

UNITED STATES DEPARTMENT OF AGRICULTURE

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REFERENCE WORK

Weekly Cotton Market Review

Vol. 72, No. 24

January 23, 1991

Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 70.17 cents per pound during the week ending Friday, January 18, according to the Cotton Division, Agricultural Marketing Service, USDA. Daily average quotations ranged from a low of 69.66 cents on Tuesday, January 15, to a high of 70.84 cents on Friday, January 18. Spot cotton quotations averaged 69.58 cents a week earlier and 62.42 cents in the corresponding week last year. The New York March 1991 futures settlement price closed on Friday at 77.52 cents compared with 76.02 cents a week earlier. The May 1991 settlement price was 76.63 cents compared with 74.58 cents the previous week. Spot transactions reported in the designated markets totaled 115,203 bales during the week ending Friday, January 18. This compares with 132,132 bales reported during the previous week and 82,847 bales in the corresponding week last season.

Southeastern markets. Spot cotton trading was slow to moderate. Merchant demand weakened in some localities. Georgia grower offering decreased and merchants filled some mill orders with cheaper Texas cotton. Prices were slightly lower in the southeast. Demand remained best for grade 41 and higher, staples 34 and longer, with strength readings of 26 or higher. Lower grade, short staple cotton with low strength readings was being discounted heavily. Prices paid for mixed lots of mostly grade 41 and higher, staples 34 and longer, mike 35-49 ranged from 350 to 450 points off New York March futures, FOB trucks in Georgia. In Alabama and the Carolinas prices were mostly 650 to 700 points off, FOB warehouse. Prices for grades 51 and 42 were priced at around 800 to 900 points off. High grade, high strength lots with 27 and higher grams per tex were bringing premiums of 100 to 150 points. CCC loan entries continued. A large portion of the crop was contracted prior to the harvest. Growers plan a sizable increase in acreage for 1991. The harvest was nearly completed.

South central markets. Spot cotton trading remained very light. Most merchants indicated an unwillingness to take any major market position until the outcome of the Persian Gulf confrontation was clearer. A few grower controlled lots traded. Demand remained best for grades 41, 32 and higher. In mixed lots, grade 41 staples 34 and longer, mike 35-49 moved at 625 to 725 points off NY March futures. Grade 52 traded at 1,300 to 1,400 points off, while grades lower than 52 traded very slowly at 1,700 to 2,000 points off. A limited number of CCC equities traded at 16 to 18 cents per pound. Domestic mills purchased very little cotton for prompt to nearby needs, but a large volume was booked for delivery from the fourth quarter 1991 through the third quarter 1992. Weather patterns for the 1991 crop were normal.

Southwestern markets. Spot cotton trading was slow to moderate. The supply of west Texas and Oklahoma growth cotton was moderate to heavy. Buyers accepted delivery of contracted cotton and were moderately active and selective in seeking spot cotton. Prices were mostly steady. Demand was moderately strong for most grades, but strongest for grades 41, 32 and higher, staples 32 and longer. A strong demand continued for the limited supplies of very low qualities. Buyers were inclined to refuse to bid on cotton in lots with more than fifty percent reductions. Sellers often refused prices offered. Mixed lots of mostly white grades 41 and higher, and

Light Spotted grades of 42 and higher, staples 32 and longer, generally brought 1,350 to 1,750 points above CCC loan rates. Mixed lots of mostly Spotted and Tinged grades and other low qualities, generally brought 1,750 to 2,200 points above CCC loan rates. Some buyers paid premiums for cotton with 27 and higher strength readings and discounted strength readings of 23 and lower. "Average rule" cotton was discounted around 300 points. Domestic and foreign mill inquiries were light. Interest in forward contracting was light, but a limited amount of acreage has been contracted in south and east Texas at prices of 61 to 67.50 cents per pound, basis grade 41 staple 34, mike 35-49. The harvest neared completion, but some gins expected to operate at least two more weeks.

Western markets. Trading was slow in the San Joaquin Valley (SJV). A few lots of grade 31, staple 35 and longer, mike 35-49 traded from growers to buyers at 300 to 350 points on March futures, UD free ginyard. Mixed lots of grade 41, 51 and 42, mostly mike 35-49 traded at 74.85 cents per pound. Far Eastern and European mills bought a light to moderate volume of high grade cotton for prompt and nearby shipment. Domestic mills bought some lower grade cotton for nearby shipment. Trading was moderately active in the Desert Southwest (DSW), and growers rejected many bids. Grade 31 staples 34-36, mike 35-49 traded at 74.85 to 76.40 cents per pound. Grade 41 and 32 brought 74.40 to 74.95 cents. Mixed grades 52 and 62, mostly reduced in grade, mike 35-49 brought 52.25 cents. Far Eastern mills purchased a moderate volume of DSW cotton in high to medium grades for prompt and nearby shipment. Domestic mills purchased a light to moderate volume of medium grades from the El Paso area for spring and early summer shipment. Cool, dry weather conditions prevailed over most of the area. American Pima trading was very slow. A small amount of grade 3 and higher was sold at 95.25 cents to \$1.10 per pound, and a small amount of grade 4 traded at 86.25 to 90.25 cents. A small volume of 1991 crop was forward contracted by SJV growers at \$1.05 and \$1.06 per pound, basis grade 3.

