

# UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE  
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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 79.33 cents per pound during the week ending Friday, August 3, according to the Cotton Division, Agricultural Marketing Service, USDA. Quotations ranged from a low of 78.96 cents on Thursday, August 2, to a high of 79.68 cents on Friday, August 3. Spot cotton quotations averaged 79.77 cents a week earlier and 70.08 cents in the corresponding week a year ago. The New York October 1990 futures settlement price closed on Friday at 76.40 cents compared with 77.38 cents a week earlier. The December settlement price was 72.77 cents against 73.40 cents the previous week. Spot transactions reported in the designated markets totaled 7,106 bales during the week ended Friday, August 3. This compared with 5,581 bales the previous week and 59,516 bales in the corresponding week last season.

Southeastern markets. Trading was at a virtual standstill. Merchants were actively seeking available cotton to fill previous commitments. Demand was best for lots with mostly grades 51, 42 and higher, staples 34 and longer, mike 35-49. Prices offered for grade 41 in these lots were around 500 points on NY October futures. Selected lots with strengths of 27 grams per tex brought premiums of 100 to 150 points. Domestic mill business remained fairly good. Contracting of 1990-crop cotton slowed. Contracts were offered at 150 to 300 points off NY December futures. Terms varied widely, but most included premiums of 100 points for strength readings of 27 and higher grams per tex. Scattered showers were beneficial with most of the crop in fair to good condition.

South central markets. Trading was moderately active. The limited supplies of uncommitted cotton easily moved through trade channels. Demand was good and came mostly from merchants seeking cotton to cover prompt to nearby needs. In mixed lots, grade 41 staple 34, mike 35-49 traded at prices ranging mostly from 300 to 500 points on NY October futures. Lower grades of 1988-crop cotton sold at prices ranging from 55 to 58 cents per pound. Demand was best for mixed lots with high percentages of grades 41 and higher. A light volume of 1989-crop CCC loan equities sold at 22 to 24.75 cents per pound. Domestic mills bought a small volume of cotton, mostly for prompt delivery. Interest remained strong for new-crop cotton for deferred shipment. A few inquiries were received from Far Eastern mills, but no sales were reported. A light volume of 1990-crop cotton was forward contracted. Growers booked bales at around 68 cents per pound, basis grade 41 staple 34, mike 35-49. The crop was making good progress in areas where moisture was sufficient but only fair in drier areas.

Southwestern markets. Trading was less active. Merchants were seeking 1990-crop south Texas cotton, but little was being offered. Most of the south Texas crop was forward contracted. A light to moderate acreage of cotton was forward contracted in west Texas and Oklahoma. Growers showed a greater interest in contracting, but prices moved lower. Most of the contracts signed during the week were at 1,500 to 1,800 points above CCC loan rates. Harvesting in south Texas was hampered slightly by scattered showers.

Western markets. Trading was inactive. Domestic mills purchased a small amount of cotton from the San Joaquin Valley and Desert Southwest (DSW) for prompt shipment. Far Eastern mills purchased a moderate volume of cotton from DSW for prompt shipment. Forward



contracting of upland cotton was at a standstill. Growers held for higher prices. Demand for American Pima remained good. A small amount of grade 3 staple 44, mike 35-49 traded in Arizona at \$1.09 per pound, while grade 4 brought almost \$1.00. European mills purchased a light to moderate volume of high grades for prompt and nearby shipment, and domestic mills purchased a small volume for nearby shipment. Arizona growers forward contracted a small volume of 1990 crop \$1.15 per pound, basis grade 3. The cotton crop continued to make good progress.

Textile mill report. Domestic mill buying slowed. Buyer interest was weak for nearby and forward delivery dates. Most inquiries were for new crop purchases with delivery dates ranging from September 1990 through December 1991. A small volume of cotton was purchased. A few mills bought a small volume of fill-ins for August delivery. Most purchases were from central and western growths. Qualities in best demand were the medium white and equivalent Light Spotted grades for nearby and forward delivery. Interest in the south Texas crop was very strong. Sales of poly-cotton blends, combed yarns, selected household products and denims continued slow. A wide range of products continued in strong demand including athletic wear and most knits. A few mills have recently announced production adjustments. These adjustments ranged from reducing shifts to closing plants for specified periods of time. Mill workweeks remained mostly five to seven days. A few small yarn mills were on four-day workweeks, and some mills dropped weekend shifts.

