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AGRICULTURAL MARKETING SERVICE
COTTON DIVISION
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Weekly Cotton Market Review
(Week ended February 24)

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Spot cotton prices reached the highest level this marketing year, which began August 1, according to the Cotton Division, Agricultural Marketing Service, USDA. Grower offerings and sales were light. Demand remained best for higher grades but availability limited trading volume. Domestic and foreign mills made limited purchases. Growers in several states forward contracted a small volume of 1983-crop cotton. Trading of PIK entitlements was moderately active. Unfavorable weather and wet fields continued to hinder the final stages of harvesting and land preparation for the next crop. CCC loan premiums and discounts for the 1983 crop were released.

Spot cotton prices advanced sharply. The average price for grade 41 staple 34, mike 35-49, in the designated markets reached 64.08 cents per pound on Wednesday, February 23, the highest price this marketing year. On Thursday, February 24, the average price was 63.77 cents compared with 61.85 cents a week earlier and 57.68 cents on the corresponding Thursday last season. The New York May 1983 futures settlement price ended the week on Thursday, at 70.00 cents per pound compared with 67.80 cents a week earlier. The October settlement price was 69.35 cents against 67.65 cents last Thursday and the December price was 69.40 cents compared with 67.91 cents a week earlier.

Trading on spot cotton markets remained relatively slow. Merchants needing cotton found only light supplies of grower-owned cotton in the qualities needed. Most mills limited purchases to fill-ins, however, some forward buying occurred. Export trading was slow with shipments scheduled for prompt through March 1984. Purchases reported by cotton exchanges in the designated markets totaled 146,500 bales in the week ended Thursday, February 24. This compares with 168,800 bales a week earlier and 263,500 bales in the corresponding week last season.

PIK trading. In California's San Joaquin Valley, merchants offered 55.00 to 57.00 cents per pound for PIK entitlements. On the Texas Plains and in western Oklahoma, growers booked a limited volume of 1982 crop PIK's at 45.00 to 46.00 cents, basis grade 42 staple 32, mike 35-49, with 1983-crop CCC loan premiums and discounts. South Texas growers booked a limited volume of PIK cotton at around 57.25 cents for 1982 Valley crop cotton, 55.00 cents for 1981 Valley crop cotton and 50.00 cents for other than Valley cotton, basis grade 41 staple 34, mike 35-49. Crop year loan differences applied to other than the base quality. In the Hayti, Missouri area, booking of PIK entitlements was slow. Prices offered were 50.00 cents for 1981 crop and 52.00 cents for 1982 crop. In the Memphis, Tennessee trade area, PIK entitlements traded slowly at 50.00 to 53.00 cents for 1981 crop and 54.00 to 56.00 cents for 1982 crop. In Mississippi, merchants continued in their effort to secure PIK entitlements but growers were reluctant to book. Prices offered ranged from 52.00 to 55.00 cents for 1982-crop entitlements with discounts of 200 to 300 points applied to cotton from prior years. Louisiana growers booked 1980 and 1981-crop PIK entitlements at 50.00 cents per pound and 1982 crop at 54.00 cents. In Alabama, growers booked 1981-crop PIK entitlements at 50.00 cents and 1982 crop at 55.00 cents. In Georgia, growers booked a light volume of PIK's at about 50.00 cents for 1981 crop and 55.00 cents for 1982 crop, basis grade 41 staple 34.

Textile mill report. Mill buying consisted of a light to moderate volume for both prompt and deferred delivery. Recent purchases covered a fairly wide range of qualities but a decided preference remains for grades 41 and higher, staples 34 and longer. Interest in PIK cotton was strong. Mills continued to fill orders for goods already booked but the volume of new business remained light. Some delay orders were reported in yarn shipments along with changes in delivery terms. Industrial sales continued slow but household and automotive products showed modest improvement. Bookings of apparel goods were mixed and yarn and thread business was spotty. Reports of imported goods available at reduced prices remained an unsettling market factor. Most mills were operating five-day weeks.

