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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
COTTON DIVISION
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Weekly Cotton Market Review

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Spot cotton prices in the designated markets averaged slightly higher than the previous week, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading maintained a slow pace in most markets. Very little unsold cotton remains in growers' hands. Merchant demand was weak. Domestic and foreign mill buying was slow. Growers forward contracted a very light volume of 1985-crop cotton in Louisiana and the Harlingen, Texas, area. The crop continued to make favorable progress in most areas of the Cotton Belt. The first bale of the 1985 crop was ginned in the Harlingen, Texas, area on Friday, June 14.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 59.94 cents per pound during the week ended Thursday, June 20. Prices ranged from a high of 60.21 cents on Monday to a low of 59.64 cents on Wednesday and ended the week at 59.87 cents. A week earlier, prices averaged 59.47 cents per pound and ranged from 59.13 to 59.95 cents. In the corresponding week a year ago, the average price was 73.32 cents. The New York October 1985 futures settlement price ended the week on Thursday at 61.15 cents per pound compared with 61.65 cents a week earlier. The December settlement price was 61.39 cents against 62.00 cents a week ago.

Trading. Limited supplies and weak demand kept trading on spot cotton markets very slow. Growers holding uncommitted cotton were unwilling to sell at prevailing prices. Most merchants had needs fairly well covered and were not actively seeking cotton. Inter-merchant trading accounted for some activity. Domestic mill inquiries have been very light. Mills bought a light volume for fill-ins and a small amount for forward delivery. Export trading was slow. Small purchases were made by both Far Eastern and European mills. Purchases reported by cotton exchanges in the designated markets totaled 20,800 bales in the week ended Thursday, June 20. This compares with 26,800 bales reported a week earlier and 11,600 bales in the corresponding week last season.

Textile mill report. Weak mill demand kept cotton buying at a slow pace. With the bulk of their primary needs covered into the early fall, most mills remained out of the market. A few mills continued to purchase fill-ins over a good range of grades and staples. Central and far western growths, primarily the medium and higher grades, accounted for recent buying. A light volume of new crop was purchased but buying for forward delivery continued to lag behind normal. New orders for finished goods continued to trickle in but generally did not extend beyond third quarter months on most products. Sales of apparels and yarns were spotty. Demand for industrial and household products varied widely. Mills operated mostly five days with some on three and a few plants running seven days.

CCC loan entries of 1984-crop cotton totaled 2,944,900 running bales through May 31. Repayments had been made on 1,057,200 bales. Loans were outstanding on 1,887,700 bales, of which, 568,100 were Form A (producer) and 1,319,600 were Form G (cooperative) loans. Entries of 1983 crop totaled 1,785,700 bales. Repayments had been made on 1,765,200 bales. Loans were outstanding on 10,700 bales, of which, 5,200 were Form A and 5,500 were Form G. Loans remained outstanding on 9,500 bales of 1982-crop cotton, 43,000 bales of 1981 crop and 300 bales of 1980 crop. A total of 9,800 bales had been forfeited from the 1983 crop, 797,800 from 1982, 963,400 from 1981 and 40,300 from the 1980 crop.

Loans made, repaid and outstanding on 1984-crop cotton in Commodity Credit Corporation cotton loan program as of May 31, 1985, by states

