

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

COTTON DIVISION

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Trading activity remained limited, according to the Cotton Division, Agricultural Marketing Service, USDA. Spot prices were lower. Merchant needs were fairly well covered and purchases were light. Domestic and foreign mill demand was weak. Growers had forward contracted about nine percent of the 1982 crop through the end of July. Contracting was limited to a small volume in south Texas during the period. The crop made favorable progress in most localities. Harvesting continued to increase in south Texas. The interest rate for CCC loans disbursed in August will be 14.0 percent.

Spot cotton prices declined. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets ranged from a low of 61.87 cents per pound to a high of 63.20 cents during the first week of the new 1982-83 marketing year. The average price ended the week on Thursday, August 5, at 62.31 cents. This compares with 63.21 cents a week earlier and 70.83 cents on the corresponding Thursday last season. The New York October futures settlement price ended the week on Thursday at 67.75 cents per pound compared with 68.70 cents a week earlier. The December settlement price was 69.78 cents against 71.05 cents last Thursday.

Trading on spot cotton markets remained slow. Grower offerings were light at prevailing price levels. Most merchants had needs fairly well covered and were not actively seeking cotton. Domestic mill buying was light and mostly for prompt or nearby delivery. Purchases also included a limited volume of 1982 crop. Export trading was limited to a light volume of mostly Far Western growths. Most sales were made to Far Eastern mills and included both 1981 and 1982-crop cotton. Purchases by European mills were very light. Purchases reported by cotton exchanges in the designated markets totaled 31,200 bales in the week ended Thursday, August 5. This compares with 77,400 bales a week earlier and 24,000 bales in the corresponding week last season.

Textile mill report. Most domestic mills reported a continuing slowdown in finished goods sales. Many mills continued to curtail production operations. Some mills closed or planned to close for various periods of time and others were terminating or furloughing both production and management employees. Most mills indicated that, with increasingly slower product sales, cotton stocks were fully adequate into movement of the Delta crop. Purchases were primarily small lots for fill-ins but a few mills bought Far Western growths for forward delivery.

Prices received by farmers for upland cotton averaged 55.90 cents per pound in mid-July, according to the Statistical Reporting Service, USDA. This compares with 54.90 cents for the entire month of June and 70.40 cents in July 1981. Monthly average prices received by farmers this calendar year ranged from a low of 48.40 cents in February to a high of 55.90 cents in mid-July. These prices include cotton delivered against forward contracts. The 1982 target price is 71.00 cents per pound. If the weighted average farm price received by farmers during calendar year 1982 falls below the target price, deficiency payments will be made to growers who are participating in the cotton program. The parity price for upland cotton announced July 30 was 120.00 cents per pound, the same as a month earlier and compares with 117.00 cents in July last season.

CCC loan entries of 1981-crop cotton totaled 6,081,600 running bales through July 28. Repayments had been made on 2,398,300 bales. Loans were outstanding on 3,683,300 bales, of which 2,016,900 were Form A (producer) and 1,666,400 were Form G (cooperative) loans. Entries of 1980-crop cotton totaled 2,328,100 bales, repayments were 2,212,900 and loans were outstanding on 114,600 bales. Loans remained outstanding on 46,700 bales of Form A and 67,900 of Form G.

Contracting 1982 crop. United States upland cotton growers had forward contracted about nine percent of their crop by the end of July, up from seven percent a year earlier. The largest percentage of any crop forward contracted through July since records began in 1974 was the 1976 crop when 47 percent was booked. Contracting this season has been most active in south central states where 19 percent had been booked, up from 15 percent a year ago. Growers in western states had forward contracted about 16 percent, up from eight percent last season. In southeastern states, growers had forward contracted about 15 percent this season against eight percent a year earlier. Growers in southwestern states had contracted about two percent, down from three percent a year ago. These estimates were based on the Crop Reporting Board's June planted acreage report and informal surveys made by the Cotton Division, Agricultural Marketing Service, USDA.

