

UNITED STATES DEPARTMENT OF AGRICULTURE

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Weekly Cotton Market Review

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Spot cotton quotations were firm and averaged 47 points higher than the previous week, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading was restricted by a very light volume of grower offerings. Demand was good and was best from merchants seeking cotton to cover prompt to nearby commitments. Domestic mill buying consisted of a light volume to supplement stocks and for forward delivery. Foreign sales were primarily to Far Eastern mills for prompt through third quarter 1991 shipment. Forward contracting of the 1990 crop was moderately active during the week and by the end of June, growers had booked about 21 percent of their expected acreage. The cotton crop made fairly good progress over most of the Cotton Belt but rains would be beneficial in most areas. Record high temperatures across Oklahoma and the Texas Plains have stressed the dryland cotton. Bolls were opening rapidly in south Texas and harvesting was expected to become widespread soon. All cotton planted acreage in the U.S. for 1990 was estimated at 12.4 million acres, up 17 percent from 1989.

Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 77.77 cents per pound during the week ending Friday, June 29 and ranged from a high of 78.27 cents on Monday, June 25 to a low of 77.34 cents on Thursday, June 28. Quotations averaged 77.30 cents a week earlier and 65.25 cents in the corresponding week a year ago. The New York October 1990 futures settlement price closed on Friday at 78.23 cents compared with 77.60 cents a week earlier and the December settlement price was 74.58 cents against 73.59 cents the previous week. Spot transactions in the designated markets totaled 7,461 bales during the week ended Friday, June 29. This compares with 14,347 bales the previous week and 48,152 bales in the corresponding week last season.

Trading. Southeastern markets. Trading was slow to nonexistent as little cotton remained in growers' hands. Merchant demand was good and the few offerings were easily absorbed. Bid prices were fairly steady for better grade lots, but a little weaker for lower grades. Demand was best for grades 51, 42 and higher, staples 34 and longer, mike 35-49. CCC loan equities were about exhausted and were priced in the range of \$90 to \$100 per bale. Inter-merchant trading continued, but volume was small. Offering prices for grade 41 staple 34, mike 35-49, in mixed lots of mostly grades 51, 42 and higher, ranged from 200 to 250 points on NY October futures. Mixed lots of higher grade cotton with high breaking strength continued in good demand and brought premiums of around 100 to 150 points. Domestic mill business remained fairly good. A moderate volume of 1990-crop cotton was contracted at prices ranging from 200 points off NY December futures in North Carolina and Georgia to 350 points off in Alabama. Terms and stipulations varied widely, and most included premiums of 100 points for high strength.

South central markets. Trading slowed but remained fairly active. Grower-held supplies were limited and offerings were light. In mixed lots, grade 41 traded at 100 to 200 points on NY October futures. High strength cotton brought premiums of 150 points, while grades 41 and better cotton with mike above 49 was discounted 200 to 250 points. Mixed lots of mostly low mike cotton brought around 55 cents per pound. A small volume of 1988-crop equities sold at around 4 cents per pound and 1989 crop equities moved at prices ranging from 20 to 21 cents. A few mills exhibited strong interest in cotton needed to cover prompt to nearby needs; however, the bulk of limited purchases were for forward delivery. Far Eastern mills made a few inquiries

but no sales were reported. Forward contracting of 1990-crop cotton continued fairly active. Prices for acreage contracts ranged from 550 to 600 points off NY December futures, basis grade 41 staple 34, mike 35-49, and prices for bale contracts were 500 points off, depending on various terms.

Southwestern markets. Trading was very light since little cotton was available. Prices trended steady to slightly weaker. The bulk of trading involved 1988-crop equities which moved at \$25 to \$50 per bale. Equities in 1989-crop cotton netted growers \$80 to \$115 per bale. Domestic mill inquiries decreased. A light volume of primarily medium grades, staples 32 through 34, was purchased for fill-ins. Far Eastern mills remained in the market and purchased a light to moderate volume for fourth quarter 1990 through third quarter 1991 delivery. Forward contracting remained almost inactive.

Western markets. Trading was almost inactive. Stocks were light. In Arizona, a small volume of grade 41, staples 34 to 36, mostly mike 35-49, traded at 77.20 cents per pound. Domestic and foreign mills purchased a light volume of cotton from the San Joaquin Valley (SJV) and Desert Southwest (DSW) for prompt to nearby shipment. Growers in the SJV forward contracted a light to moderate volume of 1990-crop cotton at around 600 to 650 points on NY December futures, basis grade 31 staple 35, mike 35-49; Arizona growers booked a moderate volume at 74 to 74.50 cents per pound, basis grade 31 staple 34; and growers in the El Paso territory booked a small volume at 77 cents, basis grade 31 staple 37. American Pima. Trading was light. Prices trended slightly stronger. Mixed lots of grades 2, 3, and 4, predominantly grade 3, and mostly mike 35-49, traded at 93.00 to 94.00 cents. European mills purchased a moderate volume of Pima for late 1990 and early 1991 shipment. A light to moderate volume of 1990-crop was booked at \$1 to \$1.02 per pound, basis grade 3.

