

# UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE  
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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 79.85 cents per pound during the week ending Friday, April 26, according to the Cotton Division, Agricultural Marketing Service, USDA. Daily average quotations ranged from a low of 79.14 cents on Wednesday, April 24, to a high of 80.25 cents on Thursday, April 25. Spot cotton quotations averaged 80.34 cents a week earlier and 72.56 cents in the corresponding week last year. The New York July 1991 futures settlement price closed on Friday at 86.38 cents compared with 87.01 cents a week earlier. The October 1991 settlement price was 75.25 cents compared with 76.28 cents a week earlier, and December 1991 was 70.75 cents compared with 71.38 cents the previous week. Spot transactions reported in the designated markets totaled 69,834 bales during the week ending Friday, April 26. This compares with 16,224 bales reported during the previous week and 31,328 bales in the corresponding week last season.

Southeastern markets. Trading slowed. Supplies were virtually depleted. Demand strengthened for grades 41 and higher, but weakened for lower grades. Prices for mixed lots of mostly grades 41 and higher, staples 34 and longer, mike 35-49, traded at 100 to 200 points off New York July futures, FOB trucks in Georgia. In Alabama and the Carolinas prices were 350 to 400 points off, FOB warehouse. Grades 51 and 42 traded at around 250 to 300 points lower than grade 41. A few equities traded at around 24 to 26 cents per pound. Cotton planting was in full swing in Alabama, until rains fell late in the week. Rain and wet fields continued to hamper planting in other localities.

South central markets. Trading remained fairly active. Merchant-to-merchant transactions accounted for the bulk of activity. A very light volume of equities and grower-held cotton was available. Higher grades of cotton were in strong demand and prices strengthened. Low grades with short staples and low mike were in more abundant supply but weak demand. In mixed lots, grade 41, staples 34 and longer, mike 35-49, sold at prices around 250 to 350 points off NY July futures. CCC loan equities traded at 27 to 30.30 cents per pound. Domestic mill buying was moderately heavy. Purchases included a light volume for prompt and nearby delivery and a sizable volume for first through fourth quarter 1992. Export sales were moderate to both Far Eastern and European mills. Forward contracting by growers of 1991-crop cotton was heavy. Bale contracts were signed at around 550 to 575 points off NY December futures and acreage contracts at 650 to 750 points off, basis grade 41 staple 34, mike 35-49. Cotton planting started in many areas early in the week. Heavy rains brought planting to a standstill late in the period.

Southwestern markets. Spot cotton trading continued slow. Supplies remained limited. Prices were steady to weaker. A few mixed lots brought around 1,900 to 2,500 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 crop made good progress in south Texas. Some growers initiated spraying for insects. In west Texas and Oklahoma, widely scattered showers and strong winds did little to alleviate dry weather conditions. Preplanting activity increased.



Western markets. Spot cotton trading was slow. Supplies were light and growers were holding for higher prices. Domestic mills purchased a moderate volume for prompt and nearby shipment. Far Eastern mills bought a moderate volume for prompt shipment. In the San Joaquin Valley (SJV), growers forward contracted a light volume of 1991-crop cotton at 80 cents per pound, basis grade 31 staple 35, mike 35-49. A light volume of Desert Southwest (DSW) growth was booked at 72 cents per pound, basis grade 31 staple 34. Planting was nearly completed. A few fields were up to stands, but plants were growing slowly because of cooler than normal temperatures. Demand remained good for American Pima. Growers sold a small volume of grade 4, mike 35-49, at \$1.05 per pound; and grade 5 at 70 cents. Domestic mills purchased a small volume for late 1991 and early 1992 delivery. Arizona growers forward contracted a small volume at \$1.23 per pound, basis grade 3.

Textile mill report. Domestic mill buying slowed, but continued at a fairly active pace. A moderate to heavy volume of purchases was made for fourth quarter 1991 through July 1992 delivery. Demand was good for a wide range of qualities for prompt and nearby delivery. South central and southeastern growths accounted for the bulk of the trading. Mill business remained steady to slightly improved. Open-end carded yarns and denims continued as best sellers.

CCC base loan rates for upland cotton at specific locations, base mike, net weight, by seasons, 1983-1990 1/, 1991 2/

Location	Grade 41 staple 34								
	1983	1984	1985	1986	1987	1988	1989	1990	1991
<b>Markets</b>	<b>Cents per pound</b>								
Greenville	57.35	57.35	59.85	57.55	54.70	54.25	52.40	52.55	53.05
Augusta	57.20	57.20	59.20	56.90	54.00	53.55	51.70	51.95	52.45
Montgomery	56.35	56.35	58.60	56.30	53.45	52.95	51.10	51.35	51.85
Memphis	56.00	56.00	58.40	56.10	53.25	52.75	50.90	51.15	51.65
Greenwood	55.90	55.90	58.25	55.95	53.05	52.60	50.75	51.00	51.50
Pine Bluff	55.90	55.90	58.25	55.95	53.05	52.60	50.75	51.00	51.50
Rayville	55.90	55.90	58.25	55.95	53.05	52.60	50.75	51.00	51.50
Altus	55.35	55.35	57.55	55.25	52.40	51.95	50.10	50.35	50.85
Waco	55.35	55.35	57.55	55.25	52.40	51.95	50.10	50.35	50.85
Harlingen	55.20	55.20	57.50	55.20	52.30	51.85	50.05	50.25	50.75
Lubbock	55.20	55.20	57.50	55.20	52.30	51.85	50.05	50.25	50.75
El Paso	54.85	54.85	57.45	55.15	52.25	51.80	50.00	50.20	50.70
Phoenix	54.05	54.05	56.20	53.95	51.20	50.70	48.90	49.15	49.65
Fresno	54.05	54.05	56.20	53.95	51.20	50.70	48.90	49.15	49.65
Average location	55.00	55.00	57.30	55.00	52.25	51.80	50.00	50.27	50.77
Target price	76.00	81.00	81.00	81.00	79.40	77.00	73.40	72.90	72.90

1/ Mike 35-49.

