



JUNE 1, 2026

The Week Ahead

Cotton enters June with some supportive headlines following the launch of the Great American Cotton plan and India's removal of its cotton import duty. However, macro developments, weather, and outside markets are likely to remain the primary drivers of price action this week.

- **June is historically one of the most seasonally bearish months for agricultural commodities, and recent fund liquidation across the ag complex has added pressure to cotton and other markets.**
- **Friday's Nonfarm Payrolls report will be the primary macro focus this week as markets continue to gauge the timing of future Fed rate decisions ahead of next week's CPI report and June Fed meeting.**

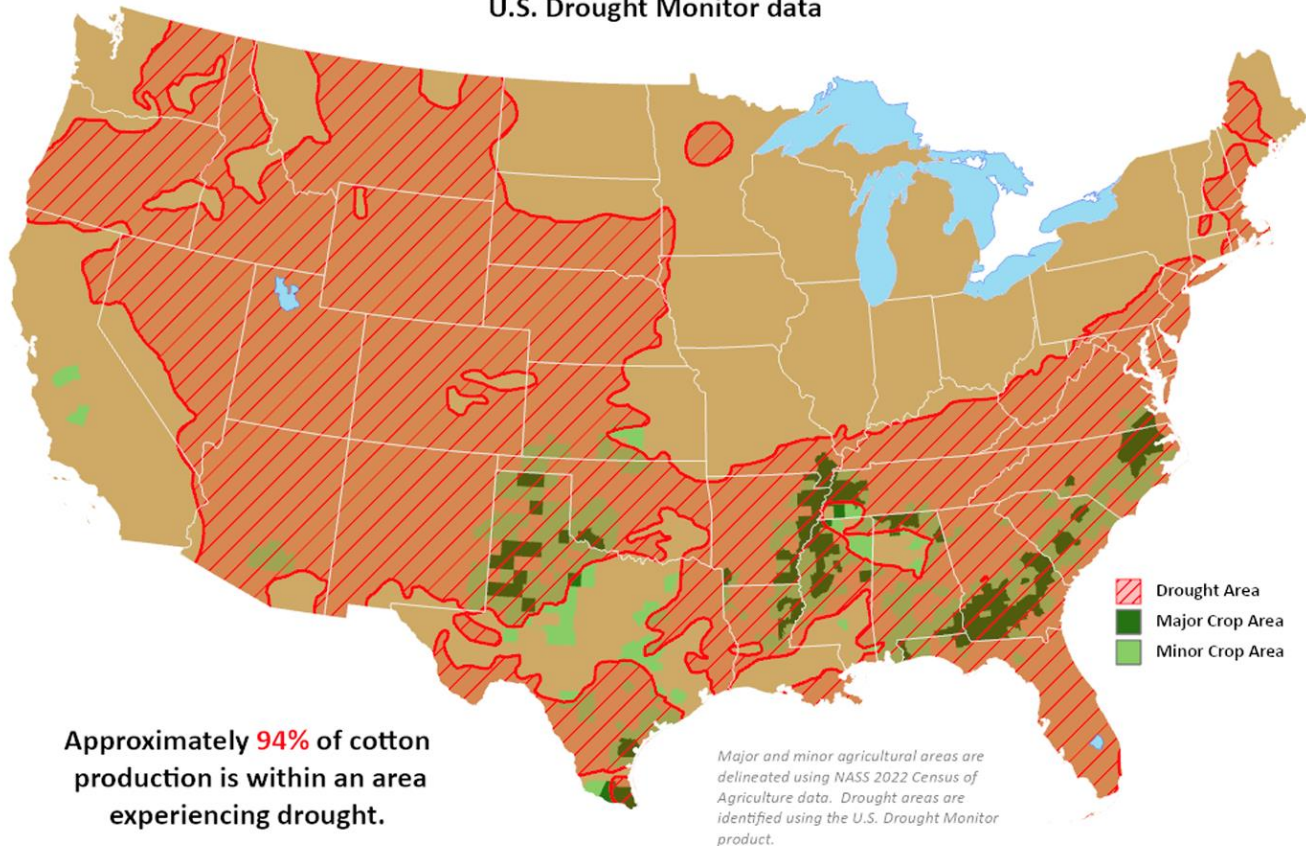
- On the cotton calendar, June 11 WASDE is on deck, July options expire next Friday, and the market will increasingly begin turning its attention toward USDA's June 30 Acreage report.
- Weather will remain closely monitored across the Cotton Belt. While improving conditions have allowed planting progress to advance across much of the country, rainfall remains uneven, and long-term moisture concerns persist in portions of the Southwest as the growing season moves forward.