| State | Loans made | | | Loans repaid | | | Loans outstanding | | |
|----------------------|---------------|-------------|-----------|---------------|-------------|-----------|-------------------|-------------|-----------|
| | County Form A | Coop Form G | Total | County Form A | Coop Form G | Total | County Form A | Coop Form G | Total |
| <u>Upland</u> | | | | | | | | | |
| Alabama | 44,076 | 19,926 | 64,002 | 5,667 | 3,872 | 9,539 | 38,409 | 16,054 | 54,463 |
| Arizona | 11,867 | 108,782 | 120,649 | 1,945 | 64,254 | 66,199 | 9,922 | 44,528 | 54,450 |
| Arkansas | 28,763 | 110,109 | 138,872 | 802 | 41,242 | 42,044 | 27,961 | 68,867 | 96,828 |
| California | 1,694 | 526,913 | 528,607 | 519 | 289,386 | 289,905 | 1,175 | 237,527 | 238,702 |
| Florida | 2,146 | 283 | 2,429 | 369 | 145 | 514 | 1,777 | 138 | 1,915 |
| Georgia | 35,244 | 5,045 | 40,289 | 10,446 | 3,398 | 13,844 | 24,798 | 1,647 | 26,445 |
| Louisiana | 47,875 | 139,349 | 187,224 | 2,052 | 70,539 | 72,591 | 45,823 | 68,810 | 114,633 |
| Mississippi | 72,702 | 540,711 | 613,413 | 3,041 | 226,589 | 229,630 | 69,661 | 314,122 | 383,783 |
| Missouri | 10,310 | 8,089 | 18,399 | - | 2,383 | 2,383 | 10,310 | 5,706 | 16,016 |
| New Mexico | 9,446 | 5,490 | 14,936 | 929 | 1,541 | 2,470 | 8,517 | 3,949 | 12,466 |
| North Carolina | 6,574 | 51,373 | 57,947 | 657 | 23,720 | 24,377 | 5,917 | 27,653 | 33,570 |
| Oklahoma | 5,855 | 27,728 | 33,583 | 201 | 9,737 | 9,938 | 5,654 | 17,991 | 23,645 |
| South Carolina | 12,205 | 6,626 | 18,831 | 1,033 | 2,981 | 4,014 | 11,172 | 3,645 | 14,817 |
| Tennessee | 23,157 | 11,186 | 34,343 | 791 | 1,617 | 2,408 | 22,366 | 9,569 | 31,935 |
| Texas | 349,531 | 702,655 | 1,052,186 | 67,133 | 215,790 | 282,923 | 282,398 | 486,865 | 769,263 |
| Virginia | - | 10 | 10 | - | 10 | 10 | - | - | - |
| U.S. | 661,445 | 2,264,275 | 2,925,720 | 95,585 | 957,204 | 1,052,789 | 565,860 | 1,307,071 | 1,872,931 |
| <u>American Pima</u> | | | | | | | | | |
| Arizona | 1,880 | 12,174 | 14,054 | - | 4,090 | 4,090 | 1,880 | 8,084 | 9,964 |
| New Mexico | 96 | 429 | 525 | - | 3 | 3 | 96 | 426 | 522 |
| Texas | 256 | 4,385 | 4,641 | 22 | 298 | 320 | 234 | 4,087 | 4,321 |
| U.S. | 2,232 | 16,988 | 19,220 | 22 | 4,391 | 4,413 | 2,210 | 12,597 | 14,807 |
| U.S. all cotton | 663,677 | 2,281,263 | 2,944,940 | 95,607 | 961,595 | 1,057,202 | 568,070 | 1,319,668 | 1,887,738 |

Source: U.S. Department of Agriculture, Agricultural Stabilization and Conservation Service

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Supply, disappearance and stocks of all kinds of cotton in the U.S., by months and seasons, crops of 1982-1984 1/

