

# UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE  
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## Weekly Cotton Market Review

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Spot cotton quotations during the two weeks ending June 14, averaged 266 points higher than the previous week reported, according to the Cotton Division, Agricultural Marketing Service, USDA. The average quotation for grade 41 staple 34, mike 35-49, in the designated markets was 79.59 cents per pound during the two weeks ending Friday, June 14. Daily average quotations ranged from a high of 80.61 cents on Monday, June 10, to a low of 78.61 cents on Thursday, June 13. Quotations averaged 82.25 cents during the previous week reported and 76.46 cents in the corresponding two week period a year ago. The New York July 1991 futures settlement price closed on Friday at 84.35 cents compared with 86.81 cents a week earlier. The October settlement price was 78.92 cents against 78.82 cents the previous week and the December settlement price was 74.60 compared with 73.60 cents a week ago. Spot transactions in the designated markets totaled 22,946 bales during the two weeks ending Friday, June 14. This compares with 15,707 bales in the previous week reported and 16,208 bales in the corresponding two weeks last season.

Southeastern markets. Trading remained slow. Demand was good for higher grades of cotton which were in severely limited supply. Mixed lots of mostly lower grades, staples 33 and shorter, attracted little interest. Prices were fairly steady. In Alabama and the Carolinas, prices remained at around 300 points off New York July futures FOB warehouse, and in Georgia 100 to 200 points off July, FOB trucks, basis grade 41 staple 34, mike 35-49. Grades 51 and 42 were around 450 to 500 points lower than grade 41. Equity trading remained slow. Forward contracting of 1991-crop cotton slowed, but was the most active in the Carolinas. In the Carolinas, prices remained at around 250 to 300 points off NY December futures, basis grade 41 staples 34 and longer, FOB warehouse. In Alabama, the base price was 400 to 550 points off December futures, FOB warehouse and in Georgia it was 150 to 200 points off December, FOB trucks. A small amount of replanting was done. A few showers and thunderstorms were widely scattered over the territory. Insects were generally under control and fields were mostly free of weeds.

South central markets. Spot cotton trading was much less active as available supplies restrained activity. Merchants filled orders from stocks or by trading with one another. In mixed lots, grade 41, staples 34 and longer, mike 35-49 traded at 100 to 150 points off NY July futures. A moderate volume of mixed grades, mostly below grade 50, staples 34 and longer, mike 35-49, sold at prices of 62 to 70 cents per pound. Domestic mill buying was moderately heavy. Purchases included a light volume for prompt and nearby delivery and a sizable volume for first through fourth quarter 1992 delivery. Export trading was at a near standstill. Interest for cotton by Far Eastern mills continued but very little business was reported. Forward contracting of 1991-crop cotton by growers was less active. A few growers fixed prices on cotton booked earlier. Planting activity was completed in the south central area. The crop is later than normal, but young plants are growing rapidly.

Southwestern markets. Spot cotton trading remained slow. Supplies were light. Demand continued strong for grades 41, 42 and higher, staples 32 and longer, and strength of 26 and higher grams per tex, but mostly weak for other qualities. Mixed lot prices averaged around 2,300 points above CCC loan rates. Contracting activity slowed in south and

central Texas due to lower prices offered and the limited acreage uncontracted. Production from a limited acreage was contracted for forward delivery at 65 to 76 cents per pound, basis grade 41 staple 34, mike 35-49, depending on the area, variety, dryland versus irrigated acreage, and picker versus stripper harvest method. In west Texas, contracts had base prices of 60 to 67 cents under widely varying contract terms. Domestic mill inquiries were light to moderate. Foreign mill inquiries were light. The central and south Texas crop made excellent progress. The first bale from the 1991 cotton crop was ginned at Rio Grande City, Texas on June 7, 1991. Conditions of the crop in west Texas were mixed. Growth was excellent in some areas, but suffering in others where rain was excessive causing seedling diseases to flourish.

