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Weekly Cotton Market Review

**TEXAS TECH
DEPT. OF AG. ECONOMICS
REFERENCE ROOM**

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Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 78.69 cents per pound during the week ending Friday, March 15, according to the Cotton Division, Agricultural Marketing Service, USDA. Daily average quotations ranged from a low of 77.51 cents on Monday, March 11, to a high of 79.10 cents on Thursday, March 14. Spot cotton quotations averaged 79.14 cents a week earlier and 68.40 cents in the corresponding week last year. The New York May 1991 futures settlement price closed on Friday at 85.75 cents compared with 84.43 cents a week earlier. The July 1991 settlement price was 85.38 cents compared with 83.95 cents the previous week. Spot transactions reported in the designated markets totaled 22,069 bales during the week ending Friday, March 15. This compares with 21,324 bales reported during the previous week and 22,883 bales in the corresponding week last season.

Southeastern markets. Trading slowed and demand weakened as many merchants withdrew from the market. Supplies and offering were light. Mixed lots of mostly grade 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 traded at around 200 points lower than grade 41. CCC loan equities brought around 28 to 30 cents per pound. Merchants offered to contract 1991-crop cotton in some areas at 350 to 450 points off December futures, basis grade 41 staple 34. Most growers were reluctant to sign at these prices. Rain and wet fields hampered land preparations.

South central markets. Trading was light and primarily between merchants. Supplies of available cotton were limited, but adequate to meet the light demand. Demand was best for grades 41 and higher. Prices for grade 31 price strengthened, but remained fairly steady for other prices. Mixed lots of mostly grade 41, staples 34 and longer, mike 35-49 sold at around 475 to 600 points off NY May futures. Grade 31, staple 35 traded at around 350 to 375 points off May. Domestic mill buying was limited to a light volume for mostly nearby delivery. Forward contracting remained slow. Land preparation made good preparation under generally favorable weather conditions.

Southwestern markets. Spot cotton trading was very slow. Supplies were limited. Demand was light. Prices were mixed, but generally steady. Mixed lots brought around 2,000 to 2,700 points above CCC loan rates. A few current-crop CCC loan equities traded at \$100 to \$135 per bale. Grower interest in forward contracting continued strong, but booking remained slow, as most of them were holding for higher

prices. A limited acreage was contracted in south and central Texas at 64 to 72 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 made good to excellent progress in south Texas, and was nearly 75 percent completed. Early planted acreage was up to a good stand.

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Western markets. Trading was extremely slow in the San Joaquin Valley (SJV). Grower-held supplies were very light. Far Eastern mills purchased a light volume of high grades for prompt and nearby shipment. Trading in the Desert Southwest (DSW) increased to a light to moderate level. Grades 41 and 32 staples 33-36, mike 35-49 traded at 76 to 78.60 cents per pound. Cotton miking 50-52 moved at a discount of 200 to 225 points. Domestic mills purchased a moderate volume for prompt through third quarter 1992 shipment. Far Eastern mills purchased a light volume of grade 31 for mostly prompt shipment. Domestic mills purchased a moderate volume of 1991 crop for third quarter 1991 to third quarter 1992 shipment. In the SJV, a small amount of 1991 crop was forward contracted at 79 to 80 cents per pound, basis grade 31 staple 35. In Arizona, a small acreage was booked at 70 cents, basis grade 31 staple 34. Cotton planting in Yuma County, Arizona, neared the three-quarter mark with much of that up to stand. Around half of the cotton acreage in the Imperial Valley of California was planted. Rainfall in the SJV relieved some of the drought conditions, but reservoir remained at low levels. Trading of American Pima was more active. Grade 3 staples 44 and longer, mike 35-49 traded at \$1.16 to \$1.20 per pound. Far Eastern mills purchased a small volume for prompt and nearby shipment. A small acreage of 1991 crop was forward contracted at \$1.10 per pound, basis grade 3.

Textile mill. Domestic mill buying remained light. Current needs were fairly well covered. A few mills continued to purchase for delivery through June 1991. Concerns persist that supplies of 1990-growth cotton may not be adequate in the qualities needed. Purchases of 1991 crop were extremely light. Mill business remained steady. Business at sales yarn mills continued to improve. Denim sales also improved. Mill workweeks remained at mostly five to seven days.

