

## UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

COTTON DIVISION

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## Weekly Cotton Market Review

(Week ended July 5)

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Trading on spot cotton markets was restricted by limited supplies and offerings, according to the Cotton Division, Agricultural Marketing Service, USDA. Spot prices were lower. Merchant demand was weak. Domestic and foreign mill purchases were light. Through the end of June, growers had forward contracted about 21 percent of their 1984 crop. The crop continued to make good progress. Rain would be beneficial in some areas but moisture conditions were generally adequate in most localities. The interest rate for CCC loans disbursed in July will be 12.0 percent.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 70.56 cents per pound during the week ended Thursday, July 5. Prices ranged from a low of 70.12 cents on Monday to a high of 71.02 cents on Thursday. A week earlier, prices averaged 71.98 cents per pound, ranging from 71.56 to 72.50 cents. In the corresponding week a year ago, the average price was 70.45 cents. The New York October 1984 futures settlement price ended the week on Thursday at 73.07 cents per pound compared with 73.35 cents a week earlier. The December price was 72.71 cents against 72.95 cents a week earlier.

Trading. Supplies of uncommitted cotton were limited in most markets and growers were reluctant to sell at prevailing prices. Most merchants had needs fairly well covered and were not actively seeking cotton. Domestic mill activity was inactive because of limited needs for inventory fill-ins and annual vacation closings. Export trading was slow. A few sales were made to Far Eastern mills for both nearby and forward shipment. Purchases reported by cotton exchanges in the designated markets totaled 13,400 bales in the week ended Thursday, July 5. This compares with 10,100 bales a week earlier and 83,200 bales in the corresponding week last season.

Textile mill report. Mill demand was seasonally slow with most mills closed for the week of the Fourth of July. Mill purchases were limited to a light volume, mostly for fill-ins, of San Joaquin, west Texas and Memphis territory cotton for prompt delivery, and a very light volume of new-crop San Joaquin cotton for October delivery. Several mills made price fixations on market lows. Sales were fair to good in selected yarns, athletic wear, underwear and some industrials, while market weakness continued in denim, sheeting and toweling.

Forward contracting 1984 crop. United States upland cotton growers had forward contracted about 21 percent of their crop by the end of June. This was the largest percentage booked by the end of June since the 1980 crop when 21 percent was also booked. A year ago, growers had contracted 11 percent of their crop and two years ago 7 percent. Contracting this season has been most active in southeastern states where 31 percent had been booked, up from 23 percent in 1983 and 12 percent in 1982. Growers in south central states had contracted 30 percent, up from 24 percent a year earlier and 13 percent two years ago. Western states' growers had booked 21 percent, up from 11 percent the previous year and 13 percent in 1982. In southwestern states, about 15 percent of the crop was under contract, up from 4 percent a year earlier and 2 percent two years ago. These estimates were based on the Crop Reporting Board's June planted acreage report and informal surveys made by the Cotton Division, Agricultural Marketing Service, USDA.

Forward contracting of upland cotton by growers, as of July 1, crops of 1975-1984 and planted acreage, 1984 crop 1/

State	Cotton crops												Planted acreage 2/
	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	Pct.	Pct.	
Alabama 3/	*	66	6	7	12	15	7	12	23	26	314		
Georgia	-	30	1	-	7	9	10	4	6	27	200		
North Carolina	-	37	14	2	10	22	2	5	24	35	95		
South Carolina	1	36	16	9	13	38	1	29	52	53	106		
Southeastern states	*	49	7	5	11	18	6	12	23	31	715		
Arkansas	2	78	17	18	14	41	13	11	21	36	475		
Louisiana	1	67	6	25	11	36	9	4	19	23	660		
Mississippi	2	66	22	31	40	59	20	19	26	28	1,150		
Missouri	*	84	21	13	18	73	20	14	35	56	150		
Tennessee	1	65	2	6	10	22	1	10	31	36	320		
South Central states	2	71	16	23	24	48	14	13	24	30	2,755		
Oklahoma	-	6	19	25	3	4	-	1	-	14	400		
Texas	-	14	18	7	11	14	3	2	4	15	5,400		
Southwestern states	-	13	18	9	10	13	3	2	4	15	5,800		
Arizona	3	51	49	33	17	27	7	19	11	10	480		
California	23	66	27	35	22	16	5	11	11	27	1,420		
New Mexico	-	13	20	10	6	3	1	*	-	1	80		
Western states	16	59	32	33	20	18	5	13	11	21	1,980		
United States	3	42	19	16	14	21	6	7	11	21	11,250		

1/ Contracting estimates do not include cotton consigned to marketing organizations but does include cotton contracted with marketing organizations.

