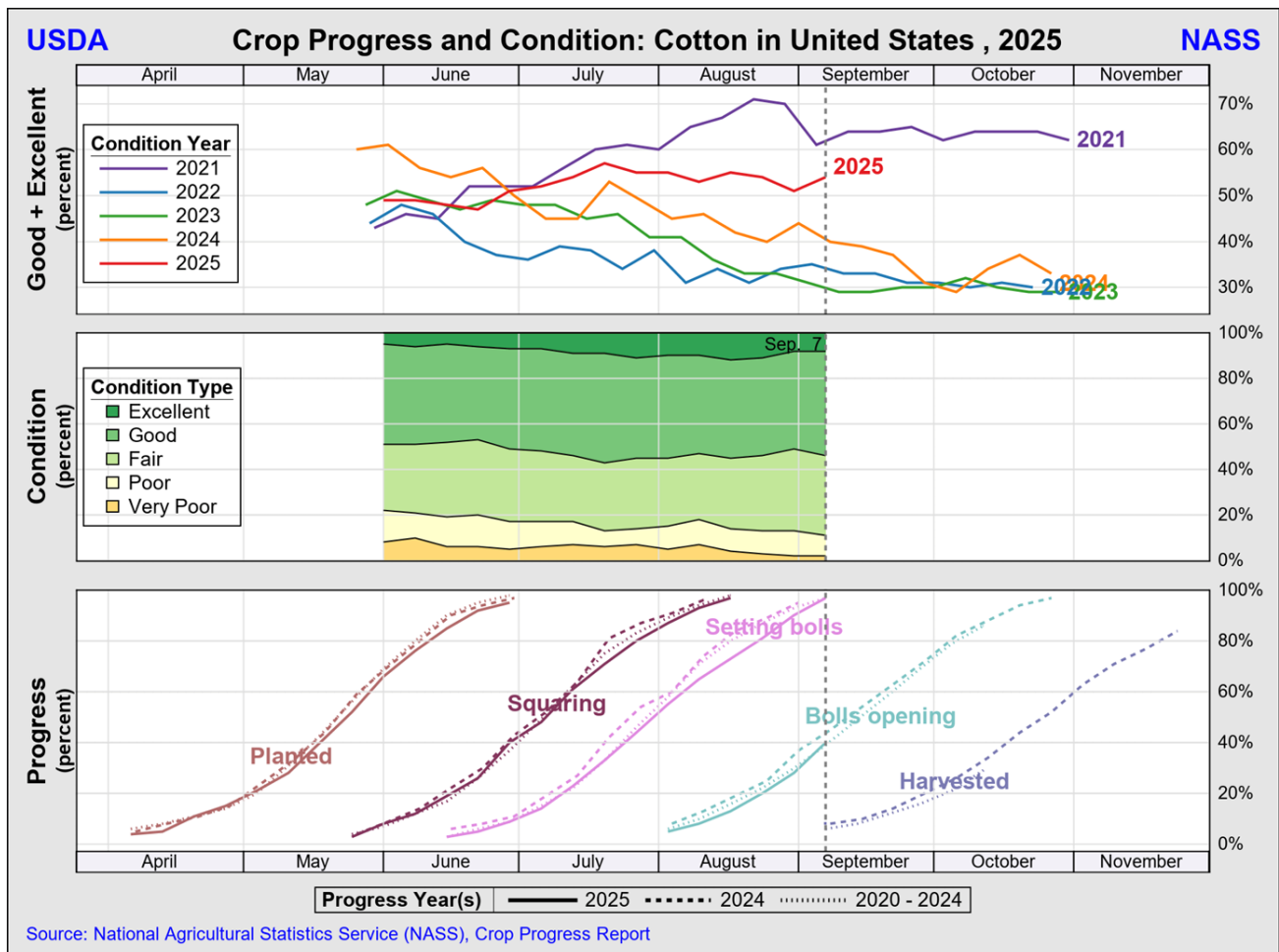
U.S. Inflation Indicators for August



Source: U.S. Bureau of Labor Statistics retrieved via FRED

Weather and Crop Watch

- Southwest conditions remain mostly favorable, though ratings slipped in Oklahoma to 70% good-to-excellent, while Texas improved to 48% and Kansas to 69%. Boll opening is progressing at 38% in Texas, 26% in Oklahoma, and 17% in Kansas. In South Texas, harvest is over 80% complete, bringing the statewide harvest to 19%.



