



MARCH 21, 2025

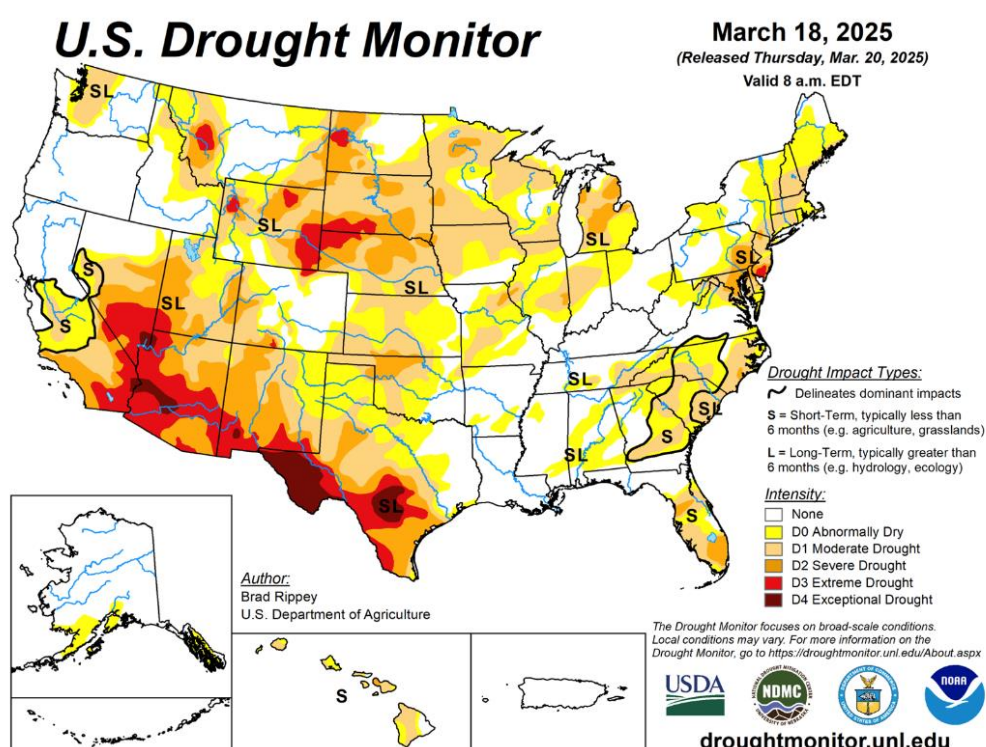
Cotton prices were lower this week while stock markets regained some recent losses. Export shipments stayed strong, but mill demand softened. With a weak technical and fundamental outlook and broader economic factors weighing on prices, can any positive shift occur or are challenges likely to persist? Get QuickTake's read on the week's events in five minutes.

Cotton prices were subdued this week, trading on minimal news and light market activity.

- The May contract settled at 66.08 cents per pound, down 45 points for the week.
- With limited market-specific news, cotton futures declined in four of five trading sessions this week. While prices closed lower, daily trading ranges remained

relatively tight. Speculators continue to hold a record short position, and the technical outlook for cotton remains weak. Meanwhile, heat and dryness in South Texas remain concerns as planting begins. The crop has been slow to get into the ground and appears to be behind the usual timeline.

