

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE
COTTON DIVISION

4841 SUMMER AVENUE, MEMPHIS, TENNESSEE 38122
Telephone 901-521-2934



TEXAS TECH
Dept of Ag Eco
Ref. Room

Weekly Cotton Market Review
(Week ended March 18)

Vol. 63, No. 32

March 19, 1982

Prices were steady to higher on spot cotton markets, according to the Cotton Division, Agricultural Marketing Service, USDA. Grower offerings were light and trading continued slow. Merchant demand was best for qualities needed to fill nearby commitments. Domestic and foreign mill purchases remained limited. Growers forward contracted a small volume of 1982-crop cotton. Rains slowed progress with field work in many localities. Planting made good progress in south Texas and a limited acreage was up and growing well. United States cotton stocks are expected to reach the highest level since the late 1960's with an August 1 carryover of 6.4 million bales.

Spot cotton prices continued to fluctuate but generally trended higher. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets ended the week on Thursday, March 18, at 60.30 cents per pound. This compares with 59.10 cents a week earlier and 80.89 cents on the corresponding Thursday last season. The New York May futures settlement price ended the week on Thursday at 65.60 cents per pound compared with 64.84 cents a week earlier. The December settlement price was 71.17 cents against 70.70 cents last Thursday.

Trading. The volume of cotton traded on spot cotton markets decreased. Purchases reported by cotton exchanges in the designated markets totaled 161,100 bales in the week ended Thursday, March 18. A week earlier, 234,400 bales were reported and 117,600 bales in the corresponding week last season. Many growers had either marketed their crop or entered it into the CCC loan program. Others were not willing to sell at prevailing prices. Merchant demand remained limited to cotton needed to fill commitments. Domestic mill buying remained light, with best demand for cotton for prompt or nearby needs. Export trading was confined mainly to a light volume of purchases by Far Eastern mills.

Textile mill report. Weak product demand remained a dominating factor in the textile market. Sluggish sales of apparels, household goods, industrials as well as yarn and sewing thread continued to distress the industry. With ample cotton inventories on hand and limited new business, only a few mills were buying more than a light volume of fill-ins. Some mills were deferring delivery of earlier cotton purchases. Almost all segments of the industry have taken steps to cut production. Most mills are on shortened workweeks while some have temporarily closed a few plants. Others are working regular weekly schedules on an intermittent basis or closing one week a month.

U. S. cotton stocks continue to build as disappearance prospects falter. Continuing feeble demand in the face of immense supplies highlight the 1981-82 U. S. and world cotton situation. Although the global production estimate remains the same as last month's record 70.8 million 480 pound net weight bales, the Chinese crop has been revised up 200,000 to 13.5 million. Concurrently, Chinese imports have been revised down by a similar amount to 2.6 million bales, resulting in a drop in prospective world imports this season to 20.3 million, slightly below the 1980-81 level. Static trade is symptomatic of sluggish global mill activity. Worldwide cotton consumption now is forecast at 66.1 million bales, down 200,000 from last month and less than 1.0 million above the previous season. By the end of 1981-82, stocks are expected to build to 27.5 million bales from the beginning level of 23.1 million.

The U. S. cotton situation continues to deteriorate. Disappearance this season now is estimated at 12.2 million bales, 400,000 below last month's assessment, and only slightly above 1980-81 despite this season's much larger supply. Both mill use and export prospects have weakened. Mill consumption is estimated at 5.4 million bales, down 200,000 from February indications, reflecting recent extremely low use levels and prospects for little improvement during the balance of the season.

The U. S. export estimate also has been lowered 200,000 bales to 6.8 million, primarily reflecting reduced Chinese import needs. It now appears unlikely that China will add very much to its current 1981-82 import commitment of 850,000 bales from the United States. So, with combined U. S. mill use and exports estimated about 3.5 million bales below the huge 1981 crop of 15.7 million, stocks are expected to reach about 6.4 million by the end of this season, the highest level since the late 1960's.

