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September Market Update
Corn, Soybeans, Rice, and Cotton

Dr. Michael Deliberto
Louisiana State University Agricultural Center
Department of Agricultural Economics & Agribusiness

Prices at a Glance

Crop	2024/25 U.S. MYA Price Projections	2025/26 U.S. MYA Price Projections
Corn	$4.30 per bu.	$3.90 per bu.
Soybeans	$10.00 per bu.	$10.00 per bu.
Long Grain Rice	$14.00 per cwt.	$12.00 per cwt.
South. Med. Grain Rice	$15.20 per cwt.	$12.50 per cwt.
Upland Cotton Lint	$0.63 per lb.	$0.64 per lb.
Seed Cotton	$0.3401 per lb.	$0.3425 per lb.

WASDE Summary

This month's 2025/26 U.S. corn outlook indicates greater supplies, larger exports, and a slight reduction in ending stocks. Projected beginning stocks for 2025/26 are 20 million bushels higher based on a lower use forecast for 2024/25, with reductions in imports and corn used for ethanol partially offset by an increase in exports. Corn production for 2025/26 is forecast at 16.8 billion bushels, up 72 million from last month as a 2.1-bushel reduction in yield to 186.7 bushels per acre is more than offset by a 1.3 million acre increase in harvested area to 90.0 million acres. Total U.S. corn use for 2025/26 is forecast up 100 million bushels to 16.1 billion. Exports are raised 100 million bushels to a record 3.0 billion reflecting U.S. export competitiveness and robust early-season demand. With rising supply more than offset by greater use, ending stocks are down 7 million bushels to 2.1 billion. The season-average corn price received by producers is unchanged at $3.90 per bushel.

The 2025/26 U.S. soybean outlook indicates higher production, higher crush, lower exports, and higher ending stocks compared to last month. Soybean production is projected at 4.3 billion bushels, up slightly with higher harvested area offset by a lower yield. Harvested area is raised 0.2 million acres from the August forecast. The soybean yield of 53.5 bushels per acre is down marginally from last month. The

crush forecast is raised 15 million bushels driven by stronger soybean meal exports. The soybean export forecast is reduced 20 million bushels on increased competition, particularly from Russia, Canada, and Argentina. Ending stocks are projected at 300 million bushels, up 10 million from last month. The U.S. season-average soybean price is forecast at $10.00 per bushel, $0.10 down from last month.

The outlook for 2025/26 U.S. rice this month is for larger supplies, lower exports, reduced domestic use, and higher ending stocks. Supplies are raised on higher beginning stocks, imports, and production. Beginning stocks were raised 3.4 million cwt to 53.9 million on the NASS Rice Stocks report released August 20. Total rough rice stocks on August 1 were up 35 percent from the prior year to the largest stocks since 1987. The all rice production forecast is raised by 0.3 million cwt to 208.8 million, on higher harvested area partially offset by a lower yield, as indicated by the NASS September Crop Production report. The average all rice yield is down 77 pounds per acre to 7,559 pounds. Total exports are lowered 3.0 million cwt to 94.0 million (all long-grain) on uncompetitive prices and a slow pace of sales so far in the marketing year. As a result of these changes, all rice ending stocks are projected up significantly to 53.4 million cwt, 8.7 million higher than last month's forecast. The 2025/26 long grain rice season-average farm price is reduced by $1.00 per cwt to $12.00. The 2025/26 southern medium grain rice season-average farm price is also reduced by $1.00 per to $12.50.

The September outlook for 2025/26 U.S. cotton supply and demand shows marginally higher production compared to last month, with no change to exports, consumption, imports, or stocks. The U.S. crop is projected 10,000 bales higher to 13.2 million bales, reflecting unchanged to slightly higher planted and harvested area in all regions. The national average yield is lowered 1 pound to 861 pounds per harvested acre. With no changes to consumption, exports, and ending stocks, the stocks-to-use ratio is also unchanged at just over 26 percent. The projected season-average upland price for 2025/26 remains at 64 cents per pound.

Corn

USDA unleashed a shockwave through the corn market last month with a monster 188.8-bushel-per-acre corn yield as well as a 2.1-million-acre increase to estimated planted acreage for 2025. However, corn futures prices have shown a surprising degree of resiliency, with December futures at the time of this writing up nearly 25 cents from the August 12th closing price. In combination with seasonal tendencies to feel for a bottom over August through October, it currently seems as if traders believe USDA has likely printed the high for incoming corn supplies this fall.

Ahead of the September report, the Dow Jones survey of 17 analytics/advisory firms echoes this sentiment, with the average trade guess for the national average corn yield coming in at 186.1 bushels per acre, which would be a 2.7- bushels per acre cut from the report a month ago. This certainly seems like a fair adjustment given the more challenging conditions in the Eastern Corn Belt through August. At this point, the yield conversation is almost an afterthought to the corn balance sheet for 2025. Corn yields would have to drop significantly to knock the 2025 crop out of the record-setting position its currently in.

To illustrate, the average trade guess for Friday is calling for a 16.51-billion-bushel corn crop. Using the yield leads to a harvested acreage figure of 88.7 million. To fall below the previous record of 15.34 billion bushels set in 2023, the corn yield would have to drop below 173 bushels per acre (assuming no changes to acres), taking yield from a record to the lowest in five years. In this sense, the high acreage is truly the key supply driving factor within the corn market for 2025.

To sum up the domestic corn market, the average trade estimate is calling for ending stocks of 2.02 billion bushels, the highest in seven years, if true. Demand estimates will likely remain record strong, and some

in the trade don't foresee many drastic changes there given the earliness of the new season and the already record forecast for exports currently.

Pre-WASDE report release, technically driven short covering and a weaker dollar were supportive for prices, while gains were limited by disappointing weekly export sales and crude oil market weakness. Most-active December futures have been trading on both sides of a downtrend line off their April high and closed slightly above it for the third time in eight sessions. Will the third time be the charm? We will likely know tomorrow. December futures continue to have key nearby resistance at $4.24 3/4 and a breakout above that is needed to spur a likely test of the gap on the Dec. chart at 4.30 1/4-$4.32 3/4. Further resistance is at $4.42 1/4. A December close below $4.14 would now break the market's short-term upward trading channel.

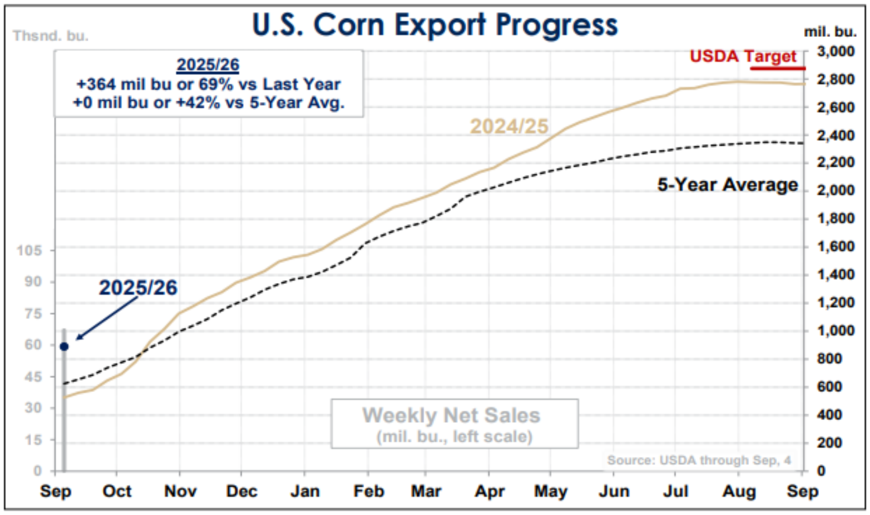
For corn, the surprise was that September WASDE report raised what was already seen as a lofty harvested acreage number, to 90.0 million from 88.691 million last month. UDSA lowered its yield estimate from 188.8 bushels per acre last month, to 186.7, but the trade was on average expecting 186.2. USDA's new crop estimate of 16.814 billion bushels thus was actually up from last month's estimate of 16.742 billion. The trade was on average expecting 16.516 billion. The bottom line is that USDA's 2025-26 corn carryout was left essentially unchanged, at 2.111 billion, compared to 2.117 billion last month and the average survey estimate of 2.011 billion.

