

**TEXAS TECH**

Dept of Ag Eco  
Ref. Room

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL MARKETING SERVICE  
COTTON DIVISION  
4841 SUMMER AVENUE, MEMPHIS, TENNESSEE 38122  
Telephone 901-521-2934



## Weekly Cotton Market Review

Vol. 66, No. 50

July 18, 1985

Demand was weak and trading remained slow on spot cotton markets, according to the Cotton Division, Agricultural Marketing Service, USDA. Supplies were limited and prices were not high enough to stimulate grower interest in selling. Most merchants had prompt and nearby commitments covered and were not actively seeking cotton. Domestic and foreign mill buying was slow. Growers forward contracted a limited volume of 1985-crop cotton. The crop continued to make good to excellent progress.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 60.02 cents per pound during the week ended Thursday, July 18. Prices ranged from a high of 60.45 cents on Friday to a low of 59.62 cents on Thursday. A week earlier, prices averaged 59.81 cents per pound and ranged from 59.53 to 59.93 cents. In the corresponding week a year ago, the average price was 67.19 cents. The New York October 1985 futures settlement price ended the week on Thursday at 60.77 cents per pound compared with 60.45 cents a week earlier. The December settlement price was 61.15 cents against 60.74 cents a week ago.

Trading remained slow on spot cotton markets. Supplies of uncommitted cotton were limited. Growers sold a small volume of CCC loan equities. Prices were often too low to encourage grower redemptions from the loan. Demand was weak. A small amount of inter-merchant trading was reported as merchants attempted to balance stocks with orders. Domestic mill buying was light. Export trading was slow. Most purchases were for shipment through September but a small volume of 1985-crop cotton was bought for October shipment. Purchases reported by cotton exchanges in the designated markets totaled 28,500 bales in the week ended Thursday, July 18. This compares with 19,000 bales reported a week earlier and 22,700 bales in the corresponding week last season.

Textile mill report. With most of their cotton needs covered, mills continued to buy conservatively and in light volume. Purchases of a few fill-ins accounted for the bulk of current activity. Interest was best for eastern and Memphis territory growths, grades 51 and higher, for prompt delivery. A few mills inquired for and bought Texas Valley new crop and a light volume of California cotton for August and forward delivery. Reports indicate that most mills have less new-crop cotton purchased than in recent years. In general, textile business was reported to be fairly steady, although sales of goods for fourth quarter and later shipment remain slow. While business has not reached expected levels, neither has it declined. Yarn sales were intermittent. Denim, underwear and sportswear constituted the better selling items. Most mills remain on five-day work schedules but those producing slower selling items adjusted to keep inventories in line with market requirements.

Crop progress. The crop made excellent progress in the San Joaquin Valley of California. Daytime temperatures were around 100 degrees and some growers shortened the interval between irrigations to prevent water stress. Normal shedding was reported and insects were under control. The El Centro area crop made excellent progress. Plants were fruiting heavily and insects were being controlled by spraying. Some localities received light rain. In central Arizona, locally heavy rains fell over much of the area. Temperatures remained hot and humidity increased. No excessive shedding was reported.

