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Weekly Cotton Market Review

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Spot cotton quotations averaged 162 points lower than the previous week, according to the Cotton Division, Agricultural Marketing Service, USDA. The average quotation for grade 41 staple 34, mike 35-49, in the designated markets was 70.91 cents per pound during the week ending Friday, July 19. Daily average quotations ranged from a low of 70.19 cents on Monday, July 15, to a high of 71.74 cents on Wednesday, July 17. Quotations averaged 72.53 cents during the previous week and 79.95 cents in the corresponding week a year ago. The New York October 1991 futures settlement price closed on Friday at 70.13 cents against 70.41 cents the previous week. Friday's December settlement price was 69.73 compared with 69.44 cents a week ago. Spot transactions in the designated markets totaled 7,632 bales during the week ending Friday, July 19. This compares with 5,496 bales in the previous week and 2,454 bales in the corresponding week last season.

Southeastern markets. Trading remained very light due to extremely limited supplies. Demand was fairly good for grades 41 and higher, staples 34 and longer, mike 35-49, but sellers were reluctant to accept prices bid. Lower qualities and shorter staple lengths attracted few bids. CCC loan equity trading was light. Prices for equities were weaker at around 10 cents per pound. Forward contracting was at a near standstill. The cotton crop was making good to excellent progress. Insects were a continuing problem, but most growers were able to control infestations by spraying.

South central markets. A light volume of cotton traded, mostly between merchants. Merchant demand was weak for the remaining supplies of cotton which were mostly low grade, low mike. In mixed lots, grade 41 staple 34, mike 35-49, traded at around 400 to 425 points on New York October futures. Even-running lots of grade 41 commanded slightly higher prices. Mixed lots of mostly grades 42 and 52 sold at around 62 cents per pound. A small volume of 1990-crop CCC loan equities traded at about 14 cents. Domestic mills bought a light volume of cotton for prompt needs. Numerous inquiries were received from Far Eastern mills. Sales were light. Most growers were reluctant to contract 1991-crop cotton at prevailing prices. A small volume was booked at around 600 points off NY December futures, basis grade 41 staple 34, mike 35-49. Hot, dry weather prevailed during the week with only a few isolated showers. The cotton crop continued to make normal progress.

Southwestern markets. Spot cotton trading remained very slow. Supplies were very light and consisted mostly of qualities in very low demand. A light volume of cotton brought prices around 1,750 points above CCC loan rates. New crop south Texas cotton has yet to enter trade channels. Domestic and foreign mill inquiries were light. Forward contracting of the 1991 crop remained inactive. Limited harvesting activities began in south Texas but were expected to increase rapidly if good weather conditions prevailed. Growth of the crop elsewhere in Texas and Oklahoma continued to make excellent progress. Insect control was necessary in some localities.

Western markets. Demand continued steady for remaining San Joaquin Valley (SJV) supplies, however growers resisted bids of 350 points on NY October futures for grade 31. Far Eastern and European mills purchased a small volume of higher grade cotton for prompt and

nearby shipment. A small acreage of 1991-crop cotton was forward contracted at 76 cents per pound, basis grade 31, staple 35, mike 35-49. Grower to merchant trading continued inactive in the Desert Southwest (DSW). Far Eastern mills bought a small volume for prompt shipment. Dry, hot weather was good for cotton development in both the DSW and SJV. Demand was steady for American Pima grades 4 and lower and was fairly weak for grades 3 and higher. A small amount of grade 4, mike 33-49 traded at around \$1.04 per pound. Grade 5, mike 33-49, brought 70 cents per pound. A light volume of grade 6, mike 35-49, brought around 61 cents. Forward contracting of the 1991 crop was at a standstill.

Textile mill report. Domestic mill buying increased. Inquiries were numerous for new crop deliveries ranging from October 1991 through July 1992. A fair volume was purchased mostly for January through July 1992 delivery. Mills continued to substitute California cotton for eastern and south central growths. Mill business continued good for most products. Denims were selling especially well, while home furnishing and ladies apparels were among the slowest sellers. Prices have improved on some products. Most mills were on workweeks of six to seven days, but some operated on five to six-day schedules.