Textile mill report. Domestic mill buying increased. Several mills made inquiries and some bought a moderate volume of cotton for delivery through July 1992. Demand was best for new crop medium white grade cotton for delivery from October 1991 to July 1992. Cotton for first and second quarter 1991 delivery was in demand. A small volume was purchased. While the new purchases continued some shipments of previously purchased cotton were being delayed and a few cancelled by mills where business was slow. Buyer demand was best for medium and higher white and equivalent Light Spotted grades, staples 34 and longer, mike 35-49. Mill business remained slow for most products. Work schedules have been reduced at many plants and some have recently announced permanent closings. Most mills workweeks remained at five to seven days.

Quality of upland classings, 1990 crop. Grades 31 and higher made up 35 percent of upland classings through December 27. Grades 31 and higher comprised 36 percent in 1989. Grade 31 was the predominant grade both years, making up 31 percent of classings this season against 43 percent last year. All white grades, at 78 percent, were up slightly from 77 percent last year. Light Spotted grades accounted for about 20 percent of classings from the 1990 crop, compared with 16 percent last year. Spotted grades accounted for 1 percent of classings, the same as last year. The average staple length was 34.5 thirty-seconds inches, down slightly from 34.7 a year ago. Staples 35 and 36 were the predominant lengths, comprising 29 and 27 percent of classings, respectively. Last year staples 35 and 36 were the predominant lengths, each accounting for 31 percent of classings. Average mike was 41, the same as last year. Cotton with mike 34 and below made up 9 percent of classings, compared with 16 percent last year. Average fiber strength in grams per tex was 26.3, down from 26.8 in 1989. Cotton with strengths of 24 and 25, at 29 percent, made up the largest proportion of classings. In 1989, strengths of 26 and 27, at 28 percent, comprised the largest proportion. Average uniformity index was 80.7 against 81.0 last year.

United States: Percentage distribution of grade and staple for upland cotton classed through December 27, 1990 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	-	-	*	*	*	*	*	*	*	*	*	*	-	-	*
21	*	*	*	*	*	0.1	0.1	0.2	1.5	1.7	0.1	*	*	*	3.8
30	-	*	*	*	*	*	*	*	*	*	*	*	-	-	0.1
31	*	*	0.1	0.4	1.0	1.7	1.9	2.8	8.5	12.6	1.5	0.2	0.1	*	30.9
40	*	*	*	*	0.1	0.2	0.1	0.1	0.4	0.7	0.2	*	*	*	1.8
41	*	*	0.1	0.5	1.5	2.6	3.1	4.6	10.8	7.5	1.4	0.1	*	*	32.4
50	-	*	*	*	*	0.1	*	0.1	0.2	0.2	0.1	*	*	*	0.8
51	*	*	*	0.2	0.6	1.2	1.3	1.2	1.5	1.0	0.3	*	*	*	7.3
60	-	-	-	*	*	*	*	*	*	*	*	*	-	-	*
61	-	*	*	*	0.1	0.1	0.2	0.1	0.1	0.1	*	*	*	-	0.7
70	-	-	-	-	-	*	*	*	-	-	-	-	-	-	*
71	-	*	*	*	*	*	*	*	*	*	*	*	*	-	*
Lt. Spotted:															
12	-	*	*	*	*	*	*	*	*	*	*	*	-	-	*
22	-	*	*	*	*	*	*	*	*	*	*	*	*	*	0.1
32	*	*	*	0.1	0.4	0.6	0.6	0.8	1.3	0.6	0.1	*	*	*	4.7
42	*	*	*	0.2	0.7	1.3	1.5	1.8	3.1	1.8	0.3	*	*	*	10.8
52	*	*	*	0.1	0.3	0.6	0.7	0.7	0.7	0.4	0.1	*	*	*	3.4
62	*	*	*	*	*	0.1	0.1	0.1	0.1	*	*	*	*	*	0.5
Spotted:															
13	-	-	-	*	*	*	*	*	*	*	*	*	-	-	*
23	-	-	*	*	*	*	*	*	*	*	*	*	*	-	*
33	*	*	*	*	*	0.1	0.1	*	*	*	*	*	*	*	0.3
43	*	*	*	*	0.1	0.1	0.2	0.1	0.1	0.1	*	*	*	*	0.7
53	-	*	*	*	*	*	0.1	0.1	*	*	*	*	*	*	0.3
63	-	*	*	*	*	*	*	*	*	*	*	*	*	-	0.1
Tinged:															
24	-	-	*	*	*	*	*	*	*	*	*	*	-	-	*
34	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
44	-	*	*	*	*	*	*	*	*	*	*	*	*	*	*
54	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Stained:															
25	-	-	-	-	-	*	*	*	*	*	*	*	-	-	*
35	-	*	*	*	*	*	*	*	*	*	*	*	-	-	*
Lt. Gray:															
16	-	*	*	-	*	*	*	*	*	*	*	*	-	-	*
26	*	*	*	*	*	*	0.1	0.2	0.5	0.2	*	*	*	*	0.9
36	-	-	*	*	*	*	*	0.1	0.1	0.1	*	*	*	*	0.3
46	-	-	*	-	*	*	*	*	*	*	*	*	*	-	*
Gray:															
17	-	-	-	-	-	-	*	*	*	*	*	*	-	-	*
27	-	-	-	*	*	*	*	*	*	*	*	*	-	-	*
37	*	-	-	-	*	*	*	*	*	*	*	*	*	-	*
47	-	-	*	*	*	*	*	*	*	*	*	*	*	-	*
Below Grade 2/	*	*	*	*	*	*	*	*	*	*	*	*	*	*	0.1
All grades	*	*	0.3	1.6	4.9	8.8	10.2	13.2	29.2	27.0	4.2	0.5	0.1	*	100.0

