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AGRICULTURAL MARKETING SERVICE  
COTTON DIVISION  
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Weekly Cotton Market Review  
(Week ended December 9)

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Spot cotton prices ended the period at the highest level in almost four months, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading was more active in some markets but remained limited. Grower offerings were generally adequate to meet merchant demand. Domestic and foreign mill purchases were light. Growers had forward contracted about 12 percent of the 1982 crop through the end of November, and those interested in contracting 1983-crop cotton received little merchant response. Harvesting resumed in some localities following heavy rains. Wet fields limited activity in many areas.

Spot cotton prices. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets was 58.87 cents per pound on Friday, December 3. Prices moved higher on Monday to 59.67 cents. Prices trended lower on Tuesday and Wednesday and ended the week on Thursday, December 9, at 61.05 cents, the highest price since August 11. This compares with 59.04 cents a week earlier and 53.52 cents on the corresponding Thursday last season. The New York March 1983 futures settlement price ended the week on Thursday at 67.53 cents per pound compared with 65.16 cents a week earlier.

Trading increased on some spot cotton markets. Some merchants needing cotton to cover nearby commitments strengthened their buying basis and more growers were willing to sell. Prevailing prices continued to limit offerings in many markets and grower use of the CCC loan was increasing. Domestic mill demand was light and purchases were mostly for fill-ins. Export trading was slow and purchases were mostly for prompt or nearby shipment. Inquiries from foreign mills increased. Purchases reported by cotton exchanges in the designated markets totaled 261,100 bales in the week ended Thursday, December 9. This compares with 233,100 bales a week earlier and 332,000 in the corresponding week last season.

Textile mill report. Mill demand for cotton remained weak and buying slowed. Merchant and shipper offerings included a broad range of qualities but mills continued to select carefully and buy only as needed. With earlier purchases arriving and usage at a sluggish rate, most mills were well supplied. A few mills bought a light volume for fill-ins. A few textile products continued to sell at a fair to good rate but overall market activity remains slow. Denim, athletic goods, underwear and fine-count yarns represent some of the better selling products. Mills producing these goods remained on five to six day workweeks. A number of mills in other product areas, such as goods for household and industrial uses, continued to limit production by remaining on shortened schedules. Reports indicate a number of mills will close for up to two weeks during year-end holidays.

CCC loan entries of 1982-crop cotton totaled 893,100 running bales through November 30. Repayments had been made on 48,900 bales. Loans were outstanding on 844,200 bales, of which 616,900 were Form A (producer) and 227,300 were Form G (cooperative) loans. Entries of 1981-crop cotton totaled 6,083,300 bales. Repayments had been made on 3,167,400 bales. Loans were outstanding on 2,893,600 bales, of which 1,830,200 were Form A and 1,063,400 were Form G loans. Forfeitures totaled 22,300 bales through November 30. Loans remained outstanding on 112,400 bales of 1980-crop cotton.

Foreign crop report. The Cotton Outlook of Liverpool reports that by far the most significant feature of international crop reports over the past few weeks has been the confirmation by China's news agency that the country's lint outturn has again reached record proportions. The claim (which appears substantiated by the limited information available from the principal producing areas) is that final ginnings should reach 3,350,000 metric tons, equivalent to no less than 15,386,000 bales (of 480 lbs.), carrying China into first place among producing countries this season. Output in 1981-82 reached 2,968,000 tons, or 13,632,000 bales. China's production is thought to have been consistently between 9 and 11 million bales in the 1970's. While it seems highly improbable that the recent rate of increase can be maintained, the national plan calls for a 7.5 percent rise from the current level by 1985. Elsewhere in Asia, Russia has for several weeks been struggling against wintry weather but by late last month had virtually reached her target output, of 9,382,000 tons, of seed cotton. Since final picking operations have persisted quite well, a total output of 9,500,000 may still be in prospect, pointing to a lint outturn of around 2,850,000 tons, or 13,090,000 bales. This situation remains rather less certain in Pakistan, where trade forecast of commercial ginnings (to which should be added about 150,000 bales processed direct from the farms) are now mostly around 3,200,000 bales, whereas official indications, invariably more optimistic, suggest at least 3,350,000. After a rather poor start to the picking season, the weather is now more favorable to the continuing harvest. Any shortfall in the earlier-maturing southern districts may in consequence be made good by better results in the North. India's crop has clearly received some setback from the general lack of moisture in central parts of the country. The forecast of 6,400,000 bales officially agreed late in September, had been scaled down to around 6,100,000 when the major cotton associations met last month, and the disappointment has been only partly made good by subsequent general rains in Gujarat. Harvesting of most other Northern Hemisphere crops outside the United States is virtually complete. Outturns have been very close to expectations in Turkey (around 2,250,000 bales) and Egypt (around 2,100,000), but yields continue to disappoint in Mexico where the final outturn may in consequence fall below 850,000 bales, and perhaps also in the later-harvested Central American republics where lack of moisture in the more southerly areas has recently added to the difficulties arising out of political tension and high input costs. The African 'Franc Zone' cottons, whose harvests are also late in the cycle, should again produce just below 1,000,000 bales.