Forward contracting of 1990-crop cotton. Upland cotton growers in the United States had booked about 24 percent of their expected acreage by the end of July this season. This was up from 21 percent the previous month and 23 percent a year ago. Contracting has been most active in the western states where about 44 percent of the crop was under contract by the end of July and compares with 49 percent a year earlier. In the southeastern states, about 42 percent of the crop had been booked, up from 24 percent in 1989. In the south central states, about 28 percent had been forward contracted, the same as a year ago. Growers in the southwestern states contracted about 14 percent, compared with 12 percent in 1989. These estimates were based on the Agricultural Statistics Board's June planted acreage report and informal surveys made by the Cotton Division, Agricultural Marketing Service, USDA.

Prices received by farmers for upland cotton averaged 63.70 cents per pound in mid July, according to the National Agricultural Statistics Service, USDA. This compares with 62.30 for the entire month of June and 59.50 cents in July 1989. 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, 1989-1990

: Year beginning : Month : January 1 : : 1989 : 1990 :			: Year beginning : Month : January 1 : : 1989 : 1990 :			: Year beginning : Month : January 1 : : 1989 : 1990 :		
	Cents	Cents		Cents	Cents		Cents	Cents
January	54.70	59.80	June	57.20	62.30	November	65.40	
February	52.80	60.60	July	59.50	63.70 1/	December	61.40	
March	55.60	64.10	August	60.20				
April	58.70	65.00	September	63.90		Calendar		
May	58.30	65.40	October	65.70		year avg	60.30	

1/ Mid-month price.

Source: National Agricultural Statistics Service, USDA



Forward contracting of upland cotton by growers, as of August 1, crops of 1981-1990  
and planted acreage, 1990 crop 1/

State	Cotton crops										Planted acreage 2/
	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	1,000 acres
Alabama 3/	7	15	23	26	21		17	8	20	37	430
Georgia	10	4	6	27	4	N	25	6	24	41	340
North Carolina	2	15	24	35	-		41	4	25	52	170
South Carolina	12	33	52	53	17	0	32	1	35	49	160
Southeastern states	8	15	23	31	12	T	24	6	24	42	1,100
Arkansas	13	16	21	36	8		55	5	36	32	850
Louisiana	9	16	19	23	1		18	3	40	26	780
Mississippi	20	21	26	28	15		35	4	22	30	1,200
Missouri	20	19	35	56	*	A	63	5	50	52	220
Tennessee	4	19	32	36	4		66	*	4	13	530
South central states	15	19	25	30	8	V	42	4	28	28	3,580
Oklahoma	-	1	-	14	-	A	9	*	11	4	380
Texas	3	2	5	16	4	I	15	8	12	15	5,700
Southwestern states	3	2	5	16	3	L	14	7	12	14	6,080
Arizona	7	20	12	4	4	A	20	5	17	19	340
California	9	15	12	27	5		68	28	59	54	1,020
New Mexico	1	*	-	1	1	B	4	9	7	19	55
Western states	8	16	11	20	4	L	55	23	49	44	1,415
United States	7	9	11	21	5	E	29	8	23	24	12,175

1/ Contracting estimates for 1981-1984 and 1990 based on June planted acreage report; 1985 based on February prospective plantings; 1986 through 1989 based on March. Estimates do not include cotton consigned to marketing organizations but do include cotton contracted with marketing organizations. 2/ June 1990, Agricultural Statistics Board, NASS, USDA. 3/ Includes Florida, 1984, 1987-1990 crops. \* Less than 0.5 percent.

Four months and older certificated stock, as of July 31, 1990

Aging	Delivery points					
	Galveston	Memphis	Houston	New Orleans	Greenville	Total stock
	Bales	Bales	Bales	Bales	Bales	Bales
4 Months	11	-	-	60	-	71
5 Months	20	2,715	-	602	-	3,337
6 Months	21	211	-	78	-	310
7 Months	147	-	1	-	-	148
8 Months	342	51	9	-	-	402
9 Months	43	1,418	-	-	-	1,461
10 Months	-	1	-	-	-	1
11 Months	-	-	1	-	-	1
12 Months	8	-	2	-	-	10
13 Months	-	-	-	-	-	0
14 Months	74	-	3	-	-	77
15 Months	-	21	-	-	-	21
16 Months	28	-	-	-	-	28
17 Months	-	-	-	-	-	0
18 Months	-	8	1	-	-	9
19 Months	59	36	1	-	-	96
20 Months	1	1	-	-	-	2
21 Months	33	-	-	-	-	33
22 Months	1	-	-	-	-	1
23 Months & older	1	-	-	-	-	1
Total	789	4,462	18	740	0	6,009



