

UNITED STATES DEPARTMENT OF AGRICULTURE



AGRICULTURAL MARKETING SERVICE

COTTON DIVISION

4941 SUMMER AVENUE, MEMPHIS, TENNESSEE 38122

Telephone 901-521-2934

TEXAS TECH
Dept of Ag Eco

Weekly Cotton Market Review

Vol. 66, No. 22

January 3, 1985

Spot cotton prices were fairly stable during the December 21-January 3 period, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading was light to moderate. Merchant demand was good but selective. Domestic mills made limited purchases. Export trading was primarily with Egypt. Inclement weather hampered harvesting operations, particularly in Oklahoma and on the Texas Plains. Harvesting was finished or neared completion in most other areas. The November daily rate of domestic mill consumption was the smallest for that month since 1931. November exports increased to the highest level this marketing year. The interest rate for CCC loans disbursed in January will be 9.5 percent.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 60.37 cents per pound during the two-week period. Prices ranged from a low of 59.96 cents on Wednesday, January 2, to a high of 60.86 cents on Thursday, January 3. In the corresponding period a year ago, the average price was 71.55 cents and ranged from 70.14 to 72.76 cents. The New York March 1985 futures settlement price was 66.99 cents per pound on Thursday, January 3, compared with 66.04 cents two weeks earlier.

Trading on spot cotton markets was light to moderate during the holiday period. Some growers offered freely as the year ended while others continued to hold. Merchant demand was strong for selected qualities but supplies and offerings of lower qualities exceeded demand in some markets. Domestic mill purchases were light and mostly for prompt delivery. Export trading was predominantly with Egypt. A heavy volume of California-Arizona growth was purchased for prompt through March shipment. Purchases reported by cotton exchanges in the designated markets totaled 417,400 bales in the December 21-January 3 period. This compares with 528,200 bales in the corresponding period last season.

Textile mill report. Mill buying was slow and consisted of a light volume for fill-ins and a small quantity for forward delivery. Reports indicated that most mills have their needs covered into second quarter months and are purchasing only to cover ongoing product sales. Finished goods orders remained slow and spotty. Some yarn mills remained on curtailed production. Most mills reopened after closing several days for year-end holidays.

Domestic mill consumption of cotton averaged 19,100 bales per day in the four weeks ended November 24, according to the Bureau of the Census. This was the smallest November daily rate since 1931 and was down from 20,800 bales per day a month earlier and 22,300 bales in November 1983. Domestic mills consumed 382,400 bales in November which was the second smallest November usage since records began in 1912. In November 1920, mills used 333,000 bales. August-November consumption this season totaled 1,707,100 bales, down from 1,917,400 bales used through November a year earlier but up slightly from 1,666,200 bales two years ago.

Stocks of cotton at mills totaled 566,400 running bales on November 24, according to the Bureau of the Census. This compares with 542,200 a month earlier and 554,000 bales at the end of November last year. At the November daily rate of consumption, mill stocks were equivalent to almost six weeks' supply. Stocks of cotton in public storage totaled 7,560,700 bales on November 24 compared with 3,385,800 bales a month earlier and 8,569,600 bales at the end of November 1983.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 119.7 million pounds (about 249,400 bales of 480 pounds) in the four weeks ended November 24, according to the Bureau of the Census. This brought consumption for the first 17 weeks (August-November) this season to 545.7 million pounds (about 1,136,900 bales). August-November consumption last season (17 weeks) totaled 630.7 million pounds (about 1,313,900 bales).

Exports of cotton from the United States totaled 484,400 running bales during November, the largest monthly volume shipped for the 1984-85 marketing year, according to the Bureau of the Census. A month earlier, 291,800 bales were exported and 440,900 bales in November 1983. Shipments during the first four months this season totaled 1,492,300 bales. This was the largest August-November shipments since 1979 and was up from 1,391,100 bales a year earlier and 1,368,000 bales two years ago.

