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AGRICULTURAL MARKETING SERVICE
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Weekly Cotton Market Review
(Week ended June 30)

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Spot cotton prices were very unsettled, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading remained slow. Supplies and offerings were limited. Merchant demand was generally weak except for cotton needed to meet nearby commitments. Domestic and foreign mill purchases were light. A few growers forward contracted a limited volume of 1983-crop cotton. The crop made fairly good progress under favorable weather conditions. Insects and grass were a problem in a few localities. The daily rate of cotton consumption by domestic mills during May increased from a month ago and was higher than May last year. Cotton acreage for 1983 was estimated at 8.3 million acres, 27 percent below 1982.

Spot cotton prices. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets ended the week on Thursday, June 30, at 70.64 cents per pound. This compares with 72.57 cents a week earlier and 64.92 cents on the corresponding Thursday last season. The average price advanced on Friday, June 24, to 73.35 cents, establishing a new high for the marketing year, then declined most days during the last part of the period. The New York October futures settlement price ended the week on Thursday at 77.48 cents per pound compared with 80.60 cents a week earlier. The December settlement price was 78.66 cents against 81.55 cents last Thursday.

Trading on spot cotton markets was restricted by limited supplies and offerings. Trading of CCC loan equities and PIK cotton accounted for most of the light volume of market activity. Most merchants were not seeking cotton unless needed to fill commitments. Domestic mills purchased a small volume of cotton for current needs and a small quantity for forward delivery. Export trading was slow. Limited purchases were made by Far Eastern and European mills, mostly for prompt shipment. Purchases reported by cotton exchanges in the designated markets totaled 130,000 bales in the week ended Thursday, June 30. This compares with 79,000 bales a week earlier and 145,000 bales in the corresponding week last season.

Textile mill report. Mill buying slowed seasonally. Most mills have adequate stocks of cotton to run into new-crop movement. Purchase volume consisted of a few truckloads needed for fill-ins. Buying of new-crop cotton was also light although a small quantity was purchased for forward delivery. Sales of textile goods for fourth quarter and later months were fair to good. Mills continued to express concern that prices for finished products were not keeping pace with raw cotton replacement costs. Most apparels, yarn and household goods continued to trade readily while a few industrials remained slow sellers. Practically all mills will close during the week of July 4th and a few were also closed this week.

CCC loan entries of 1982-crop cotton totaled 5,050,300 running bales through June 22. Repayments had been made on 2,437,100 bales. Loans were outstanding on 2,613,200 bales, of which 1,514,200 were Form A (producer) and 1,099,000 were Form G (cooperative) loans. Entries of 1981-crop cotton totaled 6,083,400 bales. Repayments had been made on 3,581,100 bales. Loans were outstanding on 2,370,100 bales, of which 1,521,800 were Form A and 848,300 were Form G loans. Forfeitures totaled 132,200 bales through June 22. Loans remained outstanding on 111,600 bales of 1980-crop cotton.

Domestic mill consumption of cotton averaged 22,000 running bales per day during the four weeks ended May 28, according to the Bureau of the Census. This was up from 21,500 bales used per day a month earlier and 19,600 bales in May last season. Domestic mills consumed 440,900 bales during May, bringing consumption for the first ten months (43 weeks) this season to 4,346,300 bales. This was an increase of almost 2 percent over the 4,266,400 bales used in the corresponding period last season. USDA's June 13 estimate of domestic consumption for the 1982-83 season was 5.5 million bales of 480 pounds, net weight (about 5,280,000 running bales). Domestic mills must consume about 103,700 bales per week or about 20,700 bales per day for the remainder of the season if the estimate is to be reached.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 143.4 million pounds (about 298,900 bales of 480 pounds, net weight) during the four weeks ended May 28, according to the Bureau of the Census. This brought consumption for the first 43 weeks (August-May) this season to 1,398.5 million pounds (about 2,913,500 bales). August-May consumption last season (43 weeks) totaled 1,435.5 million pounds (about 2,990,600 bales).

Stocks of cotton at mills totaled 769,400 running bales on May 28, according to the Bureau of the Census. This was the smallest end-of-May stocks at mills since records began in 1913 and compares with 794,600 bales a month earlier and 900,900 bales at the end of May last year. At the May daily rate of consumption, mill stocks were equivalent to about seven weeks' supply. Cotton in public storage totaled 7,908,200 running bales on May 28, the largest end-of-May stocks since 1967. Public storage stocks totaled 8,796,100 bales a month earlier and 6,292,400 at the end of May 1982.

Exports of cotton from the United States totaled 463,700 running bales in May, according to the Bureau of the Census. This compares with 611,900 bales shipped a month earlier and 484,000 bales in May 1982. Shipments during the first ten months (August-May) this marketing year totaled 4,114,800 bales. This is equivalent to about 84 percent of the estimated exports for the season of 5.1 million bales of 480 pounds, net weight. Exports in the August-May period last season accounted for 86 percent of the season's total, 90 percent two years ago and 86 percent three years ago. Exports must average about 390,600 running bales per month for the next two months if the estimate is to be reached this season.

The planted acreage of all cotton in the United States was estimated at 8.30 million acres, 27 percent below 1982 planted acreage, according to the Crop Reporting Board, Statistical Reporting Service, USDA. Upland acreage was estimated at 8.24 million acres and American Pima at 62,000 acres.

