

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 74.50 cents per pound during the week ending Friday, August 24, according to the Cotton Division, Agricultural Marketing Service, USDA. Daily average quotations ranged from a low of 73.49 cents on Monday, August 20, to a high of 75.80 cents on Friday, August 24. Spot cotton quotations averaged 74.51 cents a week earlier and 70.21 cents in the corresponding week a year ago. The New York October 1990 futures settlement price closed on Friday at 74.82 cents compared with 70.64 cents a week earlier. The December settlement price was 72.35 cents against 69.21 cents the previous week. Spot transactions reported in the designated markets totaled 6,303 bales during the week ended Friday, August 24. This compared with 4,862 bales the previous week and 32,207 bales in the corresponding week last season.

Southeastern markets. Trading remained at a virtual standstill. Inter-merchant trading continued to constitute the bulk of activity. Most merchants have short term needs filled. Existing contracts were now being filled mostly from stocks. Offering prices remained fairly steady. Demand continued best for grades 51, 42 and higher, staples 34 and longer, mike 35-49. Grade 41 staples 34 and longer, mike 35-49, brought prices of around 250 points on NY October futures. Cotton with strength of 27 grams per tex and higher, brought premiums of 100 to 150 points. Contracting of 1990-crop cotton was light. Domestic mill business slowed. Crop conditions varied widely. Harvesting was getting underway in some drought stricken localities.

South central markets. Spot trading was light to moderate and primarily between merchants. Very little cotton remained at the grower level. Merchants covering prompt needs displayed the strongest demand. In mixed lots, grade 41 staple 34, mike 35-49, sold at prices ranging from 100 to 250 points on NY October futures. Large even-running lots of grades 31 and 41 commanded additional premiums. Prices weakened on mixed lots of mostly low grade, low mike cotton as merchants cleared out stocks prior to new-crop movement. Domestic mill buying for prompt delivery was light. Mills bought a moderate volume of mostly grade 40 staple 35, for December shipment. Export sales increased. Far Eastern mills were actively seeking cotton and a moderate volume was sold for early 1991. Some growers fixed prices on 1990-crop cotton forward contracted earlier. Booking of additional acreage at current prices was light. Bale contracts were signed at 550 points off NY December futures and acreage contracts at 600 points off, basis grade 41 staple 34, mike 35-49. Hot and dry weather conditions hastened crop maturity.

Southwestern markets. Trading centered on the south Texas crop. Merchants accepted delivery of contracted cotton and were offering 1,100 to 1,600 points above CCC loan rates for mixed lots of free cotton. Many growers refused these

prices and were asking four to six cents more. Demand for cotton in staples 31 and shorter, mike 50 and higher, and/or with strength readings of 24 grams per tex and below was weak. Cotton with strength below 24 grams per tex was discounted two to four cents per pound. Merchants offered to book 1991-crop south Texas cotton at 350 points on October 1991 futures for grade 41 staple 34, mike 35-49. Very little Plains area spot cotton traded during the week as supplies were very limited. Far Eastern mills showed more interest in 1990-crop west Texas cotton, but little was purchased. Good harvesting conditions prevailed in south Texas, elsewhere crop prospects were good.

Western markets. Trading was very slow. Growers supplies were very small. Domestic mill purchases were light. Far Eastern mills purchased a small volume of grade 31 for prompt to nearby shipment. San Joaquin Valley (SJV) growers forward contracted a small amount of 1991 crop at 75 cents per pound, basis grade 31 staple 35, mike 35-49. The crop continued to make good progress. Demand improved for American Pima cotton. In Arizona, grade 3, staples 44 and 46, mostly mike 35-49, traded at \$1.12 to \$1.13. Grade 4, brought \$1.04 to \$1.05. Arizona and SJV growers forward contracted a light to moderate volume of 1990 crop at \$1.16 to \$1.17 per pound, basis grade 3.