The average net weight per bale of 1984-crop cotton ginned in the United States prior to December 1 was 496.5 pounds. This weight was calculated from state average bale weights and ginnings released by the Bureau of the Census. To convert 1984-crop running bales to 480 pound net weight bales, multiply by 1.03. To convert 480 pound net weight bales to running bales, multiply by 0.97.

Prices received by farmers for upland cotton during calendar year 1984 remained below the target price of 81.00 cents per pound, ranging from a high of 72.70 cents in May to a low of 61.80 cents in November. The monthly average farm price was 57.00 cents in mid December and 61.80 cents for the entire month of November, according to the Statistical Reporting Service, USDA. In December 1983, the average farm price was 66.20 cents. These prices include cotton delivered against forward contracts.

Average prices received by farmers for upland cotton, in cents per pound, net weight, United States, calendar years, 1983-1984

Month	Year beginning January 1		Month	Year beginning January 1		Month	Year beginning January 1	
	1983	1984		1983	1984		1983	1984
	Cents	Cents		Cents	Cents		Cents	Cents
January	57.00	62.70	June	62.60	68.00	November	67.00	61.80
February	57.70	65.00	July	67.10	65.90	December	66.20	57.00 ^{1/}
March	62.20	70.10	August	64.60	67.20			
April	60.40	67.20	September	62.80	64.60	Calendar		
May	63.60	72.70	October	63.10	64.60	year avg.	63.90	

^{1/} Mid-month price.

Source: Statistical Reporting Service, USDA

Average net weight per bale of cotton ginned prior to December 1, by specified states, crops of 1981 to 1984

State	Crop year			
	1984	1983	1982	1981
	Pounds	Pounds	Pounds	Pounds
Alabama	494.6	499.4	503.7	499.1
Arizona	493.7	491.0	495.5	494.5
Arkansas	493.0	492.7	494.0	489.7
California	498.0	500.4	498.6	497.2
Georgia	515.6	512.7	515.9	492.2
Louisiana	491.7	490.6	490.0	488.0
Mississippi	493.7	497.9	503.4	497.9
Missouri	493.3	486.7	491.2	481.9
New Mexico	492.5	495.3	491.4	491.3
North Carolina	504.6	497.8	508.7	498.5
Oklahoma	489.7	493.6	487.8	490.7
South Carolina	509.6	495.7	519.3	504.7
Tennessee	499.7	495.0	502.8	497.0
Texas	498.0	498.7	491.6	497.1

Source: Bureau of the Census

All cotton: Domestic mill consumption, stocks and exports, running bales, by months and seasons, 1980-1984

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
<u>Mill consumption 1/</u>													
1980	443	456	597*	458	475*	435	446	539*	435	441	531*	385	5,664
1981	429	517*	448	403	400*	378	398	493*	410	392	460*	317	5,043
1982	386	474*	416	391	425*	404	430	549*	431	441	543*	369	5,259
1983	453	560*	459	446	468*	469	448	548*	430	442	503*	354	5,628
1984 <u>3/</u>	416	494*	415	382									
<u>Mill consumption per day</u>													
1980	22.1	22.8	23.9	22.9	19.0	21.8	22.3	21.5	21.7	22.1	21.3	19.2	21.8
1981	21.4	20.7	22.4	20.1	16.0	18.9	19.9	19.7	20.5	19.6	18.4	15.9	19.4
1982	19.3	19.0	20.8	19.5	17.0	20.2	21.5	22.0	21.5	22.0	21.7	18.4	20.2
1983	22.6	22.4	22.9	22.3	18.7	23.5	22.4	21.9	21.5	22.1	20.1	17.7	21.6
1984 <u>3/</u>	20.8	19.8	20.8	19.1									
<u>Stocks in consuming establishments 2/</u>													
1980	891	784	743	750	831	947	1,038	1,105	1,078	1,023	937	883	-
1981	810	695	663	673	757	822	884	917	911	901	871	830	-
1982	750	671	611	635	698	782	777	790	795	777	757	756	-
1983	712	639	556	554	611	647	713	741	766	766	822	795	-
1984 <u>3/</u>	715	645	542	566									
<u>Stocks in public storage 2/</u>													
1980	1,509	1,578	3,181	5,071	5,927	5,847	5,109	4,227	3,470	2,807	2,199	1,688	-
1981	1,491	1,940	4,060	7,064	9,267	9,489	8,882	7,921	7,112	6,292	5,544	5,269	-
1982	5,008	5,293	7,575	10,190	11,101	11,120	10,546	9,713	8,796	7,930	7,419	6,656	-
1983	6,168	5,870	7,119	8,570	8,790	7,525	6,359	4,997	3,956	2,966	2,212	1,761	-
1984 <u>3/</u>	1,491	1,432	3,386	7,561									
<u>Exports</u>													
1980	402	393	237	436	541	669	688	733	498	458	320	264	5,639
1981	233	211	262	478	732	653	754	873	676	484	498	396	6,249
1982	342	351	293	382	377	438	368	487	612	464	435	409	4,959
1983	367	322	261	441	632	663	719	896	723	607	422	365	6,419
1984 <u>3/</u>	452	264	292	484									