Harvest pressure and related commercial hedge selling will ramp up in the coming weeks, which could limit the upside in corn futures prices. However, the corn market bulls have shown keen resilience lately, despite knowing a big U.S. corn crop is getting ready to come out of the fields in the coming weeks.

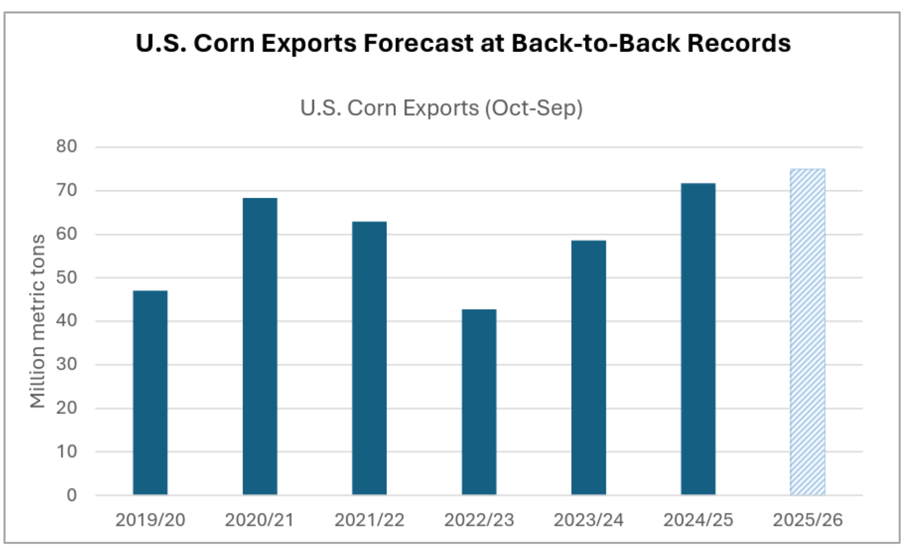
The September WASDE report can be considered slightly bearish, as the yield estimate came in slightly above expectations, but the harvested acreage increase for the second month in a row was a surprise. Dry

weather issues and disease pressure were not significant enough to tighten the balance sheet, but post-report prices are steady. The bottom line for corn is that a massive crop is on the way. Storage will be an issue, but very strong demand is expected. December support is strong between $4.00 and $4.10, but the upside is likely to be capped between $4.30 and $4.40 for the near term.

USDA Thursday reported U.S. corn export sales of 539,900 MT for 2025-26 were led by sales to Mexico. A total of 1.17 million MT in sales were carried over from the 2024-25 marketing year. Sales were well below the expected range of 900,000 MT to 2.4 MMT for 2025-26. Still, export demand for U.S. corn has been good recently. New U.S. trade deals in the coming months would likely produce even more global demand for U.S. corn.



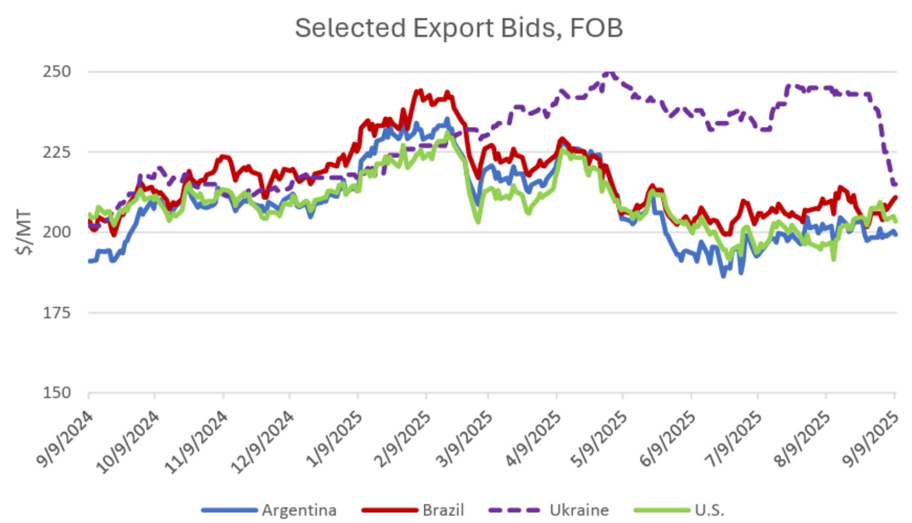
In 2024/25 (Oct-Sep), U.S. corn exports are estimated to hit a record of 71.7 million tons, eclipsing the previous high of 68.3 million tons in 2020/21. Exportable supplies were plentiful this year, with the fifth-largest production ever bolstered by the largest beginning stocks in 5 years. As a result, U.S. corn was price competitive throughout most of the year. In the earlier part of the season, a smaller crop resulted in lower exports and reduced competition from Ukraine. Following that, Brazil's safrinha (second crop) exports, which typically begin in July, are off to a slow start in 2025 despite the second highest crop, offering late season breathing room for U.S. corn exports.



Key export destinations in 2024/25 include Mexico, Japan, Colombia, and South Korea, representing over 70 percent of year-to-date U.S. export volume (Oct-Jul). However, growth in both smaller markets and countries where the United States has a smaller market share have contributed to corn's export performance as well. Export volumes to Guatemala, Vietnam, and the European Union are at their highest levels in at least 5 years, if not outright new records.

U.S. corn production in 2025/26 is forecast at an unprecedented 427 million tons, and the bountiful supply situation supports a forecast for a consecutive record of 75.0 million tons of exports in the upcoming year, up 2.5 million from the August forecast. Per Export Sales Reporting as of the beginning of September, sales already on the books for the new marketing year are at the second highest level ever despite the absence of China demand. Though exports from Argentina, Brazil, and Ukraine are expected to grow modestly year over year – from either larger crops or moderating of domestic demand growth – the United States is poised to remain by far the world's largest corn exporter.

Since the August WASDE, export bids for U.S. and Brazilian origins rose, while bids for Argentine and Ukrainian origins softened. Argentine bids fell $4 to $199/ton as exporters priced supplies competitively to attract demand. Brazilian bids were little changed as pressure from the strong second crop (safrinha) harvest was offset by strong domestic use and firm export demand. U.S. bids were up $6 to $203/ton as robust sales of new crop supplies continued to balance pressures from a massive forecast harvest. Ukrainian bids fell sharply by $30 to $215/ton as bids reflect greatly improved new crop supplies.



Source: International Grains Council

Export bids (fob, US$ per ton)	9-Sep-25	7-Aug-25	9-Sep-24	% change, '24-'25
Argentina, Up River	199	203	184	**8%**
Brazil, Paranaguá	211	210	192	**10%**
Ukraine	215	245	205	**5%**
U.S. #3 Yellow Corn, Gulf	203	197	182	**12%**

Soybeans

From the first session of August to the end of the month, November soybean futures rallied over 65 cents, fueled by the surprise 2.6-million-acre cut to estimated planted acreage, and despite a 1.1-bpa increase to the national yield in the August WASDE. Since the start of September, prices have relaxed somewhat, as traders remain very nervous about the demand situation for U.S. soybeans with China yet to book a single

cargo of new-crop U.S. beans. On Friday, USDA will refresh the soybean balance sheet, which is currently teetering on the knife's edge between bullish and bearish.