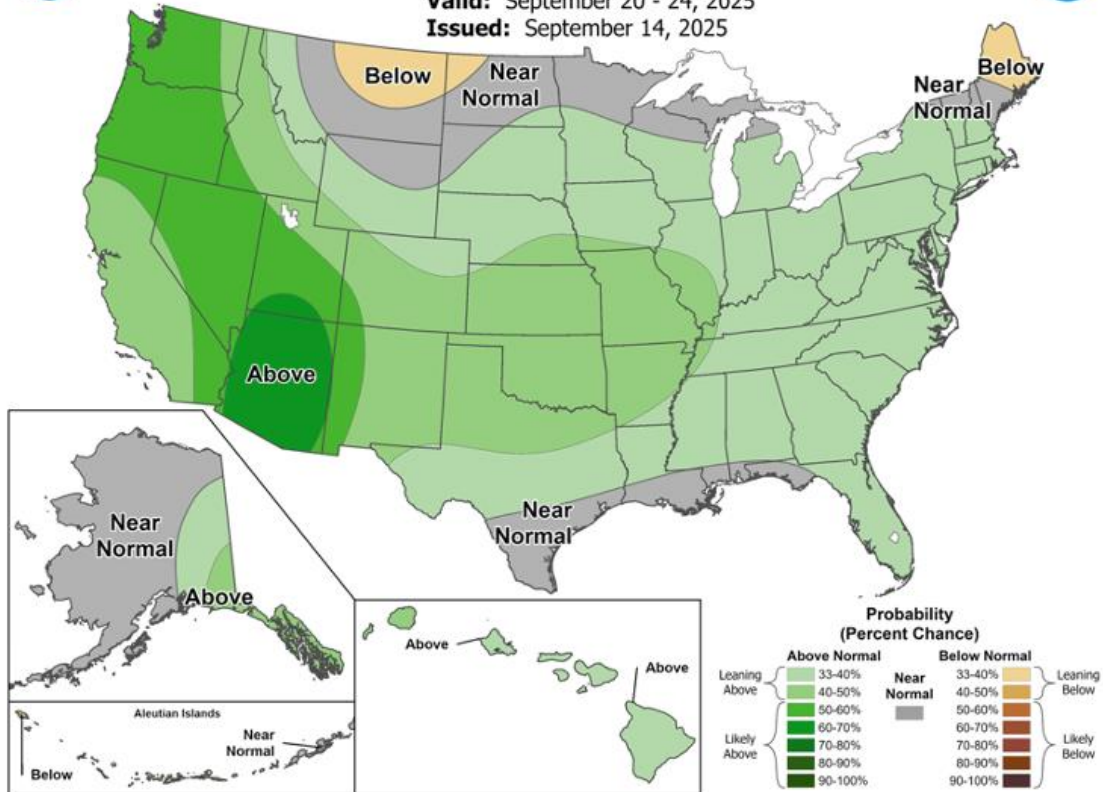
- Heavier-than-expected rains brought over an inch to parts of western Texas and southwestern Oklahoma, while most other parts of the Southern Plains stayed dry. The moisture aided crops, though South Texas harvest continued around scattered showers. Midweek showers are expected in the Panhandle and southwestern Oklahoma before a drier stretch improves fiber quality and harvest progress. Warmer, above-average temperatures are forecast for the Southwest this week.