Production and ginnings of cotton in the United States, by states, 1986 to 1989

State and year of growth	Production (running bales)	Cotton ginned (exclusive of linters)		Percent of total ginned <sup>2</sup>	Rank of State according to ginnings	Rank of State according to production	Number of gins		Average net weight of bale (pounds)
		Running bales	Equivalent 480-pound net weight bales				Active	Idle	
United States.....	1989 11,883,851	11,883,851	12,175,288	100.0	(X)	(X)	1,584	172	491.8
	1988 14,984,537	14,984,537	15,389,963	100.0	(X)	(X)	1,845	207	493.0
	1987 14,358,531	14,358,531	14,741,173	100.0	(X)	(X)	1,553	293	492.8
	1986 9,437,968	9,437,968	9,703,592	100.0	(X)	(X)	1,662	368	493.5
Alabama.....	1989 366,656	365,527	380,933	3.1	8	8	75	15	500.2
	1988 365,604	365,684	379,829	2.4	9	8	82	13	498.6
	1987 382,088	386,280	400,557	2.7	8	8	82	15	497.7
	1986 317,826	315,376	327,804	3.4	8	8	82	17	498.9
Arizona.....	1989 1,098,467	1,083,208	1,108,494	9.1	4	4	89	6	491.2
	1988 1,077,101	1,046,270	1,074,460	7.0	4	4	89	8	492.9
	1987 1,031,313	1,004,979	1,033,538	7.0	4	4	84	20	493.6
	1986 803,124	777,183	795,760	8.2	4	4	85	21	491.5
Arkansas.....	1989 840,917	837,839	847,413	7.0	6	6	125	15	485.6
	1988 1,034,501	1,032,809	1,041,744	6.8	5	5	129	21	484.2
	1987 882,495	884,654	903,098	6.1	6	6	128	35	490.0
	1986 594,546	591,903	599,273	6.2	6	6	129	43	486.0
California.....	1989 2,612,610	2,628,639	2,717,188	22.3	2	2	148	21	496.2
	1988 2,734,827	2,766,083	2,857,706	18.6	2	2	146	20	495.9
	1987 2,889,908	2,916,894	3,018,145	20.5	2	2	144	27	496.7
	1986 2,172,896	2,199,949	2,272,276	23.4	2	2	146	27	495.6
Florida.....	1989 27,108	(D)	(D)	(D)	15	15	2	-	499.7
	1988 32,242	(D)	(D)	(D)	15	15	2	-	509.2
	1987 37,566	(D)	(D)	(D)	15	15	2	-	493.6
	1986 26,732	(D)	(D)	(D)	15	15	2	-	502.3
Georgia.....	1989 330,567	336,832	347,778	2.8	9	9	63	7	495.6
	1988 357,188	369,421	382,182	2.5	8	9	64	12	496.6
	1987 330,003	333,722	341,185	2.3	10	10	60	13	490.7
	1986 177,449	183,900	190,431	2.0	11	11	57	17	497.0
Kansas.....	1989 194	(D)	(D)	(D)	16	17	1	-	444.0
	1988 654	(D)	(D)	(D)	16	17	1	-	480.0
	1987 487	(D)	(D)	(D)	16	17	1	-	480.0
	1986 584	(D)	(D)	(D)	16	17	1	-	438.0
Louisiana.....	1989 866,577	874,975	876,065	7.2	5	5	81	5	480.6
	1988 940,720	948,647	955,591	6.2	6	6	82	7	483.5
	1987 973,487	980,535	983,456	6.7	5	5	84	5	481.4
	1986 664,516	668,721	677,017	7.0	5	5	86	5	486.0
Mississippi.....	1989 1,513,445	1,514,987	1,549,672	12.7	3	3	201	20	491.0
	1988 1,773,426	1,773,484	1,821,567	11.8	3	3	210	28	493.0
	1987 1,696,252	1,696,676	1,740,662	11.8	3	3	217	32	492.4
	1986 1,151,784	1,153,124	1,185,812	12.2	3	3	223	41	493.6
Missouri.....	1989 265,311	264,164	267,167	2.2	10	10	48	4	485.5
	1988 302,414	300,903	304,346	2.0	10	10	49	4	485.5
	1987 326,155	320,972	324,399	2.2	11	11	50	6	485.1
	1986 193,003	192,731	195,501	2.0	10	10	50	8	486.9
New Mexico.....	1989 122,358	92,697	93,729	0.8	14	14	28	3	485.3
	1988 122,249	104,269	106,228	0.7	14	14	28	3	489.0
	1987 104,596	87,280	89,439	0.6	14	12	28	9	491.9
	1986 75,410	62,511	64,370	0.7	14	14	30	9	494.3
North Carolina.....	1989 135,251	138,216	144,286	1.2	13	13	36	4	501.1
	1988 127,140	130,823	136,064	0.9	13	13	37	2	499.2
	1987 93,296	95,464	98,644	0.7	13	14	36	2	501.0
	1986 103,538	105,614	111,204	1.1	12	12	36	4	505.4
Oklahoma.....	1989 169,412	165,271	167,836	1.4	11	11	65	-	487.4
	1988 299,547	286,204	293,769	1.9	11	11	64	8	492.7
	1987 339,676	334,995	340,737	2.3	9	9	69	7	488.2
	1986 197,088	195,204	199,715	2.1	9	9	69	8	491.1
South Carolina.....	1989 148,145	148,674	152,355	1.2	12	12	41	12	498.6
	1988 134,716	133,107	137,700	0.9	12	12	43	17	496.6
	1987 101,491	100,624	104,398	0.7	12	13	47	16	498.0
	1986 82,303	81,257	85,002	0.9	13	13	48	17	502.1
Tennessee.....	1989 470,824	470,035	474,425	3.9	7	7	74	2	484.5
	1988 583,717	583,925	583,108	3.8	7	7	78	2	479.3
	1987 630,734	631,851	634,419	4.3	7	7	70	9	482.0
	1986 388,963	390,243	396,576	4.1	7	7	73	10	487.8
Texas.....	1989 2,913,437	2,945,859	3,028,039	24.9	1	1	507	58	493.4
	1988 5,105,223	5,124,948	5,296,837	34.4	1	1	543	82	496.1
	1987 4,537,557	4,556,875	4,700,016	31.9	1	1	551	97	495.1
	1986 2,486,806	2,499,388	2,581,092	26.6	1	1	545	141	495.7
Virginia.....	1989 2,572	-	-	-	-	16	-	-	-
	1988 3,268	-	-	-	-	16	-	-	-
	1987 1,427	-	-	-	-	16	-	-	-
	1986 1,398	-	-	-	-	16	-	-	-