Production prospects until recently seemed excellent in most Southern Hemisphere producing countries, particularly those of Latin America. Plantings still seem likely to be fully maintained in South Brazil, where a further increase of yields should carry output above the 2,500,000 bales figure. However, earlier expectations of around 875,000 and 450,000 bales respectively in Argentina and Paraguay have been reduced to about 725,000 and 390,000 owing to untimely rain. Peru's loss of Tanguis acreage to the food crops still seems likely to restrict her national output to below 375,000 bales. Zimbabwe looks forward to a record output of close to 375,000 bales, following increased sowings encouraged by a new high-yielding variety. South Africa still hopes that output can reach over 230,000 bales, against the 184,000 harvested last season, but will need good rain if this figure is to be achieved. Australia, in contrast, has now been obliged to plant "dry" on much of the important New South Wales acreage, since prolonged drought has virtually exhausted water reserves available for irrigation.

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<u>MARKET</u>	<u>DAILY COTTON MARKET NEWS</u>	<u>TELEPHONE NUMBER</u>
Altus, Oklahoma - - - - -	- - - - -	405-482-6470
Bakersfield, California - - - - -	- - - - -	805-834-2121
Birmingham, Alabama		
In state WATS line-Toll free- - - - -	- - - - -	1-800-292-4924
Fresno, California- - - - -	- - - - -	209-486-0511
Greenwood, Mississippi- - - - -	- - - - -	601-455-3285
In state WATS line-Toll free- - - - -	- - - - -	1-800-222-9305
Lubbock, Texas- - - - -	- - - - -	806-763-7870
Phoenix, Arizona- - - - -	- - - - -	602-257-9304

Contracting 1982 crop. United States upland cotton growers had forward contracted over 12 percent of the 1982 crop by the end of November. This compares with 10 percent booked for this period last year and 34 percent in 1980. Contracting this season has been most active in south central states where 22 percent had been booked, against 19 percent in 1981 and 63 percent in 1980. Growers in western states had forward contracted about 17 percent compared with 10 percent a year earlier and 43 percent two years ago. In southeastern states, growers had booked 16 percent compared with 10 percent the previous year and 33 percent in 1980. Growers in southwestern states had contracted about 4 percent, down from 7 percent a year earlier and 20 percent two years ago. These estimates were based on the Crop Reporting Board's November indicated acreage for harvest and informal surveys made by the Cotton Division, Agricultural Marketing Service, USDA.

Forward contracting of upland cotton by growers, through November 30, crops of 1980-1982, and acres for harvest, 1982 crop

State	Cotton crops			Acres for harvest <sup>1/</sup>
	1980	1981	1982	
	Percent	Percent	Percent	1,000 acres
Alabama	32	6	13	300
Georgia	14	10	7	175
North Carolina	43	8	17	72
South Carolina	55	24	39	95
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Southeastern states	33	10	16	642
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Arkansas	55	16	18	425
Louisiana	41	8	18	605
Mississippi	80	28	24	1,050
Missouri	78	26	24	160
Tennessee	46	9	28	250
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South Central states	63	19	22	2,490
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Oklahoma	4	2	1	440
Texas	22	8	5	3,900
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Southwestern states	20	7	4	4,340
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Arizona	46	7	21	489
California	44	12	17	1,370
New Mexico	7	1	*	65
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Western states	43	10	17	1,924
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United States	34	10	12	9,396

<sup>1/</sup> November 1982, Crop Reporting Board, Statistical Reporting Service, USDA.

\* Less than 0.5 percent.

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						
	Dec '82	Mar '83	May '83	Jul '83	Oct '83		
Dec. 2	62.20	65.16	66.35	67.17	66.00	59.04	68.85
3	62.11	64.95	66.20	67.20	65.60	58.87	68.80
6	62.65	65.83	67.15	68.00	66.40	59.67	68.75
7	62.31	65.56	66.93	67.85	66.45	59.62	69.15
8	-	65.53	66.90	67.85	66.25	59.43	69.10
9	-	67.53	68.90	69.50	68.25	61.05	69.15

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

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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					
	Dec '82	Mar '83	May '83	Jul '83	Oct '83	
Dec. 2	56.80	60.15	61.22	61.75	-	53.80
3	-	60.05	61.22	61.75	-	53.79
6	-	59.85	61.50	62.30	-	54.32
7	-	59.85	61.50	62.30	-	54.16
8	-	59.75	61.40	62.30	-	54.14
9	-	61.40	63.00	64.00	-	55.34

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

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U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1981-82 and 1982-83

Description	MARKETING YEAR			
	1981-82		1982-83	
	Through December 3		Through December 2	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	3,698,400	-	1,918,300
Exports	156,900	1,185,200	101,800	1,339,400
Total export commitments	-	4,883,600	-	3,257,700
New sales	147,900	-	48,000	-
Buy-backs and cancellations	22,900	-	4,600	-
Net sales	125,000	-	43,400	-
Sales next marketing year	12,900	54,000	-	30,200

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

Upland cotton export sales activity resulted in a net increase of 43,400 running bales, during the week ended December 2, according to the Foreign Agricultural Service, USDA. This was 3 percent below the average of the past four weeks. The major buyers were South Korea 10,500 bales; Indonesia 9,300 and Japan 6,700 bales. Weekly exports of 101,800 bales were the highest this marketing year. Asian destinations accounted for 79 percent and European destinations 16 percent.