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# **SHIPPERS' COST OF MERCHANDISING U.S. COTTON, 1972/73 SEASON**

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#### ABSTRACT

Detailed estimates of the major costs of merchandising American cotton during the 1972/73 season are provided. The weighted average total cost to assemble and distribute American cotton to all outlets was \$26.98 per bale. Costs were also developed from each of four regions and three market trading areas in each region to 10 specific outlets, both domestic and foreign.

Keywords: Cotton, costs, merchandising, shippers, marketing.

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## SUMMARY

Shippers' total cost to assemble and distribute U.S. cotton to all outlets combined was \$26.98 per bale during the 1972/73 season. Transportation accounted for 49 percent of the total cost. The other costs and their approximate percentages were: Buying and local delivery, 3 percent; storage, 7 percent; compression, 10 percent; other warehouse services, 5 percent; cotton insurance, 4 percent; financing, 9 percent; selling costs, 4 percent; miscellaneous expenses, 1 percent; and overhead charges, 8 percent. Merchandising cost was \$19.57 per bale to all domestic outlets, and \$34.57 per bale for sales to all foreign outlets.

Shippers' costs to specified domestic and foreign outlets were also determined by region and for three market trading areas within each region. The total cost per bale to market cotton to all domestic outlets varied from a low of \$15.14 in the Southeast to a high of \$22.76 in the West. For shipments to all foreign destinations, total costs per bale varied from a low of \$34.17 from the Southwest to a high of \$34.90 in the West. No foreign shipments were reported by shippers in the Southeast.

Marketing costs varied significantly between trading areas and between outlets. The total cost per bale to merchandise cotton to Group 201 mills, the primary mill locations in the western half of North and South Carolina, (the largest domestic outlet, accounting for over 36 percent of all shipments) varied from a low of \$13.31 for shipments from the Greenville-Augusta trading area in the Southeast to a high of \$23.49 for shipments from the Fresno-Bakersfield area in the West. For foreign shipments, sales to Japan (the largest foreign outlet, accounting for about 29 percent of all shipments) had a total cost per bale varying from a low of \$34.01 from the Fresno-Bakersfield area in the West to a high of \$36.48 from the Memphis trading area in the South Central region.

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INTRODUCTION

This study was conducted in response to requests from both governmental and industrial groups for current information on the cost of merchandising U.S. cotton. These and related data are used for measuring changes in marketing costs, for analyzing various means of increasing cotton marketing efficiencies, and for evaluating the effectiveness of existing and proposed policies and programs relating to the total cotton-fiber system.

More than half of the total spread between the farm value of cotton and the value or price delivered to textile mills is accounted for by charges for numerous merchandising services. The remaining portion of the total spread represents charges for ginning and baling.

Research to reduce the cost of cotton production, ginning, handling, and storage has resulted in the adoption of many cost-cutting innovations. However, the total cost for moving cotton from producers to domestic and foreign mills has continued to increase. Cost reductions in the marketing system for the most part have been offset by increases in costs for items and services generally beyond the control of the cotton industry. This is the second comprehensive study of cotton merchandising costs. The first, entitled Shippers' Services and Costs in Marketing United States Cotton, covered the 1964/65 season. <sup>1/</sup> Both surveys utilized similar questionnaires, sampling procedures, and costing methods. Many of the firms included in the 1964/65 study were also included in this study. Therefore, direct comparisons of total merchandising costs between 1964/65 and the 1972/73 season are possible. However, because of differences in the aggregation of individual cost items, direct comparisons between certain items are not possible. Based on the data collected for this study, estimates of merchandising costs for the 1973/74 and 1974/75 seasons will be developed and presented in another publication.

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<sup>1/</sup> Harris, William F., Shippers' Services and Costs in Marketing United States Cotton, Cotton Economic Research, The University of Texas, and U.S. Dept. of Agriculture, Econ. Res. Serv., May 1967.



The specific objectives of this study were:

1. To determine the nature of the various cotton merchandising functions in the primary market areas.
2. To determine the volumes of cotton merchandised by various methods, sources of cotton purchases, and volume shipped to each outlet during 1972/73.
3. To determine the actual cost, by item, of merchandising U.S. cotton according to areas of purchase to alternative domestic mills and foreign locations for the 1972/73 season.

## METHODOLOGY

The results presented in this report are based on analyses of data obtained from a sample of cotton shippers located in each of four regions and 12 major market trading areas throughout the Cotton Belt. Cotton shippers, as defined and used in this study, are firms which usually purchase odd lots of cotton, sell it in even running lots, and either perform or arrange the various other merchandising services or operations involved in marketing cotton to domestic and foreign textile mills. While the firms included in this survey were primarily shippers, many also merchandised cotton in another manner. Data collected and reported on marketing costs, however, relate only to costs associated with the shipper operations. Information on the volume of cotton merchandised through means other than shippers was also obtained and reported.

The 57 shippers selected for this study represented approximately half of the active shippers in the United States in 1972/73; however, they marketed over 64 percent of total U. S. cotton production during the season and accounted for an estimated 90 percent of all shipper marketings. Personal interviews were held with each shipper to obtain merchandising cost and volume information on both domestic and foreign shipments in 1972/73. Additionally, information was obtained from each firm as to the methods of purchase and sale. From this information, weighted average purchases, sales, and merchandising costs were computed by trading area, region, and for the United States.

### Cost Items Covered

Summarized below are the various cost items for which data were collected. These items represent costs or expenses which normally would be expected for firms merchandising U.S. cotton, but excludes any operating margins (profits).

1. Buying and local delivery--Commissions or comparable direct buying costs and local delivering expenses.
2. Storage--Cost associated only with the storing of cotton at warehouses and compresses.

3. Compression--Cost associated with the compressing of cotton to standard density or high density.
4. Other warehouse services--Receiving and outhandling and reweighing, resampling, and other special services.
5. Transportation--Domestic freight, ocean freight and, for some areas, wharfage, forwarding, and controlling.
6. Cotton insurance--Cost for domestic and marine insurance.
7. Financing--Interest, hedging, and exchange fees.
8. Selling--Commissions or comparable direct selling costs.
9. Miscellaneous--Rejection and quality adjustments on sales, bad debts, and fiber test fees.
10. Overhead--Operating expenses not included elsewhere.

#### Delineation of Regions and Trading Areas ✓

Merchandising cost and volume data were tabulated for the four geographic cotton producing regions across the Belt and for three specific market trading areas in each region. In most cases, these trading areas conform to the official designated spot cotton markets. These regions and areas are:

<u>Region</u>	<u>States</u>	<u>Trading Area</u>
Southeast	Alabama, Georgia, North Carolina, South Carolina	Atlanta Greenville-Augusta Montgomery
South Central	Arkansas, Louisiana, Mississippi, Tennessee	Memphis Little Rock-New Orleans Greenwood
Southwest	Oklahoma and Texas (except District 6)	Dallas Houston-Galveston Lubbock
West	Arizona, California, Texas District 6	El Paso Fresno-Bakersfield Phoenix



## SOURCE AND DISPOSITION OF SHIPMENTS

U.S. production of cotton totaled 13.7 million bales during 1972/73. <sup>2/</sup> Of this total, approximately 8.8 million bales, or 64 percent, were handled by firms included in the survey. However, the firms' proportion of regional production handled varied considerably as shown below.

