UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
COTTON DIVISION
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Weekly Cotton Market Review

(Week ended July 1)

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Spot cotton prices reached the highest level in over 10 months, according to the Cotton Division, Agricultural Marketing Service, USDA. The volume of grower offerings was limited. Demand improved. Domestic mill purchases increased but remained light. Export trading slowed. Forward contracting of 1982-crop cotton was more active with growers in several states booking a light to moderate volume. The crop made satisfactory progress in most areas except Oklahoma and on the Texas Plains where cool, wet weather conditions continued to hamper seedling growth and delay planting and replanting. The daily rate of cotton consumption by domestic mills during May was the smallest since 1938. Cotton acreage for 1982 was estimated at 11.6 million acres, 19 percent below 1981.

Spot cotton prices were sharply higher. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets reached 65.36 cents per pound on Wednesday, June 30. This was the highest price since August 17, 1981. The average price ended the week on Thursday, July 1, at 64.92 cents. This compares with 62.58 cents a week earlier and 76.44 cents on the corresponding Thursday last season. The New York October futures settlement price ended the week on Thursday at 71.07 cents per pound compared with 69.10 cents a week earlier. The December settlement price was 72.94 cents against 70.65 cents last Thursday.

Trading on spot cotton markets was a little more active. Some growers offered more freely at the higher prices while others continued to hold. Merchants were selective in their purchasing and bought mostly to cover nearby commitments. Domestic mills purchased a small volume of cotton for current needs but most buying was for forward delivery. Export trading slowed with most sales made to Far Eastern mills. Purchases reported by cotton exchanges in the designated markets totaled 145,000 bales in the week ended Thursday, July 1. This compares with 45,200 bales a week earlier and 24,500 bales in the corresponding week last season.

Textile mill report. Most mills scaled down operations in preparation for the summer holidays. A light to moderate volume of grades 42 and 52 was purchased for midsummer delivery. Inquiries and purchases centered on new crop since many mills are covered through third quarter and later months. Interest was best for medium and higher grades, central and western growths, November and later delivery. There was little change in the slow pace of textile business. Sales remained sluggish over a wide range of products. The dominating concern from cotton suppliers through manufacturers, down to the retail level, continues to be inventory control. This is reflected in cautious buying practices at all levels. Yarn, lightweight knits and selected apparels continued to represent the few bright spots in an otherwise indifferent market. Most mills have vacations scheduled during the first two weeks of July.

Domestic mill consumption of cotton averaged 20,000 running bales per day in May, according to the Bureau of the Census. This was the smallest May daily rate since 1938 when 19,800 bales were used per day. Consumption averaged 20,500 bales per day a month earlier and 22,100 in May last year. Mills used 399,600 bales during the four weeks ended May 29, bringing total consumption for the season to 4,267,500 bales. This was about 10 percent below the 4,725,000 bales used during the same period last season.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 124.6 million pounds in the four weeks ended May 29, according to the Bureau of the Census. This was the smallest consumption for any month since July 1976 and was the smallest May usage since 1975. Total consumption for the August-May period was 1,438.1 million pounds this season compared with 1,628.9 million pounds a year earlier and 1,697.4 million pounds two years ago.

Stocks of cotton at mills totaled 920,100 running bales on May 29, according to the Bureau of the Census. This was the smallest end-of-May stocks at mills since records began in 1913 and compares with 910,900 a month earlier and 1,023,400 bales at the end of May last year. At the May daily rate of consumption, mill stocks were equivalent to about nine weeks' supply. Cotton in public storage totaled 6,289,800 running bales on May 29, the largest end-of-May stocks since 1967. Public storage stocks totaled 7,112,300 a month earlier and 2,807,400 bales at the end of May 1981.

Exports of cotton from the United States totaled 484,000 running bales in May, according to the Bureau of the Census. This compares with 675,900 bales shipped a month earlier and 458,300 bales in May 1981. Shipments during the first 10 months (August-May) this marketing year totaled 5,354,900 bales. This is equivalent to about 82 percent of the estimated exports for the season of 6.7 million bales of 480 pounds net weight. Exports in the August-May period last season accounted for 90 percent of the season's total, 86 percent two years ago and 82 percent three years ago. Exports must average about 572,000 running bales per month for the next two months of this season if the estimate is to be reached.

The planted acreage of all cotton in the United States is estimated at 11.6 million acres as of June 1, 19 percent below the 1981 planted acreage and down eight percent from February 1 intentions, according to the Crop Reporting Board, Statistical Reporting Service, USDA. Upland acreage is estimated at 11.5 million acres and American Pima at 71,100 acres.

Acreage in the southeastern states--Alabama, Georgia, North Carolina and South Carolina--is estimated at 625,000 acres, 18 percent less than the 759,000 acres planted in 1981 and seven percent less than expected on February 1. Planting got off to an early start in Georgia and Alabama but cool, wet weather in April and May delayed the completion of planting until mid-May. Early fields were setting squares in late June.

In the Delta states--Arkansas, Louisiana, Mississippi, Missouri and Tennessee--planted acreage is estimated at 2.63 million acres, down 15 percent from last year and five percent below February 1 intentions. Planting was virtually completed by June 1 and the crop is making good progress.

Upland acreage in Oklahoma and Texas is expected to total 6.26 million acres, down 23 percent from 1981 and 10 percent below February 1 intentions. Planting was delayed by excessive rainfall and was about 60 percent completed in Texas and about one-third finished in Oklahoma by June 1. Since June 1, unfavorable planting and growing conditions have continued. Heavy rains, hail and blowing sand have damaged or destroyed considerable acreage.

