

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE
COTTON DIVISION

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Weekly Cotton Market Review
(Week ended January 14)

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Trading of spot cotton was active on most western states markets but remained slow in southern states, according to the Cotton Division, Agricultural Marketing Service, USDA. Prices were about steady. Grower offerings were adequate to meet demand. Domestic mill purchases were light to moderate and mostly for prompt to nearby delivery. Export trading was fairly active. Rain, freezing rain, sleet and snow delayed final stages of harvesting and field work activity in many localities. All cotton production in the United States was forecast at 15.7 million bales, the largest crop in 28 years.

Spot cotton prices were about steady. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets ranged from 57.64 to 58.32 cents per pound during the period. The average price on Thursday, January 14, was 58.16 cents compared with 58.14 cents a week earlier and 85.91 cents on the corresponding Thursday last season. Growers in many localities continued to place cotton into the CCC loan rather than sell at current price levels. In California, San Joaquin Valley growers received around 300 to 350 points off NY March futures for grade 31 staple 35, mike 35-49 cotton. Imperial Valley growers received around 57.00 cents per pound for mixed lots of mostly grade 31, staples 34 and 35, mike 35-49. In Arizona, mixed lots of mostly grade 31 staple 34, mike 35-49, brought around 59.00 to 59.75 cents and grade 41 traded at around 57.00 to 57.75 cents. Texas growers received about 250 to 350 points over CCC loan rates for mixed lots of mostly grades 42 and higher, staples 31 and 32, mike 35-49. In Arkansas and Missouri, grade 41 staple 34, mike 35-49, brought about 600 to 650 points off NY March futures. Grades 51 and 42 received bids around CCC loan levels. In Tennessee, prices for grade 41 staple 34, mike 35-49, were around 550 to 650 points off NY March futures. Louisiana buyers paid around 750 points off NY March futures for grade 41 staple 34, mike 35-49, and around CCC loan rates for grades 51 and 42. The NY March futures settlement price ended the week on Thursday, January 14, at 65.70 cents per pound compared with 65.90 a week earlier. The December settlement price was 72.15 cents against 72.25 cents last Thursday.

Trading remained fairly active on western spot cotton markets. Growers offered more freely when prices increased. Merchants continued to buy to fill commitments. Domestic mill demand was limited to cotton needed for prompt or nearby delivery. Export trading was more active, primarily with Far Eastern mills. Activity was slow on southern spot markets as many growers were unwilling to sell at prevailing prices. Merchant demand was restricted mostly to grades 41 and higher, staples 34 and longer. These qualities were in relatively short supply. Domestic mills bought a light to moderate volume, mostly for prompt or nearby shipment. Export trading slowed. Purchases reported by cotton exchanges in the designated markets totaled 546,600 bales in the week ended Thursday, January 14. This compares with 488,400 bales the previous week and 317,400 bales in the corresponding week last season.

Textile mill report. Domestic mill demand remained light. Most mills have enough cotton to support current operations. Buying was limited and consisted mostly of fill-ins and a light volume of California cotton for first quarter shipment. Reduced output has extended supplies beyond earlier expectations. New orders for finished goods remained spotty and a number of mills maintained shortened work schedules to avoid inventory buildup. Selected apparels remain the best sellers, although at reduced levels. Industrials, household products and all cotton yarn continued to move sluggishly and mills outturning these goods remained on production curtailment.

Cotton production in the United States is estimated at 15.7 million 480 pound net weight bales, up one percent from the December 1 forecast and 41 percent above production in 1980, according to the Crop Reporting Board, SRS, USDA. Upland production is estimated at 15.6 million bales and American Pima at 90,400 bales. Yield per acre at 546 pounds is one pound less than the record yield obtained in 1979.

Harvested acreage is estimated at 13.8 million acres for 1981, five percent more than the 13.2 million acres harvested in 1980. The current estimate is up 65,700 acres from the December 1 forecast. Largest changes were declines of 20,000 acres in Mississippi and 11,000 acres in New Mexico and an increase of 100,000 acres in Texas.

