

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

COTTON DIVISION

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Trading remained slow on spot cotton markets, according to the Cotton Division, Agricultural Marketing Service, USDA. Spot prices declined sharply. Merchant demand was weak. Most growers rejected merchant bids. Offerings remained light. Domestic and foreign mill purchases were light. Growers forward contracted a small volume of 1982-crop cotton. The crop continued to make good progress in most localities. Harvesting increased in south Texas. The daily rate of cotton consumption by domestic mills during June was the smallest since 1934. June exports increased slightly from a month earlier.

Prices for grade 41 staple 34, mike 35-49 cotton, in the designated markets declined almost every day during the week ended Thursday, July 29. The Thursday average price was 63.21 cents per pound, 2.79 cents below 66.00 cents a week earlier. The average price was 72.74 cents on the corresponding Thursday last season. The New York October futures settlement price ended the week on Thursday at 68.70 cents per pound compared with 71.64 cents a week earlier. The December settlement price was 71.05 cents against 73.67 cents last Thursday.

Trading on spot cotton markets was slow. Growers had limited supplies of qualities in best demand but were not offering freely at current prices. Merchant demand was highly selective and limited mostly to cotton needed to fill commitments. Domestic mill purchases were mostly small lots for fill-ins. Export trading was light. Far Eastern mills made the bulk of purchases. Purchases reported by cotton exchanges in the designated markets totaled 77,400 bales in the week ended Thursday, July 29. This compares with 88,500 bales a week earlier and 20,200 bales in the corresponding week last season.

Textile mill report. Some mills reported a continuing downturn in finished product sales, necessitating further curtailments in production. Most mills reported sufficient cotton stocks on hand or bought to cover present operations into movement of the 1982-crop and purchases were very light. Fabric mills reported that wide-loom corduroys, shirtings, oxford cloths, broadcloths and velours were their best sellers while narrow-loom corduroys, print cloths, twills and drills were selling very slowly. Most mills reported that virtually no fabrics were selling well enough to assure them of anything near normal operations. Some mills were experimenting with lower quality cotton in an effort to lower cost. Most mills continued to closely watch inventories of both raw materials and finished goods.

Domestic mill consumption of cotton averaged 18,100 running bales per day in June, according to the Bureau of the Census. This was the smallest June daily rate since 1934 and was down from 19,600 bales used per day a month earlier and 21,300 in June last season. The average daily rate for the first 11 months this season was 19,600 running bales, down 10 percent from 21,900 per day a year ago. Mills used 453,500 bales in June bringing consumption for the season (48 weeks) to 4,713,000 bales. Through the first 48 weeks last season, mills had used 5,256,500 bales and two years ago (47 weeks) had used 5,722,600 bales.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 144.3 million pounds in the five weeks ended July 3, according to the Bureau of the Census. This compares with 121.7 million pounds the previous four weeks and 194.6 million in June (five weeks) last season. August-June consumption (48 weeks) totaled 1.6 billion pounds, down from 1.8 billion used the two previous years.

Stocks of cotton at mills totaled 900,300 running bales on July 3, according to the Bureau of the Census. This was the smallest end-of-June stocks at mills since 1935 and compares with 900,900 bales a month earlier and 937,300 at the end of June last season. At the June daily rate of consumption, mill stocks were equivalent to almost 10 weeks' supply. Cotton in public storage totaled 5,541,900 running bales on July 3, the largest end-of-June stocks since 1967. Public storage stocks totaled 6,292,400 a month earlier and 2,199,500 bales at the end of June 1981.

Exports of cotton from the United States totaled 498,100 running bales in June, according to the Bureau of the Census. This was up from 484,000 bales a month earlier and 319,600 bales in June 1981. Shipments during the August-June period this season totaled 5,853,100 bales. This compares with 5,374,900 bales a year earlier and 8,239,000 bales two years ago.

Exports of cotton from the United States, running bales,
by month and by season, 1967-1981

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Total
	<u>1,000 bales</u>												
1967	244	277	275	298	331	474	447	436	406	383	277	357	4,206
1968	213	262	152	185	276	55	55	130	568	363	194	278	2,731
1969	147	141	167	123	176	382	325	246	308	299	269	186	2,768
1970	84	89	180	251	362	439	455	562	467	327	307	213	3,737
1971	162	310	195	272	417	337	402	437	275	163	147	110	3,229
1972	59	82	191	352	534	654	528	677	607	437	500	381	5,000
1973	329	266	259	257	592	545	598	778	638	561	496	426	5,746
1974	261	125	120	272	350	409	380	346	371	364	392	356	3,746
1975	325	258	226	176	237	214	141	381	302	327	315	276	3,178
1976	274	342	217	265	376	354	509	536	548	400	462	282	4,565
1977	181	200	149	333	496	521	502	704	640	510	528	456	5,219
1978	524	388	283	355	464	517	577	574	602	542	614	410	5,850
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		

Source: Bureau of the Census.

