

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE  
COTTON DIVISION, MARKET NEWS BRANCH  
4841 SUMMER AVENUE, MEMPHIS, TENNESSEE 38122  
Telephone 901-766-2931



**TEXAS TECH** Weekly Cotton Market Review  
**DEPT. OF AG. ECONOMICS**  
**REFERENCE ROOM**

Vol. 72, No. 35

April 9, 1991

Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 77.82 cents per pound during the week ending Friday, April 5, according to the Cotton Division, Agricultural Marketing Service, USDA. Quotations averaged 169 points higher than the previous week. Daily average quotations ranged from a low of 77.06 cents on Wednesday, April 3, to a high of 79.31 cents on Friday, April 5. Spot cotton quotations averaged 76.13 cents a week earlier and 70.78 cents in the corresponding week last year. The New York May 1991 futures settlement price closed on Friday at 85.34 cents compared with 81.82 cents a week earlier. The October 1991 settlement price was 73.93 cents compared with 72.08 cents a week earlier, and December 1991 was 69.80 cents compared with 68.05 cents the previous week. Spot transactions reported in the designated markets totaled 17,693 bales during the week ending Friday, April 5. This compares with 5,034 bales reported during the previous week and 58,391 bales in the corresponding week last season.

Southeastern markets. Spot cotton trading was limited due to light supplies. The bulk of the trading involved inter-merchant transactions. Prices trended firm to higher. In mixed lots, grade 41 staples 34 and longer, mike 35-49 moved at 200 to 250 points off New York May futures, FOB trucks in Georgia and 350 to 400 points off May, FOB warehouse in Alabama and the Carolinas. Grades 51 and 42 moved at around 200 points less than grade 41. A limited acreage of 1991-crop cotton was forward contracted at 350 to 450 points off December futures, basis grade 41 staple 34, mike 35-49. Wet weather slowed field preparations. Limited planting was reported in Georgia.

South central markets. Grower-to-merchant trading was light. Trading between merchants was fairly active. Most growers with uncommitted supplies were holding with the expectation of higher prices. Merchant demand was highly selective and limited primarily to cotton needed to cover outstanding orders. In mixed lots, grade 41 staple 34, mike 35-49, traded at around 450 to 500 points off NY May futures. Prices weakened for mixed lots containing high or low mike. A moderate volume of CCC loan equities traded at 26 cents per pound. Domestic mill buying was active. A moderate volume of cotton was bought for prompt delivery. Mills purchased a sizeable volume of cotton for forward delivery, mostly December 1991 and January 1992. Some sales had delivery dates as far ahead as July 1992. Export trading was slow. A few inquiries for 1991 crop were received from Far Eastern mills but very little buying was reported. Forward contracting of 1991-crop cotton by growers slowed. Bale contracts were signed at around 600



points off NY December futures and acreage contracts at 650 to 700 points off, basis grade 41 staple 34, mike 35-49. Fieldwork was interrupted by showers and thunderstorms.

Southwestern markets. Spot cotton trading was slow. Supplies remained limited. Prices were steady. A few mixed lots brought around 2,000 to 2,500 points above CCC loan rates. A light volume of CCC loan equities traded at \$100 to \$125 per bale. A limited acreage was contracted in south and central Texas at 66 to 73 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. Much of the south Texas crop was up to a good stand, but heavy rains late in the week were of some concern to producers. In west Texas and Oklahoma, temperatures warmed, dry weather conditions prevailed, and preplanting activities increased.

Western markets. Trading was extremely slow in the San Joaquin Valley (SJV). A small volume of grade 31 traded between merchants at 550 points on May futures, UD, free warehouse terms. Far Eastern and European mills purchased a light to moderate volume for prompt and nearby shipment. Forward contracting of the 1991 crop was very slow. A few growers booked at around 78 to 79 cents per pound, basis grade 31 staple 35, mike 35-49, but most growers rejected bids under 80 cents. Sales of seed were brisk to growers who intend to start planting over the weekend. In the Desert Southwest (DSW), supplies were very light and trading was inactive. A small acreage was booked at 70 to 71 cents, basis grade 31 staple 34. Cotton in the earlier areas in California and Arizona was up to a good stand. Limited planting was underway in central Arizona. Preparations for planting were well underway in the El Paso area. Demand was good for American Pima and prices were higher. Limited supplies traded with grade 3 staples 44 and 46, mike 35-49 selling at around \$1.23 to \$1.25 per pound. Grade 4, mike 35-49 traded at \$1.03; grade 5 brought 72 cents, and grades 6 and 7 brought 59 to 60 cents. Far Eastern mills purchased a small volume for prompt shipment. Planting was underway in Arizona and the SJV.

Textile mill. Domestic mill purchased a moderate to heavy volume. The bulk of the purchases was for October 1991 through July 1992 delivery and mainly for Delta growth cotton. Mill business remained steady. Sales of open end carded yarns and denims continued as best sellers. New sales of most other products remained slow to moderate.



