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Weekly Cotton Market Review
(Week ended July 26)

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Spot cotton prices continued to decline, according to the Cotton Division, Agricultural Marketing Service, USDA. Grower offerings remained very light. Merchant needs were fairly well covered and very few buyers were interested in trading. Domestic and foreign mill purchases were limited. Forward contracting of the 1984 crop by growers was at a standstill as most growers were not willing to book at offered prices. The crop made good to excellent progress in most localities. Harvesting expanded in early producing sections of Texas. Deltapine and Stoneville were the most popular varieties of upland cotton planted in 1984. Although consumption for the first 11 months this marketing year was the largest since 1980-81, the average daily rate for June this season was the smallest in five months. End-of-June stocks at mills were the smallest since records began in 1913.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 64.37 cents per pound during the week ended Thursday, July 26. Prices ranged from a high of 65.22 cents on Friday, July 20, to a low of 64.01 cents on Tuesday, July 24 and ended the week at 64.32 cents. The average price on July 24 was the lowest since February 25, 1983. A week earlier, prices averaged 67.19 cents per pound, ranging from 66.02 to 69.07 cents. In the corresponding week a year ago, the average price was 71.91 cents. The New York October 1984 futures settlement price ended the week on Thursday at 66.97 cents per pound compared with 68.70 cents a week earlier. The December price was 67.72 cents against 68.77 cents the previous week.

Trading on spot cotton markets continued slow. Grower-held supplies were about exhausted and not offered freely at current prices. Demand was weak as most merchants had needs fairly well covered. Domestic mills continued to purchase very selectively and only in limited quantities. Export trading was slow. Limited purchases were made by Far Eastern and European mills with shipments scheduled for prompt through September 1985. Purchases reported by cotton exchanges in the designated markets totaled 46,900 bales in the week ended Thursday, July 26. This compares with 22,700 bales reported a week earlier and 63,100 bales in the corresponding week last season.

Textile mill report. Domestic mill demand was weak. Purchases consisted of a light volume needed to cover spot shortages. Some mills with more cotton purchased than needed were offering to sell or giving shippers the option to delay or cancel shipments. Interest in new-crop cotton was light. Sales of textiles were mixed. Most plants producing woven goods and yarn were running about five days per week but production has been reduced by cutting back on some shifts. Products for the household, the automotive trade and selected industrial items were trading at a fairly steady rate. Textile imports continue to make inroads into the domestic market and were credited by most sources with the current slowdown in mill business.

Domestic mill consumption of cotton averaged 20,000 running bales per day during the five weeks ended June 30, according to the Bureau of the Census. This was down from 22,100 bales a month earlier and 21,700 bales in June 1983. Domestic mills consumed 500,700 bales during June, bringing consumption for the season (48 weeks) to 5,222,900 bales. This was the largest consumption for the first 11 months of any season since 1980-81. Through June last year, mills had used 4,889,700 bales and two years ago 4,726,000 bales.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 173.8 million pounds (about 362,000 bales of 480 pounds) during the five weeks ended June 30, according to the Bureau of the Census. This brought consumption for the August-June period this season (48 weeks) to 1,735.1 million pounds (about 3,614,800 bales). August-June consumption last season (48 weeks) totaled 1,577.0 million pounds (about 3,285,400 bales).

Stocks of cotton at mills totaled 751,400 running bales on June 30, according to the Bureau of the Census. This was the smallest end-of-June stocks at mills since records began in 1913 and compares with 766,100 bales a month earlier and 756,900 bales at the end of June last year. At the June daily rate of consumption, mill stocks were equivalent to about seven and one-half weeks' supply. Cotton in public storage totaled 2,243,300 running bales on June 30, the smallest end-of-June stocks since 1981. Public storage stocks totaled 2,993,400 bales a month earlier and 7,419,200 bales at the end of June last season.