Exports of cotton from the United States during June totaled 404,000 running bales, according to the Foreign Agricultural Service, USDA. This was down from 488,000 bales shipped the previous month. Shipments for the first eleven months (August-June) this marketing year totaled 7,215,000 bales, the largest volume exported during the like period of any marketing year since 1979. Comparable exports through June 1990 and June 1989 were 6,760,300 bales and 5,338,500 bales, respectively.

Exports of all cotton from the United States, running bales, by months and season, 1975-1990 1/

Season :	:	:	:	:	:	:	:	:	:	:	:	:	:	:
beginning :	Aug.:	Sept.:	Oct.:	Nov.:	Dec.:	Jan.:	Feb.:	Mar.:	Apr.:	May :	June:	July:	Season	
August 1 :	:	:	:	:	:	:	:	:	:	:	:	:	2/	
<u>1,000 bales</u>														
1975	329	208	268	146	199	258	203	341	351	307	276	363	3,178	
1976	260	385	161	217	444	352	508	666	453	445	520	250	4,565	
1977	170	223	130	294	550	436	494	827	621	464	662	533	5,219	
1978	528	360	307	378	470	496	552	699	588	620	547	493	5,850	
1979	455	403	380	652	876	921	1,033	1,087	803	987	865	456	8,779	
1980	403	461	195	422	674	660	608	792	438	404	402	222	5,639	
1981	233	198	211	545	698	669	756	793	765	450	560	386	6,263	
1982	348	304	248	442	357	472	355	435	557	511	381	467	4,961	
1983	369	329	308	438	566	821	737	783	839	494	429	370	6,419	
1984	454	249	340	472	712	755	705	692	556	435	359	299	5,943	
1985	166	218	180	198	236	189	202	206	125	69	68	19	1,875	
1986	374	496	489	525	664	591	518	750	500	465	554	439	6,366	
1987	355	304	316	612	536	698	879	649	565	537	486	359	6,297	
1988	248	173	292	352	524	756	514	597	575	795	515	649	5,987	
1989	431	384	507	469	516	909	840	882	818	495	510	535	7,310	
1990 3/	480	355	433	591	639	1,112	950	804	960	488	404			

1/ These data refer to a particular day near the end of the month.

2/ Season totals are adjusted data as reported in Supply and Distribution of Domestic and Foreign Cotton in the United States by Bureau of the Census.

3/ Preliminary.

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	1991					
	June 21-27		June 28- July 4	July 5-11	July 12-18	July 19-25
	Adjusted world price	64.31	63.99	61.60	60.45	59.69
Course count adjustment	0	0	0	0	0	

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					Average: 7 Mkt.:	'A' Index 1/	'B' Index 1/
	Futures Settlement							
	Oct '91	Dec '91	Mar '92	May '92	Jul '92			
July 15	68.66	68.29	69.78	70.57	71.20	70.19	76.40	73.75
16	69.76	69.40	70.73	71.63	72.05	70.97	75.60	73.00
17	71.23	70.32	71.60	72.50	73.33	71.74	76.20	73.50
18	70.55	70.11	71.40	72.22	72.77	71.25	76.95	74.10
19	70.13	69.73	70.95	71.75	72.27	70.38	76.90	73.90

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 July 12		Through July 11	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	985,900	-	431,600
Exports	78,900	6,571,500	52,400	6,940,200
Total export commitments	-	7,557,400	-	7,371,800
New sales	10,900	-	17,300	-
Buy-backs and cancellations	301,200	-	9,400	-
Net sales	-290,400	-	7,900	-
Sales next marketing year	142,500	2,067,200	71,100	1,923,500

Upland cotton export sales for the 1990-91 marketing year were 7,900 running bales. Sales for the 1991-92 marketing year totaled 71,100 bales. Indonesia was the predominant buyer with purchases of 26,600 bales, South Korea 17,800, and Japan 17,000 bales. Exports of 52,400 bales were above the previous week's total by 25 percent. Asian destinations accounted for 74 percent of the week's shipments; West European 17 percent; and Western Hemisphere nine percent.

