

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 continued to move lower, according to the Cotton Division, Agricultural Marketing Service, USDA. Limited supplies and weak demand kept trading at a slow pace. Domestic mill purchases were light. Export trading was more active in some markets. Forward contracting of 1984-crop cotton was inactive as growers were not willing to book at lower merchant bid prices. The crop continued to make good progress. Insect populations increased in some areas but were generally under control. The daily rate of cotton consumption by domestic mills during May was higher than the previous month. End-of-May stocks at mills were the smallest since records began in 1913. Cotton acreage for 1984 was estimated at 11.3 million acres, 43 per cent above 1983.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 71.98 cents per pound during the week ended Thursday, June 28. Prices ranged from a high of 72.50 cents on Friday to a low of 71.56 cents on Thursday. A week earlier, prices averaged 73.32 cents per pound, ranging from 72.75 to 74.05 cents. In the corresponding week a year ago, the average price was 71.92 cents. The New York October 1984 futures settlement price ended the week on Thursday at 73.35 cents per pound compared with 74.15 cents a week earlier. The December price was 72.95 cents against 73.11 cents a week earlier.

Trading. Grower-to-merchant trading remained slow on spot cotton markets. Grower-held supplies were light and very little cotton was offered at prevailing prices. Merchant demand was light and restricted primarily to selected qualities and quantities needed to cover immediate needs. Domestic mill purchases included a light volume of both old and new-crop cotton. Export trading was more active in some markets. European and Far Eastern mills made purchases which included both 1983 and 1984-crop cotton. Purchases reported by cotton exchanges in the designated markets totaled 10,100 bales in the week ended Thursday, June 28. This compares with 11,600 bales a week earlier and 130,000 bales in the corresponding week last season.

Textile mill report. Mill purchases were restricted to a light volume of old-crop cotton as fill-ins or to cover immediate needs, and a light volume of new crop for forward delivery. Most mills were amply covered into new-crop movement and a few were selling excess stocks. Textile sales were mixed. Toweling, sheeting, denim and lightweight printcloth were slow sellers while yarns, underwear, athletic goods and household printcloth moved well. Demand for velour increased sharply. Most mills will observe the traditional Fourth of July holiday with a one-week closing; those producing slower moving goods will close for longer periods, and a few will continue to run.

Domestic mill consumption of cotton averaged 22,000 running bales per day during the four weeks ended May 26, according to the Bureau of the Census. This was up from 21,500 bales per day a month earlier and was the same as May 1983. Domestic mills consumed 440,600 bales during May, bringing consumption for the first ten months (43 weeks) this season to 4,721,200 bales. This was the largest consumption for the first ten months of any season since 1980-81. Through May last year, mills had used 4,346,200 bales and two years ago 4,266,400 bales. USDA's June 12 estimate of domestic consumption for the 1983-84 season was 5.9 million bales of 480 pounds, net weight (about 5,723,000 running bales). Domestic mills must consume about 111,300 bales per week or about 22,300 bales per day for the remainder of the season if the estimate is to be reached.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 144.0 million pounds (about 299,900 bales of 480 pounds) during the four weeks ended May 26, according to the Bureau of the Census. This brought consumption for the August-May period this season (43 weeks) to 1,561.8 million pounds (about 3,253,800 bales). August-May consumption last season (43 weeks) totaled 1,397.8 million pounds (about 2,912,100 bales).

Stocks of cotton at mills totaled 758,100 running bales on May 26, according to the Bureau of the Census. This was the smallest end-of-May stocks at mills since records began in 1913 and compares with 766,000 bales a month earlier and 776,900 bales at the end of May last year. At the May daily rate of consumption, mill stocks were equivalent to almost seven weeks' supply. Cotton in public storage totaled 2,966,700 running bales on May 26, the smallest end-of-May stocks since 1981. Public storage stocks totaled 3,956,500 bales a month earlier and 7,930,200 bales at the end of May last season.

