

Temporary Trade Deal May Boost Cotton and Other Ag Markets

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After a side bar dinner between President Trump and Chinese President Xi Jinping at the G-20 Summit Saturday, the White House announced a temporary trade agreement had been reached between the two countries. President Trump agreed to cancel a planned January 1st tariff increase on Chinese products in return for purchases of a “very substantial” amount of American farm, energy, and industrial goods.

Cotton and other commodities have seen steep recessions since the trade war began back in June. The December 2018 Cotton Market fell off nearly twenty cents between late June and its first notice in late November. This limited agreement could mean that growers will finally get some relief. As they say, “The proof is in the pudding,” so we will see how beneficial this agreement is as the details unfold in the coming days.

Growers who have marketing decisions to make should watch the markets closely over the next few days and weeks.

By: Rich Lindsey