

A photograph of a cotton field with green plants and a dirt path. The text 'Cotton Market Weekly' is overlaid in white, serif font.

# Cotton Market Weekly

**FEBRUARY 28, 2025**

Cotton prices fell under pressure from trade tensions and a weak technical outlook. USDA reported that cotton acreage is expected to decrease next year while production remains nearly unchanged. Will market volatility continue with tariffs set to go into effect next week? Get QuickTake's read on the week's events in five minutes.

**May futures experienced another week of downward price movement.**

- The May contract settled at 66.60 cents per pound, down 87 points for the week. Prices remained in the trading range of recent weeks but moved closer to the lower end.
- The CFTC Commitment of Traders report for 02/21/2025 showed a sharp drop in on-call purchases tied to March futures, as First Notice Day fell on Monday, February 24. Most of these positions were rolled to May and July rather

than fixed. Currently, on-call sales for the May contract stand at just 68% of on-call purchases.

- Daily trading volume was moderate, while open interest increased by 2,250 contracts, totaling 273,021. Certificated stocks were last reported at 12,653 bales, marking a 10,921-bale increase from last week's 1,732 bales.
- USDA held its annual Ag Outlook Forum this week, giving us the first peek at the 2025 crop year. The expected 10 million acres to be planted aligned with what most people already thought.

<b>USDA Ag Outlook</b>			
<b>U.S. Cotton Area, Yield, and Production</b>			
	2024/25	2025/26	Change (%)
Planted area (million acres)	11.2	10.0	-10.6
Harvested Area (million acres)	8.3	8.4	1.7
Abandonment (%)	26.0	15.9	-38.5
Yield/Harvested Acre (lbs./acre)	836.0	833.0	-0.4
Production (million bales)	14.41	14.6	1.3

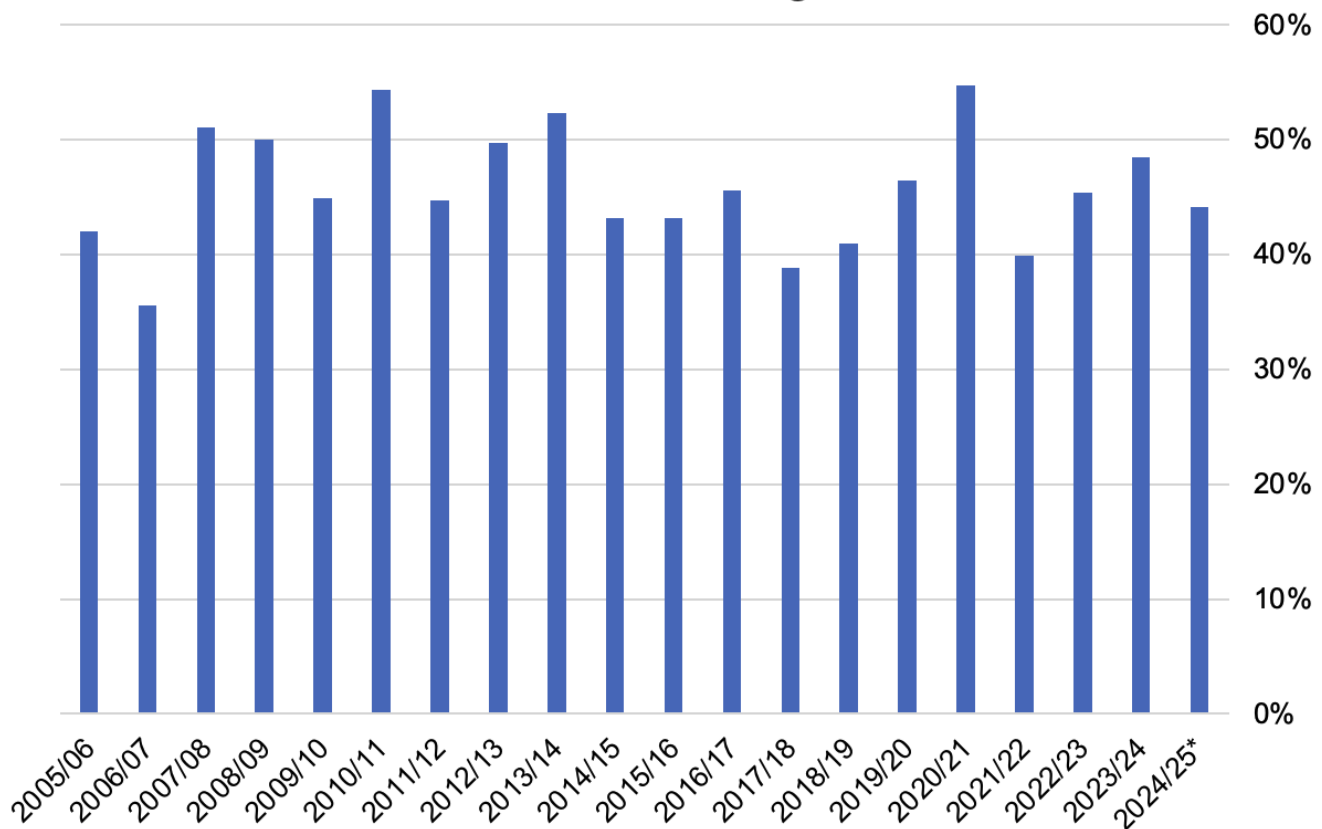
**Stock markets experienced a sell-off on Thursday as trade concerns and tech earnings weighed on investors.**

