

UNITED STATES DEPARTMENT OF AGRICULTURE

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Weekly Cotton Market Review

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Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 74.51 cents per pound during the week ending Friday, August 17, according to the Cotton Division, Agricultural Marketing Service, USDA. Quotations averaged 484 points lower than the previous week. Daily average quotations ranged from a high of 78.14 cents on Monday, August 13, to a low of 72.68 cents on Thursday, August 16. Spot cotton quotations averaged 79.35 cents a week earlier and 69.06 cents in the corresponding week a year ago. The New York October 1990 futures settlement price closed on Friday at 70.64 cents compared with 74.85 cents a week earlier. The December settlement price was 69.21 cents against 70.65 cents the previous week. Spot transactions reported in the designated markets totaled 4,862 bales during the week ended Friday, August 17. This compared with 3,633 bales the previous week and 16,742 bales in the corresponding week last season.

Southeastern markets. Inter-merchant trading constituted the bulk of spot market activity. Demand was weak for most offerings as merchants now appear to have the majority of their needs covered. Demand was best for grades 51, 42 and higher, staples 34 and longer, mike 35-49 but bid prices weakened. In mixed lots, grade 41 staple 34, mike 35-49 sold at prices of around 250 points on NY October futures, down about 250 points from the previous week. Cotton with strengths of 27 grams per tex and higher, brought premiums of 100 to 150 points. Domestic mill business remained fairly good. Prices weakened and grower contracting of 1990-crop cotton was at a standstill. Buyers offered around 150 to 300 points off NY December futures in North Carolina to 350 to 450 points off in Alabama. Hot, dry weather was detrimental to the crop.

South central markets. A light to moderate volume of cotton traded, mostly between merchants. As buyers covered their immediate needs, demand weakened and prices moved lower. In mixed lots, grade 41 staple 34, mike 35-49, traded at prices ranging mostly from 200 to 250 points on NY October futures. Domestic mill stocks were mostly adequate to operate until new-crop cotton was available and buying interest declined. Inquiries from foreign mills were a little more numerous. Far Eastern mills purchased a light volume of cotton for prompt shipment. Prices weakened, discouraging most growers from contracting 1990-crop cotton. A very light volume of bales was contracted at 550 points off NY December futures, basis grade 41 staple 34, mike 35-49, under various delivery terms. The crop would benefit from rain. Insect infestations in some localities were heavy, but overall crop prospects remained good.

Southwestern markets. Trading activity centered on the south Texas crop. Merchants accepted delivery of contracted cotton and were offering 1,600 to 1,800 points above CCC loan rates for free cotton. Most growers refused these prices and were asking two to four cents more. Merchants were busily filling existing orders. Spot demand for cotton in staples 34 and shorter or mike 49 and higher was weak. Very little spot cotton from the Plains area traded during the week. Domestic mills purchased a light to moderate volume of grades 41 and 32, staples 32 and longer, and mike readings 35 and below for first quarter 1991 delivery. Good harvesting weather prevailed in south Texas, while rain helped improve the west Texas crop.

Western markets. Trading was extremely slow. Grower supplies were very small, especially in grades 31 and higher. In Arizona, a small volume of grade 21 staples 34 and longer, mike 50 and higher traded at 79 cents per pound, and a small volume of mixed grades 41 and 42 brought 60 to 63 cents. Domestic mills purchased a small volume of high grade cotton for prompt shipment. San Joaquin Valley growers forward contracted a small amount of 1990-crop upland cotton at 600 to 650 points on NY December futures, basis grade 31 staple 35, mike 35-49.

European mills purchased a light to moderate volume of 1991 crop high grade cotton from the El Paso area for last quarter 1991 shipment. Cooler weather was considered helpful to the cotton crop. Demand for American Pima cotton remained good. European mills purchased a small volume for prompt shipment and a moderate amount for first quarter shipment. Far Eastern mills purchased a light to moderate volume for both prompt and deferred shipment. Arizona growers forward contracted a moderate volume of 1990 crop at \$1.15 per pound. San Joaquin Valley grower forward contracted a small amount at around \$1.18 per pound, basis grade 3.