<u>Region</u>	<u>Percent of regional production handled by respondents</u>
Southeast	37.6
South Central	68.0
Southwest	49.8
West	95.3
All regions	64.0

The relatively lower coverage in the Southeast region results from large volumes of cotton moving directly to local textile mills after ginning and bales marketed through agencies not primarily operating as cotton shippers. In the Southwest, many firms previously functioning as shippers changed their operations and marketed a significant portion of the 1972/73 crop in this region as f.o.b. merchants and spot brokers. These firms were not interviewed since they did not operate primarily as shippers. For those firms contacted, 93 percent of the total volume handled was as a shipper, 2 percent as a mill buyer, 3 percent as an f.o.b. merchant, and about 2 percent as a broker or commission buyer (table 1).

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<sup>2/</sup> U.S. Department of Agriculture; Cotton Situation, December 1974.



Table 1--Cotton marketings as a shipper and other categories, by region and United States, 1972/73 season 1/

Category	Region				United States
	Southeast	South Central	Southwest	West	
	<u>Percent</u>				
Shipper.....	88.7	89.4	91.2	99.9	92.8
Mill buyer.....	10.2	3.9	---	---	2.2
F.o.b. merchant..	<u>2/</u>	2.3	8.8	0.1	3.2
Broker.....	1.0	0.4	---	---	0.2
Commission buyer..	---	4.0	---	---	1.6
Total.....	100.0	100.0	100.0	100.0	100.0

1/ In this report shippers are defined as firms that normally buy cotton in mixed lots and put it up in even running lots for sale; mill buyers as firms that buy cotton for a particular mill; f.o.b. merchants as firms that buy cotton from ginners or growers and sell to shippers on f.o.b. terms; brokers as spot firms selling cotton on commission for growers, ginners, merchants, shippers, or other owners of cotton; and commission buyers as firms that purchase cotton on commission for shippers or mills.

2/ Less than 0.1 percent.

## Source of Cotton Purchases

Cotton shippers and merchants purchase raw cotton from various sources--direct from farmers (before or after entering warehouses), from ginners and local buyers, from other shippers, and from spot brokers. Nationally, shippers purchased over three-fourths of their cotton from producers and nearly 18 percent from ginners and other local buyers. In some previous years substantial quantities were purchases from USDA's Commodity Credit Corporation (CCC), but the importance of such purchases declined as Government stocks were depleted. The level of purchases from an individual source in a particular region reflects differences in regional marketing structures and practices. For example, in both the South Central and Western regions, the normal practice is for shippers to purchase cotton direct from producers at warehouse storage points. Title is transferred from producer to shipper at the warehouse or compress level. During the 1972/73 season, shippers in the South Central region purchased 52 percent of their cotton from farmers' stocks in warehouses and compresses; for the West over 63 percent of all purchases came from such sources (table 2). In contrast, about 15 percent of all cotton purchased in the Southwest was from farmer warehouse stocks, and over 57 percent was bought directly from producers before entering warehouses. Purchases in the Southeast were almost equally divided among producers' warehouse stocks, directly from producers on farms, and from ginners and other local buyers.

Table 2--Shippers' purchases of cotton by source and region, 1972/73 season

Source	Region				United States
	South-east	South Central	South-west	West	
	<u>Percent</u>				
Direct purchases from farmers:					
Before entering warehouse-	35.2	21.0	57.2	24.6	31.9
Stocks in warehouses and compresses-----	32.7	51.9	15.0	63.8	45.7
Ginners and other local buyers-----	32.1	22.8	19.4	8.7	17.6
Other shippers-----	-0-	0.3	0.6	2.9	1.2
Spot brokers-----	-0-	4.0	7.8	-0-	3.6
Total-----	100.0	100.0	100.0	100.0	100.0



## Disposition of Cotton Shipments

Group 201 mills, the primary mill locations in the western half of North and South Carolina, received the largest percentage of the cotton shipped to domestic outlets by shippers in each of the four regions (table 3). In the Southeast, over 68 percent of the shipments went to Group 201 mills. South Central shippers and, to a lesser degree, western shippers, merchandised primarily to Group 201 mills. The second largest outlet for each of the regions was the Alabama-Georgia area which received a little over 9 percent of the domestic shipments.

The data in table 3 also show that total domestic and total foreign shipments in 1972/73 were about equal, 50.6 and 49.4 percent, respectively. This is a significant change from 1964/65 when 62.4 percent of all shipments went to domestic outlets and 37.6 percent of foreign outlets. This shift can be explained, in part at least, by the large increase in U.S. mill consumption of manmade fibers and the effective efforts of the cotton industry to promote and expand export markets.

Another interesting change in foreign shipments is the relative importance of Europe and Japan as outlets. While each of these outlets received about 12.5 percent of our foreign shipments in 1964/65, Japan's share increased to almost 29 percent while Europe's share declined to about 8 percent in 1972/73. The emergence of Japan as a leading importer of raw fiber and manufacturer of textile products is the principal reason for this shift. The Western region supplied most of the increased shipments to Japan.

The amount of cotton merchandised within each region gives some idea of the importance of the primary markets within these regions. The percent of cotton marketed from each trading area and the relative importance of each trading area to a region is shown in table 4. For example, in the Southwest, firms in the Lubbock trading area merchandised over 61 percent of the total volume of all cotton shipped from the region. In the West, the Fresno-Bakersfield area marketed almost 64 percent of the cotton merchandised in the region. The Greenville-Augusta and Montgomery trading areas shipped 47.3 percent and 43.9 percent, respectively, of the total volume from the Southeast, while the Little Rock-New Orleans area and the Greenwood area each accounted for about 36 percent of the volume from the South Central region.

It can also be noted from table 4 which trading area within each region did the largest volume of business to a specific domestic or foreign outlet, and the distribution of shipments from each trading area within that region. For example, in the Southwest region, firms in the Dallas trading area merchandised over 88 percent of their volume to Group 201 mills, and about 4 percent to New England mills. Only about 7 percent of all shipments from the Dallas area went to foreign outlets, in contrast with 87 percent plus, for Houston-Galveston and 72 percent from the Lubbock area. In the South Central region, however, the distribution of shipments from each of the three trading areas was more uniform. From the Memphis trading area approximately 45 percent of the cotton merchandised went to Group 201 mills, 12 percent to Group 200 mills, (located in the eastern half of North and



Table 3--Shipments of cotton to specified outlets by region, and United States, 1964/65 and 1972/73 seasons 1/

Outlet	Region				United States
	Southwest	South Central	Southwest	West	
	Percent				
	1972/73				
Group 201 mills-----	68.3	45.5	14.3	39.6	36.4
Group 200 mills-----	6.4	8.6	.5	.2	3.7
New England mills-----	--	.4	.7	1.7	.4
Alabama-Georgia mills-----	25.3	13.9	9.4	1.5	9.1
Other domestic-----	--	.4	1.5	43.1	1.0
Total domestic-----	100.0	68.8	26.4	45.5	50.6
Japan-----	--	17.3	27.7	1.3	28.6
Korea-----	--	2.3	6.7	1.0	3.0
Hong Kong-----	--	.1	8.1	6.1	2.5
Europe-----	--	10.6	7.2	3.0	7.9
Other foreign-----	--	.9	23.9	56.9	7.4
Total foreign-----	--	31.2	73.6	100.0	49.4
All outlets-----	100.0	100.0	100.0	100.0	100.0
	1964/65				
Group 201 mills-----	28.0	45.5	5.7	59.0	31.2
Group 200 mills-----	8.0	12.0	3.7	1.4	6.2
New England mills-----	--	2.5	1.4	2.6	1.8
Alabama-Georgia mills-----	64.0	17.8	20.8	4.5	21.5
Other domestic-----	--	--	3.3	2.0	1.7
Total domestic-----	100.0	77.8	34.9	69.5	62.4
Japan-----	--	2.1	27.0	8.9	12.7
Korea-----	--	2/a	2/a	2/a	2/a
Hong Kong-----	--	2/a	2/a	2/a	2/a
Europe-----	--	8.6	21.5	7.8	12.3
Other foreign-----	--	11.5	16.6	13.8	12.6
Total foreign-----	--	22.2	65.1	30.5	37.6
All outlets-----	100.0	100.0	100.0	100.0	100.0

1/ 1964/65 data from Shippers Services and Cost in Marketing United States Cotton, Cotton Economic Research, The University of Texas, May 1967.

