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UNITED STATES DEPARTMENT OF AGRICULTURE

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Weekly Cotton Market Review

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Average spot cotton quotations were virtually unchanged from the previous week, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading was light to moderate and was mostly in CCC loan equities. Merchant demand was moderate, strengthening from levels of a week ago. Domestic mill inquiries increased but purchases remained light in volume. Delivery dates ranged from prompt to December 1989. Export trading remained slow. Sales were mostly to Far Eastern mills for first quarter 1989 shipment. Field work was limited due to weather conditions. Unusually warm weather across most of the Cotton Belt ended abruptly late in the week with the arrival of below freezing temperatures along with ice and snow. Beneficial moisture was reported in California. Classings of grades 41 and higher through January 26 this season accounted for over three-fourths of the 1988 upland crop. United States upland growers had forward contracted about 21,400 acres of the 1989 crop by the end of January and American Pima growers around 97,100 acres.

Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 56.26 cents per pound during the week ending Friday, February 3, and ranged from a high of 56.71 cents on Wednesday to a low of 55.74 cents on Friday. Quotations averaged 56.29 cents a week earlier and 57.46 cents in the corresponding week a year ago. The New York March 1989 futures settlement price closed on Friday at 58.99 cents compared with 60.40 cents a week earlier. The October 1989 settlement price was 58.45 cents against 59.40 cents the previous week and the December settlement price was 58.25 cents against 59.19 cents on Friday a week ago. Spot transactions reported in the designated markets totaled 146,922 bales during the week ending Friday, February 3. This compares with 45,759 bales the previous week and 109,823 bales in the corresponding week last season.

Trading. A few southeastern cotton merchants were active in the spot market but overall trading was only light to moderate. Buyers were generally making purchases in Delta growths. Growers were asking around \$30 per bale equity. Merchants were bidding \$5 to \$7.50 per bale less. Mixed lots of mostly grades 51 and higher, staples 34 and longer, drew bids of 450 to 550 points off New York March futures. Domestic mills bought a light to moderate volume, mostly for fill-ins or to cover ongoing product sales. A slight improvement in sales of textiles was reported.

Demand was slightly stronger on south central markets, resulting in a slight increase in the volume of transactions. The bulk of trading involved CCC equity sales. Merchants paid 4.75 to 6 cents per pound, mostly 5 cents, for 1988 crop equities. Sales of 1987-crop equities increased significantly at prices of 2.75 to 4 cents. Grower-held cotton, free of the CCC loan, was in short supply, and offerings were quickly purchased by merchants. Grade 41, staples 34 and longer, brought 450 to 550 points on the NY March futures. Merchant-to-merchant sales were greater than in other recent weeks. Grades 51 and higher and cotton with mike 35 and lower were in strongest demand. Domestic mill demand remained moderately strong. Purchases were primarily restricted to grades 51 and higher for April and later delivery. Export trading remained inactive. A very small acreage of 1989-crop cotton was contracted at 500 to 550 points off NY December futures, basis grade 41 staple 34, or 5 to 6 cents per pound for projected CCC equities.

Trading on southwestern markets was moderate. The volume of cotton trading increased from week earlier levels. Supplies of cotton remained very large. Demand was moderate and was mostly from merchants needing cotton to cover prior commitments. Prices increased slightly and ranged from 300 to 800 points above the Adjusted World Price (AWP). Current-crop equities traded between \$15 and \$30 per bale, mostly \$20 to \$25. A small quantity of west Texas free cotton sold for 5 points under to 100 points over the AWP. Most equities that merchants purchased were held in the CCC loan and not redeemed. Domestic

mills purchased a light volume of cotton for prompt through December 1989. Foreign mill sales were very light and mostly to Far Eastern mills.

