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Weekly Cotton Market Review
(Week ended April 8)

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Trading remained slow on spot cotton markets, according to the Cotton Division, Agricultural Marketing Service, USDA. Prices were about steady. The volume of grower offerings was limited. Demand was best from merchants needing cotton to fill nearby commitments. Domestic mill purchases were light. Export trading was more active. Forward contracting of 1982-crop cotton by growers was light. Through the end of March, growers had booked about two percent of their crop. Rains, cool temperatures and high winds delayed land preparation and early planting in most localities. The interest rate for CCC loans disbursed in April will be 13.875 percent.

Spot cotton prices moved within a fairly narrow range most of the period. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets began the week on Friday, April 2, at 61.31 cents per pound and ended the period on Thursday, April 8, at 61.45 cents. This compares with 60.84 cents a week earlier and 82.34 cents on the corresponding Thursday last season. The New York May futures settlement price ended the week on Thursday, April 8, at 66.08 cents per pound compared with 65.51 cents a week earlier. The December settlement price was 71.97 cents against 71.53 cents last Thursday.

Trading remained slow on spot cotton markets. Most growers with cotton on hand continued to hold for higher prices. Merchant demand was limited mostly to cotton needed to cover nearby commitments. Most purchases by domestic mills were small fill-in lots. Export trading was more active with most sales made to Far Eastern mills for prompt through July shipment. Purchases reported by cotton exchanges in the designated markets totaled 98,800 bales in the week ended Thursday, April 8. This compares with 121,300 bales a week earlier and 75,900 bales in the corresponding week last season.

Textile mill report. Only a few domestic mills were active in the market and purchases slowed from a week earlier. Most mills are covered with enough cotton to run into late summer and limited purchases to occasional fill-ins. A few mills bought a small quantity of 1982-crop cotton for October and later delivery. With product sales in a slump and operating expenses trending upward, most mills were keenly alert to management practices designed to hold down overhead costs. Heavier emphasis was directed toward product output, inventory control and labor efficiency. Sales of finished goods continued spotty and most mills remained on shortened work schedules.

Contracting 1982 crop. United States upland cotton growers had forward contracted about two percent of their crop by the end of March. Since records began in 1973, forward contracting through March has ranged from a low of two percent for the crops of 1975 and 1982 to a high of 42 percent for the 1973 crop. Four percent had been booked in 1981 and 20 percent in 1980. Contracting this season has been more active in the western states where five percent was under contract, up from three percent in 1981 and down from 16 percent in 1980. Growers in south central states had contracted about four percent of the 1982 crop compared with 12 percent and 49 percent in 1981 and 1980, respectively. In the southeastern states, growers had forward contracted around two percent, down from five percent a year earlier and 18 percent two years ago. Growers in the southwestern states had booked less than one percent, against two percent the previous year and 11 percent in 1980. These estimates were based on the Crop Reporting Board's planting intentions reports and informal surveys made by the Cotton Division, Agricultural Marketing Service, USDA.

1982 Upland acreage reduction sign up. Through April 2, growers had enrolled 7.9 million acres of upland cotton in the 1982 upland cotton program. This represents 52 percent of the 15.2 million acre base. Growers who sign up to participate in the acreage reduction program for upland cotton agree to reduce their base acreage by 15 percent. The acreage taken out of production will be devoted to conservation uses. Participation is voluntary, but producers must take part to be eligible for program benefits such as target price protection and Commodity Credit Corporation loans. The sign up deadline is April 16.

The Cotton Outlook of Liverpool reports that as in the United States, growers in other producing countries are greatly disturbed by the prevailing level of prices, but the lack of remunerative alternative crops nonetheless seems likely to restrict the curtailment of plantings for the 1982-83 season. As usual, flexibility in the matter of planting will probably be most apparent in the Latin American countries. Their domestic industries, earlier notably successful in securing export markets for textiles in Europe and the United States, have recently found business in those outlets almost impossible, a difficulty which has sharply reduced their requirements out of the local cotton crops. Colombian interior acreage, previously quite significant, would seem to have been almost entirely eliminated. Yet recent reports have suggested that in Latin America's major producing areas, sowings may not in fact fall as much as had earlier seemed possible. In Mexico, for example, a sharp devaluation of the currency has greatly strengthened domestic raw cotton prices at planting time, opening up the possibility that the country's output could now exceed 1,000,000 bales (of 480 lbs.), compared with the 1,440,000 harvested from the 1981-82 crop. Devaluation, and improved yields from the current outturn, may have a similar effect in Argentina. The Central American producing countries have been relatively successful in marketing their exportable surpluses this season, but their sowings for 1982-83 will of course depend more upon political considerations than the outlook for trade.

Outside the Americas, it would not be surprising were production to approach the levels attained in the current season. China's 1981-82 crop, it will be remembered, exceeded all expectations, particularly in the matter of yields. Since the country is still anxious to export textiles and remains short of foreign exchange, it will clearly seek to consolidate its position, doubtless giving even more encouragement to individual farmers to make even better use of the much improved varieties and cultural practices recently introduced. Russia experienced difficult conditions at planting time last year, but nonetheless succeeded in exceeding the official production target. Uzbekistan, the country's major producing republic, now places great emphasis upon the further improvement of yields, and is clearly intent upon exceeding the record output achieved in 1980-81. On the Indian sub-continent, prices have been a disappointment to both India and Pakistan, but each apparently remains determined to raise production still further.