- Represents zero. D Data withheld to avoid disclosing information for individual operations. X Not applicable.

<sup>1</sup>Includes American Pima.

<sup>2</sup>Based on equivalent 480-pound net weight bales.



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 13-19	: July 20-26	: July 27-31	: Aug. 1-2	: Aug. 3-9
Adjusted world price	66.56	67.65	67.03	67.12	66.40
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					Grade 31	Coarse
	Futures Settlement					: 7 Mkt.: Staple 35	Count
	: Oct '90	: Dec '90	: Mar '91	: May '91	: Jul '91	: Average: 'A' Index 1/	: 'B' Index 1/
July 30	: 76.48	: 72.44	: 73.30	: 73.85	: 73.60	: 79.59	: 90.45
31	: 76.28	: 72.48	: 73.39	: 73.77	: 73.55	: 79.45	: 89.95
1	: 75.42	: 71.37	: 72.40	: 72.98	: 72.75	: 79.98	: 82.00
2	: 75.39	: 71.66	: 72.80	: 73.55	: 73.10	: 78.96	: 81.45
3	: 76.40	: 72.77	: 73.80	: 74.33	: 74.00	: 79.68	: 81.45

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 1988-89 and 1989-90

Description	Marketing Year			
	1988-89		1989-90	
	Through July 27		Through July 26	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	668,000	-	815,600
Exports	128,800	5,717,300	92,400	6,755,600
Total export commitments	-	6,385,300	-	7,571,200
New sales	13,200	-	4,600	-
Buy-backs and cancellations	11,600	-	2,100	-
Net sales	1,600	-	2,500	-
Sales next marketing year	108,500	1,589,100	42,900	2,175,000

