

## UNITED STATES DEPARTMENT OF AGRICULTURE

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## Weekly Cotton Market Review

Vol. 66, No. 34

March 28, 1985

Spot cotton prices were firm, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading was slow. Growers were holding limited quantities of uncommitted cotton and very little was offered at prevailing prices. Demand was weak and merchants were primarily covering nearby needs. Domestic mills made limited purchases. Export trading was slow but increased in the San Joaquin Valley. Growers forward contracted a light volume of 1985-crop cotton. Wet fields restricted planting efforts in the Corpus Christi area. Planting neared completion in Harlingen, Texas, made good progress in Arizona, the El Centro, California, area and in southern portions of central Texas. Limited planting was done in the San Joaquin Valley of California. Domestic mill consumption of cotton for the first seven months this marketing year was the smallest since 1930-31. The average staple length of the 1984 U.S. upland cotton crop was 34.7 thirty-seconds inches, the longest since records began in 1940.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 61.41 cents per pound during the week ended Thursday, March 28. Prices ranged from a high of 61.92 cents on Friday to a low of 61.03 cents on Wednesday and ended the week at 61.19 cents. A week earlier, prices averaged 60.93 cents per pound and ranged from 59.78 to 61.75 cents. In the corresponding week a year ago, prices averaged 75.53 cents. The New York May 1985 futures settlement price ended the week on Thursday at 67.18 cents per pound compared with 67.55 cents a week earlier. The October settlement price was 65.51 cents against 65.30 cents last Thursday and the December price was 65.61 cents compared with 65.35 cents a week ago.

Trading remained slow on spot cotton markets. Grower-held supplies were light and very little cotton was offered. Although some merchant bid prices strengthened, many growers were unwilling to sell. Several merchants traded among themselves and with marketing organizations to fill commitments. Domestic mill buying was confined mainly to Texas Plains cotton for prompt to nearby delivery. Export trading remained fairly active in the San Joaquin Valley. Demand was best for grade 31 and a moderate volume traded. Purchases were made by both Far Eastern and European mills, mostly for April and May shipment. Purchases reported by cotton exchanges in the designated markets totaled 63,500 bales in the week ended Thursday, March 28. This compares with 86,500 bales a week earlier and 73,200 bales in the corresponding week last season.

Textile mill report. Mill demand for cotton remained weak. Mills were very selective, choosing qualities and growth areas carefully. Recent purchases were primarily Texas growths for prompt to nearby delivery. Mills continued to adjust shipments to balance with needs and to hold down inventories. Sales of yarn and numerous finished goods remained slack. Some mills received cancellation or hold orders on existing sales. Most mills continued to reduce output of goods where demand has weakened. Numerous yarn mills were on reduced work schedules. Some apparels and items for the household and industrial market were also in poor demand. Sportswear and underwear represented the bright side of the market with these products continuing to sell at a moderately active rate. Mill's work schedules ranged from three to five days.

Quality of ginnings. The 1984 United States upland cotton crop averaged 34.7 thirty-seconds inches in length. This was the longest average length since records began in 1940. Staple 36 was the predominant length, accounting for 35 percent of the crop. Grade 31 was the predominant grade in the 1984 crop, accounting for 22 percent of ginnings. This was the largest proportion of grade 31 in any crop since 1980 and was the second time grade 31 predominated since 1961. Grade 41 has normally been the predominant grade. Average mike was 39, the lowest since records were established in 1965. Average fiber strength was 26.1 grams per tex, the strongest since records began in 1980.

Domestic mill consumption of cotton averaged 20,000 bales per day during the four weeks ended February 23, according to the Bureau of the Census. This was up from 19,300 bales a month earlier but down from 22,400 bales per day in February 1984. Domestic mills consumed 400,400 bales during February, bringing consumption for the season (30 weeks) to 2,895,800 bales. This was the smallest usage for the first seven months of any season since 1930-31. Through February last year, mills had used 3,302,500 bales and two years ago 2,925,700 bales.