Trading increased to a moderate level on western markets. In the San Joaquin Valley, the bulk of trading was basically in grade 31 CCC loan equities at \$80 per bale. Other trades were reported at 700 to 750 points on NY March futures for basis grade 31 staple 35, mike 35-49. Grade 41 prices remained at 150 points below grade 31. In Arizona, merchant demand improved for grades 41, 32 and higher. Grade 31 sold at prices of 300 to 375 points on NY March futures while grades 41 and 32 brought 200 to 300 points off. Below Grades traded at 19.50 to 25.75 cents per pound. A small volume of generic certificates traded at around par. Domestic mills made light purchases of cotton for first quarter delivery. Demand was good from Far Eastern mills. Sales were light to moderate for first quarter 1989 shipment. Merchant demand improved for American Pima grades 4 and higher. Grades 3 and higher traded at \$1.72 to \$1.80 per pound; grade 4, \$1.65 to \$1.68. Grade 5, in mixed mike, brought \$1.10 to \$1.25 per pound, and grade 7 brought 53 to 57 cents per pound. A small acreage of 1989 crop was forward contracted at \$1.24 per pound.

Textile mill report. Domestic mill inquiries were more numerous and extended into the first quarter of 1990. Purchase volume was light to moderate. Most purchases involved grades 51 and 42 and higher, staples 34 and longer, needed to cover gaps in stocks or to replace stocks as new orders were received. Reports indicate that textile orders have shown a slight improvement since the turn of the year. Denim, a slow seller during the last quarter of 1988, has recently shown a modest upturn in the market. Demand for most other products remained fairly steady. Mill work schedules were largely five to six days per week.

Quality of the 1988 upland cotton crop. The predominant grade of upland cotton classed through January 26 this season was grade 31 which accounted for 36 percent of classings. The second most predominant grade was 41 at 31 percent. All white grades made up 83 percent of classings and Light Spotted grades 16 percent. Spotted grades accounted for about 1 percent this season. The average length of cotton classed from the 1988 crop was 34.5 thirty-second inches. Staples 35 and 36 were predominant, each accounting for 25 percent of classings. Staples 34 and shorter accounted for 39 percent of classings and staples 37 and longer 11 percent. Average mike was 41. The greatest percentage of cotton classed fell in the mike 35-49 range and made up 87 percent. Average fiber strength in grams per tex was 25.8. Cotton with strengths of 24 to 25, at 33 percent, made up the bulk of classings.

Prices received by farmers for upland cotton averaged 54.20 cents per pound in mid January, according to the National Agricultural Statistics Service, USDA. This compares with 55.30 cents for the entire month of December and 61.70 cents in January 1988. These prices include cotton delivered against forward contracts. The national weighted average price received by farmers during the 1988 calendar year was released at 56.50 cents.

Upland cotton: Twelve-month average price and producer marketings, United States, 1988

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	61.7	1,359	August	52.6	469
February	57.0	689	September	51.8	836
March	57.9	392	October	54.2	1,679
April	59.9	306	November	56.5	2,164
May	58.3	427	December	55.3	1,748
June	62.0	312	Calendar		
July	59.5	121	year avg. 3/	56.5	10,502

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.

United States: Percentage distribution of grade, staple, mike and fiber strength for upland cotton classed through January 26, 1989 1/

