

UNITED STATES DEPARTMENT OF AGRICULTURE

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Weekly Cotton Market Review

**TEXAS TECH
DEPT. OF AG. ECONOMICS
REFERENCE ROOM**

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Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 80.34 cents per pound during the week ending Friday, April 19, according to the Cotton Division, Agricultural Marketing Service, USDA. Quotations averaged 93 points lower than the previous week. Daily average quotations ranged from a high of 81.39 cents on Monday, April 15, to a low of 79.92 cents on Wednesday, April 17. Spot cotton quotations averaged 81.27 cents a week earlier and 70.69 cents in the corresponding week last year. The New York July 1991 futures settlement price closed on Friday at 87.01 cents compared with 87.10 cents a week earlier. The October 1991 settlement price was 76.28 cents compared with 75.28 cents a week earlier, and December 1991 was 71.38 cents compared with 70.96 cents the previous week. Spot transactions reported in the designated markets totaled 16,224 bales during the week ending Friday, April 19. This compares with 33,699 bales reported during the previous week and 25,037 bales in the corresponding week last season.

Southeastern markets. Demand weakened as most merchants had their nearby needs covered. Prices trended lower even though supplies were at very low levels. In mixed lots, grade 41, staples 34 and longer, mike 35-49, moved at 450 to 500 points off New York July futures, FOB trucks in Georgia and 500 to 550 points off July, FOB warehouse in Alabama and the Carolinas. Contracting was moderately active. Acreage contracts were signed at 100 to 450 points off December futures basis grade 41 staple 34, mike 35-49. Planting activity increased in some areas.

South central markets. Trading remained fairly active. The supply of grower-owned cotton was low and inter-merchant sales dominated activity. Merchant demand was moderate and highly selective. Available supplies of grades 31 and 41 traded readily. Low grades and cotton with mike below 35 were in weak demand. Mixed lots of mostly grade 41, staples 34 and longer, mike 35-49, sold at 350 to 450 points off NY July futures. A moderate volume of CCC loan equities traded at 28 to 29 cents per pound. Domestic mill buying continued fairly active and included purchases for both prompt and forward delivery. Export trading was very slow. Forward contracting by growers of 1991-crop cotton was heavy. Bale contracts were signed at around 550 to 600 points off NY December futures and acreage contracts at 650 to 750 points off, basis grade 41 staple 34, mike 35-49. Heavy rain and severe thunderstorms were the dominate weather pattern for the area.

Southwestern markets. Spot cotton trading continued slow to inactive. Supplies remained limited. Prices were steady to firm. Demand was best for grades 41, 42

and higher, staples 32 and longer. Demand was very light for other qualities. A few mixed lots brought around 2,100 to 2,700 points above CCC loan rates. A limited acreage was contracted in south and central Texas at 65 to 75 cents per pound, basis grade 41 staple 34, mike 35-49, depending on dryland versus irrigated acreage and picker versus stripper harvested methods. Some premiums were paid for high strength varieties. Merchant interest in contracting west Texas and Oklahoma cotton remained weak. Domestic mill inquiries were moderate, while foreign mill inquiries were light. The south Texas planted acreage made good progress with adequate soil moisture. In west Texas and Oklahoma, dry weather conditions prevailed, and preplanting activities increased.