In the Southeastern States--Alabama, Georgia, North Carolina and South Carolina--production is estimated at 842,000 bales, two percent above last month's forecast and 72 percent more than produced in 1980. The increase in production is a result of both larger harvested acreage and higher yields than in 1980.

Production in the Delta States--Arkansas, Louisiana, Missouri, Mississippi and Tennessee--is estimated at 3.40 million bales, down less than one percent from the December 1 forecast, but 60 percent above 1980. Favorable harvest weather continued through December and ginning is virtually complete.

The Texas and Oklahoma upland crop is estimated at 6.21 million bales, up two percent from last month and 76 percent above last year's production. Following a slow start, harvest made rapid progress during December and was nearing completion by the end of the month. Many gins on the High Plains of Texas have a large backlog of cotton waiting to be ginned.

Upland production in the Western States--Arizona, California and New Mexico--is estimated at 5.17 million bales, up one percent from the December 1 forecast and 13 percent above the 1980 crop. By the end of December, harvesting activity was limited to second pickings. Many gins in Arizona and California were continuing to operate from seed cotton stored in modules.

Cotton bale weights, contracting, classings and upland prices,
United States, by years, 1970-1981

Year begin- ning Aug. 1	Average net weight of bale	Forward contracted by growers	Classed under S/D Act 1/	Prices					
				Parity	Designated markets 2/	Loan rates average location 2/	Target	Received by farmers	
								Crop year	Calendar year 3/
	Pounds	Percent	Percent	Cents	Cents	Cents	Cents	Cents	Cents
1970	483.8	11	96.6	50.53	23.55	20.70	-	21.86	-
1971	491.6	43	96.1	53.47	31.52	19.50	-	28.07	-
1972	495.7	36	97.4	59.24	33.14	19.50	-	27.20	-
1973	493.8	75	96.6	67.84	67.10	20.65	-	44.40	-
1974	488.8	21	96.5	75.79	41.69	27.06	38.00	42.70	48.90
1975	488.6	10	96.4	79.01	57.99	36.12	38.00	51.10	42.90
1976	490.6	50	96.7	81.83	70.88	38.92	43.20	63.80	60.60
1977	492.7	20	98.0	86.58	52.74	44.63	47.80	52.10	56.20
1978	493.7	25	97.8	95.72	61.58	48.00	52.00	58.10	55.10
1979	492.1	22	97.7	104.39	71.48	50.23	57.70	62.30	58.90
1980	492.9	35	97.1	114.42	82.99	48.00	58.40	74.40	73.30
1981	495.7 4/	10	5/	117.20 6/	60.09 6/	52.46	70.87		

1/ Percent of crop classed for farmers under Smith-Doxey Act. 2/ 1973-1981 crops, basis grade 41 staple 34, mike 35-49; 1970-1972 crops, basis grade 31 staple 32, mike 35-49.

3/ Price used to determine if deficiency payments will be made to producers. 4/ Preliminary. 5/ Not available. 6/ Through December 31, 1981.

Source: USDA and Bureau of the Census.

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

Cotton acreage harvested, yield per acre, production and ginnings, by states, 1980-1981

