



# Cotton and Peanut Market Updates One Big Beautiful Bill Act

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Yangxuan Liu

University of Georgia

Row Crop Market and Policy Update Agent Training

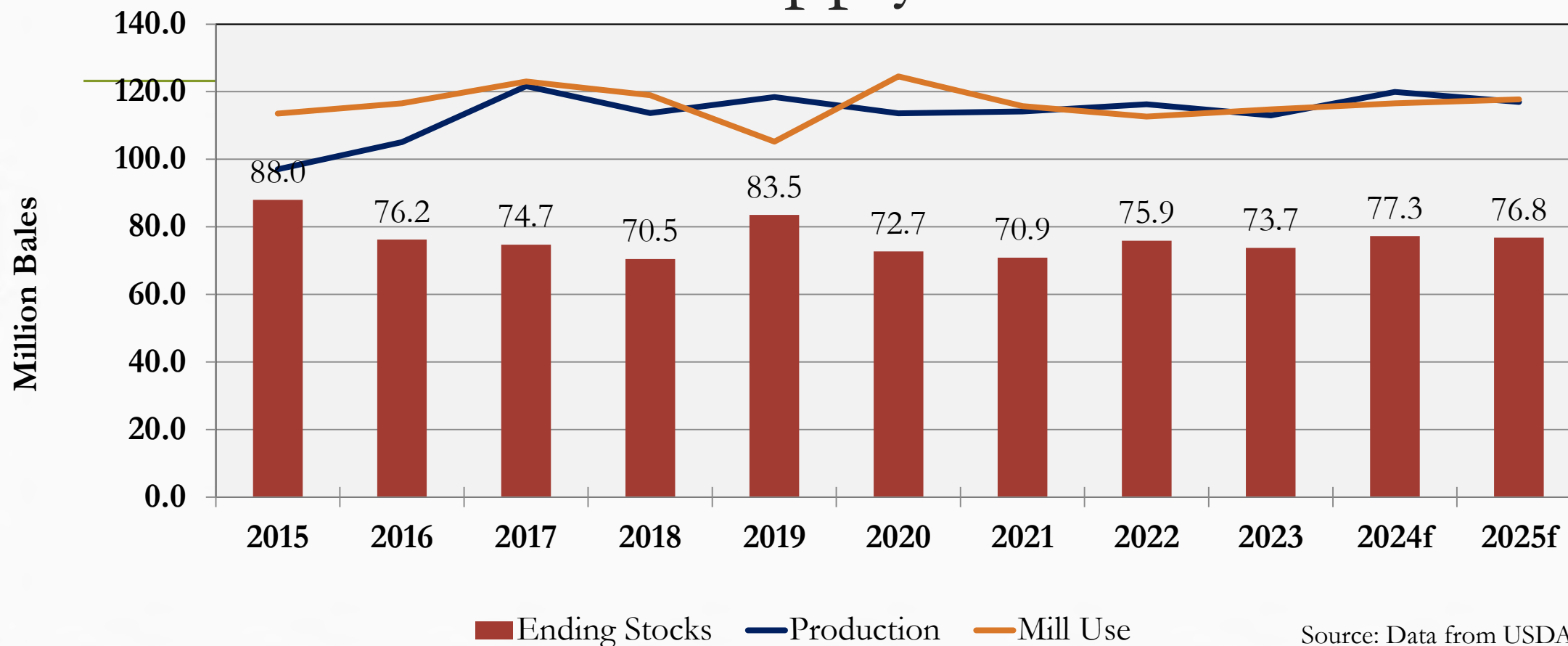
July 11, 2025

# Cotton Market Update

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Slide from Dr. Yangxuan Liu, UGA Extension Economist