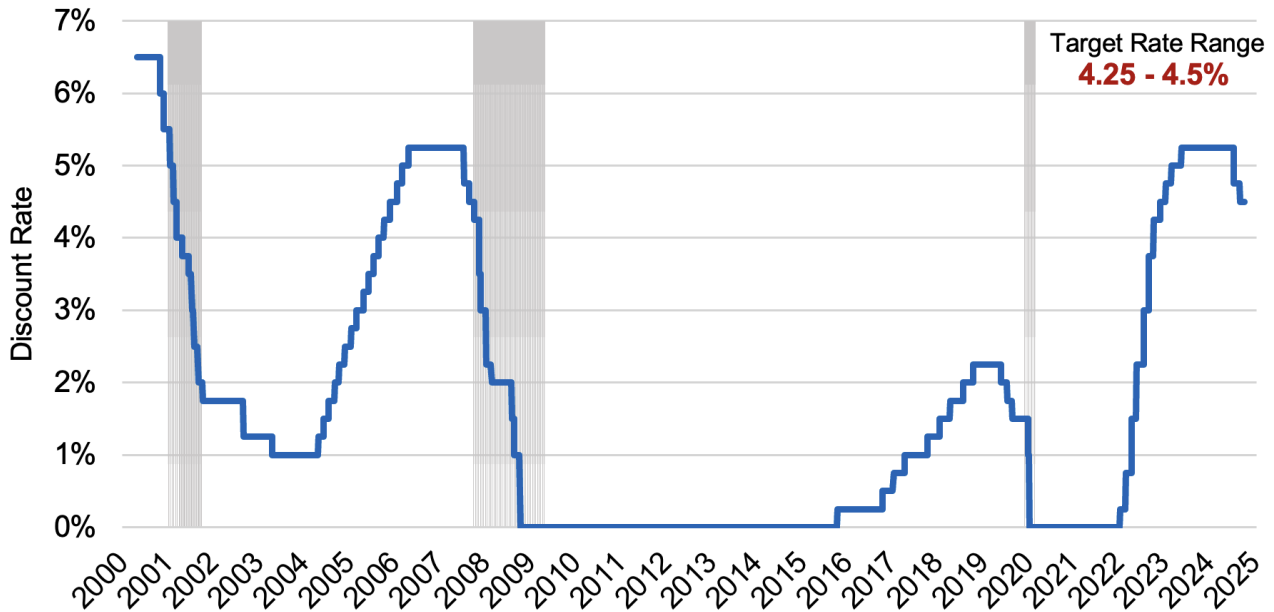
- **USDA has announced that it will expedite \$10 billion in direct economic assistance to agricultural producers through the Emergency Commodity Assistance Program (ECAP) for the 2024 crop year.** Producers must report their 2024 crop year planted and prevented planted acres to FSA to qualify. ECAP applications must be submitted to the local FSA office by August 15, 2025. Initial payments will be factored at 85%, while prevented planted acres will be calculated at 50%, based on acreage rather than production. The payment rate for cotton is set at \$84.70 per acre.
- **Trading volumes were flat while open interest rose by 1,184 contracts, bringing the total to 275,081.** Certificated stock remained unchanged at 14,488 bales.



Markets recouped some losses after the Fed kept interest rates steady, suggesting that inflation's recent rise may be tariff-related and temporary.

- **The Federal Reserve held interest rates steady at 4.5%, with the target rate range for banks remaining between 4.25% and 4.5%. They cited concerns about the impact of tariffs and rising prices on inflation, suggesting that the recent uptick in inflation could be related to tariffs and may be temporary — news that markets took positively. Meanwhile, the Bank of England kept interest rates unchanged this month as global economic uncertainty, rising inflation, and tariff threats prevented further rate cuts.**
- **Tariff-related news was notably light this week compared to recent weeks, with attention shifting to geopolitical developments. Talks of a Ukraine-Russia ceasefire are underway, while Israel's redeployment of troops into the Gaza Strip has intensified efforts to restore a ceasefire in the region.**
- **The U.S. dollar weakened to a five-month low. At the same time, the strengthening of the Brazilian real could help boost demand for U.S. commodities. Although demand has slowed, this currency shift may make U.S. commodities more affordable for other countries to import.**
- **U.S. retail sales came in weaker than expected, with a 0.2% increase in February, compared to the anticipated 0.6% rise. For the year, sales were up 3.1%. Clothing and clothing accessories sales dropped 0.6% for the month but rose 1% for the year.**

Current Interest Rates



Shaded areas indicate recessions.