All cotton: Domestic mill consumption and stocks, running bales, by months and seasons, 1979-1983

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
<u>Mill consumption 1/</u>													
1979	472	482	630*	482	436	604*	507	513	622*	496	478	487*	6,209
1980	443	456	597*	458	475*	435	446	539*	435	441	531*	385	5,641
1981	429	517*	448	403	400*	378	398	493*	410	392	460*	317	5,043
1982	386	474*	416	391	425*	404	430	549*	431	441	543*	369	5,259
1983 3/	453	560*	459	446	468*	469	448	548*	430	441			
<u>Mill consumption per day</u>													
1979	23.6	24.1	25.2	24.1	21.8	24.2	25.4	25.7	24.9	24.8	23.9	19.5	23.9
1980	22.1	22.8	23.9	22.9	19.0	21.8	22.3	21.5	21.7	22.1	21.3	19.2	21.7
1981	21.4	20.7	22.4	20.1	16.0	18.9	19.9	19.7	20.5	19.6	18.4	15.9	19.4
1982	19.3	19.0	20.8	19.5	17.0	20.2	21.5	22.0	21.5	22.0	21.7	18.4	20.2
1983 3/	22.6	22.4	22.9	22.3	18.7	23.5	22.4	21.9	21.5	22.0			
<u>Stocks in consuming establishments 2/</u>													
1979	850	749	648	730	833	900	989	1,071	1,132	1,099	1,002	955	-
1980	891	784	743	750	831	947	1,038	1,105	1,078	1,023	937	883	-
1981	810	695	663	673	757	822	884	917	911	901	871	830	-
1982	750	671	611	635	698	782	777	790	795	777	757	756	-
1983 3/	712	639	556	554	611	647	713	741	766	758			
<u>Stocks in public storage 2/</u>													
1979	2,198	1,880	3,785	6,898	8,163	7,739	6,558	5,299	4,084	3,126	2,341	1,822	-
1980	1,509	1,578	3,181	5,071	5,927	5,847	5,109	4,227	3,470	2,807	2,199	1,688	-
1981	1,491	1,940	4,060	7,064	9,267	9,489	8,882	7,921	7,112	6,292	5,544	5,269	-
1982	5,008	5,293	7,575	10,190	11,101	11,120	10,546	9,713	8,796	7,930	7,419	6,656	-
1983 3/	6,168	5,870	7,119	8,570	8,790	7,525	6,359	4,997	3,956	2,967			

1/ Consumption figures relate to four-week months except as noted. Daily consumption rates calculated on the basis of 20 days for four-week months and 25 days for five-week months with no allowance for holidays. Season totals not necessarily sums of monthly figures because of adjustments.

2/ Data refer to a particular day near the end of the month.

3/ Preliminary.

* Five-week month.

Planted acreage of all cotton in the United States is expected to total 11.3 million acres, 43 percent above 1983 plantings and up 5 percent from February intentions, according to the Crop Reporting Board, Statistical Reporting Service, USDA. Upland acreage is estimated at 11.3 million acres and American Pima at 91,000 acres. About three-fourths of the intended acreage was planted by June 1 and planting was virtually complete by mid-June except in Oklahoma and Texas.

In the southeastern states, growers planted 701,000 acres, up 50 percent from 1983 and 9 percent above February intentions. Planting started one to two weeks later than normal due to wet fields but made good progress, except in Georgia, after mid-May and was nearly complete by June 1.

Acreage in the Delta states is estimated at 2.76 million acres, up 55 percent from last year and 6 percent above intentions. Over three-fourths of the acreage was planted by May 20 and planting was almost finished by June 1. Some early fields had to be replanted due to heavy rains. Stands are good and plants have made progress under favorable growing conditions.

Oklahoma and Texas upland acreage is estimated at 5.80 million acres, 34 percent above 1983 and up 6 percent from February intentions. The south Texas acreage was planted on schedule and now shows excellent yield prospects. Planting of the dryland acreage in the High and Rolling Plains of Texas and in Oklahoma was delayed by dry weather. Rains in late May and early June brought some relief but additional moisture is needed to complete planting and aid germination.

Upland growers in the western states planted 1.98 million acres, 51 percent more than last year and 1 percent above intentions. Planting was virtually complete in Arizona and California by mid-May. With the exception of a few brief periods of cool weather in the San Joaquin Valley, growing conditions have been favorable.

American Pima acreage is estimated at 91,000 acres compared with 63,000 acres planted last year.

Cotton acreage planted and harvested, crops of 1981-1983, and planted, crop of 1984