Textile mill report. Domestic mill demand was light for both nearby and forward deliveries. A few mills bought cotton for shipment into the spring of 1990, but merchants were reluctant to sell for deferred delivery. Central and southeastern growths were in demand, but western growths also attracted some interest. Mill business remained fairly good for most products. Athletic wear, most knits and plied yarns were among the best selling products, while sales of lightweight ladies apparels, poly-cotton blends, and combed yarns were slow. Production was reduced at some mills. Workweeks were mostly five to seven days, but an increasing number of mills have dropped weekend shifts.

Domestic mill consumption averaged 27,900 running bales per day in the four weeks ended July 28, according to the Bureau of the Census. This was down from 33,000 bales used per day a month earlier (five weeks), and the largest July daily rate since 1966. Domestic mills consumed 559,300 bales in July, down from 825,900 bales a month earlier but up from 558,600 bales in July last season. Cotton consumed for the entire 1989-90 marketing year (August-July) totaled 8,109,200 bales, the largest volume used for this period since 1968-69, and compares with 7,443,800 bales the previous season and 7,293,600 bales two years ago.

Consumption of man-made fiber by domestic mills with cotton system spindles totaled 104.8 million pounds in the four weeks ended July 28, according to the Bureau of the Census. This brought August-July consumption to 1,625.6 million pounds down 3 percent from usage last year and 7 percent two years ago.

Stocks of cotton at mills totaled 665,200 running bales on July 28, according to the Bureau of the Census. This compares with 606,000 bales held at the end of July last year and 709,000 bales two years ago. At the July daily rate of consumption, mill stocks were equivalent to almost five weeks' supply. Cotton in public storage totaled 2,187,700 running bales on July 28, the smallest end-of-July supply since 1984. Public storage stocks totaled 5,928,100 and 4,645,000 bales at the end of July 1989 and 1988, respectively.

All Cotton: Domestic mill consumption and stocks, running bales, by months and seasons, 1985-1989

Season beginning August 1:	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season 1/
1,000 bales													
Mill consumption 2/													
1985	458	562*	493	477	486*	595*	499	492	620*	503	489	522*	6,198
1986	534	523	683*	529	576*	546	562	734*	573	586	708*	540	7,096
1987	606	753*	621	606	610*	568	590	738*	556	551	662*	433	7,294
1988	577	693*	552	523	572*	568	584	751*	623	645	798*	559	7,444
1989 4/	663	829*	665	617	653*	605	633	794*	624	641	826*	559	
Mill consumption per day													
1985	22.9	22.5	24.6	23.9	19.5	23.8	24.9	24.6	24.8	25.2	24.4	20.9	23.4
1986	26.7	26.2	27.3	26.5	23.1	27.3	28.1	29.4	28.7	29.3	28.3	27.0	27.3
1987	30.3	30.1	31.0	30.3	24.4	28.4	29.5	29.5	27.8	27.6	26.5	21.7	28.1
1988	28.8	27.7	27.6	26.1	22.9	28.3	29.2	30.0	31.2	32.2	31.9	27.9	28.6
1989 4/	33.2	33.1	33.2	30.8	26.1	30.2	31.6	31.8	31.2	32.1	33.0	28.0	
Stocks in consuming establishments 3/													
1985	685	621	557	570	604	687	728	776	789	782	788	775	-
1986	664	582	563	578	620	640	705	702	723	709	674	680	-
1987	648	579	530	542	637	722	777	786	790	756	719	709	-
1988	651	581	568	555	571	588	631	612	627	645	603	606	-
1989 4/	600	590	552	544	584	661	689	696	685	675	667	665	-
Stocks in public storage 3/													
1985	2,826	3,743	6,122	8,963	10,677	10,747	10,243	9,656	9,072	8,449	7,980	8,116	-
1986	7,625	7,996	9,543	10,148	10,204	10,015	9,058	7,878	6,871	5,870	4,821	3,817	-
1987	3,239	4,864	7,398	9,456	10,582	10,216	9,149	7,972	6,965	5,973	5,072	4,645	-
1988	4,432	5,017	8,259	11,722	13,481	13,109	12,048	10,607	9,362	8,170	6,771	5,929	-
1989 4/	4,975	4,458	7,378	10,558	10,762	9,524	8,052	6,566	5,447	4,224	3,185	2,188	-

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/ 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. 3/ These data refer to a particular day near the end of the month. 4/ Preliminary. * Five week month.