Growers in the western states--Arizona, California and New Mexico--planted 1.97 million acres of upland cotton, 14 percent less than last year and seven percent less than expected on February 1. Planting was completed by June 1 except for a small acreage in New Mexico. Favorable growing conditions have prevailed and the crop is in good condition.

American Pima acreage is estimated at 71,100 acres, 21 percent above 1981 but seven percent below February 1 intentions.

Cotton acreage: Planted and harvested, crops of 1979-1981, and planted, crop of 1982

State	1979			1980			1981			1982
	Planted		Har-vested	Planted		Har-vested	Planted		Har-vested	Planted
	June	Final	Final	June	Final	Final	June	Final	Final	June
	1,000 acres			1,000 acres			1,000 acres			1,000 acres
Upland										
AL	335.0	310.0	305.0	320.0	325.0	321.0	330.0	377.0	372.0	270.0
AZ	625.0	580.0	575.0	640.0	590.0	589.0	600.0	600.0	599.0	490.0
AR	700.0	610.0	530.0	800.0	700.0	645.0	620.0	610.0	560.0	450.0
CA	1,680.0	1,650.0	1,635.0	1,600.0	1,510.0	1,500.0	1,500.0	1,540.0	1,530.0	1,380.0
GA	120.0	155.0	150.0	175.0	170.0	160.0	170.0	180.0	175.0	170.0
LA	480.0	470.0	465.0	520.0	570.0	560.0	640.0	700.0	695.0	620.0
MS	1,050.0	1,090.0	1,050.0	1,150.0	1,150.0	1,125.0	1,300.0	1,230.0	1,200.0	1,100.0
MO	170.0	157.0	137.0	255.0	245.0	241.0	230.0	242.0	183.0	200.0
NM	140.0	154.0	126.0	150.0	151.0	120.0	140.0	136.0	106.0	95.0
NC	50.0	46.0	45.0	58.0	66.0	65.0	79.0	83.0	82.0	80.0
OK	600.0	600.0	580.0	640.0	715.0	565.0	670.0	650.0	640.0	560.0
SC	115.0	110.0	109.0	125.0	122.0	120.0	120.0	119.0	118.0	105.0
TN	250.0	250.0	230.0	315.0	290.0	275.0	330.0	325.0	305.0	260.0
TX	7,500.0	7,700.0	6,800.0	7,500.0	7,850.0	6,850.0	7,400.0	7,460.0	7,200.0	5,700.0
Other	4.6	4.8	4.8	7.0	7.3	7.1	14.4	19.5	18.2	17.3
U. S.	13,819.6	13,886.8	12,741.8	14,255.0	14,461.3	13,143.1	14,143.4	14,271.5	13,783.2	11,497.3
Amer. Pima										
AZ	43.0	43.5	43.3	45.0	42.3	42.1	35.0	33.8	33.6	40.0
CA	0.1	0.1	0.1	.0	0.1	0.1	0.1	-	-	-
NM	16.0	16.0	14.8	12.0	7.1	7.0	7.0	7.1	6.8	7.1
TX	34.0	31.1	30.9	26.0	23.0	22.5	18.0	17.7	17.6	24.0
U. S.	93.1	90.7	89.1	83.0	72.5	71.7	60.1	58.6	58.0	71.1
All Cotton	13,912.7	13,977.5	12,830.9	14,338.0	14,533.8	13,214.8	14,203.5	14,330.1	13,841.2	11,568.4

Compiled from reports of the Crop Reporting Board, SRS, USDA.

United States Department of Agriculture, Agricultural Marketing Service, Cotton Division

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						Grade 31 - Staple 35
	Futures Settlement					9-market average	'A' Index 1/
	Jul '82	Oct '82	Dec '82	Mar '83	May '83		
June 24	65.15	69.10	70.65	72.62	74.05	62.58	75.85
25	67.05	69.97	71.60	73.65	75.20	63.42	76.05
28	66.50	70.04	71.84	73.85	75.00	63.45	76.45
29	67.30	71.05	72.98	74.93	75.99	64.48	76.70
30	68.90	71.85	73.85	75.66	76.60	65.36	77.25
July 1	67.55	71.07	72.94	74.85	75.95	64.92	77.90

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

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New Orleans futures contract settlement and designated spot market average for grade 41 staple 32 in cents per pound

Date	Grade 41 Staple 32					
	Futures Settlement					5-market average 1/
	Jul '82	Oct '82	Dec '82	Mar '83	May '83	
June 24	59.00	62.32	63.85	65.75	-	55.87
25	60.15	63.55	65.15	66.50	-	56.59
28	60.25	63.60	65.30	66.50	-	56.63
29	61.10	64.45	66.30	68.00	-	57.64
30	61.60	65.60	67.30	68.00	-	58.37
July 1	60.90	65.10	66.80	68.00	69.00	58.00

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

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U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1980-81 and 1981-82

Description	Marketing Year			
	1980-81		1981-82	
	Through June 25		Through June 24	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	752,300	-	1,015,000
Exports	67,900	5,340,400	118,300	5,765,500
Total export commitments	-	6,092,700	-	6,780,500
New sales	10,500	-	31,300	-
Buy-backs and cancellations	6,900	-	20,000	-
Net sales	3,600	-	11,300	-
Sales next marketing year	78,700	533,600	119,200	1,123,300

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

Upland cotton export sales activity for the 1981-82 marketing year resulted in a net increase of 11,300 running bales during the week ended June 24, according to the Foreign Agricultural Service, USDA. The major changes were an increase of 20,200 bales to Thailand and a decrease of 11,200 bales to Morocco. Net sales for the 1982-83 marketing year were 119,200 bales. Major buyers were South Korea 45,800 bales; Japan 22,500; unknown destinations 29,800 and Bangladesh 10,000 bales. Exports for the week were steady with Asian destinations accounting for 83 percent and European destinations 12 percent.