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Dept of Ag Eco

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Weekly Cotton Market Review

(Week ended December 22)

Vol. 65, No. 21

December 22, 1983

Spot cotton prices trended slightly lower, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading slowed. Growers withdrew offerings on days when the market declined and offered more freely on market rises. Merchant demand remained good for most qualities. Domestic mills bought a moderate volume of cotton. Export trading slowed. Forward contracting of the 1984 crop by growers was light. Harvesting was completed in most localities. The average staple length of upland cotton ginned prior to December 1 this season was the second longest for this period since records began in 1938.

Spot cotton prices were steady to weaker. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets was 72.90 cents per pound on Friday, December 16. Prices moved within a fairly narrow range and ended the week on Thursday, December 22, at 72.33 cents. This compares with 72.59 cents a week earlier and 59.66 cents on the corresponding Thursday last season. The New York March 1984 futures settlement price ended the week on Thursday at 77.95 cents per pound against 78.30 cents a week ago.

Trading on spot cotton markets slowed. Demand remained good for most qualities but limited offerings restricted trading volume. Some merchants raised their buying basis in an effort to attract grower offerings. Domestic mill buying was more active and included purchases for nearby and later delivery. Export trading slowed. Far Eastern mill purchases were mostly current-crop cotton. European mills bought a light volume of 1984 crop for October through December delivery. Purchases reported by cotton exchanges in the designated markets totaled 353,900 bales in the week ended Thursday, December 22. This compares with 537,300 bales a week earlier and 206,800 bales in the corresponding week last season.

Textile mill report. Domestic mill buying was more active and consisted of a moderate volume for nearby and later delivery. Some mills fixed prices on earlier purchases. Inquiries were more numerous for deferred shipment with a light volume of business reported into the fall of 1984. Mills continued to show strong interest in selected lower grades as they attempted to hold down raw material costs. Mills continue to report good to excellent sales for a fairly wide range of products. Schedules of operation range from five to six days per week with a few plants on seven days. Holiday closings vary from one day to a week.

CCC loan entries of 1983 crop cotton totaled 562,200 running bales through December 7. Repayments had been made on 188,000 bales. Loans were outstanding on 374,200 bales of which 300 were Form A (producer) and 373,900 were Form G (cooperative) loans. Loans were outstanding on 1,780,400 bales of 1982-crop cotton, of which 1,031,500 bales were Form A and 748,900 were Form G. Forfeitures totaled 175,600 bales. Loans remained outstanding on 1,305,600 bales of 1981-crop cotton, of which 585,100 were Form A and 720,500 were Form G. Forfeitures totaled 745,700 bales. A total of 95,600 bales of 1980-crop cotton was still in the loan on December 7. Forfeitures totaled 9,700 bales.

The next "Weekly Cotton Market Review" will be issued January 5, 1984.

Ginnings. Upland cotton ginned prior to December 1 this season totaled 5,957,214 running bales, according to the Bureau of the Census. This compares with 8,770,899 bales a year earlier. American Pima ginnings totaled 50,070 bales this season against 51,758 bales through the same period in 1982.

Quality of ginnings. The average staple length of upland cotton ginned prior to December 1 this season was 34.7 thirty-seconds inches. This was down from 34.8 thirty-seconds a year earlier but was the second longest average for the period since records began in 1938. Staples 34 and 35 accounted for 53 percent of this season's ginnings. Grade 41 was the predominant grade of upland cotton ginned prior to December 1. This grade accounted for 34 percent of ginnings, up from 29 percent the previous year. White grades 41 and higher comprised about 56 percent of ginnings. Upland cotton with mike of 35-49 accounted for 86 percent of ginnings, down from 90 percent a year earlier. Average mike was 43, the same as the previous year. Average fiber strength was 25.7 grams per tex, the same as through this period in 1982.

Grade 41 was the predominant grade of upland cotton ginned prior to December 1 this season. This grade accounted for over 34 percent of ginnings, up from 29 percent a year earlier. White grades 41 and higher accounted for almost 56 percent of ginnings compared with 49 percent in 1982. All white grades comprised 69 percent of ginnings, down from 70 percent a year earlier. Light Spotted grades accounted for 25 percent against 29 percent a year earlier and Spotted grades accounted for 4 percent against 1 percent the previous year.