Computer Punch Cards To Be Provided For 1991 Crop. The AMS Cotton Division announced on March 14 that cotton classing data will be provided on computer punch cards at no additional charge for the 1991 crop. Because of its obsolescence, however, card punch equipment will be phased out at the end of the 1991 classing season and punch cards will not be available in 1992 and succeeding years.

CCC loan entries of upland cotton from the 1990 crop totaled 3,144,362 running bales through March 6, according to the Agricultural Stabilization and Conservation Service, USDA. Repayments had been made on 1,492,353 bales. Loans were outstanding on 1,652,009 bales, of which, 184,872 were Form A (producer) and 1,467,137 were Form G (cooperative) loans.

Loan entries of American Pima cotton from the 1990 crop totaled 10,905 bales. Repayments had been made on 3,096 bales, leaving a balance of 7,809 bales outstanding. Form G made up the entire total of 7,809 bales.

AMERICAN PIMA COTTON BY COUNTRIES
 OUTSTANDING EXPORT SALES AND ACCUMULATED EXPORTS
 MARKETING YEAR 1990-91, AS OF FEBRUARY 28, 1991
 (1,000 Running Bales)

| DESTINATION | CURRENT MARKETING YEAR | | | | NEXT MARKETING YEAR | |
|--------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|---------------------------------|
| | OUTSTANDING SALES THIS WEEK | ACCUMULATED EXPORTS YEAR AGO | OUTSTANDING SALES THIS WEEK | ACCUMULATED EXPORTS YEAR AGO | OUTSTANDING SALES THIS WEEK | ACCUMULATED EXPORTS YEAR AGO |
| European Community | 66.2 | 93.4 | 73.5 | 79.7 | 28.9 | 9.2 |
| Belgium | 1.9 | 4.7 | 1.9 | 4.5 | - | 1.3 |
| France | - | 0.9 | - | 0.2 | - | - |
| Germany | 8.6 | 48.2 | 31.4 | 41.0 | 12.1 | 3.9 |
| Greece | 2.6 | 0.7 | 3.1 | 0.5 | - | - |
| Ireland | - | 0.3 | 0.2 | 0.3 | - | - |
| Italy | 49.6 | 33.7 | 31.5 | 26.1 | 16.4 | 2.7 |
| Netherlands | 0.3 | 0.3 | - | - | - | 0.3 |
| Portugal | 1.5 | 2.7 | 2.8 | 4.9 | - | 1.0 |
| Spain | 0.9 | 1.7 | 0.8 | 2.1 | 0.3 | - |
| United Kingdom | 0.7 | 0.2 | 1.9 | * | - | - |
| Other West Europe | 12.0 | 21.8 | 22.2 | 19.2 | 5.3 | 8.9 |
| Austria | 0.6 | 3.2 | 0.7 | 1.4 | - | - |
| Switzerland | 10.4 | 18.2 | 20.2 | 17.4 | 5.3 | 8.9 |
| Turkey | 1.0 | 0.4 | 1.3 | 0.3 | - | - |
| Eastern Europe | 7.8 | 39.4 | 14.1 | 9.1 | - | 1.3 |
| Czechoslovakia | 1.3 | 16.1 | 2.4 | 1.3 | - | - |
| Romania | 0.2 | 13.5 | 9.9 | - | - | - |
| Yugoslavia | 6.3 | 9.8 | 1.8 | 7.8 | - | 1.3 |
| Japan | 39.7 | 40.7 | 57.0 | 52.6 | 8.8 | 3.5 |
| China | - | 0.1 | - | - | - | - |
| Taiwan | 5.4 | 2.9 | 1.9 | 2.2 | - | - |
| Other Asia and Oceania | 29.0 | 38.3 | 43.7 | 21.9 | 6.5 | 1.3 |
| Bangladesh | 4.9 | 4.9 | 6.0 | 1.8 | - | - |
| Hong Kong | - | - | - | 0.7 | - | - |
| Indonesia | 3.6 | 1.6 | 11.4 | 1.8 | 6.5 | - |
| Korean Republic | 19.5 | 28.2 | 22.7 | 12.5 | - | 1.3 |
| Pakistan | 0.3 | 1.7 | 0.5 | 3.6 | - | - |
| Philippines | - | - | - | 0.3 | - | - |
| Thailand | 0.7 | 1.9 | 3.1 | 1.2 | - | - |
| Africa | 2.5 | - | 0.6 | 1.8 | - | - |
| Algeria | 2.5 | - | - | - | - | - |
| Morocco | - | - | 0.2 | 1.8 | - | - |
| South Africa | - | - | 0.4 | - | - | - |
| Western Hemisphere | 0.6 | 1.4 | 3.2 | 3.0 | - | - |
| Argentina | - | 0.7 | - | - | - | - |
| Brazil | 0.6 | - | 3.2 | 2.7 | - | - |
| Costa Rica | - | 0.4 | - | - | - | - |
| Chile | - | 0.3 | - | 0.3 | - | - |
| Total Known | 163.3 | 238.1 | 216.3 | 189.5 | 49.5 | 24.1 |
| Total Unknown | 0.4 | 7.6 | - | - | 1.0 | 1.2 |
| Total Known and Unknown: | 163.6 | 245.7 | 216.3 | 189.5 | 50.5 | 25.3 |
| Optional Origin | - | 0.3 | - | - | - | - |