Textile mill report. Domestic mill buying slowed. Demand for cotton declined for both nearby and forward deliveries. Demand was best for new-crop cotton with delivery dates ranging mostly from third quarter 1990 through mid 1991. A few mills bought a small amount of cotton for July-September shipment, but most mills appear to have the bulk of their needs filled. Basis prices were fairly steady during the week. Best demand was for Delta and southeastern growths. Mill business remained fairly good for most products. Lightweight ladies apparel, combed-yarns and household items continued to show weakness. Athletic wear, sport knits, and carded yarns continued to sell well. Many mills will be closed during the fourth of July holiday. Closings will range from three days to two weeks, but most will be for one week. Mill workweeks continued at mostly five to seven days with a few small yarn mills on four-day weeks.

Prices received by farmers for upland cotton averaged 62.40 cents per pound in mid June, according to the National Agricultural Statistics Service, USDA. This compares with 65.40 for the entire month of May and 57.20 cents in June 1989. These prices include cotton delivered against forward contracts.

Domestic mill consumption of cotton averaged 32,300 running bales per day in the four weeks ended May 26, according to the Bureau of the Census. This was the highest daily rate in the past 19 years and equaled the May 1971 average of 32,300 bales. Domestic mills consumed 646,600 bales in May, up from 624,400 bales a month earlier and 644,900 bales in May last season. Cotton consumed for the first ten months of the 1989-90 marketing year (August-May) totaled 6,729,300 bales. Cotton usage this season was up 11 percent from the previous year and 9 percent from two years ago.

Stocks of cotton at mills totaled 675,400 running bales on May 26, according to the Bureau of the Census. This compares with 644,900 bales held at the end of May last year and 756,300 bales two years ago. At the May daily rate of consumption, mill stocks were equivalent to slightly over four weeks' supply. Cotton in public storage totaled 4,230,900 running bales on May 26, the smallest end-of-May supply since 1985. Public storage stocks totaled 8,169,600 and 5,973,400 bales at the end of May 1989 and 1988, respectively.

Cotton acreage planted and harvested, crops of 1987-1989, and planted, crop of 1990

State	1987		1988		1989		1990	
	Planted	Harvested	Planted	Harvested	Planted	Harvested	March prospective	Planted
Upland								
Alabama	335.0	333.0	390.0	375.0	328.0	322.0	360.0	400.0
Arizona	290.0	289.0	350.0	349.0	240.0	239.0	340.0	340.0
Arkansas	555.0	550.0	695.0	675.0	610.0	595.0	800.0	850.0
California	1,150.0	1,140.0	1,350.0	1,335.0	1,050.0	1,040.0	1,100.0	1,020.0
Florida	29.5	29.0	33.0	29.0	25.5	25.0	24.0	30.0
Georgia	250.0	245.0	350.0	315.0	265.0	260.0	350.0	340.0
Kansas	1.0	0.9	1.0	0.9	1.5	0.4	1.5	1.5
Louisiana	605.0	600.0	735.0	645.0	645.0	620.0	780.0	780.0
Mississippi	1,020.0	1,010.0	1,230.0	1,190.0	1,050.0	1,020.0	1,300.0	1,200.0
Missouri	200.0	199.0	245.0	242.0	214.0	209.0	240.0	220.0
New Mexico	66.0	62.0	77.0	69.0	61.0	55.0	65.0	55.0
North Carolina	96.0	95.0	126.0	124.0	112.0	110.0	160.0	170.0
Oklahoma	400.0	385.0	460.0	435.0	370.0	340.0	400.0	380.0
South Carolina	120.0	119.0	145.0	142.0	120.0	118.0	145.0	160.0
Tennessee	440.0	435.0	535.0	530.0	465.0	460.0	540.0	530.0
Texas	4,700.0	4,400.0	5,600.0	5,300.0	4,650.0	3,750.0	5,500.0	5,700.0
Virginia	1.8	1.8	3.2	3.2	2.7	2.6	5.0	5.0
U.S.	10,259.3	9,893.7	12,325.2	11,759.1	10,209.7	9,166.0	12,110.5	12,181.5
American Pima								
Arizona	91.0	90.8	128.0	128.0	245.0	244.5	150.0	130.0
California	0.9	0.9	1.8	1.8	18.0	17.9	25.0	25.7
Mississippi	-	-	-	-	1.6	1.1	-	1.0
New Mexico	14.0	13.9	17.8	17.8	30.3	30.2	22.0	20.0
Texas	32.0	31.0	42.0	41.5	82.0	78.0	80.0	60.0
U.S.	137.9	136.6	189.6	189.1	376.9	371.7	277.0	236.7
U.S. all cotton	10,397.2	10,030.3	12,514.8	11,948.2	10,586.6	9,537.7	12,387.5	12,418.2