1/ Consumption figures relate to four-week months except as noted. Daily consumption rates calculated on the basis of 20 days for four-week months and 25 days for five-week months with no allowance for holidays. Season totals are adjusted data as reported in Supply and Distribution of Domestic and Foreign Cotton in the United States by Bureau of the Census.

2/ These data refer to a particular day near the end of the month.

3/ Preliminary.

* Five-week month.

Source: Bureau of the Census

New York futures contract settlement, designated spot market average for grade 41 staple 34 and 'A' Index cotton prices in cents per pound

Date	Grade 41 Staple 34						8-Market Average	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement							
	Mar '85	May '85	Jul '85	Oct '85	Dec '85	Mar '86		
Dec. 20	66.04	66.80	67.75	68.35	68.45	69.50	60.37	72.25
21	66.42	67.15	67.85	68.36	68.50	69.50	60.65	72.00
24				CLOSED				72.05
25				HOLIDAY				Holiday
26	66.01	66.96	67.85	68.35	68.35	69.55	60.25	Holiday
27	65.99	66.79	67.73	68.30	68.45	69.45	60.17	72.00
28	66.17	66.95	67.85	68.33	68.31	69.90	60.31	72.00
31				CLOSED				72.00
Jan. 1				HOLIDAY				Holiday
2	66.04	66.95	67.90	68.25	68.31	69.40	59.96	71.90
3	66.99	67.93	68.55	68.60	68.75	69.90	60.86	71.55

1/ C.I.F. Northern Europe price furnished by Cotton Outlook of Liverpool.

U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1983-84 and 1984-85

Description	Marketing Year			
	1983-84		1984-85	
	Through December 22		Through December 20	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	3,211,200	-	3,214,300
Exports	151,400	1,877,800	159,100	1,945,000
Total export commitments	-	5,089,000	-	5,159,300
New sales	177,700	-	172,700	-
Buy-backs and cancellations	4,500	-	17,800	-
Net sales	173,200	-	154,900	-
Sales next marketing year	4,500	236,100	16,600	95,700

Description	Marketing Year			
	1983-84		1984-85	
	Through December 29		Through December 27	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	3,165,600	-	3,182,600
Exports	127,100	2,004,800	93,800	2,038,800
Total export commitments	-	5,170,400	-	5,221,400
New sales	90,800	-	67,600	-
Buy-backs and cancellations	9,300	-	5,400	-
Net sales	81,500	-	62,200	-
Sales next marketing year	14,000	250,100	-2,400	93,400

Source: Export Sales Reporting Division, Foreign Agricultural Service, USDA

Upland cotton export sales resulted in a net increase of 62,200 running bales during the week ended December 27, according to the Foreign Agricultural Service, USDA. This was down 60 percent from the previous week. The major buyers were Taiwan with 18,400 bales, South Korea 16,100 and Japan 12,000 bales. Weekly exports of 93,800 bales declined 41 percent from a week earlier. Asian destinations accounted for 55 percent of the week's shipments, Western Europe 31 percent and Eastern European 12 percent.