In many African producing countries, the well-being of cotton depends more upon administrative performance than the usual agricultural considerations. Thus, in the Sudan and many parts of East Africa, one would look for relatively little improvement. Egypt, critically short of land for the production of foodstuffs, will allow cotton acreage to fall a little further, finding some comfort in the fact that yields have improved impressively of late by way of compensation. In the previously French-controlled territories, as in Zimbabwe and South Africa, production should hold up fairly well.

Among the more outstanding events of this season has been the clear emergence of Australia as a major competitor to the United States in the latter's principal markets of the Far East. Several disastrous seasons threatened to wipe out cotton production in New South Wales during the early 70's, and were brought to mind by last month's heavy rains. Cotton appears to have sustained relatively little damage, and the increased availability of water for irrigation purposes may serve further to increase output.

CCC loan entries of 1981-crop cotton totaled 5,904,000 running bales through March 31. Repayments had been made on 819,800 bales. Loans were outstanding on 5,084,200 bales, of which 2,430,300 were Form A (producer) and 2,653,900 were Form G (cooperative) loans. Entries of 1980-crop cotton totaled 2,328,100 bales, repayments were 2,206,900 and loans were outstanding on 120,900 bales. Loans remained outstanding on 47,800 bales of Form A and 73,100 of Form G.

Forward contracting of upland cotton by growers, thru March 31, crops of 1973-1982
and prospective plantings, 1982 crop 1/

State and area	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	Prospective plantings 2/ 1,000 acres
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	
North Carolina	20	8	-	6	14	1	5	24	2	-	80
South Carolina	33	13	-	24	16	*	4	39	1	-	100
Georgia	8	4	-	10	*	-	5	11	6	*	145
Alabama	60	10	*	16	5	3	8	14	7	3	350
Southeastern states	34	9	*	15	6	2	6	18	5	2	675
Missouri	68	35	*	49	15	9	13	83	4	1	210
Mississippi	82	36	2	27	18	22	26	61	19	7	1,180
Arkansas	85	30	1	30	15	3	9	44	8	2	450
Louisiana	72	20	-	37	5	4	8	34	9	1	620
Tennessee	58	15	-	23	2	5	4	18	1	2	305
South Central states	78	29	1	30	13	11	16	49	12	4	2,755
Oklahoma	17	-	-	*	21	20	2	4	-	-	650
Texas	16	5	*	4	15	4	8	11	2	*	6,300
Southwestern states	16	5	*	4	15	6	7	11	2	*	6,950
New Mexico	9	13	-	4	12	3/	3/	3/	-	-	125
Arizona	55	44	1	26	50	22	13	27	5	4	550
California	40	64	18	26	26	31	17	12	3	6	1,440
Far Western states	40	55	13	25	30	29	16	16	3	5	2,115
United States	42	19	2	16	16	10	11	20	4	2	12,505

1/ Contracting estimates for 1973 through 1980 based on January prospective plantings report; 1981 based on March; 1982 based on February.

2/ February 1982, Crop Reporting Board, Statistical Reporting Service, USDA.

3/ Not included in planting intentions report.

* Less than 0.5 percent.

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. 1	65.51	67.69	70.42	71.53	73.16	60.84	70.95	
2	66.08	68.13	70.60	71.72	73.50	61.31	70.95	
5	66.38	68.45	70.95	72.16	73.85	61.60	71.10	
6	65.81	67.87	70.76	71.92	73.65	61.16	71.15	
7	65.98	68.13	70.75	71.95	73.70	61.37	71.05	
8	66.08	68.22	70.90	71.97	73.85	61.45	71.05	

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. 1	58.95	60.25	62.50	63.30	65.00	52.81	
2	59.25	60.55	62.75	63.35	65.00	53.20	
5	59.30	60.62	62.80	63.50	65.00	53.48	
6	59.15	60.45	62.50	63.35	65.00	53.14	
7	59.10	60.48	62.50	63.58	65.10	53.29	
8	59.15	60.55	62.60	63.60	65.20	53.41	

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 2		Through April 1	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	1,462,200	-	2,119,500
Exports	181,200	4,197,800	144,900	4,241,000
Total export commitments	-	5,660,000	-	6,360,500
New sales	46,200	-	56,000	-
Buy-backs and cancellations	6,700	-	19,000	-
Net sales	39,500	-	37,000	-
Sales next marketing year	16,700	216,500	16,700	335,900

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

Upland cotton export sales volume of 37,000 running bales during the week ended April 1 slipped further from last week's moderate pace, according to the Foreign Agricultural Service, USDA. Activity was dominated by Japan 26,100 bales, followed by South Korea 9,900 bales. Weekly exports of 144,900 bales were slightly below a week earlier. Asian destinations accounted for 87 percent of the week's shipments and European destinations nine percent.