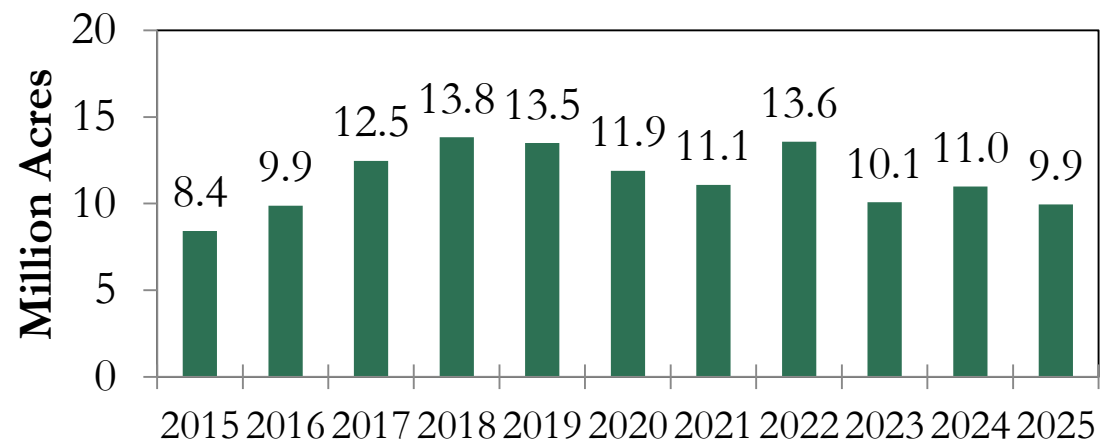
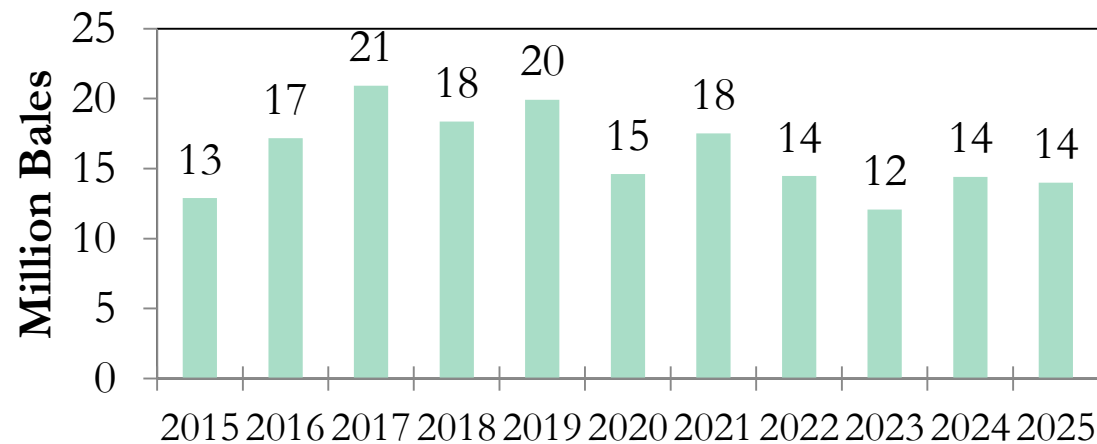
# World Cotton Supply and Demand



