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December Market Update
Corn, Soybeans, Rice, and Cotton

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Prices at a Glance

Crop	2025/26 U.S. MYA Price Projections
Corn	$4.00 per bu.
Soybeans	$10.50 per bu.
Long Grain Rice	$10.50 per cwt.
South. Med. Grain Rice	$11.00 per cwt.
Upland Cotton Lint	$0.60 per lb.
Seed Cotton	$0.3252 per lb.

WASDE Summary

This month's 2025/26 U.S. corn outlook is for greater exports and lower ending stocks. Exports rose 125 million bushels to 3.2 billion reflecting shipments to date. Export inspection data showed robust foreign demand during November and implies total shipments during the September-November quarter will likely exceed 800 million bushels, surpassing the prior high set during 2007. With no supply changes and use rising, corn ending stocks are down 125 million bushels to 2.0 billion. The season-average corn price received by producers remains unchanged at $4.00 per bushel.

U.S. soybean supply, use, and price ($10.50 per bushel) projections are unchanged this month.

The outlook for 2025/26 U.S. rice this month is for reduced supplies, unchanged domestic use, lower exports, and higher ending stocks. All rice supplies have been decreased on lower imports, down 1.0 million cwt to 49.7 million all on a reduction in long-grain imports. Long-grain exports are reduced 2.0 million cwt to 62.0 million on continued sluggish sales and shipments of rough rice to Mexico and other Latin American markets. The 2025/26 long grain rice season-average farm price (SAFP) forecast is lowered this month by $1.00 per cwt to $10.50. The southern medium grain rice SAFP is also lowered by $1.00 per cwt to $11.00.

This month's 2025/26 U.S. cotton balance sheet shows slightly higher production, a reduction in mill use and larger ending stocks compared to November. Beginning stocks, exports, and imports are unchanged. Production is increased 1 percent to 14.3 million bales as yields are raised for most States in the Southeast and Delta. As a result, the national average yield is 10 pounds higher at 929 pounds per acre. Mill use is reduced by 100,000 bales to 1.6 million, the lowest in almost 150 years. Ending stocks are now projected at 4.5 million bales, or 32.6 percent of disappearance. Cotton's projected season average farm price is reduced to 60 cents per pound, a decline of 3 cents from last year and 31 cents since 2021/22.

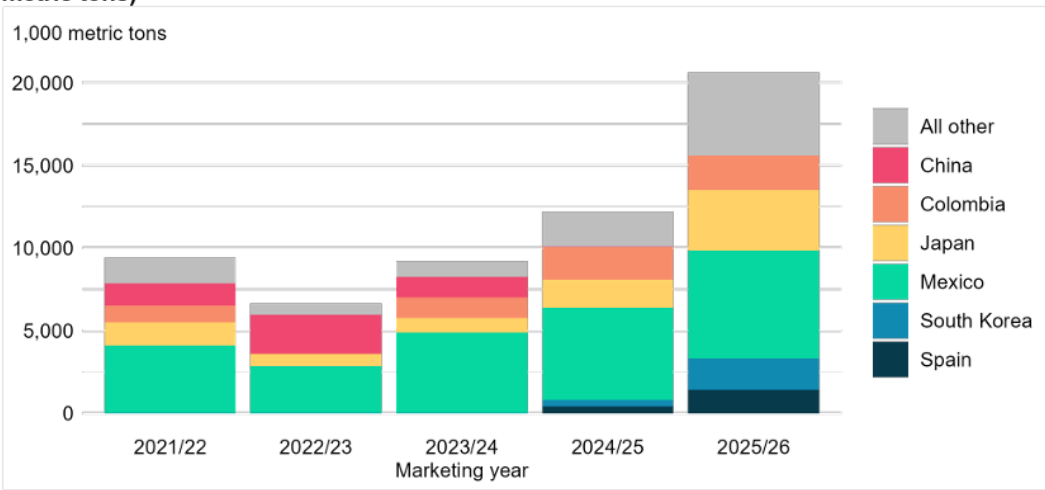
Corn

This month, there are no changes to estimates for the 2025/26 U.S. corn supply. In January, USDA, National Agricultural Statistics Service (NASS) will provide a production update for the new marketing year that incorporates data from the final stages of harvest. The 2025/26 supply outlook remains unchanged and back-year adjustments are fully offsetting, with ending stocks for 2024/25 known. Demand forecasts are fine-tuned, based on available data—including that from the U.S. Bureau of the Census and USDA, Agricultural Marketing Service inspections data, which support a 125 million bushel increase for 2025/26 U.S. corn exports, to 3,200 million.

Corn's season-average farm price remains unchanged this month after a 10-cent-per bushel increase in November to $4.00 per bushel. Following the delayed release of the Grain Stocks report, 2025/26 carry-in was increased by 207 million bushels in November, which was partially offset by reduced production.

Foreign demand for U.S. corn continues to be robust and implies total shipments in the first quarter of the new marketing year could exceed 800 million bushels. Typically, U.S. corn exports in the first quarter (Q1) of the marketing year are the smallest of all the quarters. In the prior 4 marketing years, Q1 exports averaged about 17 percent of total corn exports (by volume) or about 400 million bushels. At a projected 800 million bushels, U.S. Q1 corn exports are poised to comprise a quarter of the current 2025/26 corn export forecast and would exceed the prior high of just under 700 million bushels set during the 2007/08 marketing year. The nonstandard pattern of U.S. corn exports is likely influenced by reduced competitiveness in the Black Sea, where transportation challenges and a reduced corn harvest have inhibited sales, among other factors.