2/ Included in "Other foreign."

Table 4 --Shipments of cotton to specified outlets by trading area, 1972/73 season

Market Trading Area Outlet	Southeast				South Central			
	Atlanta	Greenville- Augusta	Montgomery	Total	Memphis	Little Rock- New Orleans	Greenwood	Total
	Percent							
Group 201 mills.....	2.2	82.3	66.4	68.3	45.1	49.7	41.6	45.5
Group 200 mills.....	--	13.5	--	6.4	12.0	5.7	8.7	8.6
New England mills.....	--	--	--	--	.3	.4	.6	.4
Alabama-Georgia mills.....	97.8	4.2	33.6	25.3	14.0	15.4	12.4	13.9
Other domestic.....	--	--	--	--	1.0	.2	--	.4
Total domestic.....	100.0	100.0	100.0	100.0	72.4	71.4	63.3	68.8
Japan.....	--	--	--	--	13.9	14.7	22.6	17.3
Korea.....	--	--	--	--	1.4	1.9	3.3	2.3
Hong Kong.....	--	--	--	--	.2	.2	.2	.2
Europe.....	--	--	--	--	10.8	10.8	10.2	10.6
Other foreign.....	--	--	--	--	1.3	1.0	.4	.8
Total foreign.....	--	--	--	--	27.6	28.6	36.7	31.2
All outlets.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Percent of regional total..	8.8	47.3	43.9	100.0	28.8	35.7	35.5	100.0

  

Market Trading Area Outlet	Southwest				West			
	Houston- Galveston	Dallas	Lubbock	Total	El Paso	Phoenix	Fresno- Bakersfield	Total
	Percent							
Group 201 mills.....	1.5	88.4	14.8	14.3	45.5	56.1	31.6	39.6
Group 200 mills.....	--	--	.8	.5	1.7	--	--	.2
New England mills.....	.2	3.6	.8	.7	.6	--	--	--
Alabama-Georgia mills.....	8.0	1.0	10.9	9.4	8.4	.4	1.3	1.7
Other domestic.....	2.6	--	.9	1.4	8.2	3.3	--	1.6
Total domestic.....	12.3	93.0	28.2	26.3	64.4	59.8	32.9	43.1
Japan.....	58.0	4.2	11.8	26.6	5.3	27.0	58.9	45.5
Korea.....	9.6	--	5.8	6.7	4.6	1.3	.9	1.3
Hong Kong.....	7.2	--	9.0	8.1	.2	1.2	1.0	1.0
Europe.....	9.4	2.0	6.4	7.2	10.5	6.8	5.4	6.2
Other foreign.....	3.5	.8	38.8	25.1	15.0	3.9	.9	2.9
Total foreign.....	87.7	7.0	71.8	73.7	35.6	40.2	67.1	56.9
All outlets.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Percent of regional total..	33.4	5.4	61.2	100.0	8.7	27.5	63.8	100.0



201 or Alabama-Georgia mills. No shipments were reported to foreign destinations. In the Atlanta trading area, over 97 percent of the cotton merchandised went to local Alabama-Georgia mills. However, the number of bales merchandised from the Atlanta area was small. The Fresno-Bakersfield trading area, in the West, was a heavy shipper to the Japanese market, as were firms in the Houston-Galveston area in the Southwest.

## SHIPPERS' 1972/73 COSTS

### National Average Costs

The average cost of assembling and distributing a bale of U.S. cotton was \$26.98 for the 1972/73 season (table 5), up from \$17.14 per bale in 1964/65. <sup>3/</sup> This reflects the combined marketing costs associated with delivery to all outlets, both domestic and foreign. The substantial increases in costs between 1964/65 and 1972/73 result from rises in nearly all cost categories, especially financing, transportation, and compressing. Moreover, higher costs for 1972/73 also reflect the effects of a greater proportion of shipments to foreign outlets, with the additional expense of ocean transportation and related services.

Transportation, the largest cost item, was \$13.12 per bale or about 49 percent of the total cost in 1972/73--exactly the same percentage as in 1964/65. Compression accounted for nearly 10 percent of the total, or \$2.61 per bale, while financing costs represented 9 percent, or \$2.50 per bale. Direct comparisons between individual cost items identified in this study with those in 1964/65 are not possible as different levels of aggregation were used.

The cost of merchandising a bale of cotton to all domestic outlets combined was \$19.57 for the 1972/73 season. Transportation cost was \$6.87, or 35 percent of the total. Financing costs and charges for compression represented 14 percent and 11 percent, respectively, of the total. Shipments to New England mills had the highest average cost for any domestic outlet--\$23.80--and those to mills in Alabama and Georgia the lowest--\$18.27. The average cost for shipments to Group 201 mills was \$19.92 per bale.

The estimated cost for shipments to all foreign outlets averaged \$34.57 per bale. This was almost \$15.00, or 77 percent, above the average for shipments to domestic outlets. The average for merchandising cotton to Japan and Europe, the two largest foreign outlets, was \$34.71 and 34.19, respectively.

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<sup>3/</sup> Harris, William F., Shippers' Services and Costs in Marketing United States Cotton, Cotton Economic Research, The University of Texas and U.S. Department of Agriculture, Econ. Res. Serv., May 1967.





During the 1972/73 season transportation cost had an even greater impact on total cost for foreign movements than domestic movements. The total transportation bill--domestic freight, ocean freight and warfage, forwarding, and controlling--averaged \$19.51 per bale, about 56 percent of the total cost. Cotton merchants have had little control over ocean freight rates, and these costs are reflected in the somewhat higher price of U.S. cotton in foreign markets.

### Regional and Trading Area Costs

Marketing costs vary between regions and especially among trading areas within each region. These variations reflect actual differences in individual costs and in marketing structures and practices.

Regional average costs--For the 1972/73 season, the weighted average cost to merchandise cotton to all destinations ranged from a high of \$30.21 per bale in the Southwest to a low of \$15.14 per bale in the Southeast (table 6). The significantly lower costs in the Southeast were due primarily to the lack of foreign shipments out of the region and to the proximity of domestic mills. Moreover, there are no compression charges on Southeast cotton, and domestic transportation expenses are substantially lower than other regions.

For the Southwest, the higher cost for marketing cotton to all outlets reflected a much greater share of total marketings as export shipments. Shippers in the Western region, however, had the highest total merchandising cost to both domestic outlets (\$22.76 per bale) and foreign outlets (\$34.90 per bale) when averaged separately. This results from substantially higher transportation costs, especially domestic freight, for shipments moving from the West. The variation among the other cost items in each region was not wide, but there were appreciable differences for some items such as compression, financing, and overhead.