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

NOTE: Data may not add due to rounding.

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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

July 19, 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 in 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	31	41	51	42	21	31	41	32	
71.63	70.38	63.13	63.63	72.88	71.38	61.88	63.58	33	72.88	71.38	61.88	63.58	70.13	70.13	66.13	66.13
73.63	73.13	66.13	66.88	75.38	74.13	64.63	66.33	34	75.38	74.13	64.63	66.33	74.13	74.13	70.13	70.13
73.88	73.38	66.38	67.13	75.48	74.23	64.73	66.43	35	75.48	74.23	64.73	66.43	74.23	74.23	70.23	70.23
74.03	73.53	66.53	67.28	75.58	74.33	64.83	66.53	36	75.58	74.33	64.83	66.53	74.23	74.23	70.23	70.23

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY				
Grade				Grade				Grade				
31	41	32	42	31	41	32	42	Staple	21	31	41	51
54.80	54.30	54.00	53.75	54.80	54.30	54.00	53.75	29	-	-	-	-
57.95	56.90	56.50	56.00	57.95	56.90	56.50	56.00	30	-	-	-	-
59.90	58.90	58.75	57.30	59.90	58.90	58.75	57.30	31	-	-	-	-
61.95	61.00	60.80	60.50	61.95	61.00	60.80	60.50	32	-	-	-	-
63.65	62.80	62.50	62.25	63.65	62.80	62.50	62.25	33	-	-	-	-
66.10	65.00	64.90	64.20	66.10	65.00	64.90	64.20	34	72.13	71.88	71.13	68.38
66.80	66.15	65.80	64.30	66.80	66.15	65.80	64.30	35	73.88	73.63	72.88	69.38
66.90	66.25	66.00	64.50	66.90	66.25	66.00	64.50	36	73.98	73.73	72.98	69.38
66.90	66.25	66.00	64.50	66.90	66.25	66.00	64.50	37	74.08	73.83	73.08	69.38

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1215	-	-1400	26 & Below	-1400	-2200	-	-1493
-800	-890	-890	-700	27-29	-700	-1500	-1500	-997
-500	-625	-625	-350	30-32	-350	-900	-950	-614
-250	-330	-330	-150	33-34	-150	-450	-350	-287
0	0	0	0	35-49	0	0	0	0
-300	-155	-155	-200	50-52	-200	-200	-100	-187
-400	-240	-240	-250	53 & Above	-	-250	-	-276

SPOT QUOTATIONS - AMERICAN PIMA

Staple	01	02	03	04	05	06	Mike ranges	Points per pound
							26 & Below	-3500
							27-29	-2800
44	124.75	124.50	121.50	106.50	70.00	62.00	30-32	-1800
							33-34	-300
46	125.25	125.00	122.00	107.00	70.00	62.00	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	66.50	63.25	66.50	63.75	-	-	-
-	-	-	-	-	-	-	-	30	68.25	65.75	68.25	66.25	-	-	-
-	-	-	-	-	-	-	-	31	69.75	67.00	69.75	73.00	-	-	-
-	-	-	-	-	-	-	-	32	71.25	68.00	71.25	75.50	-	-	-
80.50	79.00	75.25	76.25	81.00	79.50	75.50	76.50	33	73.25	69.25	73.25	63.25	-	-	-
81.50	79.75	76.25	77.25	82.00	80.25	76.50	77.50	34	75.50	71.00	75.50	65.75	80.25	79.75	76.50
82.00	80.50	76.75	77.75	82.50	81.00	77.00	78.00	35	-	-	-	-	81.75	81.25	77.75
-	-	-	-	-	-	-	-	36	-	-	-	-	82.00	81.50	77.75