Cotton supply and use: U. S., major foreign importers and exporters, and world; marketing years 1979-80, 1980-81 and projected 1981-82 1/
March 11, 1982

Region	Supply			Use		Ending stocks
	Beginning stocks	Production	Imports	Mill use	Exports	
	Million 480-pound bales					
	<u>1979-80</u>					
United States	4.0	14.6	<u>2/</u>	6.5	9.2	3.0
World less U. S.	18.2	50.8	22.7	58.8	13.5	19.2
Major importers <u>3/</u>	7.2	10.9	19.7	29.8	0.4	7.7
Major exporters <u>4/</u>	4.0	24.0	0.3	14.6	8.8	4.8
Others	6.9	15.9	2.7	14.4	4.3	6.8
World <u>5/</u>	22.1	65.5	22.8	65.3	22.7	22.2
	<u>1980-81</u>					
United States	3.0	11.1	<u>2/</u>	5.9	5.9	2.7
World less U. S.	19.2	54.5	20.4	59.4	14.0	20.4
Major importers <u>3/</u>	7.7	13.3	17.5	30.3	0.3	7.9
Major exporters <u>4/</u>	4.8	25.5	0.3	14.6	9.8	5.8
Others	6.8	15.7	2.6	14.4	4.0	6.7
World <u>5/</u>	22.2	65.6	20.5	65.3	19.9	23.1
	<u>1981-82</u>					
<u>United States</u>						
Feb. projection	2.7	15.7	<u>2/</u>	5.6	7.0	6.0
Mar. projection	2.7	15.7	<u>2/</u>	5.4	6.8	6.4
<u>World less U. S.</u>						
Feb. projection	20.4	55.0	20.5	60.7	13.6	21.2
Mar. projection	20.4	55.1	20.3	60.7	13.6	21.1
<u>Major importers <u>3/</u></u>						
Feb. projection	7.8	14.2	17.3	30.9	0.3	8.0
Mar. projection	7.9	14.4	17.1	30.9	0.3	8.1
<u>Major exporters <u>4/</u></u>						
Feb. projection	5.9	24.8	0.3	15.0	9.4	6.2
Mar. projection	5.8	24.7	0.3	15.0	9.4	6.1
<u>Others</u>						
Feb. projection	6.7	16.0	2.9	14.8	3.9	6.9
Mar. projection	6.7	16.0	2.9	14.8	3.9	6.9
<u>World <u>5/</u></u>						
Feb. projection	23.1	70.8	20.5	66.3	20.6	27.2
Mar. projection	23.1	70.8	20.3	66.1	20.4	27.5

1/ Marketing year beginning Aug. 1. 2/ Less than 50,000 bales. 3/ Includes Western Europe, Eastern Europe, Japan, PRC, Korea, Taiwan and Hong Kong. 4/ Includes the USSR, Pakistan, Egypt, Sudan, Turkey, Central America and Mexico. 5/ Total trade of individual countries, including intra-regional trade. World imports and exports may not balance due to cotton in transit and reporting discrepancies in some countries.

Note: Totals may not add and stocks may not balance due to rounding, a small quantity of cotton destroyed, and differences unaccounted.

Source: United States Department of Agriculture.

