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Weekly Cotton Market Review

Vol. 66, No. 36

April 11, 1985

Spot trading was more active in the western states but remained slow in southern states, according to the Cotton Division, Agricultural Marketing Service, USDA. Prices were higher and growers offered and sold a larger volume of cotton. Merchant demand was selective and buying was primarily for cotton needed to fill commitments. Domestic mills bought a limited volume of cotton. Export trading remained slow. Growers in a few states forward contracted a light volume of 1985-crop acreage. Planting made good progress in California, Arizona and central Texas. The Harlingen, Texas, area was planted and most cotton was up to a stand. Planting was about 90 percent completed in the Texas Coastal Bend and was under way in the Upper Coastal Bend. Warmer weather is needed in many areas of the Cotton Belt before planting can begin.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 62.92 cents per pound during the week ended Thursday, April 11. Prices ranged from a high of 63.50 cents on Monday to a low of 62.47 cents on Thursday. A week earlier, prices averaged 62.22 cents per pound and ranged from 61.51 to 62.96 cents. In the corresponding week a year ago, the average price was 75.39 cents. The New York May 1985 futures settlement price ended the week on Thursday at 68.84 cents per pound compared with 69.49 cents a week earlier. The October settlement price was 65.85 cents against 66.01 cents last Thursday and the December price was 65.79 cents compared with 65.90 cents a week ago.

Trading on spot cotton markets was more active in the western states. Growers offered and sold more freely on the rising market. Merchants were buying selected qualities to fill commitments for export and to domestic mills. Domestic mill purchases were light to moderate. Export trading was slow. Far Eastern mills were the major buyers. Purchases reported by cotton exchanges in the designated markets totaled 54,600 bales in the week ended Thursday, April 11. This compares with 75,000 bales reported a week earlier and 37,100 bales in the corresponding week last season.

Textile mill report. Mills have adequately covered most of their raw cotton needs into the summer and limited buying to occasional lots for fill-ins. New-crop purchases were also light with delivery extending through the end of the year. With sales slow in numerous areas of the textile market, some mills offered excess cotton stocks or qualities not suitable for their needs. Orders for finished goods were intermittent. Plants making materials for athletic and work uniforms, sheeting, underwear and some products for the health care industry reported mostly good sales and were on five-day work schedules. Yarn and a number of popular apparels continued to sell slowly. Product sales for the automotive and household market were spotty. Mills balanced output to market conditions with workweeks ranging from three to six days, mostly five.

World cotton supply and demand estimates. Projected 1984-85 world cotton supply and demand is little changed this month; ending stocks are expected to increase sharply this season. While supplies are near month-earlier indications, slightly stronger demand may drop stocks marginally below the March forecast.

Foreign production has been revised up modestly this month as larger output in India, Brazil, Paraguay, and Australia is more than offsetting reduced prospects in Sudan. Large available supplies for export in many Southern Hemisphere countries are boosting late-season trade prospects. Mill use overseas also may be higher, primarily reflecting larger consumption in India.

The U.S. crop forecast has been trimmed slightly in wake of the recent Cotton Ginnings report. With mill use and export estimates still on target, U.S. ending stocks are forecast moderately below a month earlier.

1985 crop program enrollment. U.S. farmers have signed contracts to place 13.1 million acres of upland cotton base acreage and 31,000 acres of extra long staple cotton in the 1985 acreage reduction program, according to a report released April 10 by the U.S. Department of Agriculture.

Signup was held October 15 through April 1. Farmers who signed up to participate in the acreage reduction program agreed to reduce their base acreage plantings by at least 30 percent for upland cotton and 10 percent for extra long staple cotton. The cropland taken out of production must be devoted to an acreage conservation reserve.

Participating producers will be eligible for program benefits such as Commodity Credit Corporation loans and purchases and target price protection. In addition, upland cotton producers had the option of requesting 50 percent of their projected 1985 deficiency payment and 50 percent of their land diversion payment at signup. A producer who accepted an advance payment, but who later does not comply with program provisions, must refund the amount of the advance payment with interest plus liquidated damages.