Forward contracting of upland cotton by growers, through July 31, crops of 1974-1982 and planted acreage, 1982 crop

State	Cotton crops										Planted acreage ^{1/} 1,000 acres
	1974	1975	1976	1977	1978	1979	1980	1981	1982		
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	
Alabama	11	1	66	8	7	12	23	7	15		270
Georgia	4	-	31	1	-	7	11	10	4		170
North Carolina	8	-	38	14	2	10	28	2	15		80
South Carolina	17	2	36	16	9	13	48	12	33		105
Southeastern states	10	1	50	8	5	11	25	8	15		625
Arkansas	30	2	81	17	18	14	43	13	16		450
Louisiana	22	1	75	6	25	11	39	9	16		620
Mississippi	37	2	68	22	32	40	63	20	21		1,100
Missouri	36	*	84	21	13	18	74	20	19		200
Tennessee	17	1	65	2	6	10	27	4	19		260
South Central states	31	2	74	16	23	24	51	15	19		2,630
Oklahoma	*	-	25	19	25	3	4	-	1		560
Texas	7	*	22	18	8	11	14	3	2		5,700
Southwestern states	6	*	22	18	9	10	13	3	2		6,260
Arizona	40	8	61	49	33	23	35	7	20		490
California	59	26	71	27	35	22	23	9	15		1,380
New Mexico	12	*	38	20	10	6	4	1	*		95
Western states	51	20	66	32	33	22	25	8	16		1,965
United States	21	3	47	19	16	15	24	7	9		11,480

^{1/} June 1982, Crop Reporting Board, Statistical Reporting Service, USDA.

* Less than 0.5 percent.

Parity prices, farm prices, average prices in designated spot markets and landed Group 201 Mill Points (Group B), in cents per pound, net weight, United States, crops of 1977-1981

Year beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Avg.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
<u>Parity, upland cotton 1/</u>													
1977	83.70	83.60	83.60	83.80	84.10	85.40	86.60	88.00	89.10	90.00	90.40	90.60	86.58
1978	90.60	91.50	92.10	92.30	93.20	94.40	96.20	98.20	99.20	100.00	101.00	99.90	95.72
1979	99.70	101.00	102.00	102.00	103.00	104.00	105.00	106.00	106.00	107.00	108.00	109.00	104.39
1980	110.00	111.00	112.00	113.00	113.00	115.00	115.00	116.00	117.00	117.00	117.00	117.00	114.42
1981	117.00	118.00	117.00	117.00	117.00	117.00	118.00	118.00	118.00	119.00	120.00	120.00	118.00
<u>Average prices received by farmers for upland cotton 2/</u>													
1977	58.30	59.10	53.60	52.10	48.70	49.10	51.40	51.10	52.20	53.70	54.80	56.50	52.10
1978	57.40	56.20	59.60	61.10	59.00	57.00	55.60	53.50	54.70	56.00	58.80	61.90	58.10
1979	59.20	57.30	61.20	61.00	59.80	60.90	64.90	62.90	61.00	63.60	62.20	71.50	63.10
1980	73.70	74.00	75.30	77.60	80.90	76.60	70.80	71.90	72.70	72.50	71.20	70.40	74.40
1981	65.00	58.00	62.30	60.10	51.20	49.90	48.40	50.10	53.50	54.20	54.90	55.90 ^{3/}	54.50 ^{4/}
<u>Grade 41 staple 34 cotton in designated spot markets</u>													
1977	52.54	49.30	49.06	47.98	48.42	51.05	52.89	55.01	54.72	57.59	57.35	56.99	52.74
1978	59.78	60.04	64.08	65.65	64.39	61.48	60.59	58.70	58.05	60.90	63.38	61.87	61.58
1979	62.08	62.15	62.88	63.40	66.20	72.40	80.66	79.24	79.05	78.27	72.41	79.01	71.48
1980	85.60	87.51	85.78	87.05	87.23	85.11	83.30	81.52	81.15	78.46	78.12	75.08	82.99
1981	66.44	60.81	60.63	57.47	55.11	57.82	57.26	59.73	62.03	62.44	61.10	64.96	60.48
<u>Grade 31 staple 34 cotton in designated spot markets</u>													
1977	53.95	50.69	50.38	49.30	49.90	52.51	54.36	56.58	56.30	59.10	58.81	58.41	54.19
1978	61.06	61.28	65.34	67.09	66.04	63.40	62.62	60.72	59.94	62.66	65.03	63.49	63.22
1979	63.69	63.64	64.19	64.51	67.30	73.52	81.79	80.37	80.18	79.40	73.54	80.14	72.69
1980	86.76	88.68	87.06	88.19	88.32	86.23	84.41	82.66	82.25	79.56	79.20	76.16	84.12
1981	67.52	61.91	61.80	58.86	56.52	59.15	58.73	61.31	63.56	63.95	62.61	66.47	61.87
<u>Grade 41 staple 34 cotton, landed Group 201 Mill Points (Group B) 5/</u>													
1977	58.93	54.73	54.35	52.90	53.71	56.33	58.59	60.45	60.41	63.73	63.61	62.94	58.39
1978	65.29	65.88	69.76	72.15	72.89	69.47	67.97	66.84	65.03	67.69	70.33	69.74	68.59
1979	68.73	68.67	69.44	70.96	72.52	79.45	87.44	86.96	87.39	84.93	78.41	83.58	78.21
1980	90.79	95.30	92.48	93.97	95.06	94.65	92.33	90.54	89.71	87.31	86.48	83.20	90.99
1981	74.83	68.61	68.06	65.67	63.57	65.96	65.50	67.31	69.07	70.74	68.31	73.68	68.44
<u>Grade 31 staple 34 cotton, landed Group 201 Mill Points (Group B) 5/</u>													
1977	61.57	56.95	56.34	54.64	55.60	58.44	60.54	62.57	62.58	66.60	66.25	65.16	60.60
1978	67.24	67.59	72.14	74.35	75.78	72.61	71.74	70.45	68.98	71.56	74.71	73.60	71.73
1979	72.35	71.83	72.36	72.90	75.00	82.35	90.87	90.70	91.16	88.49	80.39	86.47	81.24
1980	95.12	98.90	95.28	96.85	97.41	96.93	95.15	92.85	91.78	89.46	88.55	84.76	93.59
1981	76.59	70.42	70.15	67.62	65.28	68.92	68.09	70.03	72.09	73.95	70.97	76.56	70.89