State	Area harvested		Lint yield per harvested acre		Production 480-lb. net weight bales 1/			Ginnings prior to January 1	
	1980	Indicated 1981	1980	Indicated 1981	1980	Indicated 1981		1980	1981
						December	January		
Upland	1,000 acres		Pounds		1,000 bales			Running bales	
Alabama	321.0	372.0	411	539	275.0	418.0	418.0	263,802	395,533
Arizona	589.0	599.0	1,103	1,242	1,354.0	1,550.0	1,550.0	1,093,207	1,287,671
Arkansas	645.0	600.0	330	496	444.0	625.0	620.0	433,852	601,098
California	1,500.0	1,490.0	995	1,128	3,109.0	3,450.0	3,500.0	2,812,113	3,191,153
Florida	5.9	16.5	610	524	7.5	14.6	18.0	-	-
Georgia	160.0	170.0	258	466	86.0	155.0	165.0	82,820	148,499
Louisiana	560.0	690.0	394	511	460.0	750.0	735.0	449,439	715,685
Mississippi	1,125.0	1,200.0	488	628	1,143.0	1,570.0	1,570.0	1,104,808	1,509,782
Missouri	241.0	183.0	353	422	177.0	162.0	161.0	172,391	157,384
Nevada	0.9	0.9	640	747	1.2	1.5	1.4	-	-
New Mexico	120.0	105.0	428	549	107.0	110.0	120.0	90,313	111,346
North Carolina	65.0	82.0	381	550	52.0	90.0	94.0	52,670	93,865
Oklahoma	565.0	630.0	174	312	205.0	410.0	410.0	197,666	355,599
South Carolina	120.0	118.0	309	671	77.0	160.0	165.0	71,163	150,350
Tennessee	275.0	305.0	349	496	200.0	310.0	315.0	193,635	302,195
Texas	6,850.0	7,200.0	233	387	3,320.0	5,700.0	5,800.0	2,761,430	4,388,812
Virginia	0.3	0.4	320	480	0.2	0.3	0.4	-	-
All Other	-	-	-	-	-	-	-	7,561	17,128
U. S. upland	13,143.1	13,761.8	402	546	11,017.9	15,476.4	15,642.8	9,786,870	13,426,100
American Pima									
Arizona	42.1	33.8	824	895	72.3	63.0	63.0	56,417	51,411
California	0.1	-	480	-	0.1	-	-	-	-
New Mexico	7.0	6.9	464	480	6.8	7.2	6.9	2,236	2,373
Texas	22.5	18.0	533	547	25.0	23.0	20.5	27,320	22,055
U. S. American Pima	71.7	58.7	698	739	104.2	93.2	90.4	85,973	75,839
U. S. all cotton	13,214.8	13,820.5	404	546	11,122.1	15,569.6	15,733.2	9,872,843	13,501,939

1/ Production ginned and to be ginned and based on crop conditions about January 1.

Compiled from reports of the Crop Reporting Board, Statistical Reporting Service, USDA and Bureau of the Census.
United States Department of Agriculture, Agricultural Marketing Service, Cotton Division

CCC loan entries of 1981-crop cotton totaled 1,515,000 running bales through December 31. Repayments had been made on 161,200 bales. Loans were outstanding on 1,353,700 bales, of which 908,200 were Form A (producer) and 445,500 were Form G (cooperative) loans. Entries of 1980-crop cotton totaled 2,328,100 bales, repayments were 2,197,300 bales and loans were outstanding on 130,500 bales. Loans remained outstanding on 50,000 bales of Form A and 80,500 of Form G.

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		
Jan. 7	65.90	67.55	69.25	71.00	72.25	58.14	69.35
8	66.05	67.81	69.55	71.40	72.40	58.32	69.45
11	65.15	66.97	68.41	70.85	71.95	57.64	69.45
12	65.54	67.26	68.83	70.95	71.95	58.00	69.35
13	65.86	67.57	69.05	71.10	72.17	58.25	69.25
14	65.70	67.55	69.20	71.10	72.15	58.16	69.60

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		
Jan. 7	57.90	59.00	60.00	61.00	62.50	52.28	
8	58.50	59.80	60.10	61.00	62.50	52.37	
11	58.00	58.90	60.05	61.00	62.50	51.83	
12	58.20	59.38	60.40	61.00	62.65	52.16	
13	58.20	59.18	60.40	61.00	62.65	52.36	
14	58.60	59.58	60.65	61.65	62.90	52.06	

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 January 8		Through January 7	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	2,304,800		
Exports	114,000	2,263,200		
Total export commitments	-	4,568,000		
New sales	108,500	-	NOT AVAILABLE 1/	
Buy-backs and cancellations	17,400	-		
Net sales	91,100	-		
Sales next marketing year	-	36,100		

1/ Will be released at a later date.

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