Source: Agricultural Statistical Board, Agricultural Statistics Service, USDA

Four months and older certificated stock, as of June 29, 1990

Aging	Delivery points						Total stock
	Galveston	Memphis	Houston	New Orleans	Greenville		
	Bales	Bales	Bales	Bales	Bales	Bales	
4 Months	247	17,137	-	602	-	-	17,986
5 Months	127	11,053	-	78	-	-	11,258
6 Months	381	220	1	-	-	-	602
7 Months	450	100	9	-	-	-	559
8 Months	1,847	1,496	196	-	-	-	3,539
9 Months	-	1	-	-	-	-	1
10 Months	-	-	1	-	-	-	1
11 Months	48	-	2	-	-	-	50
12 Months	-	-	-	-	-	-	0
13 Months	336	37	3	-	-	-	376
14 Months	72	178	-	-	-	-	250
15 Months	113	29	-	-	-	-	142
16 Months	35	-	-	-	-	-	35
17 Months	6	59	1	-	-	-	66
18 Months	281	230	1	-	-	-	512
19 Months	7	1	-	-	-	-	8
20 Months	169	-	-	-	-	-	169
21 Months	55	-	-	-	-	-	55
22 Months	-	-	-	-	-	-	0
23 Months & older	30	-	-	-	-	-	30
Total	4,204	30,541	214	680	0	0	35,639

Forward contracting of upland cotton by growers, as of July 1, crops of 1981-1990 and planted acreage, 1990 crop 1/

State	Cotton crops										Planted acreage
	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	
Alabama 3/	7	12	23	26	21	-	14	9	10	29	430
Georgia	10	4	6	27	4	-	21	7	22	38	340
North Carolina	2	5	24	35	-	-	26	4	24	46	170
South Carolina	1	29	52	53	18	-	28	1	32	45	160
Southeastern states	6	12	23	31	12	-	19	6	19	37	1,100
Arkansas	13	11	21	36	8	*	35	5	32	27	850
Louisiana	9	4	19	23	2	-	19	3	36	23	780
Mississippi	20	19	26	28	15	*	27	4	18	24	1,200
Missouri	20	14	35	56	*	-	42	5	45	45	220
Tennessee	1	10	31	36	4	*	58	*	3	9	530
South central states	14	13	24	30	9	*	32	4	24	24	3,580
Oklahoma	-	1	-	14	-	*	8	*	2	2	380
Texas	3	2	4	15	3	1	10	8	10	13	5,700
Southwestern states	3	2	4	15	3	1	10	7	9	12	6,080
Arizona	7	19	11	4	4	5	15	5	11	11	340
California	5	11	11	27	4	20	63	29	45	49	1,020
New Mexico	1	*	-	1	1	-	4	9	6	18	55
Western states	5	13	11	20	4	17	51	23	36	39	1,415
United States	6	7	11	21	5	3	23	9	18	21	12,175

1/ Contracting estimates for 1981-1984 and 1990 based on June planted acreage report; 1985 based on February prospective plantings; 1986 through 1989 based on March. Estimates do not include cotton consigned to marketing organizations but do include cotton contracted with marketing organizations. 2/ June 1990, Agricultural Statistics Board, NASS, USDA. 3/ Includes Florida, 1984, 1987-1990 crops. * Less than 0.5 percent.

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	1990				
	June 1-7	June 8-14	June 15-21	June 22-28	June 29-July 5
Adjusted world price	63.20	63.53	64.79	66.16	67.02
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					7 Mkt. Average	Staple 35 Index 1/	Coarse Count Index 1/
	Futures Settlement							
	Jul '90	Oct '90	Dec '90	Mar '91	May '91			
June 25	84.77	78.38	74.55	75.22	75.28	78.27	90.10	82.90
26	86.31	78.18	74.25	75.05	75.27	78.13	91.20	83.75
27	87.18	77.70	73.83	74.50	74.77	77.36	91.05	84.00
28	87.00	77.67	74.20	74.95	75.10	77.34	91.05	84.00
29	87.20	78.23	74.58	75.15	75.26	77.74	91.05	84.00

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 1988-89 and 1989-90

Description	Marketing Year			
	1988-89		1989-90	
	Through June 22		Through June 21	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,347,100	-	1,575,400
Exports	102,800	4,985,200	90,300	6,232,400
Total export commitments	-	6,332,300	-	7,807,800
New sales	68,200	-	35,000	-
Buy-backs and cancellations	6,100	-	68,700	-
Net sales	62,100	-	-33,700	-
Sales next marketing year	34,900	1,133,300	105,500	1,683,400

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

NOTE: Data may not add due to rounding.

