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Weekly Cotton Market Review

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Spot cotton prices were lower, according to the Cotton Division, Agricultural Marketing Service, USDA. Growers were less willing to offer their limited supplies at prevailing prices. Trading was slow. Most merchants were not actively seeking cotton as nearby needs were mostly covered. Domestic mills made purchases of both old and new-crop cotton but the volume was light. Export trading increased. Growers in a few states forward contracted a light volume of 1985 crop-cotton. Planting neared completion in California and Arizona and made good progress in New Mexico. In Texas, small acreages were planted on the Plains and planting was nearing completion in areas south of Waco. The young crop made good progress in the Harlingen and Corpus Christi areas. Infestations of thrips, fleahoppers and aphids were being controlled with pesticides. Planting was limited mostly to irrigated acreages in Oklahoma. Several south central states received heavy rains which brought land preparation and planting to a standstill. Portions of the southeastern states need rain. Domestic mill consumption of cotton for the first eight months this marketing year was the smallest since 1930-31.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 60.94 cents per pound during the week ended Thursday, April 25. Prices ranged from a high of 61.82 cents on Friday to a low of 59.60 cents on Thursday. A week earlier, prices averaged 61.94 cents per pound and ranged from 61.56 to 62.15 cents. In the corresponding week a year ago, the average price was 76.62 cents. The New York July 1985 futures settlement price ended the week on Thursday at 64.35 cents per pound compared with 66.98 cents a week earlier. The October settlement price was 64.55 cents against 65.23 cents last Thursday and the December price was 64.55 cents compared with 65.40 cents a week ago.

Trading remained slow on spot cotton markets. Growers holding uncommitted cotton offered less freely at prevailing prices. Supplies were light in many markets. Most merchants had nearby needs covered and were out of the market. Domestic mill buying was light. Purchases were mostly for prompt delivery; although, some 1985 crop was bought for forward delivery. Export trading was more active and purchases included both 1984 and 1985-crop cotton. Far Eastern mills were the major buyers. Purchases reported by cotton exchanges in the designated markets totaled 52,800 bales in the week ended Thursday, April 25. This compares with 98,200 bales reported a week earlier and 30,500 bales in the corresponding week last season.

Textile mill report. Mills showed more interest in 1985-crop cotton but purchases of both old and new crop continued light. Delivery dates ranged from prompt through late spring 1986. Shipper offerings adequately met mill demand; although, supplies of desirable qualities from some growth areas were tightening. Mill sales of yarn and finished goods remained generally sluggish. Denim and some medium weight apparels showed slight improvement while the sportswear and underwear business was fairly steady. Blended yarn remained a slow seller. Sewing thread and a few industrial fabrics were trading on a month to month basis. Mills continued to report declining profits on recent sales. Plants were operating three to five days per week.

Brazil begins cotton export subsidy program. The Brazilian Government has authorized an export subsidy for up to 230,000 bales of cotton, according to the Foreign Agricultural Service, USDA. This week the trade began negotiations with the Government to determine the amount of subsidy on approximately 50,000 bales. The subsidy program is expected to bring Brazilian cotton prices, currently about 25 percent above world prices, in line with

international market prices. In addition to the subsidy, 600,000 bales of cotton exports will be exempt from the 13 percent value added tax.

Domestic mill consumption of cotton averaged 20,400 running bales per day in the five weeks ended March 30, according to the Bureau of the Census. This was up from 20,300 bales per day a month earlier but down from 21,900 bales in March last season. Mills used 510,900 bales during March, bringing consumption for the first 35 weeks this marketing year (August-March) to 3,412,000 bales, the smallest since the 1930-31 season. This was equivalent to about 66 percent of USDA's April 10 domestic consumption estimate of 5.3 million bales of 480 pounds, net weight (about 5,141,000 running bales). Through the first 35 weeks last season, mills had used 3,850,100 bales or about 68 percent of the total for the season. Domestic mills must consume about 101,700 bales per week or about 20,300 bales per day for the remainder of the season if the estimate is to be reached.

Stocks of cotton at mills totaled 883,000 running bales on March 30, according to the Bureau of the Census. This was up from 874,600 bales a month earlier and 740,500 bales at the end of March last season. At the March daily rate of consumption, mill stocks were equivalent to over eight and one-half weeks' supply. Stocks of cotton in public storage totaled 5,643,900 bales on March 30 compared with 6,541,100 bales a month earlier and 4,996,800 bales at the end of March 1984.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 151.2 million pounds (about 315,100 bales of 480 pounds) in the five weeks ended March 30, according to the Bureau of the Census. This brought consumption for the August-March period this season (35 weeks) to 1,062.1 million pounds (about 2,212,600 bales) and compares with 1,276.3 million pounds (about 2,658,900 bales) used through March (35 weeks) a year ago.