1/ Classings through December 27, 13,650,667 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..... 57.9

Percent Average Rule Used (ARU).. 2.7

Percent grade reductions..... 13.9

NOTE: Totals may not add due to rounding.

Quality of American Pima classings, 1990 crop. Grades 3 and higher made up about 64 percent of classings, down from 72 percent a year ago. Grade 3 was the predominant grade comprising 54 percent of classings, against 62 percent in 1989. The average staple length was 45.1 thirty-seconds inches, the same as the previous year. Staple 46 was the predominant length accounting for 55 percent of classings against 54 percent last year. Average mike was 39, the same as the previous year.

Percentage distribution of grade, staple and mike for American Pima cotton classed through December 27, 1990, by states and United States

Grade, staple and mike	State				United States
	Arizona	California	New Mexico	Texas	
Grade					
01	0.3	0.7	-	-	0.2
02	9.0	35.2	3.3	1.4	9.7
03	49.3	54.2	81.7	61.8	54.4
04	33.1	8.0	13.9	33.5	29.7
05	6.5	1.5	0.5	3.1	4.8
06	1.4	0.3	0.3	0.2	0.9
07	0.4	0.1	0.3	*	0.3
Staple					
40 and shorter	*	*	-	0.1	*
42	0.4	0.7	0.9	0.8	0.5
44	22.3	54.0	72.5	79.4	43.3
46	75.3	42.8	26.7	19.8	54.7
48 and longer	2.0	2.5	-	*	1.4
Average staple	45.6	44.9	44.5	44.4	45.1
Mike					
26 and below	*	*	0.4	*	*
27-29	0.6	0.1	2.0	0.9	0.7
30-32	2.5	1.3	7.8	4.9	3.2
33-34	3.6	2.4	7.7	6.9	4.5
35-49	93.2	96.2	82.2	87.2	91.5
50 and above	*	*	*	*	*
Average mike	39	40	39	39	39
Grade reductions	15.6	11.7	5.8	10.0	13.3

Classings through December 27, 1990, in running bales.

* Less than 0.05 percent.

Arizona.....	158,300
California.....	31,114
New Mexico.....	9,977
Texas.....	74,795

NOTE: Totals may not add due to rounding.

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	1990-1991				
	: Dec. 21-27		Dec. 28- : Jan. 3	: Jan. 4-10 : Jan. 11-17 : Jan. 18-24	
	Adjusted world price	68.24	68.91	68.48	67.22
Course count adjustment	1.25	1.52	1.91	2.79	2.85

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					Grade 31	Coarse	
	Futures Settlement					7 Mkt. : Staple 35	Count	
	Mar '91	May '91	Jul '91	Oct '91	Dec '91	:Average: 'A' Index 1/ : 'B' Index 1/		
Jan. 14	75.85	74.55	73.90	66.85	63.94	69.68	83.30	76.35
15	75.82	74.63	73.91	67.00	64.02	69.66	83.25	76.35
16	76.10	74.83	74.02	66.92	64.02	69.86	83.25	76.35
17	77.66	76.50	75.59	67.60	64.56	70.83	83.25	76.35
18	77.52	76.63	75.50	67.56	64.47	70.84	84.15	77.50

