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Weekly Cotton Market Review

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Trading was still very slow on spot cotton markets, according to the Cotton Division, Agricultural Marketing Service, USDA. Prices remained fairly steady. Supplies were limited and grower offerings were light. Qualities of cotton available were not in best demand. Merchant demand was weak and restricted primarily to cotton needed to cover nearby commitments. Domestic and foreign mill buying was almost inactive. Through the end of June, upland cotton growers had forward contracted about 5 percent of their 1985 crop, the smallest for this period since 1975. American Pima growers had booked about 40 percent of their acreage, the largest on record. The crop made good to excellent progress in most localities. Insect infestations were generally light and controllable. May exports declined from the previous month. The interest rate for CCC loans disbursed in July will be 7.875 percent.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 59.95 cents per pound during the week ended Wednesday, July 3. Prices ranged from a high of 60.21 cents on Friday to a low of 59.73 cents on Monday and ended the week at 59.78 cents. A week earlier, prices averaged 60.01 cents per pound and ranged from 59.66 to 60.24 cents. In the corresponding week a year ago, the average price was 70.56 cents. The New York October 1985 futures settlement price ended the week on Wednesday at 61.15 cents per pound compared with 61.48 cents on Thursday a week earlier. The December settlement price was 61.32 cents against 61.48 cents last Thursday.

Trading on spot cotton markets remained slow. Supplies of uncommitted cotton were limited and grower offerings were light. Merchant demand was weak and purchases were mostly small lots needed to fill nearby commitments. Merchants reported very few new inquiries from domestic or foreign mills for cotton and booking of new business was at a near standstill. Domestic mill activity was seasonally inactive, influenced by limited needs for inventory fill-ins and annual vacation closings. Export trading was slow. European mills bought a light volume for prompt through November shipment. Purchases included both 1984 and 1985-crop cotton. Purchases reported by cotton exchanges in the designated markets totaled 35,600 bales in the week ended Wednesday, July 3. This compares with 35,900 bales reported a week earlier and 13,400 bales in the corresponding week last season.

Textile mill report. Many domestic mills closed or were preparing to close for their traditional July vacation. A few mills were expected to close for up to two weeks and most expected to be closed at least a week. Mill purchases were light. Purchases included San Joaquin Valley and Texas growths. Some mills showed an interest in early-ginned 1985 crop, San Joaquin Valley growth, and a small volume traded. Mills reported that sales of finished goods were about steady.

Prices received by farmers for upland cotton during the first six months of calendar year 1985 remained below the target price of 81.00 cents per pound. The monthly average farm price was 58.10 cents in mid June and 54.70 cents for the entire month of May, according to the Statistical Reporting Service, USDA. If the weighted average price received by farmers during the calendar year is below the target price, deficiency payments will be made to growers participating in the cotton program. In June 1984, the average farm price was 68.00 cents per pound. These prices include cotton delivered against forward contracts.

Exports of cotton from the United States totaled 425,500 running bales during May, according to the Bureau of the Census. This was the smallest May shipment since 1977 and compares with 544,200 bales shipped a month earlier and 607,100 bales in May 1984. Shipments during the first ten months this season totaled 5,274,100 bales, down from 5,631,200 bales exported through May last season and up from 4,114,800 bales two years ago. Exports for the 1984-85 marketing year are estimated at 6.49 million bales of 480 pounds net weight. Shipments must average about 510,600 running bales per month for the next two months of this season if the estimate is to be reached.

Contracting of 1985-crop cotton. Forward contracting of the 1985 upland cotton crop remained very slow. Growers in the United States had booked about 5 percent of their expected acreage through the end of June, the same as the previous month. This was the smallest percentage of any crop contracted through the end of June since the 1975 crop and was down from 21 percent a year earlier and 11 percent two years ago. Contracting has been most active this season in southeastern states where 12 percent of the acreage has been booked, down from 31 percent a year earlier. Growers in south central states had contracted 9 percent this season, down from 30 percent last year. Western states' growers had booked 4 percent against 20 percent the previous year. Growers in southwestern states had contracted 3 percent through June, down from 15 percent last season. American Pima cotton growers had forward contracted about 40 percent of their acreage by the end of June, the largest percentage of any crop booked for this period since records were started in 1974. Arizona growers had booked 71 percent of their acreage and New Mexico growers 15 percent. No contracting was reported in Texas. Estimates for the current season were based on the Crop Reporting Board's February planting intentions 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 1976-1985 and prospective plantings, 1985 crop ^{1/}

State	Cotton crops										Prospective plantings ^{2/} 1,000 acres
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	
Alabama ^{3/}	66	6	7	12	15	7	12	23	26	21	300
Georgia	30	1	-	7	9	10	4	6	27	37	230
North Carolina	37	14	2	10	22	2	5	24	35	-	100
South Carolina	36	16	9	13	38	1	29	52	53	18	115
Southeastern states	49	7	5	11	18	6	12	23	31	12	745
Arkansas	78	17	18	14	41	13	11	21	36	8	475
Louisiana	67	6	25	11	36	9	4	19	23	2	620
Mississippi	66	22	31	40	59	20	19	26	28	15	1,050
Missouri	84	21	13	18	73	20	14	35	56	*	160
Tennessee	65	2	6	10	22	1	10	31	36	4	340
South central states	71	16	23	24	48	14	13	24	30	9	2,645
Oklahoma	6	19	25	3	4	-	1	-	14	-	370
Texas	14	18	7	11	14	3	2	4	15	3	5,300
Southwestern states	13	18	9	10	13	3	2	4	15	3	5,670
Arizona	51	49	33	17	27	7	19	11	4	6	380
California	66	27	35	22	16	5	11	11	27	4	1,350
New Mexico	13	20	10	6	3	1	*	-	1	1	77
Western states	59	32	33	20	18	5	13	11	20	4	1,807
United States	42	19	16	14	21	6	7	11	21	5	10,867

^{1/} Contracting estimates for 1976 through 1984 based on June planted acreage report; 1985 based on February prospective plantings. Estimates do not include cotton consigned to marketing organizations but do include cotton contracted by marketing organizations.