6-10 Day Precipitation Outlook

Valid: September 20 - 24, 2025

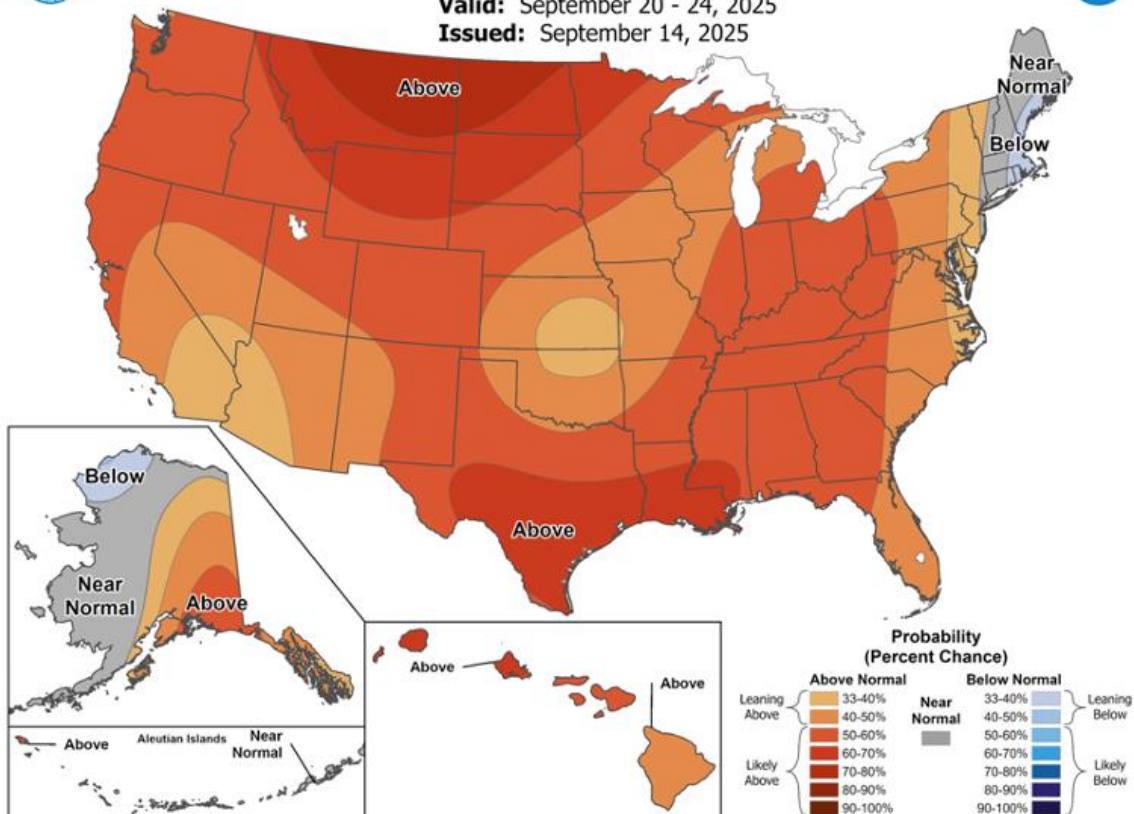
Issued: September 14, 2025



6-10 Day Temperature Outlook

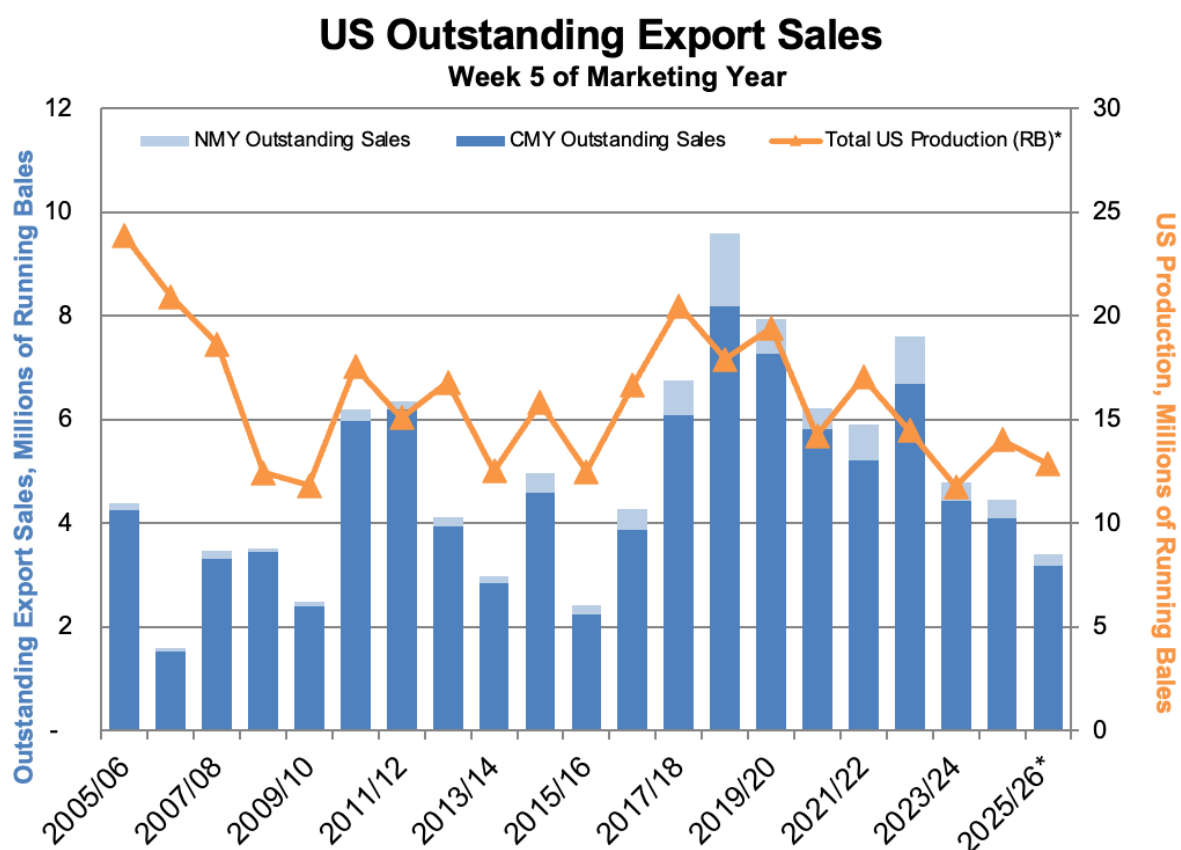
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Export Trends

- Export sales slowed this week, with net Upland commitments of 129,600 bales, down from the prior week and the recent 4-week average. Vietnam led with 61,500 bales, followed by China, India, Pakistan, and Turkey. Commitments remain at the lowest level since 2015.
- Shipments reached 130,200 bales, also trailing seasonal norms. The slower pace reflects limited new crop availability outside South Texas and continued competition from other growths.
- For Pima, new sales were light at 1,200 bales, led by India, Indonesia, and Japan, while shipments improved to 5,800 bales. Both sales and shipments remain ahead of the pace needed to meet USDA's estimate.



Source: USDA, *Current Year USDA Production Forecast

The Seam

- As of Thursday afternoon, grower offers totaled 23,549 bales. There were 3,637 bales that traded on the G2B platform that received an average price of 63.81 cents per pound. The average loan for these bales was 56.30, bringing the average premium received to 7.51 cents per pound.

ICE Futures Ending 9/12/2025

	Settlement	Daily Change	Weekly Change
Dec. '25	66.83	+0.11	+0.80
Mar. '26	68.75	+0.13	+0.79
May '26	70.12	+0.12	+0.78
July '26	71.02	+0.14	+0.79

Adjusted World Price (AWP)

Official 9/12/25 thru 9/18/25	
AWP	54.10
LDP/MLG	0.00
2024 FCA	0.00
Coarse Count	0.00