Source: Data from USDA FAS

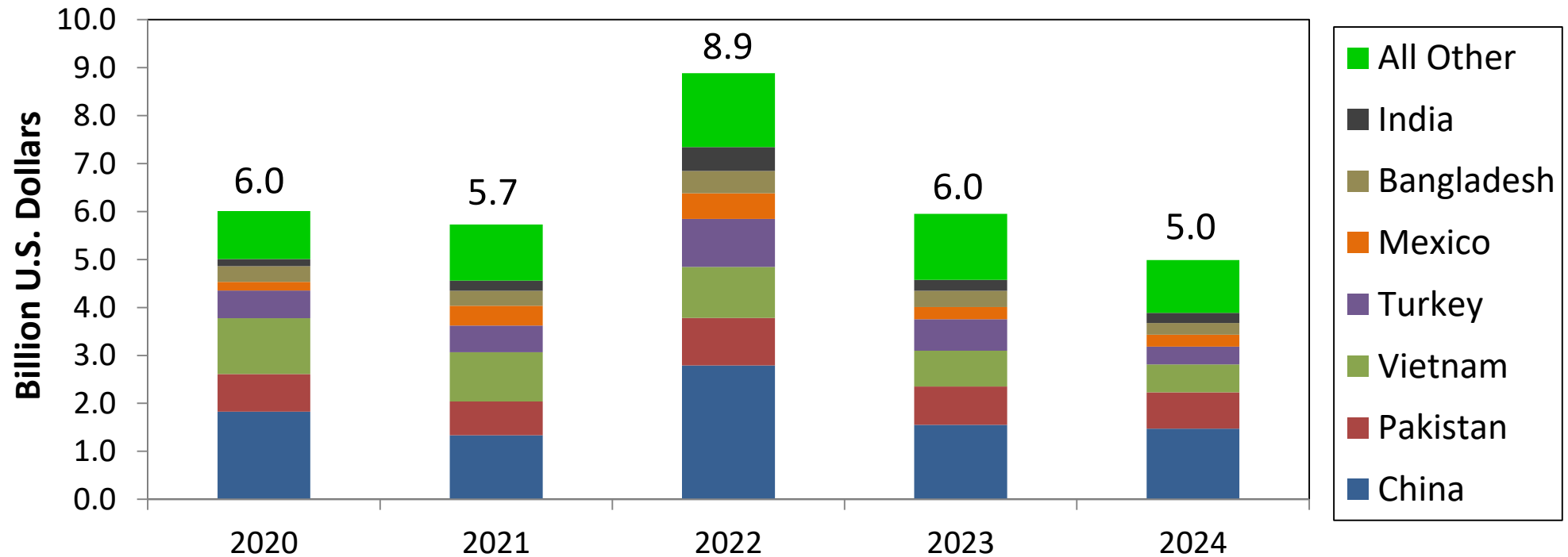
# Cotton Planted Acreage Report June 30

- Upland cotton area is estimated at 9.95 million acres, down 9% from 2024.
- Georgia is expected to plant 1 million acres, down 9% from 2024.



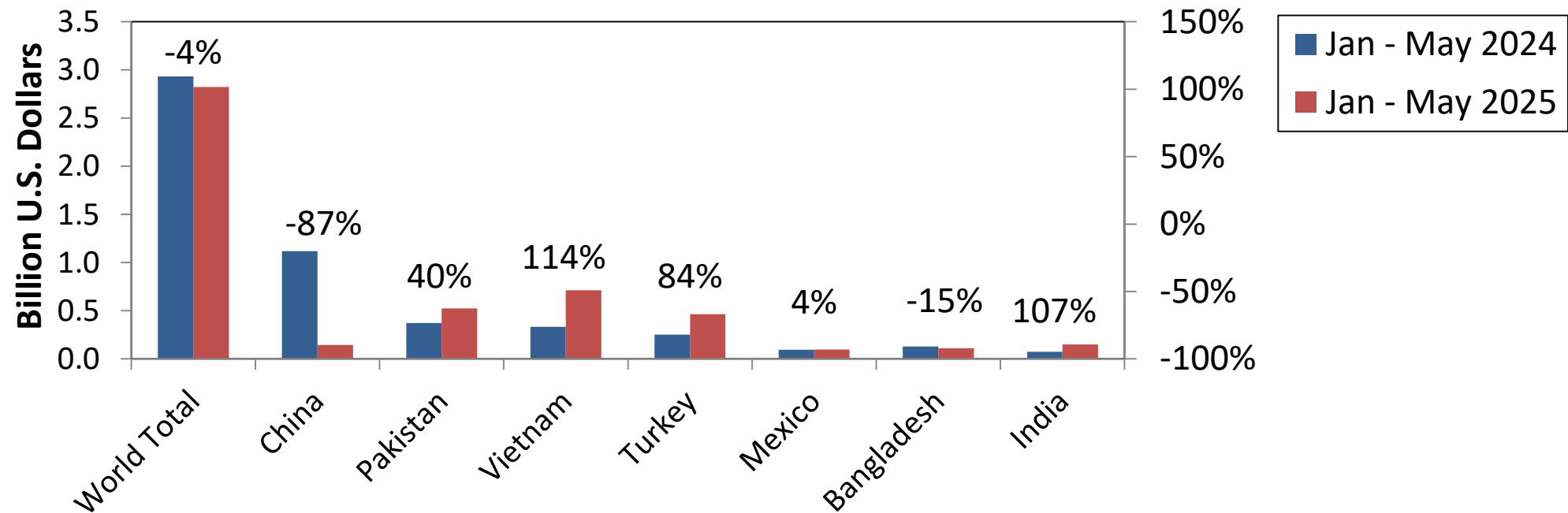
Slide from Dr. Yangxuan Liu, UGA Extension Economist

