

## UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

COTTON DIVISION

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## Weekly Cotton Market Review

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Trading was slow on spot cotton markets, according to the Cotton Division, Agricultural Marketing Service, USDA. Spot prices averaged slightly lower than the previous week. Very little unsold cotton remains in growers' hands and this was not offered freely at prevailing prices. Most merchants were out of the market. Domestic and foreign mills made limited purchases. Forward contracting of the 1985 crop was restricted primarily to California's San Joaquin Valley and the Harlingen, Texas, area. The crop made good to excellent progress. Rains provided needed moisture in many localities. Harvesting increased rapidly in the Harlingen area and many gins began night shifts. June exports declined from the previous month. Deltapine was the most popular variety of upland cotton planted in 1985.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 59.06 cents per pound during the week ended Thursday, August 1. Prices ranged from a high of 59.22 cents on Friday to a low of 58.74 cents on Tuesday and ended the week at 59.14 cents. A week earlier, prices averaged 59.10 cents per pound and ranged from 58.63 to 59.58 cents. In the corresponding week a year ago, the average price was 63.91 cents. The New York October 1985 futures settlement price ended the week on Thursday at 59.90 cents per pound compared with 60.72 cents a week earlier. The December settlement price was 59.85 cents against 60.68 cents a week ago.

Trading on spot cotton markets continued slow. Growers were holding limited supplies of cotton and very little was offered at prevailing prices. Demand was weak as most merchants had prompt and nearby commitments covered. Domestic mill buying was slow. Purchases were primarily for prompt and nearby delivery. Foreign mill buying increased slightly but remained slow. Far Eastern mills were the predominant buyers with shipments scheduled for prompt or nearby. Purchases reported by cotton exchanges in the designated markets totaled 33,100 bales in the week ended Thursday, August 1. This compares with 27,200 bales reported a week earlier and 25,500 bales in the corresponding week last season.

Textile mill report. Most mills remained out of the cotton market with the exception of occasional purchases for fill-ins. A number of mills have their cotton needs covered into the fall and have been slow to purchase new crop. Reports indicate that interest in forward buying has been influenced by erratic product demand, prospects of more than ample supplies and uncertainty over farm legislation. Mill sales of goods were uneven with demand for manufactured products described as spotty. Some popular apparel constructions, underwear and athletic goods were sold into early next year. Yarn sales were fair to good. Market softness in selected areas resulted in shortened workweeks in mills producing these items. Work schedules ranged from four to six days, mostly five.

Exports of cotton from the United States in June declined for the fifth consecutive month of the 1984-85 marketing year, according to the Bureau of the Census. June shipments of 352,700 running bales were the smallest for this month since 1981. A month earlier, 425,500 bales were exported and 422,000 bales in June 1984. August-June shipments this season totaled 5,626,800 bales, down from 6,053,200 bales exported during the same period a year earlier and up from 4,550,200 bales shipped two years ago.

Prices received by farmers for upland cotton during the first seven months of calendar year 1985 remained below the target price of 81.00 cents per pound. The monthly average farm price was 56.40 cents in mid July and 57.50 cents for the entire month of June, according to the Statistical Reporting Service, USDA. If the weighted average price received by farmers during the calendar year is below the target price, deficiency payments will be made to growers participating in the cotton program. In July 1984, the average farm price was 65.90 cents per pound. These prices include cotton delivered against forward contracts.

Average prices received by farmers for upland cotton, in cents per pound, net weight, United States, calendar years, 1984-1985

Month	Year beginning January 1		Month	Year beginning January 1		Month	Year beginning January 1	
	1984	1985		1984	1985		1984	1985
	Cents	Cents		Cents	Cents		Cents	Cents
January	62.70	52.10	June	68.00	57.50	November	61.80	
February	65.00	48.90	July	65.90	56.40 1/	December	55.80	
March	70.10	54.50	August	67.40				
April	67.20	55.90	September	64.60		Calendar		
May	72.70	54.70 1/	October	64.60		year avg.	62.40	

1/ Mid-month price.