^{2/} February 1985, Crop Reporting Board, Statistical Reporting Service, USDA.

^{3/} Includes Florida, 1984 crop.

* Less than 0.5 percent.

Exports of cotton from the United States, running bales,
by months and seasons, 1945-1984

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season 1/
	1,000 bales												
1945	188	244	195	297	215	293	250	319	318	457	410	367	3,553
1946	413	242	104	455	361	290	385	383	275	249	303	84	3,544
1947	37	124	133	165	230	214	163	261	155	205	133	149	1,968
1948	115	171	246	428	522	403	497	582	590	464	508	221	4,747
1949	168	211	415	434	657	530	655	686	469	539	741	267	5,771
1950	356	373	284	372	449	317	429	354	471	371	204	129	4,108
1951	146	356	587	805	980	676	588	419	334	316	264	48	5,519
1952	107	241	296	337	466	292	259	246	208	261	220	115	3,048
1953	193	200	217	243	375	297	385	430	422	336	435	228	3,761
1954	190	199	351	390	497	334	307	369	240	231	281	59	3,447
1955	60	116	192	137	159	78	99	294	362	344	238	135	2,215
1956	423	505	598	538	939	791	809	787	603	662	525	418	7,598
1957	336	379	484	526	609	517	449	480	501	535	434	468	5,717
1958	209	212	181	314	298	222	211	284	245	248	236	129	2,789
1959	98	230	392	651	726	1,109	839	767	669	524	502	675	7,182
1960	113	193	439	720	981	976	845	841	585	387	248	304	6,632
1961	644	322	301	402	537	381	381	392	302	361	425	465	4,913
1962	139	163	157	298	383	211	522	440	299	310	244	183	3,351
1963	274	361	386	501	628	587	570	490	400	381	388	697	5,662
1964	120	184	290	388	747	244	181	584	407	251	398	266	4,060
1965	117	226	304	370	447	278	254	236	177	214	176	142	2,942
1966	341	348	306	518	607	458	458	401	288	416	299	228	4,669
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	58	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	396	6,263
1982	342	351	293	382	377	438	368	487	612	464	435	409	4,961
1983	367	322	261	441	632	663	719	896	723	607	422	365	6,419
1984 2/	452	264	292	484	629	793	766	625	544	426			

1/ Season totals are adjusted data as reported in Supply and Distribution of Domestic and Foreign Cotton in the United States by Bureau of the Census.

2/ Preliminary.

Source: Bureau of the Census

Average prices received by farmers for upland cotton, in cents per pound, net weight, United States, calendar years, 1984-1985

Month	Year beginning January 1		Month	Year beginning January 1		Month	Year beginning January 1	
	1984	1985		1984	1985		1984	1985
	Cents	Cents		Cents	Cents		Cents	Cents
January	62.70	52.10	June	68.00	58.10 ^{1/}	November	61.80	
February	65.00	48.90	July	65.90		December	55.80	
March	70.10	54.50	August	67.40				
April	67.20	55.90	September	64.60		Calendar		
May	72.70	54.70	October	64.60		year avg.	62.40	

^{1/} Mid-month price.

Source: Statistical Reporting 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							Desig. 8- Mkt. Avg.	Grade 31 Staple 35 'A' Index ^{1/}
	Futures Settlement								
	Jul '85	Oct '85	Dec '85	Mar '86	May '86	Jul '86			
June 27	61.01	61.48	61.48	62.46	62.82	62.80	60.18	62.60	
28	60.95	61.61	61.60	62.65	63.00	62.88	60.21	62.60	
July 1	60.30	60.97	61.29	62.30	62.65	62.45	59.73	62.40	
2	61.07	61.45	61.54	62.50	62.70	62.51	60.09	62.40	
3	60.95	61.15	61.32	62.35	62.59	62.42	59.78	62.10	
4	H O L I D A Y								

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

Chicago futures contract settlement and designated spot market average for grade 42 staple 31 in cents per pound

Date	Grade 42 Staple 31						Desig. 5-Mkt. Average ^{1/}
	Futures Settlement						
	Jul '85	Oct '85	Dec '85	Mar '86	May '86		
June 27	55.85	-	52.00	52.30	-	50.86	
28	55.92	-	52.90	53.25	-	50.84	
July 1	55.92	-	51.91	52.50	-	50.45	
2	56.00	-	51.91	52.75	-	50.74	
3	56.00	-	51.91	52.90	-	50.36	
4	H O L I D A Y						

^{1/} Greenville, Montgomery, Memphis, Dallas and Lubbock.

U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1983-84 and 1984-85

Description	Marketing Year			
	1983-84		1984-85	
	Through June 28		Through June 27	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	912,900		
Exports	92,900	6,084,100		
Total export commitments	-	6,997,000		WILL BE RELEASED
New sales	29,500	-		
Buy-backs and cancellations	70,200	-		JULY 5, 1985
Net sales	-40,700	-		
Sales next marketing year	143,500	1,725,300		

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