2/ June 1984, Crop Reporting Board, Statistical Reporting Service, USDA.

3/ Includes Florida, 1984 crop.

\* Less than 0.5 percent.

Cotton: Area, yield and production, world and selected countries and regions, harvest season beginning August 1

Continent and Country	Area			Yield			Production		
	1981-82	1982-83	1983-84	1981-82	1982-83	1983-84	1981-82	1982-83	1983-84
	1,000 Hectares			Kilograms per hectare			Thousand 480 pound bales		
<b>Western Hemisphere:</b>									
United States	5,601	3,937	2,981	608	662	568	15,646	11,963	7,771
Brazil	2,070	2,125	1,985	312	308	257	2,962	3,008	2,340
Mexico	350	204	250	885	886	871	1,422	830	1,000
Argentina	399	360	490	383	310	311	701	512	700
Paraguay	270	240	270	333	333	333	413	367	413
Nicaragua	93	90	117	663	847	614	283	350	330
Colombia	149	56	120	590	587	621	404	151	342
Peru	126	83	105	747	433	695	432	165	335
Guatemala	77	49	51	1,049	933	982	371	210	230
El Salvador	58	50	36	725	801	841	193	184	139
Venezuela	13	45	45	419	353	353	25	73	73
Honduras	8	4	7	789	762	653	29	14	21
Ecuador	22	17	6	643	589	544	65	46	15
Bolivia	8	8	5	490	218	435	18	8	10
Others	21	21	23	228	249	265	22	24	28
<b>Total.....</b>	<b>9,265</b>	<b>7,289</b>	<b>6,491</b>	<b>540</b>	<b>535</b>	<b>461</b>	<b>22,986</b>	<b>17,905</b>	<b>13,747</b>
<b>Europe:</b>									
Greece	126	112	168	954	848	803	552	436	620
Spain	72	51	32	977	948	953	323	222	140
Bulgaria	13	13	13	335	335	335	20	20	20
Yugoslavia	2	3	3	218	290	290	2	4	4
Italy	3	3	3	218	218	218	3	3	3
Others	28	28	28	272	272	272	35	35	35
<b>Total.....</b>	<b>244</b>	<b>210</b>	<b>247</b>	<b>834</b>	<b>746</b>	<b>725</b>	<b>935</b>	<b>720</b>	<b>822</b>
<b>Africa:</b>									
Egypt	495	488	425	1,008	944	988	2,292	2,117	1,929
Sudan	362	392	407	428	524	501	712	944	937
Zimbabwe	116	138	179	482	431	450	257	273	370
South Africa	108	105	135	349	253	298	173	122	185
Chad	134	137	140	195	227	233	120	143	150
Tanzania	395	375	355	122	119	123	221	205	200
Cameroon	63	54	55	487	528	515	141	131	130
Uganda	249	674	675	33	24	32	38	75	100
Nigeria	215	205	200	97	96	65	96	90	60
Kenya	155	150	145	66	61	57	47	42	38
Mozambique	110	110	110	138	109	109	70	55	55
Zaire	200	200	200	54	54	54	50	50	50
Central Africa	52	68	71	117	135	175	28	42	57
Malawi	35	35	35	218	218	218	35	35	35
Morocco	11	10	11	554	631	495	28	29	25
Angola	25	25	25	174	174	174	20	20	20
Somalia	12	12	12	127	127	127	7	7	7
Others	573	584	593	313	363	369	823	974	1,005
<b>Total.....</b>	<b>3,310</b>	<b>3,762</b>	<b>3,773</b>	<b>339</b>	<b>310</b>	<b>309</b>	<b>5,158</b>	<b>5,354</b>	<b>5,353</b>
<b>Asia and Oceania:</b>									
China	5,185	5,828	6,000	571	616	773	13,600	16,500	21,300
USSR	3,168	3,188	3,189	912	815	853	13,277	11,939	12,500
India	7,987	7,950	8,100	174	173	169	6,400	6,324	6,300
Pakistan	2,215	2,263	2,277	343	364	209	3,494	3,781	2,188
Turkey	654	595	608	746	822	855	2,241	2,246	2,388
Syria	143	159	172	906	994	1,152	595	726	910
Australia	104	92	120	1,331	1,134	1,207	636	479	665
Iran	194	205	184	379	454	473	338	427	400
Israel	64	60	56	1,432	1,444	1,419	421	398	365
Thailand	151	110	115	388	370	379	269	187	200
Burma	237	248	225	160	162	179	174	185	185
Afghanistan	50	50	50	435	435	435	100	100	100
Iraq	65	65	65	218	218	218	65	65	65
Philippines	15	10	12	348	457	490	24	21	27
Southern Yemen	16	16	16	340	340	340	25	25	25
Korea, Republic	5	4	3	305	327	363	7	6	5
Others	91	102	126	242	207	188	101	97	109
<b>Total.....</b>	<b>20,344</b>	<b>20,945</b>	<b>21,318</b>	<b>447</b>	<b>452</b>	<b>487</b>	<b>41,767</b>	<b>43,506</b>	<b>47,732</b>
<b>Foreign Total.....</b>	<b>27,562</b>	<b>28,269</b>	<b>28,848</b>	<b>436</b>	<b>428</b>	<b>452</b>	<b>55,200</b>	<b>55,522</b>	<b>59,883</b>
<b>World Total.....</b>	<b>33,163</b>	<b>32,206</b>	<b>31,829</b>	<b>465</b>	<b>456</b>	<b>463</b>	<b>70,846</b>	<b>67,485</b>	<b>67,654</b>

