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Weekly Cotton Market Review

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Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 79.14 cents per pound during the week ending Friday, March 8, according to the Cotton Division, Agricultural Marketing Service, USDA. Quotations averaged 147 points lower than the previous week. Daily average quotations ranged from a high of 81.04 cents on Monday, March 4, to a low of 78.09 cents on Friday, March 8. Spot cotton quotations averaged 80.61 cents a week earlier and 68.26 cents in the corresponding week last year. The New York May 1991 futures settlement price closed on Friday at 84.43 cents compared with 88.38 cents a week earlier. The July 1991 settlement price was 83.95 cents compared with 86.56 cents the previous week. Spot transactions reported in the designated markets totaled 21,324 bales during the week ending Friday, March 8. This compares with 13,847 bales reported during the previous week and 91,903 bales in the corresponding week last season.

Southeastern markets. Demand remained good for grades 51 and 42 and higher, staples 34 and longer, strengths of 26 grams per tex and above. Merchants were actively seeking most offerings. Offerings were limited by depleted supplies and lower prices. Mixed lots of mostly grades 41 and higher, staples 34 and longer, mike 35-49 brought 250 to 300 points off New York May futures, FOB trucks in Georgia. In Alabama and the Carolinas prices were mostly 400 to 450 points off, FOB warehouse. Grades 51 and 42 were at around 200 points lower than grade 41. A few equities traded at 28 to 30 cents per pound. Contracting of 1991 crops were light.

South central markets. Spot cotton trading remained light to moderate and was mostly between merchants. Supplies remained limited. Demand was best for grades 41 and higher and weakest for grades lower than 51. Prices trended lower. A light to moderate volume of predominantly grade 31, staples 34 and longer, mike 35-49 sold at about 400 to 425 points off NY May futures. Equity trading was light. A light volume of equities traded at around 26 to 26.50 cents per pound. Domestic mills purchased a light to moderate volume for prompt through third quarter 1992 delivery. Export trading and forward contracting both remained slow.

Southwestern markets. Spot cotton trading was very slow. Supplies were limited. Demand was light. Prices were mixed but generally steady to weaker. Mixed lots brought around 1,800 to 2,600 points above CCC loan rates. A few current-crop equities traded at \$100 to \$125 per bale. Interest in forward contracting continued strong, but prices weakened and booking slowed. A limited acreage was contracted in south and central Texas at 64 to 73 cents per pound, basis grade 41 staple 34, mike

35-49, depending on dryland versus irrigated acreage and picker versus stripper harvested methods. Cotton planting activities was active in south Texas, and was past half completed in the Harlingen area.

Western markets. Trading was very slow in the San Joaquin Valley (SJV). Most growers rejected bids of even to 50 points off May futures for grade 31 staple 35, mike 35-49, UD, free warehouse terms. Domestic mills purchased a light to moderate volume for prompt and nearby shipment. Trading in the Desert Southwest (DSW) was extremely slow. A small amount of grades 41 and 32, staples 35 and 36, mostly mike 35-49 brought around 78.25 cents. Far Eastern mills purchased a small volume for nearby shipment. In the SJV, forward contracting of the 1991 crop was practically at a standstill. In Arizona, a limited acreage was booked at 69.65 to 70 cents per pound, basis grade 31 staple 34, mike 35-49. Planting was in full swing in Yuma County, Arizona, and was expanding in California's Imperial Valley. Some fields were up to stands. Trading in American Pima was slow. A small amount of grade 3 staple 46, mike 35-49 traded at about \$100.50 to \$101.00 per pound. A few bales of grade 5 brought around 70 cents. Mixed lots of grades 6 and 7 brought around 53 cents. Domestic and European mills purchased a moderate volume for prompt and nearby shipment. A limited acreage was forward contracted at \$1.16, basis grade 3.