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Net sales of 2,500 running bales for the current marketing year included major increases for Spain with purchases of 1,700 bales and Japan 800 bales, according to the Foreign Agricultural Service, USDA. Reductions were for South Korea with purchases of 1,100 and Taiwan 700 bales. Net sales of 42,900 bales for the 1990-91 marketing year were primarily for Japan with purchases of 15,000, West Germany 5,100, South Korea 5,000, Morocco 3,200 and Thailand 3,000 bales. Exports of 92,400 bales slightly exceeded the prior week. Asian destinations accounted for 85 percent of the week's shipments, West European 8 percent, Western Hemisphere 5 percent and African 2 percent.

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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 3, 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			
31	41	51	42	:	31	41	51	42	:	31	41	51	42	:	21	31	41	32
79.85	78.75	75.75	76.25	:	79.65	78.65	73.15	74.15	:	33	:	79.85	78.65	72.90	74.40	75.90	75.90	73.15
81.90	81.40	78.40	78.90	:	82.40	81.40	75.65	76.65	:	34	:	82.35	81.40	75.65	77.15	79.90	79.90	77.15
82.15	81.65	78.65	79.15	:	82.50	81.65	75.75	76.75	:	35	:	82.45	81.50	75.75	77.25	80.00	80.00	77.25
82.30	81.80	78.80	79.30	:	82.60	81.75	75.85	76.85	:	36	:	82.55	81.60	75.85	77.35	80.00	80.00	77.25

EAST TEXAS-OKLAHOMA					WEST TEXAS					SAN JOAQUIN VALLEY				
31	41	51	42	:	31	41	51	42	:	21	31	41	51	:
70.15	70.00	69.80	68.80	:	71.30	69.20	69.25	68.10	:	29	:	-	-	-
70.90	70.75	70.55	69.35	:	72.55	70.45	70.70	70.65	:	30	:	-	-	-
74.15	74.00	73.80	73.60	:	75.15	72.95	73.15	73.00	:	31	:	-	-	-
75.30	75.00	74.80	74.35	:	76.20	73.70	74.15	73.90	:	32	:	-	-	-
76.85	76.45	75.75	75.50	:	77.75	75.70	75.70	75.30	:	33	:	-	-	-
78.60	78.25	77.55	76.30	:	79.30	77.00	77.00	75.60	:	34	:	83.15	82.90	81.15
78.90	78.50	77.80	76.60	:	79.60	77.25	77.25	75.90	:	35	:	84.90	84.65	82.90
79.00	78.60	77.90	76.60	:	79.70	77.35	77.35	75.90	:	36	:	85.00	84.75	83.00
79.00	78.60	77.90	76.60	:	79.70	77.35	77.35	75.90	:	37	:	85.10	84.85	83.10

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	01	02	03	04	05	06	Mike ranges	Points per pound
:	:	:	:	:	:	:	:	:
:	:	:	:	:	:	:	26 & Below	-3100
:	:	:	:	:	:	:	27-29	-2425
44	109.75	109.50	108.50	100.50	78.50	67.00	30-32	-1400
:	:	:	:	:	:	:	33-34	-450
46	110.25	110.00	109.00	101.00	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		
31	41	51	42	:	31	41	51	42	:	31	41	51	42	:	31	41	51
-	-	-	-	:	-	-	-	-	:	29	:	73.75	70.75	73.75	71.00	-	-
-	-	-	-	:	-	-	-	-	:	30	:	75.50	73.00	75.50	73.50	-	-
-	-	-	-	:	-	-	-	-	:	31	:	77.00	74.25	77.00	75.00	-	-
-	-	-	-	:	-	-	-	-	:	32	:	78.50	75.25	78.50	75.75	-	-
85.25	85.00	82.75	84.25	:	85.75	85.50	83.00	84.50	:	33	:	80.75	76.50	80.75	77.00	-	-
86.25	85.75	83.75	85.25	:	86.75	86.25	84.00	85.50	:	34	:	83.00	78.25	83.00	79.00	88.25	83.50
86.75	86.50	84.25	85.25	:	87.25	87.00	84.50	85.50	:	35	:	-	-	-	-	89.75	84.75
-	-	-	-	:	-	-	-	-	:	36	:	-	-	-	-	90.00	84.75