Grade	Staple													All staples	
	: 26 and shorter:	: 28	: 29	: 30	: 31	: 32	: 33	: 34	: 35	: 36	: 37	: 38	: 39		: 40 and longer:
White:															
11	-	*	*	*	*	*	*	*	*	*	-	*	-	-	0.1
21	*	*	*	0.2	0.6	1.1	1.1	0.6	0.6	2.4	-	*	*	*	7.6
30	-	*	*	*	*	*	*	*	*	*	-	*	*	*	0.1
31	*	*	0.2	0.7	2.5	3.9	4.0	3.2	5.8	9.4	5.6	0.1	*	*	35.5
40	*	*	*	0.1	0.4	0.5	0.3	0.2	0.3	0.4	0.4	*	*	*	2.7
41	*	*	0.1	0.4	1.3	2.0	2.1	3.5	11.0	7.8	2.2	0.1	*	*	30.5
50	*	*	*	*	*	*	*	0.1	0.3	0.3	0.1	*	*	*	0.9
51	*	*	*	0.1	0.3	0.4	0.4	0.6	1.4	1.2	0.3	*	*	*	4.8
60	-	-	*	*	*	*	*	*	*	*	-	*	-	-	*
61	*	*	*	*	*	*	0.1	0.1	0.1	0.1	*	*	*	*	0.4
70	-	-	-	*	*	*	*	*	*	*	-	-	-	-	*
71	*	*	*	*	*	*	*	*	*	*	*	*	-	-	*
Lt. Spotted:															
12	-	*	*	*	*	*	*	*	*	*	*	-	-	-	*
22	*	*	*	*	0.1	0.1	0.1	*	*	*	*	*	*	*	0.4
32	*	*	0.1	0.2	0.5	0.6	0.5	0.6	1.1	0.8	0.3	*	*	*	4.9
42	*	*	0.1	0.2	0.4	0.5	0.6	1.2	2.8	1.7	0.4	*	*	*	8.0
52	*	*	*	0.1	0.1	0.2	0.2	0.4	0.7	0.5	0.1	*	*	*	2.4
62	*	*	*	*	*	*	0.1	0.1	0.1	0.1	*	*	*	*	0.4
Spotted:															
13	-	-	*	*	*	*	*	*	*	*	*	*	-	-	*
23	-	*	*	*	*	*	*	*	*	*	*	*	*	*	*
33	*	*	*	*	*	*	*	*	*	*	*	*	*	*	0.2
43	*	*	*	*	*	*	*	0.1	0.1	0.1	*	*	*	*	0.4
53	*	*	*	*	*	*	*	*	*	*	*	*	*	*	0.2
63	-	*	*	*	*	*	*	*	*	*	*	*	*	*	0.1
Tinged:															
24	-	-	-	*	*	*	*	*	*	*	*	-	-	-	*
34	-	*	*	*	*	*	*	*	*	*	*	*	*	*	*
44	-	*	*	*	*	*	*	*	*	*	*	*	*	*	*
54	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Stained:															
25	-	-	*	*	-	*	-	*	*	*	-	-	-	-	*
35	-	-	-	*	*	*	*	*	*	*	*	-	-	*	*
Lt. Gray:															
16	-	-	-	-	*	-	*	*	*	*	-	-	-	-	*
26	-	*	*	*	*	*	*	0.1	0.1	*	*	*	*	*	0.3
36	-	*	*	*	*	*	*	*	*	*	*	*	*	*	0.1
46	-	-	*	*	*	*	*	*	*	*	*	*	*	*	*
Gray:															
17	-	-	-	-	-	*	*	*	*	-	-	-	-	-	*
27	-	-	*	*	*	*	*	*	*	*	*	*	*	*	*
37	-	-	*	*	*	*	*	*	*	*	*	*	*	*	*
47	-	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Below Grade 2/	*	*	*	*	*	*	*	*	*	*	*	*	*	*	0.1
All grades	*	0.1	0.5	2.1	6.4	9.5	9.8	10.8	24.9	25.0	10.4	0.4	*	*	100.0

Mike	: 26 and below	: 27-29	: 30-32	: 33-34	: 35-49	: 50-52	: 53 and above	Average mike
Percent	0.3	1.3	3.6	4.5	87.3	2.4	0.5	41

Fiber strength	1/8" gage (grams per tex)									Average strength
	: 17 and below	: 18-19	: 20-21	: 22-23	: 24-25	: 26-27	: 28-29	: 30-31	: 32 and above	
Percent	0.1	0.4	2.5	14.4	33.0	24.1	15.2	7.9	2.5	25.8

1/ Classings through January 26, 14,318,982 running bales.
 2/ Lower in grade than the lowest grades of the official standards.
 * Less than 0.05 percent.

Average staple..... 34.5
 Percent tenderable..... 60.7
 Percent Average Rule Used (ARU).. 1.8
 Percent grade reductions..... 8.1

NOTE: Totals may not add due to rounding.

All cotton: Marketing year average prices and value of production, by states, 1986-1988