All cotton: Domestic mill consumption and stocks, 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	377	407*	387	406	511*					
<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	18.8	16.3	19.3	20.3	20.4					
<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	560	683	812	875	883					
<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	6,321	7,551	7,427	6,541	5,644					

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.

U.S. cotton exports by ports, August-January, 480 pound bales

Ports of departure	1980-81	1981-82	1982-83	1983-84	1984-85
East Coast ports:					
Portland, Maine.....	53	-	-	-	5,224
St. Albans, Vermont.....	1,375	1,946	175	-	-
New York, New York.....	1,517	1,999	242	992	117
Philadelphia, Pennsylvania..	1,489	-	625	-	3,347
Baltimore, Maryland.....	868	4,327	837	1,299	-
Norfolk, Virginia.....	204	1,390	921	1,389	8,645
Wilmington, North Carolina..	-	-	-	132	4,430
Charleston, South Carolina..	24,243	18,888	16,014	116,941	65,054
Savannah, Georgia.....	2,702	578	2,475	48,322	27,287
Tampa, Florida.....	-	390	2	-	346
Miami, Florida.....	7	121	703	2,508	1,336
Subtotal.....	32,458	29,639	21,994	171,583	115,786
Great Lakes ports:					
Ogdensburg, New York.....	917	5,660	6,748	3,696	6,212
Buffalo, New York.....	2,289	3,058	5,989	12,950	11,622
Pembina, North Dakota.....	195	-	-	-	6
Duluth, Minnesota.....	32	-	-	-	-
Detroit, Michigan.....	113,065	80,325	103,899	112,228	86,826
Chicago, Illinois.....	-	-	-	-	14
Subtotal.....	116,498	89,043	116,636	128,874	104,680
Gulf ports:					
Mobile, Alabama.....	41,609	14,454	33,485	71,340	69,300
New Orleans, Louisiana.....	49,212	64,959	57,375	59,025	75,672
Port Arthur, Texas.....	353	-	-	463	537
Galveston, Texas.....	284,325	163,178	-	-	-
Laredo, Texas.....	-	-	-	3,047	4,329
El Paso, Texas.....	-	-	-	4,295	-
Houston-Galveston, Texas....	210,590	198,758	345,984	546,822	489,378
Subtotal.....	586,089	441,349	436,844	684,992	639,216
Other ports:					
San Juan, Puerto Rico.....	-	-	-	-	31
Subtotal.....	-	-	-	-	31
West Coast ports:					
San Diego, California.....	26	31,033	-	-	163
Los Angeles, California.....	1,264,634	1,340,614	1,095,295	1,309,856	1,344,392
San Francisco, California...	800,564	743,708	582,878	478,079	706,144
Portland, Oregon.....	3,551	-	1,390	2,063	519
Seattle, Washington.....	5,431	16,807	39,637	61,784	157,615
Great Falls, Montana.....	-	20	-	28	-
Subtotal.....	2,074,206	2,132,182	1,719,200	1,851,810	2,208,833
World total.....	2,809,251	2,692,214	2,294,675	2,837,257	3,068,546

Reprint of table prepared by the Foreign Agricultural Service, USDA.

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 '85	Jul '85	Oct '85	Dec '85	Mar '86	May '86		
Apr. 18	68.17	66.98	65.23	65.40	66.58	67.20	62.01	66.10
19	67.93	66.72	65.10	65.35	66.44	67.35	61.82	66.10
22	68.07	66.85	65.10	65.23	66.53	67.43	61.79	66.05
23	68.27	66.62	65.07	65.35	66.45	67.40	61.55	66.05
24	65.25	64.82	64.80	65.03	66.18	66.70	59.95	66.10
25	65.17	64.35	64.55	64.55	65.85	66.52	59.60	66.10

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. 18	57.55	57.35	-	57.41	-	50.71
19	57.55	57.32	-	57.35	-	50.55
22	57.55	57.35	-	57.32	-	50.43
23	57.00	57.33	-	57.40	-	50.84
24	57.00	57.20	-	57.30	-	49.56
25	57.00	56.72	-	56.80	-	49.48

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 19		Through April 18	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,991,800	-	1,556,200
Exports	136,500	4,844,400	118,900	4,689,900
Total export commitments	-	6,836,200	-	6,246,100
New sales	64,000	-	24,000	-
Buy-backs and cancellations	6,000	-	11,300	-
Net sales	58,000	-	12,700	-
Sales next marketing year	45,000	1,008,900	17,100	434,200

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

Upland cotton export sales for the current marketing year totaled 12,700 running bales during the week ended April 18, according to the Foreign Agricultural Service, USDA. Major buyers were Japan with 8,800 bales and South Korea 5,800 bales. Sales for the 1985-86 marketing year were primarily to Japan of 7,100 bales and South Korea 6,300 bales. Exports for the week totaled 118,900 bales. Asian destinations accounted for 49 percent of the week's shipments, the USSR 26 percent, Western Europe 20 percent and Western Hemisphere 4 percent.