

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

COTTON DIVISION

4841 SUMMER AVENUE, MEMPHIS, TENNESSEE 38122

Telephone 901-521-2934



Weekly Cotton Market Review

TEXAS TECH
Dept of Ag Eco

Vol 66, No. 28

February 14, 1985

Spot cotton prices averaged slightly higher, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading remained slow. Growers offered a sufficient volume of cotton to meet the limited demand. Domestic and foreign mill purchases were light. Growers in a few states forward contracted a light to moderate volume of 1985-crop cotton. Weather conditions were less than ideal across most of the Cotton Belt but most growers had completed harvesting. Warmer soil temperatures are needed before planting begins in early producing areas of south Texas. With little change in world production and use, projected ending stocks this season are near last month's indications.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 59.21 cents per pound during the week ended Thursday, February 14. Prices ranged from a high of 59.56 cents on Friday to a low of 58.57 cents on Thursday. A week earlier, prices averaged 58.99 cents per pound and ranged from 58.60 to 59.36 cents. In the corresponding week a year ago, the average price was 69.74 cents. The New York March 1985 futures settlement price ended the week on Thursday at 64.32 cents per pound compared with 64.92 cents a week earlier. The December settlement price was 66.90 cents against 67.35 cents last Thursday.

Trading remained slow on spot cotton markets. Grower-held supplies were light in some markets. Current prices discouraged many growers from selling but offerings were adequate to satisfy the limited merchant demand. Domestic mill purchases were light and primarily for prompt or nearby delivery. Export trading was slow. European mills bought a light to moderate volume of cotton for nearby through September shipment. Far Eastern mills purchased a light volume for April through September delivery. Purchases reported by cotton exchanges in the designated markets totaled 155,700 bales in the week ended Thursday, February 14. This compares with 211,400 bales reported a week earlier and 163,600 bales in the corresponding week last season.

Textile mill report. Mill buying remained slow. Reduced production brought about by decreased sales has extended raw cotton positions and allowed most mills to postpone buying. Purchases were mostly small fill-in lots for prompt shipment, although a light volume was also bought for spring and later delivery. Qualities and growth areas varied widely. Sales of finished textiles were sporadic, continuing the trend of recent months. Most apparel and household goods were slow sellers while sales of yarns were mostly in small quantities for immediate delivery. Industrial and automotive product sales were mixed and intermittent but mostly unchanged from recent weeks. Some mills producing knitwear and sports apparel continued to report good business. Work schedules varied widely and ranged mostly from three to five days per week. Some mills outturning very slow selling items closed on alternate weeks.

World cotton supply and demand estimates. Projected world cotton production is unchanged. Increased forecasts for Australia and Pakistan offset a further significant decline in USSR production, now projected at the lowest level in a decade.

Imports have been revised down slightly for Taiwan and South Africa, but raised in several East European countries. With a reduced crop, Soviet export potential has been trimmed. However, offsetting revisions have been made for Australia, Brazil and Pakistan.

Projected global mill use remains near January indications. With little change in world output and use, forecast stocks are near last month's record.

Cotton supply and use: World, United States, major exporters and importers; marketing years 1982-83, 1983-84, and 1984-85 ^{1/} February 11, 1985