2/ Mike 35-36 and 43-49, and strength 23.5-25.4 grams per tex.



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. 29-	Apr. 5-11	Apr. 12-18	Apr. 19-25	Apr. 26-May 2
	Apr. 4	Apr. 5-11	Apr. 12-18	Apr. 19-25	May 2
Adjusted world price	66.22	66.60	66.80	65.91	65.84
Course count adjustment	1.76	1.79	1.47	1.26	1.09

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		Coarse	
	Futures Settlement						Staple 35	Index 1/		Count
	May '91	Jul '91	Oct '91	Dec '91	Mar '92		'A' Index	'B' Index	1990	1991
Apr. 22	87.15	86.47	76.20	71.55	72.53	80.09	83.60	80.80	78.15	75.75
23	87.29	85.90	75.51	71.35	72.25	79.57	83.60	80.80	78.15	75.75
24	88.18	85.50	75.15	70.90	71.80	79.14	83.55	80.70	78.15	76.10
25	89.50	87.05	76.04	71.50	72.43	80.25	83.00	80.55	78.00	75.90
26	89.23	86.38	75.25	70.75	71.90	80.20	83.10	80.90	78.15	76.25

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 19		Through April 18	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,037,900	-	1,462,700
Exports	119,100	5,177,700	163,300	5,755,100
Total export commitments	-	7,215,600	-	7,217,800
New sales	92,000	-	16,000	-
Buy-backs and cancellations	10,600	-	4,800	-
Net sales	81,400	-	11,200	-
Sales next marketing year	114,600	821,100	22,500	1,023,700

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Net sales of 11,200 running bales, during the week ending April 18, for the 1990-91 marketing year were off 8 percent from the previous week, according to the Foreign Agricultural Service, USDA. The major buyers were Ireland with purchases of 3,200 bales, Taiwan 2,900, Japan 2,500, Thailand 1,600 and South Korea 1,300 bales. Sales increases for the 1991-92 marketing year of 22,500 bales were mainly for Ireland with purchases of 11,200 bales, Japan 5,800 and Hong Kong 3,000 bales. Exports of 163,300 bales fell 13 percent below the previous week. Asian destinations accounted for 1 percent of the week's shipments; West European 11 percent; Western Hemisphere 4 percent; and East European 4 percent.

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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 26, 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				Grade				Grade				
31	41	51	42	31	41	51	42	31	41	51	42	21	31	41	32	
80.88	79.63	76.88	77.38	82.38	81.13	76.63	77.88	33	82.63	81.13	75.63	77.33	78.38	78.38	74.38	74.38
82.88	82.38	79.88	80.63	85.13	83.88	79.13	80.38	34	85.13	83.88	78.38	80.08	82.38	82.38	78.38	78.38
83.13	82.63	80.13	80.88	85.73	84.63	79.73	80.98	35	85.23	83.98	78.48	80.18	82.48	82.48	78.48	78.48
83.28	82.78	80.28	81.03	85.83	84.73	79.83	81.08	36	85.33	84.08	78.58	80.28	82.48	82.48	78.48	78.48

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY			
Grade				Grade				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	-	-	-
69.50	68.50	68.40	66.60	69.40	68.40	68.30	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	72.70	76.60	75.50	75.50	72.70	34	82.88	82.63	81.88
77.40	76.50	76.30	73.50	77.40	76.50	76.30	73.50	35	84.63	84.38	83.63
77.50	76.75	76.40	73.50	77.50	76.75	76.40	73.50	36	84.73	84.48	83.73
77.50	76.75	76.40	73.50	77.50	76.75	76.40	73.50	37	84.83	84.58	83.83

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	-890	-890	-700	27-29	-700	-1500	-1500	-997
-500	-625	-625	-350	30-32	-350	-900	-950	-614
-250	-330	-330	-150	33-34	-150	-450	-350	-287
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	01	02	03	04	05	06	Mike ranges	Points per pound
							26 & Below	-3100
							27-29	-2275
44	126.75	126.50	123.50	103.50	70.00	62.00	30-32	-1200
							33-34	-300
46	127.25	127.00	124.00	104.00	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				Grade				Grade		
31	41	51	42	31	41	51	42	31	41	51	42	31	41	51
-	-	-	-	-	-	-	-	29	79.00	76.00	79.00	76.50	-	-
-	-	-	-	-	-	-	-	30	81.00	78.25	81.00	79.00	-	-
-	-	-	-	-	-	-	-	31	82.50	79.75	82.50	80.25	-	-
-	-	-	-	-	-	-	-	32	83.75	80.50	83.75	81.00	-	-
91.75	90.50	87.75	88.00	92.25	91.00	88.00	88.25	33	86.00	81.75	86.00	82.50	-	-
92.75	91.25	88.75	89.00	93.25	91.75	89.00	89.25	34	88.25	83.75	88.25	84.25	92.00	90.75
93.25	92.00	89.25	89.50	93.75	92.50	89.50	89.75	35	-	-	-	-	93.50	92.25
-	-	-	-	-	-	-	-	36	-	-	-	-	93.75	92.50