Sources: Federal Reserve Bank of New York, National Bureau of Economic Research

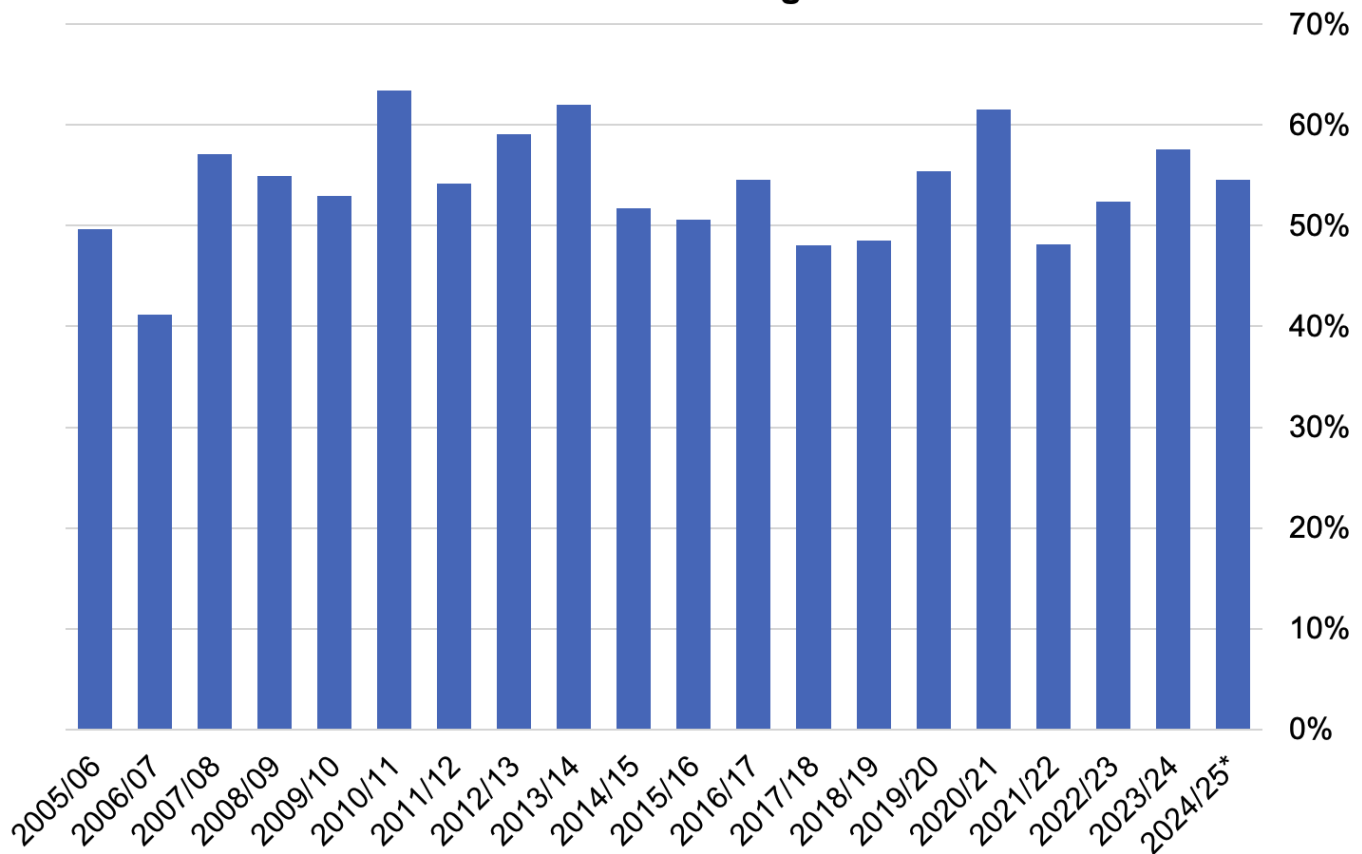
Thursday's Export Sales Report was disappointing in terms of sales, but shipments remain strong.

