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## Weekly Cotton Market Review

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Trading remained slow on spot cotton markets, according to the Cotton Division, Agricultural Marketing Service, USDA. Spot prices reached the lowest level in over two years. Grower-held supplies were limited but offerings were ample to satisfy most merchant needs. Domestic and foreign mill demand was light. Growers forward contracted a very light volume of 1985-crop cotton. Wet fields limited land preparation in many areas of the Cotton Belt. Planting is expected to begin in south Texas soon. United States cotton growers expect to plant 11.0 million acres in 1985. The 1984 crop (lint and seed) was valued at 4.5 billion dollars.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 58.34 cents per pound during the week ended Thursday, February 21. Prices ranged from a high of 58.58 cents on Friday to a low of 58.18 cents on Thursday. Thursday's average price set a low for the 1984-85 marketing year and was the lowest price since November 26, 1982. A week earlier, prices averaged 59.21 cents per pound and ranged from 58.57 to 59.56 cents. In the corresponding week a year ago, the average price was 71.36 cents. The New York May 1985 futures settlement price ended the week on Thursday at 64.28 cents per pound compared with 65.47 cents a week earlier. The October settlement price was 65.57 cents against 66.77 cents last Thursday and the December price was 65.75 cents compared with 66.90 cents a week ago.

Trading remained slow on spot cotton markets. Grower-held supplies were limited in many markets but offerings were sufficient for most buyer needs. Merchant demand was selective and restricted mostly to cotton needed to cover nearby commitments. Domestic mills bought a light volume for fill-ins and a small amount for nearby and forward shipment. Export trading remained slow. Sales were made to both Far Eastern and European mills. Purchases reported by cotton exchanges in the designated markets totaled 113,400 bales in the week ended Thursday, February 21. This compares with 155,700 bales reported a week earlier and 109,900 bales in the corresponding week last season.

Textile mill report. Mill demand was weak and buying continued at a slow pace. Some mills bought a light volume for fill-ins and a small amount for nearby and deferred shipment. Purchases included mostly the medium white grades from Memphis and eastern growths. Most mills have ample supplies to cover their immediate requirements and postponed buying until nearer time of need. Mills continued to fill orders already booked but reported a gradual decline in new business. Yarns and many apparels remained slow sellers. Household goods, industrials and automotive products showed spotty sales. Athletic wear sold at a moderately active pace and underwear remained in steady to good demand. Mills operated three to five days, mostly five. Some mills continued to cut production to hold down inventories of goods and a few mills have closed some plants in an effort to concentrate on better selling products.

CCC loan entries of 1984-crop cotton totaled 1,517,500 running bales through January 31. Repayments had been made on 265,700 bales. Loans were outstanding on 1,251,800 bales, of which, 305,400 were Form A (producer) and 946,400 were Form G (cooperative) loans. Entries of 1983 crop totaled 1,784,800 bales. Repayments had been made on 1,750,700 bales. Loans were outstanding on 27,300 bales, of which, 21,500 were Form A and 5,800 were Form G. Loans remained outstanding on 19,600 bales of 1982-crop cotton, 53,100 bales of 1981 crop and 2,100 bales of 1980 crop. A total of 6,800 bales has been forfeited from the 1983 crop, 796,100 from 1982, 958,900 from 1981 and 40,200 from the 1980 crop.

The value of the 1984 crop (lint and seed) was 4.5 billion dollars, according to a preliminary estimate by the Crop Reporting Board, SRS, USDA. This compares with 3.0 billion dollars for the 1983 crop and 3.8 billion for 1982. The 1984 estimate does not include an allowance for unredeemed loans. The calculated average value of the 1984 cotton crop was \$431.00 per harvested acre compared with \$407.00 in 1983 and \$388.00 in 1982.

February planting intentions. Intended area of all cotton for 1985 totals 11.0 million acres, 2 percent below 1984 plantings, according to the Crop Reporting Board, SRS, USDA. Upland acreage, at 10.9 million acres, is 2 percent below 1984 and American Pima, at 65,000 acres, is down 16 percent from last year. Although many growers have finalized planting plans for 1985, some decisions will be delayed until the end of the program sign-up period which ends March 1.