On the supply side for the new-crop season, the average estimate of analysts surveyed by Dow Jones is calling for a 53.3 bushels per acre national yield, which would be a 0.3-bushel per acre cut from the August estimate. In my opinion, this seems like it could still be a touch high given the lack of rainfall through the crucial pod-filling period in the eastern and southern belt over August. But time will tell, and it's not uncommon to see USDA ease into adjustments, especially ahead of significant field data to inform its models. This is expected to lead to a 4.273 billion bushels soybean crop, which would be down just slightly from the August report, and down 93 million bushels from 2024, despite 6.2 million fewer acres thought to have been planted this past spring.

The demand picture for soybeans may be the most closely watched aspect of Friday's report among traders. They will be interested to see how damaging USDA is anticipating China's delayed arrival to the U.S. market as being over the next year. Personally, given the early nature of the marketing year and the fact that USDA has already reduced its forecast by 110 million bushels since June, some in the trade would be surprised to see an additional bearish adjustment at this point.

Recall that at the height of the first trade war in 2019-2020, the U.S. still managed to export 1.68 billion bushels of soybeans thanks to heightened business with other countries. Given the competitiveness of U.S. price currently within the world market, some believe it's simply too early to rule this out as being a possibility for the current season as well.

The Dow Jones survey of analysts appears to disagree slightly, with an average 2025-26 ending stocks estimate of 293 million bushels, a slight uptick from August. But given the previously mentioned expected supply cuts, it appears analysts, on average, are expecting an offsetting increase in stocks to come from somewhere down the balance sheet.

Concerns about yields in the southern and eastern Midwest due to continued dry weather likely helped support prices. Gains were limited by a slowdown in weekly U.S. export sales, a continued lack of Chinese interest in U.S. beans and a larger Brazilian crop estimate. After putting in a shaky close mid-week, soybean futured did an about-face and charted bullish outside trading days. However, mid-week trading ranges were narrow and follow-through to the upside will certainly be needed to confirm the positive signals mean anything. It is encouraging that most-active November futures have found support at or just below their 40-day moving avg. in 4 of the past 6 sessions. November beans need a clean breakout above last Friday’s high of $10.37 1/4 to build some upward momentum. A close below the 40-day moving avg. near $10.25 would open the door technically for a drop back to at least $10.00. The longer-term support line for November beans is at about $9.86.

The technically bullish weekly high closes in November soybeans and December bean oil set the stage for follow-through, chart-based buying early next week. The September USDA forecast for a bumper U.S. soybean crop appears to have already been factored into futures prices. The agency today forecast the U.S. soybean crop production at 4.301 billion bu., whereas the trade expected 4.262 billion bu. and compares to 4.292 billion bu. projected in the August report. USDA increased its soybean production estimate 8.5 million bu. from last month and decreased yield 0.1 bu. to 53.5 bu. per acre. USDA increased U.S. harvested acres 0.209 million acres to 80.313 million acres amid a 0.210 million acre increase to planted acres (to 81.135 million acres). USDA held old-crop soybean carryover unchanged from last month. On new-crop beans, USDA raised carryover 10 million bu. from last month and that is 12 million bu. above the average pre-report trade estimate.

The September WASDE report can be considered mostly neutral. However, a contingent of analysts was looking for a lower yield surprise. The main takeaway from this report is that the USDA believes the crop has not been significantly damaged by recent dry weather. However, the USDA's minor cut to exports suggests that they still have hope that new crop demand will recover, despite China's absence. Traders may be breathing a sigh of relief, and post-report prices remain slightly higher on the day. If the recent low in November beans at 1021 1/2 holds, the market still has a chance for a recovery towards the August highs.

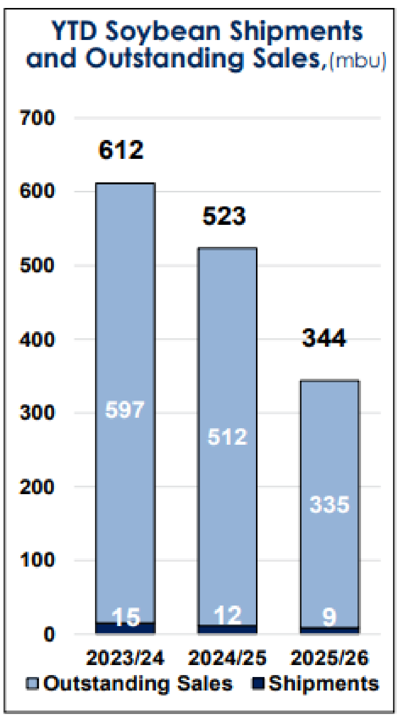
World Weather Inc. today said rain in the U.S. Midwest will be infrequent and light in most areas during the next two weeks "and crop maturation and harvesting should advance well while minor declines in crop yields occur in some southern areas." However, most crops are too advanced to see significant declines in yields. Some showers will occur on occasion, however, and a few crops should benefit from the moisture with coverage of significant rain in the drier areas before crops reach maturity not likely great enough to induce widespread increases in yields. Much of the southwestern to the eastern Corn Belt would benefit from greater rain. Temperatures in the Midwest will be much warmer than normal to

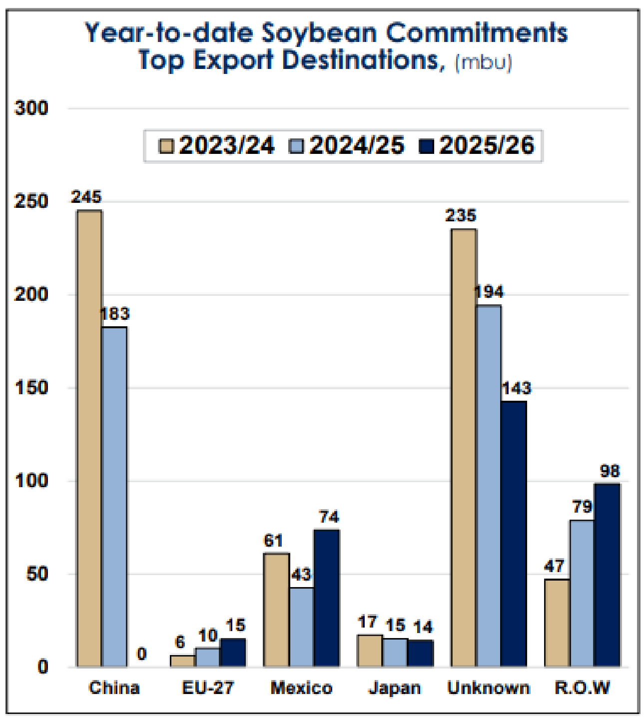
unseasonably warm most often through next Tuesday before the middle to late part of next week is cooler in the west, while temperatures stay above the frost threshold through the same period, said the forecaster.

Harvest pressure and the related commercial hedge selling will pick up as September progresses, which will likely keep any price rallies modest at best. For the soybean complex futures to see sustainable price uptrends develop, there will need to be better global demand for U.S. soybeans. Traders will remain focused on U.S.-China trade talks in the coming weeks/months as the top global soybean importer continues to shy away from U.S. new-crop soybean purchases.

Net new weekly soybean export sales for the holiday-shortened week ended Sept. 4 of 19.9 mil. bu. were the lowest since the week ended July 17. Soybean export sales for the new marketing year to date totaled 343.7 million bushels, down 34.3% from a year earlier as China remained absent as a buyer. It is unprecedented in this century for China to go into the new U.S. marketing year with no purchases of U.S. soybeans on the books.