# U.S. Cotton Exports by Destination



Slide from Dr. Yangxuan Liu, UGA Extension Economist

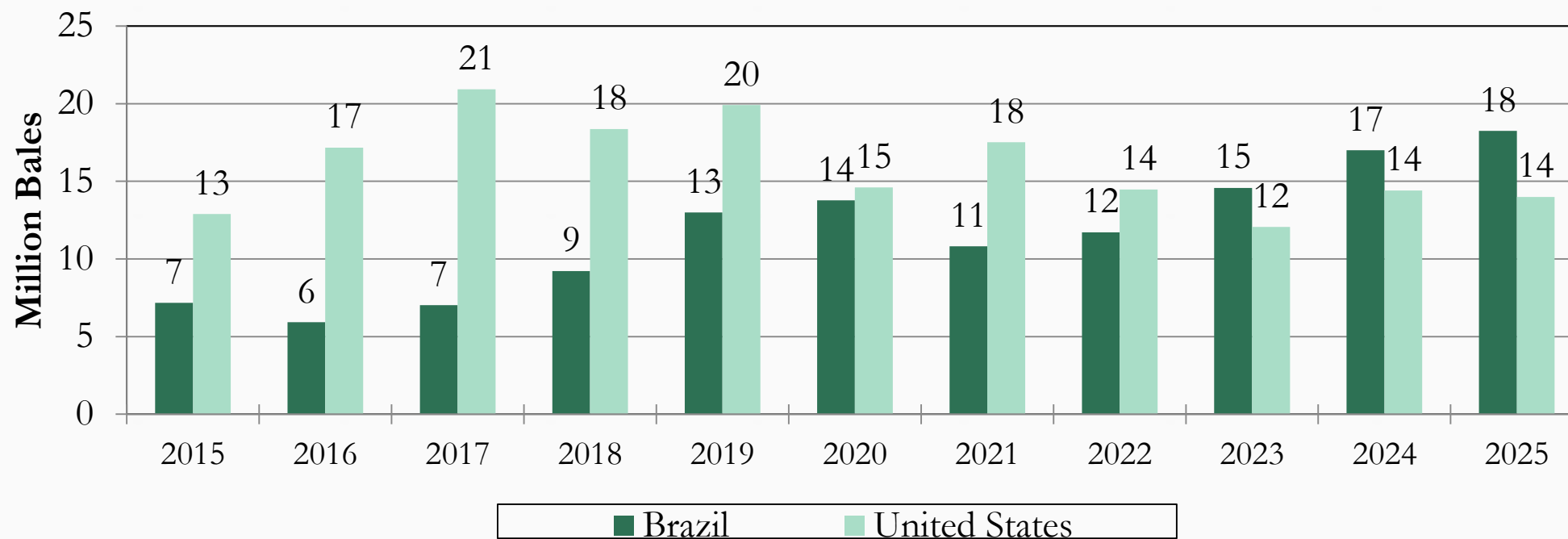
# U.S. Cotton Exports by Destination



Slide from Dr. Yangxuan Liu, UGA Extension Economist

Data from USDA FSA Global Agricultural Trade System. Cotton, Linters & Waste.

# Cotton Production in Brazil and United States



The market anticipates lower economic growth globally with a declining demand for cotton.

Prices will probably remain around the upper 60 cents per pound to the lower 70 cents per pound for the 2025 Crop.