Western markets. Trading was almost inactive for San Joaquin Valley (SJV) and for Desert Southwest (DSW) growth cotton. Supplies were extremely light. A moderate to large volume of DSW cotton was purchased by domestic mills for last quarter 1991 through third quarter 1992 delivery. Domestic and Far Eastern mills purchased a small volume of SJV cotton for prompt and nearby delivery. Forward contracting of 1991-crop cotton was at a standstill. In the SJV, first-planted fields responded favorably to warmer temperatures while second-planted fields were significantly behind normal. The DSW crop made normal progress. Control measures for pink bollworms were necessary in some localities. Trading in American Pima was very slow. In Arizona, a small volume of grade 4, staples 44 and 46, mike 35-49 traded at \$1.07 and a small amount of grade 5 brought 70 cents per pound. Forward contracting was inactive.

Textile mill report. Domestic mills purchased a moderate to heavy volume of mostly new-crop delta and desert growth cotton for fall 1991 through July 1992 delivery. Most mills have their nearby needs well covered. Some mills continued to request early shipment of previously purchased cotton to insure delivery and to supply needs resulting from improved sales. Mill business continued to improve. Prices remained soft for most products, but showed improvement. Most finished goods and yarns were selling well. Denims and open-end carded yarns were the best sellers. Apparels and home furnishing were the weakest sellers.

Cotton classing fees for 1991-crop cotton will remain the same as in 1990. The fee for manual classing will remain \$1.23 per bale and the fee for High Volume Instrument (HVI) classing will remain at \$1.73 per bale. The classing fees are set by a formula stipulated in the Uniform Cotton Classing Fees Act of 1987. Elements of the formula include estimated crop size, the rate of inflation, and the operating reserve fund of AMS's Cotton Division.

World cotton supply and demand estimates. It was reported in the June 11, World Agricultural Supply and Demand Estimates that world cotton prospects for 1991-92 are for production to exceed consumption, resulting moderate recovery in stocks. Current relatively high prices are encouraging larger acreage and production in a number of countries thereby boosting global output about 5 percent to a record 91 million bales. Meanwhile, consumption is projected to rise nearly 2-1/2 percent to a record 88 million bales. With most of the consumption growth expected to occur in major producing countries, world trade could tail off slightly to a projected 23.5 million bales. Ending stocks are forecast at 29.2 million bales, one-tenth above the estimated beginning level. The U.S. cotton outlook for 1991-92 is highlighted by prospects for stocks to increase to a revised 2.8 million bales from this season's extremely low 2.2 million, although supplies are slightly tighter than a month ago. Larger stocks reflect projections of increased production and smaller use. The 1991 crop may total about 16 million bales, slightly above a year earlier because of larger acreage stemming from new planting flexibility and lower upland acreage reduction requirements. While mill use next season may approximate 1990-91's revised 8.5 million bales, exports are forecast at 7 million bales, near the 5-year average.

U.S. exports face increased competition from several major foreign exporting countries. Foreign cotton stocks next season also are projected to recover somewhat from recent low levels. The 1991-92 foreign crop may increase about 5 percent to 75 million bales, with prospects most favorable for China and India. Use abroad is expected to increase modestly to a record 79.5 million bales, with China a prime candidate for growth. Foreign exports may increase slightly. Ending stocks overseas are placed at 26.4 million bales, 9 percent above the projected carryin.

Cotton supply and use: World, United States, major exporters and importers;  
marketing years 1989-90, and 1990-91 1/  
June 11, 1991