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. 15-21 | Feb. 22-28 | Mar. 1-7 | Mar. 8-14 | Mar. 15-21 |
| Adjusted world price | 68.90 | 69.02 | 68.77 | 68.88 | 67.65 |
| Course count adjustment | 3.12 | 2.73 | 2.15 | 1.57 | 0.97 |

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 Count | | |
|---------|--------------------|---------|---------|---------|---------|----------------|----------------|-------|--------------|-------|------|
| | Futures Settlement | | | | | | : 'A' Index 1/ | 1990 | 1991 | 1990 | 1991 |
| | May '91 | Jul '91 | Oct '91 | Dec '91 | Mar '92 | | | | | | |
| Mar. 11 | 83.62 | 83.27 | 71.70 | 67.65 | 68.40 | 77.51 | 84.05 | 78.90 | 78.90 | | |
| 12 | 85.32 | 84.80 | 71.95 | 67.98 | 68.88 | 78.73 | 83.90 | 78.85 | 78.85 | | |
| 13 | 85.78 | 85.15 | 72.50 | 68.10 | 68.75 | 79.06 | 84.35 | 79.15 | 79.15 | | |
| 14 | 85.44 | 85.12 | 72.57 | 68.08 | 68.75 | 79.10 | 84.30 | 79.25 | 79.25 | | |
| 15 | 85.75 | 85.38 | 72.61 | 67.95 | 68.67 | 79.04 | 84.30 | 78.90 | 79.25 | 74.00 | |

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 8 | | Through March 7 | |
| | Week | Marketing Year | Week | Marketing Year |
| Outstanding sales | - | 2,327,000 | - | 2,467,900 |
| Exports | 266,900 | 4,133,100 | 259,600 | 4,602,400 |
| Total export commitments | - | 6,460,100 | - | 7,070,300 |
| New sales | 113,400 | - | 41,700 | - |
| Buy-backs and cancellations | 14,300 | - | 14,700 | - |
| Net sales | 92,200 | - | 27,000 | - |
| Sales next marketing year | 11,800 | 406,200 | 102,600 | 756,500 |

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Net sales of 27,000 running bales, for the 1990-91 marketing year improved during the week ending March 7, according to the Foreign Agricultural Service, USDA. The major purchases were for South Korea with purchases of 9,100 bales, Taiwan 8,200, and Indonesia 5,500 bales. Sales increases for the 1991-92 marketing year of 102,600 bales were mainly for Thailand with purchases of 21,500 bales, Germany 14,200, Japan 13,700, Indonesia 13,400 and the Philippines 12,000 bales. Exports of 259,600 bales were 7 percent above the previous week. Asian destinations accounted for 79 percent of the week's shipments; West European 14 percent; East European 4 percent; and Western Hemisphere 3 percent.