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

Cotton Areas in Drought

Reflects **May 26, 2026**
U.S. Drought Monitor data



Market Recap

- Cotton futures spent another week under pressure as fund liquidation, falling crude oil prices, favorable weather forecasts, and continued growth in certificated stocks outweighed supportive demand-side developments.
- By Friday's close, July futures settled 127 points lower on the week at 76.15 cents per pound, marking a third

consecutive weekly decline. December futures proved more resilient, finishing 26 points higher at 79.59 cents as most speculative length continues shifting into new crop contracts.

- **Fund liquidation remained a headwind last week, with Managed Money traders selling nearly 8,000 contracts as July open interest declined and spec longs rolled positions forward during the Rogers Index Roll.** Meanwhile, certificated stocks climbed above 225,000 bales, adding further pressure to nearby spreads ahead of this week's GSCI roll.
- **On the demand side, India officially suspended its 11% cotton import duty through October 30.** While current price relationships may limit immediate buying interest, the move keeps the door open for additional imports from major exporting countries, including the United States. Industry estimates suggest roughly 600,000 bales could be imported during the duty-free window, particularly by export-oriented mills seeking contamination-free cotton supplies.
- **USDA announced the Great American Cotton Plan last week, outlining several initiatives aimed at strengthening the U.S. cotton industry through expanded trade opportunities, domestic manufacturing, and increased support for cotton-based products.** The announcement also renewed support for the Buying American Cotton Act and the National Cotton Council's Plant Not Plastic campaign.
- **Weather remained front and center as widespread rainfall continued across much of the Cotton Belt.** Recent moisture improved conditions across portions of Texas, the Delta, and the Southeast, while forecasts continue to call for additional scattered precipitation in many growing regions. As a result, weather concerns have taken a back seat for now, though conditions across West Texas and other drought-prone areas will continue to be monitored closely as the crop develops.