U.S. corn export inspections through 14 weeks of the marketing year, by destination (1,000 metric tons)



Note: Week number is based on unique week-ending dates in the FGIS inspection data by marketing year. The week ending dates for the 14th week were December 2, 2021; December 1, 2022; December 7, 2023; December 5, 2024; and December 4, 2025.
Source: USDA, Agricultural Marketing Service, Federal Grain Inspection Service (FGIS) *Grains Inspected for Export* report.

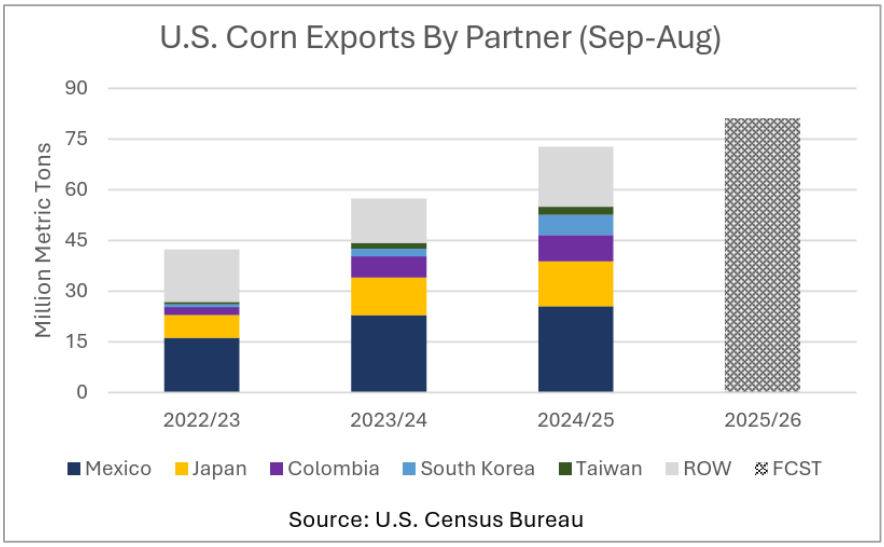
Further, while the pace of U.S. corn exports has exceeded expectations, in recent months, shipments out of Argentina have fallen below early projections. This month, for the trade year beginning October 2025, Argentine corn exports are cut 2 million metric tons to 30 million, based on observed shipment data to date.

Marketing year 2024/25 (September–August) marked a banner year for U.S. corn export volumes, reaching 72.6 million metric tons (tons) due to abundant supplies and robust global demand. Corn exports to established trade partners hit new highs, while volumes to non-traditional markets also rose. There were 16 additional destinations compared to the previous year, broadening U.S. corn's global footprint.

Shipments to established markets recorded strong growth in 2024/25, with exports to key destinations such as Mexico, Japan, Colombia, and South Korea up by 10 million tons from 2023/24. In Central America, a reliable source of demand for U.S. corn, volumes rose more than 2 million tons, up most sharply to Guatemala, Costa Rica, and Panama. Exports to less traditional destinations for U.S. corn also grew during 2024/25.

Exports to Southeast Asia rose 1.3 million tons, while the European Union grew 2.5 million tons. U.S. gains in Southeast Asia were led by Vietnam, which soared from just 5,000 tons in 2023/24 to 1.1 million tons, putting Vietnam in the top 10 destinations for U.S. corn for the first time. Growth in U.S. exports to the EU was dominated by shipments to Spain, where U.S. corn reached 1.9 million tons, the highest volume since the 1980s. In North Africa, U.S. corn exports to Morocco surged year over year alongside rebounds in Tunisia and Egypt, netting 1.5 million tons.

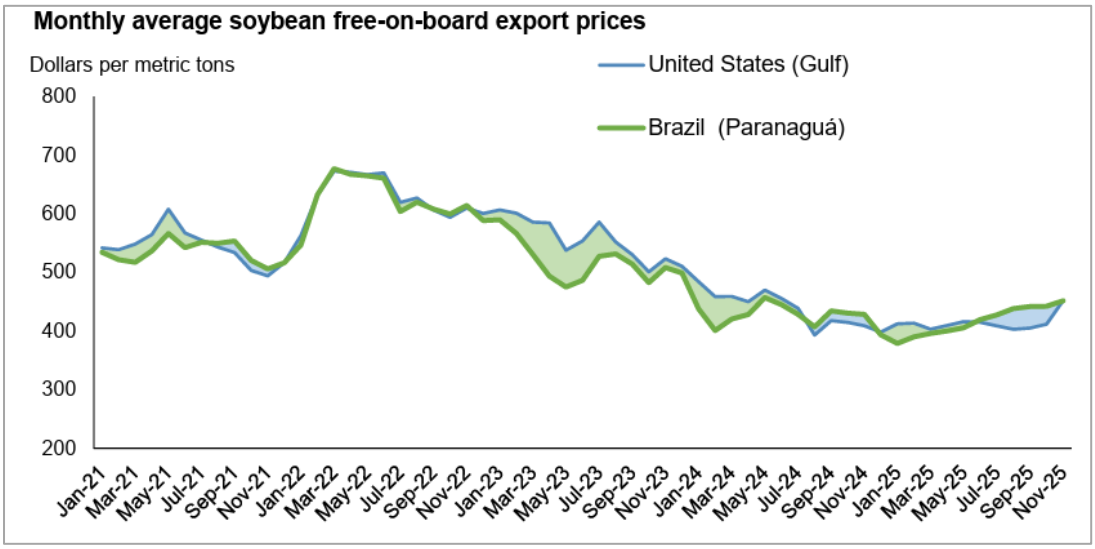
Looking ahead, U.S. exports in 2025/26 are forecast at 81.3 million tons this month as sustained foreign demand for imports is being met by record U.S. corn supplies. At well over 19 million tons, corn volumes inspected for export by USDA's Federal Grain Inspection Service in the first quarter (Sep-Nov) of 2025/26 are record high. U.S. shipments are getting support from strong global demand and slow shipments out of competitors such as Ukraine and Argentina. Inspections for U.S. corn exports to Mexico, Japan, South Korea, and Colombia have already reached over 13 million tons, signaling stable growth in these markets. Shipments to Vietnam – typically a South American market – have already surpassed 500,000 tons, well above average for recent years. Markets where the United States made inroads in 2024/25, including Israel, Algeria, Egypt, and Saudi Arabia, are also seeing significant volumes compared to recent years.