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

Cotton: Domestic mill consumption, consumption per day, stocks and exports, running bales, by months and seasons, 1977-1981

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	
1977	494	606*	512	505	562*	493	501	620*	484	483	575*	383	6,217	
1978	459	569*	482	595*	435	603*	471	506	584*	484	489	503*	6,180	
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 3/	429	517*	448	403	400*	378	391	493*	410	392	453*			
							<u>Mill consumption 1/</u>							
1977	24.7	24.2	25.6	25.2	22.5	24.6	25.0	24.8	24.2	24.2	23.0	19.2	23.9	
1978	22.9	22.8	24.1	23.8	21.7	24.1	23.6	25.3	23.4	24.2	24.5	20.1	23.3	
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 3/	21.4	20.7	22.4	20.1	16.0	18.9	19.5	19.7	20.5	19.6	18.1			
							<u>Mill consumption per day</u>							
1977	973	886	835	870	954	937	955	1,012	1,045	1,095	1,106	1,120	-	
1978	1,065	1,032	1,015	1,003	1,051	1,050	1,070	1,099	1,095	1,066	969	927	-	
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 3/	810	695	663	673	757	822	884	917	911	901	900			
							<u>Stocks in consuming establishments 2/</u>							
1977	1,776	2,641	6,261	9,207	10,271	9,639	8,719	7,403	6,319	5,318	4,414	3,807	-	
1978	3,462	3,434	5,314	6,232	7,863	7,690	6,884	6,035	5,062	4,174	3,278	2,605	-	
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 3/	1,491	1,940	4,060	7,064	9,267	9,489	8,729	7,921	7,112	6,292	5,542			
							<u>Stocks in public storage and at compresses 2/</u>							

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.

2/ Season totals not necessarily sums of monthly figures because of adjustments.

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

* Preliminary.

† Five-week month.

Compiled from Bureau of the Census reports.

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					9-market average	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement						
	Oct '82	Dec '82	Mar '83	May '83	Jul '83		
July 22	71.64	73.67	75.70	76.95	77.95	66.00	79.10
23	71.05	73.18	75.18	76.40	77.50	65.54	79.15
26	69.21	71.60	73.90	75.60	76.70	63.83	79.10
27	68.80	71.12	73.40	74.95	76.00	63.40	79.00
28	68.20	70.54	72.83	74.50	75.50	62.88	78.80
29	68.70	71.05	73.40	74.92	75.85	63.21	78.40

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

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

Date	Grade 41 Staple 32					5-market average 1/
	Futures Settlement					
	Oct '82	Dec '82	Mar '83	May '83	Jul '83	
July 22	65.75	67.80	69.10	70.00	71.20	59.39
23	65.70	67.60	69.25	70.00	71.20	59.04
26	64.70	66.57	68.65	69.60	70.60	57.64
27	64.25	66.20	68.25	69.15	70.00	57.19
28	63.20	65.45	67.80	68.65	69.50	57.27
29	63.60	65.85	67.80	68.65	69.50	57.37

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

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 July 23		Through July 22	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	393,000	-	580,500
Exports	60,300	5,569,900	66,200	6,130,200
Total export commitments	-	5,962,900	-	6,710,700
New sales	12,700	-	6,600	-
Buy-backs and cancellations	14,100	-	26,800	-
Net sales	-1,400	-	-20,200	-
Sales next marketing year	277,900	1,053,600	23,000	1,288,100

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

Upland cotton export sales. Activity for the current marketing year during the week ended July 22 resulted in a decrease of 20,200 running bales, according to the Foreign Agricultural Service, USDA. This was due primarily to a reduction of 9,000 bales for Thailand; 5,700 for Taiwan and 4,000 for the Philippines. Sales for the next marketing year increased by 23,000 bales with the major increase to Japan 12,300 and South Korea 4,700 bales. Weekly exports of 66,200 bales fell 42 percent below the previous week with Asian destinations accounting for 91 percent and European destinations nine percent.