NOTE: Totals may not add because of rounding.

Reprint of table prepared by the Foreign Agricultural Service, USDA.

Prices received by farmers for upland cotton averaged 72.40 cents per pound in mid-June, according to the Statistical Reporting Service, USDA. This compares with 73.60 cents for the entire month of May and 62.60 cents in June 1983. These prices include cotton delivered against forward contracts.

Average prices received by farmers for upland cotton, in cents per pound, net weight, United States, calendar years, 1983-1984

Month	Year beginning January 1		Month	Year beginning January 1		Month	Year beginning January 1	
	1983	1984		1983	1984		1983	1984
	Cents	Cents		Cents	Cents		Cents	Cents
January	57.00	62.70	June	62.60	72.40 <sup>1/</sup>	November	66.80	
February	57.70	65.70	July	67.10		December	67.30	
March	62.20	70.50	August	67.00				
April	60.40	68.10	September	63.10		Calendar		
May	63.60	73.60	October	64.00		year avg.	63.90	

<sup>1/</sup> Mid-month price.

Source: Statistical Reporting Service, USDA

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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 <sup>1/</sup>
	Futures Settlement						
	Jul '84	Oct '84	Dec '84	Mar '85	May '85		
June 28	77.95	73.35	72.95	74.50	75.50	71.56	82.50
29	77.14	72.47	72.26	73.93	75.00	70.80	82.50
July 2	74.40	71.56	71.84	73.60	74.50	70.12	82.10
3	75.00	71.95	72.21	73.82	74.60	70.29	81.10
4			Holiday				81.20
5	77.00	73.07	72.71	74.25	75.00	71.02	81.20

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

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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 June 30		Through June 28	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,019,400		
Exports	92,600	4,398,400		
Total export commitments	-	5,417,800		Will be released
New sales	42,500	-		
Buy-backs and cancellations	10,900	-		July 6
Net sales	31,600	-		
Sales next marketing year	40,400	1,713,600		

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