Contract	Last
CTY00 (Cash)	65.00s
CTV25 (Oct '25)	66.53
CTZ25 (Dec '25)	67.49
CTH26 (Mar '26)	68.82
CTK26 (May '26)	69.87
CTN26 (Jul '26)	70.63



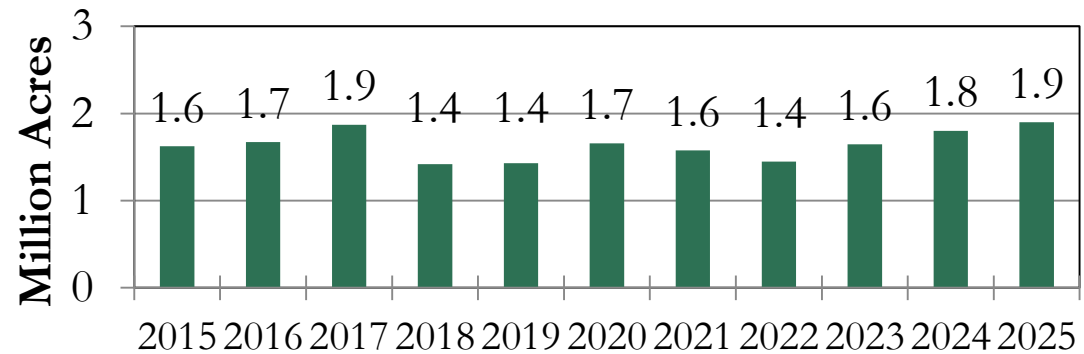
# Peanut Market Update

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Slide from Dr. Yangxuan Liu, UGA Extension Economist

# Peanut Planted Acreage Report June 30

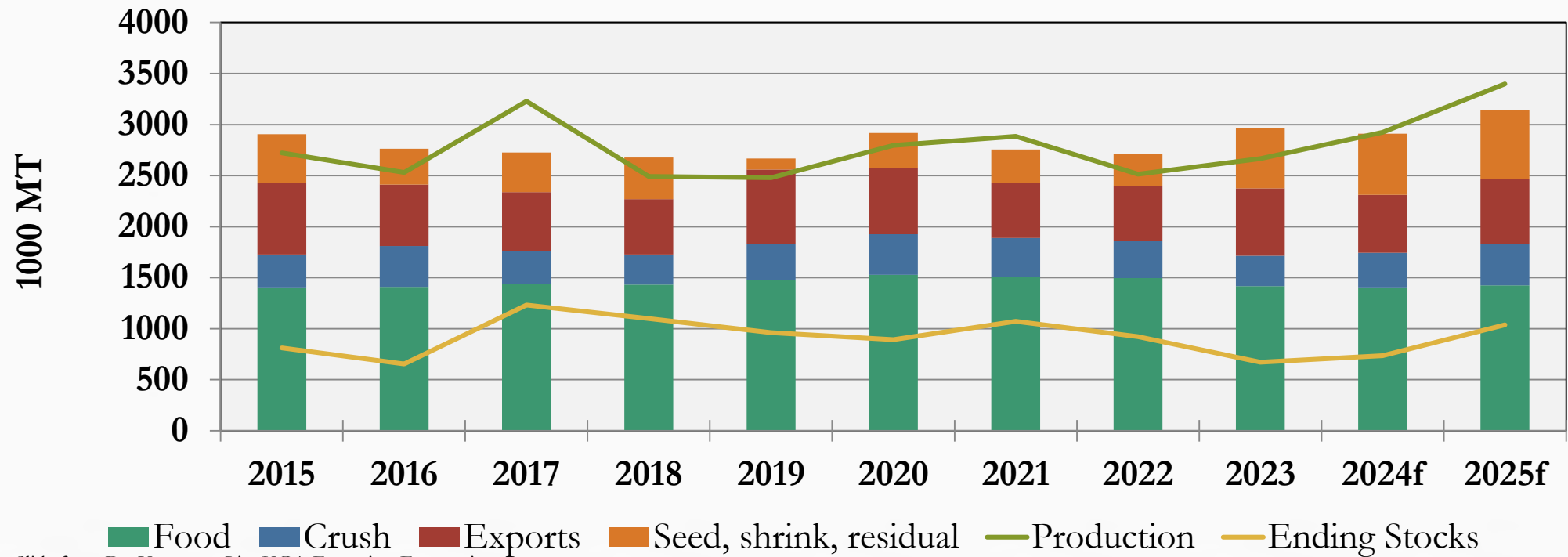
- Peanut planted area is estimated at 1.9 million acres, up 5.5 percent from 2024.
- Georgia is expected to plant 0.9 million acres, up 5.9% from 2024.