Trading area costs--Shippers' average total cost per bale to assemble and distribute cotton from trading areas within each of the four regions to each of the specified domestic and foreign sales outlets are shown in tables 7 through 10. These data show the actual and comparative costs, by item, of selling and moving cotton from the major U.S. trading areas to each of the primary domestic and foreign consuming centers.

In the Southeast region, the market trading area with the lowest average total cost per bale--\$13.15--was Greenville-Augusta (table 7). The estimate for the Atlanta area was \$13.59, and for the Montgomery area, the highest, at \$17.59 per bale. Of the sales outlets for which separate estimates were possible, (Group 201 mills and Alabama-Georgia mills), shippers' total cost per bale varied from a low of \$13.31 for sales from the Greenville-Augusta area to Group 201 mills, to a high of \$18.80 from the Montgomery area to Group 201 mills. Transportation expenses and financing costs each accounted for about 20 percent of the total cost for each area. Merchandising costs for the Southeast and its three trading areas were affected appreciably by differences in trucking and warehousing operations of the shippers and by special arrangements with producers, ginners, and mill buyers.



Table 6 --Shippers' average cost of merchandising cotton to domestic and foreign outlets and all outlets combined, by types of cost and by regions, 1972/73 season

Cost item	Southeast		South Central		Southwest		West		United States					
	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign	Domestic	Foreign				
Dollars per bale														
Buying and local delivery 1/.....	.89	-	.89	.82	.86	.81	.77	.78	.86	.97	.92	.84	.89	.86
Storage .....	2.26	-	2.26	2.10	2.02	1.80	1.74	1.75	1.77	2.00	1.90	1.98	1.86	1.92
Compression .....	-	-	-	2.56	3.21	2.76	2.46	2.90	2.78	2.80	2.55	2.28	2.94	2.61
Other warehouse services 2/.....	2.02	-	2.02	1.39	1.40	1.39	1.42	2.03	1.87	1.41	1.40	1.44	1.63	1.54
Transportation 3/.....	3.20	-	3.20	5.35	19.46	9.76	6.98	19.19	15.97	10.53	19.86	15.84	6.87	19.51
Cotton insurance 4/.....	.28	-	.28	.22	1.74	.69	.16	1.74	1.33	.19	1.86	1.14	.21	1.79
Financing 5/.....	3.37	-	3.37	2.94	2.56	2.82	2.03	1.72	1.80	2.59	2.58	2.59	2.75	2.50
Selling 6/.....	.78	-	.78	.80	1.09	.89	.72	1.47	1.27	.88	.98	.94	.81	1.19
Miscellaneous 7/.....	.20	-	.20	.38	.45	.40	.32	.24	.26	.37	.40	.39	.36	.35
Overhead 8/.....	2.14	-	2.14	1.98	1.99	1.98	2.47	2.38	2.40	1.93	2.06	2.00	2.04	2.16
Total 9/.....	15.14	-	15.14	18.53	34.67	23.58	19.18	34.17	30.21	22.76	34.90	29.67	19.57	34.57

1/ Commissions or comparable direct buying costs and local delivering expenses. 2/ Receiving and outhandling and reweighing, resampling and other special services performed. 3/ Domestic freight, ocean freight and, for some areas, wharfage, forwarding and controlling. 4/ Marine and domestic insurance. 5/ Includes hedging, interest and exchange. 6/ Commissions or comparable direct selling costs. 7/ Rejections and quality adjustments on sales, bad debts and fiber test fees. 8/ Operating expenses not included elsewhere. 9/ Excludes operating margins. Costs may not always add to total due to computer rounding.



TABLE 7 --SHIPPERS AVERAGE COST PER BALE OF ASSEMBLING AND DISTRIBUTING SOUTHEASTERN COTTON,  
BY TRADING AREAS AND OUTLETS, 1972/73 SEASON

TRADING AREA WHERE PURCHASED	BUYING: AND	LOCAL-STORAGE: DEL.	WHICH SHIPPED:	OTHER: SERVICES:	TRANSPORTATION: 3/	COTTON:	FINANCING: 5/	SELLING: 6/	MISC. FEES: 7/	OVERHEAD: 8/	TOTAL 9/
DOLLARS											
<b>ATLANTA AREA:</b>											
GROUP 201 MILLS	1.00	2.25	--	1.75	4.05	0.10	2.90	0.75	0.75	2.25	15.80
GROUP 200 MILLS	--	--	--	--	--	--	--	--	--	--	--
NEW ENGLAND MILLS	--	--	--	--	--	--	--	--	--	--	--
ALA. AND GA. MILLS	1.00	2.21	--	1.65	2.04	0.16	2.46	1.00	0.33	2.70	13.54
OTHER DOMESTIC	--	--	--	--	--	--	--	--	--	--	--
ALL OUTLETS	1.00	2.21	--	1.65	2.08	0.16	2.47	1.00	0.34	2.69	13.59
<b>GREENVILLE-AUGUSTA AREA:</b>											
GROUP 201 MILLS	1.11	1.79	--	1.93	2.88	0.38	3.26	0.76	0.12	1.08	13.31
GROUP 200 MILLS	1.00	1.30	--	1.40	3.00	0.75	3.60	--	--	1.00	12.05
NEW ENGLAND MILLS	--	--	--	--	--	--	--	--	--	--	--
ALA. AND GA. MILLS	1.00	2.27	--	1.60	3.00	0.39	3.19	1.00	0.20	0.89	13.55
OTHER DOMESTIC	--	--	--	--	--	--	--	--	--	--	--
ALL OUTLETS	1.09	1.75	--	1.84	2.90	0.43	3.30	0.66	0.11	1.06	13.15
<b>MONTGOMERY AREA:</b>											
GROUP 201 MILLS	0.54	2.96	--	2.42	4.51	0.15	3.75	0.90	0.24	3.32	18.80
GROUP 200 MILLS	--	--	--	--	--	--	--	--	--	--	--
NEW ENGLAND MILLS	--	--	--	--	--	--	--	--	--	--	--
ALA. AND GA. MILLS	0.89	2.52	--	2.03	2.21	0.12	3.40	0.78	0.31	2.96	15.21
OTHER DOMESTIC	--	--	--	--	--	--	--	--	--	--	--
ALL OUTLETS	0.66	2.81	--	2.28	3.74	0.14	3.63	0.86	0.27	3.20	17.59
<b>SOUTHEAST REGION:</b>											
GROUP 201 MILLS	0.87	2.29	--	2.13	3.58	0.28	3.47	0.82	0.18	2.04	15.66
GROUP 200 MILLS	1.00	1.30	--	1.40	3.00	0.75	3.60	--	--	1.00	12.05
NEW ENGLAND MILLS	--	--	--	--	--	--	--	--	--	--	--
ALA. AND GA. MILLS	0.93	2.39	--	1.87	2.21	0.16	3.06	0.87	0.31	2.71	14.51
OTHER DOMESTIC	--	--	--	--	--	--	--	--	--	--	--
ALL OUTLETS	0.89	2.26	--	2.02	3.20	0.28	3.37	0.78	0.20	2.14	15.14

1/ COMMISSIONS OR COMPARABLE DIRECT BUYING COSTS AND LOCAL DELIVERING EXPENSES. 2/ RECEIVING AND OUTHANDLING AND REWEIGHING, RESAMPLING AND OTHER SPECIAL SERVICES PERFORMED. 3/ DOMESTIC FREIGHT, OCEAN FREIGHT AND, FOR SOME AREAS, WHARFAGE, FORWARDING AND CONTROLLING. 4/ MARINE AND DOMESTIC INSURANCE. 5/ INCLUDES HEDGING, INTEREST AND EXCHANGE. 6/ COMMISSIONS OR COMPARABLE DIRECT SELLING COSTS. 7/ REJECTIONS AND QUALITY ADJUSTMENTS ON SALES, BAD DEBITS AND FIBER TEST FEES. 8/ OPERATING EXPENSES NOT INCLUDED ELSEWHERE. 9/ EXCLUDES OPERATING MARGINS. COSTS MAY NOT ALWAYS ADD TO TOTAL DUE TO COMPUTER ROUNDING.