Region	Supply			Use		Ending stocks	
	Beginning stocks	Production	Imports	Mill use	Exports		
Million 480 pound bales							
1982-83							
World	25.4	67.5	19.8	68.0	19.4	24.9	
United States	6.6	12.0	2/	5.5	5.2	7.9	
Total foreign	18.8	55.5	19.7	62.5	14.2	17.0	
Major exporters ^{3/}	6.7	39.6	1.6	31.8	9.1	6.8	
China	1.9	16.5	1.1	16.4	0.1	3.0	
Pakistan	0.2	3.8	2/	2.5	1.3	0.2	
USSR	2.5	11.9	0.5	9.2	3.9	1.8	
Major importers ^{4/}	4.9	0.8	15.1	15.8	0.3	4.7	
Japan	0.8	-	3.1	3.3	-	0.6	
1983-84 (Estimated)							
World	24.9	67.6	20.5	68.8	19.4	24.5	
United States	7.9	7.8	2/	5.9	6.8	2.8	
Total foreign	17.0	59.9	20.5	62.8	12.6	21.7	
Major exporters ^{3/}	6.8	43.6	1.3	31.3	8.4	11.8	
China	3.0	21.3	0.3	16.0	0.8	7.8	
Pakistan	0.2	2.2	0.3	2.0	0.3	0.1	
USSR	1.8	12.3	0.8	9.3	3.5	2.1	
Major importers ^{4/}	4.7	0.8	15.7	16.2	0.6	4.5	
Japan	0.6	-	3.3	3.3	-	0.7	
1984-85 (Projected)							
World							
January	24.3	81.8	20.6	69.7	20.6	36.2	
February	24.5	81.8	20.6	69.8	20.7	36.3	
United States							
January	2.8	13.3	2/	5.3	6.5	4.3	
February	2.8	13.3	2/	5.3	6.5	4.3	
Total foreign							
January	21.5	68.5	20.6	64.4	14.1	31.8	
February	21.7	68.5	20.6	64.5	14.2	31.9	
Major exporters ^{3/}							
January	11.8	50.2	1.3	32.4	9.5	21.2	
February	11.8	50.2	1.3	32.4	9.5	21.2	
China	Jan.	7.8	26.0	0.1	16.5	1.2	16.2
China	Feb.	7.8	26.0	0.1	16.5	1.2	16.2
Pakistan	Jan.	0.1	3.8	2/	2.3	1.0	0.6
Pakistan	Feb.	0.1	4.0	2/	2.3	1.1	0.6
USSR	Jan.	2.1	12.0	1.0	9.5	3.4	2.2
USSR	Feb.	2.1	11.7	1.0	9.5	3.2	2.1
Major importers ^{4/}							
January	4.4	1.0	15.6	16.3	0.5	4.2	
February	4.5	1.0	15.6	16.3	0.5	4.3	
Japan	Jan.	0.7	-	3.3	-	0.7	
Japan	Feb.	0.7	-	3.3	-	0.7	

^{1/} Marketing year beginning August 1. Totals may not add and trade and stocks may not balance due to rounding, a small quantity destroyed, and other factors. ^{2/} Less than 50,000 bales. ^{3/} Australia, China, Central America, Egypt, Mexico, Pakistan, Sudan, Turkey and the USSR. ^{4/} Eastern Europe, Western Europe, Japan, Hong Kong, Republic of Korea and Taiwan.

Source: United States Department of Agriculture

Cotton ginned in the United States prior to February 1, running bales, by states, crops of 1983 and 1984

State	1984	1983	State	1984	1983
	<u>Running bales</u>			<u>Running bales</u>	
United States	12,324,286	7,476,463	Missouri	184,522	71,045
Upland	12,202,017	7,386,346	New Mexico	80,042	69,958
American Pima	122,269	90,117	Upland	74,280	63,354
Alabama	424,221	172,059	American Pima	5,762	6,604
Arizona	1,097,003	727,487	North Carolina	117,418	41,964
Upland	1,014,656	682,103	Oklahoma	170,129	138,797
American Pima	82,347	45,384	South Carolina	155,807	50,363
Arkansas	596,357	315,242	Tennessee	321,097	144,502
California	2,824,166	1,910,530	Texas	3,444,027	2,332,683
Georgia	269,364	108,116	Upland	3,409,867	2,294,554
Louisiana	1,021,869	519,952	American Pima	34,160	38,129
Mississippi	1,594,383	861,923	All other states	23,881	11,842

Source: Bureau of the Census.