Textile mill. Domestic mill buying was fairly light. Buying was limited mostly to a small volume of medium to higher grade lots for delivery during the second and third quarter 1991. Qualities purchased were mostly grades 51 and higher, white and equivalent Light Spotted grades, staples 34 and longer, mike 35-49. Mill buyers continued to express concern that supplies of 1990-crop cotton may not be adequate. New crop purchases were extremely light. Fixing prices on cotton purchased earlier in the year continued at an active pace. Qualities purchased were mostly grade 51 and higher, white and equivalent Light Spotted grades, staples 34 and longer, mike 35-49. Mill business remained steady. Some new business was beginning to come in, especially at yarn mills. Denims have shown some recent improvements. Mill workweeks remained at mostly five to seven days.

World cotton supply and demand estimates. Larger production, smaller consumption and some easing in this season's tight supply-demand balance compared with prospects a month ago, highlight the global cotton outlook for 1990-91. The world crop is projected at 87.6 million bales, up 1.5 million from February indications. Consumption is forecast at 86.4 million bales, down 400,000 suggesting slightly smaller imports. With little change in exports, ending stocks are revised up 6 percent, 2 percentage points above February indications, and 1 point above last season's record low.

Foreign cotton changes this month for 1990-91 feature larger production and stocks. Most of the output gain reflects a 6 percent upward revision in China's crop to 20.5 million bales. Production also has been revised up 4 percent in Pakistan to record 7.3 million bales, boosting their export potential. Use abroad is down slightly from earlier indications, primarily reflecting reduced prospects in Japan and Brazil. This season's ending stocks in foreign countries are projected up 6 percent from last month to 21.7 million bales, with China accounting for the majority of the increase. The U.S. cotton outlook for 1991 remains the same as a month ago.

USDA announces 1991-crop Upland Cotton Premiums And Discounts For Fiber Strength. The schedule of premiums and discounts for fiber strength that will apply to the 1991-crop upland cotton price support loan program was announced March 7 by the USDA's commodity Credit Corporation.

The Advisory Committee on Cotton Marketing had recommended that strength be included as a quality factor in the upland cotton price support loan program beginning with the 1991 crop. The schedule of premiums and discounts for the 1991 crop was developed in consultation with the Advisory Committee. Strength premiums and discounts were announced early so that farmers could take them into consideration in making their planting decisions. The schedules of premiums and discounts for grade, staple and micronaire will be announced later.

Beginning with the 1991 crop, cotton must be classed on the High Volume Instrument (HVI) classing system to be eligible for the price support loan program.

The schedule for strength premiums and discounts is as follows:

Strength (grams per tex)	Difference (cents per lb.)
18 and below	Ineligible
19	- 2.50
20	- 2.00
21	- 1.50
22	- 1.00
23	- 0.50
24 and 25	Base
26	+ 0.15
27	+ 1.00
28	+ 1.50
29	+ 2.00
30	+ 2.50
31 and above	+ 3.00