The New Mexico crop made good progress. Older cotton was in full bloom. Insect problems were about normal. In Texas, scattered showers delayed defoliation in parts of the Harlingen area. Reports indicated some fields were prematurely defoliated by aphids. Boll rot was reported in some fields where excessive moisture was present. Some cotton was expected to be harvested later in the period. In Coastal Bend and central portions of the state, the crop made good progress. Open bolls were reported in southern areas. Spraying for bollworms was under way in many fields. The crop improved in Plains areas under mostly hot, dry weather conditions. Some growers would now welcome a general rain; although, most localities had good soil moisture. Insect numbers increased in some fields and a few growers began spraying. The crop made good progress in Oklahoma. Plants were fruiting heavily. Insect problems were minimal and light infestations were under control. Overall, the crop was ahead of schedule and looking better than at the same time a year earlier. The Arkansas crop continued to look good. Fruiting rates were increasing and most of the crop was rated good to excellent. Worm and weevil infestations were increasing but no serious problems were reported. Many growers would welcome rain. The Missouri crop continued to make good progress. Soil moisture was short in some localities and rain would benefit those areas. Cotton was fruiting at a normal rate. Insect problems remained minor. In Tennessee, the crop made good to excellent progress. Plants were squaring, blooming and setting bolls. Routine insecticide applications controlled outbreaks of cotton pests. Some observers rated the crop as two to three weeks ahead of last year. Beneficial showers fell over most of Mississippi. The crop looked good and was reported to be about two weeks ahead of a year earlier. The crop generally continued to look good in Louisiana, but some fields missed recent afternoon thundershowers and are in need of rain. Growers with irrigation equipment were applying water. Insects posed no serious problems and control measures were effective. The Alabama crop continued to make good progress. Scattered showers were beneficial. A few localities were still in need of rain but no areas reported drought conditions. Insect infestations remained under control. Some growers expect to begin picking during the latter part of September, if present conditions continue. The crop in Georgia made good to excellent progress and was about 10 days ahead of last year, according to many observers. Insect infestations remained in check; although, recent rains disrupted spraying schedules. The North Carolina and South Carolina crop made good progress. The crop looked good and most growers anticipate an above average crop. Some localities were getting dry prior to recent scattered showers.

Seven months and older certificated stock, August 1, 1985 <sup>1/</sup>

Delivery point	7-12 months	13-18 months	19-24 months	Over 24 months	Total
	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>
Charleston	-	-	-	-	-
Galveston	342	1,605	251	26	2,224
Greenville	3	1	-	-	4
Houston	-	-	-	-	-
Memphis	120	1,150	165	6	1,441
Mobile	-	-	-	-	-
New Orleans	-	196	-	-	196
<b>Total</b>	<b>465</b>	<b>2,952</b>	<b>416</b>	<b>32</b>	<b>3,865</b>

<sup>1/</sup> Based on Cotton Division records as of July 15, 1985.

All cotton: Acreage, abandonment, yield and ginnings, United States, crops of 1945 to 1985

Year beginning August 1	Acreage		Abandoned	Yield per acre		Ginnings	Production
	Planted	Harvested		Planted	Harvested	Running	Equiv. 480 lb. net weight 1/
	1,000 acres	1,000 acres	Percent	Pounds	Pounds	1,000 bales	1,000 bales
1945	18,092	17,029	5.88	239	254	8,813	9,016
1946	18,638	17,584	5.66	222	236	8,517	8,640
1947	21,786	21,330	2.09	261	267	11,557	11,857
1948	23,576	22,911	2.82	303	311	14,580	14,868
1949	28,283	27,439	2.98	273	282	15,909	16,128
1950	18,866	17,843	5.42	254	269	9,910	10,014
1951	29,353	26,949	8.19	247	269	15,076	15,148
1952	28,065	25,921	7.64	259	280	14,955	15,139
1953	26,872	24,341	9.42	294	324	16,317	16,438
1954	20,052	19,251	3.99	327	341	13,619	13,673
1955	17,991	16,928	5.91	392	417	14,542	14,698
1956	17,077	15,615	8.56	374	409	13,151	13,290
1957	14,310	13,558	5.26	367	388	10,880	10,948
1958	12,379	11,849	4.28	446	466	11,435	11,495
1959	15,833	15,117	4.52	440	461	14,515	14,527
1960	16,080	15,309	4.79	425	446	14,265	14,237
1961	16,588	15,634	5.75	413	438	14,325	14,283
1962	16,293	15,569	4.44	437	457	14,864	14,828
1963	14,843	14,212	4.25	497	517	15,290	15,294
1964	14,836	14,057	5.25	490	517	15,149	15,144
1965	14,152	13,615	3.79	507	527	14,933	14,941
1966	10,349	9,553	7.70	443	480	9,562	9,556
1967	9,450	7,997	15.36	378	447	7,439	7,444
1968	10,913	10,159	6.89	481	516	10,917	10,925
1969	11,883	11,051	6.96	404	434	9,937	9,990
1970	11,945	11,155	6.61	410	438	10,112	10,192
1971	12,355	11,471	7.15	407	438	10,229	10,477
1972	14,001	12,984	7.26	470	507	13,269	13,704
1973	12,480	11,970	4.09	499	520	12,611	12,974
1974	13,679	12,547	8.28	405	442	11,328	11,537
1975	9,448	8,796	6.90	422	453	8,151	8,296
1976	11,636	10,914	6.21	436	465	10,347	10,577
1977	13,680	13,275	2.95	505	520	14,018	14,388
1978	13,375	12,400	7.29	389	420	10,549	10,851
1979	13,978	12,831	8.20	502	547	14,262	14,620
1980	14,534	13,215	9.08	367	404	10,826	11,117
1981	14,330	13,841	3.41	523	543	15,150	15,627
1982	11,345	9,734	14.20	506	590	11,526	11,963
1983	7,926	7,348	7.30	471	508	7,504	7,771
1984 2/	11,145	10,379	6.88	559	600	12,545	12,982
1985 2/	10,770						

