

UNITED STATES DEPARTMENT OF AGRICULTURE



AGRICULTURAL MARKETING SERVICE

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Spot cotton prices declined sharply during the two-week period, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading slowed. Merchant demand weakened. Domestic and foreign mills made limited purchases. Snow and freezing rains delayed the late stages of harvesting in Texas and Oklahoma. About 21 percent of the 1983 crop was forward contracted by growers. The November daily rate of domestic mill cotton consumption was the largest for that month since 1980. November exports increased to the highest level this marketing year. The interest rate for CCC loans disbursed in January will be 10.0 percent. The final monthly forecast for the 1983 crop will be released Wednesday, January 11.

Spot cotton prices dropped sharply. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets ranged from 70.14 to 72.76 cents per pound during the period. The average price on Thursday, January 5, was 70.40 cents compared with 72.33 cents on Thursday, December 22, and 59.70 cents on January 6 last season. The New York March 1984 futures settlement price was 75.62 cents per pound on Thursday, January 5, compared with 77.95 cents two weeks earlier.

Trading on spot cotton markets slowed during the holiday period. Merchant demand weakened. Supplies were becoming limited in many markets. Offerings were relatively light but a few growers offered and sold a small volume of cotton. Many growers were not willing to sell at current prices. Domestic mill buying was seasonally slow. Export trading slowed. Far Eastern mills made the bulk of purchases, mostly 1983 crop, although some 1984 crop was bought. European mills made limited purchases of mostly current-crop cotton. Purchases reported by cotton exchanges in the designated markets totaled 528,200 bales in the December 23-January 5 period. This compares with 418,200 bales in the corresponding period last season.

Textile mill report. Mill demand was light and buying slowed seasonally. A few mills fixed prices on earlier purchases during market declines. Interest remained best for white and Light Spotted grades 41 and lower, mostly for prompt to nearby shipment. Some mills continued to seek cheaper priced lower qualities. Inquiries increased for deferred delivery but shippers were slow to offer some grades. Apparels, yarn, household goods and automotive and industrial products moved readily with many items sold into third quarter months. Mills continued to operate on five and six-day workweeks. A number of mills closed only briefly during the year-end holidays.

Contracting 1983 crop. United States upland cotton growers forward contracted about 21 percent of the 1983 crop, according to informal surveys made by the Cotton Division, Agricultural Marketing Service, USDA. These estimates were based on the Crop Reporting Board's December indicated acreage for harvest. Since 1970, forward contracting has ranged from a low of 10 percent of the crops of 1975 and 1981 to a high of 75 percent in 1973. Contracting of the 1983 crop was most active in western states where 49 percent of the crop was booked and least active in southwestern states where 7 percent was contracted. Growers in southeastern states forward contracted 28 percent and south central states' growers booked 26 percent of their crop. American Pima cotton growers forward contracted about 5 percent of their acreage in 1983.

Domestic mill consumption of cotton averaged 22,300 running bales per day in the four weeks ended November 26, according to the Bureau of the Census. This was the largest November daily rate since 1980 when 22,900 bales per day were used. Mills used 22,900 bales per day a month earlier and 19,500 bales in November last season. The average daily rate for the first four months this season was 22,600 bales per day compared with 19,600 a year earlier and 21,100 two years ago. If this season's cumulative average daily rate is maintained for the remainder of the year, consumption would equal about 5.9 million running bales. Domestic mills consumed 446,900 bales in November, bringing consumption for the first four months this season to 1,917,900 bales. Through November last year, mills had used 1,666,200 bales and two years ago 1,797,000 bales.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 147.6 million pounds (about 307,600 bales of 480 pounds) during the four weeks ended November 26, according to the Bureau of the Census. This brought consumption for the August-November period this season (17 weeks) to 631,400 million pounds (about 1,315,400 bales). August-November consumption last season (17 weeks) totaled 535.1 million pounds (about 1,114,800 bales).

Stocks of cotton at mills totaled 553,500 running bales on November 26, according to the Bureau of the Census. This was the smallest end-of-November stocks at mills since records began in 1912 and compares with 556,400 bales a month earlier and 634,500 bales at the end of November last year. At the November daily rate of consumption, mill stocks were equivalent to about five weeks' supply. Cotton in public storage totaled 8,681,500 running bales on November 26. This was up from 7,191,600 bales a month earlier but down from 10,189,800 bales at the end of November 1982.