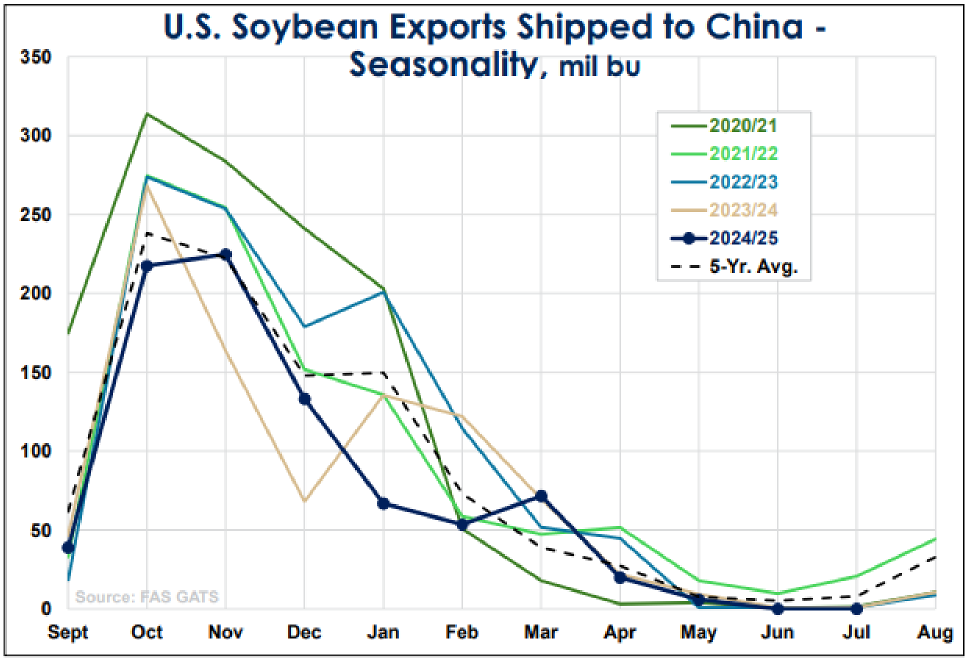
With the 2025/26 U.S. soybean marketing year now underway, China has still not booked any U.S. soybeans for 2025/26 delivery, an unprecedented situation for this century that has the U.S. soybean industry on edge. As the top chart at right shows, over the past 25 years, the previous low for soybean sales to China at the start of the marketing year was 16 million bushels way back in 2000/2001. Last year at the same point, China had already committed to buy about 183 million bushels of U.S. soybeans, according to USDA sales data, and a significant portion of 214 million bushels in sales for unknown destination was also likely to China. So far for 2025/26, sales to unknown destination total only about 142.5 million bushels.



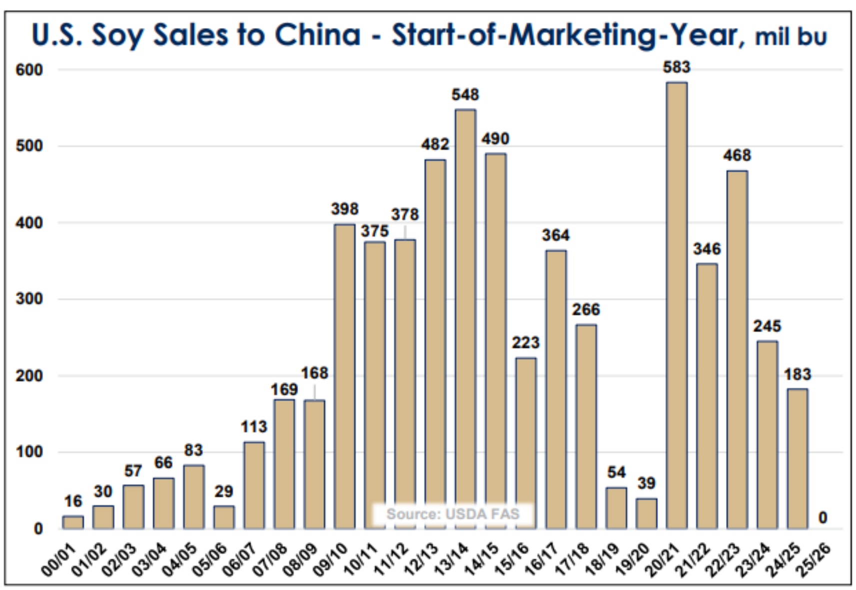


China's absence from the U.S. market is driven primarily by the U.S.-China trade war, but the huge 2024/25 crop in Brazil is also to blame, allowing Chinese buyers to meet import needs for early 2025/26 without coming back to the U.S. market. Chinese buyers have reportedly already covered most import needs for October and some November needs as well (see page 4 for more). This is especially concerning

as normally most U.S. soybean export shipments to China occur between September and January, as can be seen in the second chart at right. At this point, there appears to be only a small window when Chinese buyers might be forced to pay up for U.S. soybeans before supplies from Brazil's 2025/26 crop start to become available. And Brazilian competition is only getting stiffer, with production there set to grow further this year.



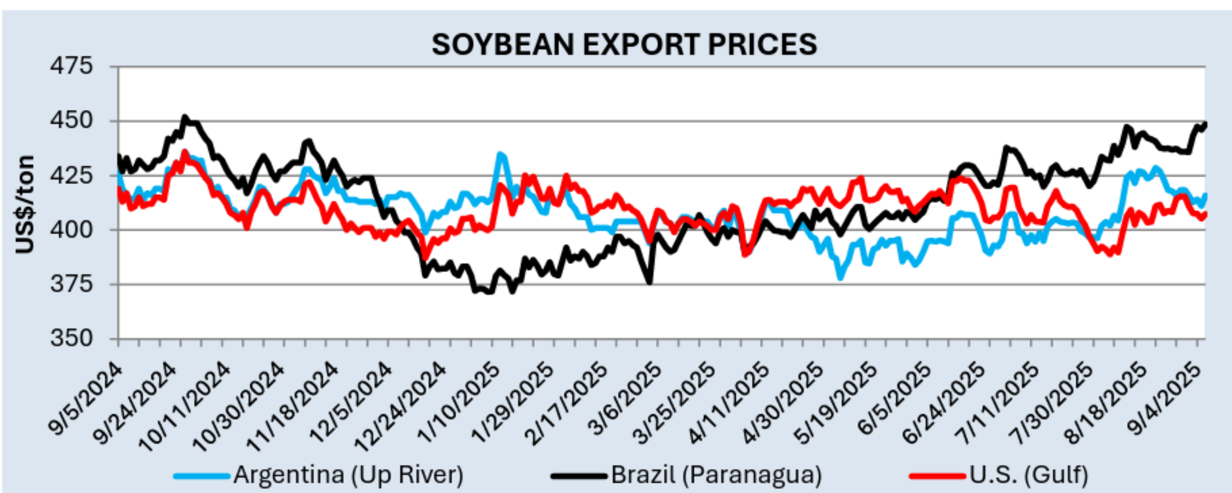
While the U.S.-China trade truce has been extended for 90 days through mid-November, that is little solace for the U.S. soybean industry as U.S. soybeans still face a 20% retaliatory import duty from China, putting them at a big disadvantage to South American soybeans. That pushes the total import duty rate on U.S. soybeans to 34% when combined with other taxes. The U.S. soybean industry desperately needs a U.S.-China trade deal, but any potential deal would seem to be months away. Top level U.S. and Chinese negotiators last met in late July, and as s of Sept. 12, no further such meetings had been scheduled.



