

Shurely on Cotton: Prices Tease, Outlook May Be “Cautiously Improved”

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USDA's August crop production and supply/demand estimates for the 2025 crop should really have not been a shocker — but they apparently were to some. U.S. acreage and estimated production were reduced sharply from the July estimates. Prices have not been pushed higher by the numbers (not yet), but a smaller U.S. crop could nevertheless be the beginning of an improved outlook. But this may take more time. These numbers will continue to be revised.

Acres planted were reduced 843,000 acres from the June USDA Acreage report projection. More significantly, acreage abandonment was increased, and acres expected to be

harvested were cut 1.3 million acres. Projected abandonment was increased from 14% of acres planted to 21%.

Of the 843,000-acre decline in projected acres planted, 600,000 of it (71%) is accounted for by Texas (440,000 acres lower) and Georgia (160,000 acres lower). Compared to the June Acreage number, acreage was reduced in almost every state. I haven't researched it, but I would think this would be very unusual.

US Cotton Acres Planted ¹				
	2024	2025 Projected		
	Actual	PP ²	Actual ³	Revised ⁴
Alabama	400	360	340	290
Arizona	110	134	113	106
Arkansas	650	580	560	520
California	166	117	136	108
Florida	85	65	75	62
Georgia	1,100	1,000	1,000	840
Kansas	131	140	140	105
Louisiana	155	110	110	90
Mississippi	520	360	360	330
Missouri	400	320	350	350
New Mexico	57	31	35	41
North Carolina	410	290	290	280
Oklahoma	435	330	370	385
South Carolina	225	180	170	170
Tennessee	265	235	260	205
Texas	5,983	5,527	5,726	5,322
Virginia	91	88	85	73
Total US	11,183	9,867	10,120	9,277

1/ Thousand acres.
2/ USDA, *Prospective Plantings*, March 31, 2025.
3/ USDA, *Acreage*, June 30, 2025. Used in July supply/demand.
4/ USDA, *Crop Production*, August 12, 2025.

The 2025 U.S. crop is now projected at 13.21 million bales — 1.3 million bales less than last month's July estimate and 1.2 million bales below last year.

Prices (Dec. futures) initially rallied over 68 cents on the report of a sharply lower U.S. crop. But any increase has yet to be sustained. December futures remain in the mostly 67 to 70 cents area. So, although acreage and production are down from earlier projections, it appears the market will wait and play out based on crop conditions and demand.

Here are some important highlights elsewhere in the August USDA supply/demand report — some of it good, but some of it acting to somewhat offset the lower U.S. crop estimate.

- U.S. exports for the 2025 crop marketing year were lowered 500,000 bales from the July estimate. This could simply be due to the lower available U.S. crop.
- China's Use was raised one million bales, but production was also increased (500,000 bales).
- World Use was lowered slightly from the July estimate. Reductions were for India, Turkey, and Bangladesh.

Weekly export sales were 251,000 bales in the most recent report. Sales thus far (including during the 2024 marketing year) are 3.32 million bales. Shipments were 159,000 bales. Shipments need to average roughly 231,000 bales per week to meet USDA's projection for the 2025 crop marketing year. Of the 3.32 million in sales thus far, sales to China have been essentially non-existent.