NOTE:--INDICATES INSUFFICIENT SHIPMENTS TO PERMIT SEPARATE COST ESTIMATES.



The average total cost to market South Central cotton to all outlets combined was \$23.58 per bale during the 1972/73 season (table 8). The market trading area with the lowest cost--\$22.78 per bale--was the Little Rock New Orleans area. Similar estimates for the Greenwood and Memphis areas were \$23.99 and \$24.05, respectively. Transportation, the largest of the cost items, accounted for over 41 percent of the total cost for shipments to all outlets combined, 29 percent for domestic movements, and over 56 percent for shipments to foreign destinations. For shipments to the ten outlets reported separately, total cost per bale varied from a low of \$17.44 for sales from the Greenwood area to Alabama-Georgia mills to a high of \$37.79 for sales from the Memphis trading area to Korea. Total costs for the two major domestic outlets (Group 201 mills and Alabama-Georgia mills) varied from \$18.00 to \$19.49 and from \$17.44 to \$18.90, respectively. Similar costs for sales to Japan and Europe, the two primary foreign outlets, varied from \$34.43 to \$36.48 and from \$32.91 to \$34.97, respectively. The most important variation in cost between outlets or between areas of purchase was in transportation expenses. However, in contrast to other regions, most other cost items showed little significant variation either among outlets or among areas of purchase.

In the Southwest, where a large portion of shippers' reported shipments were to foreign destinations (over 73 percent), the average total cost for assembling and distributing cotton to all outlets was \$30.21 per bale (table 9). The trading area with the lowest average total cost was Dallas at \$21.30 per bale (and few export shipments), and the area with the highest total cost was the Houston-Galveston area at \$32.21 per bale. The estimate for the Lubbock trading area to all outlets was \$29.91 per bale. Of the 10 sales outlets included, shippers' costs ranged from a low of \$14.10 per bale for sales from the Houston-Galveston area to "other domestic" outlets (primarily Texas mills) to a high of \$35.50 for shipments from the Dallas to "other foreign" destinations (all foreign countries were not identified separately). Transportation expenses showed considerable variation among outlets and trading areas in the Southwest. Buying and local delivery expenses, storage costs, and financing costs also varied significantly among outlets and among trading areas.

The weighted average cost per bale to shippers' of assembling and distributing Western cotton was \$29.67 during the 1972/73 season (table 10). The Phoenix trading area had the lowest total cost to all outlets--\$27.53 per bale. Similar estimates for the El Paso and Fresno-Bakersfield trading areas were \$28.23 and \$30.79, respectively. Transportation expenses for shippers in the Western region represented a larger portion of total merchandising costs than transportation from any of the other three regions. This was especially significant for domestic shipments where transportation accounted for over 46 percent of total merchandising costs for Western cotton. Of the sales outlets for which separate estimates were included, shippers' total cost per bale varied from a low of \$21.31 for sales from the El Paso area to "other domestic" (primarily Texas mills) to a high of \$39.47 for sales from the El Paso area to Europe. Total costs for the two primary domestic outlets of Group 201 and Alabama-Georgia mills varied from \$21.58 to \$23.49 and \$22.71 to \$25.65, respectively. Similar costs for sales to Japan and Europe, the largest foreign outlets, varied from \$34.01 to \$37.67 and \$36.66 to \$39.47,



respectively. In addition to transportation expenses, the most important variations by far in costs among outlets as well as among areas of purchase were due mainly to selling costs and overhead expenses.

TABLE B --SHIPPERS' AVERAGE COST PER BALE OF ASSEMBLING AND DISTRIBUTING SOUTH CENTRAL COTTON,  
BY TRADING AREAS AND OUTLETS, 1972/73 SEASON

