



APRIL 25, 2025

The cotton market rallied, drawing strength from outside markets. While the trade war continues, there's potential relief on the horizon regarding tariffs. Will the market's momentum continue, or will uncertainty take the reins? Get QuickTake's read on the week's events in five minutes.

The cotton market found some footing this week, with July futures settling at their highest level since the April 2 tariff announcement.

- **July futures posted a strong gain this week, rising 204 points to settle at 69.17 cents per pound.**
- **The cotton market began the holiday-shortened week on a weak note but rallied strongly to close at its highest level in over three weeks.** Much of the momentum came

from positive signals in outside markets, including a softer tone on U.S.-China trade and confirmation that the Fed chair would remain in place. July futures also broke above key technical levels, closing above both the 50-day and 100-day moving averages. While headline risk and weak fundamentals remain concerns, it was a solid week overall for the cotton market.

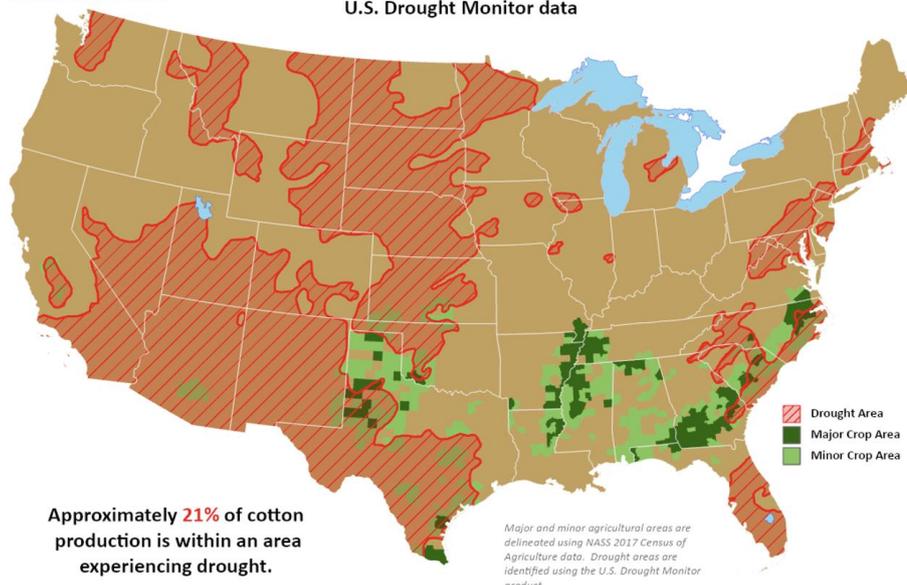
- **Planting in Texas is right on pace with the 5-year average at 16%. South Texas has seen steady progress, though some areas are replanting after earlier flooding. Unplanted regions benefited from timely rainfall. West Texas, Oklahoma, and Kansas also received precipitation over the weekend and during the week, which should support planting efforts. While some acreage may still be lost when compared to last year, the recent moisture improves the outlook for next season's crop.**
- **Trading volumes were moderate, while open interest rose by 488 contracts to 220,462. Certified stocks held steady at 14,478 bales.**



This product was prepared by the
USDA Office of the Chief Economist (OCE)
World Agricultural Outlook Board (WAOB)

