

# UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE  
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## Weekly Cotton Market Review

**TEXAS TECH  
DEPT. OF AG. ECONOMICS  
REFERENCE ROOM**

Vol. 72, No. 29

February 26, 1991

Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 79.49 cents per pound during the week ending Friday, February 22, according to the Cotton Division, Agricultural Marketing Service, USDA. Quotations averaged 281 points higher than the previous week. Daily average quotations ranged from a low of 78.78 cents on Thursday, February 21, to a high of 81.24 cents on Friday, February 22. Spot cotton quotations averaged 76.68 cents a week earlier and 66.25 cents in the corresponding week last year. The New York May 1991 futures settlement price closed on Friday at 87.44 cents compared with 84.83 cents a week earlier. The July 1991 settlement price was 86.58 cents compared with 83.44 cents the previous week. Spot transactions reported in the designated markets totaled 38,518 bales during the week ending Friday, February 22. This compares with 44,062 bales reported during the previous week and 58,401 bales in the corresponding week last season.

Southeastern markets. Trading was limited. Supplies were almost depleted. Demand continued good for grades 51, 52 and higher, staples 34 and longer, strengths of 26 grams per tex and above. Demand was weak for lower grades and lower strength cotton. Prices were sharply higher, and growers offered freely. Prices for mixed lots of mostly grade 41 and higher, staples 34 and longer, mike 35-49 ranged from 250 to 300 points off New York May futures, FOB trucks in Georgia. In the Carolinas and Alabama, the same type of cotton moved at 400 to 450 points off, FOB warehouse. Grades 41 and 51 traded at around 200 to 300 points lower than grade 41. High grade, high strength cotton brought premiums of 100 to 150 points. A few short staple lots traded at discounts of 200 to 300 points. Equities traded at 22 to 25 cents per pound. Producers offered 1991 crops freely, but volume of contracting was small.

South central markets. Trading was light to moderate, and mostly between merchants. Demand remained best for grades 41 and higher and weakest for grades 52 and lower. Prices were higher. A light to moderate volume of grade 41, staples 34 and longer, mike 35-49 sold at prices ranging from around 80.25 to 82.00 cents. The higher prices were paid for cotton with strengths of 27 grams per tex and higher. Mixed lots of grades 61 and 52, staples 34 and longer, mike 35-49 traded at around 64 to 65 cents per pound. CCC equity trading was active with a light to moderate volume of grade 41 equities changing hands at 26 cents per pound. Domestic mill activity increased slightly, as mills purchased a light to moderate volume for prompt through fourth quarter 1992 delivery. Export trading and forward crop contracting remained slow.

Southwestern markets. Spot cotton trading was slow to moderate. Supplies were limited. Demand was moderate to good. Prices were firm to higher. Mixed lots of grades 41, 42 and higher, staples 32 and longer, brought around 2,000 to 2,500 points above CCC loan rates. Mixed lots of mostly Spotted, Tinged and other low grade cotton

usually brought 2,200 to 2,700 points above loan. A few current-crop equities traded at \$90 to \$110 per bale. Some buyers paid premiums of 25 to 50 points for cotton with 27 and higher strength readings and discounted strengths of 23 and lower by 25 to 125 points. Interest in forward contracting continued to increase and a moderate amount of acreage was contracted in south and central Texas areas. Prices for grade 41 staple 34, mike 35-49 contracts varied from 65 to 73 cents depending on dryland versus irrigated acreage and picker versus stripper harvested methods. Several hundred acres of cotton were planted in south Texas while a few gins continued to operate in west Texas and Oklahoma.

**TEXAS TECH  
DEPT. OF AG. ECONOMICS  
RESEARCH ROOM**

Western markets. Trading was slow in the San Joaquin Valley (SJV). Early in the week, grade 31 staple 35, mike 35-49 traded at 200 points on May futures, UD free warehouse terms, but bids declined to 100 points on May later in the week. Domestic mills bought a small amount of SJV cotton for prompt shipment. In the Desert Southwest (DSW), grower to merchant trading was extremely slow. Domestic mills purchased a moderate volume for prompt shipment. In the SJV, growers forward contracted a small volume of 1991-crop cotton at 900 to 1,000 points on December futures, basis grade 31 staple 35, mike 35-49. In Arizona, a moderate volume of new crop acreage was booked at 70 cents per pound, basis grade 31, staple 34. Trading in American Pima was slow to moderate. Several lots of grade 3, staples 44 and 46, mike 35-49 brought 115.00 to 116.00 cents. Mixed lots of grades 3 and higher, mostly grade 2 brought around 118.00 to 118.50 cents. European mills purchased a small amount of low grade Pima for prompt and nearby shipment. Far Eastern mills bought a small amount of high grade for nearby shipment. A few 1991 crops were contracted at mostly 107.00 to 108.00 per pound, basis grade 3.