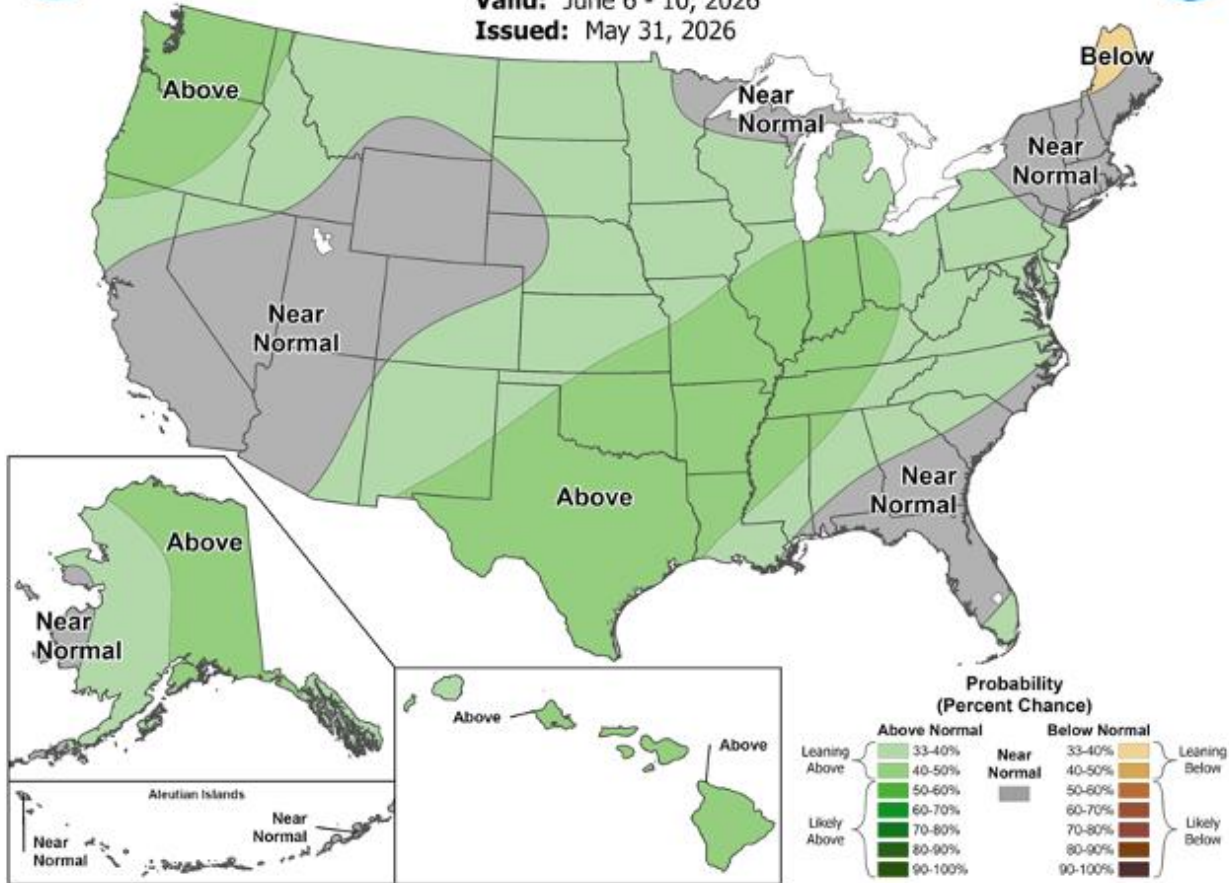


6-10 Day Precipitation Outlook



Valid: June 6 - 10, 2026

Issued: May 31, 2026

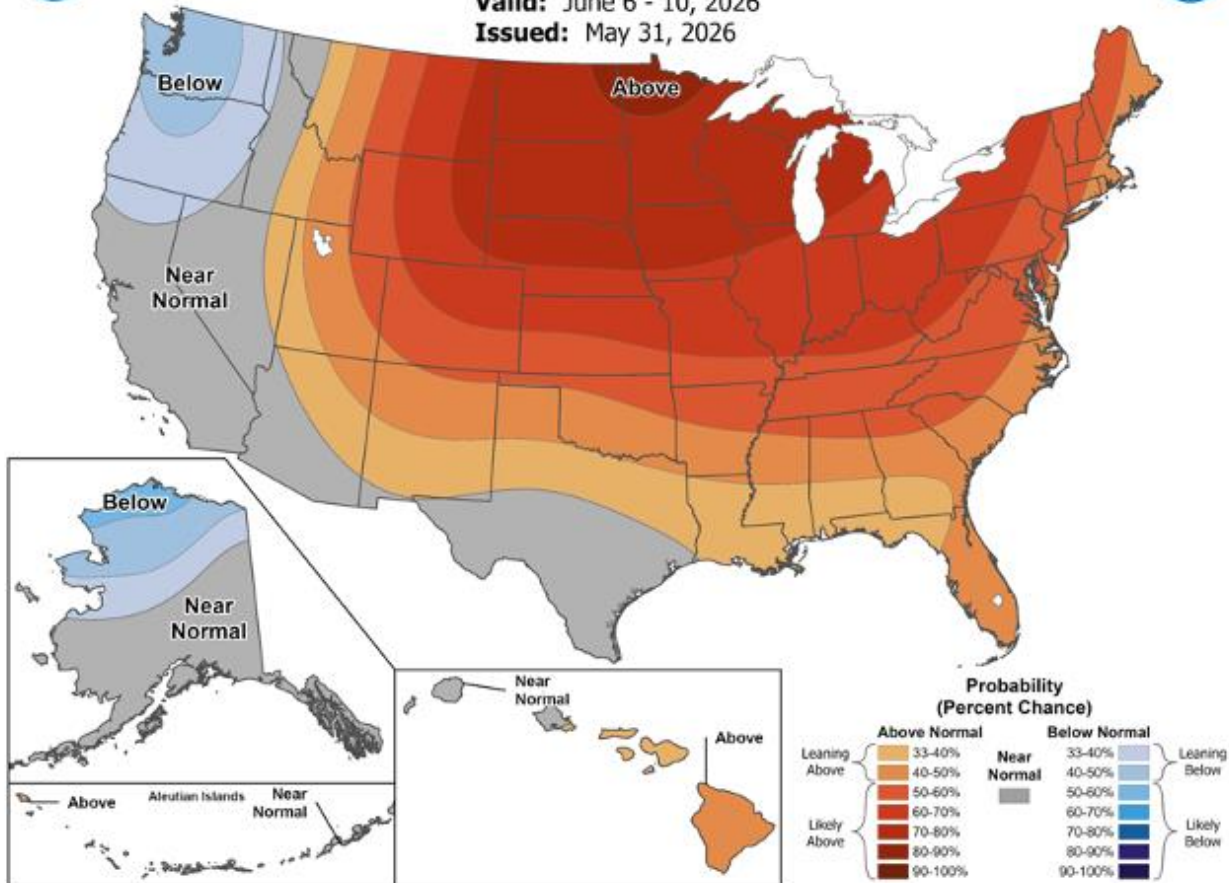


6-10 Day Temperature Outlook



Valid: June 6 - 10, 2026

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- **The Federal Trade Commission has launched an antitrust investigation into rising fertilizer costs, citing concerns over industry concentration and pricing practices among major manufacturers.** The announcement comes amid broader administration efforts to reduce input costs for farmers through expanded domestic fertilizer production and improved supply chain access.
- **If markets are tired of the U.S.-Iran headlines, they aren't getting a break anytime soon.** Reports over the weekend suggested Iran may halt exchanges with the U.S., raising fresh questions about efforts to extend the ceasefire and reopen the Strait of Hormuz. Crude oil responded by rallying more than 6%, reviving inflation concerns and weighing on broader market sentiment, though both sides continue to signal a desire to reach a deal.
- **April PCE inflation came in largely as expected, with headline inflation rising to 3.8% year-over-year and Core PCE increasing to 3.3%.** While the monthly Core PCE reading of 0.2% was slightly softer than expected, consumer spending remained sluggish and inflation-adjusted incomes declined for a third consecutive month. Overall, the report was slightly less inflationary than feared, but not soft enough to change expectations that the Fed will keep rates unchanged at its June meeting.

Supply and Demand Overview