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

Region	Supply			Use		Loss 2/	Ending stocks
	Beginning stocks	Produc- tion	Imports	Domestic	Exports		
Million 480 pound bales							
1989-90 (Estimated)							
World	30.24	79.94	25.11	87.26	23.97	0.36	23.69
United States	7.09	12.20	3/	8.76	7.69	-0.16	3.00
Total foreign	23.15	67.74	25.11	78.50	16.28	0.52	20.69
Major exporters 4/	9.23	43.67	3.03	39.77	8.43	0.31	7.44
China	4.97	17.40	1.87	20.50	0.86	-	2.88
Pakistan	0.23	6.68	3/	4.93	1.37	0.20	0.44
USSR	1.84	12.34	0.35	9.20	3.33	-	1.99
Major importers 5/	5.15	1.54	16.13	17.11	0.98	0.09	4.64
Japan	0.80	-	3.17	3.23	-	-	0.73
Selected Other							
Brazil	2.25	3.03	0.60	3.45	0.60	-	1.83
India	1.70	10.43	-	8.67	1.07	-	2.39
1990-91 (Projected)							
World							
February	23.81	86.06	24.28	86.84	24.14	0.43	22.75
March	23.69	87.58	23.90	86.44	24.31	0.43	23.99
United States							
February	3.00	15.62	3/	8.40	8.00	-0.08	2.30
March	3.00	15.62	3/	8.40	8.00	-0.08	2.30
Total foreign							
February	20.81	70.44	24.28	78.44	16.14	0.51	20.45
March	20.69	71.96	23.89	78.04	16.31	0.51	21.69
Major exporters 4/							
February	7.44	45.80	3.00	40.00	7.51	0.34	8.38
March	7.44	47.30	2.94	40.21	7.83	0.34	9.30
China	Feb.	2.88	19.30	2.00	20.30	0.90	2.98
China	Mar.	2.88	20.50	1.90	20.50	0.90	3.88
Pakistan	Feb.	0.44	7.00	3/	5.46	1.17	0.63
Pakistan	Mar.	0.44	7.30	3/	5.46	1.50	0.60
USSR	Feb.	1.99	12.00	0.35	9.00	2.50	2.84
USSR	Mar.	1.99	12.00	0.35	9.00	2.50	2.84
Major importers 5/							
February	4.63	1.55	14.98	15.89	1.07	0.07	4.14
March	4.64	1.55	14.58	15.54	1.07	0.07	4.09
Japan	Feb.	0.73	-	3.10	3.20	-	0.63
Japan	Mar.	0.73	-	2.75	2.90	-	0.58
Selected Other							
Brazil	Feb.	1.83	3.40	0.60	3.56	0.50	1.77
Brazil	Mar.	1.83	3.40	0.60	3.30	0.50	2.03
India	Feb.	2.39	9.80	-	9.00	1.15	2.04
India	Mar.	2.39	9.80	-	9.00	1.15	2.04

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.

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				
	Feb. 8-14	Feb. 15-21	Feb. 22-28	Mar. 1-7	Mar. 8-14
Adjusted world price	68.74	68.90	69.02	68.77	68.88
Course count adjustment	2.76	3.12	2.73	2.15	1.57

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	Staple 35	Coarse Count
	Futures Settlement							
	Mar '91	May '91	Jul '91	Oct '91	Dec '91			
Mar. 4	87.55	87.75	85.83	72.46	67.63	81.04	86.00	79.75
5	86.43	86.58	85.19	71.72	67.19	79.63	85.45	79.60
6	85.15	85.20	84.45	70.90	66.81	78.64	85.10	79.75
7	-	84.70	84.10	71.16	67.58	78.29	84.35	79.40
8	-	84.43	83.95	71.86	68.01	78.09	84.15	79.25

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 March 1	Through February 28	Through March 1	Through February 28
Outstanding sales	-	2,494,700	-	2,700,500
Exports	182,300	3,899,100	243,700	4,342,800
Total export commitments	-	6,383,800	-	7,043,300
New sales	152,600	-	38,600	-
Buy-backs and cancellations	14,600	-	83,200	-
Net sales	138,000	-	-44,600	-
Sales next marketing year	29,500	394,300	166,600	653,900

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Net sales reductions of 44,600 running bales, for the 1990-91 marketing year during the week ending February 28, according to the Foreign Agricultural Service, USDA. The major activity included reductions for South Korea 38,000 bales, Thailand 10,300 and Italy 6,400 bales, and increases for Indonesia 10,500 bales. Sales increased for the 1991-92 marketing year were 166,600 bales. The major buyers were Japan with purchases of 55,400 bales, South Korea 47,700 and Thailand 23,800 bales. Exports of 243,700 were 19 percent above the previous week. Asian destinations accounted for 76 percent of the week's shipments; West European 17 percent; and Western Hemisphere 7 percent.