Textile mill report. Domestic mills continued to purchase a fair volume of cotton with a wide range of qualities and delivery dates. Volumes purchased varied widely and ranged from small fill-ins to large volume new-crop purchases. Mills bought new-crop cotton for delivery through December 1992, but mostly for October-December 1991. Nearby and summer purchases were encouraged by rising prices and the sale of goods. Some shipments of previous purchases of cotton were being delayed and some were shifted to 1992 delivery. Price fixations on previous purchases were heavy. Qualities purchased were mostly grade 51 and higher white and equivalent Light Spotted grades, staples 34 and longer, mike 35-49. Some Texas contracts were being swapped for Central Belt cotton due to the favorable prices. Mill business remained slow for most products. Mills involved in military contracts were operating at peak capacity. Many others continued to operate on reduced work schedules. Mill workweeks remained at five to seven days.

Exports of all cotton from the United States totaled 1,112,000 running bales during January, according to the Foreign Agricultural Service, USDA. This was the highest monthly level this marketing year (August-January) and was the largest January volume exported since 1976. A month earlier, 639,000 bales were shipped and 909,300 were shipped in January 1990. August-January exports totaled 3,609,300 bales. This represents the largest volume of cotton exported for this period since 1980 and was up from 3,216,100 bales shipped last season and 2,343,000 bales two years ago.

Exports of all cotton from the United States, running bales,  
by months and season, 1975-1990 1/

Season	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season
beginning	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season
August 1	:	:	:	:	:	:	:	:	:	:	:	:	2/
<u>1,000 bales</u>													
1975	329	208	268	146	199	258	203	341	351	307	276	363	3,178
1976	260	385	161	217	444	352	508	666	453	445	520	250	4,565
1977	170	223	130	294	550	436	494	827	621	464	662	533	5,219
1978	528	360	307	378	470	496	552	699	588	620	547	493	5,850
1979	455	403	380	652	876	921	1,033	1,087	803	987	865	456	8,779
1980	403	461	195	422	674	660	608	792	438	404	402	222	5,639
1981	233	198	211	545	698	669	756	793	765	450	560	386	6,263
1982	348	304	248	442	357	472	355	435	557	511	381	467	4,961
1983	369	329	308	438	566	821	737	783	839	494	429	370	6,419
1984	454	249	340	472	712	755	705	692	556	435	59	299	5,943
1985	166	218	180	198	236	189	202	206	125	69	68	19	1,875
1986	374	496	489	525	664	591	518	750	500	465	554	439	6,366
1987	355	304	316	612	536	698	879	649	565	537	486	359	6,297
1988	248	173	292	352	524	756	514	597	575	795	515	649	5,987
1989	431	384	507	469	516	909	840	882	818	495	510	535	7,295
1990 3/	480	355	433	591	639	1,112							

1/ These data refer to a particular day near the end of the month.

2/ Season totals are adjusted data as reported in Supply and Distribution of Domestic and Foreign Cotton in the United States by Bureau of the Census.

3/ Preliminary.

Source: Foreign Agricultural Service, USDA

Upland cotton: Twelve-month average price and producer marketings,  
United States, 1990

Month	Average price 1/	Marketings No. of bales 2/	Month	Average price 1/	Marketings No. of bales 2/
	Cents per pound	1,000 bales		Cents per pound	1,000 bales
January	60.2	1,412	August	64.7	834
February	61.0	886	September	65.1	907
March	63.9	569	October	67.5	2,860
April	65.8	541	November	68.0	3,564
May	66.2	331	December	65.9	3,035
June	64.0	265	Calendar		
July	63.9	226	year avg. 3/	65.6	15,430

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 National Agricultural Statistics Service, USDA.

Ginnings. All cotton ginned prior to February 1 this season totaled 14,967,699 running bales and compares with 11,771,121 bales a year earlier, according to the Bureau of the Census.

