

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE
COTTON DIVISION

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Weekly Cotton Market Review
(Week ended February 25)

February 26, 1982

Trading remained slow on spot cotton markets, according to the Cotton Division, Agricultural Marketing Service, USDA. Prices were about steady. Grower offerings were generally adequate to meet demand. Domestic mills continued to purchase on a small scale. Export trading slowed in most markets. Contracting of 1982-crop cotton between growers and merchants remained limited. Beneficial rains stopped planting in south Texas. Limited planting was reported in the El Centro, California area. The 1981 cotton crop was valued at 4.9 billion dollars.

Spot cotton prices moved within a fairly narrow range most of the period. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets began the week on Friday, February 19, at 57.66 cents per pound and ended the period on Thursday, February 25, at 57.68 cents per pound. This compares with 57.56 cents a week earlier and 84.08 cents on the corresponding Thursday last season. San Joaquin Valley California growers sold grade 31 staple 35, mike 35-49, at around 300 to 425 points off New York May futures. In Arizona, mixed lots of mostly grade 31 staple 34, mike 35-49, sold at around 58.50 to 59.00 cents per pound. Grade 41 traded around 56.00 to 56.50 cents. In Texas and Oklahoma, grade 42 staple 32, mike 35-49, in mixed lots, brought around 47.50 to 49.00 cents per pound (about 225 to 375 points over CCC loan value). Lower qualities traded around 75 to 175 points over loan. Arkansas and Missouri buyers bid around 750 points off NY May futures for grade 41 staple 34, mike 35-49, and around 1500 points off May for grades 51 and 42. In Tennessee, merchants paid about 600 points off May futures for grade 41 staple 34, mike 35-49 cotton. Mississippi prices ranged from 500 to 650 points off NY May futures for grade 41, staples 34 and longer, mike 35-49, and from 950 to 1150 points off May for grades 50 and 42. In Louisiana, grade 41 staple 34, mike 35-49, brought about 58.00 to 59.00 cents per pound. Alabama and Georgia prices ranged from 500 to 700 points off May futures for grades 41 and higher, staples 34 and longer, mike 35-49. In North Carolina and South Carolina, offering prices for selected crop lots were around 60.00 cents per pound. The NY May futures settlement price ended the week on Thursday, February 25, at 65.27 cents per pound compared with 65.72 cents a week earlier. The December settlement price was 71.36 cents against 72.05 cents last Thursday.

Trading volume was light on most spot cotton markets. Merchant demand was good for grades 42 and higher, staples 31 and 32, mike 35-49, in Texas and Oklahoma and for grades 50 and higher, staples 34 and longer, mike 35-49, elsewhere. Most growers were holding limited supplies of qualities in best demand and were reluctant to sell at prices offered. Cotton continued to move into the CCC loan. Most domestic mills showed very little interest in forward buying and purchases were largely to fill gaps in stocks. Export trading slowed. The bulk of sales was to European mills for March-May shipment. Purchases reported by cotton exchanges in the designated markets totaled 263,500 bales in the week ended Thursday, February 25. This compares with 280,500 bales a week earlier and 212,100 bales in the corresponding week last season.

Textile mill report. Domestic mills covered their limited requirements with a small amount of cotton needed to augment stocks. Purchases included a fair range of qualities but the medium and higher grades from western growths accounted for the bulk of recent buying. A few mills bought a light to moderate volume of 1982-crop cotton. Mills continued to fill orders on the books, new business has been slow developing and bill-and-hold requests increased. Mills continued to operate on widely varying schedules and a number remain on production curtailment. Employee furloughs have been extended in some plants outturning slow moving goods.

Purchases reported by exchanges in designated spot markets, by months and seasons, 1971-1981 1/

Year Beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Total
	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales
1971	467,573	402,263	1,177,726	2,087,907	1,649,523	1,371,343	542,753	202,550	140,435	155,959	146,742	90,924	8,435,698
1972	321,995	335,845	1,448,604	2,071,408	1,810,443	2,252,719	1,144,618	1,335,310	708,795	249,520	182,364	199,558	12,061,179
1973	189,180	174,177	1,191,662	1,949,927	1,987,875	2,034,618	665,919	609,505	418,543	240,313	136,014	134,693	9,732,426
1974	91,569	107,964	387,963	798,034	964,883	1,141,348	808,759	730,484	739,844	597,197	454,528	429,784	7,252,357
1975	370,073	278,846	309,865	830,586	1,595,091	1,860,556	727,813	436,621	340,193	278,776	233,529	71,392	7,333,341
1976	106,336	88,508	323,868	1,084,182	1,560,964	1,228,698	772,833	492,834	179,966	160,204	110,757	88,594	6,197,744
1977	119,508	218,078	658,054	1,251,752	1,542,656	2,067,265	1,103,800	958,007	491,145	822,125	309,879	202,216	9,744,485
1978	383,950	264,986	828,579	1,105,672	1,055,308	1,635,262	919,807	605,959	428,349	536,848	393,790	183,188	8,341,698
1979	284,889	229,192	529,677	1,499,688	2,498,483	2,901,588	1,068,127	642,337	333,008	139,875	123,119	110,892	10,360,875
1980	107,320	92,769	499,579	961,488	1,565,792	1,143,395	878,913	576,871	268,136	243,096	142,885	121,300	6,601,544
1981	115,017	201,791	468,124	821,205	1,606,620	2,049,345							

