



PLAINS COTTON  
COOPERATIVE ASSOCIATION



**AUGUST 18, 2025**

### **The Week Ahead**

- **This week should be a little quieter on the data front.** At the end of the week, the Federal Reserve's annual Jackson Hole Economic Symposium will take place, where Fed officials will share their thoughts on the economy, inflation, tariff impacts, and monetary policy. The minutes from the last Fed meeting will be released on Wednesday. All these could impact the dollar and broader markets, which would flow into the cotton market.
- **For cotton, focus stays on policy and weather—how trade or tariff moves may shape export demand, and how heat, dryness, or storm activity in key regions could impact the crop.**

## Market Recap

- The August World Agricultural Supply and Demand Estimates (WASDE) report, released Tuesday, sent cotton futures sharply higher on a major cut to U.S. production. **The rally was short-lived, however, as many traders discounted the reduction, doubting that the crop is that small. Even so, the market managed to recover some of last week's losses, with December futures finishing the week up 94 points at 67.54 cents per pound.**
- The latest CFTC On-Call Report still shows purchases running ahead of sales, a dynamic that continues to hang over the market. **Speculators stepped up as sellers last week, adding to an already heavy short position. The technical outlook is still flat, but any surprises from upcoming reports or policy developments could trigger sharper price swings. Volume picked up last week with the WASDE report, while open interest rose 3,413 contracts to 238,885. Certificated stocks fell by 1,225 bales to 17,017, the lowest since early May.**
- The key changes in the latest WASDE include a 1.4 million-bale cut to the U.S. crop, now pegged at 13.21 million bales, and a 500,000-bale reduction in exports to 12 million. **These adjustments lowered U.S. ending stocks by one million bales to 3.6 million. World ending stocks for 2025/26 were reduced 3.41 million bales to 73.91 million, while 2024/25 use was raised 1.25 million bales to 117.95 million.**

2025/26 (Proj.) World and U.S. Cotton Supply and Use (Million 480-Pound Bales)								
United States								
	Beginning Stocks	Production	Imports	Total Supply	Domestic Use	Exports	Ending Stocks	Stocks-to-Use
July Report	4.10	14.60	0.01	18.71	1.70	12.50	4.60	32.4%
August Report	4.00	13.21	0.01	17.22	1.70	12.00	3.60	26.3%
Change	-0.10	-1.39	0.00	-1.49	0.00	-0.50	-1.00	-6.1%
World								
July Report	76.78	118.42	44.68	195.20	118.12	44.69	77.32	65.5%
August Report	75.05	116.62	43.58	191.67	117.99	43.59	73.91	62.6%
Change	-1.73	-1.80	-1.10	-3.53	-0.13	-1.10	-3.41	-2.8%
2024/25 (Est.) World and U.S. Cotton Supply and Use (Million 480-Pound Bales)								
United States								
	Beginning Stocks	Production	Imports	Total Supply	Domestic Use	Exports	Ending Stocks	Stocks-to-Use
July Report	3.15	14.41	0.01	17.57	1.70	11.80	4.10	30.4%
August Report	3.15	14.41	0.01	17.57	1.70	11.90	4.00	29.4%
Change	0.00	0.00	0.00	0.00	0.00	0.10	-0.10	-1.0%
World								
July Report	73.74	119.90	42.61	193.64	116.70	42.99	76.78	65.8%
August Report	73.36	119.15	42.70	192.51	117.95	42.43	75.05	63.6%
Change	-0.38	-0.75	0.09	-1.13	1.25	-0.56	-1.73	-2.2%