Region	Supply			Use		Loss 2/	Ending stocks
	Beginning stocks	Produc- tion	Imports	Domestic	Exports		
Million 480 pound bales							
1990-91 (Estimated)							
World	25.61	86.72	24.16	86.09	23.80	0.22	26.38
United States	3.00	15.50	3/	8.50	7.90	-0.10	2.20
Total foreign	22.61	71.22	24.15	77.59	15.90	0.31	24.18
Major exporters 4/	9.21	47.65	3.00	39.88	7.82	0.15	12.02
China	3.88	20.50	1.90	20.50	0.90	-	4.88
Pakistan	1.16	7.50	3/	5.70	1.25	-	1.73
USSR	1.99	12.00	0.35	8.70	2.50	-	3.14
Major importers 5/	4.56	1.55	14.53	15.34	1.07	0.07	4.17
Japan	0.73	-	2.75	2.90	-	-	0.58
Selected Other							
Brazil	1.83	3.20	0.60	3.30	0.46	-	1.87
India	2.41	9.20	-	9.00	1.00	-	1.61
1991-92 (Projected)							
World							
May	26.2	91.0	23.5	88.0	23.5	-	29.0
June	26.4	91.0	23.5	88.0	23.5	0.2	29.2
United States							
May	2.3	16.0	3/	8.5	7.0	-0.2	3.0
June	2.2	16.0	3/	8.5	7.0	-0.1	2.8
Total foreign							
May	23.9	75.0	23.5	79.5	16.5	0.2	26.0
June	24.2	75.0	23.5	79.5	16.5	0.3	26.4

1/ Marketing year beginning August 1. Totals may not add and trade may not balance due to rounding and other factors. 2/ For foreign countries, reflects cotton lost or destroyed in the marketing channel; for the United States, reflects the difference between ending stocks based on Bureau of Census data and implicit stocks based on supply less total use. 3/ Less than 5,000 bales. 4/ Australia, China, Central American, Egypt, Mexico, Pakistan, Sudan, Turkey and the USSR. 5/ Eastern Europe, Western Europe, Japan, Hong Kong, Republic of Korea and Taiwan.

Source: United States Department of Agriculture

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	1991				
	May 17-23	May 24-30	May 31- June 6	June 7-13	June 14-20
Adjusted world price	65.81	66.39	64.90	64.59	64.21
Course count adjustment	0.18	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	Grade 31		Coarse	
	Futures Settlement						Staple 35		Count	
	Jul '91	Oct '91	Dec '91	Mar '92	May '92		'A' Index 1/	'B' Index 1/	1990	1991
June 3	84.50	77.05	73.17	74.05	74.75	78.86	84.20	81.40	77.35	77.85
4	86.08	78.03	73.90	74.78	75.18	79.99	83.90	80.60	77.10	76.90
5	86.24	79.25	74.34	75.10	75.55	80.10	84.25	81.15	77.75	77.25
6	85.91	78.62	73.72	74.57	75.02	79.86	84.15	81.35	77.85	77.60
7	86.81	78.82	73.60	74.50	75.00	80.51	83.95	80.90	77.50	77.25
10	86.95	79.16	74.04	74.86	75.33	80.61	83.95	80.80	77.65	77.25
11	85.15	79.06	74.11	74.95	75.38	79.32	83.95	80.95	77.65	77.40
12	84.28	78.07	73.94	74.73	75.00	78.70	83.85	80.95	77.15	77.40
13	84.15	77.77	73.80	74.60	74.92	78.61	83.60	80.85	77.00	77.15
14	84.35	78.92	74.60	75.40	75.65	79.32	83.60	80.80	70.00	77.10

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 1989-90 and 1990-91

Description	Marketing Year			
	1989-90		1990-91	
	Through May 31		Through May 30	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,766,300	-	850,400
Exports	92,100	5,890,700	73,400	6,470,000
Total export commitments	-	7,657,000	-	7,320,400
New sales	65,300	-	29,100	-
Buy-backs and cancellations	5,200	-	9,200	-
Net sales	60,100	-	19,900	-
Sales next marketing year	109,500	1,364,100	38,600	1,552,500

U.S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1989-90 and 1990-91

Description	Marketing Year			
	1989-90		1990-91	
	Through June 7		Through June 6	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,756,600	-	705,900
Exports	128,500	6,018,900	156,100	6,626,100
Total export commitments	-	7,775,500	-	7,332,000
New sales	125,100	-	42,000	-
Buy-backs and cancellations	6,700	-	30,500	-
Net sales	118,500	-	11,500	-
Sales next marketing year	138,600	1,502,700	90,000	1,642,500

Upland cotton export sales for the 1990-91 marketing year were 11,500 running bales. Sales increases for the 1991-92 marketing year totaled 90,000 bales. Japan was the predominant buyer with purchases of 41,000 bales, South Korea 25,700 and Thailand 16,700 bales. Exports of 156,100 bales more than doubled the previous week's total. Asian destinations accounted for 76 percent of the week's shipments; West European 11 percent; African 10 percent; Western Hemisphere 2 percent and East European 1 percent.