Source: Bureau of the Census

TOTAL ACCUMULATED U.S. EXPORTS OF UPLAND COTTON BY COUNTRY OF DESTINATION, RANKED IN DESCENDING ORDER FOR MARKETING YEAR 1989-90, COMPARED WITH THE FOUR PREVIOUS MARKETING YEARS (1,000 Running bales)

Country	1989-90		1988-89		1987-88		1986-87		1985-86	
	Exports	Rank	Exports	Rank	Exports	Rank	Exports	Rank	Exports	Rank
Japan	1,473.0	1	1,241.0	1	1,502.8	1	1,633.7	1	529.7	1
Korea	1,232.4	2	1,193.7	2	1,329.2	2	1,262.8	2	468.9	2
China	670.7	3	870.2	3	-	-	-	-	-	-
Indonesia	426.6	4	313.1	4	269.9	6	306.8	4	97.1	4
Italy	353.9	5	171.7	7	370.7	4	240.7	5	87.2	5
Thailand	328.2	6	143.6	9	215.3	7	226.8	6	16.5	14
Taiwan	280.1	7	246.9	5	401.0	3	863.3	3	35.5	8
Germany, Fed. Rep. of	255.2	8	127.2	11	290.0	5	208.6	7	32.2	10
Hong Kong	233.9	9	107.6	13	77.7	13	49.9	20	0.3	36
Egypt	227.1	10	143.2	10	134.0	9	65.0	16	132.5	3
Canada	172.9	11	159.3	8	156.3	8	66.8	15	84.9	6
Spain	137.9	12	40.4	19	72.9	14	54.9	18	22.2	12
Philippines	136.9	13	51.8	16	122.1	11	146.4	8	8.8	24
Turkey	124.7	14	115.1	12	27.7	27	96.7	11	-	-
Mexico	118.2	15	24.0	23	22.8	30	134.2	9	1.1	33
Banladesh	112.2	16	61.5	14	37.2	24	81.4	12	10.1	19
Poland	52.5	17	15.0	30	43.1	22	4.2	40	-	-
Switzerland	42.9	18	39.5	21	32.4	25	44.9	21	12.1	16
Ireland	37.6	19	40.4	20	63.4	17	73.9	13	49.0	7
Portugal	37.2	20	20.3	25	54.8	19	71.1	14	8.0	26
United Kingdom	35.8	21	30.7	22	48.8	21	52.4	19	33.1	9
France	35.7	22	13.2	32	58.9	18	107.6	10	8.3	25
Romania	34.2	23	9.6	33	-	-	-	-	-	-
Greece	31.2	24	41.6	18	122.4	10	36.8	25	11.2	17
Malaysia	31.0	25	17.5	26	26.2	28	43.3	22	10.0	20
Belgium	28.1	26	23.1	24	39.6	23	37.5	24	9.1	23
Morocco	22.1	27	15.1	29	24.9	29	19.1	31	1.1	32