In the southeastern states -- Alabama, Georgia, North Carolina and South Carolina -- prospective plantings point to 745,000 acres for 1985, 9 percent above 1984. Good yields the last three years and the success of the boll weevil eradication program have sparked renewed interest in growing cotton.

In the Delta states -- Arkansas, Louisiana, Mississippi, Missouri and Tennessee -- growers expect to plant 2.65 million acres, 1 percent less than 1984 planted acreage. Acreage equal to last year is expected in Arkansas, Mississippi and Tennessee but a small decline is indicated in Louisiana and Missouri.

Intended upland acreage in Oklahoma and Texas is 5.67 million acres, 2 percent less than last year. With depressed prices for competing crops and favorable residual soil moisture for planting the dryland acreage, growers indicate they will reduce cotton acreage 1 percent from 1984 in Texas and 13 percent in Oklahoma.

Growers in western states -- Arizona, California and New Mexico -- expect to plant 1.81 million acres of upland cotton, 5 percent below last year.

Cotton acreage planted, by states, 1983, 1984 and prospective plantings February 1985

State	1983	1984	Prospective 1985	1985 as percent of 1984
<u>Upland</u>		<u>1,000 acres</u>		<u>Percent</u>
Alabama	219.0	308.0	300.0	97
Arizona	291.0	425.0	380.0	89
Arkansas	320.0	475.0	475.0	100
California	960.0	1,410.0	1,350.0	96
Florida	12.5	17.0	22.0	129
Georgia	120.0	175.0	230.0	131
Kansas	0.4	1.0	2.0	200
Louisiana	420.0	650.0	620.0	95
Mississippi	687.0	1,050.0	1,050.0	100
Missouri	108.0	165.0	160.0	97
New Mexico	56.0	75.0	77.0	103
North Carolina	60.0	96.0	100.0	104
Oklahoma	320.0	425.0	370.0	87
South Carolina	69.0	105.0	115.0	110
Tennessee	220.0	340.0	340.0	100
Texas	4,000.0	5,350.0	5,300.0	99
Virginia	0.4	0.9	1.1	122
U. S.	7,863.3	11,067.9	10,892.1	98.4
<u>American Pima</u>				
Arizona	29.5	48.0	35.0	73
New Mexico	11.1	10.0	10.0	100
Texas	22.4	19.6	20.0	102
U. S.	63.0	77.6	65.0	83.8
U. S. all cotton	7,926.3	11,145.5	10,957.1	98.3

Source: Crop Reporting Board, Statistical Reporting Service, USDA

All cotton: Season average price received by farmers  
and value of production, by states, 1982-1984

State	Price per pound			Value of production <sup>1/</sup>		
	1982 <sup>2/</sup>	1983 <sup>2/</sup>	1984 <sup>3/</sup>	1982 <sup>2/</sup>	1983 <sup>2/</sup>	1984 <sup>3/</sup>
<u>Upland</u>	Cents			1,000 dollars		
Alabama	58.5	65.7	58.3	129,168	57,711	126,208
Arizona	60.5	68.2	60.6	317,988	237,336	314,150
Arkansas	58.0	66.5	57.6	148,666	103,102	165,888
California	66.9	72.8	67.0	986,802	688,746	939,072
Florida	57.5	67.3	60.0	5,410	4,910	7,862
Georgia	56.6	67.2	62.1	63,845	36,127	83,462
Kansas	49.5	57.8	54.1	24	55	78
Louisiana	56.5	65.4	56.6	235,944	167,005	283,906
Mississippi	59.8	66.2	57.8	505,190	285,984	457,776
Missouri	59.2	68.5	61.0	57,969	24,002	57,096
Nevada	72.1	-	-	311	-	-
New Mexico	59.7	73.9	61.8	22,352	24,830	29,071
North Carolina	61.4	70.5	63.0	30,061	14,551	36,288
Oklahoma	49.5	57.8	54.1	56,549	40,229	50,638
South Carolina	59.7	72.4	61.3	44,417	18,419	50,021
Tennessee	57.7	68.5	58.3	93,889	49,649	95,146
Texas	51.3	59.3	63.4	664,848	677,443	1,217,280
Virginia	59.3	73.0	63.0	114	105	363
U. S.	59.1	66.0	61.9	3,363,547	2,430,204	3,914,305
<u>American Pima</u>						
Arizona	96.8	101.0	100.0	30,620	22,737	38,400
New Mexico	102.0	114.0	101.0	4,896	8,646	5,333
Texas	102.0	108.0	99.6	11,163	16,589	13,386
U. S.	98.5	106.0	100.0	46,679	47,972	57,119
U. S. all cotton	59.4	66.4	62.2	3,410,226	2,478,176	3,971,424