Source: USDA WAOB

## Economic and Policy Outlook

- **U.S. retail sales rose 0.5% in July, with clothing and accessory sales up 0.7% on the month and 5% year over year.** Despite the solid headline numbers, consumer sentiment was weaker, raising questions about discretionary spending heading into the fall as inventories and supply chains face tariff uncertainty.
- **Trump extended the U.S.-China tariff truce by 90 days, easing immediate fears of a renewed trade war and giving negotiators more time to work toward a longer-term deal.** The move also opens the door for a possible meeting with President Xi in late October, where trade, technology access, and tariff policy are expected to dominate the agenda.
- **U.S. Consumer Price Index (CPI) rose 0.2% in July, which is in line with expectations, with the annual rate steady at 2.7%. However, the Producer Price Index (PPI) jumped 0.9% on the month versus 0.2% expected, pushing the yearly PPI to 3.3%.** The upside surprise suggests tariff-related costs are being passed through more quickly, keeping inflation pressures alive. Even so, markets are still pricing in a Fed rate cut at the September meeting.

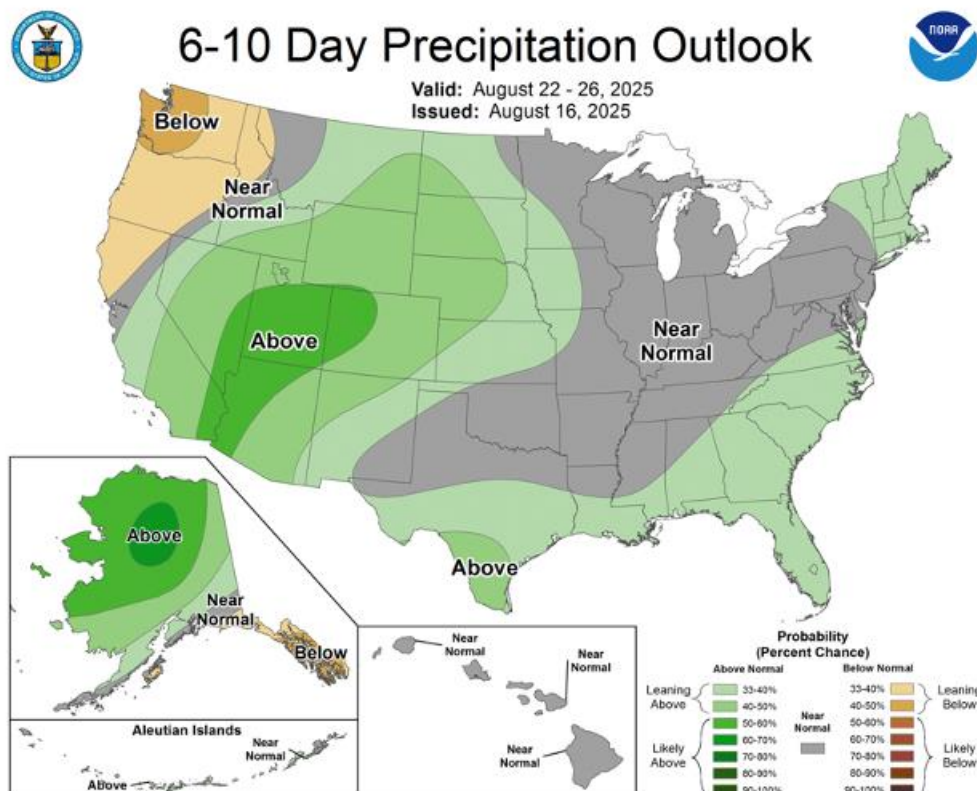
### U.S. Retail Sales Increase in Sign of Consumer Resilience



Source: U.S. Census Bureau, retrieved from FRED, Federal Reserve Bank of St. Louis

## Weather and Crop Watch

- Hot, dry conditions persisted across the Southwest this past week, underscoring the need for timely rainfall, especially in dryland fields. **Most cotton has now set bolls, with opening just beginning in some areas. As of August 11, crop ratings stood at 44% good to excellent in Texas, 65% in Oklahoma, and 48% in Kansas.**
- West Texas remains hot and dry, with highs in the upper 90s accelerating crop development and driving the need for growth regulators and irrigation where available. **In South Texas, growers pushed hard to harvest ahead of widespread storms moving through the Coastal Bend and Rio Grande Valley, leaving cotton stacked at gins and fields. Attention now turns to the Gulf, where developing storms could affect the quality of unharvested cotton. Elsewhere in the Southwest, pop-up storms are possible, and temperatures are expected to return to seasonal norms after the recent stretch of extreme heat.**



