



PLAINS COTTON
COOPERATIVE ASSOCIATION

A photograph of a cotton field with green leaves and bolls. The text 'Cotton Market Weekly' is overlaid in white.

Cotton Market Weekly

OCTOBER 27, 2025

The Week Ahead

- Aside from the ongoing government shutdown — now in its 27th day with no end in sight — this could be the busiest week markets have seen since October 1. President Trump and President Xi made headlines over the weekend after reports that the U.S. and China have agreed on a preliminary framework to ease trade tensions, with agricultural goods specifically mentioned in the tariff discussions. It's a timely development, as the retaliatory tariffs the U.S. imposed on China over rare earth exports are still set to take effect November 1. Markets traded higher on the news, and all eyes are on Thursday's official meeting between the two leaders for more concrete progress. Meanwhile, the U.S. raised tariffs on Canada by 10%, adding another layer of uncertainty to trade flows.

- The Federal Reserve will also meet this week, with markets pricing in a more than 90% chance of a rate cut and another expected in December. Still, the government shutdown remains a major concern, especially as SNAP funding worries grow and thousands of federal workers continue to miss full paychecks.
- While we don't yet have updated cotton-specific data, it's important to note that the CCC loan program is expected to become available to producers again soon. President Trump and Secretary Rollins announced that FSA offices reopened to the public last Thursday, October 23, with a priority on restarting CCC-funded programs, including Marketing Assistance Loans. The industry still needs a long-term fix to ensure the program continues during future funding lapses, but for now, its reopening is critical as it gives growers back an essential safety net after weeks without one.

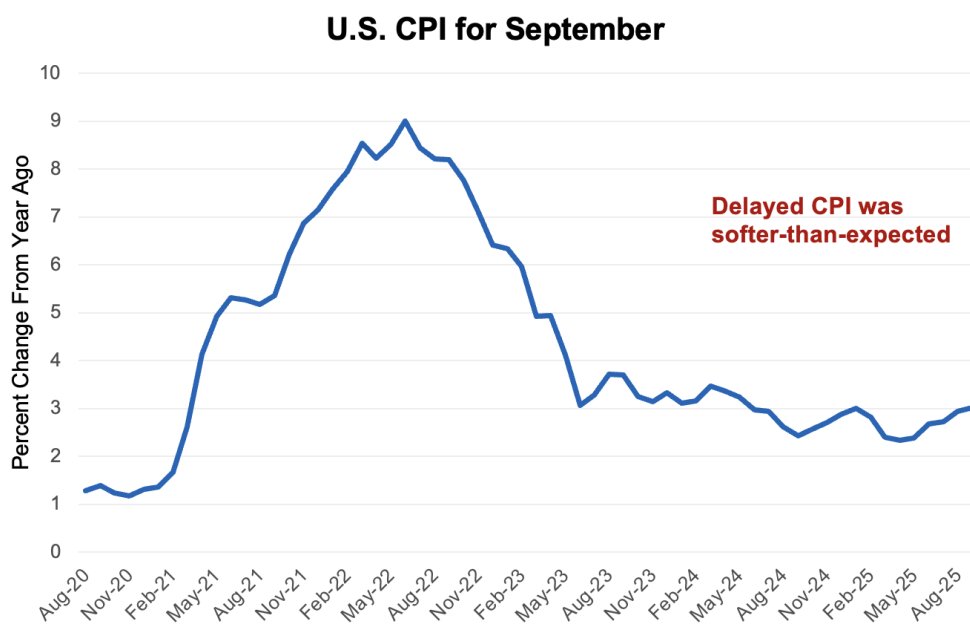
Market Recap

- Cotton futures were mostly steady last week, trading in one of the tightest ranges seen in nearly three years as the market waited for clearer direction on trade policy and government funding. With little cotton-specific news to drive movement, prices hovered near 64 cents and followed broader market trends instead. December futures ended the week slightly lower, down eight points to close at 64.20 cents per pound.
- Optimism over U.S.–China trade talks provided brief support, though the lack of concrete progress and the ongoing government shutdown kept enthusiasm in check. The technical outlook remains flat, with the market unable to hold any prominent gains. USDA's FSA resuming loan operations was a welcome step for growers, but overall sentiment stayed cautious with limited volume and speculative funds largely on the sidelines.
- Daily trading volume was lighter last week, though open interest still increased by 4,910 contracts to

295,051. Certificated stocks also rose by 800 bales to reach 17,552.

Economic and Policy Outlook

- Despite the government still being shut down, fresh Consumer Price Index (CPI) data was released Friday after a brief delay. The report came in a bit better than expected, with both headline and core CPI rising 3.0% year over year and 0.3% and 0.2% month over month, respectively. The slightly softer inflation reading has all but sealed the deal for the Fed to cut rates at this week's meeting, even though inflation remains above the 2% target. A potential rate cut could weaken the dollar and improve U.S. cotton's competitiveness on the export market, offering some support to prices.