Soybeans

U.S. soybean supply forecast for MY 2025/26 is unchanged at 4.59 billion bushels, but down 156 million bushels from MY 2024/25. In January, the USDA, National Agricultural Statistics Service will release the Crop Production Annual Summary report, offering a final estimate for the 2025/26 crop before subsequent revisions in September 2026. The Crop Production Annual Summary report will incorporate findings from the December Agricultural Survey, which typically has a sample size of more than 70,000 farmers, significantly larger than the nearly 6,700 sample size in the November survey.

The U.S. soybean export forecast for MY 2025/26 soldiers on unchanged at 1.64 billion bushels this month. According to USDA, Agricultural Marketing Service, Federal Grain Inspection Service weekly reports, from September through November, the United States shipped 12.3 million metric tons of soybeans to markets outside of China, up 30 percent from the previous year, while shipments to China during this time period were less than 0.1 million metric tons. At the end of October, the United States announced a trade deal with China that included soybean purchases. Following the announcement, the soybean price spread between the United States and Brazil narrowed. The USDA, Foreign Agricultural Service reports both year-to-date commitments through November 6 and flash sales through December 8 to China totaled more than 3.0 million metric tons. While shipments are expected to rise to China, the price rally in November reduced the U.S. price competitiveness to other countries.



U.S. soybean crush is forecast at a record-high 2.56 billion bushels, unchanged from last month's forecast, but 110 million bushels higher than MY 2024/25. This record crush is expected to meet the projected meal and oil demand. The growth in domestic meal demand is forecast to align with domestic pork and poultry production forecasts and with competitive soybean meal prices, relative to other feed ingredients. The U.S. soybean meal export forecast for MY 2025/26 remains unchanged this month at 19.2 million short tons, up 0.9 million short tons from MY 2024/25. As of November 6, 2025, soybean meal total commitments (shipments and sales) stand at 6.6 million metric tons, up 7 percent from the same period last year.

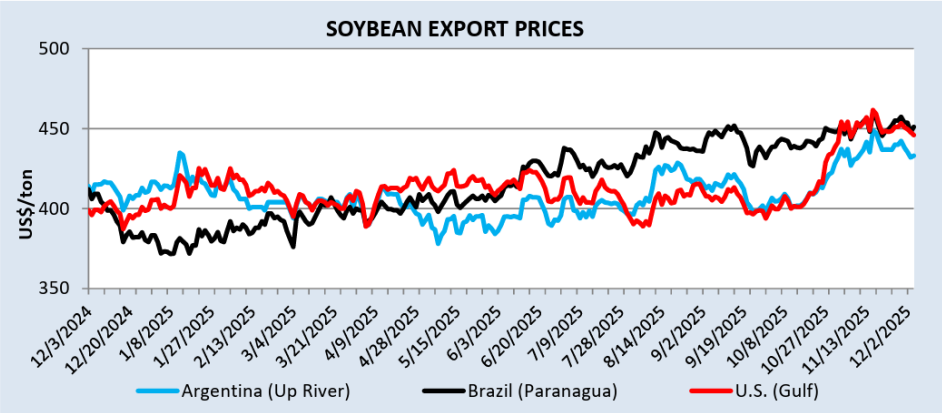
Furthermore, the forecast for higher soybean crush volumes is also supported by soybean oil demand. Total soybean oil demand for MY 2025/26 and MY 2024/25 is unchanged. In MY 2025/26, the soybean oil export forecast is 0.9 billion pounds, down 1.6 billion pounds from MY 2024/25. As per the USDA, FAS Weekly Export Sales report, soybean oil total commitments (shipments and sales) stand at 0.4 billion

pounds, down 28 percent from the same period last year. While the October and November sales of soybean oil have been strong, new sales are expected to be limited. The soybean oil prices are projected to increase in 2026 as use of soybean oil in biomass-based diesel production is expected to increase under the proposed Renewable Volume Obligations for 2026. The soybean oil use in biomass-based diesel production is forecast unchanged at 15.5 billion pounds, up 3.7 billion pounds from the final MY 2024/25.