Textile mill report. Domestic mills purchases were light. Demand weakened for prompt and nearby deliveries. Inquiries centered on cotton for last quarter and later shipment. Supplies of cotton from early producing areas of Texas were increasing. Mill reduced offering prices as their needs were met. The medium white and Light Spotted grades, staples 34 and longer, central and southeastern growths remained in best demand. Mill business has trended slower but remained fairly good for most products. Leading sellers continued to be athletic wear and most knits. Sales of poly-cotton blends, combed yarns, selected household products and denims were slow. In an effort to hold down growing inventories of unsold goods, production was reduced at some mills. Mill workweeks were mostly five to seven days, however; a few small yarn mills were on four days.

Varieties planted, 1990-crop. Deltapine was the leading variety of upland cotton planted in the U.S. for the 1990-91 season. This variety accounted for 38.2 percent of the national acreage. Deltapine was the leading variety planted in Alabama, Arizona, Arkansas, Georgia, Louisiana, Mississippi, Missouri, North Carolina and Tennessee. Deltapine 50 and Acala 90 were the most popular strains, accounting for 17.1 and 11.8 percent of the U.S. acreage, respectively.

Paymaster was the second leading variety planted in 1990 and accounted for 17.8 percent of the U.S. acreage. Paymaster was the most popular variety planted in Texas and the second most favored variety planted in New Mexico and Oklahoma. The leading strains were Paymaster HS 26 and 145, accounting for 9.7 and 7.4 percent of the U.S. acreage, respectively.

Stoneville was the next most popular variety and accounted for 7.0 percent of the U.S. acreage. Stoneville was the second most popular variety planted in Alabama, Arkansas, Georgia, Louisiana, Missouri and Tennessee. Stoneville 453 and 506 were the predominant strains, accounting for 2.7 and 2.3 percent of the national acreage, respectively.

The fourth most popular variety planted in 1990 was Acala. This variety accounted for 5.8 percent of the U.S. acreage and was the leading variety planted in California and New Mexico and the second most favored in Arizona. Acala SJ-2 was the leading Acala strain, making up 4.3 percent of the national acreage.

The fifth most popular variety was Tamcot, accounting for 3.7 percent of the U.S. acreage. Tamcot was the third most favored variety planted in Texas. Tamcot SP-21 and CAB-CS were the most popular strains accounting for 0.9 and 1.7 percent of the 1990 acreage, respectively.

The sixth most prevalent variety planted was Germain's, which made up 4.3 percent of total U.S. acreage. This variety was the second most popular variety planted in California. Acala GC-510 was the leading Germain's strain and made up 3.5 percent of U. S. acreage.

Pima S-6 remained the leading strain of American Pima cotton planted in the United States for the 1990 crop. This was the seventh consecutive year Pima S-6 has been predominant and accounted for 98.7 percent of the total acreage planted this season. S-5, at 1.3 percent, made up the remainder of the 1990 American Pima acreage.

Estimated percentage of upland cotton acreage planted to specified varieties, United States, 1986-1990

Year	Acala	Delta-pine	Germain's	Paymaster	Stoneville	Tamcot	Other	Total
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1986	7.0	27.0	4.0	11.0	16.0	7.0	25.0	100.0
1987	7.0	25.0	4.0	13.0	13.0	6.0	31.0	100.0
1988	6.9	30.0	4.6	13.8	10.7	6.0	28.0	100.0
1989	7.0	32.5	4.4	12.0	10.1	6.8	27.2	100.0
1990	5.8	38.2	4.3	17.8	7.0	3.7	19.4	100.0

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	1990				
	July 27-31	Aug. 1-2	Aug. 3-9	Aug. 10-16	Aug. 17-23
Adjusted world price	67.03	67.12	66.40	66.31	64.82
Course count adjustment	0	0	0	0	0

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 : Staple 35 Index 1/	Coarse Count : 'B' Index 1/
	Futures Settlement							
	Oct '90	Dec '90	Mar '91	May '91	Jul '91			
Aug. 13	74.85	70.65	71.75	72.45	72.32	78.14	81.55	78.35
14	72.85	68.83	70.10	70.86	70.85	75.64	80.35	77.35
15	70.85	68.86	70.23	70.95	70.72	73.36	79.70	76.50
16	70.90	68.89	70.12	71.00	70.85	72.68	79.35	76.00
17	70.64	69.21	70.48	71.40	71.00	72.71	79.35	76.00

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 August 10		Through August 9	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,280,100	-	3,033,400
Exports	94,000	136,700	122,900	139,800
Total export commitments	-	2,416,800	-	3,173,200
New sales	126,300	-	173,500	-
Buy-backs and cancellations	6,700	-	39,000	-
Net sales	119,600	-	134,500	-
Sales next marketing year	-	16,400	15,000	36,400

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

NOTE: Data may not add due to rounding.