State	1981			1982			1983			1984
	Planted		Har-vested	Planted		Har-vested	Planted		Har-vested	Planted
	June	Final	Final	June	Final	Final	June	Final	Final	June
<u>Upland</u>	<u>1,000 acres</u>									
Alabama	330.0	377.0	372.0	270.0	287.0	285.0	200.0	219.0	215.0	300.0
Arizona	600.0	600.0	599.0	490.0	466.0	465.0	291.0	291.0	284.0	480.0
Arkansas	620.0	610.0	560.0	450.0	410.0	390.0	350.0	340.0	310.0	475.0
California	1,500.0	1,540.0	1,530.0	1,380.0	1,380.0	1,370.0	980.0	960.0	950.0	1,420.0
Florida	13.0	18.0	17.0	16.0	16.0	15.0	10.0	12.5	12.0	14.0
Georgia	170.0	180.0	175.0	170.0	163.0	158.0	130.0	120.0	115.0	200.0
Kansas	-	-	-	-	0.5	0.4	-	0.4	0.4	1.0
Louisiana	640.0	700.0	695.0	620.0	605.0	595.0	420.0	420.0	410.0	660.0
Mississippi	1,300.0	1,230.0	1,200.0	1,100.0	1,000.0	990.0	720.0	687.0	675.0	1,150.0
Missouri	230.0	242.0	183.0	200.0	154.0	151.0	100.0	108.0	93.0	150.0
Nevada	1.1	1.1	0.9	0.9	0.7	0.7	-	-	-	-
New Mexico	140.0	136.0	106.0	95.0	79.0	68.0	57.0	56.0	47.0	80.0
North Carolina	79.0	83.0	82.0	80.0	71.0	70.0	60.0	60.0	59.0	95.0
Oklahoma	670.0	650.0	640.0	560.0	480.0	450.0	380.0	320.0	300.0	400.0
South Carolina	120.0	119.0	118.0	105.0	97.0	95.0	69.0	69.0	69.0	106.0
Tennessee	330.0	325.0	305.0	260.0	260.0	255.0	220.0	220.0	215.0	320.0
Texas	7,400.0	7,460.0	7,200.0	5,700.0	5,800.0	4,300.0	4,250.0	4,000.0	3,550.0	5,400.0
Virginia	0.3	0.4	0.3	0.4	0.3	0.3	0.3	0.4	0.4	1.0
U. S.	14,143.4	14,271.5	13,783.2	11,497.3	11,269.5	9,658.4	8,237.3	7,883.3	7,304.8	11,252.0
<u>American Pima</u>										
Arizona	35.0	33.8	33.6	40.0	41.8	41.6	31.0	29.5	29.3	58.0
California	0.1	-	-	-	-	-	-	-	-	-
New Mexico	7.0	7.1	6.8	7.1	9.5	9.4	11.0	11.1	11.1	13.0
Texas	18.0	17.7	17.6	24.0	19.6	19.5	20.0	22.4	22.3	20.0
U. S.	60.1	58.6	58.0	71.1	70.9	70.5	62.0	63.0	62.7	91.0
U. S. all cotton	14,203.5	14,330.1	13,841.2	11,568.4	11,340.4	9,728.9	8,299.3	7,946.3	7,367.5	11,343.0

Source: Crop Reporting Board, 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						8-Market Average	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement							
	Jul '84	Oct '84	Dec '84	Mar '85	May '85			
June 21	78.87	74.15	73.11	74.52	75.65	72.75	82.60	
22	77.79	73.81	72.75	74.20	75.45	72.50	82.60	
25	75.83	73.42	72.75	74.40	75.40	71.95	82.40	
26	76.27	73.32	72.72	74.45	75.40	71.75	82.40	
27	76.10	73.95	73.24	74.80	75.90	72.16	82.40	
28	77.95	73.35	72.95	74.50	75.50	71.56	82.50	

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 1982-83 and 1983-84

Description	Marketing Year			
	1982-83		1983-84	
	Through June 23		Through June 21	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,080,400	-	1,046,600
Exports	79,000	4,305,800	95,200	5,991,200
Total export commitments	-	5,386,200	-	7,037,800
New sales	38,800	-	48,800	-
Buy-backs and cancellations	7,300	-	32,100	-
Net sales	31,500	-	16,700	-
Sales next marketing year	35,500	1,673,200	136,700	1,581,800

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

Upland cotton export sales for the current marketing year resulted in a net increase of 16,700 running bales during the week ended June 21, according to the Foreign Agricultural Service, USDA. Major purchases were by the USSR of 22,100 bales and South Korea 13,200 bales. These sales were partially offset by a reduction of 15,900 bales from unknown destinations. Sales for the 1984-85 marketing year totaled 136,700 bales and were primarily to South Korea with 44,700 bales and Japan 43,000 bales. Weekly exports of 95,200 bales were 4 percent below the previous week. Asian destinations accounted for 71 percent of the week's shipments, Western Europe 13 percent and the USSR 12 percent.

NOTE: Cotton sales of 22,000 running bales to the USSR reported by exporters this week duplicate sales reported in the week ending June 14, 1984, and will be deleted next week.