| Date | Supply | | | Disappearance | | | End-of-month stocks | | | | |
|------------------|------------------|-----------|---------|---------------|----------------|---------|---------------------|------------------|----------------|-----------|--------|
| | Beginning stocks | Ginnings | Imports | Total | Domestic cons. | Exports | Total | Consuming estab. | Public storage | Elsewhere | Total |
| | 1,000 bales | | | 1,000 bales | | | 1,000 bales | | | | |
| Apr. 1983 | 11,390 | - | * | 11,390 | 431 | 612 | 1,042 | 795 | 8,796 | 757 | 10,348 |
| May " | 10,348 | - | * | 10,348 | 441 | 464 | 905 | 777 | 7,930 | 736 | 9,444 |
| June " | 9,444 | - | * | 9,444 | 543 | 435 | 979 | 757 | 7,419 | 289 | 8,465 |
| July " | 8,465 | 2 | 1 | 8,468 | 369 | 409 | 778 | 756 | 6,656 | 278 | 7,690 |
| Season 4/ | 6,399 | 11,488 5/ | 20 | 17,908 | 5,259 | 4,959 | 10,218 | 756 | 6,656 | 150 | 7,561 |
| Aug. 1983 | 7,561 | 313 | 2 | 7,876 | 453 | 367 | 820 | 712 | 6,168 | 177 | 7,057 |
| Sept. " | 7,057 | 458 | 1 | 7,515 | 560 | 322 | 882 | 639 | 5,870 | 124 | 6,633 |
| Oct. " | 6,633 | 2,575 | 1 | 9,209 | 459 | 261 | 720 | 556 | 7,119 | 813 | 8,489 |
| Nov. " | 8,489 | 2,659 | 1 | 11,149 | 446 | 441 | 887 | 554 | 8,570 | 1,138 | 10,262 |
| Dec. " | 10,262 | 1,207 | * | 11,469 | 468 | 632 | 1,100 | 611 | 8,790 | 968 | 10,369 |
| Jan. 1984 | 10,369 | 264 | 1 | 10,633 | 469 | 663 | 1,132 | 647 | 7,525 | 1,329 | 9,501 |
| Feb. " | 9,501 | 22 | 1 | 9,523 | 448 | 719 | 1,167 | 713 | 6,359 | 1,285 | 8,357 |
| Mar. " | 8,357 | - | * | 8,357 | 548 | 896 | 1,443 | 741 | 4,997 | 1,177 | 6,914 |
| Apr. " | 6,914 | - | * | 6,914 | 430 | 723 | 1,154 | 766 | 3,956 | 1,038 | 5,760 |
| May " | 5,760 | - | 1 | 5,761 | 442 | 607 | 1,049 | 766 | 2,966 | 980 | 4,712 |
| June " | 4,712 | - | 2 | 4,714 | 503 | 422 | 925 | 822 | 2,212 | 755 | 3,789 |
| July " | 3,789 | 163 | 3 | 3,955 | 354 | 365 | 720 | 795 | 1,761 | 679 | 3,235 |
| Season 4/ | 7,561 | 7,665 5/ | 12 | 15,238 | 5,628 | 6,419 | 12,047 | 795 | 1,761 | 350 | 2,906 |
| Aug. 1984 | 2,906 | 473 | 2 | 3,381 | 416 | 452 | 867 | 715 | 1,491 | 307 | 2,513 |
| Sept. " | 2,513 | 544 | 1 | 3,058 | 494 | 264 | 758 | 645 | 1,432 | 223 | 2,300 |
| Oct. " | 2,300 | 3,145 | 1 | 5,446 | 415 | 292 | 707 | 542 | 3,386 | 811 | 4,739 |
| Nov. " | 4,739 | 4,648 | * | 9,387 | 377 | 484 | 861 | 560 | 6,321 | 1,645 | 8,526 |
| Dec. " | 8,526 | 2,110 | * | 10,636 | 407 | 629 | 1,036 | 683 | 7,551 | 1,367 | 9,601 |
| Jan. 1985 | 9,601 | 1,243 | 2 | 10,846 | 387 | 793 | 1,179 | 812 | 7,398 | 1,456 | 9,666 |
| Feb. " | 9,666 | 219 | 3 | 9,889 | 406 | 766 | 1,172 | 875 | 6,395 | 1,447 | 8,717 |
| Mar. " | 8,717 | - | - | 8,717 | 504 | 625 | 1,129 | 815 | 5,648 | 1,125 | 7,588 |
| Apr. " 6/ | 7,588 | - | - | 7,588 | 404 | 544 | 948 | 798 | 4,818 | 1,024 | 6,640 |
| Season thru Apr. | 2,906 | 12,382 | 9 | 15,297 | 3,809 | 4,849 | 8,657 | | | | |

1/ Imports in equivalent 480 pound gross weight bales, all others in running bales. 2/ Elsewhere stocks determined by subtracting public storage and consuming establishment stocks from total stocks. 3/ Total stocks determined by subtracting total disappearance from total supply. 4/ Adjusted data as reported in Supply and Distribution of Domestic and Foreign Cotton in the United States by Bureau of the Census. End of season total stocks includes an allowance for city crop. Totals may not add due to rounding. 5/ Ginnings prior to August 1 included in carryover. 6/ Preliminary. Figures may not add due to various estimates. * Less than 500 bales.