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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

March 8, 1991

Spot quotations are in cents per pound for cotton equal to the Official Standards with mike readings of 35-49, net weight, in mixed 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		:		Staple		:		Grade		:		
31	41	51	42	31	41	51	42	31	41	51	42	21	31	41	32	
78.68	77.43	74.68	75.18	77.68	76.43	73.43	73.68	33	77.68	76.43	72.43	73.13	76.43	76.43	74.43	74.43
80.68	80.18	77.68	78.43	80.43	79.18	75.93	76.18	34	80.18	79.18	75.18	75.88	80.43	80.43	78.43	78.43
80.93	80.43	77.93	78.68	81.03	79.93	76.53	76.78	35	80.28	79.28	75.28	75.98	80.53	80.53	78.53	78.53
81.08	80.58	78.08	78.83	81.13	80.03	76.63	76.88	36	80.38	79.38	75.38	76.08	80.53	80.53	78.53	78.53

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY					
Grade		:		Grade		:		Staple		:		Grade	
31	41	32	42	31	41	32	42	21	31	41	51		
64.15	63.55	63.75	63.00	64.05	63.55	63.75	63.00	29	-	-	-		
66.10	64.75	65.55	63.75	66.10	64.75	65.55	63.85	30	-	-	-		
68.15	67.15	68.05	65.60	68.15	67.15	67.80	65.60	31	-	-	-		
71.30	70.50	70.75	66.85	71.45	70.50	70.75	66.60	32	-	-	-		
73.80	72.30	72.50	68.75	73.45	72.30	72.50	69.00	33	-	-	-		
76.10	74.50	75.00	69.95	75.85	74.50	75.00	69.70	34	81.68	81.43	80.68	77.93	
76.40	75.50	75.80	70.75	76.65	75.50	75.80	70.50	35	83.43	83.18	82.43	78.93	
76.50	75.75	75.90	70.75	76.65	75.75	75.90	70.50	36	83.53	83.28	82.53	78.93	
76.50	75.75	75.90	70.75	76.65	75.75	75.90	70.50	37	83.63	83.38	82.63	78.93	

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1215	-	-1300	26 & Below	-1300	-2200	-	-1453
-800	-840	-840	-650	27-29	-650	-1500	-1500	-969
-500	-525	-525	-400	30-32	-400	-900	-950	-600
-250	-230	-230	-175	33-34	-175	-450	-350	-266
0	0	0	0	35-49	0	0	0	0
-200	-155	-155	-225	50-52	-225	-200	-100	-180
-250	-240	-240	-300	53 & Above	-	-250	-	-256

SPOT QUOTATIONS - AMERICAN PIMA

Staple	Grade	Grade	Grade	Grade	Grade	Grade	Mike ranges	Points per pound
	01	02	03	04	05	06		
							26 & Below	-3100
							27-29	-2275
44	120.25	120.00	117.00	101.50	70.50	55.50	30-32	-1200
							33-34	-300
46	120.75	120.50	117.50	102.00	70.50	55.50	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		:		Staple		:		Grade		:	
31	41	51	42	31	41	51	42	41	51	32	42	31	41	51	
-	-	-	-	-	-	-	-	29	77.25	74.25	77.25	74.75	-	-	-
-	-	-	-	-	-	-	-	30	79.25	76.50	79.25	77.00	-	-	-
-	-	-	-	-	-	-	-	31	80.50	78.00	80.50	78.50	-	-	-
-	-	-	-	-	-	-	-	32	82.00	78.75	82.00	79.25	-	-	-
87.50	86.25	84.25	84.75	88.00	86.75	84.50	85.00	33	84.25	80.00	84.25	80.75	-	-	-
88.50	87.00	85.25	85.75	89.00	87.50	85.50	86.00	34	86.50	81.75	86.50	82.50	91.25	90.25	87.50
89.00	87.75	85.75	86.25	89.50	88.25	86.00	86.50	35	-	-	-	-	92.75	91.75	88.75
-	-	-	-	-	-	-	-	36	-	-	-	-	93.00	92.00	88.75