Stocks of cotton at mills totaled 864,700 running bales on February 23, up from 812,500 bales a month earlier, according to the Bureau of the Census. End-of-February stocks at mills this season were up from 712,700 bales a year earlier and 776,600 bales two years ago. At the February daily rate of consumption, mill stocks were equivalent to over eight and one-half week's supply. Stocks of cotton in public storage totaled 6,554,600 bales on February 23, down from 7,427,200 bales a month earlier. Public storage stocks amounted to 6,359,400 bales at the end of February last year and 10,546,000 bales two years ago.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 124.9 million pounds (about 260,200 bales of 480 pounds) in the four weeks ended February 23, according to the Bureau of the Census. Consumption for the first 30 weeks this season (August-February) totaled 910.2 million pounds (about 1,896,300 bales). This was the smallest usage for this period since 1974-75 and was down from 1,089.1 million pounds (about 2,269,000 bales) used through February a year ago.

All cotton: Domestic mill consumption and stocks, running bales, by months and seasons, 1980-1984

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>													
1980	443	456	597*	458	475*	435	446	539*	435	441	531*	385	5,664
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	453	560*	459	446	468*	469	448	548*	430	442	503*	354	5,628
1984 <u>3/</u>	416	494*	415	377	407*	387	400						
<u>Mill consumption per day</u>													
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	21.8
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	22.6	22.4	22.9	22.3	18.7	23.5	22.4	21.9	21.5	22.1	20.1	17.7	21.6
1984 <u>3/</u>	20.8	19.8	20.8	18.8	16.3	19.3	20.0						
<u>Stocks in consuming establishments 2/</u>													
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	712	639	556	554	611	647	713	741	766	766	822	795	-
1984 <u>3/</u>	715	645	542	560	683	812	865						
<u>Stocks in public storage 2/</u>													
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	6,168	5,870	7,119	8,570	8,790	7,525	6,359	4,997	3,956	2,966	2,212	1,761	-
1984 <u>3/</u>	1,491	1,432	3,386	6,321	7,551	7,427	6,555						

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 are adjusted data as reported in Supply and Distribution of Domestic and Foreign Cotton in the United States by Bureau of the Census.

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

3/ Preliminary.

\* Five-week month.