1/ Through October 1973 purchases are for 12 markets; commencing November 1973 purchases are for 11 markets; commencing August 1974 purchases are for 10 markets; and commencing February 1980 purchases are for nine markets.

Purchases reported by exchanges in designated spot markets, by months, January 1981-January 1982 and cumulative totals compared with previous year

Month	Greenville	Augusta	Montgomery	Memphis	Greenwood	Dallas	Lubbock	Phoenix	Fresno	Market total
	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales
Jan. 1981	15,780	14,290	32,673	310,992	34,210	64,834	414,383	177,814	78,419	1,143,395
Feb.	24,524	12,130	42,949	198,944	7,060	37,509	364,828	121,335	69,634	878,913
Mar.	12,094	11,900	34,653	151,265	4,920	27,564	214,067	75,211	45,197	576,871
Apr.	304	7,530	18,233	82,407	6,122	25,422	66,801	44,231	17,086	268,136
May	15,031	9,265	36,256	41,262	3,420	23,820	76,863	20,926	16,253	243,096
June	2,010	8,928	14,562	31,210	5,218	18,036	33,984	8,634	20,303	142,885
July	2,053	4,038	17,074	41,246	4,325	1,088	37,148	3,583	10,745	121,300
Aug.	21	5,494	16,409	17,616	2,769	33,968	32,133	1,506	5,101	115,017
Sept.	1,197	4,412	16,652	62,285	20,165	58,024	30,845	3,813	4,398	201,791
Oct.	6,802	6,264	44,579	154,788	124,220	44,907	44,774	26,358	15,432	468,124
Nov.	6,997	10,027	59,422	232,881	91,018	80,288	105,453	139,402	95,717	821,205
Dec.	21,462	9,211	96,965	376,229	99,263	121,971	497,466	190,702	193,351	1,606,620
Jan. 1982	15,071	9,099	78,134	530,216	64,077	174,845	742,042	238,605	197,256	2,049,345
Aug.-Jan. 1980-81	156,494	58,230	200,719	1,092,212	259,695	277,563	1,500,781	598,844	225,805	4,370,343
1981-82	51,550	44,507	312,161	1,374,015	401,512	514,003	1,452,713	600,386	511,255	5,262,102

United States Department of Agriculture, Agricultural Marketing Service, Cotton Division

All Cotton: Season average price received by farmers and value of production, by states, 1979-1981

State	Price per pound			Value of production ^{1/}		
	1979 ^{2/}	1980 ^{2/}	1981 ^{3/}	1979 ^{2/}	1980 ^{2/}	1981 ^{3/}
<u>Upland</u>		<u>Cents</u>			<u>1,000 dollars</u>	
Alabama	65.3	79.2	56.6	101,555	104,544	113,562
Arizona	68.1	74.2	60.9	418,406	482,241	453,096
Arkansas	65.3	76.7	55.3	189,945	163,463	164,573
California	68.9	77.8	65.8	1,127,094	1,161,025	1,105,440
Florida	65.0	85.0	58.5	1,248	3,060	5,054
Georgia	65.5	77.9	55.1	47,789	32,157	43,639
Louisiana	64.0	77.8	56.3	211,968	171,782	198,626
Mississippi	63.5	76.4	57.4	437,998	419,161	432,566
Missouri	62.4	72.7	55.0	47,025	61,766	42,504
Nevada	68.0	80.0	54.0	490	461	363
New Mexico	68.5	81.0	60.0	34,195	41,602	34,560
North Carolina	64.7	79.5	58.0	13,354	19,843	26,170
Oklahoma	59.7	76.6	52.0	149,584	75,374	102,336
South Carolina	66.2	79.6	56.5	36,860	29,420	44,748
Tennessee	62.9	78.3	53.7	51,628	75,168	81,194
Texas	55.7	68.5	53.8	1,474,490	1,091,616	1,497,792
Virginia	66.0	79.5	58.0	63	76	111
U. S.	62.3	74.4	57.9	4,343,692	3,932,759	4,346,334
<u>American Pima</u>						
Arizona	101.0	108.0	110.0	32,482	37,480	33,264
California	101.0	108.0	4/	48	52	4/
New Mexico	101.0	105.0	102.0	3,636	3,427	3,378
Texas	100.0	108.0	96.0	11,520	12,960	9,446
U. S.	101.0	108.0	106.0	47,686	53,919	46,088
<u>All Cotton</u>	62.5	74.7	58.2	4,391,378	3,986,678	4,392,422

^{1/} Value based on a 480-pound net weight bale. ^{2/} Includes allowance for unredeemed loans. ^{3/} Average to January 1, 1982, with no allowance for unredeemed loans. ^{4/} Insufficient quantity.