Varieties planted, 1984 crop. Deltapine and Stoneville were the leading varieties of upland cotton planted in the United States and each accounted for 17 percent of the national acreage. Growers favored Deltapine in Arizona and Louisiana. The most popular strain was Deltapine 41 which accounted for 7 percent of the U. S. acreage. Stoneville was the leading variety planted in Alabama, Arkansas, Mississippi, Missouri and Tennessee. Stoneville 825 was the strain most often planted and accounted for 11 percent of the U. S. acreage. Acala was the next most popular variety, accounting for 12 percent of the national acreage. This was the leading variety planted in California and New Mexico. Acala SJ-2 was the predominant strain planted in California and Acala 1517-75 was the preferred strain in New Mexico. Paymaster was the next most popular variety planted and accounted for 10 percent of the U. S. acreage. This was the leading variety planted in Texas. The most popular strain was Paymaster 145 which accounted for 4 percent of the national acreage. Lankart and Tamcot were the next two leading varieties planted. Each accounted for 7 percent of the U. S. acreage. Lankart was the leading variety planted in Oklahoma. The most popular strain was Lankart 611 which accounted for 3 percent of the U. S. acreage. Tamcot was the second leading variety planted in Texas and Oklahoma. Tamcot SP21 was the strain most often planted and accounted for 3 percent of the national acreage. Pima S-6 was the most popular strain of American Pima cotton planted this season and accounted for 93 percent of the U. S. acreage. Pima S-5 made up 7 percent.

Estimated percentage of cotton acreage planted to specified varieties,
United States, 1980-1984

Year	Acala	Delta- pine	Lankart	Pay- master	Stone- ville	Tamcot	Other	Total
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1980	10	15	10	7	15	7	36	100
1981	13	16	10	9	16	9	27	100
1982	14	16	8	5	21	10	26	100
1983	14	16	9	9	16	9	27	100
1984	12	17	7	10	17	7	30	100

All cotton: Domestic mill consumption and stocks, 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
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	446	468*	469	448	548*	430	442	501*		
	<u>Mill consumption 1/</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	18.7	23.5	22.4	21.9	21.5	22.1	20.0		
	<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	611	647	713	741	766	766	751		
	<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	10,546	9,713	8,796	7,930	7,419	6,656	-
1983 3/	6,168	5,870	7,119	8,570	8,790	7,525	6,359	4,997	3,956	2,993	2,243		

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.

El Salvador's declining supply prospects and revitalization of the domestic textile industry have led to demands by the domestic textile union that the government require nearly half of domestic production be set aside for the local industry with the prospects of reducing the availability of exportable cotton, according to the Foreign Agricultural Service, USDA.

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						
	Oct '84	Dec '84	Mar '85	May '85	Jul '85		
July 19	68.70	68.77	70.80	71.75	72.80	66.02	78.00
20	67.92	68.14	70.15	71.15	72.25	65.22	77.80
23	66.79	67.28	69.25	70.45	71.55	64.12	77.20
24	66.65	67.36	69.25	70.00	71.01	64.01	76.30
25	66.79	67.82	69.62	70.40	71.25	64.18	76.30
26	66.97	67.72	69.50	70.30	71.15	64.32	76.50

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 1982-83 and 1983-84

Description	Marketing Year			
	1982-83		1983-84	
	Through July 21		Through July 19	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	785,100	-	839,600
Exports	103,500	4,677,500	82,000	6,308,500
Total export commitments	-	5,462,600	-	7,148,100
New sales	36,100	-	15,800	-
Buy-backs and cancellations	8,400	-	8,600	-
Net sales	27,700	-	7,200	-
Sales next marketing year	120,900	1,976,000	128,500	1,998,800

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

Upland cotton export sales for the current marketing year resulted in a net increase of 7,200 running bales during the week ended July 19, according to the Foreign Agricultural Service, USDA. Major purchases were by South Korea with 6,000 bales followed by Indonesia with 1,500 bales. Sales for the 1984-85 marketing year totaled 128,500 bales and were primarily to South Korea with 54,000 bales and Indonesia 22,300 bales. Weekly exports of 82,000 bales were up 4 percent from a week earlier. Asian destinations accounted for 69 percent of the week's shipments, the USSR 26 percent and Western Europe 5 percent.