**TEXAS TECH
DEPT. OF AGRICULTURE
MOORE**

Western markets. Trading was very slow in the San Joaquin Valley (SJV). A small volume of mostly grade 31, mike 35-49, traded at 85.50 cents per pound. Domestic and Far Eastern mills purchased a light to moderate volume of cotton for prompt and nearby shipment. Forward contracting of 1991-crop cotton was very slow at 80 cents per pound, basis grade 31 staple 35, mike 35-49, UD, free gin yard. Planting was about 50 percent completed. In the Desert Southwest (DSW), spot trading was inactive. A small volume of cotton was offered but no bids were submitted. Domestic mills purchased a light to moderate volume for prompt shipment. A light to moderate acreage of 1991-crop cotton was forward contracted in Arizona at 72 to 72.50 cents per pound, basis grade 31 staple 34, mike 35-49. A limited volume was booked in the El Paso area at 75 cents, basis grade 31 staple 37. Planting progressed, but was less advanced than at this time last year. Most of the area experienced cooler than normal temperatures. Demand remained good for American Pima. A small amount of grade 3 staples 44 and 46, mike 35-49, traded at \$1.22 and \$1.25 per pound, and a small amount of grade 4 brought \$1.03. Domestic mills bought a small volume for prompt shipment. European mills purchased a small volume of low grades for prompt and nearby shipment. A small volume of 1991-crop cotton was forward contracted in Arizona at \$1.20 to \$1.23 per pound, basis grade 3; and in the El Paso area at \$1.15.

Textile mill. Domestic mill buying continued at a very active pace. The bulk of the purchases was for October 1991 through July 1992 delivery, but a significant volume of cotton was purchased for prompt to nearby delivery. Reports indicated that some mills have slightly lowered their spinning blends because of the scarcity of grades 41 and higher. Mill business continued on the upturn. Sales of open-end carded yarns and denims continued as the best sellers. New sales of most other products were moderate.

USDA announces program differentials for 1991-crop cotton. On April 16, the U.S. Department of Agriculture's Commodity Credit Corporation announced schedules of differentials for the 1991 crops of upland and extra-long staple (ELS) cotton. The schedules were used in making CCC price support loans to farmers.

The same procedures used in 1990 were used to develop the 1991 schedules. The upland cotton procedures were recommended by a study committee, as required by the Agricultural Act of 1949.

The schedule of differentials is applicable to CCC price support loan rates of 50.77 cents per pound for the base grade of upland cotton and 82.99 cents per pound for ELS cotton.

Loan rates for the base grade of upland cotton at each approved warehouse location will be issued later.

Tables of upland and ELS cotton differentials and a schedule of loan rates for individual qualities of 1991 ELS cotton are available from the Cotton, Grains and Rice Price Support Division, Room 3630-S, USDA/ASCS, Washington, D.C. 20013, or by calling Tom Fink (202) 447-8701.

World market price, in cents per pound, adjusted to U.S. quality and location, for grade 41 staple 34, mike 35-49 upland cotton and the coarse count adjustment in effect from 12:01 a.m. Friday through 12:00 midnight Thursday

Description	1991				
	Mar. 22-28	Mar. 29- Apr. 4	Apr. 5-11	Apr. 12-18	Apr. 19-25
Adjusted world price	67.15	66.22	66.60	66.80	65.91
Course count adjustment	1.31	1.76	1.79	1.47	1.26

Source: Agricultural Stabilization and Conservation Service, USDA

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

Date	Grade 41 Staple 34					7 Mkt. Average	Grade 31 : Staple 35	Coarse Count	
	Futures Settlement							: 'A' Index 1/	: 'B' Index 1/
	May '91	Jul '91	Oct '91	Dec '91	Mar '92				
Apr. 15	87.85	86.49	75.07	70.88	72.10	81.39	83.70	80.85	78.10 75.75
16	86.33	86.03	75.25	71.06	72.10	80.06	83.70	80.85	78.00 75.75
17	86.32	86.44	75.57	71.22	72.20	79.92	83.40	80.85	78.00 75.75
18	86.48	86.56	75.92	71.36	72.35	80.01	83.50	80.85	78.10 75.75
19	86.75	87.01	76.28	71.38	72.38	80.33	83.50	80.95	78.10 75.75

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 1989-90 and 1990-91

Description	Marketing Year			
	1989-90		1990-91	
	Through April 12		Through April 11	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,075,600	-	1,614,900
Exports	165,000	5,058,600	187,700	5,592,800
Total export commitments	-	7,134,200	-	7,207,700
New sales	71,300	-	17,400	-
Buy-backs and cancellations	2,500	-	5,300	-
Net sales	68,800	-	12,100	-
Sales next marketing year	28,200	706,500	44,000	1,001,200