- For the 2024/25 marketing year, U.S. merchants sold **101,100 Upland bales** and shipped **351,000**. While sales were disappointing, this was not entirely unexpected given the trade war and tariff implications. Shipments remained strong, as we are in peak shipping season, exceeding the pace required to meet the USDA's current export estimate of 11 million bales.
- Most mill interest is centered around the **65-cent level or lower**, which the market remained above during this period. As a result, demand was subdued, and inquiries were light for the reporting period. Additionally, recent tariffs on China have led to a shift in sales from China to Vietnam. While no tariffs have been imposed on Vietnam at

present, rumors circulated this week suggesting that tariffs could be introduced to improve the trade balance.

- **Pima sales and shipments reached their strongest levels of the year.** Merchants booked a marketing-year high of 26,500 bales and shipped a high of 16,700 bales.

Accumulated Exports as % of Final Week 33 of Marketing Year



Source: USDA FAS, *relative to WASDE forecasted exports

The Week Ahead

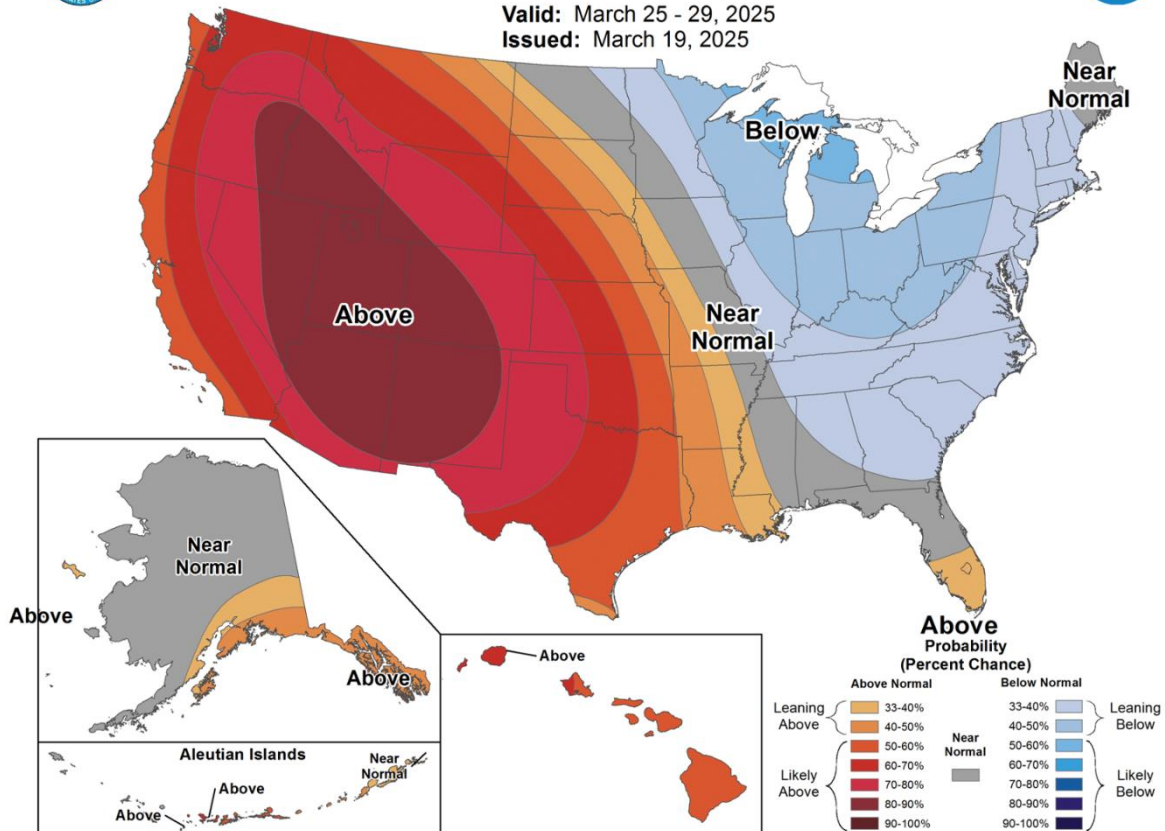
- Tariff threats, impositions, and retaliation will continue to be monitored. Additionally, we will get updated reports on consumer confidence and Gross Domestic Product (GDP).