USDA releases program differentials for 1983-crop cotton. Schedules of premiums and discounts for grade, staple and micronaire differences were released by the Commodity Credit Corporation, USDA, February 23. The 1983 upland loan rate is 55.00 cents per pound, basis Strict Low Middling 1-1/16 inches (grade 41 staple 34) cotton, micronaire 35-49, net weight, at average location. The schedules of premiums and discounts for grade, staple and micronaire differentials will apply to this rate. A schedule showing base loan rates at each approved warehouse location will be issued later. CCC loan rates for 1983-crop American Pima cotton were also released.

CCC schedule of loan rates for eligible qualities of 1983-crop extra long staple cotton (American Pima) stored in approved warehouses at all locations

(In cents per pound, net weight, micronaire 3.5 and above 1/)

Grade	Code	Staple (inches)		Grade	Code	Staple (inches)	
		1-3/8 (44)	1-7/16 & longer (46)			1-3/8 (44)	1-7/16 & longer (46)
1	(01)	101.00	101.45	6	(06)	78.15	78.35
2	(02)	100.55	101.00	7	(07)	64.95	65.35
3	(03)	100.10	100.55	8	(08)	59.65	59.90
4	(04)	98.75	99.20	9	(09)	57.85	58.05
5	(05)	90.90	91.15				

1/ A micronaire premium of 80 points (0.80 cent) per pound is reflected in the loan rates for the eligible qualities; thus, the national average loan rate reflected in the above schedule is 97.05 cents per pound. Cotton with micronaire readings below the micronaire range "3.5 and above" will be subject to the discounts in the schedule of micronaire differences for ELS cotton which follows:

CCC schedule of micronaire differences for eligible qualities of 1983-crop extra long staple cotton (American Pima)

Micronaire Reading	Points per Pound	Micronaire Reading	Points per Pound
3.5 and above	0	3.0 through 3.2	Discount of 490
3.3 through 3.4	Discount of 290	2.7 through 2.9	Discount of 935

United States Department of Agriculture, Agricultural Stabilization and Conservation Service.

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CCC loan premiums and discounts for grade and staple length of 1983-crop American upland cotton basis grade 41 staple 34 (SLM 1-1/16"), net weight