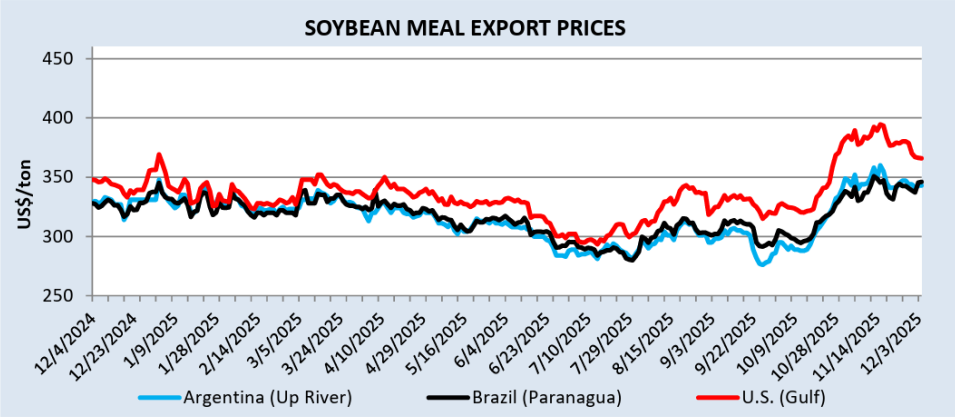
Over the last month, soybean export prices have been range bound, consolidating gains seen after China resumed purchases of U.S. soybeans. The spread between Brazil and U.S. soybeans has remained narrow as demand from China, strong U.S. crushing demand, and a weakening U.S. dollar provide support for U.S. soybean prices. Better crush margins in China for Brazilian soybeans and shrinking soybean stocks have supported Brazilian prices over this time.

After considerable appreciation in soybean meal prices in October following price movements for soybeans, soybean meal prices have moderated. A sliding U.S. dollar in recent weeks has helped narrow the U.S. premium over meal of South American origin. A record export total for Argentina soybeans in November and continued shipments from Brazil continue to drawdown South American soybean stocks, providing support for soybean meal prices of major exporters.

Soybean oil prices ticked higher for all major exporters consistent with the drawdown of soybean stocks seen in Argentina. Palm oil increased its status as the global discount oil as stocks built in Malaysia, while India slowed purchases in recent months.



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



Source: International Grains Council

Fundamentally, the most important news is what will China do. In an average year, soybean exports to China alone account for 20-25% of total demand. This is not a normal year. The question is can domestic crush and exports to countries other than China make up for their shortfall which to this point in the marketing year, is roughly 500 million bushels less than normal. That is going to be a sizeable task. USDA's export target for 2025/26 is 240 million bushels below last year, so a significant drop in exports is already factored into the balance sheet. But unless China starts buying much more aggressively during a time frame they typically only source from Brazil, trade sentiments are of the persuasion that this number will come down.

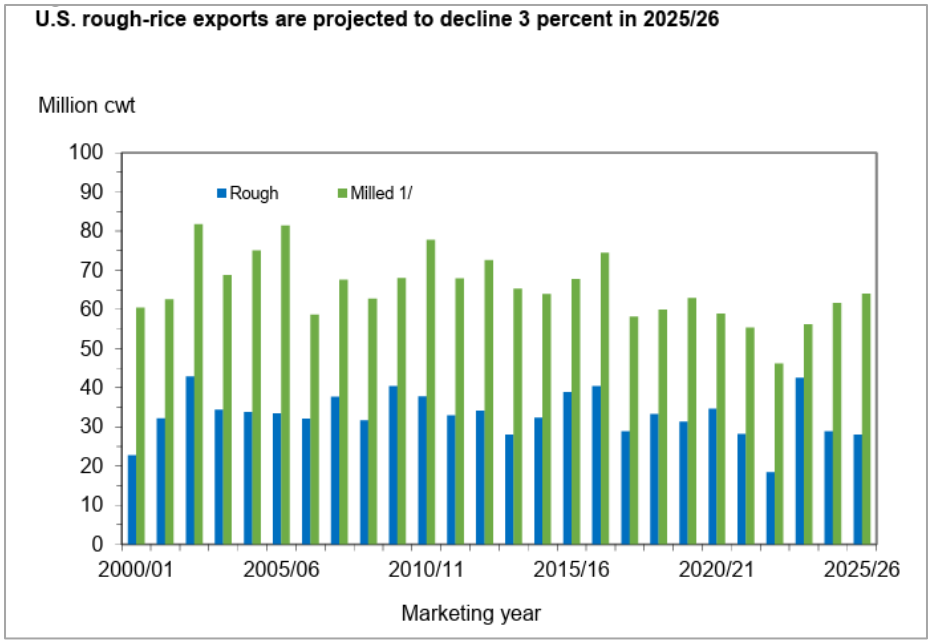
Rice

The only supply-side revision this month to the U.S. rice supply and use estimates include a 1.0-million hundredweight (cwt) reduction in total imports to 49.7 million cwt, still nearly 1 percent above a year earlier and the highest on record. Long-grain accounts for all the downward revision in imports, lowered 1.0 million cwt to 43.0 million cwt, still 0.3 million cwt above a year earlier and the highest on record. The downward revision is based mainly on weaker-than-expected imports from top supplier Thailand reported by the U.S. Department of Commerce, Bureau of the Census for August—the latest month of reported data—as well as export data reported by the Government of Thailand for September and October. Jasmine, an aromatic rice, accounts for nearly all of these reported long-grain shipments from Thailand. In the previous year, Thailand supplied nearly 65 percent of U.S. long-grain rice imports.

Total U.S. rice production in 2025/26 remains projected at 207.3 million cwt, down almost 7 percent from a year earlier. The production decline is due to a 3.7-percent contraction in harvested area to 2.762 million acres and a 3-percent decline in yield to 7,506 pounds per acre. Production in 2025/26 is projected to decline from a year earlier in Arkansas, Missouri, and Texas, with Arkansas accounting for the bulk of the decline. In contrast, production is projected to increase in California, Louisiana, and Mississippi, with California's production projected to increase 13 percent.