The good news: Larger U.S. soybean exports to other destinations will offset some of the loss in Chinese business. Chinese demand has pushed Brazilian soy prices up, giving U.S. soybeans a price advantage in other markets. U.S. soybean sales to Mexico and the European Union for 2025/26 are ahead of last year, as are sales to the rest of the world (R.O.W.), while sales to Japan lag slightly. Export sales to known destinations other than China as of Sept. 4 were up 25.9% from last year, to 201 million bushels (5.47 MMT). Despite that, total U.S. export sales were down 34.3 MMT. U.S. soybean producers are becoming increasingly dependent on domestic demand, making expected increases in renewable diesel production more important.

Trade agreement or no trade agreement, huge Brazilian production also continues to squeeze U.S. soybeans out of the export market, with Brazil's official 2024-25 crop estimate now at 171.6 million metric tons, 2.6 million metric tons above USDA's estimate and a larger crop expected in 2025-26. Soybean producers will need to see continued growth in domestic demand driven by the renewable diesel industry. The U.S. crush showed strong growth in 2024-25, with the latest National Oilseed Processor's monthly crush report expected to peg the NOPA August crush at 182.86million bushels, up 15.7% from July 2024 and the largest on record for the month.

Since the last WASDE report, soybean export prices were largely unchanged despite some midperiod fluctuations. U.S. soybean export prices increased to $415/ton in late August following reports of worsening crop conditions. This reversed in September as U.S. soybean prices retreated again, in part due to lack of demand from China. Brazilian prices were relatively stable but are now trading at a $40/ton premium to U.S. beans. Soybean meal prices remained higher than the July average, but were largely unchanged on net since the last WASDE. U.S. soybean meal prices fell alongside soybeans in early September but maintained a premium over Brazilian and Argentine meal.



Source: International Grains Council. All prices are FOB: U.S. Gulf, Argentina Up River, and Brazil Paranagua.

Rice

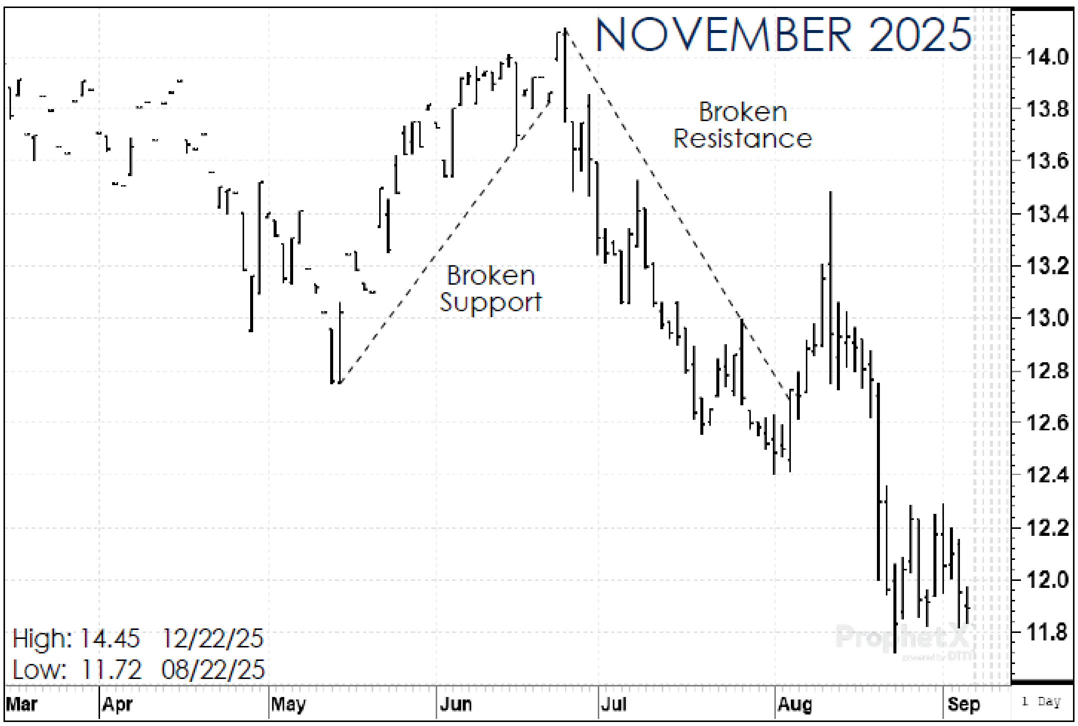
Prices remained on the defensive in late August and into early this month. Most-active November rice is hovering near its contract low of $11.72. On a front-month basis, futures are near the five-year low of $11.42 1/2. If that does not hold, the next downside test would be the pandemic low of $11.21 1/2.

Faced with soft demand and a mostly favorable crop outlook, many producers are still sitting on a large portion of last year's crop. That crop had significant quality problems and there are few buyers for it now. Not a good situation. Comfortable supplies in Asia remain a negative factor and harvest pressure should

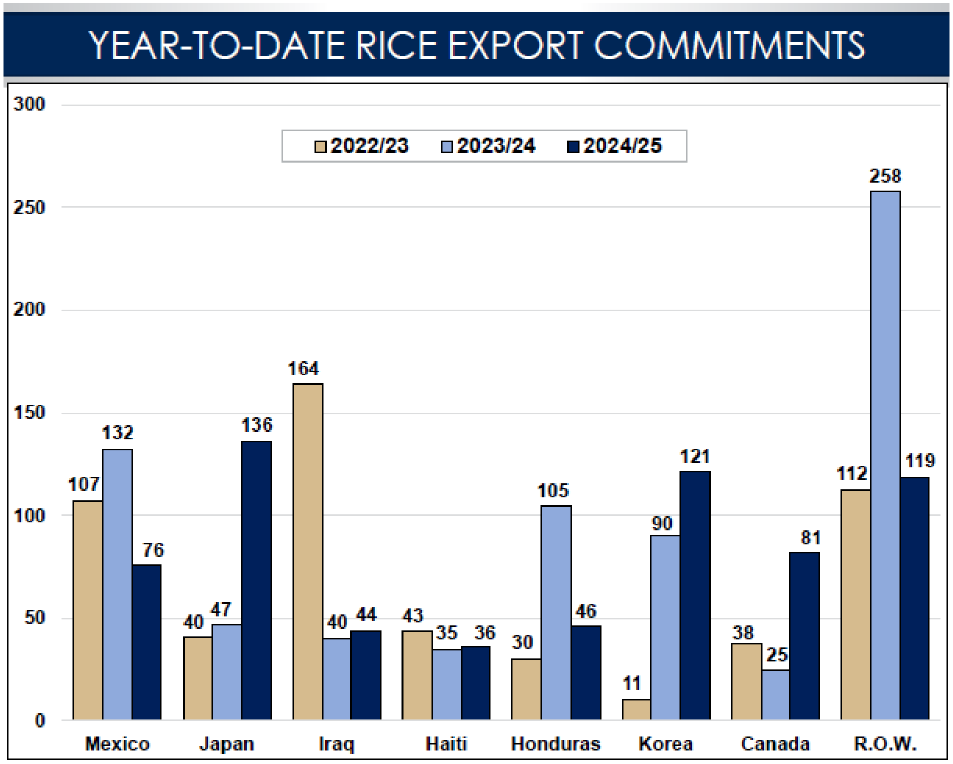
continue to hang over the market in the near-term. A trade deal announced with Japan also helpful for rice demand, although unlikely to be a game-changer. Along with federal aid, the hope for producers is that weak prices stimulate more demand, and that the market reacts to the prospect of reduced acres.