- Trade tensions remain at the top of investors' minds. This week, President Trump announced an additional 10% tariff on China in addition to the 10% imposed earlier this month. Both stock and commodity markets reacted negatively to the news. Meanwhile, the 25% tariffs on Canada and Mexico are still scheduled to take effect next week.
- The Fed's preferred inflation gauge, the January Personal Consumption Expenditure (PCE) index, showed prices rising 0.3% month-over-month and 2.5% year-over-year — both in line with expectations.
- The House of Representatives passed its budget plan this week, which conflicts with the version passed by the Senate. The two chambers now must agree on the same budget to begin the reconciliation process.

## The U.S. Export Sales Report showed a 47% decrease in net sales compared to last week but steady shipments.

- For the 2024/25 marketing year, U.S. merchants sold 166,900 Upland bales and shipped 267,500 bales. Sales and shipments exceeded the level needed to reach USDA's current export estimate of 11 million bales.
- Pima sales and shipments were strong. Merchandisers sold 22,000 bales and exported 10,100 bales.

### Accumulated Exports as % of Final Week 30 of Marketing Year



Source: USDA FAS, \*relative to WASDE forecasted exports

## The Week Ahead

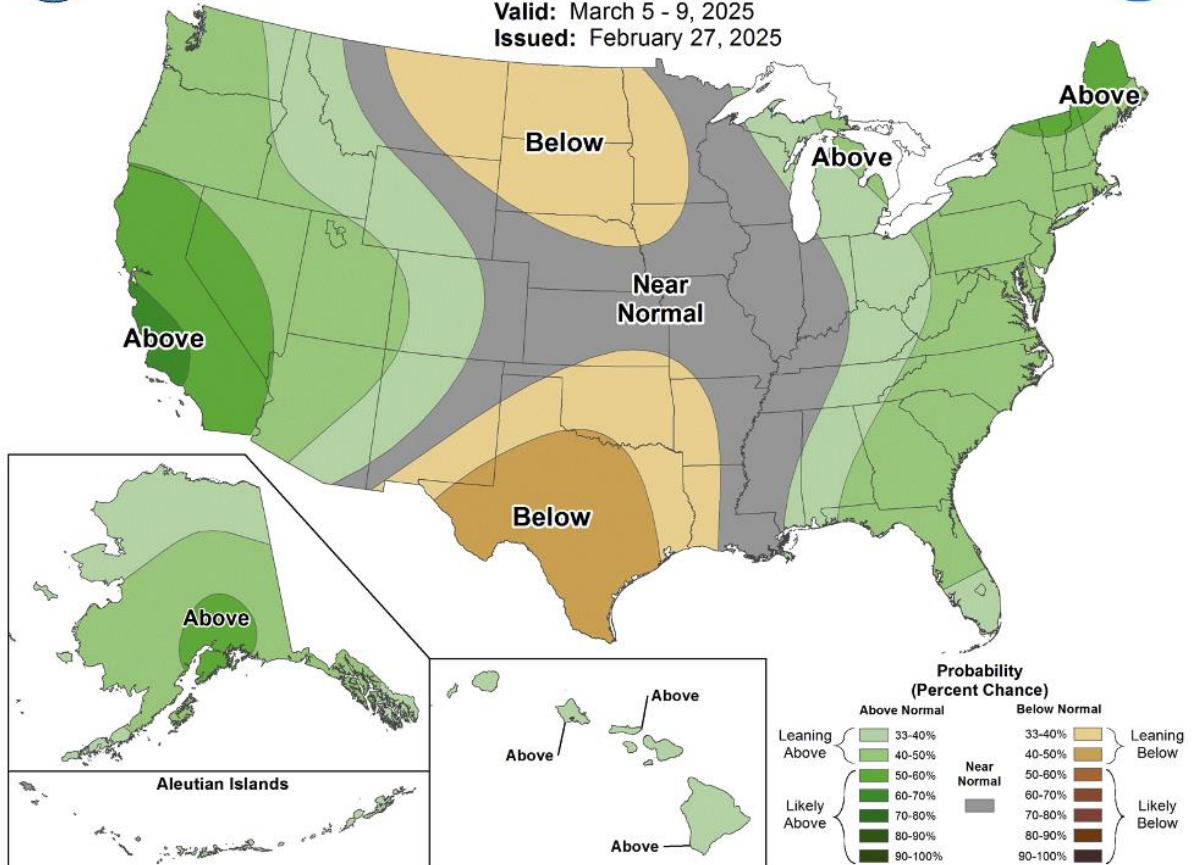
- Trade tensions remain in focus as the market watches for impacts. Updated jobs data is due next week, and we'll continue tracking the usual weekly reports.