Upland cotton export sales for the 1989-90 marketing year decreased by 33,700 running bales during the week ending June 21, according to the Foreign Agricultural Service, USDA. This was due mostly to corrections of 58,800 bales to the next marketing year. Sales for the 1990-91 marketing year totaled 105,500 bales and were primarily to Indonesia with purchases of 27,300 bales, Thailand 20,600, Japan 14,500 and Italy 12,700 bales. Exports of 90,300 bales decreased about 27 percent from the prior week. Asian destinations accounted for 76 percent of the week's shipments, West European 13 percent, Western Hemisphere 10 percent and African 1 percent. American Pima sales activity was mainly for the 1990-91 marketing year. Purchases totaled 22,700 bales and were primarily to Italy with 15,500 bales. Shipments of 6,300 bales were mainly for Czechoslovakia 2,000, South Korea 1,400 and Bangladesh 1,300 bales.

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

June 29, 1990

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	Staple	31	41	51	42	21	31	41	32
79.18	78.08	76.08	76.58	78.48	77.48	74.48	75.48	33	78.68	77.48	74.23	75.73	77.73	77.73	74.98	74.98
81.23	80.73	78.73	79.23	81.23	80.23	76.98	77.98	34	81.18	80.23	76.98	78.48	81.73	81.73	78.98	78.98
81.48	80.98	78.98	79.48	81.33	80.48	77.08	78.08	35	81.28	80.33	77.08	78.58	81.83	81.83	79.08	79.08
81.63	81.13	79.13	79.63	81.43	80.58	77.18	78.18	36	81.38	80.43	77.18	78.68	81.83	81.83	79.08	79.08

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY				
Grade				Grade				Grade				
31	41	32	42	31	41	32	42	Staple	21	31	41	51
62.40	62.25	62.05	61.05	64.80	62.70	62.75	61.60	29	-	-	-	-
63.15	63.00	62.80	61.60	66.05	63.95	64.20	64.15	30	-	-	-	-
66.40	66.25	66.05	65.85	68.65	66.45	66.65	66.50	31	-	-	-	-
67.55	67.25	67.05	66.60	69.70	67.20	67.65	67.40	32	-	-	-	-
69.10	68.70	68.00	67.75	71.25	69.20	69.20	68.80	33	-	-	-	-
70.85	70.50	69.80	68.55	72.80	70.50	70.50	69.10	34	84.98	84.73	82.98	79.48
71.15	70.75	70.05	68.85	73.10	70.75	70.75	69.40	35	86.73	86.48	84.73	80.48
71.25	70.85	70.15	68.85	73.20	70.85	70.85	69.40	36	86.83	86.58	84.83	80.48
71.25	70.85	70.15	68.85	73.20	70.85	70.85	69.40	37	86.93	86.68	84.93	80.48

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1485	-	-1500	26 & Below	-1500	-2100	-	-1567
-800	-975	-975	-500	27-29	-500	-1400	-1700	-979
-500	-480	-480	-250	30-32	-200	-800	-1150	-551
-250	-220	-220	-150	33-34	-100	-350	-450	-249
0	0	0	0	35-49	0	0	0	0
-200	-145	-145	-250	50-52	-200	-50	-100	-156
-250	-230	-230	-300	53 & Above	-	-100	-	-222

SPOT QUOTATIONS - AMERICAN PIMA

Staple	Grade	Grade	Grade	Grade	Grade	Grade	Grade	Mike ranges	Points per pound
	01	02	03	04	05	06			
								26 & Below	-3100
								27-29	-2425
44	94.25	94.00	93.00	84.50	64.50	54.50		30-32	-1400
								33-34	-450
46	94.75	94.50	93.50	85.00	64.50	54.50		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	76.50	74.00	76.50	74.00	-	-	-
-	-	-	-	-	-	-	-	30	78.50	75.75	78.50	76.25	-	-	-
-	-	-	-	-	-	-	-	31	80.00	77.25	79.75	77.75	-	-	-
-	-	-	-	-	-	-	-	32	81.25	78.00	81.25	78.50	-	-	-
85.50	84.75	82.75	83.25	86.00	85.25	83.00	83.50	33	83.50	79.25	83.50	80.00	-	-	-
86.50	85.50	83.75	84.25	87.00	86.00	84.00	84.50	34	85.75	81.25	85.75	81.75	89.50	88.50	84.00
87.00	86.25	84.25	84.75	87.50	86.75	84.50	85.00	35	-	-	-	-	91.00	90.00	85.25
-	-	-	-	-	-	-	-	36	-	-	-	-	91.25	90.25	85.25