Growers in the southeastern states--Alabama, Georgia, North Carolina and South Carolina--planted 459,000 acres in 1983, down 26 percent from last year. Planting was nearing completion by June 1, slightly later than 1982. Cool nighttime temperatures since June 1 have restricted growth of plants and enhanced multiplication of insects.

Acreage in the Delta states--Arkansas, Louisiana, Mississippi, Missouri and Tennessee--was estimated at 1.81 million, down 25 percent from last year. Planting was delayed by wet fields and was about 80 percent finished by June 1, one to two weeks behind last year's pace. Replanting was widespread due to local flooding and poor germination.

Upland acreage in Oklahoma and Texas was estimated at 4.63 million acres, 26 percent below 1982. The beginning of planting was delayed by wet fields and cool temperatures and was about two weeks behind last year's progress on June 1. By mid-June, dryland growers on the High Plains of Texas were waiting for rain to continue planting.

In the western states--Arizona, California and New Mexico--upland acreage was estimated at 1.33 million acres, 31 percent below last year. Planting was virtually completed by June 1. Crop development was about one to two weeks behind last year's pace but growing conditions have been favorable since June 1 and the crop was making good progress.

American Pima acreage was estimated at 62,000 acres compared with 70,900 acres planted last year.

Cotton acreage: Planted and harvested, crops of 1980-1982, and planted, crop of 1983

State	1980		1981		1982		1983	
	Planted		Planted		Planted		Planted	
	June	Final	June	Final	June	Final	June	Final
	<u>1,000 acres</u>		<u>1,000 acres</u>		<u>1,000 acres</u>		<u>1,000 acres</u>	
<u>Upland</u>								
AL	320.0	325.0	330.0	377.0	372.0	270.0	287.0	285.0
AZ	640.0	590.0	600.0	600.0	599.0	490.0	466.0	465.0
AR	800.0	700.0	620.0	610.0	560.0	450.0	410.0	390.0
CA	1,600.0	1,510.0	1,500.0	1,540.0	1,530.0	1,380.0	1,380.0	1,370.0
GA	175.0	170.0	170.0	180.0	175.0	170.0	163.0	158.0
LA	520.0	570.0	640.0	700.0	695.0	620.0	605.0	595.0
MS	1,150.0	1,150.0	1,300.0	1,230.0	1,200.0	1,100.0	1,000.0	990.0
MO	255.0	245.0	230.0	242.0	183.0	200.0	154.0	151.0
NM	150.0	151.0	140.0	136.0	106.0	95.0	79.0	68.0
NC	58.0	66.0	79.0	83.0	82.0	80.0	71.0	70.0
OK	640.0	715.0	670.0	650.0	640.0	560.0	480.0	450.0
SC	125.0	122.0	120.0	119.0	118.0	105.0	97.0	95.0
TN	315.0	290.0	330.0	325.0	305.0	260.0	260.0	255.0
TX	7,500.0	7,850.0	7,400.0	7,460.0	7,200.0	5,700.0	5,800.0	4,300.0
All other	7.0	7.3	14.4	19.5	18.2	17.3	17.0	16.0
U. S.	14,255.0	14,461.3	14,143.4	14,271.5	13,783.2	11,497.3	11,269.0	9,658.0
<u>Amer. Pima</u>								
AZ	45.0	42.3	35.0	33.8	33.6	40.0	41.8	41.6
CA	-	0.1	0.1	-	-	-	-	-
NM	12.0	7.1	7.0	7.1	6.8	7.1	9.5	9.4
TX	26.0	23.0	18.0	17.7	17.6	24.0	19.6	19.5
U. S.	83.0	72.5	60.1	58.6	58.0	71.1	70.9	70.5
<u>All cotton</u>	14,338.0	14,533.8	14,203.5	14,330.1	13,841.2	11,568.4	11,339.9	9,728.5
								8,299.3

Compiled from reports of the Crop Reporting Board, SRS, USDA.

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

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					8-Market Average	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement						
	Jul '83	Oct '83	Dec '83	Mar '84	May '84		
June 23	79.91	80.60	81.55	82.32	82.40	72.57	87.90
24	81.05	81.35	82.03	82.90	83.00	73.35	88.20
27	78.50	79.35	80.03	80.90	81.07	72.32	88.50
28	78.15	77.69	79.10	80.18	80.70	70.89	87.40
29	80.00	79.48	80.66	81.75	82.00	72.39	87.10
30	77.60	77.48	78.66	79.75	80.00	70.64	88.20

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 1981-82 and 1982-83

Description	Marketing Year			
	1981-82		1982-83	
	Through June 24		Through June 23	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,015,000	-	1,080,400
Exports	118,300	5,765,500	79,000	4,305,800
Total export commitments	-	6,780,500	-	5,386,200
New sales	31,300	-	38,800	-
Buy-backs and cancellations	20,000	-	7,300	-
Net sales	11,300	-	31,500	-
Sales next marketing year	119,200	1,123,300	35,500	1,673,200

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

Upland cotton export sales activity for the current marketing year resulted in a net increase of 31,500 running bales in the week ended June 23, according to the Foreign Agricultural Service, USDA. The dominant activity was a switch of 14,800 bales from USSR to Czechoslovakia. Sales for the 1983-84 marketing year totaled 35,500 bales. Japan was the major buyer with 21,400 bales. Weekly exports of 79,000 running bales were 20 percent below the four-week average and 15 percent less than a week earlier. Asian destinations accounted for 71 percent of the week's shipments and European destinations 25 percent.