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

NOTE: Data may not add due to rounding.

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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 14, 1991

Quotations are in cents per pound for cotton equal to the Official Standards with mike readings of 35-49, net weight, in ed 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	31	41	51	42	21	31	41	32	
79.85	78.60	73.85	74.35	81.35	80.10	72.85	74.10	33	81.60	80.10	72.60	74.30	76.35	76.35	72.35	72.35
81.85	81.35	76.85	77.60	84.10	82.85	75.35	76.60	34	84.10	82.85	75.35	77.05	80.35	80.35	76.35	76.35
82.10	81.60	77.10	77.85	84.20	83.10	75.95	77.20	35	84.20	82.95	75.45	77.15	80.45	80.45	76.45	76.45
82.25	81.75	77.25	78.00	84.30	83.20	76.05	77.30	36	84.30	83.05	75.55	77.25	80.45	80.45	76.45	76.45

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY			
Grade				Grade				Grade			
31	41	32	42	31	41	32	42	21	31	41	51
65.90	65.40	65.10	64.80	65.80	65.30	65.00	64.75	29	-	-	-
67.95	66.60	66.90	65.95	67.85	66.50	66.80	65.85	30	-	-	-
71.00	70.00	69.90	68.10	70.90	69.90	69.80	68.10	31	-	-	-
71.95	71.00	70.75	69.10	72.95	72.00	71.75	70.10	32	-	-	-
74.65	73.80	73.50	72.50	74.65	73.80	73.50	72.50	33	-	-	-
78.10	77.00	77.00	75.20	77.10	76.00	76.00	74.20	34	79.85	79.60	78.85
78.90	78.00	77.80	75.75	77.90	77.00	76.80	74.75	35	81.60	81.35	80.60
79.00	78.25	77.90	75.50	78.00	77.25	76.90	74.50	36	81.70	81.45	80.70
79.00	78.25	77.90	75.50	78.00	77.25	76.90	74.50	37	81.80	81.55	80.80

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1215	-	-1400	26 & Below	-1400	-2200	-	-1493
-800	-890	-890	-700	27-29	-700	-1500	-1500	-997
-500	-625	-625	-350	30-32	-350	-900	-950	-614
-250	-330	-330	-150	33-34	-150	-450	-350	-287
0	0	0	0	35-49	0	0	0	0
-300	-155	-155	-200	50-52	-200	-200	-100	-187
-400	-240	-240	-250	53 & Above	-	-250	-	-276

SPOT QUOTATIONS - AMERICAN PIMA

Staple	01	02	03	04	05	06	Mike ranges	Points per pound
							26 & Below	-3500
							27-29	-2800
44	127.75	127.50	124.50	106.50	70.00	62.00	30-32	-1800
							33-34	-300
46	128.25	128.00	125.00	107.00	70.00	62.00	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	77.25	74.25	77.25	74.75	-	-	-
-	-	-	-	-	-	-	-	30	79.25	76.50	79.25	77.25	-	-	-
-	-	-	-	-	-	-	-	31	80.75	78.00	80.75	78.50	-	-	-
-	-	-	-	-	-	-	-	32	82.25	78.75	82.25	79.50	-	-	-
90.50	89.00	86.25	87.00	91.00	89.50	86.50	87.25	33	84.25	80.00	84.25	80.75	-	-	-
91.50	89.75	87.25	88.00	92.00	90.25	87.50	88.25	34	86.50	82.00	86.50	82.50	89.50	88.25	85.75
92.00	90.50	87.75	88.50	92.50	91.00	88.00	88.75	35	-	-	-	-	91.00	89.75	87.00
-	-	-	-	-	-	-	-	36	-	-	-	-	91.25	90.00	87.00