Sweden	21.7	28	17.1	27	18.1	33	14.7	33	14.2	15
Israel	18.7	29	6.7	36	14.3	36	7.8	36	2.9	29
Algeria	16.7	30	58.3	15	71.5	15	-	-	-	-
Ghana	14.4	31	3.2	40	15.6	35	33.9	26	10.8	18
Zaire	14.2	32	14.3	31	4.8	47	41.3	23	19.5	13
Ecuador	13.2	33	48.1	17	19.9	31	-	-	-	-
Burma	12.4	34	-	-	-	-	-	-	-	-
Brazil	12.3	35	1.1	47	53.0	20	32.5	27	-	-
Singapore	11.4	36	1.9	45	4.7	48	5.2	37	1.5	31
Czechoslovakia	9.5	37	0.5	48	4.4	49	-	-	-	-
Finland	7.1	38	7.6	34	14.2	37	19.3	30	3.3	27
Costa Rica	6.4	39	5.9	39	6.6	44	4.7	39	-	-
Yugoslavia	6.0	40	7.3	35	9.0	40	4.7	38	27.4	11
Denmark	5.7	41	2.7	42	6.3	45	3.4	42	3.1	28
USSR	4.5	42	2.3	43	92.4	12	-	-	-	-
Norway	4.4	43	6.0	38	8.3	41	10.0	35	9.5	21
Mozambique	3.3	44	-	-	-	-	-	-	-	-
El Salvador	2.3	45	16.9	28	18.2	32	25.3	28	-	-
German Democratic Rep.	2.2	46	-	-	7.0	43	-	-	-	-
Austria	1.7	47	1.3	46	1.3	52	-	-	-	-
Netherlands	1.6	48	2.9	41	5.7	46	2.7	43	0.1	38
Mauritius	1.3	49	-	-	-	-	0.2	49	-	-
Guatemala	1.0	50	-	-	-	-	-	-	-	-
Sri Lanka	0.2	51	-	-	0.8	54	0.5	47	2.2	30
Chile	0.2	52	0.2	51	0.4	55	-	-	-	-
Iraq	0.1	53	201.7	6	69.0	16	62.4	17	-	-
Venezuela	-	-	6.3	37	17.7	34	10.8	34	-	-
Hungary	-	-	2.1	44	-	-	-	-	-	-
Argentina	-	-	0.3	49	28.9	26	15.8	32	9.5	22
India	-	-	0.2	50	7.2	42	-	-	-	-
Rep. of So. Africa	-	-	-	-	14.0	38	4.0	41	0.1	39
Peru	-	-	-	-	9.1	39	-	-	-	-
Somalia Republic	-	-	-	-	2.6	50	-	-	-	-
Tunisia	-	-	-	-	2.4	51	1.7	44	0.7	34
Uruguay	-	-	-	-	0.9	53	0.2	48	-	-
Nigeria	-	-	-	-	0.2	56	24.7	29	-	-
Guatemala	-	-	-	-	0.1	57	1.5	45	-	-
Jamaica	-	-	-	-	-	-	0.6	46	0.3	37
Australia	-	-	-	-	-	-	-	-	0.5	35
Trinidad	-	-	-	-	-	-	-	-	0.1	40
Unknown destinations	-	-	-	-	-	-	-	-	-	-
Grand total 1/	6,864.6		5,691.2		6,073.1		6,256.8		1,774.5	