Cotton ginned prior to February 1, in running bales, by states, crops of 1987-1990

State	Ginnings			
	1990 1/	1989	1988	1987
United States	14,967,699	11,771,121	14,904,488	14,177,104
Upland	14,631,433	11,180,597	14,594,690	13,918,553
American Pima	336,266	590,524	309,798	258,551
Alabama	* 374,794	365,416	365,018	386,076
Arizona	948,882	1,008,301	1,032,954	989,019
Upland	763,430	607,236	803,412	792,267
American Pima	185,452	401,065	229,542	196,752
Arkansas	** 1,062,760	837,633	1,032,674	884,385
California	2,700,238	2,612,707	2,755,018	2,916,304
Upland	2,653,410	(D)	2,755,018	2,916,304
American Pima	46,828	(D)	-	-
Florida	* (D)	(D)	(D)	(D)
Georgia	399,682	336,499	368,666	333,378
Kansas	(D)	(D)	(D)	(D)
Louisiana	1,178,326	874,975	948,433	980,408
Mississippi	1,798,874	1,514,686	1,772,987	1,684,030
Upland	1,797,244	(D)	1,772,987	1,684,030
American Pima	1,630	(D)	-	-
Missouri	* 300,303	263,872	300,728	320,964
New Mexico	90,055	92,573	104,222	87,012
Upland	79,343	68,072	91,773	77,320
American Pima	10,712	24,501	12,449	9,692
North Carolina	** 261,567	137,768	130,770	95,454
Oklahoma	361,225	165,245	286,145	315,028
South Carolina	136,752	146,169	132,447	100,425
Tennessee	484,762	469,873	583,499	631,551
Texas	4,843,244	2,926,276	5,072,967	4,426,383
Upland	4,753,131	2,791,415	5,005,160	4,374,276
American Pima	90,113	134,861	67,807	52,107

1/ Subject to revision.

(D) Withheld to avoid disclosure of individual gins.

Source: Bureau of the Census

World market price, in cents per pound, adjusted to U.S. quality and location, for grade 41 staple 34, mike 35-49 upland cotton and the coarse count adjustment in effect from 12:01 a.m. Friday through 12:00 midnight Thursday

Description	1991				
	Jan. 25-31	Feb. 1-7	Feb. 8-14	Feb. 15-21	Feb. 22-28
	Adjusted world price	67.71	67.77	68.74	68.90
Course count adjustment	2.38	2.40	2.76	3.12	2.73

Source: Agricultural Stabilization and Conservation Service, USDA

New York futures contract settlement, designated spot market average for grade 41 staple 34 and 'A' and 'B' Index cotton prices in cents per pound

Date	Grade 41 Staple 34					7 Mkt. Average	Grade 31 Staple 35 Index 1/	Coarse Count Index 1/
	Futures Settlement							
	Mar '91	May '91	Jul '91	Oct '91	Dec '91			
Feb. 18	H O L I D A Y						86.15	78.75
19	86.65	86.21	85.23	73.00	68.25	79.15	85.30	78.40
20	85.39	85.15	84.25	72.90	67.95	78.79	85.20	78.60
21	84.90	85.44	84.58	73.25	68.50	78.78	84.80	78.60
22	86.70	87.44	86.58	74.21	69.05	81.24	84.70	78.60

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 1989-90 and 1990-91

Description	Marketing Year			
	1989-90		1990-91	
	Through February 15		Through February 14	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,670,100	-	3,127,100
Exports	196,200	3,521,900	252,000	3,894,200
Total export commitments	-	6,192,000	-	7,021,300
New sales	96,000	-	53,600	-
Buy-backs and cancellations	8,800	-	25,600	-
Net sales	87,200	-	28,300	-
Sales next marketing year	16,300	343,100	52,900	434,900

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Sales of 23,300 running bales were off by two-thirds during the week ending February 14, according to the Foreign Agricultural Service, USDA. The major purchasers were Czechoslovakia with purchases of 13,400 bales and Japan 10,000 bales. Sales for the 1991-92 marketing year of 52,900 bales were mainly for Japan with purchases of 28,800 bales, South Korea 13,400 and Indonesia 8,100 bales. Asian destinations accounted for 85 percent of the week's shipments; West European 12 percent; and Western Hemisphere 3 percent.

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NOTE: Portions of the narrative from this report are available on the USDA's Electronic Dissemination of Information System. If you are interested in receiving this information electronically, contact Russell Forte at 202-447-5505.

SPOT COTTON QUOTATIONS - UPLAND

February 22, 1991

Spot quotations are in cents per pound for cotton equal to the Official Standards with mike readings of 35-49, net weight, in mixed lots, uncompressed, free of all charges in the warehouse in the market. Quotations are the average value of spot cotton in each market and may or may not represent actual trades in each quality.