Staple. Average staple of upland cotton ginned prior to December 1 was 34.7 thirty-seconds inches. This was down from 34.8 thirty-seconds a year earlier but was still the second longest average for this period since records began in 1938. Predominant staple length this season was staple 35 at 39 percent of ginnings compared with 36 percent a year earlier. Staples 31 and shorter comprised 7 percent of ginnings, the smallest proportion since 1978 and down from 10 percent a year earlier. Staples 32 and 33 made up 10 percent this season against 6 percent in 1982. Staples 34 and 35 accounted for 53 percent this year compared with 44 percent a year earlier. Staples 36 and longer comprised 31 percent this year against 40 percent in 1982.

Mike. Upland cotton in the 35-49 mike range accounted for 86 percent of ginnings prior to December 1 this season, down from 90 percent a year earlier. Cotton with mike of 34 and lower comprised 6 percent this season compared with 4 percent a year earlier and mike 50 and higher cotton made up 8 percent this year against 6 percent in 1982. Average mike was 43, the same as a year earlier.

Strength. Average fiber strength of upland cotton ginned prior to December 1 this season was 25.7 grams per tex (g/tex), the same as a year earlier. Strengths in the 19 and lower range accounted for less than 1 percent of ginnings in both 1983 and 1982. The 20 to 23 range accounted for 18 percent this season compared with 17 percent a year earlier. The 24 to 27 g/tex range comprised about 59 percent of ginnings against 61 percent a year earlier and the 28 and higher range accounted for 23 percent this year against 22 percent in 1982.

United States: Percentage distribution of grade, staple, mike and fiber strength for upland cotton classed prior to December 1, 1983 ^{1/}

Grade Code	Staple														All Staples
	26 and shorter	28	29	30	31	32	33	34	35	36	37	38	39	40 and longer	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
White:															
11	-	-	*	*	*	*	*	*	*	*	*	-	-	-	*
21	*	*	*	*	*	*	*	*	0.2	0.1	*	*	-	-	0.4
30	*	-	-	*	*	*	*	*	*	*	*	*	*	*	*
31	*	*	*	0.1	0.2	0.2	0.3	1.4	7.6	7.1	0.3	*	*	*	17.3
40	*	*	*	*	*	*	0.1	0.4	1.4	2.1	0.1	*	*	*	4.1
41	*	*	*	0.1	0.2	0.3	1.0	4.9	15.4	11.4	0.7	0.1	*	*	34.1
50	*	*	*	*	*	*	0.1	0.7	2.4	1.4	0.1	*	*	*	4.8
51	*	*	*	*	0.1	0.2	0.4	1.3	3.2	2.0	0.2	*	*	*	7.4
60	-	*	-	*	*	*	*	*	*	*	*	*	*	*	0.1
61	-	*	*	*	*	0.1	0.1	0.2	0.3	0.2	*	*	*	*	0.9
70	-	-	-	-	-	*	*	*	*	*	*	*	*	*	*
71	-	*	*	*	*	*	*	*	*	*	*	*	*	-	0.1
Lt. Spotted:															
12	-	-	-	*	*	-	-	*	*	*	*	-	-	-	*
22	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
32	*	*	0.1	0.2	0.4	0.3	0.3	0.6	1.7	0.8	0.1	*	*	*	4.6
42	*	*	0.2	0.6	1.1	1.0	1.1	2.4	4.0	2.0	0.3	0.1	*	*	12.8
52	*	*	0.1	0.3	0.7	0.9	1.1	1.6	1.8	0.8	0.2	*	*	*	7.4
Spotted:															
13	-	-	-	-	-	*	*	*	*	*	*	-	-	*	*
23	*	*	*	*	*	*	*	*	*	*	*	-	-	*	*
33	*	*	*	0.1	0.1	*	*	*	*	*	*	*	*	*	0.3
43	*	*	0.1	0.3	0.4	0.2	0.2	0.1	0.1	0.1	*	*	*	*	1.4
53	*	*	0.1	0.2	0.4	0.4	0.3	0.3	0.2	0.1	*	*	*	*	1.9
24	-	-	*	*	*	*	*	*	*	-	-	-	-	-	*
34	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
44	*	*	*	*	*	*	*	*	*	*	*	*	*	*	0.2
54	*	*	*	*	0.1	0.1	*	*	*	*	*	*	*	*	0.2
Stained:															
25	-	-	-	-	*	*	-	*	*	*	-	-	-	-	*
35	-	-	*	*	*	*	*	*	*	*	-	-	-	*	*
Lt. Gray:															
16	-	-	-	-	-	-	-	*	-	-	-	-	-	-	*
26	-	-	-	-	*	*	*	*	*	*	*	-	-	-	*
36	-	-	-	*	*	*	*	*	*	*	*	-	-	*	*
46	-	-	-	-	*	*	*	*	*	*	-	-	-	*	*
Gray:															
17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	-	-	-	-	-	-	*	*	*	*	-	-	-	-	*
37	-	-	-	-	*	-	-	*	*	*	-	-	-	*	*
47	-	-	-	*	-	*	*	*	*	*	-	-	-	*	*
Below Grade ^{2/}	*	*	*	0.1	0.2	0.3	0.4	0.4	0.3	0.1	*	*	*	*	1.8
All grades	*	0.2	0.5	1.9	3.9	4.1	5.5	14.6	38.6	28.3	2.2	0.3	0.1	*	100.0