TRADING AREA WHERE/ PURCHASED / OUTLET TO / WHICH SHIPPED	BUYING AND LOCAL STORAGE DEL.	COMPRESSION WAREHOUSE SERVICES	OTHER TRANS- INSURANCE 3/ 4/ 5/ 6/ 7/ 8/ 9/	COTTON FINANCING SELLING MISC. OVERHEAD	TOTAL						
	1/	2/	3/	4/	5/	6/	7/	8/	9/		
<u>DOLLARS</u>											
<b>MEMPHIS AREA:</b>											
GROUP 201 MILLS.....	0.91	2.39	2.56	1.40	5.49	0.22	3.25	0.85	0.40	2.03	19.49
GROUP 200 MILLS.....	0.97	2.50	2.44	1.45	5.72	0.19	3.24	0.86	0.50	2.07	19.96
NEW ENGLAND MILLS.....	1.22	3.57	2.32	1.53	7.82	0.47	4.14	0.99	0.38	2.39	24.82
ALA. AND GA. MILLS.....	0.93	2.63	2.44	1.44	4.50	0.22	3.35	0.83	0.49	2.06	18.90
OTHER DOMESTIC.....	1.25	3.80	2.35	1.50	4.00	0.50	4.45	1.00	0.40	2.50	21.75
TOTAL DOMESTIC.....	0.93	2.48	2.51	1.42	5.32	0.22	3.29	0.85	0.43	2.05	19.50
JAPAN.....	0.95	1.91	3.26	1.40	20.61	2.00	2.69	1.09	0.47	2.10	36.48
KOREA.....	1.12	2.27	3.09	1.43	21.76	1.79	2.83	1.09	0.44	1.98	37.79
HONG KONG.....	0.93	2.17	3.36	1.64	20.72	1.92	2.51	0.82	0.65	2.18	36.91
EUROPE.....	0.97	2.36	3.30	1.46	18.51	1.39	3.11	1.11	0.47	2.29	34.97
OTHER FOREIGN.....	1.13	3.20	3.15	1.52	17.32	1.76	3.77	1.19	0.40	2.38	35.82
TOTAL FOREIGN.....	0.98	2.17	3.26	1.43	19.70	1.74	2.91	1.10	0.47	2.19	35.93
ALL OUTLETS.....	0.94	2.39	2.72	1.42	9.31	0.64	3.18	0.92	0.44	2.09	24.05
<b>LITTLE ROCK-NEW ORLEANS:</b>											
GROUP 201 MILLS.....	0.68	1.84	2.66	1.30	5.40	0.22	2.84	0.72	0.33	2.00	18.00
GROUP 200 MILLS.....	0.92	2.10	2.42	1.41	5.94	0.17	2.66	0.84	0.49	2.08	19.04
NEW ENGLAND MILLS.....	1.03	1.98	2.70	1.41	7.33	0.20	2.32	1.00	0.49	2.07	20.53
ALA. AND GA. MILLS.....	0.67	1.90	2.63	1.35	4.93	0.22	2.93	0.69	0.36	2.02	17.70
OTHER DOMESTIC.....	1.25	3.80	2.35	1.50	4.55	0.50	4.45	1.00	0.40	2.50	22.30
TOTAL DOMESTIC.....	0.70	1.88	2.63	1.32	5.35	0.22	2.85	0.73	0.35	2.01	18.05
JAPAN.....	0.75	1.72	3.24	1.41	20.15	1.99	2.57	1.02	0.39	2.01	35.31
KOREA.....	0.93	1.57	3.14	1.58	21.59	1.81	1.94	1.01	0.44	1.95	35.97
HONG KONG.....	0.82	1.62	3.23	1.77	20.41	2.03	1.93	0.93	0.50	2.07	35.32
EUROPE.....	0.80	1.85	3.27	1.43	18.34	1.49	2.64	1.21	0.41	2.08	33.53
OTHER FOREIGN.....	0.86	1.79	3.15	1.74	16.28	2.01	2.16	1.05	0.40	2.11	31.53
TOTAL FOREIGN.....	0.80	1.76	3.24	1.45	19.44	1.79	2.54	1.09	0.40	2.04	34.56
ALL OUTLETS.....	0.73	1.85	2.81	1.36	9.38	0.67	2.76	0.83	0.37	2.02	22.78
<b>GREENWOOD AREA:</b>											
GROUP 201 MILLS.....	0.85	1.98	2.56	1.42	5.42	0.21	2.73	0.82	0.36	1.88	18.24
GROUP 200 MILLS.....	0.98	2.10	2.40	1.48	5.95	0.19	2.64	0.88	0.43	1.83	18.88
NEW ENGLAND MILLS.....	1.00	1.74	2.48	1.54	7.80	0.19	1.92	0.96	0.40	1.80	19.84
ALA. AND GA. MILLS.....	0.84	1.98	2.50	1.43	4.78	0.20	2.68	0.80	0.40	1.84	17.44
OTHER DOMESTIC.....	1.25	3.80	2.35	1.50	4.00	0.50	4.45	1.00	0.40	2.50	21.75
TOTAL DOMESTIC.....	0.87	1.99	2.52	1.43	5.39	0.21	2.70	0.83	0.38	1.87	18.19
JAPAN.....	1.07	1.68	3.12	1.32	19.81	1.81	2.37	1.03	0.47	1.77	34.43
KOREA.....	1.13	1.57	3.06	1.33	20.25	1.71	2.10	1.00	0.48	1.67	34.30
HONG KONG.....	0.85	1.78	3.27	1.62	19.89	2.00	2.10	0.90	0.54	2.10	35.07
EUROPE.....	0.95	1.78	3.22	1.38	17.98	1.44	2.46	1.24	0.46	2.00	32.91
OTHER FOREIGN.....	0.77	1.36	3.15	1.60	19.37	2.08	1.68	1.01	0.40	2.02	33.45
TOTAL FOREIGN.....	1.04	1.69	3.14	1.34	19.33	1.70	2.36	1.08	0.47	1.83	33.99
ALL OUTLETS.....	0.93	1.88	2.75	1.40	10.51	0.75	2.58	0.92	0.41	1.85	23.99
<b>S. CENTRAL REGION:</b>											
GROUP 201 MILLS.....	0.80	2.04	2.60	1.37	5.43	0.22	2.92	0.79	0.36	1.97	18.51
GROUP 200 MILLS.....	0.96	2.26	2.42	1.45	5.86	0.19	2.89	0.86	0.47	1.98	19.35
NEW ENGLAND MILLS.....	1.05	2.16	2.52	1.50	7.65	0.25	2.47	0.98	0.42	2.00	21.01
ALA. AND GA. MILLS.....	0.80	2.14	2.53	1.40	4.76	0.22	2.98	0.77	0.41	1.98	17.97
OTHER DOMESTIC.....	1.25	3.80	2.35	1.50	4.11	0.50	4.45	1.00	0.40	2.50	21.86
TOTAL DOMESTIC.....	0.82	2.10	2.56	1.39	5.35	0.22	2.94	0.80	0.38	1.98	18.53
JAPAN.....	0.96	1.75	3.19	1.37	20.10	1.91	2.51	1.04	0.44	1.92	35.18
KOREA.....	1.07	1.69	3.09	1.42	20.92	1.76	2.18	1.02	0.46	1.81	35.43
HONG KONG.....	0.86	1.84	3.29	1.69	20.37	1.99	2.16	0.89	0.56	2.11	35.76
EUROPE.....	0.90	1.98	3.26	1.42	18.27	1.44	2.72	1.19	0.45	2.12	33.74
OTHER FOREIGN.....	0.96	2.31	3.15	1.62	17.29	1.91	2.75	1.10	0.40	2.21	33.70
TOTAL FOREIGN.....	0.94	1.84	3.21	1.40	19.46	1.74	2.56	1.09	0.45	1.99	34.67
ALL OUTLETS.....	0.86	2.02	2.76	1.39	9.76	0.69	2.82	0.89	0.40	1.98	23.58

1/ COMMISSIONS OR COMPARABLE DIRECT BUYING COSTS AND LOCAL DELIVERING EXPENSES. 2/ RECEIVING AND OUTHANDLING AND REWEIGHING, RESAMPLING AND OTHER SPECIAL SERVICES PERFORMED. 3/ DOMESTIC FREIGHT, OCEAN FREIGHT AND, FOR SOME AREAS, WHARFAGE, FORWARDING AND CONTROLLING. 4/ MARINE AND DOMESTIC INSURANCE. 5/ INCLUDES HEDGING, INTEREST AND EXCHANGE. 6/ COMMISSIONS OR COMPARABLE DIRECT SELLING COSTS. 7/ REJECTIONS AND QUALITY ADJUSTMENTS ON SALES, BAD DEBTS AND FIBER TEST FEES. 8/ OPERATING EXPENSES NOT INCLUDED ELSEWHERE. 9/ EXCLUDES OPERATING MARGINS. COSTS MAY NOT ALWAYS ADD TO TOTAL DUE TO COMPUTER ROUNDING.



TABLE 9 --SHIPPERS' AVERAGE COST PER BALE OF ASSEMBLING AND DISTRIBUTING SOUTHWESTERN COTTON,  
BY TRADING AREAS AND OUTLETS, 1972/73 SEASON