Upland cotton export sales for the 1990-91 marketing year totaled 134,500 running bales, down 28 percent from the previous week's level, according to the Foreign Agricultural Service, USDA. Major buyers were Egypt with purchases of 40,000 bales, South Korea 31,000, Brazil 25,100, Japan 22,400 and Indonesia 12,700 bales. Cancellations of 29,900 bales were reported for Iraq. Shipments of 122,900 bales were 2 percent below the prior week. Asian destinations accounted for 89 percent of the week's exports, East European 6 percent and Western European 5 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

August 17, 1990

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	31	41	51	42	21	31	41	32	
71.59	70.49	67.49	67.99	71.39	70.39	64.89	65.89	33	71.59	70.39	64.64	66.14	71.64	71.64	68.89	68.89
73.64	73.14	70.14	70.64	74.14	73.14	67.39	68.39	34	74.09	73.14	67.39	68.89	75.64	75.64	72.89	72.89
73.89	73.39	70.39	70.89	74.24	73.39	67.49	68.49	35	74.19	73.24	67.49	68.99	75.74	75.74	72.99	72.99
74.04	73.54	70.54	71.04	74.34	73.49	67.59	68.59	36	74.29	73.34	67.59	69.09	75.74	75.74	72.99	72.99

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY				
Grade				Grade				Grade				
31	41	32	42	31	41	32	42	Staple	21	31	41	51
63.15	63.00	62.80	61.80	64.30	62.20	62.25	61.10	29	-	-	-	-
63.90	63.75	63.55	62.35	65.55	63.45	63.70	63.65	30	-	-	-	-
67.15	67.00	66.80	66.60	68.15	65.95	66.15	66.00	31	-	-	-	-
68.30	68.00	67.80	67.35	69.20	66.70	67.15	66.90	32	-	-	-	-
69.85	69.45	68.75	68.50	70.75	68.70	68.70	68.30	33	-	-	-	-
71.60	71.25	70.55	69.30	72.30	70.00	70.00	68.60	34	77.39	77.14	75.39	71.89
71.90	71.50	70.80	69.60	72.60	70.25	70.25	68.90	35	79.14	78.89	77.14	72.89
72.00	71.60	70.90	69.60	72.70	70.35	70.35	68.90	36	79.24	78.99	77.24	72.89
72.00	71.60	70.90	69.60	72.70	70.35	70.35	68.90	37	79.34	79.09	77.34	72.89

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1685	-	-1700	26 & Below	-1700	-2100	-	-1687
-800	-1175	-1175	-700	27-29	-700	-1400	-1700	-1093
-500	-680	-680	-450	30-32	-450	-800	-1150	-673
-250	-420	-420	-150	33-34	-150	-350	-450	-313
0	0	0	0	35-49	0	0	0	0
-200	-345	-345	-250	50-52	-250	-50	-100	-220
-250	-430	-430	-300	53 & Above	-	-100	-	-302

SPOT QUOTATIONS - AMERICAN PIMA

Staple	Grade	Grade	Grade	Grade	Grade	Grade	Grade	Mike ranges	Points per pound
	01	02	03	04	05	06			
								26 & Below	-3100
								27-29	-2275
44	110.75	110.50	109.50	101.50	78.50	67.00		30-32	-1200
								33-34	-300
46	111.25	111.00	110.00	102.00	78.50	67.00		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	67.50	64.50	67.50	65.00	-	-	-
-	-	-	-	-	-	-	-	30	69.50	66.75	69.50	67.25	-	-	-
-	-	-	-	-	-	-	-	31	71.00	68.25	71.00	68.75	-	-	-
-	-	-	-	-	-	-	-	32	72.50	69.00	72.50	69.50	-	-	-
80.50	80.00	77.75	79.50	81.00	80.50	78.00	79.75	33	74.50	70.25	74.50	71.00	-	-	-
81.50	80.75	78.75	80.50	82.00	81.25	79.00	80.75	34	76.75	72.25	76.75	72.75	83.75	82.75	78.50
82.00	81.50	79.25	80.50	82.50	82.00	79.50	80.75	35	-	-	-	-	85.25	84.25	79.75
-	-	-	-	-	-	-	-	36	-	-	-	-	85.50	84.50	79.75