

## UNITED STATES DEPARTMENT OF AGRICULTURE


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Weekly Cotton Market Review

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Trading was less active on spot cotton markets, according to the Cotton Division, Agricultural Marketing Service, USDA. Prices averaged higher. Supplies were becoming light in a few markets for selected qualities but were sufficient to cover merchants' needs. Merchant demand weakened. Domestic mill buying was steady. Foreign mills made limited purchases. Forward contracting increased in the San Joaquin Valley of California, but was slow elsewhere. Planting made good progress and neared completion in many areas of the western states but was slowed by rains and cooler weather in most southern states. August-March consumption of cotton by domestic mills this season was the largest since 1979-80. March exports were the smallest for this month since 1969.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 63.02 cents per pound during the week ended Thursday, April 24. Prices ranged from a low of 62.85 cents on Wednesday to a high of 63.21 cents on Thursday. A week earlier, prices averaged 62.49 cents per pound and ranged from 62.04 to 63.01 cents. In the corresponding week a year ago, the average price was 60.94 cents. The New York July 1986 futures settlement price ended the week on Thursday at 65.37 cents per pound compared with 64.58 cents a week earlier. The October settlement price was 37.30 cents against 38.05 cents last Thursday and the December price was 37.60 cents compared with 37.88 cents a week earlier.

Trading slowed on most spot cotton markets and was primarily in CCC loan equities. Growers offered and sold a light to moderate volume. Many merchants have increased inventories in recent weeks and demand weakened. Supplies were sufficient for most buyers' needs; however, selected qualities in some markets were becoming light. Domestic mill purchases included a light volume for fill-ins but a larger amount was bought for deferred delivery. Foreign mills continued to make numerous inquiries, mostly for prices on new-crop cotton. Sales were light and were primarily to Far Eastern mills for prompt through August shipment. Purchases reported by cotton exchanges in the designated markets totaled 105,000 bales in the week ended Thursday, April 24. This compares with 103,700 bales reported a week earlier and 52,800 bales in the corresponding week a year ago.

Textile mill report. Domestic mill purchases included a light volume of old-crop cotton for prompt through July shipment and a moderate volume of new crop for October through March delivery. Some mills also bought a fairly sizeable volume of CCC loan equities. Most mills have adequate cotton purchased for their primary needs but continued strong demand for most textiles has created spot shortages. Mills continued to operate mostly five and six-day work schedules, reflecting good to very good sales in many areas of the textile market. New orders for goods were reported over a fairly wide range of products with sales extending into third and fourth quarter months. Mills report good buyer response to most popular apparels and sales yarns. Numerous household products were also moving well. Sales of industrial and automotive products were mixed.

Domestic mill consumption of cotton averaged 24,500 running bales per day in the four weeks ended March 29, according to the Bureau of the Census. This was the largest March daily rate since 1980 and was down from 24,900 bales used per day a month earlier and up from 20,800 bales in March 1985. Mills used 490,800 bales during March, bringing consumption for the first 35 weeks this marketing year (August-March) to 4,062,200 bales, the



largest usage for this period since 1979-80. This was equivalent to about 67 percent of USDA's April 10 domestic consumption estimate of 6.21 million bales of 480 pound, net weight (about 6,023,700 running bales). Through the first 35 weeks last season, mills had used 3,515,100 bales or about 67 percent of the total for the season. Domestic mills must consume about 115,400 bales per week or about 23,100 bales per day for the remainder of the season if the estimate is to be reached.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 131.5 million pounds (equivalent to about 274,000 bales of 480 pounds, net weight) in the four weeks ended March 29, according to the Bureau of the Census. This was down from 138.6 million pounds (about 288,700 bales) a month earlier and 151.5 million pounds (about 315,500 bales) used in March 1985. Consumption of manmades during the first eight months this season totaled 1,139.2 million pounds (about 2,373,300 bales). This was up about 7 percent from last year but down 11 percent from usage two years ago.

Stocks of cotton at mills totaled 764,800 running bales on March 29, according to the Bureau of the Census. This was up from 727,900 bales a month earlier but was the second smallest end-of-March stocks at mills since records began in 1913. At the end of March a year earlier, stocks at mills totaled 815,400 bales and two years ago 740,500 bales. At the March daily rate of consumption, mill stocks were equivalent to slightly over six weeks' supply. Cotton in public storage totaled 9,624,700 running bales on March 29, the largest end-of-March stocks since 1983. This was down from 10,242,500 bales held in public storage a month earlier and compares with 5,648,100 bales at the end of March 1985 and 4,996,800 bales two years ago.

All cotton: Domestic mill consumption and stocks, running bales, by months and seasons, 1981-1985

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season 1/
	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
<b>Mill consumption 2/</b>													
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	428	509*	428	390	423*	399	418	519*	419	439	525*	369	5,268
1985 4/	458	562*	493	477	486*	595*	499	491					
<b>Mill consumption per day</b>													
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	21.4	20.4	21.4	19.5	16.9	20.0	20.9	20.8	21.0	21.9	21.0	18.5	20.3
1985 4	22.9	22.5	24.6	23.9	19.5	23.8	24.9	24.5					
<b>Stocks in consuming establishments 3/</b>													
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	715	645	542	560	683	812	875	815	796	804	734	733	-
1985 4/	685	621	557	570	604	687	728	765					
<b>Stocks in public storage 3/</b>													
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	1,491	1,432	3,386	6,321	7,551	7,529	6,541	5,648	4,806	4,008	3,570	2,930	-
1985 4/	2,826	3,743	6,122	8,963	10,677	10,747	10,243	9,625					

1/ 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/ 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.