- **Overall, last week's Export Sales Report remained supportive, with both sales and shipments coming in above the pace needed to meet USDA's current export projection.** However, the market largely shrugged off the constructive demand data as broader macro pressures and fund liquidation continued to weigh on futures.
- **For the week ending May 21, U.S. net Upland sales totaled 153,600 bales for the current marketing year, up 17% from the previous week and 32% above the prior four-week average.** Vietnam led all buyers, followed by Pakistan, China, Turkey, and India.

- New crop Upland sales totaled 112,000 bales, led by Pakistan and Mexico, with additional support from South Korea and Turkey.
- Shipments remained strong at 317,700 bales, up 10% from the previous week and well above the roughly 267,000 bales per week needed for the U.S. to reach USDA's current 12.0 million bale export forecast. Vietnam and Pakistan accounted for more than half of total shipments during the week.
- Pima activity slowed, with sales totaling 2,800 bales and shipments reaching 7,500 bales.

ICE Futures Ending 5/29/2026

	Settlement	Daily Change	Weekly Change
July '26	76.15	-0.62	-1.27
December '26	79.59	+0.06	+0.26
March '27	80.72	+0.13	+0.53
May '27	81.46	+0.13	+0.65

Adjusted World Price (AWP)

	Current Value	Weekly Change
Adjusted World Price	63.49	-5.19
Loan Deficiency Payment	0.00	0.00
Fine Count Adjustment 2025	0.00	0.00
Coarse Count Adjustment	0.00	0.00

Official 5/29/26 - 6/4/26

The Seam®

- As of Friday afternoon, grower offers totaled 913 bales. There was no trading activity on G2B platform in the past week.

Note: The Loan Redemption Rate (LRR) is the loan rate minus the current Loan Deficiency Payment (LDP).