Seven months and older certificated stock, March 1, 1985 ^{1/}

Delivery point	7-12 months	13-18 months	19-24 months	Over 24 months	Total
	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>
Charleston	-	-	-	-	-
Galveston	8,243	4,156	-	106	12,505
Greenville	447	16	3	2	468
Houston	-	-	-	-	-
Memphis	5,471	1,381	1,077	291	8,220
Mobile	-	-	-	-	-
New Orleans	196	-	1	-	197
Total	14,357	5,553	1,081	399	21,390

^{1/} Based on Cotton Division records as of February 15, 1985.

Upland cotton: Twelve-month average price and producer marketings, United States, 1984

Month	Average price ^{1/}	Marketings No. of bales ^{2/}	Month	Average price ^{1/}	Marketings No. of bales ^{2/}
	<u>Cents per pound</u>	<u>1,000 bales</u>		<u>Cents per pound</u>	<u>1,000 bales</u>
January	62.7	1,557	August	67.4	516
February	65.0	751	September	64.6	344
March	70.1	479	October	64.6	1,772
April	67.2	289	November	61.8	2,771
May	72.7	163	December	55.8	2,374
June	68.0	127	Calendar		
July	65.9	179	year avg. ^{3/}	62.4	11,322

^{1/} Revised monthly prices. ^{2/} Expanded survey marketings based on sample of approximately 35 percent of the cotton buyers. ^{3/} Calendar year average price results from weighting monthly prices by monthly marketings.

Reprint of table prepared by the Statistical Reporting Service, USDA.

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							Grade 31 Staple 35 'A' Index 1/
	Futures Settlement						Desig. 8-	
	Mar '85	May '85	Jul '85	Oct '85	Dec '85	Mar '86	Mkt. Avg.	
Feb. 7	64.92	66.05	66.97	67.30	67.35	68.45	59.00	69.70
8	65.67	66.70	67.53	67.48	67.55	68.68	59.56	69.60
11	65.31	66.41	67.28	67.36	67.35	68.45	59.38	69.80
12	65.17	66.30	67.15	67.27	67.30	68.40	59.34	69.45
13	64.98	66.11	66.96	67.06	67.20	68.30	59.20	69.45
14	64.32	65.47	66.40	66.77	66.90	68.00	58.57	69.10

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

Chicago futures contract settlement and designated spot market average for grade 42 staple 31 in cents per pound

Date	Grade 42 Staple 31						Desig. 5-Mkt. Average 1/
	Futures Settlement						
	Mar '85	May '85	Jul '85	Oct '85	Dec '85		
Feb. 7	56.01	56.52	57.24	-	-	49.52	
8	56.15	56.60	57.30	-	-	49.97	
11	56.50	56.30	56.85	-	-	49.91	
12	56.50	56.39	57.05	-	-	49.92	
13	56.50	56.20	56.80	-	-	49.81	
14	56.50	55.93	56.65	-	-	49.20	

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

U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1983-84 and 1984-85

Description	Marketing Year			
	1983-84		1984-85	
	Through February 9		Through February 7	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	3,126,500	-	2,668,600
Exports	192,000	3,011,300	179,400	3,127,400
Total export commitments	-	6,137,800	-	5,796,000
New sales	84,800	-	80,500	-
Buy-backs and cancellations	15,400	-	16,500	-
Net sales	69,400	-	64,000	-
Sales next marketing year	56,400	411,200	39,500	197,900

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

Upland cotton export sales during the week ended February 7 totaled 64,000 running bales, according to the Foreign Agricultural Service, USDA. The principal buyers were South Korea with 18,400 bales and Japan 7,600 bales. Sales during the week for the 1985-86 marketing year were 39,500 bales. The major purchases were made by South Korea with 18,500 bales and Japan 11,900 bales. Weekly exports totaled 179,400 bales, down slightly from the previous week. Asian destinations accounted for 58 percent of the week's shipments, West European 34 percent and Western Hemisphere 5 percent.