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 15, 1991

Spot quotations are in cents per pound for cotton equal to the Official Standards with mike readings of 35-49, net weight, in fixed 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 | |
| 80.00 | 78.75 | 76.00 | 76.50 | 79.00 | 77.75 | 74.75 | 75.00 | 33 | 79.25 | 77.75 | 73.75 | 74.45 | 75.75 | 75.75 | 73.75 | 73.75 |
| 82.00 | 81.50 | 79.00 | 79.75 | 81.75 | 80.50 | 77.25 | 77.50 | 34 | 81.75 | 80.50 | 76.50 | 77.20 | 79.75 | 79.75 | 77.75 | 77.75 |
| 82.25 | 81.75 | 79.25 | 80.00 | 82.35 | 81.25 | 77.85 | 78.10 | 35 | 81.85 | 80.60 | 76.60 | 77.30 | 79.85 | 79.85 | 77.85 | 77.85 |
| 82.40 | 81.90 | 79.40 | 80.15 | 82.45 | 81.35 | 77.95 | 78.20 | 36 | 81.95 | 80.70 | 76.70 | 77.40 | 79.85 | 79.85 | 77.85 | 77.85 |

| EAST TEXAS-OKLAHOMA | | | | WEST TEXAS | | | | SAN JOAQUIN VALLEY | | | |
|---------------------|-------|-------|-------|------------|-------|-------|-------|--------------------|-------|-------|-------|
| Grade | | | | Grade | | | | Grade | | | |
| 31 | 41 | 32 | 42 | 31 | 41 | 32 | 42 | 21 | 31 | 41 | 51 |
| 65.15 | 64.55 | 64.75 | 64.00 | 65.05 | 64.55 | 64.75 | 64.00 | 29 | - | - | - |
| 67.10 | 65.75 | 66.55 | 64.75 | 67.10 | 65.75 | 66.55 | 64.85 | 30 | - | - | - |
| 69.15 | 68.15 | 69.05 | 67.60 | 69.15 | 68.15 | 69.05 | 67.60 | 31 | - | - | - |
| 72.45 | 71.50 | 71.75 | 68.60 | 72.45 | 71.50 | 71.75 | 68.60 | 32 | - | - | - |
| 74.15 | 73.30 | 73.50 | 71.00 | 74.15 | 73.30 | 73.50 | 71.00 | 33 | - | - | - |
| 76.60 | 75.50 | 76.00 | 71.70 | 76.60 | 75.50 | 76.00 | 71.70 | 34 | 83.00 | 82.75 | 82.00 |
| 77.40 | 76.50 | 76.80 | 72.50 | 77.40 | 76.50 | 76.80 | 72.50 | 35 | 84.75 | 84.50 | 83.75 |
| 77.50 | 76.75 | 76.90 | 72.50 | 77.50 | 76.75 | 76.90 | 72.50 | 36 | 84.85 | 84.60 | 83.85 |
| 77.50 | 76.75 | 76.90 | 72.50 | 77.50 | 76.75 | 76.90 | 72.50 | 37 | 84.95 | 84.70 | 83.95 |

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 | 01 | 02 | 03 | 04 | 05 | 06 | Mike ranges | Points per pound |
|--------|--------|--------|--------|--------|-------|-------|-------------|------------------|
| | | | | | | | 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 | | | | Grade | | | | Grade | | | |
| 31 | 41 | 51 | 42 | 31 | 41 | 51 | 42 | 31 | 41 | 51 | 42 | 31 | 41 | 51 | |
| - | - | - | - | - | - | - | - | 29 | 78.25 | 75.25 | 78.25 | 75.75 | - | - | - |
| - | - | - | - | - | - | - | - | 30 | 80.25 | 77.50 | 80.25 | 78.00 | - | - | - |
| - | - | - | - | - | - | - | - | 31 | 81.50 | 79.00 | 81.50 | 79.50 | - | - | - |
| - | - | - | - | - | - | - | - | 32 | 83.00 | 79.75 | 83.00 | 80.25 | - | - | - |
| 88.75 | 87.50 | 85.50 | 86.00 | 89.25 | 88.00 | 85.75 | 86.25 | 33 | 85.25 | 81.00 | 85.25 | 81.75 | - | - | - |
| 89.75 | 88.25 | 86.50 | 87.00 | 90.25 | 88.75 | 86.75 | 87.25 | 34 | 87.50 | 82.75 | 87.50 | 83.50 | 92.25 | 91.25 | 88.50 |
| 90.25 | 89.00 | 87.00 | 87.50 | 90.75 | 89.50 | 87.25 | 87.75 | 35 | - | - | - | - | 93.75 | 92.75 | 89.75 |
| - | - | - | - | - | - | - | - | 36 | - | - | - | - | 94.00 | 93.00 | 89.75 |