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. 8-14	Mar. 15-21	Mar. 22-28	Mar. 29-Apr. 4	Apr. 5-11
Adjusted world price	68.88	67.65	67.15	66.22	66.60
Course count adjustment	1.57	0.97	1.31	1.76	1.79

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						: 'A' Index	1/	: 'B' Index	1/			
	May '91	Jul '91	Oct '91	Dec '91	Mar '92						1990	1991	1990
Apr. 1	83.82	84.11	73.55	69.48	70.00	77.44	H	O	L	I	D	A	Y
2	83.70	84.10	73.35	69.10	69.80	77.36	83.40	79.70	77.40	74.35			
3	83.08	83.55	73.12	69.15	69.80	77.06	83.40	79.55	77.40	74.35			
4	83.49	83.55	73.28	69.20	70.15	77.92	82.95	79.50	77.25	74.35			
5	85.34	85.20	73.93	69.80	70.90	79.31	82.95	79.50	77.25	74.35			

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 March 29		Through March 28	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,341,200	-	2,063,400
Exports	208,000	4,690,300	150,700	5,102,500
Total export commitments	-	7,031,500	-	7,165,900
New sales	411,700	-	39,500	-
Buy-backs and cancellations	11,900	-	8,500	-
Net sales	399,800	-	31,000	-
Sales next marketing year	51,800	612,200	41,700	939,300

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Net sales of 31,000 running bales, for the 1990-91 marketing year were above 13 percent during the week ending March 28, according to the Foreign Agricultural Service, USDA. The major purchases were for South Korea with 9,200 bales, Japan 8,600, Mexico 6,100 and Indonesia 5,000 bales. Sales increases for the 1991-92 marketing year of 41,700 bales were mainly for Indonesia with 13,000 bales, Hong Kong 11,100 and Thailand 7,200 bales. Exports of 150,700 bales were off 11 percent from the previous week. Asian destinations accounted for 75 percent of the week's shipments; West European 13 percent; Western Hemisphere 8 percent and East European 4 percent.

\*\*\*\*\*

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 5, 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	Staple	31	41	51	42	21	31	41	32
80.09	78.84	76.09	76.59	79.34	78.09	75.09	75.34	33	79.59	78.09	74.09	74.79	77.34	77.34	73.34	73.34
82.09	81.59	79.09	79.84	82.09	80.84	77.59	77.84	34	82.09	80.84	76.84	77.54	81.34	81.34	77.34	77.34
82.34	81.84	79.34	80.09	82.69	81.59	78.19	78.44	35	82.19	80.94	76.94	77.64	81.44	81.44	77.44	77.44
82.49	81.99	79.49	80.24	82.79	81.69	78.29	78.54	36	82.29	81.04	77.04	77.74	81.44	81.44	77.44	77.44

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY				
Grade				Grade				Grade				
31	41	32	42	31	41	32	42	Staple	21	31	41	51
65.65	65.05	65.25	65.00	65.55	65.05	65.25	65.00	29	-	-	-	-
67.60	66.25	67.05	65.75	67.60	66.25	67.05	65.85	30	-	-	-	-
69.65	68.65	69.55	68.60	69.65	68.65	69.55	68.60	31	-	-	-	-
72.95	72.00	72.25	69.60	72.95	72.00	72.25	69.60	32	-	-	-	-
74.65	73.80	74.00	72.00	74.65	73.80	74.00	72.00	33	-	-	-	-
77.10	76.00	76.50	72.70	77.10	76.00	76.50	72.70	34	83.59	83.34	82.59	79.84
77.90	77.00	77.30	73.50	77.90	77.00	77.30	73.50	35	85.34	85.09	84.34	80.84
78.00	77.25	77.40	73.50	78.00	77.25	77.40	73.50	36	85.44	85.19	84.44	80.84
78.00	77.25	77.40	73.50	78.00	77.25	77.40	73.50	37	85.54	85.29	84.54	80.84

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1215	-	-1300	26 & Below	-1300	-2200	-	-1453
-800	-840	-840	-650	27-29	-650	-1500	-1500	-969
-500	-525	-525	-400	30-32	-400	-900	-950	-600
-250	-230	-230	-175	33-34	-175	-450	-350	-266
0	0	0	0	35-49	0	0	0	0
-200	-155	-155	-225	50-52	-225	-200	-100	-180
-250	-240	-240	-300	53 & Above	-	-250	-	-256

SPOT QUOTATIONS - AMERICAN PIMA

Staple	01	02	03	04	05	06	Mike ranges	Points per pound
							26 & Below	-3100
							27-29	-2275
44	125.75	125.50	122.50	103.00	72.50	65.50	30-32	-1200
							33-34	-300
46	126.25	126.00	123.00	103.50	72.50	65.50	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	Staple	41	51	32	42	31	41	51
-	-	-	-	-	-	-	-	29	77.75	74.50	77.75	75.25	-	-	-
-	-	-	-	-	-	-	-	30	79.50	77.00	79.50	77.50	-	-	-
-	-	-	-	-	-	-	-	31	81.00	78.25	81.00	79.00	-	-	-
-	-	-	-	-	-	-	-	32	82.50	79.25	82.50	79.75	-	-	-
88.75	87.50	85.50	86.00	89.25	88.00	85.75	86.25	33	84.50	80.50	84.50	81.00	-	-	-
89.75	88.25	86.50	87.00	90.25	88.75	86.75	87.25	34	87.00	82.25	87.00	82.75	92.00	91.00	88.25
90.25	89.00	87.00	87.50	90.75	89.50	87.25	87.75	35	-	-	-	-	93.50	92.50	89.50
-	-	-	-	-	-	-	-	36	-	-	-	-	93.75	92.75	89.50