TRADING AREA WHERE/ PURCHASED / / OUTLET TO / WHICH SHIPPED :	BUYING: AND : LOCAL DEL. : 1/ :	STORAGE : 2/ :	COMPRESSION : 3/ :	WAREHOUSE : SERVICES : 2/ :	OTHER : TRANSPOR- : TATION : 3/ :	COTTON : INSURANCE : 4/ :	FINANCING : 5/ :	SELLING : MISC. : 6/ :	MISC. : 7/ :	OVERHEAD : 8/ :	TOTAL : 9/ :
<u>DOLLARS</u>											
HCLSTON-GALVESTON AREA:											
GROUP 201 MILLS.....	0.90	1.65	2.70	1.35	6.78	0.18	2.18	0.85	0.65	1.95	19.18
GROUP 200 MILLS.....	---	---	---	---	---	---	---	---	---	---	---
NEW ENGLAND MILLS.....	1.00	1.95	2.50	0.90	9.10	0.10	2.75	0.75	0.75	2.25	22.05
ALA. AND GA. MILLS.....	1.10	1.71	2.50	1.00	6.49	0.12	2.28	0.85	0.42	2.40	18.87
CTHER DOMESTIC.....	0.96	1.70	2.58	2.00	1.95	0.47	2.31	0.63	0.42	1.08	14.10
TCTAL DOMESTIC.....	1.05	1.71	2.54	1.25	5.59	0.20	2.28	0.80	0.45	2.06	17.94
JAPAN.....	1.05	1.41	3.03	2.23	18.91	1.74	2.63	1.56	0.08	2.57	35.20
KOREA.....	1.00	1.05	2.75	2.36	17.44	1.47	1.80	1.54	0.31	2.22	31.94
HONG KONG.....	0.95	1.18	2.79	1.80	20.33	2.08	1.94	1.58	0.27	1.64	34.60
EUROPE.....	1.05	0.97	3.03	1.69	17.13	1.01	2.01	1.81	0.01	1.57	30.27
CTHER FOREIGN.....	1.00	0.87	3.08	1.63	18.32	2.20	2.16	2.60	0.01	1.30	33.15
TCTAL FOREIGN.....	1.04	1.28	2.98	2.12	18.67	1.69	2.39	1.64	0.11	2.28	34.20
ALL OUTLETS.....	1.04	1.33	2.93	2.02	17.06	1.51	2.38	1.54	0.15	2.25	32.21
DALLAS AREA:											
GROUP 201 MILLS.....	1.00	1.46	2.18	1.98	6.52	0.23	3.02	1.00	---	2.61	20.00
GROUP 200 MILLS.....	---	---	---	---	---	---	---	---	---	---	---
NEW ENGLAND MILLS.....	1.00	1.30	2.50	1.00	15.00	0.10	1.25	1.00	---	4.25	27.40
ALA. AND GA. MILLS.....	1.00	1.30	2.50	1.00	12.60	0.10	1.25	1.00	---	4.25	25.00
CTHER DOMESTIC.....	---	---	---	---	---	---	---	---	---	---	---
TCTAL DOMESTIC.....	1.00	1.45	2.20	1.93	6.92	0.22	2.93	1.00	---	2.70	20.34
JAPAN.....	0.97	1.38	3.07	2.91	20.08	1.68	1.94	0.62	0.54	2.15	35.36
KOREA.....	---	---	---	---	---	---	---	---	---	---	---
HONG KONG.....	---	---	---	---	---	---	---	---	---	---	---
EUROPE.....	0.81	1.29	2.91	2.98	15.18	0.97	1.91	1.50	0.51	2.95	31.00
CTHER FOREIGN.....	1.00	1.40	3.10	2.90	20.45	1.65	1.95	0.50	0.55	2.00	35.50
TCTAL FOREIGN.....	0.93	1.36	3.03	2.93	18.69	1.47	1.94	0.86	0.54	2.37	34.11
ALL OUTLETS.....	0.99	1.44	2.25	2.00	7.74	0.31	2.86	0.99	0.04	2.67	21.30
LUBBOCK AREA:											
GROUP 201 MILLS.....	0.61	1.96	2.54	1.39	7.59	0.14	1.45	0.99	0.27	2.56	19.11
GROUP 200 MILLS.....	0.50	2.10	2.50	1.50	7.50	0.15	1.00	0.50	0.25	2.50	18.50
NEW ENGLAND MILLS.....	1.00	1.49	2.50	1.00	13.44	0.10	1.81	0.91	0.28	3.50	26.03
ALA. AND GA. MILLS.....	0.83	1.90	2.50	1.18	6.83	0.12	2.12	0.67	0.57	2.36	19.06
CTHER DOMESTIC.....	0.58	2.02	2.52	1.59	3.88	0.21	1.23	0.51	0.28	2.24	15.07
TCTAL DOMESTIC.....	0.70	1.93	2.52	1.30	7.33	0.13	1.70	0.62	0.38	2.50	19.13
JAPAN.....	0.74	1.85	2.89	1.96	20.20	1.83	1.66	0.58	0.44	2.34	34.50
KOREA.....	0.61	2.18	2.78	2.18	19.34	2.11	1.46	0.76	0.30	2.39	34.13
HONG KONG.....	0.66	2.00	2.83	1.77	19.97	1.88	1.57	0.58	0.41	2.42	34.10
EUROPE.....	0.56	1.97	2.84	2.06	18.24	1.76	1.15	0.67	0.29	2.56	32.12
CTHER FOREIGN.....	0.52	2.10	2.84	1.95	19.48	1.69	1.08	1.97	0.26	2.48	34.38
TCTAL FOREIGN.....	0.59	2.04	2.85	1.96	19.54	1.78	1.27	1.36	0.32	2.45	34.14
ALL OUTLETS.....	0.62	2.01	2.76	1.77	16.10	1.31	1.40	1.15	0.34	2.46	29.91
SOUTHWEST REGION:											
GROUP 201 MILLS.....	0.75	1.78	2.43	1.59	7.20	0.17	2.00	0.74	0.19	2.56	19.41
GROUP 200 MILLS.....	0.50	2.10	2.50	1.50	7.50	0.15	1.00	0.50	0.25	2.50	18.50
NEW ENGLAND MILLS.....	1.00	1.47	2.50	0.99	13.51	0.10	1.74	0.92	0.24	3.60	26.07
ALA. AND GA. MILLS.....	0.91	1.84	2.50	1.12	6.77	0.12	2.16	0.72	0.52	2.38	19.04
CTHER DOMESTIC.....	0.81	1.83	2.56	1.84	2.71	0.36	1.89	0.58	0.36	1.54	14.49
TCTAL DOMESTIC.....	0.81	1.80	2.46	1.42	6.98	0.16	2.03	0.72	0.32	2.47	19.18
JAPAN.....	0.97	1.53	2.99	2.16	19.27	1.76	2.36	1.28	0.18	2.50	35.01
KOREA.....	0.79	1.65	2.76	2.27	18.44	1.80	1.62	1.13	0.30	2.31	33.08
HONG KONG.....	0.77	1.74	2.82	1.78	20.09	1.95	1.69	0.91	0.37	2.17	34.27
EUROPE.....	0.76	1.54	2.93	1.92	17.73	1.43	1.52	1.15	0.18	2.15	31.33
CTHER FOREIGN.....	0.55	2.03	2.86	1.93	19.41	1.72	1.15	2.01	0.25	2.40	34.31
TCTAL FOREIGN.....	0.77	1.74	2.90	2.03	19.19	1.74	1.72	1.47	0.24	2.38	34.17
ALL OUTLETS.....	0.78	1.75	2.78	1.87	15.97	1.33	1.80	1.27	0.26	2.40	30.21

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NOTE:--INDICATES INSUFFICIENT SHIPMENTS TO PERMIT SEPARATE COST ESTIMATES.