# 6-10 Day Precipitation Outlook



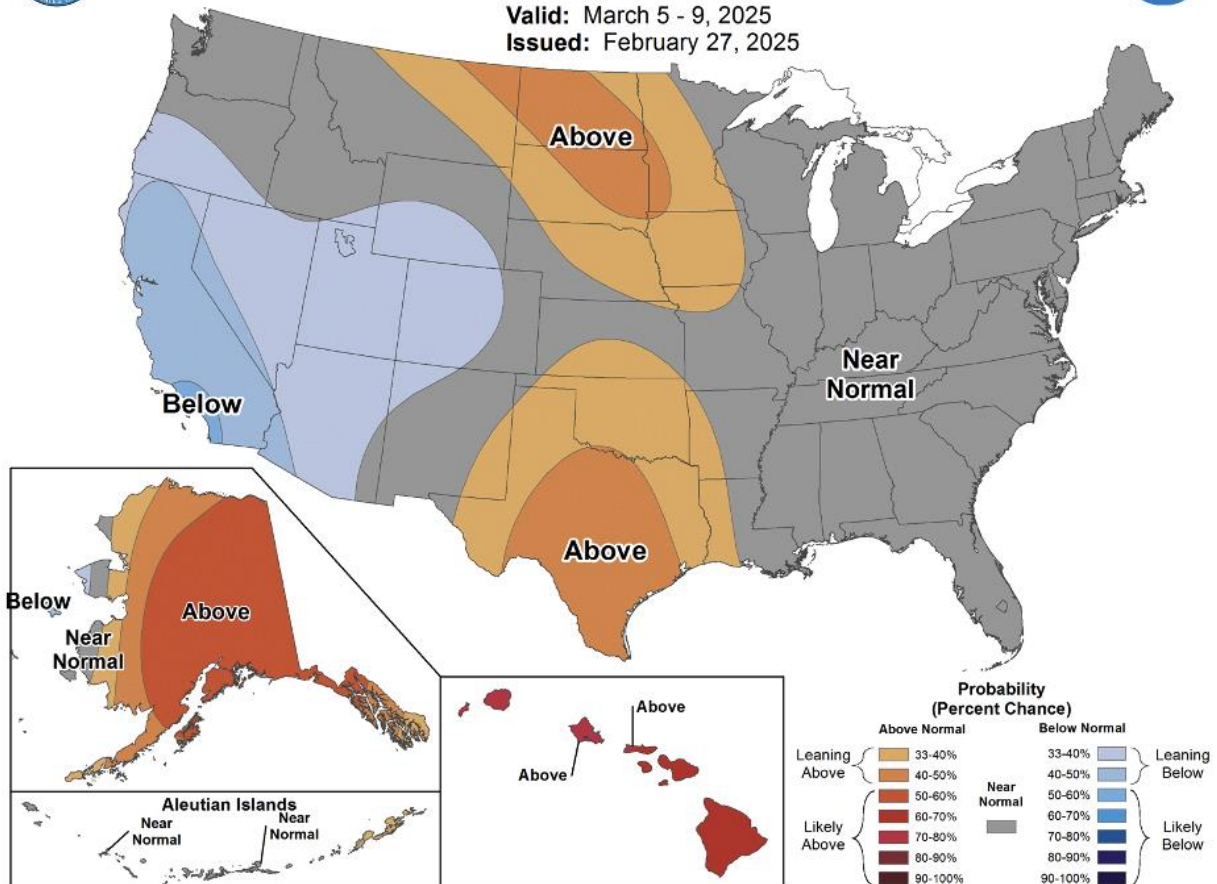
Valid: March 5 - 9, 2025  
Issued: February 27, 2025



# 6-10 Day Temperature Outlook



Valid: March 5 - 9, 2025  
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## Announcements

Enrollment for the U.S. Cotton Trust Protocol is now open through April 30th, 2025. Growers who are currently enrolled will need to renew their membership to continue their involvement in the program.

New Grower Enrollment for Better Cotton will be open March 3rd-May 30th.

For assistance or questions about enrolling in these programs, contact PCCA at 806-763-8011.

## The Seam

As of Thursday afternoon, grower offers totaled 142,113 bales. There were 11,834 bales that traded on the G2B platform with an average price of 60.89 cents per lb. The average loan was 51.30, which resulted in a premium of 9.59 cents per lb. over the loan.

### ICE Futures Ending 2/27/2025

	Settlement	Daily Change	Weekly Change
<b>Mar. '25</b>	66.60	-0.27	-0.87
<b>May '25</b>	67.68	-0.19	-0.79
<b>July '25</b>	68.67	-0.08	-0.49
<b>Dec. '25</b>	69.70	-0.06	-0.50

### Adjusted World Price (AWP)

Official 2/28/25 thru 3/06/25	
<b>AWP</b>	53.89
<b>LDP/MLG</b>	0.00
<b>2024 FCA</b>	0.00
<b>Coarse Count</b>	0.00