

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

COTTON DIVISION

4841 SUMMER AVENUE, MEMPHIS, TENNESSEE 38122

Telephone 901-521-2934



TEXAS TECH

Weekly Cotton Market Review
(Week ended April 29) Dept of Ag Eco
Ref. Room

Vol. 63, No. 38

April 30, 1982

Spot cotton prices reached the highest level in over eight months, according to the Cotton Division, Agricultural Marketing Service, USDA. Grower offerings and sales were light. Merchant demand remained limited to cotton needed to fill commitments. Domestic and foreign mill purchases continued light. Growers contracted a light to moderate volume of 1982-crop cotton. Planting made good progress in most western states but wet fields and cool temperatures continued to delay progress in southern states. The daily rate of cotton consumption by domestic mills during March was the smallest since 1921. March exports increased to the highest level this marketing year.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets advanced to 63.80 cents per pound on Monday, April 26, the highest daily average since August 21, 1981. Prices fluctuated within a narrow range on Tuesday and Wednesday and ended the week on Thursday, April 29, at 63.68 cents. This compares with 61.96 cents a week earlier and 78.87 cents on the corresponding Thursday last season. The New York July futures settlement price ended the week on Thursday at 69.91 cents per pound compared with 68.02 cents a week earlier. The December settlement price was 73.86 cents against 72.38 cents last Thursday.

Trading between growers and merchants remained limited. Growers offered very little of their remaining supplies and were concentrating mostly on getting the 1982 crop planted. Merchant demand was best for the higher grades. Most domestic mills remained out of the market for any sizeable volume of cotton. Mills bought a small quantity for fill-ins and a limited amount of new-crop cotton. Export trading was light to moderate. Far Eastern mills were the principal buyers. Purchases reported by cotton exchanges in the designated markets totaled 111,100 bales in the week ended Thursday, April 29. This compares with 87,000 bales a week earlier and 48,900 bales in the corresponding week last season.

Textile mill report. Mill buying remained light and intermittent. Although a small volume of new-crop cotton was purchased, buying consisted mostly of fill-ins over a range of qualities for prompt to nearby shipment. Western growths of the medium and higher grades accounted for the bulk of recent purchases. Textile sales remained light. Sales of industrial, household and automotive products lingered in a depressed state. Most mills in these product areas have cut production to more nearly parallel reduced demand. A narrow selection of apparel goods such as lightweight knits, velour and some materials for sportswear represented the bright spots in the market. Mill workweeks vary widely and range mostly from three to five days. Some mills are operating a few plants on alternate weeks or closing one week per month.

Domestic mill consumption of cotton averaged 19,200 running bales per day during the five weeks ended April 3, according to the Bureau of the Census. This was the smallest March daily rate since 1921 when 17,500 bales per day were used. Consumption averaged 19,500 bales per day a month earlier and 21,500 bales per day in March a year ago. Mills consumed 479,100 bales during March, bringing total consumption for the season to 3,444,400 bales. This was over 10 percent below the 3,849,000 bales used during the same period last season.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 160.3 million pounds in the five weeks ended April 3, according to the Bureau of the Census. This brought consumption for the August-March period (35 weeks) this season to 1,184.4

million pounds. This was about 10 percent below the 1,316.4 million pounds used during the same period a year earlier (35 weeks).

Stocks of cotton at mills totaled 915,900 running bales on April 3, according to the Bureau of the Census. This was the smallest end-of-March stocks at mills since records began in 1913 and compares with 884,500 bales a month earlier and 1,105,200 bales at the end of March last year. At the March daily rate of consumption, mill stocks were equivalent to about nine and one-half weeks' supply. Cotton in public storage totaled 7,942,900 running bales on April 3, the largest end-of-March stocks since 1969. Public storage stocks totaled 8,729,400 bales a month earlier and 4,226,800 bales at the end of March 1981.

Exports of cotton from the United States in March reached the highest level this marketing year which began August 1. Exports totaled 873,300 running bales in March, according to the Bureau of the Census, 16 percent above 754,000 bales shipped a month earlier and up 19 percent from 733,000 bales shipped in March last year. Shipments during the first eight months this season totaled 4,195,100 bales. Exports through March were the largest since 1980 when 5,725,600 bales were shipped and the second largest since 1961 when 5,108,000 bales were shipped. Through March 1981 a total of 4,099,100 bales were exported.

Hong Kong "course count" cotton supplies. The British colony of Hong Kong has banned imports from Argentina, according to the Foreign Agricultural Service, USDA. During 1981 Hong Kong imported 20,000 bales of cotton from Argentina valued at eight million dollars. Trade reports indicate that the Hong Kong spinners have already turned to Pakistan as an alternative source of cotton, but the quality selection is restricted. Since virtually no "course count" cotton is available from the USSR, south Turkey or south Brazil, interest has turned to U. S. Texas cotton.

CCC loan entries of 1981-crop cotton totaled 5,998,400 running bales through April 21. Repayments had been made on 1,042,800 bales. Loans were outstanding on 4,955,600 bales, of which 2,413,400 were Form A (producer) and 2,542,200 were Form G (cooperative) loans. Entries of 1980-crop cotton totaled 2,328,100 bales, repayments were 2,208,300 and loans were outstanding on 119,400 bales. Loans remained outstanding on 47,300 bales of Form A and 72,100 of Form G.

