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USDA

Weekly Cotton Market Review

(Week ended February 9)

Vol. 65, No. 27

February 9, 1984

Spot cotton prices were sharply lower, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading was slow. Growers with cotton on hand were reluctant to offer. Merchants were not actively seeking cotton. Domestic and foreign mill purchases were light. Forward contracting of the 1984 crop by growers was active in south Texas but slow elsewhere. About 11 percent of the 1983 crop remained in grower hands at the end of January.

Spot cotton prices declined sharply. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets ended the week on Thursday, February 9, at 70.61 cents per pound. This compares with 72.67 cents a week earlier and 60.67 cents on the corresponding Thursday last season. The New York March 1984 futures settlement price ended the week on Thursday at 75.15 cents per pound compared with 77.48 cents last week. The December settlement price was 71.80 cents against 71.72 cents last Thursday.

Trading was slow on spot cotton markets. Grower-held supplies were limited and most growers with cotton on hand were reluctant to offer at prevailing prices. Many merchants had stocks fairly well in balance with commitments and were not actively seeking cotton. Domestic mill purchases were light and mostly for prompt or nearby delivery. Export trading slowed although both Far Eastern and European mills made limited purchases. Most purchases were for prompt or nearby shipment. Purchases reported by cotton exchanges in the designated markets totaled 218,500 bales in the week ended Thursday, February 9. This compares with 351,300 bales a week earlier and 227,300 bales in the corresponding week last season.

Textile mill report. Domestic mill purchases were intermittent and in fairly light volume. Buying was primarily to fill gaps in stocks or cover recent product sales. Mills continued to inquire for cotton for late summer and early fall delivery but most current trading was for prompt to nearby shipment. Interest remains fair for new-crop cotton but buying was light. Mill work schedules of mostly five to six days per week were adequate to fill product orders already booked. Demand for textile products remains good with sales extending into third quarter months on some items. Mills continued to monitor inventories, holding output closely in line with market conditions. In the few areas where sales have slowed, production was reduced or shifted to better selling goods. Sales of apparel goods, such as shirting and print cloth, were fairly active and yarn business was mixed. Movement of industrials, household and automotive products was good.

United States upland cotton growers were holding about 11 percent of their 1983 crop at the end of January, according to informal surveys made by the Cotton Division, Agricultural Marketing Service, USDA. The remainder of the 1983 crop had entered marketing channels or was in the CCC loan. The informal survey indicated that about 14 percent of the crop in the southeastern states, 3 percent in the south central states, 20 percent in the southwestern states and 9 percent in the western states remained in grower hands, outside of the CCC loan. Upland ginnings through mid-January totaled 7,311,337 running bales. The 1983-crop production was expected to total 7,634,300 bales of 480 pounds, net weight.

China's State Council has approved a four year storage construction program that will increase cotton storage capacity by 50 percent, according to the Foreign Agricultural Service, USDA. Cotton transit and reserve storage will be built in the major cotton growing areas and harbors. Upon completion, estimated cotton storage capacity will exceed 6.9 million bales.

World cotton production in 1983-84 is estimated at 67.5 million 480 pound bales, 1 million above last month's assessment and near the year earlier level, according to the Foreign Agricultural Service, USDA. The increase from December indications reflects a 1.5-million bale increase in the Chinese estimate to 20 million bales, which more than offsets a 0.6-million bale reduction in Pakistani prospects to 2.4 million. While this season's 21 percent larger Chinese crop primarily reflects higher yields, the Pakistani crop is suffering from a 37 percent yield decline due to earlier weather and insect damage. Elsewhere, this month's production estimates have been revised up slightly for the United States, Turkey, Mexico, Colombia and Syria, and have been lowered a little for Egypt, Brazil and Central America.

World cotton carryover in 1983-84 is now estimated at 26.7 million bales, up 300,000 bales from the January estimate, but still 2.1 million below the beginning level. Although ending stock levels are expected to decline sharply in a number of countries, substantial increases in China and the Soviet Union offset some of these reductions. Reflecting improved production prospects, Chinese ending stocks are now estimated at 7.5 million bales, an increase of 1.0 million from last month's estimate. In the Soviet Union, reduced export prospects account for a 100,000 bale increase in ending stocks to nearly 2.7 million. Modest stock increases of 50,000 bales are expected to occur in Brazil and India, largely to assure sufficient domestic supplies. In Brazil, a reduction in the 1983-84 consumption estimate has also contributed to the higher ending stock levels.