Exports of cotton from the United States totaled 440,900 running bales during November, according to the Bureau of the Census. This was the largest monthly exports this marketing year which began August 1. A month earlier, 261,400 bales were shipped and 382,300 were exported in November 1982. Shipments during the first four months this season totaled 1,391,100 bales, up from 1,368,000 bales a year earlier and 1,183,700 bales two years ago.

Prices received by farmers for upland cotton during calendar year 1983 continued to fall below the target price of 76.00 cents per pound, ranging from a low of 56.00 cents in January to a high of 67.60 in November. The monthly average farm price was 67.30 cents in mid-December and 67.60 cents for the entire month of November, according to the Statistical Reporting Service, USDA. In December 1982, the average farm price was 57.30 cents. These prices include cotton delivered against forward contracts.

Average prices received by farmers for upland cotton, in cents per pound, net weight, United States, calendar years, 1982-1983

Month	Year beginning January 1		Month	Year beginning January 1		Month	Year beginning January 1	
	1982	1983		1982	1983		1982	1983
	Cents	Cents		Cents	Cents		Cents	Cents
January	50.30	56.00	June	58.10	61.10	November	59.90	67.60
February	49.10	56.40	July	59.90	64.60	December	57.30	67.30 ^{1/}
March	50.40	59.90	August	52.80	66.30	Calendar		
April	54.30	59.70	September	55.50	63.10	year avg.	55.20	
May	55.80	61.70	October	59.80	64.10			

^{1/} Mid-month price.

Source: Statistical Reporting Service, USDA.

Forward contracting of upland cotton by growers, by states and United States, crops of 1973-1983

State	Cotton crops										
	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Alabama	83	11	4	70	9	15	26	32	6	13	22
Georgia	64	4	1	33	1	*	8	14	10	7	18
North Carolina	66	8	4	42	16	26	18	43	8	17	28
South Carolina	75	17	16	42	33	31	34	57	24	39	62
Southeastern states	73	10	5	53	12	16	23	33	10	16	28
Arkansas	90	30	17	86	18	38	27	62	16	18	24
Louisiana	84	21	2	72	6	29	23	41	8	18	21
Mississippi	87	37	17	70	30	48	50	80	28	21	28
Missouri	89	36	12	84	23	46	40	79	26	25	38
Tennessee	84	17	1	65	2	17	13	46	9	28	33
South Central states	87	30	15	75	20	39	35	65	19	21	26
Oklahoma	35	*	*	23	18	26	23	4	2	1	-
Texas	69	7	1	26	18	9	15	22	8	5	7
Southwestern states	68	6	1	26	18	11	16	20	7	4	7
Arizona	75	40	23	77	45	35	30	46	7	21	19
California	80	55	34	65	29	62	30	45	12	17	60
New Mexico	69	13	*	68	17	13	10	7	1	*	-
Western states	75	48	30	68	32	52	29	43	10	18	49
United States	75	21	10	50	20	25	22	35	10	12	21

* Less than 0.5 percent.

All cotton: Domestic mill consumption, stocks and exports, running bales, by months and seasons, 1979-1983