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Net sales of 12,100 running bales, during the week ending April 11, for the 1990-91 marketing year were off three-fifths from the previous week, according to the Foreign Agricultural Service, USDA. The major buyers were Mexico with purchases of 5,400 bales, Indonesia 2,700, South Korea 2,700 and Taiwan 2,400 bales. Sales increases for the 1991-92 marketing year of 44,000 bales were mainly for Japan with purchases of 16,200 bales, Indonesia 9,500 and Italy 9,100 bales. Exports of 187,700 bales slid 38 percent from the previous week's marketing year high. Asian destinations accounted for 70 percent of the week's shipments; West European 16 percent; Western Hemisphere 7 percent and East European 7 percent.

NOTE: Portions of the narrative from this report are available on the USDA's Electronic Dissemination of Information System. If you are interested in receiving this information electronically, contact Russell Forte at 202-447-5505.

SPOT COTTON QUOTATIONS - UPLAND

April 19, 1991

Spot quotations are in cents per pound for cotton equal to the Official Standards with mike readings of 35-49, net weight, in mixed lots, uncompressed, free of all charges in the warehouse in the market. Quotations are the average value of spot cotton in each market and may or may not represent actual trades in each quality.

SOUTHEAST				NORTH DELTA				SOUTH DELTA				DESERT SOUTHWEST				
Grade		:		Grade		:		Staple		:		Grade		:		
31	41	51	42	31	41	51	42	31	41	51	42	21	31	41	32	
80.51	79.26	76.51	77.01	81.51	80.26	77.26	77.51	33	81.76	80.26	76.26	76.96	80.01	80.01	76.01	76.01
82.51	82.01	79.51	80.26	84.26	83.01	79.76	80.01	34	84.26	83.01	79.01	79.71	84.01	84.01	80.01	80.01
82.76	82.26	79.76	80.51	84.86	83.76	80.36	80.61	35	84.36	83.11	79.11	79.81	84.11	84.11	80.11	80.11
82.91	82.41	79.91	80.66	84.96	83.86	80.46	80.71	36	84.46	83.21	79.21	79.91	84.11	84.11	80.11	80.11

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY					
Grade		:		Grade		:		Staple		:		Grade	
31	41	32	42	31	41	32	42	21	31	41	51		
64.40	63.90	63.60	63.30	64.30	63.80	63.50	63.25	29	-	-	-		
66.45	65.10	65.40	64.45	66.35	65.00	65.30	64.35	30	-	-	-		
68.50	67.50	67.40	66.60	66.40	67.40	67.30	66.60	31	-	-	-		
72.45	71.50	71.25	68.60	72.45	71.50	71.25	68.60	32	-	-	-		
74.15	73.30	73.00	71.00	74.15	73.30	73.00	71.00	33	-	-	-		
76.60	75.50	75.50	71.70	76.60	75.50	75.50	71.70	34	84.26	84.01	83.26	80.51	
77.40	76.50	76.30	72.50	77.40	76.50	76.30	72.50	35	86.01	85.76	85.01	81.51	
77.50	76.75	76.40	72.50	77.50	76.75	76.40	72.50	36	86.11	85.86	85.11	81.51	
77.50	76.75	76.40	72.50	77.50	76.75	76.40	72.50	37	86.21	85.96	85.21	81.51	

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1215	-	-1400	26 & Below	-1400	-2200	-	-1493
-800	-840	-840	-700	27-29	-700	-1500	-1500	-983
-500	-525	-525	-350	30-32	-350	-900	-950	-586
-250	-230	-230	-150	33-34	-150	-450	-350	-259
0	0	0	0	35-49	0	0	0	0
-300	-155	-155	-200	50-52	-200	-200	-100	-187
-400	-240	-240	-250	53 & Above	-	-250	-	-276

SPOT QUOTATIONS - AMERICAN PIMA

Staple	Grade	Grade	Grade	Grade	Grade	Grade	Grade	Mike ranges	Points per pound	
:	01	02	03	04	05	06	:	:	:	
:	Cents per pound							:	26 & Below	-3100
:								:	27-29	-2275
44	125.75	125.50	122.50	102.50	70.00	62.00	:	30-32	-1200	
:								:	33-34	-300
46	126.25	126.00	123.00	103.00	70.00	62.00	:	35 & Above	0	

LANDED MILL QUOTATIONS - GROUP 201 MILL POINTS

Quotations are in cents per pound for even running lots, with mike readings of 35-49, net weight, prompt shipment, delivered, brokerage included. Quotations for group 200 mill points are slightly higher and for Alabama, Georgia and east Tennessee mills are slightly lower.