TABLE 10 -- SHIPPERS' AVERAGE COST PER BALE OF ASSEMBLING AND DISTRIBUTING WESTERN COTTON,  
BY TRADING AREAS AND OUTLETS, 1972/73 SEASON

TRADING AREA WHERE/ PURCHASED / / OUTLET TO / WHICH SHIPPED	BUYING: AND	LOCAL STORAGE: DEL.	COMPRESSION: /	OTHER: SERVICES	WAREHOUSE: /	TRANSPORTATION: 3/	COTTON: INSURANCE: 4/	FINANCING: 5/	SELLING: 6/	MISC. OPERATING: 7/	OVERHEAD: 8/	TOTAL 9/
DOLLARS												
<b>EL PASO AREA:</b>												
GROUP 201 MILLS.....	0.95	1.95	2.43	2.68	8.05	0.22	2.18	1.55	0.45	2.82		23.29
GROUP 200 MILLS.....	1.00	1.30	2.50	1.75	8.45	0.25	3.30	0.75	0.50	2.55		22.35
NEW ENGLAND MILLS.....	1.00	2.00	2.50	3.00	9.25	0.25	1.50	2.00	0.50	3.00		25.00
ALA. AND GA. MILLS.....	1.00	1.78	2.50	2.60	7.47	0.25	2.08	1.68	0.50	2.85		22.71
OTHER DOMESTIC.....	0.95	1.73	2.47	2.29	6.66	0.23	2.36	1.36	0.50	2.75		21.31
TOTAL DOMESTIC.....	0.96	1.88	2.45	2.60	7.82	0.23	2.21	1.53	0.47	2.81		22.95
JAPAN.....	1.11	1.81	3.37	1.73	20.74	1.72	2.53	1.28	0.50	2.88		37.67
KOREA.....	0.92	2.17	2.96	2.17	20.53	1.69	2.36	1.73	0.40	3.05		37.98
HONG KONG.....	1.25	2.25	3.25	1.50	20.50	1.80	2.75	0.75	0.50	2.50		37.05
EUROPE.....	0.99	1.92	3.24	1.81	22.59	1.18	2.07	1.88	0.49	3.29		39.47
OTHER FOREIGN.....	1.01	2.03	3.22	1.78	19.17	1.75	1.88	1.89	0.49	3.39		36.60
TOTAL FOREIGN.....	1.01	1.99	3.21	1.83	20.60	1.57	2.10	1.77	0.48	3.23		37.79
ALL OUTLETS.....	0.98	1.92	2.72	2.32	12.36	0.70	2.17	1.61	0.47	2.96		28.23
<b>PHOENIX AREA:</b>												
GROUP 201 MILLS.....	0.78	1.64	2.02	1.27	11.02	0.16	2.42	0.53	0.40	1.35		21.58
GROUP 200 MILLS.....	1.00	1.30	2.50	1.75	11.65	0.25	3.30	0.75	0.50	2.55		25.55
NEW ENGLAND MILLS.....	---	---	---	---	---	---	---	---	---	---		---
ALA. AND GA. MILLS.....	1.20	2.19	2.41	1.47	10.93	0.32	3.21	0.80	0.33	2.80		25.65
OTHER DOMESTIC.....	0.61	2.08	2.26	1.51	10.66	0.10	2.57	0.99	0.50	2.50		23.78
TOTAL DOMESTIC.....	0.78	1.67	2.04	1.28	11.00	0.15	2.43	0.55	0.40	1.42		21.73
JAPAN.....	1.21	2.34	2.91	1.66	19.08	1.79	2.65	1.20	0.46	2.70		36.00
KOREA.....	1.25	2.32	3.16	1.46	18.66	1.69	3.09	0.96	0.41	2.64		35.65
HONG KONG.....	1.25	2.34	3.14	1.45	19.26	1.66	3.17	1.01	0.39	2.68		36.36
EUROPE.....	1.43	2.34	2.93	1.58	21.30	1.33	2.27	1.46	0.42	3.20		38.26
OTHER FOREIGN.....	1.25	2.27	3.23	1.49	17.14	1.77	2.84	0.81	0.48	2.54		33.81
TOTAL FOREIGN.....	1.25	2.33	2.96	1.61	19.25	1.70	2.64	1.19	0.45	2.77		36.16
ALL OUTLETS.....	0.97	1.93	2.41	1.42	14.32	0.78	2.51	0.81	0.42	1.96		27.53
<b>FRESNO-BAKERSFIELD AREA:</b>												
GROUP 201 MILLS.....	0.89	1.81	2.30	1.19	10.91	0.21	2.81	0.98	0.31	2.08		23.49
GROUP 200 MILLS.....	---	---	---	---	---	---	---	---	---	---		---
NEW ENGLAND MILLS.....	---	---	---	---	---	---	---	---	---	---		---
ALA. AND GA. MILLS.....	1.00	2.11	2.42	1.30	10.41	0.29	3.05	0.91	0.39	2.20		24.08
OTHER DOMESTIC.....	---	---	---	---	---	---	---	---	---	---		---
TOTAL DOMESTIC.....	0.90	1.82	2.30	1.19	10.89	0.21	2.82	0.97	0.32	2.09		23.52
JAPAN.....	0.86	1.84	2.73	1.29	19.89	2.01	2.56	0.79	0.39	1.66		34.01
KOREA.....	1.25	2.49	2.96	1.35	19.23	1.41	3.81	1.48	0.21	2.98		37.18
HONG KONG.....	1.25	2.49	2.96	1.35	19.73	1.41	3.82	1.48	0.21	2.99		37.70
EUROPE.....	1.12	2.40	2.68	1.36	20.94	1.13	2.52	1.50	0.41	2.59		36.66
OTHER FOREIGN.....	1.25	2.47	2.99	1.37	19.84	1.45	3.68	1.40	0.24	2.93		37.62
TOTAL FOREIGN.....	0.89	1.91	2.73	1.30	19.96	1.92	2.61	0.87	0.39	1.79		34.37
ALL OUTLETS.....	0.90	1.88	2.59	1.26	16.97	1.36	2.68	0.91	0.36	1.89		30.79
<b>WEST REGION:</b>												
GROUP 201 MILLS.....	0.86	1.76	2.20	1.37	10.67	0.19	2.60	0.86	0.36	1.87		22.73
GROUP 200 MILLS.....	1.00	1.30	2.50	1.75	8.71	0.25	3.30	0.75	0.50	2.55		22.61
NEW ENGLAND MILLS.....	1.00	2.00	2.50	3.00	9.25	0.25	1.50	2.00	0.50	3.00		25.00
ALA. AND GA. MILLS.....	1.01	1.97	2.45	1.87	9.17	0.27	2.64	1.24	0.43	2.52		23.58
OTHER DOMESTIC.....	0.76	1.93	2.35	1.85	8.90	0.16	2.48	1.16	0.50	2.61		22.70
TOTAL DOMESTIC.....	0.86	1.77	2.22	1.41	10.53	0.19	2.59	0.88	0.37	1.93		22.76
JAPAN.....	0.92	1.92	2.76	1.35	19.76	1.97	2.57	0.86	0.40	1.84		34.37
KOREA.....	1.15	2.35	3.01	1.63	19.48	1.57	3.18	1.42	0.32	2.91		37.02
HONG KONG.....	1.25	2.44	3.02	1.39	19.60	1.50	3.59	1.32	0.27	2.88		37.25
EUROPE.....	1.20	2.32	2.83	1.49	21.29	1.20	2.38	1.54	0.42	2.88		37.55
OTHER FOREIGN.....	1.14	2.20	3.18	1.59	18.53	1.70	2.57	1.39	0.44	2.98		35.74
TOTAL FOREIGN.....	0.97	2.00	2.80	1.39	19.86	1.86	2.58	0.98	0.40	2.06		34.90
ALL OUTLETS.....	0.92	1.90	2.55	1.40	15.84	1.14	2.59	0.94	0.39	2.00		29.67

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