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
<u>Mill consumption 1/</u>													
1979	472	482	630*	482	436	604*	507	513	622*	496	478	487*	6,209
1980	443	456	597*	458	475*	435	446	539*	435	441	531*	385	5,641
1981	429	517*	448	403	400*	378	398	493*	410	392	460*	317	5,043
1982	386	474*	416	391	425*	404	430	549*	431	441	543*	369	5,259
1983 3/	453	560*	459	447									
<u>Mill consumption per day</u>													
1979	23.6	24.1	25.2	24.1	21.8	24.2	25.4	25.7	24.9	24.8	23.9	19.5	23.9
1980	22.1	22.8	23.9	22.9	19.0	21.8	22.3	21.5	21.7	22.1	21.3	19.2	21.7
1981	21.4	20.7	22.4	20.1	16.0	18.9	19.9	19.7	20.5	19.6	18.4	15.9	19.4
1982	19.3	19.0	20.8	19.5	17.0	20.2	21.5	22.0	21.5	22.0	21.7	18.4	20.2
1983 3/	22.6	22.4	22.9	22.3									
<u>Stocks in consuming establishments 2/</u>													
1979	850	749	648	730	833	900	989	1,071	1,132	1,099	1,002	955	-
1980	891	784	743	750	831	947	1,038	1,105	1,078	1,023	937	883	-
1981	810	695	663	673	757	822	884	917	911	901	871	830	-
1982	750	671	611	635	698	782	777	790	795	777	757	756	-
1983 3/	712	639	556	554									
<u>Stocks in public storage 2/</u>													
1979	2,198	1,880	3,785	6,898	8,163	7,739	6,558	5,299	4,084	3,126	2,341	1,822	-
1980	1,509	1,578	3,181	5,071	5,927	5,847	5,109	4,227	3,470	2,807	2,199	1,688	-
1981	1,491	1,940	4,060	7,064	9,267	9,489	8,882	7,921	7,112	6,292	5,544	5,269	-
1982	5,008	5,293	7,575	10,190	11,101	11,120	10,225	9,713	8,796	7,930	7,419	6,656	-
1983 3/	6,168	5,814	7,192	8,682									
<u>Exports</u>													
1979	463	428	390	630	902	737	1,025	1,150	916	911	686	540	8,779
1980	402	393	237	436	541	669	688	733	498	458	320	264	5,639
1981	233	211	262	478	732	653	754	873	676	484	498	396	6,249
1982	342	351	293	382	377	438	368	487	612	464	435	409	4,959
1983 3/	367	322	261	441									

1/ Consumption figures relate to four-week months except as noted. Daily consumption rates calculated on the basis of 20 days for four-week months and 25 days for five-week months with no allowance for holidays. Season totals not necessarily sums of monthly figures because of adjustments.

2/ Data refer to a particular day near the end of the month.

3/ Preliminary.

* Five-week month.

Average net weight per bale of cotton ginned prior to December 1,
by specified states, crops of 1980 to 1983

State	Crop Year			
	1983	1982	1981	1980
	Pounds	Pounds	Pounds	Pounds
Alabama	499.4	503.7	499.1	491.1
Arizona	491.0	495.5	494.5	491.1
Arkansas	492.7	494.0	489.7	491.6
California	500.4	498.6	497.2	494.7
Georgia	512.7	515.9	492.2	497.3
Louisiana	490.6	490.0	488.0	485.6
Mississippi	497.9	503.4	497.9	496.0
Missouri	486.7	491.2	481.9	487.1
New Mexico	495.3	491.4	491.3	492.3
North Carolina	497.8	508.7	498.5	495.4
Oklahoma	493.6	487.8	490.7	487.1
South Carolina	495.7	519.3	504.7	498.6
Tennessee	495.0	502.8	497.0	491.2
Texas	498.7	491.6	497.1	493.2
United States 1/	497.2	497.3	495.1	492.9

1/ Current year calculated by this office.

Source: Bureau of the Census.

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						
	Mar '84	May '84	Jul '84	Oct '84	Dec '84		
Dec. 22	77.95	79.15	79.85	74.75	73.32	72.33	88.85
23	77.91	79.10	79.70	74.60	73.20	72.30	89.05
26	HOLIDAY						HOLIDAY
27	78.52	79.75	80.20	74.85	73.60	72.76	HOLIDAY
28	78.22	79.45	79.92	74.85	73.62	72.53	89.25
29	77.65	78.90	79.80	74.84	73.50	72.11	89.20
30	77.11	78.42	79.10	74.44	73.12	71.61	89.15
Jan. 2	HOLIDAY						HOLIDAY
3	75.32	76.72	77.62	73.54	72.17	70.14	89.15
4	75.77	77.14	77.95	73.60	72.40	70.51	88.50
5	75.62	76.92	77.87	73.81	72.47	70.40	87.95

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 1982-83 and 1983-84

Description	Marketing Year			
	1982-83		1983-84	
	Through December 30		Through December 29	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,750,500		
Exports	86,300	1,695,000		
Total export commitments	-	3,445,500		Will be released
New sales	57,100	-		
Buy-backs and cancellations	3,500	-		January 6
Net sales	53,600	-		
Sales next marketing year	700	46,100		

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