Ending stocks are forecast to decline substantially in the United States, Turkey, Pakistan and Egypt. In the United States, buoyant export demand accounts for the 191,000-bale reduction in ending stocks to slightly under 3.6 million bales, or less than one-half of the beginning 1983-84 level. Reflecting upward revisions in the consumption estimates for the current season and 1982-83, Turkish stocks are now estimated at 261,000 bales, a decline of 166,000 from last month's estimate. In Pakistan and Egypt, ending stocks are expected to drop by 161,000 bales and 150,000 bales, respectively, due to reduced production prospects. A lowering of the import estimates for 1983-84 and 1982-83 accounts for the 80,000-bale reduction in Portuguese stock levels. In South Africa, reduced production prospects coupled with higher consumption estimates for 1983-84 and 1982-83 points to a 73,000-bale decline in ending stock levels.

Modest stock drawdowns of 35,000 to 45,000 bales are expected to occur in Germany, Indonesia and Peru. Upward revisions in the 1983-84 and 1982-83 consumption estimates for Germany largely explain the lower stock levels. A lowering of the Indonesian production estimates for 1983-84 and 1982-83 and an increase in the Peruvian export figure for 1982-83 account for the lower stock levels in these two countries.

World cotton area, yield, supply and utilization, 1973-1983 1/

Year	1,000 Hectares	Yield kilograms per hectare	Thousand 480 pound bales							
			Beginning stocks	Production	Imports	Total supply	Consumption	Loss	Exports	Ending stocks
1973	32,795	420	25,815	63,264	20,128	109,207	62,734	38	19,583	26,852
1974	33,575	416	26,852	64,143	17,043	108,038	58,125	111	17,497	32,305
1975	30,962	380	32,305	54,055	19,530	105,890	61,605	145	19,073	25,067
1976	30,593	403	25,067	56,635	17,911	99,613	60,338	138	17,574	21,563
1977	33,172	419	21,563	63,909	19,977	105,449	59,721	282	19,140	26,306
1978	32,729	397	26,306	59,638	19,920	105,864	62,002	76	19,756	24,182
1979	32,279	440	24,182	65,196	23,049	112,427	65,343	50	23,100	23,934
1980	32,230	438	23,934	64,777	20,866	109,577	65,935	80	19,675	24,047
1981	33,174	464	24,047	70,753	19,744	114,544	65,531	114	20,239	28,660
1982	32,261	456	28,660	67,625	18,923	115,208	67,645	259	18,502	28,802
1983	31,929	460	28,802	67,459	18,582	114,843	69,612	11	18,507	26,735

1/ Season beginning August 1.

Reprint of table prepared by the Foreign Agricultural Service, USDA.

Cotton: Area, yield and production, world and selected countries and regions, harvest season beginning August 1