1/ Years prior to 1953 are 500 pound gross weight bales.

2/ Preliminary.

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							Desig. 8- Mkt. Avg.	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement								
	Oct '85	Dec '85	Mar '86	May '86	Jul '86	Oct '86			
July 11	60.45	60.74	61.56	61.92	61.72	58.55	59.53	61.60	
12	61.67	61.92	62.80	62.90	62.35	59.03	60.45	61.60	
15	61.44	61.60	62.47	62.72	62.55	58.30	60.27	61.60	
16	60.98	61.18	62.00	61.90	61.72	56.92	59.93	61.40	
17	60.84	61.25	61.75	61.73	61.12	57.00	59.82	61.00	
18	60.77	61.15	61.70	61.60	61.23	56.90	59.62	60.90	

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

Chicago futures contract settlement and designated spot market average for grade 42 staple 31 in cents per pound

Date	Grade 42 Staple 31						Desig. 5-Mkt. Average 1/
	Futures Settlement						
	Oct '85	Dec '85	Mar '86	May '86	Jul '86		
July 11	-	51.25	52.25	-	-	50.89	
12	-	51.70	52.50	-	-	51.62	
15	-	51.60	52.40	-	-	51.48	
16	-	51.38	52.18	-	-	51.21	
17	-	51.50	52.30	-	-	51.12	
18	-	51.21	52.00	-	-	50.83	

1/ Greenville, Montgomery, Memphis, Dallas and Lubbock.

U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1983-84 and 1984-85

Description	Marketing Year			
	1983-84		1984-85	
	Through July 12		Through July 11	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	914,400	-	626,800
Exports	78,800	6,226,500	76,400	5,776,500
Total export commitments	-	7,140,900	-	6,403,300
New sales	39,200	-	6,600	-
Buy-backs and cancellations	22,300	-	5,500	-
Net sales	16,900	-	1,100	-
Sales next marketing year	67,400	1,870,400	9,700	716,200

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

Upland cotton export sales for the current marketing year totaled 1,100 running bales during the week ended July 11, according to the Foreign Agricultural Service, USDA. Small sales to West Germany of 700 bales, Spain 600 and South Korea 600 bales were mostly offset by similar reductions to various destinations. Sales for the 1985-86 marketing year totaled 9,700 bales and were primarily to South Korea with 3,700 bales, Indonesia 2,700, Spain 1,400 and Japan 1,300 bales. Exports for the week totaled 76,400 bales. Asian destinations accounted for 85 percent of the week's shipments, West European 11 percent and Western Hemisphere 3 percent.