The lower import forecast reduced the 2025/26 total supply forecast 1.0 million cwt to 310.9 million, just 0.4 million cwt below the year-earlier record high. Long-grain total supplies are lowered by 1.0 million cwt to 233.0 million, 1.1 million cwt below the year-earlier record. Medium- and short-grain total supplies remain projected at 75.1 million, almost 1 percent larger than a year earlier.

U.S. all-rice exports in 2025/26 are projected at 92.0 million cwt, down 2.0 million from last month's forecast—all from reduced long-grain exports—but still 1.6 percent above a year earlier. The long-grain export forecast is lowered by 2.0 million cwt to 62.0 million, still 2 percent above a year earlier. The downward revision is largely based on a continued slow pace of sales to key rough-rice markets in Latin America, especially to Mexico, typically the largest buyer of U.S. long-grain rice. Sales and shipments have been weak to Central American markets as well. The revisions are based on Census Bureau trade data for August—the most recent month of available data—and weekly sales and shipment data reported by the USDA, Foreign Agricultural Service in its U.S. Export Sales through the week ending November 6. Weaker-than-expected U.S. sales are largely due to more competitive prices from South American exporters.



Medium- and short-grain exports remain forecast at 30.0 million cwt, 1 percent above a year earlier. Japan, the largest market for U.S. medium- and short-grain rice, is expected to account for the bulk of the increase. Combined outstanding sales and shipments to Japan, South Korea, and Taiwan were well ahead of a year earlier through November 6.

By type, U.S. 2025/26 rough-rice exports are lowered 2.0 million cwt to 28.0 million, 3 percent below a year earlier. The downward revision is largely based on recent slower-than-expected sales to key markets in Latin America, especially Mexico, the largest single-country market for U.S. rough rice. Milled rice exports remain forecast at 64.0 million cwt, almost 4 percent above a year earlier, with East Asia and the Middle East expected to account for the increase.

Total domestic and residual use in 2025/26 remains forecast at 166.0 million cwt, just 0.5 percent below the year earlier record. The residual component includes all post-harvest losses. Long-grain domestic and residual use remains forecast at 134.0 million cwt, 1.4 percent below the year-earlier record high. Medium- and short-grain domestic and residual use remains forecast at 32.0 million cwt, up more than 3 percent from a year earlier.

These supply and use projections yield a 2025/26 all-rice ending-stocks forecast of 52.9 million cwt, up 1.0 million cwt from the previous forecast but still almost 2 percent below a year earlier. Long-grain ending stocks are raised 1.0 million cwt to 37.0 million cwt, still down almost 1 percent from a year earlier. Medium- and short-grain ending stocks remain forecast at 13.1 million cwt, more than 4 percent below a year earlier.

For 2025/26, season-average farm price (SAFP) forecasts are lowered for both classes of rice. The long-grain SAFP is reduced by $1.00 per cwt to $10.50, 25 percent below a year earlier and the lowest since 2016/17. The downward revision is based on continued decline in daily futures prices, reported cash prices and marketing for August reported by USDA, National Agricultural Statistics Service (NASS), a slowness in the pace export sales thus far in the 2025/26 market year, and a continued lack of price competitiveness in the global rice market.

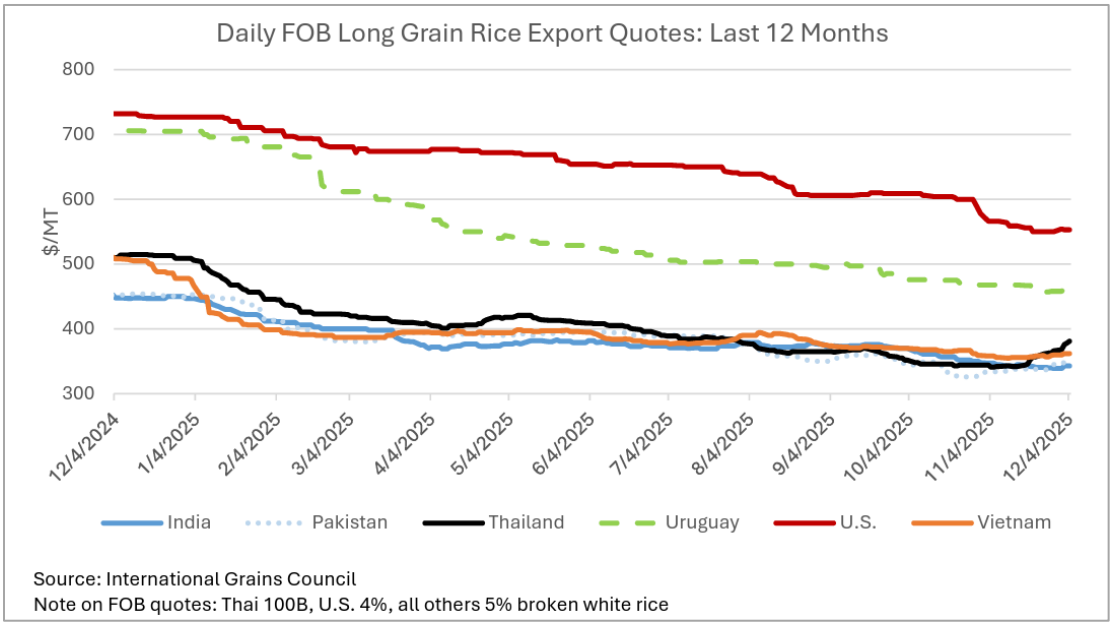
California 2025/26 SAFP is decreased by $2.00 per cwt to $18.00, down $2.00 from a year earlier. The downward revision is based on larger supplies in 2025/26 and industry weekly reported price quotes through late November. The southern medium- and short-grain SAFP is lowered by $1.00 to $11.00 per cwt, primarily based on a reduced long-grain SAFP. The southern medium- and short-grain SAFP is 28 percent below a year earlier and the lowest since 2016/17.