Cottonseed: Season average price received by farmers and value of production, by states, 1979-1981

State	Price per ton			Value of production		
	1979	1980	1981	1979	1980	1981
		<u>Dollars</u>			<u>1,000 dollars</u>	
Alabama	116.00	118.00	81.50	14,152	11,682	12,551
Arizona	110.00	121.00	88.00 ^{1/}	58,300	70,543	57,024 ^{1/}
Arkansas	133.00	128.00	88.00	28,595	23,168	20,504
California	125.00	143.00	91.00	166,875	181,610	130,130
Florida	120.00	125.00	80.00	192	363	568
Georgia	105.00	125.00	98.50	5,670	3,750	5,910
Louisiana	133.00	125.00	75.50	34,580	22,000	20,989
Mississippi	133.00	132.00	81.50	73,549	57,948	49,063
Missouri	129.00	124.00	79.00	7,998	8,680	5,056
Nevada	110.00	128.00	95.00	66	64	57
New Mexico	115.00	124.00	89.00	5,060	5,580	4,423
North Carolina	124.00	117.00	83.00	1,860	2,223	2,822
Oklahoma	114.00	125.00	84.50	23,826	10,250	13,858
South Carolina	118.00	120.00	88.50	4,956	3,600	5,487
Tennessee	131.00	128.00	78.50	9,301	10,496	10,127
Texas	116.00	119.00	91.00	262,624	161,959	212,794
Virginia	128.00	117.00	83.00	13	12	8
U. S.	121.00	128.00	88.00 ^{1/}	697,617	573,928	551,371 ^{1/}

^{1/} U. S. average price substituted for Arizona to determine price and value because prices for a substantial portion of production remain unsettled.

Crop Reporting Board, SRS, USDA.

United States Department of Agriculture, Agricultural Marketing Service, Cotton Division

The value of the 1981 cotton crop (lint and seed) was 4.9 billion dollars, according to a preliminary estimate by the Crop Reporting Board, SRS, USDA. This compares with 4.6 billion dollars for the 1980 crop and 5.1 billion for 1979. The 1981 estimate does not include an allowance for unredeemed loans. The calculated average value of the 1981 cotton crop was \$358.00 per harvested acre compared with \$345.00 in 1980 and \$397.00 in 1979. The value of the cotton crop (lint and seed) was placed at over one billion dollars each in Texas and California for the third consecutive year. In 1978, only Texas showed a value of one billion or more dollars.

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					9-market average	
	Mar '82	May '82	Jul '82	Oct '82	Dec '82		
Feb. 18	63.25	65.72	68.22	70.95	72.05	57.56	69.65
19	63.50	65.85	68.05	70.60	71.70	57.66	69.70
22	63.28	65.51	67.58	70.35	71.44	57.40	69.75
23	63.17	65.14	67.27	70.00	71.26	57.25	69.70
24	63.35	65.32	67.41	70.00	71.32	57.44	69.65
25	63.37	65.27	67.40	70.15	71.36	57.68	69.75

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 '82	May '82	Jul '82	Oct '82	Dec '82		
Feb. 18	58.25	59.00	60.14	62.65	63.45	63.45	50.99
19	58.28	59.20	60.35	62.50	63.45	63.45	51.07
22	58.50	59.25	60.50	62.45	63.45	63.45	50.87
23	58.35	59.00	60.25	61.90	62.90	62.90	50.74
24	58.35	59.16	60.25	61.90	62.90	62.90	50.95
25	58.25	59.12	60.22	62.10	63.10	63.10	51.02

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

U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1980-81 and 1981-82

Description	MARKETING YEAR			
	1980-81		1981-82	
	Through February 19		Through February 18	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	2,126,800	-	3,038,000
Exports	89,400	3,218,300	153,400	3,087,800
Total export commitments	-	5,345,100	-	6,125,800
New sales	66,800	-	81,800	-
Buy-backs and cancellations	7,500	-	7,400	-
Net sales	59,300	-	74,400	-
Sales next marketing year	4,700	79,400	11,200	157,100

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

Upland cotton export sales activity of 74,400 running bales during the week ended February 18 fell to one half of last week's level, according to the Foreign Agricultural Service, USDA. Major buyers were South Korea 31,000 bales; Japan 12,900 and Taiwan 12,300 bales. Weekly exports of 153,400 bales were 30 percent below last week's marketing year high. Asian destinations received 87 percent of the week's exports and European destinations 10 percent.