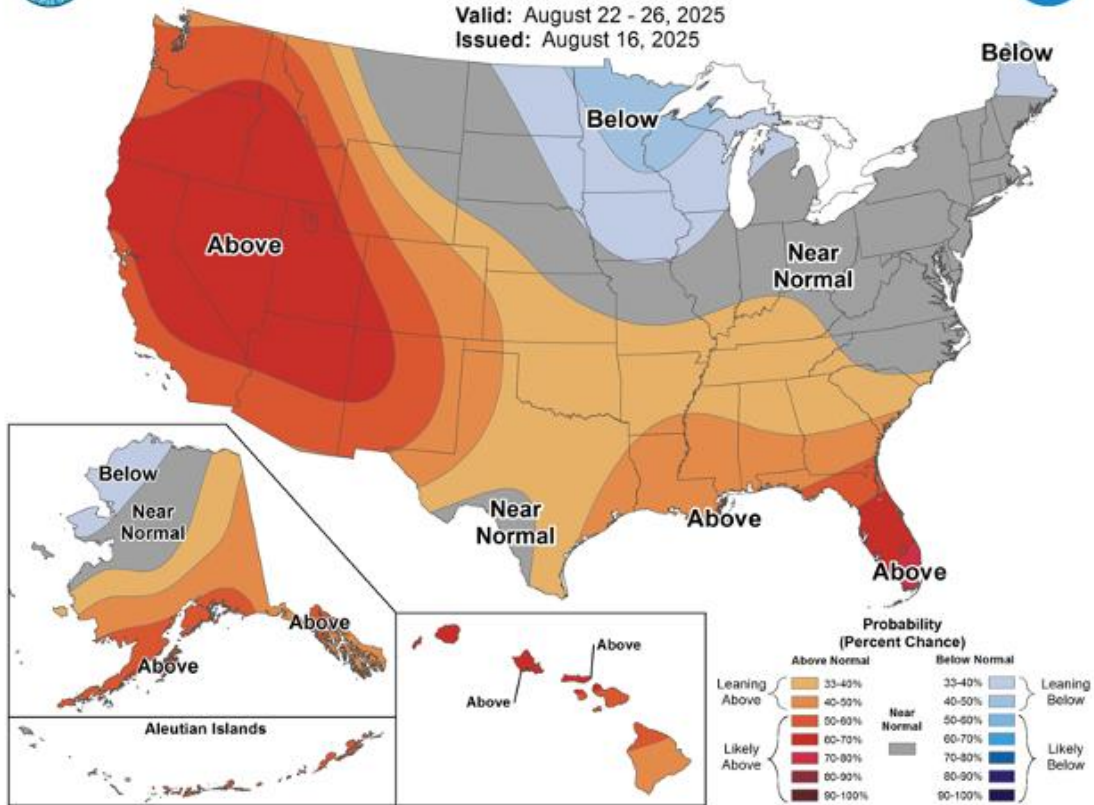




# 6-10 Day Temperature Outlook