SOUTHEAST				NORTH DELTA				SOUTH DELTA				DESERT SOUTHWEST				
Grade				Grade				Grade				Grade				
31	41	51	42	31	41	51	42	Staple	31	41	51	42	21	31	41	32
81.69	80.44	77.69	78.19	80.69	79.44	73.44	76.69	33	80.69	79.44	72.44	76.14	80.44	80.44	78.44	78.44
83.69	83.19	80.69	81.44	83.44	82.19	75.94	79.19	34	83.19	82.19	75.19	78.89	84.44	84.44	82.44	82.44
83.94	83.44	80.94	81.69	84.04	82.94	76.54	79.79	35	83.29	82.29	75.29	78.99	84.54	84.54	82.54	82.54
84.09	83.59	81.09	81.84	84.14	83.04	76.64	79.89	36	83.39	82.39	75.39	79.09	84.54	84.54	82.54	82.54

EAST TEXAS-OKLAHOMA

WEST TEXAS

SAN JOAQUIN VALLEY

Grade				Grade				Grade				
31	41	32	42	31	41	32	42	Staple	21	31	41	51
67.65	67.50	66.05	64.80	67.55	67.05	66.55	64.55	29	-	-	-	-
68.75	68.25	67.55	65.60	68.30	68.05	68.05	65.35	30	-	-	-	-
71.65	70.25	69.80	67.85	71.65	70.65	70.30	68.10	31	-	-	-	-
73.80	72.50	72.05	69.35	73.95	72.95	72.55	69.10	32	-	-	-	-
76.30	75.30	74.50	71.25	75.95	74.80	75.00	71.50	33	-	-	-	-
78.60	77.00	77.30	72.45	78.35	77.00	77.80	72.20	34	85.69	85.44	84.69	81.94
78.90	78.00	77.80	73.35	79.15	78.35	78.30	73.30	35	87.44	87.19	86.44	82.94
79.00	78.85	77.90	73.35	79.15	78.45	78.40	73.55	36	87.54	87.29	86.54	82.94
79.00	78.85	77.90	73.35	79.15	78.45	78.40	73.55	37	87.64	87.39	86.64	82.94

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1215	-	-1150	26 & Below	-1150	-2200	-	-1893
-800	-840	-840	-550	27-29	-550	-1500	-1500	-940
-500	-525	-525	-300	30-32	-300	-900	-950	-571
-250	-230	-230	-100	33-34	-100	-450	-350	-244
0	0	0	0	35-49	0	0	0	0
-200	-155	-155	-225	50-52	-225	-200	-100	-180
-250	-240	-240	-300	53 & Above	-	-250	-	-256

SPOT QUOTATIONS - AMERICAN PIMA

Staple	01	02	03	04	05	06	Mike ranges	Points per pound
							26 & Below	-3100
							27-29	-2275
44	118.25	118.00	115.00	93.00	88.00	54.00	30-32	-1200
							33-34	-300
46	188.75	118.50	115.50	93.50	88.00	54.00	35 & Above	0

LANDED MILL QUOTATIONS - GROUP 201 MILL POINTS

Quotations are in cents per pound for even running lots, with mike readings of 35-49, net weight, prompt shipment, delivered, brokerage included. Quotations for group 200 mill points are slightly higher and for Alabama, Georgia and east Tennessee mills are slightly lower.

SOUTHEASTERN GROWTHS

DELTA GROWTHS

TEXAS-OKLAHOMA GROWTHS

CALIFORNIA (SJV) GROWTHS

Grade				Grade				Grade				Grade			
31	41	51	42	31	41	51	42	Staple	41	51	32	42	31	41	51
-	-	-	-	-	-	-	-	29	80.00	76.75	80.00	77.50	-	-	-
-	-	-	-	-	-	-	-	30	81.75	79.25	81.75	79.75	-	-	-
-	-	-	-	-	-	-	-	31	83.25	80.50	83.25	81.25	-	-	-
-	-	-	-	-	-	-	-	32	84.75	81.50	84.75	82.00	-	-	-
90.00	89.25	87.25	87.75	90.50	89.75	87.50	88.00	33	86.75	82.75	86.75	83.25	-	-	-
91.00	90.00	88.25	88.75	91.50	90.50	88.50	89.00	34	89.25	84.50	89.25	85.00	94.50	93.25	90.50
91.50	90.75	88.75	89.25	92.00	91.25	89.00	89.50	35	-	-	-	-	96.00	94.75	91.75
-	-	-	-	-	-	-	-	36	-	-	-	-	96.25	95.00	91.75