Cotton Areas in Drought

Reflects **April 22, 2025**
U.S. Drought Monitor data



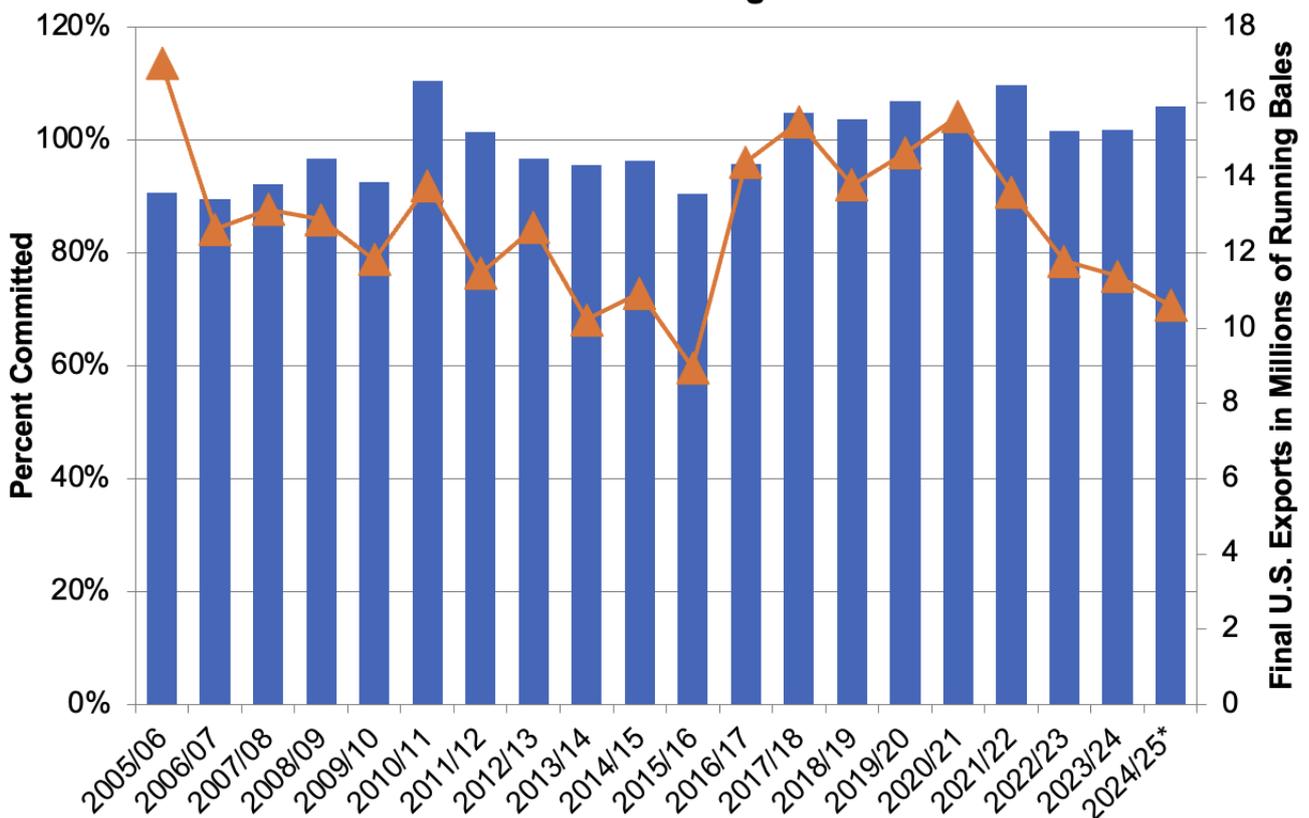
Since January, markets have grown used to mixed signals on the trade war, but this week's rhetoric boosted confidence that trade deals may soon be reached.

- **Stock markets recovered this week after a rocky start. On Monday, President Trump suggested he might try to remove Fed Chairman Jerome Powell, but later clarified that he had no intention of doing so. Markets responded positively to the clarification, as top aides expressed concern about the potential market impact. Investors viewed the news as a sign of potential stability for the economy in the months ahead, despite ongoing criticism from the President over Powell's stance on interest rates.**
- **White House developments continue to drive market sentiment. This week, markets got a boost from comments by the Treasury Secretary, who noted that current U.S.-China tariffs—now at 145%—are unsustainable and that there's a willingness to ease trade tensions. While any reductions would still leave tariffs at historically high levels, the more conciliatory tone helped calm trade war fears and supported the cotton market. Despite the optimism, uncertainty around tariffs remains, and caution is warranted as trade negotiations take time.**
- **The U.S. dollar remains relatively weak, but improved sentiment around trade relations offered some support. In contrast, the Brazilian real has rallied recently, helping provide a tailwind for U.S. commodities. However, ongoing market volatility and persistent uncertainty have renewed concerns about a potential recession.**

Despite a quiet week for new export activity, sales and shipments remained above the pace needed to meet USDA’s estimate for the week ending April 17.