State	Price per pound			Value of production 1/		
	1986	1987	1988 2/	1986	1987	1988
Upland			Cents	1,000 dollars		
Alabama	52.1	64.8	51.3	82,526	123,483	93,571
Arizona	54.3	65.7	56.9	175,932	267,741	237,614
Arkansas	49.7	63.5	51.7	143,613	274,625	260,568
California	59.1	69.6	63.6	636,862	998,565	870,048
Florida	50.0	63.0	52.0	6,720	11,794	7,488
Georgia	58.3	61.8	53.5	51,770	100,264	95,016
Kansas	43.4	58.4	42.8	146	252	164
Louisiana	49.8	63.2	52.0	160,874	296,383	237,120
Mississippi	50.9	63.6	51.0	290,741	532,714	447,984
Missouri	51.5	66.0	51.6	48,451	104,544	76,781
New Mexico	56.0	66.3	63.4	16,666	28,323	31,345
North Carolina	52.1	62.0	50.8	27,259	29,165	32,187
Oklahoma	43.4	58.4	42.8	43,747	96,991	59,578
South Carolina	49.0	59.1	50.9	20,462	30,070	36,159
Tennessee	49.0	63.0	51.2	93,139	191,722	144,998
Texas	46.1	59.6	48.9	560,945	1,325,981	1,220,544
Virginia	52.1	62.0	50.8	375	417	853
U.S.	51.5	63.7	54.8	2,360,228	4,413,034	3,852,018
America Pima						
Arizona	89.2	104.0	130.0	63,496	106,330	156,000
New Mexico	90.4	103.0	120.0	7,203	9,196	14,400
Texas	92.4	104.0	112.0	18,184	25,359	32,256
U.S.	89.9	104.0	126.0	88,883	141,983	204,653
U.S. all cotton	52.4	64.3	56.4	2,449,111	4,555,017	4,056,671

Cottonseed: Marketing year average prices and value of production, by states, 1986-1988

State	Price per ton			Value of production		
	1986	1987	1988 2/	1986	1987	1988
Upland			Dollars	1,000 dollars		
Alabama	62.00	78.50	103.00	7,564	11,775	14,266
Arizona	95.00	95.50	131.00	29,355	37,245	54,627
Arkansas	58.50	71.00	95.50	13,338	23,998	37,799
California	102.00	89.50	149.00	89,250	103,086	168,594
Florida	67.00	80.00	100.00	657	1,152	1,080
Georgia	91.00	85.00	129.00	5,824	10,370	16,757
Kansas	93.50	77.00	107.00	28	31	32
Louisiana	64.50	76.50	113.00	16,577	28,917	40,126
Mississippi	58.50	75.50	104.00	26,793	51,189	72,654
Missouri	63.00	71.00	110.00	5,103	9,230	13,640
New Mexico	95.00	97.00	125.00	2,898	4,103	6,213
North Carolina	81.00	76.00	122.00	3,240	2,508	5,795
Oklahoma	93.50	77.00	107.00	7,948	11,935	12,626
South Carolina	90.00	85.00	126.00	2,790	3,060	6,439
Tennessee	66.50	77.00	113.00	10,441	18,095	25,561
Texas	78.00	82.50	112.00	82,118	157,971	241,774
Virginia	81.00	76.00	122.00	41	38	159
U.S.	80.00	82.50	119.00	303,965	474,703	718,142

1/ Value based on a 480 pound net weight bale. 2/ Average to January 1, 1989.

Source: Agricultural Statistics Board, NASS, USDA

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	1988-89				
	Jan. 6-12	Jan. 13-19	Jan. 20-26	Jan. 27- Feb. 2	Feb. 3-9
Adjusted world price	48.91	50.72	51.11	50.90	50.08
Coarse count adjustment	1.17	0.64	0.38	0.34	1.09

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 : 'A' Index 1/	Coarse : 'B' Index 1/
	Futures Settlement							
	Mar '89	May '89	Jul '89	Oct '89	Dec '89			
Jan. 30	59.68	59.93	59.62	58.65	58.40	56.34	64.75	59.75
31	59.78	60.20	59.90	58.90	58.65	56.41	64.60	59.15
Feb. 1	60.30	60.65	60.30	59.29	59.15	56.71	64.55	59.00
2	59.37	59.67	59.70	58.65	58.35	56.09	64.60	58.90
3	58.99	59.38	59.10	58.45	58.25	55.74	63.90	58.65

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 1987-88 and 1988-89

Description	Marketing Year			
	1987-88		1988-89	
	Through January 28	Through January 26	Through January 28	Through January 26
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	3,086,200	-	1,972,800
Exports	205,400	2,736,700	114,300	2,115,000
Total export commitments	-	5,822,900	-	4,087,800
New sales	140,200	-	69,200	-
Buy-backs and cancellations	9,900	-	5,200	-
Net sales	130,300	-	64,000	-
Sales next marketing year	32,800	399,100	-	89,400

