

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

COTTON DIVISION

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Spot cotton prices were steady to firm, according to the Cotton Division, Agricultural Marketing Service, USDA. Grower offerings were light and trading continued slow. Domestic and foreign mill purchases remained limited. Interest in forward contracting 1982-crop cotton increased and growers in several states booked a light to moderate volume. Growers made good progress with land preparation in most localities. The young crop in south Texas was up to a good stand. The daily rate of consumption of cotton by domestic mills was slightly higher in February than the previous month. February exports increased to the highest level this marketing year. Average prices paid farmers for upland cotton in March continued to decline.

Spot cotton prices fluctuated within a fairly narrow range. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets ended the week on Thursday, April 1, at 60.84 cents per pound. This compares with 60.85 cents a week earlier and 80.77 cents on the corresponding Thursday last season. The average basis (the difference between spot and futures prices) ended the week at 467 points off the May futures settlement price compared with 492 points a week ago. The New York May futures settlement price ended the week on Thursday, April 1, at 65.51 cents per pound compared with 65.77 cents a week earlier. The December settlement price was 71.53 cents against 71.45 cents last Thursday.

Trading remained slow on spot cotton markets. Grower offerings were light. Some growers accepted merchant bids while others held for higher prices. Merchant demand remained limited mostly to cotton needed to fill commitments. Domestic mill purchases were light and restricted mostly to western growths for both prompt and deferred delivery. Foreign mill demand was weak. Purchases reported by cotton exchanges in the designated markets totaled 121,300 bales in the week ended Thursday, April 1. This compares with 166,900 bales a week earlier and 107,200 bales in the corresponding week last season.

Textile mill report. Mill buying consisted of a light to moderate volume of cotton covering a fairly wide range of qualities. Purchases were heaviest in western and far western growths, medium and higher grades. Stocks of cotton at many mills were fully adequate. Emphasis remained strong on inventory control and labor management as mills practiced measures to lessen the recessionary impact. Slower selling products were under curtailment with many mills adjusting work schedules. Apparels, household and industrial goods continued to suffer from weak consumer demand. Plants producing these items were operating fewer days. Underwear and goods for athletic and sportswear remain the bright spots in an otherwise listless market. Manufacturers of these products remain mostly on five day work schedules.

1982 Upland acreage reduction sign up. Through March 26, growers had enrolled 5.4 million acres of upland cotton in the 1982 upland cotton program. This represents 35 percent of the 15.2 million acreage base. The sign up deadline is April 16.

Domestic mill consumption of cotton averaged 20,200 running bales per day during the four weeks ended February 27, according to the Bureau of the Census. This was the smallest February daily rate since 1975 when 19,800 bales per day were used. Consumption averaged 18,900 bales per day a month earlier and 22,300 bales per day in February a year ago. Mills consumed 403,700 bales during February, bringing usage for the first 30 weeks this

marketing year (August-February) to 2,978,300 bales. This was equivalent to about 57 percent of USDA's March 11 domestic consumption estimate of 5.4 million bales of 480 pounds, net weight (about 5,238,000 running bales). Through the first 30 weeks last season, mills had used 3,310,400 bales or about 59 percent of the total for the season. Domestic mills must consume about 102,700 bales per week or about 20,500 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 135.3 million pounds in the four weeks ended February 27, according to the Bureau of the Census. This brought consumption for the August-February period (30 weeks) this season to 1,025.5 million pounds. This compares with 1,117.5 million a year earlier (30 weeks) and 1,175.2 million two years ago (30 weeks).

Stocks of cotton at mills totaled 883,000 running bales on February 27, according to the Bureau of the Census. This was the smallest end-of-February stocks at mills since records began in 1913 and compares with 821,700 bales a month earlier and 1,037,900 bales at the end of February last year. At the February daily rate of consumption, mill stocks were equivalent to slightly over eight and one-half weeks' supply. Cotton in public storage totaled 8,711,400 running bales on February 27, the largest end-of-February stocks since 1978. Public storage stocks totaled 9,488,700 bales a month earlier and 5,109,400 at the end of February 1981.

Prices received by farmers for upland cotton averaged 46.20 cents per pound in mid-March according to the Statistical Reporting Service, USDA. The revised February average price was 48.40 cents. In March 1981, the average farm price was 71.90 cents. These prices include cotton delivered against forward contracts. The parity price for upland cotton announced March 31 was 118.00 cents per pound, the same as a month earlier and up from 116.00 cents in March last season.

Average prices received by farmers for upland cotton, in cents per pound, net weight, United States, calendar years, 1981-1982

Month	Year beginning January 1		Month	Year beginning January 1		Month	Year beginning January 1	
	1981	1982		1981	1982		1981	1982
	Cents	Cents		Cents	Cents		Cents	Cents
Jan.	76.69	49.90	June	71.20		Nov.	60.10	
Feb.	70.80	48.40	July	70.40		Dec.	51.20	
Mar.	71.90	46.20 <sup>1/</sup>	Aug.	65.00				
Apr.	72.70		Sept.	58.00		Calendar		
May	72.50		Oct.	62.30		year avg.	63.20	

<sup>1/</sup> Mid-month price.