These two regional downward revisions lowered the 2025/26 U.S. medium- and short-grain SAFP by $1.60 per cwt to $15.80, 19 percent below a year earlier. The two downward revisions by class resulted in a $1.10-per cwt reduction in the 2025/26 all-rice SAFP to $11.60 per cwt, 24 percent below a year earlier and the lowest since 2016/17.

Futures have continued to make new contract lows in recent weeks, most recently on Thursday when January futures fell as low as $9.75 1/2. That is also a seven-year low on a front-month basis. If the 2018 lows do not hold, there is major long-term support around between $9.10 to $9.20. Rice has not traded below that level since 2006. Large supplies globally, and particularly in Asia, hang over the market. Demand is lackluster, both domestically and for export.

The rice market was in the spotlight this week at President Trump's "bridge" payment announcement, where one producer highlighted that while Californian rice producers are benefitting from a trade deal with Japan, Mid-south growers continue to struggle. She pointed the finger at imports from Asia. Trump took note of this, but any "solution" providing meaningful relief would likely be a long-term one. Producers appear to be in line for some of the largest per-acre payments in the aid program.

Since November, major Asian export quotes increased while Western Hemisphere quotes decreased. U.S. quotes fell $6 to $553/ton on a slow pace of export sales and shipments, especially for rough rice. In Uruguay, quotes fell $6 to $462/ton, reflecting weak demand. Quotes in India ($343/ton) remained unchanged on steady global sales. Vietnamese quotes ($362/ton) increased $7 following subdued demand from key markets. Thai quotes increased $38 to $381/ton amid stronger market demand and tight stocks. Pakistani quotes increased $13 to $349/ton given strong interest from core markets.



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

Cotton

USDA's December Crop Production report forecasts 2025/26 U.S. cotton production at nearly 14.3 million bales, 153,000 bales (1.1 percent) above last month's forecast but 140,000 bales (1 percent) below the 2024/25 crop. Harvested area in 2025/26 is estimated at 7.4 million acres, compared with last season's 7.8 million acres.

Growing conditions in the Southwest region were improved relative to the previous three seasons as abandonment was reduced considerably for the region. The implied U.S. abandonment rate for 2025/26 is estimated at approximately 21 percent, compared with last season's 30 percent. The 2025/26 national yield of 929 pounds per harvested acre is above the 5-year average of 882 pounds and the highest since 2022/23's record of 953 pounds. Upland cotton production is estimated at 13.9 million bales, while the extra-long staple (ELS) crop is forecast at 378,000 bales.

Upland cotton production this season is forecast lower in three of the Cotton Belt regions while higher in the Southwest (figure 2). In the Southeast, 2025/26 cotton production is projected at 3.6 million bales—about 11.5 percent (471,000 bales) below 2024/25 and 18 percent lower than the 2020/21–2024/25 average. Cotton harvested area in 2025/26 (1.7 million acres) is forecast at its lowest since a similar area was harvested in 1993/94. The Southeast yield is projected well above the 5-year average (907 pounds) at a record 1,036 pounds per harvested acre this season. Cotton production in the Delta region is estimated at 4.3 million bales in 2025/26, 642,000 bales below the year before but equal to the 5-year average. In 2025/26, cotton harvested area is forecast to be 1.45 million acres—the lowest in a decade—while the region's yield is projected at a record 1,423 pounds per harvested acre, outperforming last season's 1,230 pounds.

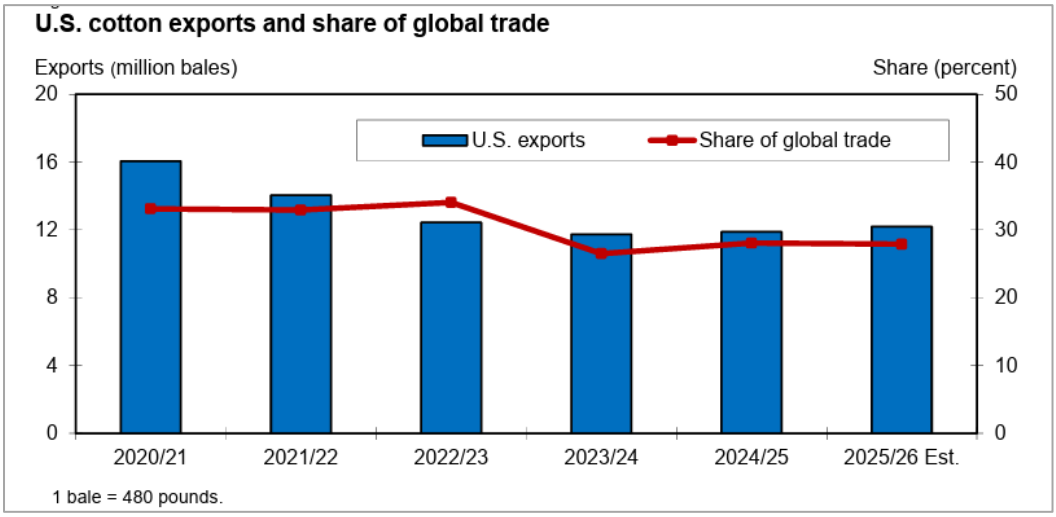
In the Southwest, the 2025/26 upland crop is projected at 5.6 million bales, 1.1 million above last season and the largest crop in 4 years as crop conditions this season were more favorable. While 2025/26 planted area (5.8 million acres) was the lowest in a decade, harvested area is forecast above the 5-year average and the highest since 2021/22. Harvested acreage in the Southwest is projected at 4.0 million acres in 2025/26—with a calculated abandonment rate of 32 percent, compared with last season's 50 percent. The

2025/26 Southwest upland yield is forecast at 679 pounds per harvested acre, marginally above the 5-year average.