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 January 11		Through January 10	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,940,400	-	3,940,900
Exports	179,100	2,565,500	176,100	2,701,900
Total export commitments	-	5,505,900	-	6,642,800
New sales	146,500	-	213,100	-
Buy-backs and cancellations	9,400	-	26,700	-
Net sales	137,200	-	186,400	-
Sales next marketing year	2,700	212,400	5,000	98,400

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Sales of 186,400 running bales were up two and three-quarter times, during the week ending January 10, according to the Foreign Agricultural Service, USDA. The major buyers were China with purchases of 48,500 bales, South Korea 35,800, Hong Kong 25,900, Taiwan 15,800 and Thailand 15,000 bales. Exports of 176,100 bales advanced one-fifth from the previous week. Asian destinations accounted for 68 percent of the week's shipments; Western European 19 percent; Western Hemisphere 10 percent; and East European 3 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

January 18, 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 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
69.52	68.27	65.52	66.02	69.27	68.02	65.02	65.27	33	69.52	68.27	64.27	64.97	73.27	73.27	72.02	72.02
71.52	71.02	68.52	69.27	72.02	70.77	67.52	67.77	34	72.02	71.02	67.02	67.72	77.27	77.27	76.02	76.02
71.77	71.27	68.77	69.52	72.62	71.52	68.12	68.97	35	72.12	71.12	67.12	67.82	77.37	77.37	76.12	76.12
71.92	71.42	68.92	69.67	72.72	71.62	68.22	68.47	36	72.22	71.22	67.22	67.92	77.37	77.37	76.12	76.12

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY				
Grade				Grade				Grade				
31	41	32	42	31	41	32	42	Staple	21	31	41	51
57.65	57.25	57.05	56.80	56.80	56.05	56.75	56.60	29	-	-	-	-
58.40	58.00	57.80	57.35	57.55	57.05	58.20	57.10	30	-	-	-	-
60.65	60.25	60.55	59.10	59.90	59.15	59.65	58.15	31	-	-	-	-
61.80	61.25	61.05	59.35	62.45	61.00	60.65	59.40	32	-	-	-	-
64.35	62.70	63.25	61.25	65.20	63.80	62.95	61.25	33	-	-	-	-
66.60	65.25	65.05	62.05	67.35	65.00	65.75	61.90	34	77.77	77.52	76.77	74.02
66.90	65.50	65.55	63.35	67.40	66.10	65.75	61.90	35	79.52	79.27	78.52	75.02
67.00	66.35	65.65	63.35	67.40	66.20	65.85	61.90	36	79.62	79.37	78.62	75.02
67.00	66.35	65.65	63.35	67.40	66.20	65.85	61.90	37	79.72	79.47	78.72	75.02

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1215	-	-950	26 & Below	-950	-2200	-	-1313
-800	-840	-840	-400	27-29	-450	-1500	-1500	-904
-500	-525	-525	-200	30-32	-175	-900	-950	-539
-250	-230	-230	-100	33-34	-100	-450	-350	-244
0	0	0	0	35-49	0	0	0	0
-200	-155	-155	-250	50-52	-250	-200	-100	-187
-250	-240	-240	-400	53 & Above	-	-250	-	-276

SPOT QUOTATIONS - AMERICAN PIMA

Staple	01	02	03	04	05	06	Mike ranges	Points per pound
							26 & Below	-3100
							27-29	-2275
44	119.75	119.50	116.50	94.50	63.00	53.00	30-32	-1200
							33-34	-300
46	120.25	120.00	117.00	95.00	63.00	53.00	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	69.50	66.50	69.50	67.00	-	-	-
-	-	-	-	-	-	-	-	30	71.50	68.75	71.50	69.50	-	-	-
-	-	-	-	-	-	-	-	31	73.00	70.25	73.00	70.75	-	-	-
-	-	-	-	-	-	-	-	32	74.25	71.00	74.25	71.50	-	-	-
80.00	78.50	76.25	77.25	80.50	79.00	76.50	77.50	33	76.50	72.25	76.50	73.00	-	-	-
81.00	79.25	77.25	78.25	81.50	79.75	77.50	78.50	34	78.75	74.25	78.75	74.75	86.00	85.00	83.25
81.50	80.00	77.75	78.25	82.00	80.50	78.00	78.50	35	-	-	-	-	87.50	86.50	84.50
-	-	-	-	-	-	-	-	36	-	-	-	-	87.75	86.75	84.50