- For the 2024/25 marketing year, U.S. merchants booked 104,000 Upland bales and shipped 292,200. New crop sales totaled 38,000 bales. Vietnam, India, Pakistan, and Turkey were the top buyers for the current crop. Both sales and shipments remain above the pace needed to reach USDA’s recently lowered export estimate of 10.9 million bales—a level that has already been surpassed in total commitments.
- Pima merchants booked 5,800 bales and shipped 14,400, keeping Pima sales and shipments above the pace needed to reach USDA’s estimates.

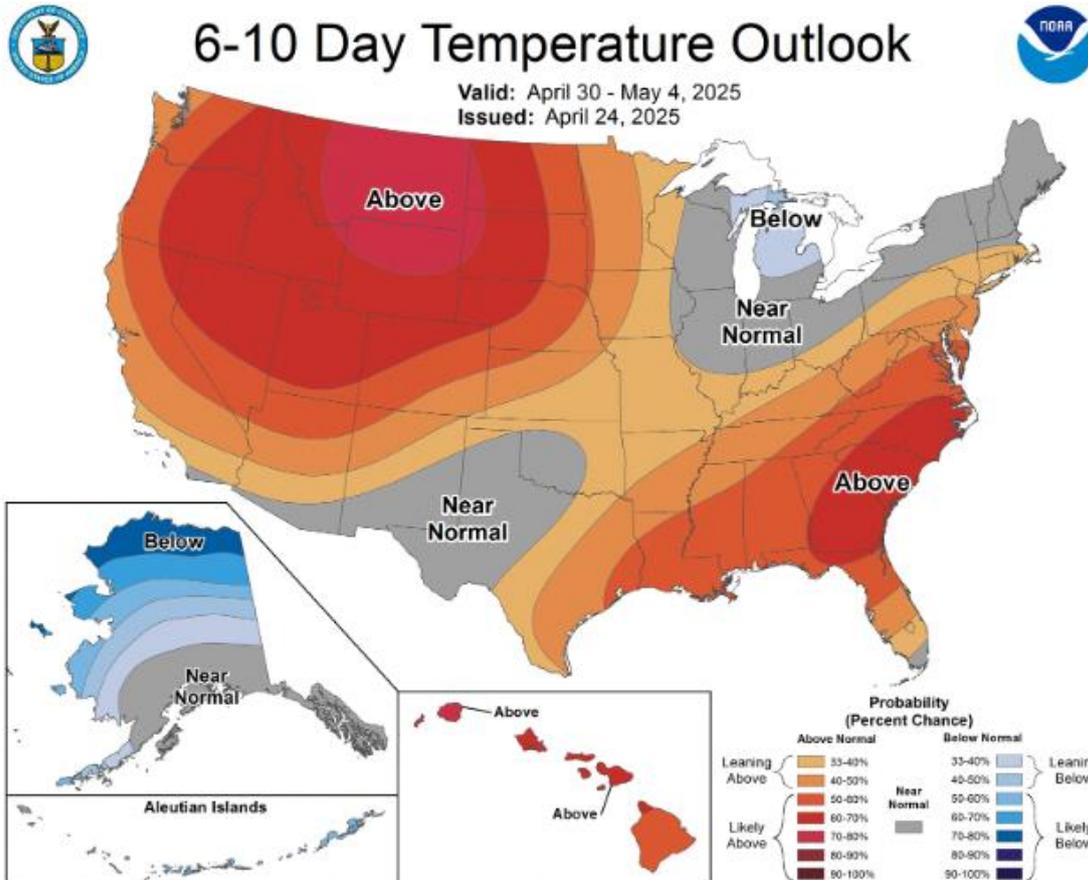
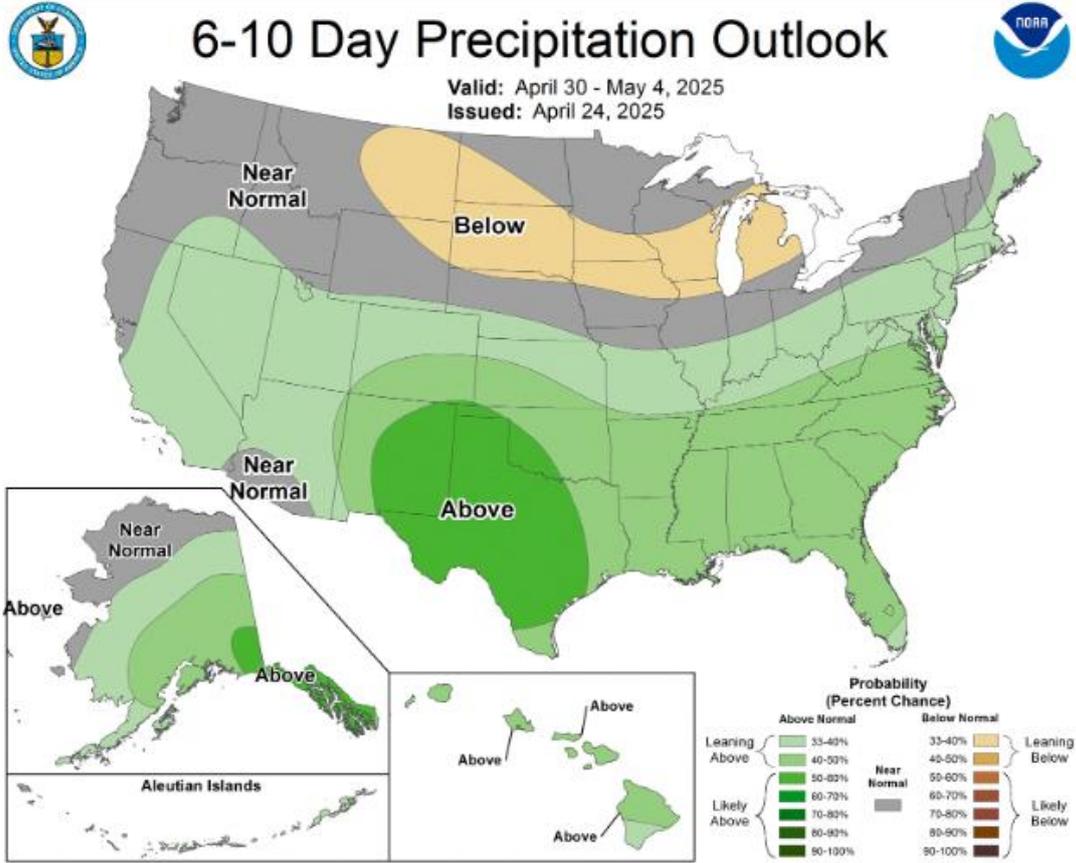
U.S. Export Commitments as % of Final Exports
Week 38 of Marketing Year



Source: USDA FAS, *relative to WASDE forecasted exports

The Week Ahead

Trade policy and economic concerns will remain in focus next week. With First Notice Day behind us, attention will turn to key data releases, including March GDP, PCE—the Fed’s preferred inflation gauge—and an update on unemployment. The weekly U.S. Export Sales will also remain on the radar.



Announcements

- Enrollment for the **U.S. Cotton Trust Protocol** is open for 13 more days 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 55,303 bales. During the week, 28,819 bales were traded on the G2B platform at an average price of 67.54 cents per lb. The average loan was 52.94, which resulted in a premium of 14.60 cents per lb. over the loan.

ICE Futures Ending 4/24/2025

	Settlement	Daily Change	Weekly Change
July '25	69.17	+0.14	+2.04
Dec. '25	70.37	+0.40	+1.93
Mar. '26	71.42	+0.38	+2.02
May '26	72.42	+0.36	+1.80

Adjusted World Price (AWP)

	Official 4/25/25 thru 5/1/25
AWP	54.88
LDP/MLG	0.00
2024 FCA	0.00
Coarse Count	0.00