Slide from Dr. Yangxuan Liu, UGA Extension Economist

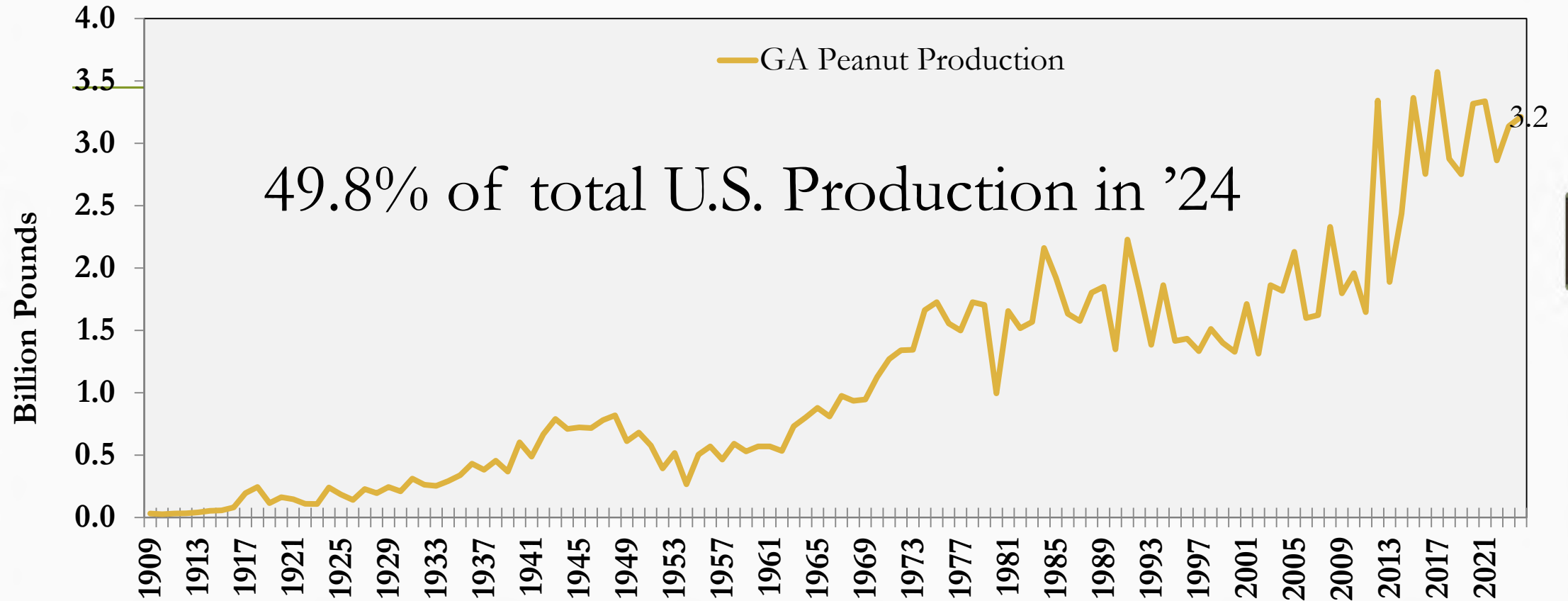
Source: Data from USDA FAS

# U.S. Peanut Supply and Demand



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# GA Peanut Production

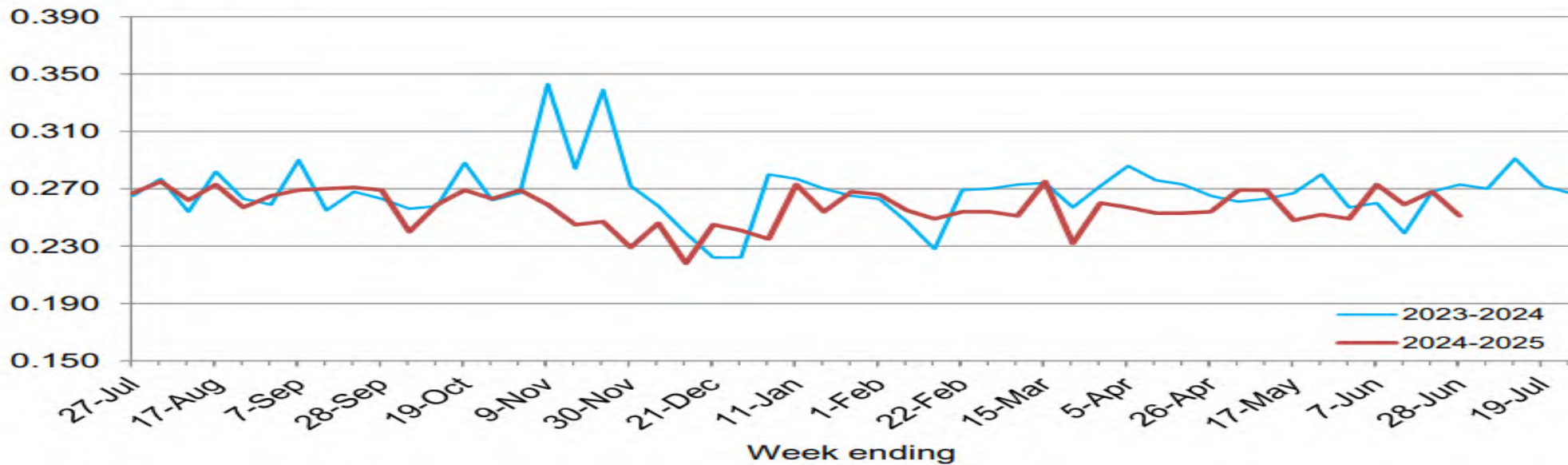


# All Peanut Prices – United States

## All Peanut Prices – United States

Dollars per pound

**\$502/Ton for the week ending June 28**



# Agricultural Policy Updates

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# Timeline of the One Big Beautiful Bill Act

- The Senate passed the bill 51–50, Vice President JD Vance casting a tiebreaking vote.

July 1, 2025

July 3, 2025

- The House passed bill 218–214.

- President Trump Signed One Big Beautiful Bill Act.

July 4, 2025

# What This Means for Farmers

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- Increasing the estate tax threshold from \$14 million to \$15 million for individuals (or from \$28 million to \$30 million for couples) and indexing the rate to inflation;
- Permanently allowing full and immediate expensing of equipment and machinery
- Business Tax Provisions: Talk to your accountants
  - Making permanent the individual rates and the Section 199a pass-through deduction of 20 percent established by the 2017 Tax Cuts and Jobs Act;