Export demand has remained weak, with poor weekly sales reported Thursday. Supplies in Asia and South America are ample. Domestic demand is also soft. Rice trade groups are hopeful that tariffs on Asian countries, particularly India, will ultimately prompt more farmers to plant varieties such as Basmati in the U.S. That remains to be seen and is, at best, a long-term prospect.

Rice futures settled higher as the thinly traded September settled up 5 cents to $11.37 1/2. November rice settled up 5 cents to $11.66, after trading a range of $11.53 ½ to $11.68 ½. January rice settled up 6 cents to $11.92. Weekly rice net export sales were respectable at 56,900 metric tons, with shipments at 78,400 metric tons.



The nearby Nov contract made a $11.97 high on September 5th and then proceeded to slip off to a new $11.50 low just a few days later in a drop to a new low for this contract. There just don't seem to be enough buyers out there to keep price firmness in the market. These conditions will not last forever, but the questions are how much lower prices can go, and when will they stop falling. The gist of this is that there just don't seem to be enough buyers out there to keep price firmness in the market. The nearby uncertainty that some in the trade see for the rice futures market is what kind of action will be seen between now and the first day of November. Open interest is big, and if things are surprisingly tight, the shorts are going to have a tough time getting out of the way. Other contributing factors to this drop in prices included a lack of active cash business, the poor quality of the past crop, and the questionable potential of the new crop export business.



There is no definitive change in the market, as the focus has primarily been on the harvest and fulfilling existing contracts, principally with Iraq and Haiti on the milled rice side. Prices have been under pressure but appear to have found at least a temporary bottom.

At the moment, the most pressing concern is the significant loss of paddy buyers. Total US paddy sales in the current marketing year are trailing last year's pace by a staggering 186,400 metric tons, a decline of nearly 50%. The United States faces challenges on both the pricing and quality fronts that must be addressed, despite trade agreements (excluding Colombia) providing incentives to maintain market share. These issues strike at the very core of trade and should be resolved during the upcoming off-season to avoid the risk of permanently losing markets, similar to what occurred with brown rice trade with the EU several years ago.

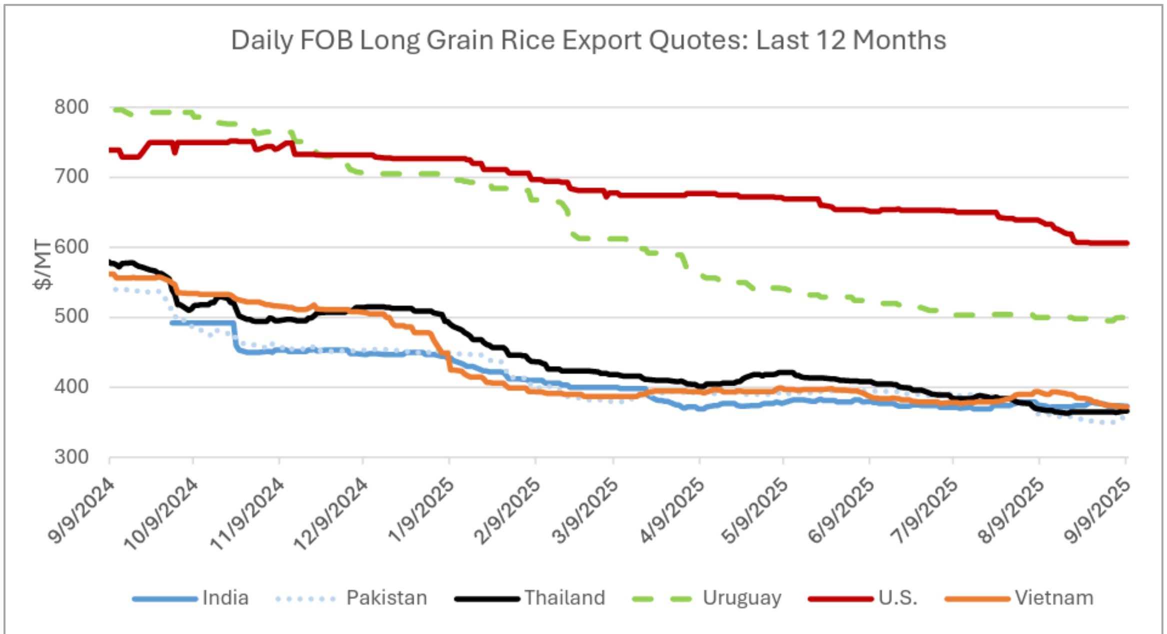
Looking ahead, business with Iraq appears sustainable for the foreseeable future. Although the Haitian market remains steady despite being difficult and risky, market share lost to Pakistan remains steady at 30%. For the first time in many decades, key market indicators depict an export environment where milled rice demonstrates greater stability than paddy rice, resulting in a reversal of the traditional market dynamics between these segments.

All MERCOSUR-origin markets have been aggressively capturing key market demand, which has traditionally been held by U.S. exporters. This dynamic particularly applies to paddy rice in Mexico and Latin America. Mexico bought another cargo at $290 per mt FOB for September shipment, this makes a total of 6 vessel amounting to about 250,000mt. A significant volume of milled rice sales has also occurred, including markets such as Mexico and Brazil. Ultimately, this shift is not solely driven by price. There is a clear distinction between Uruguayan rice and U.S. rice, with offshore buyers demonstrating a preference for Uruguayan origin, especially among the notable paddy rice purchasers. This development

poses a significant challenge for the U.S. market and underscores the necessity to re-evaluate rice varieties for their suitability to meet the preferences of these key buyers.

In Louisiana, the harvest is in its final 10%. Prices are unchanged at $19.00-$19.50 per barrel FOB farm (basis 55/70). There continues to be some paddy activity destined for Central America, as railcars are being loaded and the next vessel is expected in another couple of weeks. In the Mid-south, CME Futures are still trading at record lows. September and November contracts are below $12.00. For the two weeks, prices are down another 30-40 cents. The cash market remains unchanged and very quiet. There are no bids for barges; otherwise, there is a bid at $1 under the CME basis delivered mill. Rough rice stocks are weighing heavy on the market (up 76% yr/ yr), and many have quality issues, i.e. low milling yields or otherwise. Most areas are being harvested now. However, keep in mind the extended period of planting which will likely result in an extended harvest.

Since August, global export prices declined except for Uruguay. U.S. quotes fell $33 to $606/ton amid the ongoing harvest. Uruguayan prices are holding steady at $500/ton, reflecting strong demand. Indian quotes ($373/ton) decreased $2 on weaker global demand. Vietnamese quotes ($372/ton) decreased $22 following the temporary ban on Philippine rice imports. Thai quotes dipped $3 to $366/ton to garner more demand from importers. Pakistani quotes dropped $4 to $358/ton on weak interest from major markets.



Source: International Grains Council
Note on FOB quotes: Thai 100B, U.S. 4%, all others 5% broken white rice

Cotton

Cotton futures ended slightly mostly higher in a quiet day of trade as traders await Friday's USDA report. Thinly traded October settled down 19 points to 65.37. December settled up 5 points to 66.72, after trading range of 66.30 to 67.00. March cotton settled up 4 points to 68.63. The cotton market has found solid support recently at 65.80 in the December contract. The near-term target for bulls is yesterday's high at 67.10, and the market could face significant resistance in the 68-cent area. A weaker U.S. dollar and rallying stock market helped underpin the market today.

Cotton weekly net export sales were disappointing at 129,600 bales, down sharply from last week and 33% from the four-week average. One positive is that for a second straight week there were sales to China (17,600 bales). Weekly cotton shipments of 130,200 bales were lackluster and near the four-week average.