Mike	26 and below	27-29	30-32	33-34	35-49	50-52	53 and above	Average
Percent	0.2	1.0	2.4	2.7	85.7	6.7	1.3	43

Fiber Strength	1/8" Gage (Grams per tex)								Average
	17 and below	18-19	20-21	22-23	24-25	26-27	28-29	30 and above	
Percent	*	0.3	3.6	14.3	29.5	29.3	16.0	7.0	25.7

1/ Ginnings, Bureau of the Census, 5,957,214 running bales.
^{2/} Lower in grade than the lowest grade of the official standards.
 * Less than 0.05 percent.

Average staple. 34.7
 Percent tenderable. 60.0
 Percent Average Rule Used (ARU) 1.0
 Percent grade reductions. 10.4

DAILY COTTON MARKET NEWS

MARKET

TELEPHONE NUMBER

Bakersfield, California - - - - -	805-834-2121
Birmingham, Alabama	
In state WATS line-toll free- - - - -	1-800-292-4924
Fresno, California- - - - -	209-251-9264
Lubbock, Texas- - - - -	806-763-7870
Phoenix, Arizona- - - - -	602-257-9304

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					8-Market Average	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement						
	Mar '84	May '84	Jul '84	Oct '84	Dec '84		
Dec. 15	78.30	79.43	80.40	75.25	73.67	72.59	89.60
16	78.67	79.75	80.27	75.26	73.60	72.90	89.25
19	78.73	79.90	80.54	75.35	73.75	72.98	89.25
20	78.17	79.31	80.16	75.00	73.41	72.65	89.25
21	77.55	78.76	79.55	74.60	73.10	72.16	89.15
22	77.95	79.15	79.85	74.75	73.32	72.33	88.85

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 1982-83 and 1983-84

Description	Marketing Year			
	1982-83		1983-84	
	Through December 16		Through December 15	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,810,600	-	3,189,500
Exports	96,800	1,523,300	134,100	1,726,400
Total export commitments	-	3,333,900	-	4,915,900
New sales	49,500	-	155,400	-
Buy-backs and cancellations	10,700	-	12,000	-
Net sales	38,800	-	143,400	-
Sales next marketing year	15,200	45,400	8,600	231,600

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

Upland cotton export sales during the week ended December 15 nearly equaled a week earlier but were 6 percent less than the four-week average, according to the Foreign Agricultural Service, USDA. The major buyers were South Korea with 43,100 bales, Japan 34,200, Hong Kong 14,700 and Pakistan 13,200 bales. Weekly exports of 134,100 bales were 11 percent less than a week ago but were 10 percent above the four-week average. Asian destinations accounted for 72 percent of the week's shipments and European destinations 21 percent.