  - Raising the Section-179 expensing maximum from \$1.25 million to \$2.5 million;





# Changes in Subtitle C—Commodities Program

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- 1 Changes in Statutory Reference Price
- 2 1-Time Allocation of New Base Acres
- 3 Increase the Marketing Loan Rate
- 4 Increase Payment Limits



# Statutory Reference Prices

Commodity	Reference Price			
	2018	2025	Unit	Percentage
Wheat	\$5.50	\$6.35	Bushel	15%
Corn	\$3.70	\$4.10	Bushel	11%
Grain Sorghum	\$3.95	\$4.40	Bushel	11%
Soybeans	\$8.40	\$10	Bushel	19%
Peanuts	\$535	\$630	Ton	18%
Seed Cotton	\$0.367	\$0.42	Pound	14%



# Reference Price

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- Beginning with the 2031 crop, the reference price for all covered commodities shall equal the previous year's reference price multiplied by 1.005% and cannot exceed 113% of the statutory reference price.



# 1-Time Allocation of New Base Acres

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Maintains all current base acres while providing a 1-time allocation of new base acres capped at 30 million base acres nationally for producers, beginning with the 2026 crop year

- who do not have a base on their farm
- whose average planted or prevented plant acres from 2019-2023 exceed the current base acres as of September 30, 2024, on the farm.