6-10 Day Temperature Outlook



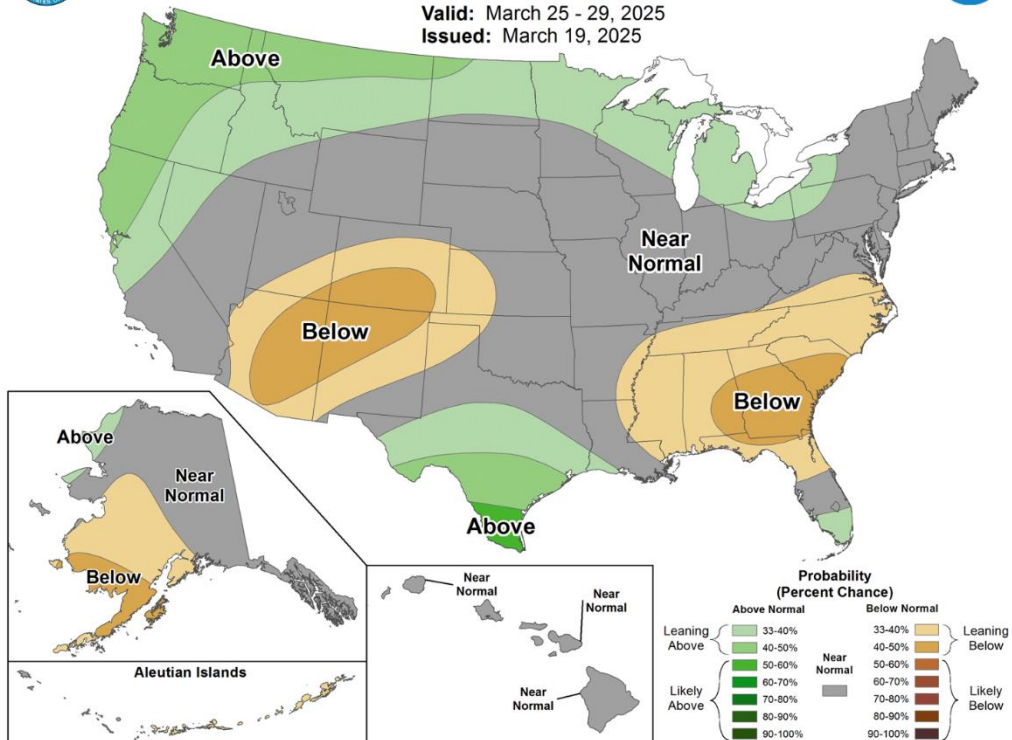
Valid: March 25 - 29, 2025
Issued: March 19, 2025



6-10 Day Precipitation Outlook



Valid: March 25 - 29, 2025
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Announcements

- Enrollment for the **U.S. Cotton Trust Protocol** is now open through *April 30, 2025*. Currently enrolled growers will need to renew their membership to continue their involvement in the program. Click here to see a list of enrollment dates.
- New Grower Enrollment for **Better Cotton** will be open *March 3-May 30*.
- **For assistance or questions about enrolling in these programs, contact PCCA at 806-763-8011.**

The Seam

As of Thursday afternoon, grower offers totaled 128,618 bales. During the week, 3,050 bales traded on the G2B platform, with an average price of 62.24 cents per lb. The average loan was 52.13, which resulted in a premium of 10.11 cents per lb. over the loan.

ICE Futures Ending 3/20/2025

	Settlement	Daily Change	Weekly Change
May '25	66.08	-0.27	-0.45
July '25	67.57	-0.27	-0.13
Dec. '25	69.36	-0.16	+0.16
Mar. '26	70.50	-0.13	+0.30

Adjusted World Price (AWP)

	Official 3/21/25 thru 3/27/25
AWP	54.63
LDP/MLG	0.00
2024 FCA	0.00
Coarse Count	0.00