Cotton bulls got little traction from a mildly friendly USDA supply and demand report today. The agency forecast U.S. cotton production at 13.224 million bales, whereas the trade expected 13.54 million bales and compares to 13.214 million bales projected in the August report. The agency unexpectedly cut cotton production to 299,000 bales from last month. The average yield was reduced by 5 lbs. to 862 lbs. per acre. Harvested area increased 13,000 acres to 7.369 million acres. USDA increased yield in both Texas (to 693 lbs. per acre) and Georgia (to 896 lbs. per acre). On old-crop cotton, USDA made no change to the supply- or demand-side of the balance sheet and held the national average on-farm cash cotton price for 2024-25 at 63 cents. On new-crop cotton, USDA made minor adjustments on the supply side of the balance sheet and made a slight upside adjustment to “unaccounted” use to hold carryover steady with last month. USDA puts the national average on-farm cash cotton price for 2025-26 at 64 cents, unchanged from last month.

World Weather Inc. today Texas rains will be limited over the week to 10 days, with seasonably warm temperatures, and that should lead to favorable late-season cotton development in the west and expedite maturation in the Blacklands. Harvesting in the south will advance favorably with very little rain expected. U.S. Delta crops have dried out greatly, resulting in some crop stress. A few showers are expected in the coming 10 days, although the resulting rain will not be enough to change overall crop conditions, said the forecaster. The southeastern states and Arizona will see a mix of rain and sunshine.

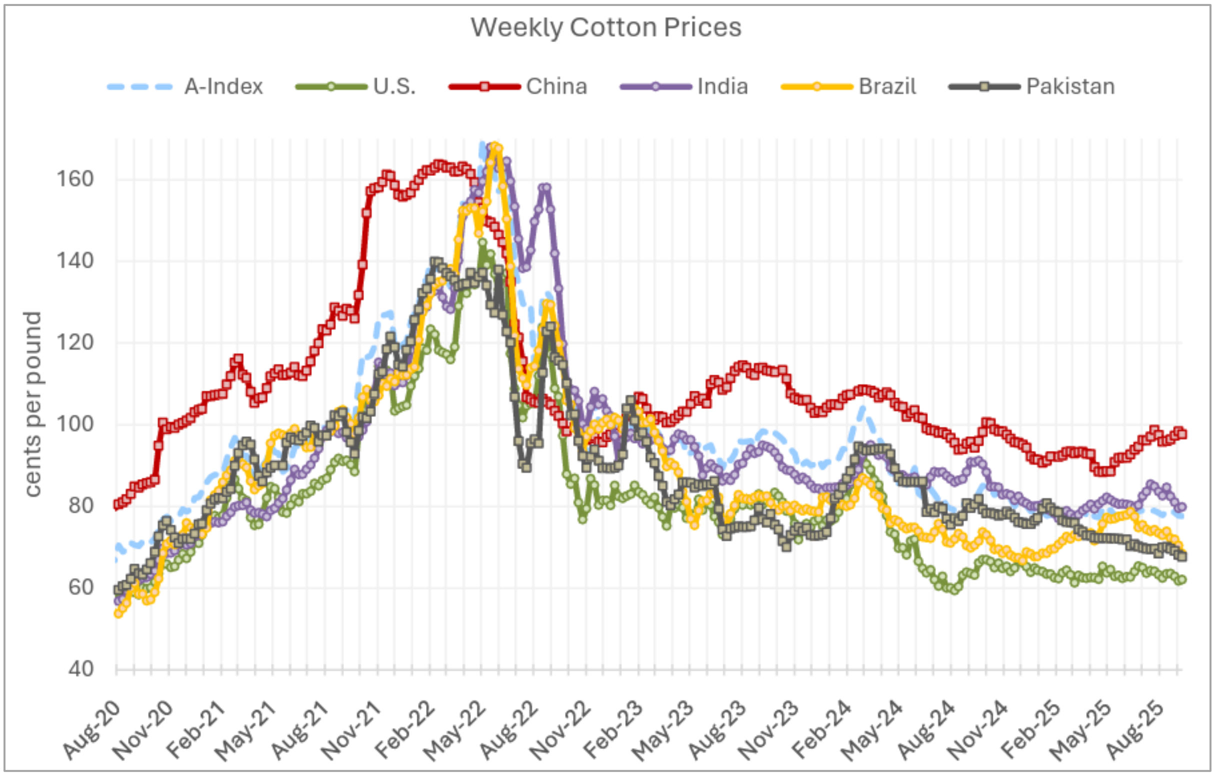
Meantime, Mato Grosso, Bahia and immediate neighboring areas in Brazil will continue to see good late-season harvest weather for a while. Showers are expected later this month which may encourage faster late-season fieldwork as farmers anticipate rain, said World Weather.

The recent weekly USDA export sales report showed net U.S. cotton sales 129,600 running bales (RB) for 2025/2026 were down 47 percent from the previous week and 33 percent below the prior 4-week average. Exports of 130,200 RB were down 16 percent from the previous week and down 2 percent from the prior 4-week average. However, cotton bulls were encouraged to see some more sales to China. The progress, or lack thereof, on U.S. trade deals with its major counterparts, especially major importer China, will likely significantly influence the cotton futures market this fall.

Since the August’s WASDE, cotton futures on the Intercontinental Exchange (ICE) remain unchanged at around 66 cents per pound.

Changes Since August *WASDE* (cents per pound)

	A-Index	U.S.	China	India	Brazil	Pakistan
8-Aug	77.8	62.6	95.8	82.5	73.2	69.8
10-Sep	77.9	62.7	97.4	79.9	68.6	68.1
Change	**0.1**	**0.1**	**1.6**	**-2.6**	**-4.6**	**-1.7**

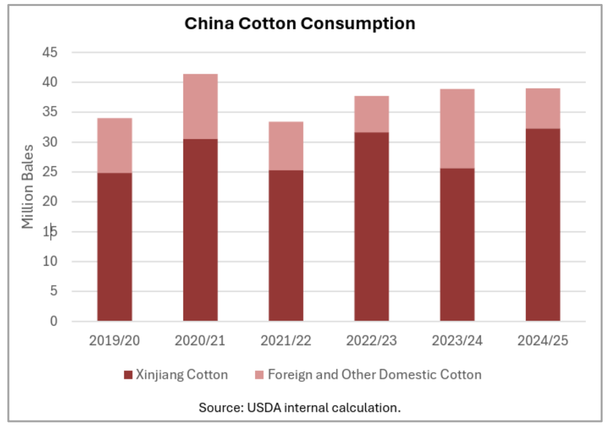


Global production is raised more than 1.0 million bales to 117.7 million as larger crops in China, India, and Australia more than offset smaller crops in Turkey, Mexico, and Mali. Chinese production is forecast up 1.0 million bales to 32.5 million, if realized, the largest crop in 12 years.