1/ Totals may not add due to rounding.

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				
	Aug. 1-2	Aug. 3-9	Aug. 10-16	Aug. 17-23	Aug. 24-30
Adjusted world price	67.12	66.40	66.31	64.82	64.24
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	: 'A' Index 1/2	: 'B' Index 1/2
	Futures Settlement							
	Oct '90	Dec '90	Mar '91	May '91	Jul '91			
Aug. 20	71.73	70.10	71.42	72.25	72.20	73.49	79.40	76.10
21	72.48	70.43	71.79	72.60	72.48	74.02	80.10	76.60
23	73.12	70.52	71.90	72.65	72.52	74.48	80.35	76.85
24	73.42	70.43	71.70	72.50	72.50	74.69	80.35	76.85
25	74.82	72.35	73.40	73.88	73.76	75.80	80.35	76.85

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 17		Through August 16	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,422,400	-	3,138,200
Exports	113,800	250,400	73,700	213,500
Total export commitments	-	2,672,800	-	3,351,700
New sales	265,200	-	193,100	-
Buy-backs and cancellations	9,200	-	14,600	-
Net sales	256,000	-	178,500	-
Sales next marketing year	45,600	62,000	900	37,200

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Net sales of 178,500 running bales during the week ending August 16 were up about 33 percent from the previous week, according to the Foreign Agricultural Service, USDA. The major buyers were South Korea with purchases of 85,900 bales, Japan 45,800 and Indonesia 19,400 bales. Cancellations of 13,200 bales were reported for Iraq. Shipments of 73,700 bales were 40 percent below the prior week. Asian destinations accounted for 73 percent of the week's exports; West European 16 percent and Western Hemisphere 11 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 24, 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				:	Staple	:	Grade				:	Grade		
31	41	51	42	:	31	41	51	42	:	31	41	51	42	:	21	31	41	32	
75.77	74.67	71.67	72.17	:	75.57	74.57	69.07	70.07	:	33	75.77	74.57	68.82	70.32	:	75.82	75.82	73.07	73.07
77.82	77.32	74.32	74.82	:	78.32	77.32	71.57	72.57	:	34	78.27	77.32	71.57	73.07	:	79.82	79.82	77.07	77.07
78.07	77.57	74.57	75.07	:	78.42	77.57	71.67	72.67	:	35	78.37	77.42	71.67	73.17	:	79.92	79.92	77.17	77.17
78.22	77.72	74.72	75.22	:	78.52	77.67	71.77	72.77	:	36	78.47	77.52	71.77	73.27	:	79.92	79.92	77.17	77.17

EAST TEXAS-OKLAHOMA					WEST TEXAS					SAN JOAQUIN VALLEY					
Grade				:	Grade				:	Staple	:	Grade			
31	41	32	42	:	31	41	32	42	:	21	31	41	51		
60.65	60.50	60.30	59.30	:	62.55	60.45	60.50	59.35	:	29	-	-	-		
61.40	61.25	61.05	59.85	:	63.80	61.70	61.95	61.90	:	30	-	-	-		
66.15	66.00	65.80	65.60	:	67.90	65.70	65.90	65.75	:	31	-	-	-		
68.30	68.00	67.80	67.35	:	69.95	67.45	67.90	67.65	:	32	-	-	-		
69.85	69.45	68.75	68.50	:	71.50	69.45	69.45	69.05	:	33	-	-	-		
71.60	71.25	70.55	69.30	:	73.05	70.75	70.75	69.35	:	34	81.57	81.32	79.57	76.07	
71.90	71.50	70.80	69.60	:	73.35	71.00	71.00	69.65	:	35	83.32	83.07	81.32	77.07	
72.00	71.60	70.90	69.60	:	73.45	71.10	71.10	69.65	:	36	83.42	83.17	81.42	77.07	
72.00	71.60	70.90	69.60	:	73.45	71.10	71.10	69.65	:	37	83.52	83.27	81.52	77.07	

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	-450	50-52	-450	-50	-100	-277
-250	-430	-430	-600	53 & Above	-	-100	-	-362

SPOT QUOTATIONS - AMERICAN PIMA

Staple	Grade	Grade	Grade	Grade	Grade	Grade	Mike ranges	Points per pound	
:	01	02	03	04	05	06	:	:	
:	Cents per pound						:	26 & Below	-3100
:							:	27-29	-2275
44	113.75	113.50	112.50	104.50	81.50	70.00	:	30-32	-1200
:							:	33-34	-300
46	114.25	114.00	113.00	105.00	81.50	70.00	:	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				:	Staple	:	Grade				:	Grade		
31	41	51	42	:	31	41	51	42	:	31	41	51	42	:	31	41	51		
-	-	-	-	:	-	-	-	-	:	29	71.50	68.50	71.50	69.00	:	-	-	-	
-	-	-	-	:	-	-	-	-	:	30	73.50	70.75	73.50	71.25	:	-	-	-	
-	-	-	-	:	-	-	-	-	:	31	75.00	72.25	75.00	72.75	:	-	-	-	
-	-	-	-	:	-	-	-	-	:	32	76.25	73.00	76.25	73.50	:	-	-	-	
82.00	81.75	79.75	81.50	:	82.50	82.25	80.00	81.75	:	33	78.50	74.25	78.50	75.00	:	-	-	-	
83.00	82.50	80.75	82.50	:	83.50	83.00	81.00	82.75	:	34	80.75	76.25	80.75	76.75	:	87.50	86.75	82.25	
83.50	83.25	81.25	82.50	:	84.00	83.75	81.50	82.75	:	35	-	-	-	-	:	89.00	88.25	83.50	
-	-	-	-	:	-	-	-	-	:	36	-	-	-	-	:	89.25	88.50	83.50	