Grade	Code	Staple length (inches)								
		29/32	15/16	31/32	1	1-1/32	1-1/16	1-3/32	1-1/8	1-5/32
		(29) & shorter Pts.	(30) Pts.	(31) Pts.	(32) Pts.	(33) Pts.	(34) Pts.	(35) Pts.	(36) Pts.	(37) & longer Pts.
<u>WHITE</u>										
SM & better	(21)	-995	-815	-555	-375	-35	+190	+230	+250	+310
MID Plus	(30)	-1015	-835	-580	-405	-55	+165	+205	+230	+285
MID	(31)	-1020	-850	-585	-415	-70	+150	+190	+215	+270
SLM Plus	(40)	-1070	-885	-635	-470	-165	+50	+90	+115	+170
SLM	(41)	-1095	-910	-660	-515	-210	BASE	+40	+60	+115
LM Plus	(50)	-1185	-1020	-770	-645	-485	-300	-295	-260	-210
LM	(51)	-1260	-1095	-855	-760	-645	-465	-405	-380	-340
SGO Plus	(60)	-1560	-1480	-1400	-1355	-1220	-1130	-1115	-1100	-1090
SGO	(61)	-1610	-1530	-1450	-1410	-1305	-1215	-1200	-1180	-1175
GO Plus	(70)	-1900	-1845	-1775	-1745	-1675	-1600	-1590	-1575	-1570
GO	(71)	-1955	-1900	-1845	-1810	-1730	-1680	-1665	-1655	-1650
<u>LIGHT SPOTTED</u>										
SM & better	(22)	-1045	-875	-620	-460	-135	+70	+105	+130	+175
MID	(32)	-1095	-920	-665	-520	-225	-15	+25	+45	+90
SLM	(42)	-1205	-1060	-815	-715	-575	-405	-380	-360	-320
LM	(52)	-1480	-1365	-1235	-1205	-1145	-1095	-1080	-1070	-1065
<u>SPOTTED</u>										
SM & better	(23)	-1295	-1205	-1120	-1045	-785	-660	-640	-625	-620
MID	(33)	-1365	-1280	-1190	-1140	-1010	-890	-880	-850	-840
SLM	(43)	-1540	-1465	-1435	-1415	-1350	-1275	-1260	-1255	-1250
LM	(53)	-1785	-1720	-1700	-1680	-1625	-1570	-1560	-1550	-1540
<u>TINGED 1/</u>										
SM	(24)	-1630	-1560	-1535	-1515	-1495	-1485	-1485	-1405	-1405
MID	(34)	-1665	-1590	-1570	-1545	-1530	-1520	-1520	-1445	-1445
SLM	(44)	-1740	-1675	-1655	-1640	-1625	-1615	-1615	-1540	-1540
LM	(54)	-1865	-1800	-1775	-1755	-1745	-1735	-1730	-1665	-1665
<u>LIGHT GRAY</u>										
SM & better	(26)	-1205	-1040	-775	-610	-270	+15	+80	+105	+150
MID	(36)	-1355	-1195	-985	-895	-710	-435	-395	-355	-315
SLM	(46)	-1790	-1705	-1610	-1545	-1375	-1245	-1215	-1165	-1155
<u>GRAY</u>										
SM & better	(27)	-1355	-1195	-1070	-995	-855	-600	-565	-525	-485
MID	(37)	-1795	-1705	-1640	-1590	-1475	-1320	-1270	-1220	-1215
SLM	(47)	-2165	-2120	-2080	-2040	-1945	-1810	-1770	-1720	-1715

1/ Cotton classed as "Yellow Stained" (Middling and better grades) will be eligible for loan, if otherwise eligible, at a discount 200 points greater than the discount applicable to the comparable quality in the color group "Tinged."

CCC loan schedule of micronaire differences for 1983-crop upland cotton

Micronaire Reading	Points per Pound	Micronaire Reading	Points per Pound
5.3 and above	Discount of 225	3.0 through 3.2	Discount of 405
5.0 through 5.2	Discount of 115	2.7 through 2.9	Discount of 645
3.5 through 4.9	0	2.6 and below	Discount of 930
3.3 through 3.4	Discount of 170		

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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							
	Mar '83	May '83	Jul '83	Oct '83	Dec '83			
Feb. 17	66.17	67.80	68.86	67.65	67.91	61.85	74.30	
18	65.95	67.95	69.09	68.00	68.05	61.97	74.30	
21			H O L I D A Y					74.25
22	68.62	69.79	70.77	69.20	68.84	63.51	74.25	
23	68.97	70.36	71.05	69.43	69.18	64.08	75.00	
24	69.35	70.00	70.85	69.35	69.40	63.77	76.05	

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

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						
	Mar '83	May '83	Jul '83	Oct '83	Dec '83		
Feb. 17	55.50	58.50	60.01	-	57.25	55.41	
18	55.40	57.90	60.01	-	57.25	55.50	
21			H O L I D A Y				
22	56.64	58.89	60.40	-	57.25	56.65	
23	56.85	59.00	60.45	-	57.25	57.15	
24	57.15	59.10	60.60	-	57.25	56.78	

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

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 February 18		Through February 17	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	3,038,000		
Exports	153,400	3,087,800		
Total export commitments	-	6,125,800		Will be released
New sales	81,800	-		
Buy-backs and cancellations	7,400	-		February 25, 1983
Net sales	74,400	-		
Sales next marketing year	11,200	157,100		

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