Out West, 2025/26 upland production is projected at 335,000 bales, 18 percent below the 5year average and the second-lowest production total since 1932/33. Harvested area is estimated at a relatively low 127,000 acres, while this season's yield (1,269 pounds per harvested acre) is forecast near the 3-year average. The extra-long staple (ELS) crop—grown mainly in the West—is projected at 378,000 bales in 2025/26, below last season's 471,000 bales. With harvested area estimated near recent lows, the ELS yield (1,303 pounds per harvested acre) is forecast to be its highest in 5 years.

U.S. cotton demand for 2025/26 is projected slightly lower in December at 13.8 million bales, above the previous 2 years' level of 13.6 million bales. U.S. cotton exports account for the largest share of demand and are forecast at 12.2 million bales in 2025/26. U.S. mill use is expected to continue its trend lower and accounts for an additional 1.6 million bales this season—the lowest in nearly 150 years.

With a modest rise in the world trade projection this season—including higher import demand from countries such as Vietnam, China, and Türkiye—higher U.S. cotton export prospects are expected despite increased competition from Brazil. Based on the December projections, the 2025/26 U.S. share of global trade is forecast to remain relatively stable this season at about 28 percent, compared with the 2020/21–2022/23 average of 33 percent.



With December's increase in the U.S. cotton production estimate and demand reduced slightly, 2025/26 U.S. ending stocks are forecast 200,000 bales higher this month, at 4.5 million bales. U.S. cotton stocks are 500,000 bales above 2024/25 and 1.35 million bales above 2023/24. The stocks-to-use ratio (32.6 percent) is forecast above 2024/25's 29 percent and the highest since 2019/20. Based on the U.S. and world cotton supply and demand estimates and recent prices, the 2025/26 average U.S. upland cotton farm price is forecast at 60 cents per pound, compared with the final 2024/25 price of 63 cents per pound and 2023/24's 76.1 cents.

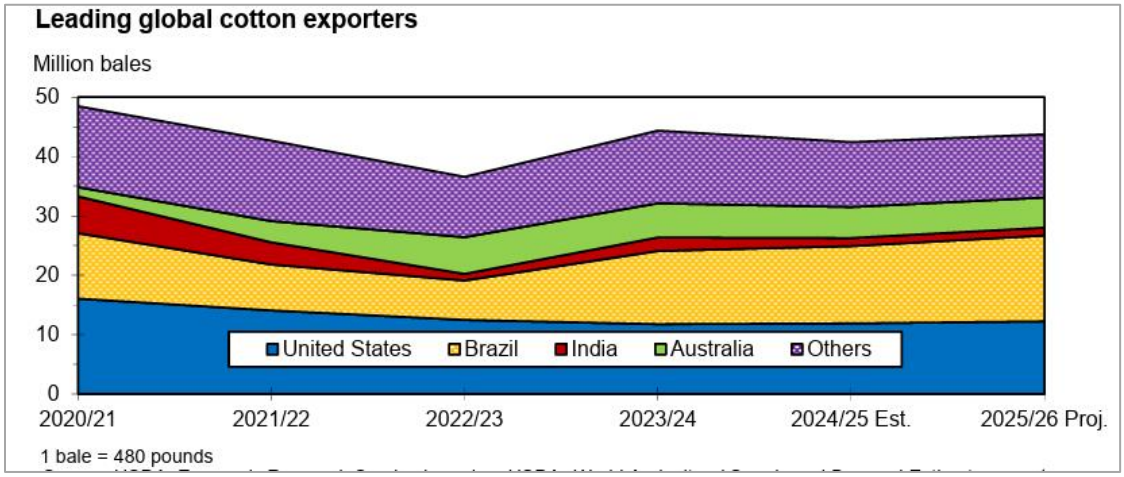
Global cotton production in 2025/26 is projected at 119.8 million bales, revised slightly lower from November and now 510,000 bales (0.4 percent) above the year previous. For 2025/26, cotton production prospects for most of the major-producing countries are split, with year-over-year declines in Australia and the United States projected to partially offset the increases in China and Brazil (figure 4). India and Pakistan remain unchanged in 2025/26 from the previous year. World 2025/26 cotton harvested area is

forecast at 29.4 million hectares (72.8 million acres), nearly 2.5 percent below the previous year. The 2025/26 global cotton yield is forecast to be 886 kilograms (kg) per hectare (790 pounds per acre), 10 percent above the 5-year average and the highest on record. World cotton production remains concentrated among a few countries, with the top four countries (China, India, Brazil, and the United States) accounting for 76 percent of total expected production in 2025/26, 2.3 percentage points above the previous season. China and India are expected to continue as the leading cotton producers in 2025/26, accounting for 28 percent and 20 percent, respectively, of the global total.