Grade and staple of upland cotton ginned in the United States, 1984-85

Grade	Staple														All staples	
	26 and shorter	28	29	30	31	32	33	34	35	36	37	38	39	40 and longer	Bales	Percent
<b>White:</b>																
11	1	2	5	30	104	95	74	126	224	601	86	189	25	6	1,348	*
21	14	30	452	3,482	8,734	7,007	4,267	7,330	42,568	148,602	38,431	189	25	6	261,137	2.1
31	-	1	8	144	946	1,230	846	441	823	3,842	1,918	26	1	1	10,227	0.1
41	293	1,407	3,592	17,944	46,798	53,219	50,439	87,298	486,886	1,503,672	436,099	5,055	592	112	2,693,406	21.7
51	13	81	360	2,549	8,485	11,431	13,191	22,610	73,745	169,456	62,363	2,238	308	45	366,875	3.0
61	724	4,958	14,151	48,667	99,124	105,580	120,907	191,895	454,882	833,579	296,928	17,706	2,563	367	2,192,031	17.7
71	8	107	399	2,249	6,957	8,848	11,643	39,350	66,033	310,508	66,877	2,699	347	60	170,947	1.4
81	342	2,639	9,204	39,089	94,808	108,678	139,331	301,219	569,322	1,177,331	337,332	4,387	531	63	1,189,304	9.6
91	-	2	21	66	216	359	364	569	2,115	7,773	22	1	1	-	5,840	*
01	29	162	769	4,129	13,837	20,196	23,761	29,280	39,605	29,083	5,030	550	81	4	166,516	1.3
101	-	6	22	133	464	757	1,203	2,679	3,656	2,659	313	26	6	-	11,924	0.1
<b>Total</b>	<b>1,424</b>	<b>9,395</b>	<b>28,983</b>	<b>118,483</b>	<b>280,475</b>	<b>317,400</b>	<b>355,271</b>	<b>493,233</b>	<b>1,443,143</b>	<b>3,069,822</b>	<b>932,037</b>	<b>32,898</b>	<b>4,455</b>	<b>658</b>	<b>7,069,677</b>	<b>56.9</b>
<b>Light Spotted:</b>																
12	-	-	-	2	3	5	-	1	7	2	-	-	-	-	20	*
22	15	95	259	1,423	2,112	1,248	650	433	951	1,765	218	3	1	-	9,173	0.1
32	965	4,606	10,580	31,270	40,620	25,889	17,081	21,895	88,782	139,300	24,434	820	91	10	406,343	3.3
42	2,786	17,695	46,052	135,874	202,430	149,043	118,810	205,483	378,558	355,230	95,705	8,349	934	197	1,717,146	13.8
52	1,351	9,664	29,179	103,961	189,490	171,998	171,977	310,839	772,934	704,685	106,615	5,862	650	64	2,579,269	20.8
62	105	758	2,493	9,730	23,453	29,406	38,143	58,477	85,799	56,312	7,342	609	78	12	312,717	2.5
<b>Total</b>	<b>5,222</b>	<b>32,818</b>	<b>88,563</b>	<b>282,260</b>	<b>458,108</b>	<b>377,589</b>	<b>346,661</b>	<b>597,128</b>	<b>1,327,031</b>	<b>1,257,294</b>	<b>234,314</b>	<b>15,643</b>	<b>1,754</b>	<b>283</b>	<b>5,024,668</b>	<b>40.5</b>
<b>Spotted:</b>																
13	-	-	-	2	1	5	-	4	10	13	21	1	-	-	103	*
23	5	26	88	88	128	114	91	114	308	214	39	3	-	5	1,132	*
33	86	313	542	1,456	2,062	1,659	1,261	2,144	5,590	6,979	730	21	2	-	22,845	0.2
43	164	920	2,068	5,137	7,960	6,305	6,016	11,658	20,404	17,477	3,012	208	32	8	81,369	0.7
53	63	454	1,142	3,251	6,479	7,508	9,249	16,715	29,932	23,766	3,144	135	22	6	101,866	0.8
63	18	98	288	736	1,481	2,467	4,342	6,147	7,015	4,811	541	31	6	2	27,923	0.2
<b>Total</b>	<b>331</b>	<b>1,790</b>	<b>4,006</b>	<b>10,670</b>	<b>18,111</b>	<b>18,058</b>	<b>20,963</b>	<b>36,788</b>	<b>63,262</b>	<b>53,292</b>	<b>7,487</b>	<b>396</b>	<b>62</b>	<b>22</b>	<b>235,238</b>	<b>1.9</b>
<b>Tinged:</b>																
24	1	-	2	-	-	8	19	13	11	36	8	1	-	-	99	*
34	23	81	109	176	176	124	160	351	554	313	40	1	-	2	2,110	*
44	79	248	355	612	609	369	281	811	1,495	1,343	163	8	8	4	6,385	0.1
54	31	100	172	358	518	409	492	990	1,814	1,105	141	4	4	2	6,140	*
<b>Total</b>	<b>134</b>	<b>429</b>	<b>638</b>	<b>1,146</b>	<b>1,303</b>	<b>910</b>	<b>952</b>	<b>2,165</b>	<b>3,874</b>	<b>2,797</b>	<b>352</b>	<b>14</b>	<b>12</b>	<b>8</b>	<b>14,734</b>	<b>0.1</b>
<b>Stained:</b>																
25	-	-	-	-	1	2	3	9	12	12	2	2	-	-	29	*
35	-	1	2	6	4	9	30	82	42	42	2	-	-	12	190	*
<b>Total</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>6</b>	<b>4</b>	<b>10</b>	<b>33</b>	<b>91</b>	<b>54</b>	<b>54</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>219</b>	<b>*</b>
<b>Light Gray:</b>																
16	-	-	-	-	2	-	-	1	2	4	1	-	-	-	10	*
26	-	-	1	14	72	151	300	440	695	1,177	152	-	-	-	3,002	*
36	1	-	1	30	100	292	827	2,758	6,205	5,901	696	5	-	17	16,833	0.1
46	-	-	3	9	23	47	229	1,311	1,876	2,598	308	-	-	3	6,407	0.1
<b>Total</b>	<b>-</b>	<b>-</b>	<b>5</b>	<b>53</b>	<b>197</b>	<b>490</b>	<b>1,356</b>	<b>4,510</b>	<b>8,778</b>	<b>9,680</b>	<b>1,157</b>	<b>5</b>	<b>-</b>	<b>20</b>	<b>26,252</b>	<b>0.2</b>
<b>Gray:</b>																
17	-	-	-	-	-	-	-	-	61	57	11	-	-	-	184	*
27	-	-	-	7	11	21	41	116	257	70	70	-	1	5	690	*
37	-	-	-	4	19	108	355	312	288	61	61	-	-	2	1,149	*
47	-	-	-	7	16	41	149	568	602	142	142	-	1	8	2,023	*
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>16</b>	<b>41</b>	<b>149</b>	<b>568</b>	<b>889</b>	<b>399</b>	<b>399</b>	<b>58</b>	<b>18</b>	<b>4</b>	<b>45,953</b>	<b>0.4</b>
<b>Below Grade 1/</b>	<b>34</b>	<b>96</b>	<b>256</b>	<b>1,050</b>	<b>2,612</b>	<b>4,688</b>	<b>9,589</b>	<b>14,376</b>	<b>8,374</b>	<b>3,874</b>	<b>9,589</b>	<b>18</b>	<b>18</b>	<b>8</b>	<b>45,953</b>	<b>0.4</b>
<b>All grades</b>	<b>7,146</b>	<b>44,529</b>	<b>122,455</b>	<b>413,675</b>	<b>760,826</b>	<b>719,186</b>	<b>714,943</b>	<b>1,148,801</b>	<b>2,857,565</b>	<b>4,397,415</b>	<b>1,175,892</b>	<b>49,014</b>	<b>6,302</b>	<b>1,015</b>	<b>12,418,764</b>	<b>2/ 100.0</b>
<b>All grades</b>	<b>0.1</b>	<b>0.4</b>	<b>1.0</b>	<b>3.3</b>	<b>6.1</b>	<b>5.8</b>	<b>5.8</b>	<b>9.3</b>	<b>23.0</b>	<b>35.4</b>	<b>9.5</b>	<b>0.4</b>	<b>0.1</b>	<b>0.1</b>	<b>100.0</b>	<b>100.0</b>
1/ Lower in grade than the lowest grades of the official standards.																
2/ As reported by the Bureau of the Census, running bales.																
3/ Less than 0.05 percent.																
Average staple.....																
Percent tenderable.....																
Percent Average Rule Used (ARU).....																
Percent grade reductions.....																