The 1985-crop national average loan rate for upland cotton is 57.30 cents per pound and extra long staple cotton 85.95 cents. The target price for 1985 upland cotton is 81.00 cents per pound and extra long staple cotton 103.14 cents.

UPLAND COTTON: 1985 crop program enrollment
(20 percent acreage reduction plus 10 percent paid land diversion)

State	Total		Farms enrolled		Acreage enrolled	
	Farms	Base	Number	Percent	Number	Percent
Alabama	8,392	446,624	6,137	73.13	399,229	89.39
Arizona	2,031	604,598	1,356	66.77	463,271	76.62
Arkansas	8,430	698,375	6,255	74.20	603,516	86.42
California	5,757	1,612,295	3,054	53.05	808,662	50.16
Florida	491	24,417	355	72.30	19,716	80.75
Georgia	4,003	257,556	2,783	69.52	225,655	87.61
Kansas	33	567	4	12.12	148	26.03
Kentucky	2	36	-	-	-	-
Louisiana	8,151	806,472	6,240	76.56	672,553	83.39
Mississippi	14,070	1,406,140	10,135	72.03	1,199,845	85.33
Missouri	4,353	264,247	3,488	80.13	229,498	86.85
Nevada	6	708	1	16.67	115	16.17
New Mexico	2,217	166,808	1,265	57.06	134,635	80.71
North Carolina	3,352	114,227	2,269	67.69	93,899	82.20
Oklahoma	9,835	747,371	6,535	66.45	597,074	79.89
South Carolina	2,307	146,970	1,606	69.61	123,074	83.74
Tennessee	9,382	409,022	7,134	76.04	360,580	88.16
Texas	61,893	8,118,243	45,530	73.56	7,162,087	88.22
Virginia	54	924	37	68.52	733	79.37
Total	144,759	15,825,600	104,184	71.97	13,094,290	82.74

EXTRA LONG STAPLE COTTON: 1985 crop program enrollment
(20 percent acreage reduction)

State	Total		Farms enrolled		Acreage enrolled	
	Farms	Base	Number	Percent	Number	Percent
Arizona	615	36,530	152	24.72	15,666	42.88
California	2	83	1	50.00	58	69.84
New Mexico	514	9,502	133	25.88	4,048	42.60
Texas	435	19,840	154	35.40	11,503	57.98
Total	1,566	65,955	440	28.10	31,274	47.42

Cotton supply and use: World, United States, major exporters and importers; marketing years 1982-83, 1983-84, and 1984-85 ^{1/} April 10, 1985

Region	Supply			Use		Ending stocks	
	Beginning stocks	Production	Imports	Mill use	Exports		
Million 480 pound bales							
1982-83							
World	25.40	67.46	19.76	68.04	19.43	24.89	
United States	6.63	11.96	2/	5.51	5.21	7.94	
Total foreign	18.76	55.50	19.74	62.53	14.23	16.95	
Major exporters ^{3/}	6.68	39.62	1.61	31.83	9.14	6.74	
China	1.89	16.50	1.10	16.40	0.08	3.02	
Pakistan	0.24	3.78	2/	2.45	1.27	0.15	
USSR	2.53	11.93	0.48	9.20	3.89	1.85	
Major importers ^{4/}	4.95	0.76	15.10	15.75	0.30	4.68	
Japan	0.78	-	3.14	3.29	-	0.63	
1983-84 (Estimated)							
World	24.89	67.84	20.40	60.72	19.35	24.60	
United States	7.94	7.77	2/	5.93	6.79	2.78	
Total foreign	16.95	60.06	20.39	62.79	12.56	21.83	
Major exporters ^{3/}	6.74	43.57	1.31	31.26	8.31	11.87	
China	3.02	21.30	0.25	16.00	0.75	7.82	
Pakistan	0.15	2.19	0.29	2.03	0.28	0.15	
USSR	1.85	12.28	0.75	9.30	3.45	2.13	
Major importers ^{4/}	4.68	0.82	15.62	16.16	0.60	4.36	
Japan	0.63	-	3.34	3.30	-	0.67	
1984-85 (Projected)							
World							
March	24.48	84.27	20.60	69.74	20.73	38.68	
April	24.60	84.23	20.61	69.88	20.92	38.41	
United States							
March	2.78	13.29	2/	5.30	6.49	4.35	
April	2.78	12.96	2/	5.30	6.49	4.00	
Total foreign							
March	21.71	70.98	20.59	64.44	14.25	34.33	
April	21.83	71.27	20.60	64.58	14.44	34.41	
Major exporters ^{3/}							
March	11.83	52.56	1.32	32.38	9.58	23.56	
April	11.87	52.45	1.52	32.36	9.60	23.67	
China	Mar.	7.82	27.90	0.10	16.50	1.20	18.12
Apr.	7.82	27.90	0.10	16.50	1.20	18.12	
Pakistan	Mar.	0.15	4.50	2/	2.27	1.15	1.07
Apr.	0.15	4.50	2/	2.27	1.15	1.07	
USSR	Mar.	2.13	11.70	1.00	9.50	3.20	2.13
Apr.	2.13	11.70	1.10	9.50	3.20	2.23	
Major importers ^{4/}							
March	4.47	1.00	15.62	16.28	0.45	4.35	
April	4.36	1.00	15.64	16.24	0.50	4.26	
Japan	Mar.	0.67	-	3.30	-	0.67	
Apr.	0.67	-	3.26	3.25	-	0.68	