Planting and crop progress. In the Bakersfield, California area, planting was over 75 percent completed in Kern County and was 50 to 75 percent in other counties. Planting was expected to be 85 to 90 percent completed in the Fresno area by the weekend. In the Phoenix, Arizona area, planting was about three-fourths completed. Planting made good progress in New Mexico and was nearing completion in some localities while others were just beginning. Planting was underway on a small scale and in widely scattered localities in the Lubbock, Texas area. Top soil remained dry in dryland areas. In the Dallas area, cool weather slowed development of earlier planted cotton. Planting was beginning to get underway in areas northeast of Dallas. Light rains were beneficial in dryland portions of the Harlingen area. In general, the crop was growing rapidly. Insect controls were initiated in some fields. In Oklahoma, soil conditions were very dry. A limited acreage was planted in the southwestern portion of the state. Most of the acreage will require rain to bring cotton up to a stand. Rains covered the Little Rock, Arkansas area, early in the week. Very little planting occurred prior to the rains. In the Hayti, Missouri area, growers planted a limited acreage during the week. Most fields were too wet to plant. Wet fields and low soil temperatures continued to delay field work in the Memphis, Tennessee area. Very little cotton had been planted. Heavy rains in the Greenwood, Mississippi area, stymied all planting activities. A few Louisiana growers were beginning to plant in better drained fields but most localities reported fields were too wet and soil temperatures below optimum. Heavy rains and below normal temperatures brought planting to a virtual standstill in Alabama. Cotton in some earlier planted fields was expected to be replanted. Heavy rains and cool weather delayed planting in Georgia. Rains, wet fields and cool temperatures continued to hamper planting in North Carolina and South Carolina. Most localities were between 15 and 40 percent planted but some replanting was expected.

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
	494	606*	512	505	562*	493	501	620*	484	483	575*	383	6,217
1977	459	569*	482	595*	435	603*	471	506	584*	484	489	503*	6,180
1978	472	482	630*	482	436	604*	507	513	622*	496	478	487*	6,209
1979	443	456	597*	458	475*	435	446	539*	435	441	531*	385	5,641
1980	429	517*	448	403	400*	378	391	479*					
1981 3/													
	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
1977	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
1978	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
1979	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
1980	21.4	20.7	22.4	20.1	16.0	18.9	19.5	19.2					
1981 3/													
	973	886	835	870	954	937	955	1,012	1,045	1,095	1,106	1,120	-
1977	1,065	1,032	1,015	1,003	1,051	1,050	1,070	1,099	1,095	1,066	969	927	-
1978	850	749	648	730	833	900	989	1,071	1,132	1,099	1,002	955	-
1979	891	784	743	750	831	947	1,038	1,105	1,078	1,023	937	883	-
1980	810	695	663	673	757	822	884	.916					
1981 3/													
	1,776	2,641	6,261	9,207	10,271	9,639	8,719	7,403	6,319	5,318	4,414	3,807	-
1977	3,462	3,434	5,314	6,232	7,863	7,690	6,884	6,035	5,062	4,174	3,278	2,605	-
1978	2,198	1,880	3,785	6,898	8,163	7,739	6,558	5,299	4,084	3,126	2,341	1,822	-
1979	1,509	1,578	3,181	5,071	5,927	5,847	5,109	4,227	3,470	2,807	2,199	1,688	-
1980	1,491	1,940	4,060	7,064	9,267	9,489	8,729	7,943					
1981 3/													
	181	200	149	333	496	521	502	704	640	510	528	456	5,219
1977	524	388	283	355	464	517	577	574	602	542	614	410	5,850
1978	463	428	390	630	902	737	1,025	1,150	916	911	686	540	8,779
1979	402	393	237	436	541	669	688	733	498	458	320	264	5,639
1980	233	211	262	478	732	653	754	873					
1981 3/													

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 not necessarily sums of monthly figures because of adjustments.

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

3/ Preliminary.

* Five-week month.

Compiled from Bureau of the Census reports.

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

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			
Apr. 22	66.24	68.02	71.16	72.38	74.12	61.96	71.30	
23	67.42	68.91	71.60	72.82	74.45	62.71	71.35	
26	68.50	70.14	72.97	73.90	75.70	63.80	72.40	
27	68.10	69.59	72.27	73.32	75.12	63.35	72.95	
28	68.35	69.68	72.40	73.59	75.30	63.47	72.95	
29	68.75	69.91	72.72	73.86	75.56	63.68	73.10	

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

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		
Apr. 22	59.10	60.70	63.20	64.10	65.75	53.57	
23	59.10	60.80	63.30	64.30	65.90	54.21	
26	59.75	61.60	64.05	65.06	66.60	55.09	
27	59.50	61.44	63.94	64.94	66.60	54.71	
28	59.50	61.45	63.95	64.95	66.60	54.77	
29	59.80	61.56	64.10	65.15	66.70	54.96	

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

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 April 23		Through April 22	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	1,271,900	-	1,840,900
Exports	98,100	4,545,700	126,700	4,725,900
Total export commitments	-	5,817,600	-	6,566,800
New sales	107,700	-	75,000	-
Buy-backs and cancellations	6,100	-	13,300	-
Net sales	101,600	-	61,700	-
Sales next marketing year	4,800	229,000	50,000	503,000

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

Upland cotton export sales during the week ended April 22 decreased from the previous week, according to the Foreign Agricultural Marketing Service, USDA. Major buyers were Japan 33,400 running bales; South Korea 10,600 and Hong Kong 7,800 bales. Weekly exports of 126,700 running bales were 34 percent below the previous week's level. Asian destinations received 87 percent of the week's exports and European destinations 12 percent. The 1982-83 marketing year sales were mainly to Japan 29,100 bales; South Korea 6,200 and Greece 4,400 bales.