# Marketing Assistance Loans

Loan Commodity	Current Loan Rate	2026 - 2031	Unit
Wheat	\$3.38	\$3.72	Bushel
Corn	\$2.20	\$2.42	Bushel
Grain Sorghum	\$2.20	\$2.42	Bushel
Soybeans	\$6.20	\$6.82	Bushel
Peanuts	\$355	\$390	Ton
Upland Cotton	2-year average of world prices, not less than 98% of the previous year (between \$0.45 and \$0.52/lb)	\$0.55	Pound

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# Payment Limitations

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- Increases payment limitations from \$125,000 to \$155,000 per entity
- Includes a separate peanut payment limitation set at \$155,000 per entity
- For the 2025 crop year and each crop year thereafter, annually adjust the payment limitation amounts for inflation.
  - based on the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

# Adjusted Gross Income Limitations

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- Waives Adjusted Gross Income (AGI) limits on standing disaster programs producers and entities who draw 75% or more of their average gross income from agriculture.

# Equitable Treatment of Certain Entities

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Allows certain entities to be treated the same with regards to the structure of payment limitations.

- S-Corporation
- Limited Liability Company
- Joint venture or general partnership

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# Crop Insurance

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- Increases premium support for the Supplemental Coverage Option (SCO) to 80 percent and ups the highest coverage to 90% while allowing producers to enroll Seed Cotton base in Price Loss Coverage (PLC).

# Profit Management for 2025

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Management Cash  
Flow and Liquidity

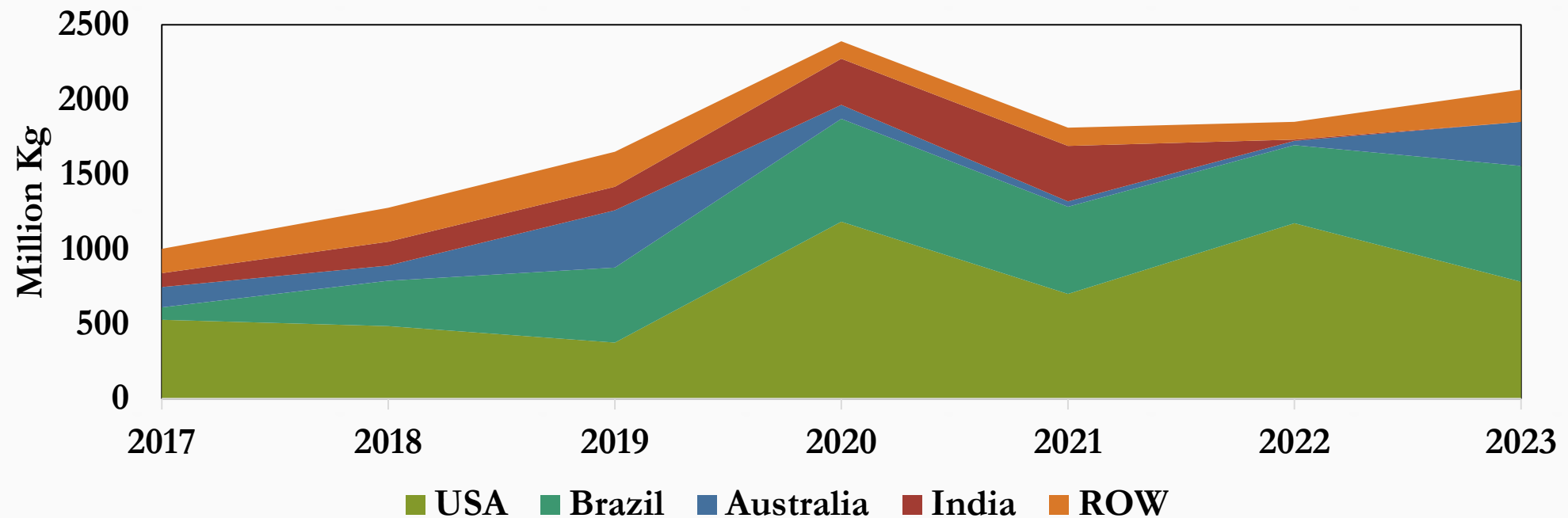


Think Twice of Large  
Equipment Purchases



Loan Management due  
to High Interest Rate

# China Cotton Imports by Source



# Peanut Production Costs, Revenue, and Returns