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

4/ Preliminary.

\* Five-week month.



Exports of all cotton from the United States, running bales,  
by months and seasons, 1945-1985

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season 1/
	1,000 bales												
1945	188	244	195	297	215	293	250	319	318	457	410	367	3,553
1946	413	242	104	455	361	290	385	383	275	249	303	84	3,544
1947	37	124	133	165	230	214	163	261	155	205	133	149	1,968
1948	115	171	246	428	522	403	497	582	590	464	508	221	4,747
1949	168	211	415	434	657	530	655	686	469	539	741	267	5,771
1950	356	373	284	372	449	317	429	354	471	371	204	129	4,108
1951	146	356	587	805	980	676	588	419	334	316	264	48	5,519
1952	107	241	296	337	466	292	259	246	208	261	220	115	3,048
1953	193	200	217	243	375	297	385	430	422	336	435	228	3,761
1954	190	199	351	390	497	334	307	369	240	231	281	59	3,447
1955	60	116	192	137	159	78	99	294	362	344	238	135	2,215
1956	423	505	598	538	939	791	809	787	603	662	525	418	7,598
1957	336	379	484	526	609	517	449	480	501	535	434	468	5,717
1958	209	212	181	314	298	222	211	284	245	248	236	129	2,789
1959	98	230	392	651	726	1,109	839	767	669	524	502	675	7,182
1960	113	193	439	720	981	976	845	841	585	387	248	304	6,632
1961	644	322	301	402	537	381	381	392	302	361	425	465	4,913
1962	139	163	157	298	383	211	522	440	299	310	244	183	3,351
1963	274	361	386	501	628	587	570	490	400	381	388	697	5,662
1964	120	184	290	388	747	244	181	584	407	251	398	266	4,060
1965	117	226	304	370	447	278	254	236	177	214	176	142	2,942
1966	341	348	306	518	607	458	458	401	288	416	299	228	4,669
1967	244	277	275	298	331	474	447	436	406	383	277	357	4,206
1968	213	262	152	185	276	55	55	130	568	363	194	278	2,731
1969	147	141	167	123	176	382	325	246	308	299	269	186	2,768
1970	84	89	180	251	362	439	455	562	467	327	307	213	3,737
1971	162	310	195	272	417	337	402	437	275	163	147	110	3,229
1972	58	82	191	352	534	654	528	677	607	437	500	381	5,000
1973	329	266	259	257	592	545	598	778	638	561	496	426	5,746
1974	261	125	120	272	350	409	380	346	371	364	392	356	3,746
1975	325	258	226	176	237	214	141	381	302	327	315	276	3,178
1976	274	342	217	265	376	354	509	536	548	400	462	282	4,565
1977	181	200	149	333	496	521	502	704	640	510	528	456	5,219
1978	524	388	283	355	464	517	577	574	602	542	614	410	5,850
1979	463	428	390	630	902	737	1,025	1,150	916	911	686	540	8,779
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	6,263
1982	342	351	293	382	377	438	368	487	612	464	435	409	4,961
1983	367	322	261	441	632	663	719	896	723	607	422	365	6,419
1984	452	264	292	484	629	793	766	625	544	426	353	252	5,943
1985 2/	166	179	222	196	236	189	202	134					

1/ 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/ Preliminary.



Exports of cotton from the United States in March declined to the lowest level of the 1985-86 marketing year, according to the Bureau of the Census, Industry Division. March shipments of 133,700 running bales were the smallest for this month since 1969 and were down from 201,600 bales shipped a month earlier and 624,800 bales in March last season. Shipments during the first eight months (August-March) this marketing year totaled 1,521,400 bales. This was the smallest volume exported for the first eight months of any season since 1968-69 and was down from 4,304,300 bales shipped through March a year earlier and 4,300,900 bales two years ago. Exports for the 1985-86 season are projected at 2.0 million bales of 480 pounds, net weight. This estimate can be achieved if shipments average about 104,700 running bales per month for the next four months.

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						Desig. 8- Mkt. Avg.	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement							
	May '86	Jul '86	Oct '86	Dec '86	Mar '87	May '87		
Apr. 17	63.93	64.58	38.05	37.88	39.15	40.28	63.01	48.20
18	64.13	64.94	37.90	37.80	38.95	39.77	63.00	48.20
21	64.92	64.92	37.80	37.93	39.04	39.90	63.00	48.20
22	64.88	64.85	37.90	38.04	39.12	39.95	63.04	47.85
23	64.35	64.45	37.85	38.13	39.17	40.08	62.85	47.65
24	65.35	65.37	37.30	37.60	38.66	39.55	63.21	47.50

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 1984-85 and 1985-86

Description	Marketing Year			
	1984-85		1985-86	
	Through April 18		Through April 17	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,556,200	-	337,900
Exports	118,900	4,689,900	25,600	1,563,000
Total export commitments	-	6,246,100	-	1,900,900
New sales	24,000	-	10,900	-
Buy-backs and cancellations	11,300	-	900	-
Net sales	12,700	-	10,000	-
Sales next marketing year	17,100	434,200	26,300	695,100

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

Upland cotton export sales for the current marketing year resulted in a net increase of 10,000 running bales during the week ended April 17, according to the Foreign Agricultural Service, USDA. Predominant buyers were Japan with 4,400 bales, South Korea 2,000, Taiwan 1,600 and Indonesia 1,300 bales. Sales for the 1986-87 marketing year totaled 26,300 bales. Leading buyers were South Korea with 9,900 bales, Taiwan 5,100 and Thailand 4,000 bales. Asian destinations accounted for 86 percent of the week's shipments, West European 12 percent and Africa 2 percent.