1/ Monthly parity price shown under month in which it was published.

2/ Annual averages are crop year average prices, by states, weighted by sales, including an allowance for unredeemed loans at estimated average loan value.

3/ Mid-month price.

4/ Average to April 1, 1982 with no allowance for unredeemed loans.

5/ Monthly average prices of cotton for Southeastern, Memphis, Texas-Oklahoma and California (San Joaquin) growths. Average landed prices for grade 31 staple 34 exclude Texas-Oklahoma growths.

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						
	Oct '82	Dec '82	Mar '83	May '83	Jul '83		
July 29	68.70	71.05	73.40	74.92	75.85	63.21	78.40
30	68.50	70.67	73.01	74.66	75.85	63.06	78.40
Aug. 2	68.62	70.72	73.00	74.70	75.75	63.20	78.40
3	67.12	69.42	71.96	73.75	75.22	61.87	78.50
4	67.60	69.77	72.33	74.10	75.60	62.30	78.25
5	67.75	69.78	72.25	73.90	75.50	62.31	78.30

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					
	Oct '82	Dec '82	Mar '83	May '83	Jul '83	
July 29	63.60	65.85	67.80	68.65	69.50	57.37
30	63.45	65.60	67.80	68.65	69.50	57.25
Aug. 2	63.55	65.65	67.80	68.65	-	57.42
3	62.40	64.45	67.80	68.00	-	56.37
4	62.40	64.40	66.80	68.00	69.00	56.66
5	62.40	64.40	66.80	68.00	-	56.55

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 July 30		Through July 29	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	335,700	-	491,700
Exports	53,300	5,623,200	92,200	6,222,300
Total export commitments	-	5,958,900	-	6,714,000
New sales	3,400	-	7,500	-
Buy-backs and cancellations	7,500	-	4,100	-
Net sales	-4,100	-	3,400	-
Sales next marketing year	136,200	1,189,800	49,600	1,337,600

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

Upland cotton export sales. As the 1981-82 marketing year draws to a close July 31, contract activities resulted in a net increase of 3,400 running bales during the week ended July 29, according to the Foreign Agricultural Service, USDA. The net increase in sales for the next marketing year of 49,600 bales was more than double a week earlier. Sales were primarily to Japan 29,600 bales and South Korea 12,600 bales. The weekly export pace improved to 92,200 bales. Asian destinations accounted for 87 percent of the week's exports and European destinations 10 percent.