United States Department of Agriculture, Agricultural Marketing Service, Cotton Division

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Number of bales in certificated stock under certification more than six months on February 15 and April 15, 1982 <sup>1/</sup>

Delivery point	Number of bales held for stated periods									
	7 thru 12 Months		13 thru 18 Months		19 thru 24 Months		25 Months or more		Total	
	Feb. 15	Apr. 15	Feb. 15	Apr. 15	Feb. 15	Apr. 15	Feb. 15	Apr. 15	Feb. 15	Apr. 15
Galveston	913	5,131	49	260	108	95	2	15	1,072	5,501
Greenville	634	639	-	-	-	-	-	-	634	639
Houston	403	403	-	-	-	-	-	-	403	403
Memphis	1,993	2,381	916	1,919	1,292	717	39	38	4,240	5,055
Total	3,943	8,554	965	2,179	1,400	812	41	53	6,349	11,598

<sup>1/</sup> Based on Marketing Services Office records as of February 1 and April 1, 1982, for NY Futures Contract 2.

United States Department of Agriculture, Agricultural Marketing Service, Cotton Division

Cotton: Domestic mill consumption, consumption per day, stocks and exports, running bales, by months and seasons, 1977-1981

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
	Mill consumption 1/												
1977	494	606*	512	505	562*	493	501	620*	484	483	575*	383	6,217
1978	459	569*	482	595*	435	603*	471	506	584*	484	489	503*	6,180
1979	472	482	630*	482	436	604*	507	513	622*	496	478	487*	6,209
1980	443	456	597*	458	475*	435	446	539*	435	441	531*	385	5,641
1981 3/	429	517*	448	403	400*	378	404						
	Mill consumption per day												
1977	24.7	24.2	25.6	25.2	22.5	24.6	25.0	24.8	24.2	24.2	23.0	19.2	23.9
1978	22.9	22.8	24.1	23.8	21.7	24.1	23.6	25.3	23.4	24.2	24.5	20.1	23.3
1979	23.6	24.1	25.2	24.1	21.8	24.2	25.4	25.7	24.9	24.8	23.9	19.5	23.9
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	21.7
1981 3/	21.4	20.7	22.4	20.1	16.0	18.9	20.2						
	Stocks in consuming establishments 2/												
1977	973	886	835	870	954	937	955	1,012	1,045	1,095	1,106	1,120	-
1978	1,065	1,032	1,015	1,003	1,051	1,050	1,070	1,099	1,095	1,066	969	927	-
1979	850	749	648	730	833	900	989	1,071	1,132	1,099	1,002	955	-
1980	891	784	743	750	831	947	1,038	1,105	1,078	1,023	937	883	-
1981 3/	810	695	663	673	757	822	883						-
	Stocks in public storage and at compresses 2/												
1977	1,776	2,641	6,261	9,207	10,271	9,639	8,719	7,403	6,319	5,318	4,414	3,807	-
1978	3,462	3,434	5,314	6,232	7,863	7,690	6,884	6,035	5,062	4,174	3,278	2,605	-
1979	2,198	1,880	3,785	6,898	8,163	7,739	6,558	5,299	4,084	3,126	2,341	1,822	-
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 3/	1,491	1,940	4,060	7,064	9,267	9,489	8,711						-
	Exports												
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 3/	233	211	262	478	732	653	754						-

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.

2/ Season totals not necessarily sums of monthly figures because of adjustments.

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

\* Preliminary.

† Five-week month.

Exports of cotton from the United States in February reached the highest monthly level this marketing year which began August 1. Exports totaled 754,000 running bales in February, according to the Bureau of the Census, 16 percent above 652,600 bales shipped a month earlier and up 10 percent from 688,200 bales shipped in February last year. Shipments during the first seven months this season totaled 3,321,800 bales compared with 3,366,100 bales a year earlier and 4,575,200 bales two years ago.

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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					9-market average	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement						
	May '82	Jul '82	Oct '82	Dec '82	Mar '83		
Mar. 25	65.77	67.76	70.36	71.45	73.10	60.85	70.75
26	65.65	67.63	70.26	71.34	73.06	60.76	70.70
29	66.22	68.23	70.69	71.79	73.40	61.31	70.75
30	65.81	67.83	70.48	71.60	73.28	60.99	70.90
31	65.92	68.15	70.60	71.76	73.48	61.08	70.85
Apr. 1	65.51	67.69	70.42	71.53	73.16	60.84	70.95

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

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New Orleans futures contract settlement and designated spot market average for grade 41 staple 32 in cents per pound

Date	Grade 41 Staple 32					5-market average 1/
	Futures Settlement					
	May '82	Jul '82	Oct '82	Dec '82	Mar '83	
Mar. 25	59.00	60.26	62.45	63.40	-	52.91
26	58.85	60.09	62.20	63.25	-	52.84
29	59.18	60.40	62.25	63.35	64.90	53.18
30	59.05	60.35	62.50	63.20	64.90	52.94
31	59.10	60.45	62.50	63.30	-	53.00
Apr. 1	58.95	60.25	62.50	63.30	65.00	52.81

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

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U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1980-81 and 1981-82

Description	Marketing Year			
	1980-81		1981-82	
	Through March 26		Through March 25	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	1,603,900	-	2,227,400
Exports	102,200	4,016,600	150,800	4,096,000
Total export commitments	-	5,620,500	-	6,323,400
New sales	38,900	-	59,600	-
Buy-backs and cancellations	5,600	-	11,600	-
Net sales	33,300	-	48,000	-
Sales next marketing year	26,000	199,800	9,400	319,100

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

Upland cotton export sales volume of 48,000 running bales during the week ended March 25 maintained last week's moderate pace, according to the Foreign Agricultural Service, USDA. Major buyers were Japan 14,300 bales; Taiwan 9,100; and South Korea 6,800 bales. Weekly exports dropped to 150,800 bales, more than one quarter below the previous week's good pace, due principally to lower quantities shipped to China. Asian destinations accounted for 82 percent of the week's shipment and European destinations 16 percent.