Source: Statistical Reporting Service, USDA

Varieties planted, 1985 crop. Deltapine was the leading variety of upland cotton planted in the United States for the 1985-86 season and accounted for 20 percent of the U.S. acreage planted. Deltapine was the leading variety planted in Arizona, Louisiana and Mississippi and was one of the two most popular varieties planted in Georgia. The most popular strain was Deltapine 41 which accounted for 7 percent of the U.S. acreage. Stoneville was the second leading variety planted in 1985 and accounted for 17 percent of the U.S. acreage. Stoneville was the most popular variety planted in Alabama, Arkansas, Missouri and Tennessee. Stoneville 825 was the most popular Stoneville strain, accounting for 11 percent of the U.S. acreage. The third most popular variety was Paymaster, accounting for 11 percent of the U.S. acreage. This was the leading variety planted in Texas. Paymaster 145 was the most popular Paymaster strain which accounted for 6 percent of the U.S. acreage. The next most popular variety was Acala, accounting for 10 percent of the U.S. acreage. Acala was the leading variety planted in California and New Mexico. Acala SJ-2 was the predominant strain planted in California and accounted for 8 percent of the U.S. acreage. The leading strain in New Mexico was Acala 1517-75. Lankart and Tamcot were the next two leading varieties planted. Each accounted for 7 percent of the U.S. acreage. Lankart was the leading variety planted in Oklahoma. The most popular Lankart strain in the U.S. was Lankart 611 which accounted for 3 percent of total acreage. Tamcot was the second leading variety planted in Texas. The most popular Tamcot strain was Tamcot SP21 and accounted for 4 percent of the U.S. acreage. Pima S-6 remained the leading strain of American Pima cotton planted this season and accounted for 99 percent of the U.S. acreage. Pima S-5 made up one percent.

Estimated percentage of upland cotton acreage planted to specified varieties, United States, 1981-1985

Year	Acala	Delta- pine	Lankart	Pay- master	Stone- ville	Tamcot	Other	Total
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1981	13	16	10	9	16	9	27	100
1982	14	16	8	5	21	10	26	100
1983	14	16	9	9	16	9	27	100
1984	12	17	7	10	17	7	30	100
1985	10	20	7	11	17	7	28	100

Exports of all cotton from the United States, running bales,  
by months and seasons, 1945-1984

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season 1/
	1,000 bales												
1945	188	244	195	297	215	293	250	319	318	457	410	367	3,553
1946	413	242	104	455	361	290	385	383	275	249	303	84	3,544
1947	37	124	133	165	230	214	163	261	155	205	133	149	1,968
1948	115	171	246	428	522	403	497	582	590	464	508	221	4,747
1949	168	211	415	434	657	530	655	686	469	539	741	267	5,771
1950	356	373	284	372	449	317	429	354	471	371	204	129	4,108
1951	146	356	587	805	980	676	588	419	334	316	264	48	5,519
1952	107	241	296	337	466	292	259	246	208	261	220	115	3,048
1953	193	200	217	243	375	297	385	430	422	336	435	228	3,761
1954	190	199	351	390	497	334	307	369	240	231	281	59	3,447
1955	60	116	192	137	159	78	99	294	362	344	238	135	2,215
1956	423	505	598	538	939	791	809	787	603	662	525	418	7,598
1957	336	379	484	526	609	517	449	480	501	535	434	468	5,717
1958	209	212	181	314	298	222	211	284	245	248	236	129	2,789
1959	98	230	392	651	726	1,109	839	767	669	524	502	675	7,182
1960	113	193	439	720	981	976	845	841	585	387	248	304	6,632
1961	644	322	301	402	537	381	381	392	302	361	425	465	4,913
1962	139	163	157	298	383	211	522	440	299	310	244	183	3,351
1963	274	361	386	501	628	587	570	490	400	381	388	697	5,662
1964	120	184	290	388	747	244	181	584	407	251	398	266	4,060
1965	117	226	304	370	447	278	254	236	177	214	176	142	2,942
1966	341	348	306	518	607	458	458	401	288	416	299	228	4,669
1967	244	277	275	298	331	474	447	436	406	383	277	357	4,206
1968	213	262	152	185	276	55	55	130	568	363	194	278	2,731
1969	147	141	167	123	176	382	325	246	308	299	269	186	2,768
1970	84	89	180	251	362	439	455	562	467	327	307	213	3,737
1971	162	310	195	272	417	337	402	437	275	163	147	110	3,229
1972	58	82	191	352	534	654	528	677	607	437	500	381	5,000
1973	329	266	259	257	592	545	598	778	638	561	496	426	5,746
1974	261	125	120	272	350	409	380	346	371	364	392	356	3,746
1975	325	258	226	176	237	214	141	381	302	327	315	276	3,178
1976	274	342	217	265	376	354	509	536	548	400	462	282	4,565
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	233	211	262	478	732	653	754	873	676	484	498	396	6,263
1982	342	351	293	382	377	438	368	487	612	464	435	409	4,961
1983	367	322	261	441	632	663	719	896	723	607	422	365	6,419
1984 2/	452	264	292	484	629	793	766	625	544	426	353		