Continent and Country	Area			Yield			Production		
	1981-82	1982-83	1983-84	1981-82	1982-83	1983-84	1981-82	1982-83	1983-84
	1,000 Hectares			Kilograms per hectare			Thousand 480 pound bales		
Western Hemisphere:									
United States	5,601	3,937	2,967	608	662	567	15,646	11,963	7,725
Brazil	2,070	2,125	1,985	312	308	272	2,962	3,008	2,480
Mexico	350	204	250	885	886	853	1,422	830	980
Argentina	399	360	520	383	319	327	701	528	780
Paraguay	270	275	275	333	269	364	413	340	460
Nicaragua	93	90	117	663	866	726	283	358	390
Colombia	149	56	120	590	587	621	404	151	342
Peru	126	83	105	747	388	701	432	148	338
Guatemala	77	49	52	1,049	933	1,256	371	210	300
El Salvador	58	49	36	725	831	841	193	187	139
Venezuela	13	45	45	419	353	353	25	73	73
Honduras	8	5	7	789	653	653	29	15	21
Ecuador	22	17	6	643	589	508	65	46	14
Bolivia	8	8	5	490	218	435	18	8	10
Others	23	22	22	227	257	257	24	26	26
Total...........	9,267	7,325	6,512	540	532	471	22,988	17,891	14,078
Europe:									
Greece	126	112	168	954	848	833	552	436	643
Spain	72	51	34	977	948	897	323	222	140
Bulgaria	13	13	13	335	335	335	20	20	20
Yugoslavia	2	3	3	218	290	290	2	4	4
Italy	3	3	3	218	218	218	3	3	3
Others	28	28	28	272	272	272	35	35	35
Total...........	244	210	249	834	746	739	935	720	845
Africa:									
Egypt	495	488	419	1,008	944	953	2,292	2,117	1,833
Sudan	362	392	500	428	524	435	712	944	1,000
Zimbabwe	116	138	144	482	431	491	257	273	325
South Africa	108	105	135	349	247	371	173	119	230
Chad	134	137	141	203	283	309	125	178	200
Tanzania	395	375	355	113	106	104	205	183	170
Cameroon	65	55	55	399	519	515	119	131	130
Uganda	249	674	675	33	24	32	38	75	100
Nigeria	215	205	200	97	98	82	96	92	75
Kenya	121	145	145	67	90	90	37	60	60
Mozambique	110	110	110	138	109	109	70	55	55
Zaire	200	200	200	54	54	54	50	50	50
Central Africa	52	68	70	121	150	146	29	47	47
Malawi	35	35	35	218	218	218	35	35	35
Morocco	11	10	11	554	631	495	28	29	25
Angola	25	25	25	174	174	174	20	20	20
Somalia	12	12	12	127	127	127	7	7	7
Others	613	590	600	286	407	365	804	1,102	1,006
Total...........	3,318	3,764	3,832	334	319	305	5,097	5,517	5,368
Asia and Oceania: 1/									
China	5,185	5,828	6,000	571	616	726	13,600	16,500	20,000
USSR	3,168	3,188	3,189	912	815	888	13,277	11,939	13,000
India	7,987	7,950	8,100	174	173	169	6,400	6,324	6,300
Pakistan	2,215	2,263	2,274	343	364	230	3,494	3,780	2,400
Turkey	654	595	608	746	822	855	2,241	2,246	2,388
Syria	143	159	170	906	994	1,148	595	726	896
Australia	104	101	120	1,287	1,024	1,270	615	475	700
Iran	195	205	200	363	454	435	325	427	400
Israel	64	60	56	1,432	1,444	1,419	421	398	365
Thailand	151	110	120	388	370	363	269	187	200
Burma	237	248	225	160	162	179	174	185	185
Afghanistan	50	50	50	435	435	435	100	100	100
Iraq	65	65	65	218	218	218	65	65	65
Philippines	15	10	13	348	457	503	24	21	30
Southern Yemen	16	16	16	340	340	340	25	25	25
Korea, Republic	5	4	4	305	327	272	7	6	5
Others	91	110	126	242	184	188	101	93	109
Total...........	20,345	20,962	21,336	447	452	481	41,733	43,497	47,168
Foreign Total........	27,573	28,324	28,962	435	428	449	55,107	55,662	59,734
World Total..........	33,174	32,261	31,929	464	456	460	70,753	67,625	67,459

1/ Includes Middle Eastern cotton producing countries.
NOTE: Totals may not add because of rounding.

Reprint of table prepared by the Foreign Agricultural Service, USDA.

Upland Cotton: Twelve-month average price and producer marketings, 1983
United States

Month	Average price 1/	Marketings No. of bales 2/	Month	Average price 1/	Marketings No. of bales 2/
	Cents per pound	Million bales		Cents per pound	Million bales
January	57.0	1,361	August	67.0	340
February	57.7	887	September	63.1	617
March	62.2	769	October	64.0	2,370
April	60.4	198	November	66.8	2,438
May	63.6	319	December	67.3	2,441
June	62.6	493	Calendar		
July	67.1	319	year avg. 3/	63.9	12,552

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 Statistical Reporting Service, USDA.

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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						Grade 31 Staple 35
	Futures Settlement					8-Market	
	Mar '84	May '84	Jul '84	Oct '84	Dec '84	Average	'A' Index 1/
Feb. 2	77.48	77.35	76.64	73.50	71.72	72.67	88.40
3	76.20	76.30	76.42	73.22	71.50	71.58	88.40
6	76.47	76.55	76.25	73.45	71.87	71.91	87.60
7	76.62	76.52	76.50	73.55	72.02	72.02	87.80
8	76.10	76.12	76.10	73.50	72.05	71.60	87.80
9	75.15	74.87	74.87	73.02	71.80	70.61	87.55

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

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U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1982-83 and 1983-84

Description	Marketing Year			
	1982-83		1983-84	
	Through February 3		Through February 2	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,696,200	-	3,249,100
Exports	104,300	2,164,400	175,300	2,819,300
Total export commitments	-	3,860,600	-	6,068,400
New sales	81,300	-	184,600	-
Buy-backs and cancellations	5,400	-	6,400	-
Net sales	75,900	-	178,200	-
Sales next marketing year	27,000	105,200	33,200	354,800

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

Upland cotton export sales during the week ended February 2 resulted in a net increase of 178,200 running bales, according to the Foreign Agricultural Service, USDA. This was down 35 percent from the previous week marketing year high but equaled the four-week average. The primary buyers were South Korea with 50,400 bales, USSR 44,000 and Japan 28,100 bales. Weekly shipments totaled 175,300 bales, a new marketing year high. Asian destinations accounted for 74 percent of the week's exports and European 21 percent.