Source: Bureau of the Census

Seven months and older certificated stock, July 1, 1985 ^{1/}

| Delivery point | 7-12 months | 13-18 months | 19-24 months | Over 24 months | Total |
|----------------|--------------|--------------|--------------|----------------|--------------|
| | <u>Bales</u> | <u>Bales</u> | <u>Bales</u> | <u>Bales</u> | <u>Bales</u> |
| Charleston | - | - | - | - | - |
| Galveston | 297 | 1,833 | 1,361 | 106 | 3,597 |
| Greenville | 3 | - | - | - | 3 |
| Houston | - | - | - | - | - |
| Memphis | 968 | 61 | 173 | 1,115 | 2,317 |
| Mobile | - | - | - | - | - |
| New Orleans | - | 196 | - | - | 196 |
| Total | 1,268 | 2,090 | 1,534 | 1,221 | 6,113 |

^{1/} Based on Cotton Division records as of June 14, 1985.

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 | | | | | | Designated 8-Market Avg. | Grade 31 Staple 35 'A' Index ^{1/} |
|---------|--------------------|---------|---------|---------|---------|---------|--------------------------|--|
| | Futures Settlement | | | | | | | |
| | Jul '85 | Oct '85 | Dec '85 | Mar '86 | May '86 | Jul '86 | | |
| June 13 | 63.23 | 61.65 | 62.00 | 63.03 | 63.32 | 63.60 | 59.95 | 62.80 |
| 14 | 62.97 | 61.05 | 61.52 | 62.53 | 62.69 | 62.95 | 59.82 | 62.80 |
| 17 | 63.43 | 61.69 | 61.88 | 62.85 | 63.08 | 63.25 | 60.21 | 62.70 |
| 18 | 63.30 | 61.65 | 61.77 | 62.75 | 62.98 | 63.14 | 60.18 | 62.70 |
| 19 | 62.02 | 60.85 | 61.02 | 62.00 | 62.20 | 62.32 | 59.64 | 62.70 |
| 20 | 61.88 | 61.15 | 61.39 | 62.28 | 62.53 | 62.63 | 59.87 | 62.70 |

^{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 | | | | | Designated 5-Market Average ^{1/} |
|---------|--------------------|---------|---------|---------|---------|---|
| | Futures Settlement | | | | | |
| | Jul '85 | Oct '85 | Dec '85 | Mar '86 | May '86 | |
| June 13 | 55.62 | - | 52.10 | - | - | 50.51 |
| 14 | 54.86 | - | 51.43 | - | - | 50.35 |
| 17 | 55.00 | - | 51.57 | - | - | 50.63 |
| 18 | 54.85 | - | 51.50 | - | - | 50.76 |
| 19 | 54.61 | - | 51.18 | - | - | 50.38 |
| 20 | 56.61 | - | 52.20 | - | - | 50.56 |

^{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 14 | | Through June 13 | |
| | Week | Marketing Year | Week | Marketing Year |
| Outstanding sales | - | 1,125,000 | - | 904,700 |
| Exports | 98,800 | 5,896,000 | 85,600 | 5,500,200 |
| Total export commitments | - | 7,021,000 | - | 6,404,900 |
| New sales | 79,400 | - | 35,000 | - |
| Buy-backs and cancellations | 10,800 | - | 23,500 | - |
| Net sales | 68,600 | - | 11,500 | - |
| Sales next marketing year | 86,100 | 1,445,100 | 67,300 | 666,100 |

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

Upland cotton export sales for the current marketing year totaled 11,500 running bales during the week ended June 13, according to the Foreign Agricultural Service, USDA. The major buyer was Japan with 12,100 bales. Sales for the 1985-86 marketing year amounted to 67,300 bales. Major purchasers were Canada with 30,300 bales, Japan 14,600 and South Korea 11,600 bales. Exports for the week totaled 85,600 bales. Asian destinations accounted for 63 percent of the week's shipments, Western Europe 18 percent and the USSR 16 percent.