Global cotton mill use in 2025/26 is forecast to decrease marginally (0.3 percent) from the year before to 118.6 million bales. Although the world cotton use projection is 3 million bales above the most recent 4-year average, it remains approximately 5 percent below the record (124.5 million bales) set in 2020/21. Global economic uncertainties and favorable synthetic fiber prices in recent years have weighed on cotton mill use. For 2025/26, cotton mill use estimates are mixed for the leading cotton-spinning countries—China, India, Pakistan, Bangladesh, and Vietnam—with China expected to see the largest reduction this season (figure 5). Despite a 500,000-bale lower forecast for China in 2025/26, the top five countries are expected to account for approximately 76.5 percent of total global cotton mill use, similar to last season.

World cotton trade in 2025/26 is projected to expand, largely the result of increased import projections for several major importers. Global imports are forecast at 43.7 million bales in 2025/26, slightly above the 5-year average. Vietnam and Bangladesh are forecast to be the leading cotton importers in 2025/26. Cotton imports by Vietnam are expected to reach a record 8.1 million bales in 2025/26 to help supply its growing textile industry. Imports by Bangladesh (at 8.0 million bales) are expected to remain similar to last year although the level is below the 8.45-million-bale record in 2021/22. Cotton imports for Pakistan and China are forecast at 5.9 million bales (down 200,000 bales from last year) and 5.4 million bales (up about 200,000 bales), respectively.

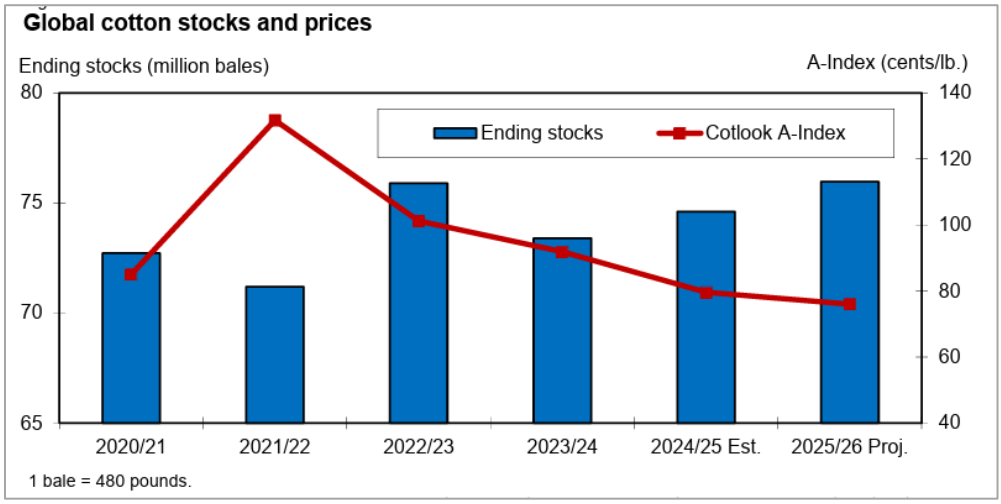
Global cotton exports are forecast higher in 2025/26, with Brazil and the United States accounting for the growth. For Brazil, cotton exports are expected to benefit from another record crop as exportable supplies rise 2.3 million bales. Brazil is projected to export a record 14.5 million bales in 2025/26, up 11 percent (1.5 million bales) from a year ago. Brazil is also expected to be the largest exporter for the third consecutive season with its share of 2025/26 global cotton trade forecast near 33 percent. Slightly higher exports by the United States (up 300,000 bales or 2.5 percent) are also the result of increased supplies of high-quality cotton. Slight offsetting declines are seen for Australia, India, and Mali while Beninese exports are expected to remain unchanged from 2024/25.



Based on the latest cotton supply and demand projections, global ending stocks are forecast to reach 76.0 million bales in 2025/26, compared with 74.6 million bales last season. World cotton stocks are forecast to increase nearly 2 percent (1.4 million bales) as global production exceeds mill use once again this season.

For most of the major producing countries, 2025/26 cotton ending stocks are forecast to rise, with the exception of Australia where a smaller crop is reducing supplies. Cotton stocks in China—the largest holder of cotton—are forecast at 35.2 million bales, up nearly 1 percent from last year. At the end of 2025/26, China is expected to hold 46 percent of global cotton stocks. In India, this season's cotton stocks are projected at 10.5 million bales (14 percent of the global total), or 500,000 bales (5 percent) higher than last year. Significant increases are also seen for the United States and Brazil, which are expected to account for a combined 11.5 percent of the world cotton stocks in 2025/26. U.S. stocks are forecast to increase 12.5 percent (500,000 bales) to 4.5 million bales in 2025/26. Cotton stocks in Brazil are projected at nearly 4.3 million bales in 2025/26, a year-over-year increase of 25 percent (850,000 bales) due to a record crop.

With continued economic uncertainty affecting world cotton demand for textile and apparel products, global cotton stocks and the stocks-to-use ratio (64 percent) are projected slightly higher in 2025/26. Consequently, the 2025/26 world cotton price (Cotlook A-Index) is expected to decline for the fourth consecutive season, averaging below the 2024/25 level of 80 cents per pound.



PLC Farm Program Payment Projections – 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	***2025/26 MYA Price****	*Effective Reference Price*	***2025/26 PLC Payment Rate***
Corn	$4.00	$4.42	$0.42
Grain Sorghum	$3.80	$4.67	$0.87
Long Grain Rice	$10.50	$16.90	$6.40
Medium Grain Rice	$11.00	$16.90	$5.90
Seed Cotton	$0.3252	$0.4200	$0.0948
Soybeans	$10.50	$10.71	$0.21
Wheat	$5.00	$6.35	$1.35

*The 2025/26 national marketing year average (MYA) prices reflect the prices contained in the USDA WASDE report on December 9, 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.

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