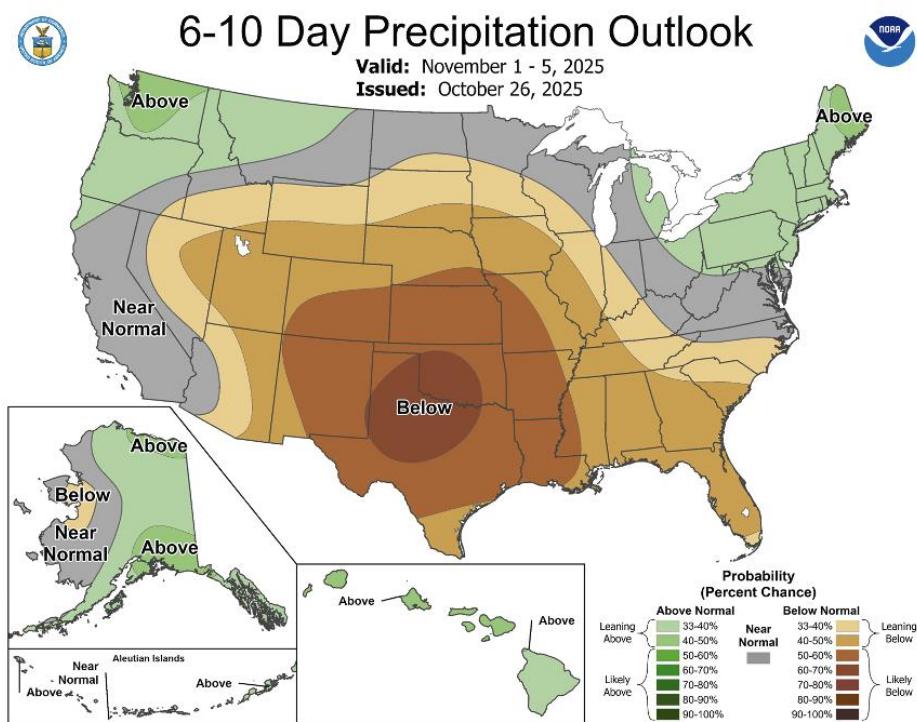
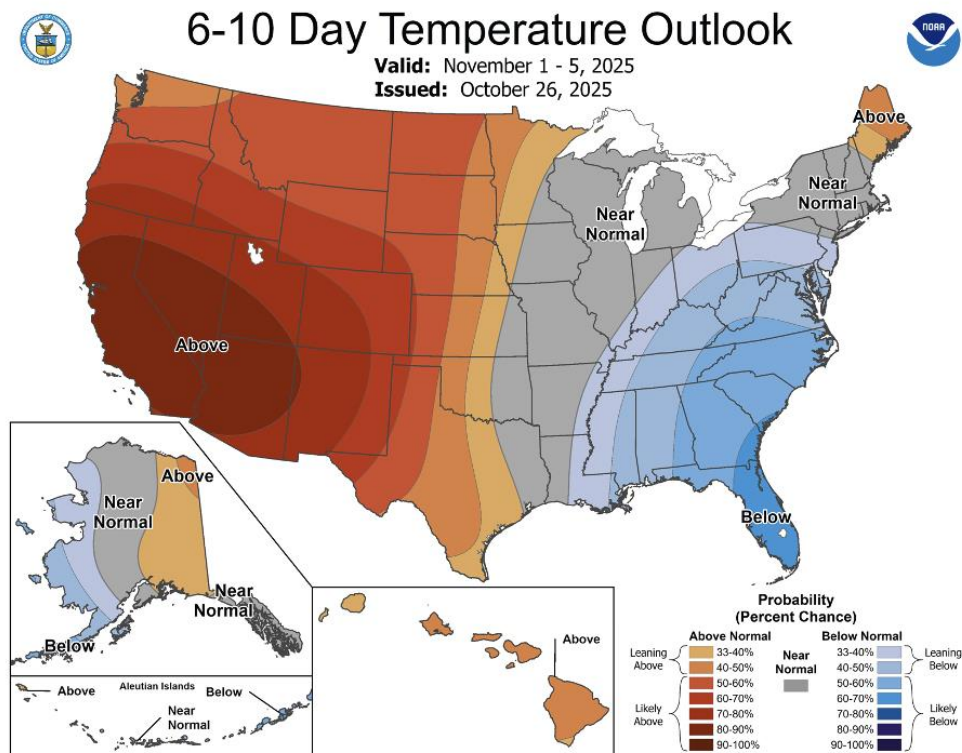


Source: U.S. Bureau of Labor Statistics via FRED

Weather and Crop Watch

- Rain moved through much of West Texas and Southwestern Oklahoma late last week, briefly slowing harvest and potentially causing some discoloration before conditions turned dry again Sunday. South Texas harvest is largely complete, while West Texas is now in full swing and ginning activity is picking up across the region. The week ahead

looks mostly dry, allowing progress to continue aside from a few light showers early in the week. Temperatures will dip midweek with a freeze possible in parts of West Texas before a gradual warmup returns by the weekend.



The Seam

- As of Friday afternoon, grower offers totaled 32,237 bales. The past week 3,269 bales traded on the G2B platform received an average price of 62.44 cents per pound. The average loan for these bales was 56.22, bringing the average premium received to 6.22 cents per pound.

ICE Futures Ending 10/24/2025

	Settlement	Daily Change	Weekly Change
Dec. '25	64.20	+0.13	-0.08
Mar. '26	65.71	+0.04	-0.07
May '26	66.95	+0.03	-0.02
July '26	68.12	+0.03	+0.03