<sup>1/</sup> Value based on a 480 pound net weight bale.

<sup>2/</sup> Includes allowance for unredeemed loans.

<sup>3/</sup> Average to January 1, 1985 with no allowance for unredeemed loans.

Cottonseed: Season average price received by farmers  
and value of production, by states, 1982-1984

State	Price per ton			Value of production		
	1982	1983	1984	1982	1983	1984
<u>Upland</u>	Dollars			1,000 dollars		
Alabama	67.00	161.00	95.00	11,122	10,787	15,200
Arizona	80.00	171.00	98.00	39,040	51,710	45,893
Arkansas	64.50	158.00	82.00	13,094	18,960	18,614
California	90.50	169.00	119.00	111,315	133,341	141,372
Florida	60.00	140.00	65.00	438	812	676
Georgia	66.50	189.00	93.00	5,520	7,749	9,672
Kansas	-	181.00	102.00	-	18	10
Louisiana	63.50	172.00	82.00	21,082	33,712	32,308
Mississippi	64.00	165.00	81.00	43,392	55,275	50,139
Missouri	62.00	162.00	86.50	5,208	4,698	6,488
Nevada	90.00	-	-	45	-	-
New Mexico	82.00	168.00	101.00	3,034	5,762	4,828
North Carolina	58.00	163.00	93.00	2,088	2,608	3,906
Oklahoma	71.00	181.00	105.00	7,171	10,498	8,295
South Carolina	63.00	176.00	97.50	3,654	3,520	6,240
Tennessee	69.00	161.00	91.00	9,798	9,660	12,285
Texas	81.00	162.00	105.00	91,611	162,324	177,303
Virginia	55.50	163.00	93.00	6	16	37
U. S.	77.00	166.00	101.00	367,618	511,450	533,266

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							Desig. 8- Mkt. Avg.	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement								
	Mar '85	May '85	Jul '85	Oct '85	Dec '85	Mar '86			
Feb. 14	64.32	65.47	66.40	66.77	66.90	68.00	58.57	69.10	
15	64.18	65.48	66.36	66.50	66.66	67.80	58.58	68.85	
18	HOLIDAY								68.55
19	63.60	64.93	65.77	65.90	66.10	67.47	58.39	68.45	
20	63.23	64.63	65.53	65.65	65.92	67.31	58.22	68.35	
21	62.78	64.28	65.25	65.57	65.75	66.90	58.18	68.05	

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. 14	56.50	55.93	56.65	-	-	49.20	
15	56.50	55.91	56.75	-	-	49.21	
18	HOLIDAY						
19	56.50	55.80	56.65	-	-	49.23	
20	56.50	55.68	56.64	-	-	49.23	
21	56.50	55.77	56.68	-	-	48.59	

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 16		Through February 14	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	3,050,600		
Exports	188,600	3,199,900		
Total export commitments	-	6,250,500	Will be released	
New sales	126,400	-		
Buy-backs and cancellations	13,700	-	February 22, 1985	
Net sales	112,700	-		
Sales next marketing year	35,100	446,300		

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