Supply, disappearance and stocks of all kinds of cotton in the U. S., by months and seasons, crops of 1979-1981 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				
Jan. 1980	11,129	1,102	-	12,231	Crop of 1979 604	737	1,341	900	7,739	2,251	10,890
Feb.	10,890	427	*	11,317	507	1,025	1,532	989	6,558	2,238	9,785
Mar.	9,785	-	*	9,786	513	1,150	1,664	1,071	5,255	1,796	8,122
Apr.	8,122	-	-	8,122	622	916	1,539	1,132	4,084	1,368	6,584
May	6,584	-	*	6,584	496	911	1,407	1,099	3,126	952	5,177
June	5,177	-	*	5,177	478	686	1,164	1,002	2,341	670	4,014
July	4,014	200	2	4,215	487	540	1,027	955	1,822	411	3,189
Season 4/	3,782	14,389 5/	5	18,177	6,209	8,779	14,988	955	1,822	250	3,027
Aug. 1980	3,027	381	-	3,409	Crop of 1980 443	402	845	891	1,509	164	2,564
Sept.	2,564	731	2	3,297	456	393	850	784	1,578	84	2,447
Oct.	2,447	3,287	1	5,735	597	237	834	743	3,181	977	4,901
Nov.	4,901	3,244	5	8,150	458	436	893	750	5,071	1,436	7,257
Dec.	7,257	2,081	5	9,343	475	541	1,016	831	5,927	1,568	8,327
Jan. 1981	8,327	753	1	9,081	435	669	1,104	947	5,847	1,183	7,977
Feb.	7,977	146	6	8,129	446	688	1,134	1,039	5,109	847	6,995
Mar.	6,995	-	8	7,003	539	733	1,272	1,105	4,227	399	5,731
Apr.	5,731	-	*	5,731	435	498	933	1,078	3,470	251	4,798
May	4,798	-	-	4,798	441	458	900	1,023	2,807	68	3,899
June	3,899	-	-	3,899	531	320	851	937	2,199	-89	3,048
July	3,048	44	*	3,093	382	264	646	877	1,684	-115	2,446
Season 4/	3,027	10,671 5/	27	13,726	5,664	5,639	11,303	883	1,688	25	2,595
Aug. 1981	2,595	382	*	2,977	Crop of 1981 429	233	662	810	1,491	14	2,315
Sept.	2,315	1,299	2	3,615	517	211	728	695	1,940	252	2,887
Oct.	2,887	3,804	-	6,691	448	262	710	663	4,060	1,258	5,981
Nov.	5,981	4,629	-	10,609	403	478	880	673	7,064	1,992	9,729
Dec.	9,729	3,344	1	13,073	400	732	1,131	757	9,267	1,918	11,942
Jan. 1982 6/	11,942	1,282	1	13,226	379	653	1,032	806	9,435	1,953	12,194
Season thru Jan.	2,595	14,739	3	17,338	2,576	2,568	5,144				

1/ Imports in 500 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.

Compiled from reports of Bureau of the Census and Foreign Agricultural Service, USDA.
United States Department of Agriculture, Agricultural Marketing Service, Cotton Division

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					9-market average	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement						
	May '82	Jul '82	Oct '82	Dec '82	Mar '83		
Mar. 11	64.84	66.75	69.51	70.70	72.50	59.10	70.40
12	64.85	66.72	69.30	70.42	72.30	59.11	70.40
15	65.60	67.57	70.10	71.01	72.80	59.69	70.35
16	65.36	67.22	69.65	70.75	72.61	59.56	70.65
17	65.38	67.27	69.80	70.98	72.65	59.77	70.65
18	65.60	67.47	69.98	71.17	72.80	60.30	70.65

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

New Orleans futures contract settlement and designated spot market average for grade 41 staple 32 in cents per pound

Date	Grade 41 Staple 32					5-market average 1/
	Futures Settlement					
	May '82	Jul '82	Oct '82	Dec '82	Mar '83	
Mar. 11	58.95	60.15	61.90	62.90	64.10	51.65
12	58.90	60.00	61.80	62.70	64.10	51.66
15	59.25	60.46	62.30	63.25	64.20	52.11
16	59.00	60.25	62.00	62.95	-	51.97
17	59.05	60.28	62.15	63.15	-	52.08
18	59.10	60.31	62.35	63.35	-	52.41

1/ Greenville, Montgomery, Memphis, Dallas and Lubbock.

U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1980-81 and 1981-82

Description	MARKETING YEAR			
	1980-81		1981-82	
	Through March 12		Through March 11	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	1,800,000	-	2,490,400
Exports	164,400	3,725,900	201,300	3,736,000
Total export commitments	-	5,525,900	-	6,226,400
New sales	90,200	-	64,900	-
Buy-backs and cancellations	6,100	-	30,700	-
Net sales	84,100	-	34,200	-
Sales next marketing year	10,600	141,600	42,300	283,100

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

Upland cotton export sales. The net change in sales for the 1981-82 marketing year of 34,300 running bales during the week ended March 11 included reported adjustments of 27,000 bales which were transferred to the 1982-83 marketing year, according to the Foreign Agricultural Service, USDA. New sales for delivery before July 31, 1982, totaled 64,900 bales with Canada accounting for 21,800 bales; South Korea 7,900; Japan 7,100 and Indonesia 6,100 bales. Weekly exports totaled 201,300 running bales. Asian destinations represented 86 percent of exports and European destinations 11 percent.