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

Upland cotton export sales. Net sales of 64,000 running bales during the week ending January 26 were 51 percent lower than the previous week, according to the Foreign Agricultural Service, USDA. Primary buyers were Japan with 12,600 bales; South Korea 10,700; turkey 8,800; and Italy 8,100 bales. Exports for the week totaled 114,300 bales, 38 percent below the previous week. Asian destinations accounted for 76 percent of the week's shipments, West European 19 percent, and Western Hemisphere 5 percent.

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 3, 1989

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	31	41	51	42	21	31	41	32
52.84	51.84	48.99	50.44	53.24	51.99	49.74	50.74	53.74	51.99	49.49	50.49	58.49	58.49	51.99	51.99
55.49	54.49	51.49	52.39	55.49	54.24	51.74	52.74	55.99	54.24	51.74	52.74	62.49	62.49	55.99	55.99
55.74	54.74	51.74	52.74	55.59	54.34	51.84	52.84	56.59	54.34	51.84	52.84	62.59	62.59	56.09	56.09
55.89	54.89	51.89	52.89	55.69	54.44	51.94	52.94	56.94	54.44	51.94	52.94	62.59	62.59	56.09	56.09

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY			
Grade				Grade				Grade			
31	41	32	42	31	41	32	42	21	31	41	51
48.20	47.15	47.25	46.80	48.60	47.65	48.15	46.30	29	-	-	-
49.20	48.15	48.25	47.35	49.65	48.70	49.20	47.10	30	-	-	-
50.45	49.40	49.50	49.10	51.45	50.45	50.95	48.85	31	-	-	-
52.65	51.50	51.10	50.35	52.75	51.70	51.95	49.35	32	-	-	-
53.95	52.95	52.65	51.00	54.25	52.95	53.15	50.50	33	-	-	-
55.70	54.75	54.90	53.30	55.85	55.00	54.90	52.80	34	63.24	62.99	61.49
56.00	55.00	55.15	53.35	56.15	55.25	55.15	52.85	35	64.99	64.74	63.24
56.10	55.10	55.25	53.35	56.25	55.35	55.25	52.85	36	65.09	64.84	63.34
56.10	55.10	55.25	53.35	56.25	55.35	55.25	52.85	37	65.19	64.94	63.44

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1150	-1095	-	-1000	26 & Below	-1000	-1700	-	-1189
-750	-705	-705	-600	27-29	-500	-1300	-1600	-880
-475	-435	-435	-300	30-32	-250	-1000	-1100	-571
-200	-200	-200	-150	33-34	-150	-350	-450	-243
0	0	0	0	35-49	0	0	0	0
-300	-115	-115	-300	50-52	-200	-100	-100	-176
-450	-205	-205	-350	53 & Above	-	-150	-	-272

SPOT QUOTATIONS - AMERICAN PIMA 1/

Staple	Grade 03	Grade 04	Grade 05	Mike ranges	Points per pound
				26 & Below	-4000
				27-29	-3500
44	178.00	166.50	127.75	30-32	-2500
				33-34	-400
46	178.50	167.00	128.00	35 & Above	0

1/ Arizona, New Mexico and Texas.

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	52.50	50.75	52.50	51.25	-	-	-
-	-	-	-	-	-	-	-	30	54.50	52.75	54.50	53.00	-	-	-
-	-	-	-	-	-	-	-	31	55.75	53.75	55.75	54.25	-	-	-
-	-	-	-	-	-	-	-	32	57.75	54.25	57.75	55.00	-	-	-
61.50	61.00	59.25	60.00	62.00	61.50	59.50	60.25	33	59.00	56.00	59.00	56.75	-	-	-
62.50	61.50	60.00	60.75	63.00	62.00	60.25	61.00	34	61.00	57.25	61.00	57.75	70.75	69.50	66.50
62.75	62.00	60.25	61.00	63.25	62.50	60.50	61.25	35	-	-	-	-	72.25	71.00	67.75
-	-	-	-	-	-	-	-	36	-	-	-	-	72.50	71.25	67.75