1/ Season totals are adjusted data as reported in Supply and Distribution of Domestic and Foreign Cotton in the United States by Bureau of the Census.

2/ Preliminary.

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						Desig. 8- Mkt. Avg.	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement							
	Oct '85	Dec '85	Mar '86	May '86	Jul '86	Oct '86		
July 25	60.72	60.68	61.00	61.00	60.15	55.00	59.58	59.90
26	60.23	60.26	60.77	60.67	59.90	54.75	59.22	59.75
29	59.90	59.88	60.30	60.27	59.72	54.37	58.97	59.60
30	59.60	59.58	60.04	60.01	59.52	54.08	58.74	59.85
31	60.00	59.96	60.30	60.25	59.95	54.45	59.22	59.65
Aug. 1	59.90	59.85	60.18	60.20	59.87	54.70	59.14	57.85

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

Chicago futures contract settlement and designated spot market average for grade 42 staple 31 in cents per pound

Date	Grade 42 Staple 31					Desig. 5-Mkt. Average 1/
	Futures Settlement					
	Oct '85	Dec '85	Mar '86	May '86	Jul '86	
July 25	-	50.79	51.40	-	-	50.52
26	-	50.61	51.20	-	-	50.23
29	-	50.35	51.15	-	-	50.03
30	-	49.77	51.15	-	-	49.85
31	-	50.10	50.85	-	-	50.09
Aug. 1	-	50.25	51.35	-	-	50.23

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

U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1983-84 and 1984-85

Description	Marketing Year			
	1983-84		1984-85	
	Through July 26		Through July 25	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	769,600	-	505,700
Exports	64,400	6,372,700	55,500	5,896,300
Total export commitments	-	7,142,300	-	6,402,000
New sales	2,500	-	4,800	-
Buy-backs and cancellations	8,200	-	6,300	-
Net sales	5,700	-	-1,500	-
Sales next marketing year	180,600	2,179,400	22,700	733,700

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

Upland cotton export sales for the current marketing year resulted in a net decrease of 1,500 running bales during the week ended July 25, according to the Foreign Agricultural Service, USDA. Sales for the 1985-86 marketing year totaled 22,700 bales. The major purchases were made by European countries of 15,000 bales. Sales for the week also included 8,800 running bales of American Pima cotton and were primarily to West Germany with 7,600 bales. Exports for the week totaled 55,500 bales. Asian destinations accounted for 81 percent of the week's shipments, West European 14 percent, Western Hemisphere 3 percent and Africa 2 percent.