SOUTHEASTERN GROWTHS				DELTA GROWTHS				TEXAS-OKLAHOMA GROWTHS				CALIFORNIA (SJV) GROWTHS			
Grade		:		Grade		:		Staple		:		Grade		:	
31	41	51	42	31	41	51	42	31	41	51	42	31	41	51	
-	-	-	-	-	-	-	-	29	79.00	75.75	79.00	76.50	-	-	-
-	-	-	-	-	-	-	-	30	80.75	78.25	80.75	78.75	-	-	-
-	-	-	-	-	-	-	-	31	82.25	79.50	82.25	80.25	-	-	-
-	-	-	-	-	-	-	-	32	83.75	80.50	83.75	81.00	-	-	-
92.25	91.00	88.25	88.50	92.75	91.50	88.50	88.75	33	85.75	81.75	85.75	82.25	-	-	-
93.25	91.75	89.25	89.50	93.75	92.25	89.50	89.75	34	88.25	83.50	88.25	84.00	93.00	91.75	88.75
93.75	92.50	89.75	90.00	94.25	93.00	90.00	90.25	35	-	-	-	-	94.50	93.25	90.00
-	-	-	-	-	-	-	-	36	-	-	-	-	94.75	93.50	90.00

CCC loan schedule of micronaire premiums and discounts for 1991-crop upland cotton

Points per pound			Points per pound		
Micronaire reading	Staples 32 : (1") & shorter	Staples 33 : (1-1/32") & longer	Micronaire reading	Staple 32 : (1") & shorter	Staple 33 : (1-1/32") & longer
5.3 and above	-350	-255	3.3 through 3.4	-145	-245
5.0 through 5.2	-255	-175	3.0 through 3.2	-365	-515
4.3 through 4.9	0	0	2.7 through 2.9	-665	-815
3.7 through 4.2	15	15	2.5 through 2.6	-1035	-1165
3.5 through 3.6	0	0	2.4 and below	-1510	-1540

CCC loan schedule of strength premiums and discounts for 1991-crop upland cotton

Strength (grams per tex)	Difference (cents per pound)	Strength (grams per tex)	Difference (cents per pound)
18 and below	Ineligible	24 and 25	Base
19	-2.50	26	0.15
20	-2.00	27	1.00
21	-1.50	28	1.50
22	-1.00	29	2.00
23	-0.50	30	2.50
		31 and above	3.00

1991 Upland Base Loan Rate	50.77 Cents per pound
1991 Upland Target Price	72.90 Cents per pound
1991 American Pima Target Price	99.60 Cents per pound

CCC schedule of loan rates for eligible qualities of 1991-crop extra long staple cotton (American Pima) stored in approved warehouses at all locations

(In cents per pound, net weight, micronaire 3.5 and above 1/)

Grade	Staple length (inches)	
	1-3/8 (44)	1-7/16 (46) & longer
01	90.80	91.15
02	90.60	91.00
03	89.40	89.80
04	78.75	79.10
05	57.25	57.25
06	47.35	47.35

1/ A micronaire premium of 129 points (1.29 cents) per pound is reflected in the loan rates for the eligible qualities; thus, the national average loan rate reflected in the above schedule is 84.28 cents per pound. Cotton with micronaire readings below the micronaire range "3.5 and above" will be subject to the discounts in the schedule of micronaire differences for ELS cotton which follows:

CCC loan schedule of micronaire differences for eligible qualities of 1991-crop extra long staple cotton (American Pima)