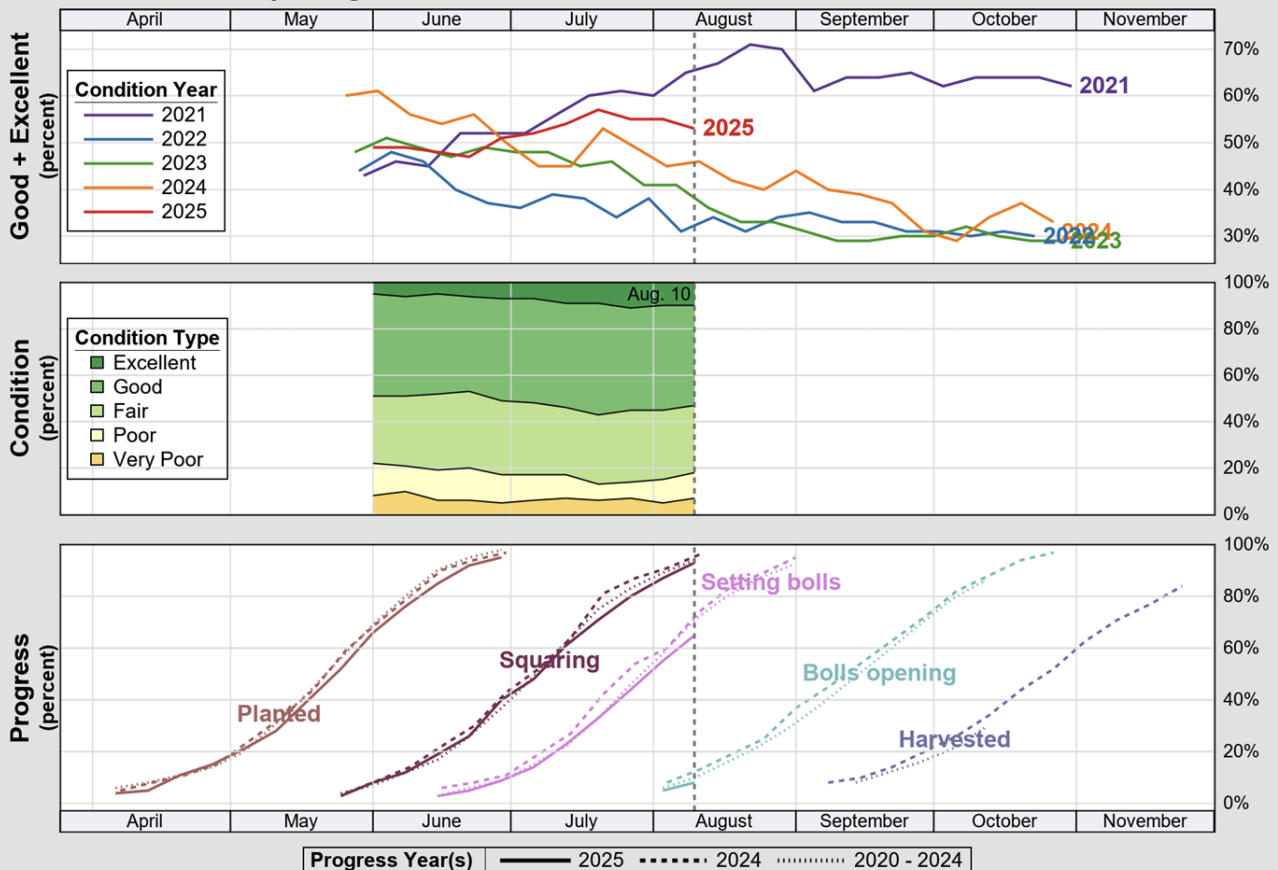
Valid: August 22 - 26, 2025  
Issued: August 16, 2025