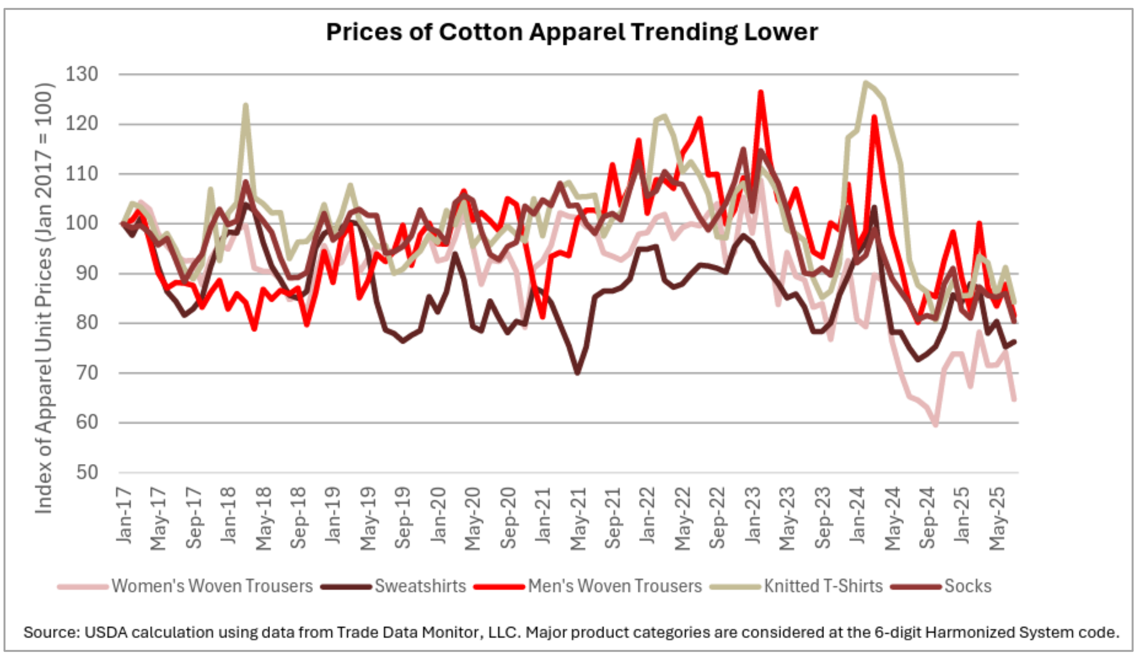
Global trade is raised more than 100,000 bales to 43.7 million. Higher imports by Mexico, Turkey, and Vietnam more than offset lower India and China imports. Higher exports by India and Australia more than offset reductions from Cameroon, Cote d'Ivoire, and Mali.

Global consumption is forecast up more than 800,000 bales to 118.8 million as a 1.0-million-bale increase in China more than offsets reduced Turkey consumption. Global ending stocks are lowered nearly 800,000 bales to 73.1 million mainly due to higher consumption in China in 2024/25. The U.S. season-average farm price for 2025/26 is unchanged at 64 cents per pound.

Chinese cotton consumption is projected at 39.0 million bales in marketing year 2024/25 (August 2024 – July 2025), unchanged from the previous year and above previous USDA forecasts. Despite concerns from higher U.S. tariffs, Chinese product exports rose to a 7-year high. Domestic sales of apparel were a record and boosted by government stimulus. The country also witnessed record production and consumption of Xinjiang cotton fiber as imports fell to the lowest level in nearly a decade and the government did not auction from reserves.



China's largest export market for cotton products is the United States and tariff concerns suppressed earlier USDA forecasts. However, competitive product prices and a frontloading of U.S. imports supported higher 2024/25 product exports to the United States and elsewhere. Major export categories witnessed significantly lower prices compared with recent history; for July, prices were 30 percent lower compared with 8 years ago for women's woven trousers, China's largest cotton product category for the month.



Another factor boosting cotton consumption was a record 1.09 trillion yuan in annual domestic sales of apparel (year ending June), significantly above recent levels. In July, the International Monetary Fund revised the forecast for China's 2025 gross domestic product growth up to 4.8 percent, partly alluding to fiscal stimulus that has boosted domestic demand for goods.

Despite higher U.S. tariffs and the ongoing effects from the 2021 Uyghur Forced Labor Prevention Act (UFLPA), China's 2024/25 cotton product exports to the United States were the second highest in 7 years. With China having successfully channeled Xinjiang cotton fiber away from the U.S. market and U.S. tariffs rising for other major product suppliers (especially India), 2025/26 China consumption is raised 1.0 million bales this month to 38.5 million. This represents a modest decline from 2024/25. Note:

U.S. policy prohibiting the importation of goods into the United States manufactured wholly or in part with forced labor in the People's Republic of China, especially from the Xinjiang Uyghur Autonomous Region.

PLC Farm Program Payment Projections – 2024/25 CY and 2025/26 CY

The table below projects the national marketing year average prices for Price Loss Coverage (PLC) program. A PLC program payment is triggered when the national Marketing Year Average (MYA) price for a commodity falls below that commodity's effective reference price. The payment rate is then multiplied by the farm's program yield and made on 85% of base acres.

Covered Commodity	***2024/25 MYA Price****	*Effective Reference Price*	***2024/25 PLC Payment Rate***
Corn	$4.30	$4.01	--
Grain Sorghum	$4.10	$4.06	--
Long Grain Rice	$14.00	$14.00	--
Medium Grain Rice	$15.20	$14.00	--
Seed Cotton	$0.3401	$0.3670	$0.0269
Soybeans	$10.00	$9.26	--
Wheat	$5.52	$5.50	--

*The 2024/25 national marketing year average (MYA) prices reflect the prices contained in the USDA WASDE report on September 12, 2025.

Covered Commodity	***2025/26 MYA Price****	*Effective Reference Price*	***2025/26 PLC Payment Rate***
Corn	$3.90	$4.42	$0.52
Grain Sorghum	$3.70	$4.67	$0.97
Long Grain Rice	$12.00	$16.90	$4.90
Medium Grain Rice	$12.50	$16.90	$4.40
Seed Cotton	$0.3425	$0.4200	$0.0775
Soybeans	$10.00	$10.71	$0.71
Wheat	$5.10	$6.35	$1.25

*The 2025/26 national marketing year average (MYA) prices reflect the prices contained in the USDA WASDE report on September 12, 2025.

Sources: USDA Agriculture Market Service (AMS), USDA Foreign Agriculture Service (FAS), USDA Farm Service Agency (FSA), USDA National Agriculture Statistics Service (NASS), USDA Economic Research Service (ERS), USDA FAS GAIN Report, USDA Office of Communications, USDA World Supply Demand Estimates (WASDE), ADM Investor Services, AgDay, Ag Fax Media, AEI, Ag Market Network, Agri-Pulse, AgRural, Ag Resource Company, Ag Web, Agricultural Market Information System (AMIS), Allendale, American Farm Bureau Federation, Bloomberg News, Brock Report, CME Group, Co-Bank, Cotbase.com, Cotton Grower, Cotton Incorporated, Cotton Outlook, Creed Rice Report, O.A. Cleveland, Daniels Trading, Delta Farm Press, DTN Progressive Farmer, Farm Futures, Fastmarkets, Fiber 2 Fashion, Gro Intelligence, Hightower Report, Intercontinental Exchange, International Grains Council, Iowa State University, INTER-RICE, Lakefront Futures and Options, LSU AgCenter, Mississippi State University, NOAA, National Cotton Council, No Bull, Peterson Institute of International Economics, Plains Cotton Cooperative Association, Plexus Cotton, Pro Farmer, Refinitiv, Reuters (Karen Braun), Rice Market Letter, Southeast Farm Press, Sovecon, StoneX, Standard Grain, Successful Farming, Texas A&M University (John Robinson), Textile Exchange, Total Farm Marketing, University of Arkansas, University of Georgia, University of Illinois, University of Tennessee, U.S. Grains Council, U.S. Rice Producers Association, USA Rice Federation, U.S. Soybean Export Council, United Nations Food and Agriculture Organization (FAO), and the Wall Street Journal.

Contact Dr. Michael Deliberto at 225-567-7267 or by email mdeliberto@agcenter.lsu.edu
Department of Agricultural Economics and Agribusiness, 101 Martin D. Woodin Hall, Louisiana State University Agricultural Center, Baton Rouge, LA, 70803