Micronaire reading	Points per pound	Micronaire reading	Points per pound
3.5 and above	0	3.0 through 3.2	-1600
3.3 through 3.4	-380	2.7 through 2.9	-2585

CCC loan premiums and discounts for grade and staple length of 1991-crop American upland cotton, basis grade 41 staple 34 (SLM 1-1/16"), net weight

Grade	Staple length (inches)									
	Code									
	:13/16 (26):	: 15/16 (30):	: 31/32 (31):	: 1 (32):	: 1-1/32 (33):	: 1-1/16 (34):	: 1-3/32 (35):	: 1-1/8 (36):	: 1-5/32 (37) & longer	
Points per pound										
WHITE:										
SM & better (11 & 21)	-715	-620	-365	-300	-70	160	210	215	250	
MID PLUS (30)	-735	-640	-380	-310	-80	155	195	205	240	
MID (31)	-745	-645	-390	-320	-95	140	190	200	235	
SLM PLUS (40)	-775	-675	-430	-400	-180	50	100	115	140	
SLM (41)	-815	-715	-480	-450	-230	BASE	50	65	75	
LM PLUS (50)	-900	-835	-625	-625	-430	-240	-210	-205	-200	
LM (51)	-995	-935	-755	-755	-550	-360	-340	-330	-320	
SGO PLUS (60)	-1275	-1275	-1275	-1275	-1050	-1000	-975	-965	-950	
SGO (61)	-1395	-1395	-1395	-1395	-1160	-1130	-1120	-1120	-1110	
GO PLUS (70)	-1570	-1565	-1520	-1520	-1330	-1325	-1325	-1325	-1325	
GO (71)	-1625	-1625	-1570	-1565	-1370	-1370	-1365	-1365	-1365	
LIGHT SPOTTED:										
SM & better (12 & 22)	-765	-655	-430	-370	-160	55	80	95	120	
MID (32)	-825	-710	-495	-455	-235	-5	45	50	60	
SLM (42)	-905	-795	-655	-655	-440	-285	-255	-245	-245	
LM (52)	-1130	-1130	-1130	-1130	-900	-900	-890	-890	-890	
SGO (62)	-1565	-1565	-1565	-1565	-1330	-1330	-1330	-1330	-1330	
SPOTTED:										
SM & better (13 & 23)	-1060	-895	-750	-705	-515	-490	-465	-455	-435	
MID (33)	-1105	-975	-830	-800	-630	-630	-630	-630	-630	
SLM (43)	-1315	-1315	-1315	-1315	-1110	-1110	-1100	-1100	-1100	
LM (53)	-1630	-1630	-1630	-1630	-1380	-1365	-1365	-1365	-1365	
SGO (63)	-1730	-1730	-1730	-1730	-1480	-1465	-1465	-1465	-1465	
TINGED: 1/										
SM (24)	-1720	-1570	-1555	-1550	-1340	-1300	-1300	-1300	-1300	
MID (34)	-1770	-1620	-1605	-1600	-1390	-1350	-1350	-1350	-1350	
SLM (44)	-1830	-1755	-1750	-1750	-1545	-1545	-1545	-1545	-1545	
LM (54)	-2000	-1945	-1935	-1935	-1750	-1745	-1745	-1745	-1745	
LIGHT GRAY:										
SM & better (16 & 26)	-820	-720	-590	-590	-360	0	20	20	30	
MID (36)	-1005	-1005	-1005	-1005	-780	-415	-360	-350	-345	
SLM (46)	-2005	-2005	-2005	-2005	-1775	-1455	-1400	-1380	-1370	
GRAY:										
SM & better (17 & 27)	-1015	-1015	-1015	-1015	-790	-425	-370	-360	-355	
MID (37)	-2015	-2015	-2015	-2015	-1785	-1465	-1410	-1390	-1380	
SLM (47)	-2115	-2115	-2115	-2115	-1885	-1565	-1510	-1490	-1480	

1/ Cotton classed as "Yellow Stained" (Middling and better grades) will be eligible for loan, if otherwise eligible, a discount 200 points greater than the discount for the comparable quality in the color group "Tinged."