USDA

## Crop Progress and Condition: Cotton in United States , 2025

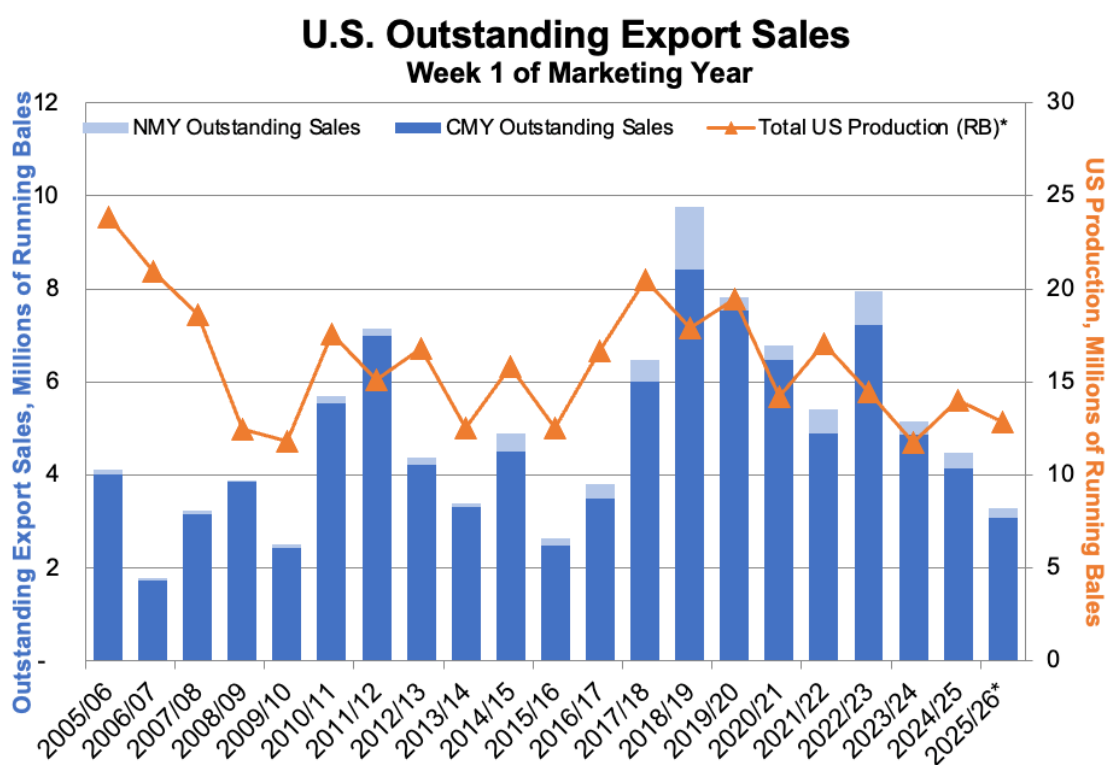
NASS



Source: National Agricultural Statistics Service (NASS), Crop Progress Report

## Export Trends

- The first full week of the 2025/26 marketing year opened with Upland sales of 242,000 bales, higher than what we typically see at this point in the year. Vietnam accounted for almost half the total, with Bangladesh, Turkey, Pakistan, and Mexico also booking sales.
- While appearing light, shipment levels were above average for the first week of the new marketing year, at 142,600 bales. This is typically a slower period, with the market in wait-and-see mode as the 2025 crop begins to enter the market.
- For Pima, new sales totaled 2,100 bales, led by India, while shipments reached 12,000 bales.
- As of Friday afternoon, grower offers totaled 24,279 bales. There were 10 bales traded on the G2B platform and received an average price of 59.15 cents per pound. The average loan for these bales was 47.83, bringing the average premium received to 11.32 cents per pound.



Source: USDA, \*Current Year USDA Production Forecast

# The Seam

- As of Friday afternoon, grower offers totaled 23,810 bales. There were 3,117 bales that traded on the G2B platform that received an average price of 63.19 cents per pound. The average loan for these bales was 52.96, bringing the average premium received to 10.23 cents per pound.

## ICE Futures Ending 8/15/2025

	Settlement	Daily Change	Weekly Change
Dec. '25	67.54	-0.14	+0.94
Mar. '26	69.07	-0.18	+1.00
May '26	70.35	-0.19	+1.08
July '26	71.12	-0.18	+1.00

## Adjusted World Price (AWP)

Official 8/15/25 thru 8/21/25	
AWP	55.05
LDP/MLG	0.00
2024 FCA	0.00
Coarse Count	0.00