^{1/} Marketing year beginning August 1. Totals may not add and trade and stocks may not balance due to rounding, a small quantity destroyed, and other factors. ^{2/} Less than 50,000 bales. ^{3/} Australia, China, Central America, Egypt, Mexico, Pakistan, Sudan, Turkey and the USSR. ^{4/} Eastern Europe, Western Europe, Japan, Hong Kong, Republic of Korea and Taiwan.

Source: United States Department of Agriculture

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							Grade 31 Staple 35 'A' Index 1/
	Futures Settlement						Desig. 8-Mkt. Avg.	
	May '85	Jul '85	Oct '85	Dec '85	Mar '86	May '86		
Apr. 4	69.49	67.82	66.01	65.90	67.10	67.55	62.96	66.90
5	C L O S E D							Holiday
8	70.05	68.01	66.00	65.92	67.15	67.60	63.50	Holiday
9	69.95	68.22	65.90	65.81	66.98	67.50	63.21	67.75
10	68.92	67.55	65.80	65.66	66.85	67.60	62.50	68.00
11	68.84	67.35	65.85	65.79	66.99	67.62	62.47	65.95

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

Chicago futures contract settlement and designated spot market average for grade 42 staple 31 in cents per pound

Date	Grade 42 Staple 31					Desig. 5-Mkt. Average 1/
	Futures Settlement					
	May '85	Jul '85	Oct '85	Dec '85	Mar '86	
Apr. 4	57.90	57.62	-	57.65	-	51.01
5	C L O S E D					
8	57.90	57.65	-	57.65	-	51.55
9	58.00	57.72	-	57.67	-	51.54
10	57.95	57.75	-	57.65	-	51.02
11	57.95	57.75	-	57.65	-	51.02

1/ Greenville, Montgomery, Memphis, Dallas and Lubbock.

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 April 5		Through April 4	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,173,500	-	1,776,400
Exports	156,900	4,485,500	126,700	4,443,500
Total export commitments	-	6,659,000	-	6,219,900
New sales	36,200	-	33,000	-
Buy-backs and cancellations	10,800	-	20,600	-
Net sales	25,400	-	12,400	-
Sales next marketing year	52,400	879,200	5,300	392,100

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

Upland cotton export sales totaled 12,400 running bales during the week ended April 4, according to the Foreign Agricultural Service, USDA. Major buyers were South Korea with 4,700 bales, Japan 4,200 and Italy 3,000 bales. Exports for the week amounted to 126,700 bales. Asian destinations accounted for 74 percent of the week's shipments and Western Europe 20 percent.