China is aggressively pursuing cotton export markets throughout the African continent, according to the Foreign Agricultural Service, USDA. Samples of Chinese cotton could be seen in textile mills in a half dozen countries, including Egypt, Zaire and South Africa. In a number of cases, China was reportedly offering cotton at below world prices and discussing alternative financial terms that covered barter arrangements and payment in non-convertible currencies. With a crop in excess of 27 million bales and mounting stocks, the Chinese are taking an active role as world cotton traders in an effort to increase exports.

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						Desig. 8- Mkt. Avg.	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement							
	May '85	Jul '85	Oct '85	Dec '85	Mar '86	May '86		
Mar. 21	67.55	66.03	65.30	65.35	66.50	66.99	61.63	67.35
22	67.94	66.35	65.35	65.30	66.50	67.07	61.92	67.35
25	67.48	65.80	65.22	65.18	66.20	66.65	61.48	67.35
26	67.40	65.70	65.15	65.25	66.30	66.80	61.42	67.45
27	67.05	65.59	65.30	65.38	66.66	67.20	61.03	67.50
28	67.18	66.00	65.51	65.61	66.73	67.50	61.19	67.55

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					Desig. 5-Mkt. Average 1/
	Futures Settlement					
	May '85	Jul '85	Oct '85	Dec '85	Mar '86	
Mar. 21	57.37	57.19	-	57.45	-	50.75
22	58.56	57.87	-	57.53	-	50.98
25	57.85	57.35	-	57.35	-	50.56
26	57.90	57.51	-	57.40	-	50.51
27	57.80	57.50	-	57.40	-	50.10
28	57.75	57.50	-	57.55	-	50.28

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 March 22		Through March 21	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,479,600	-	1,986,600
Exports	199,500	4,121,900	189,600	4,207,600
Total export commitments	-	6,601,500	-	6,194,200
New sales	71,200	-	60,600	-
Buy-backs and cancellations	47,200	-	33,800	-
Net sales	24,000	-	26,800	-
Sales next marketing year	118,700	763,200	65,200	364,900

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

Upland cotton export sales for the current marketing year totaled 26,800 running bales during the week ended March 21, according to the Foreign Agricultural Service, USDA. Major purchases by the USSR of 22,000 bales and Japan 17,400 were partially offset by net reductions for Israel of 5,300 bales, Romania 5,000, Spain 3,800 and unknown destinations of 3,000 bales. Sales for the 1985-86 marketing year totaled 65,200 bales. Purchases were primarily by Japan with 41,300 bales and South Korea 21,700 bales. Exports for the week amounted to 189,600 bales. Asian destinations accounted for 57 percent of the week's shipments, Western Europe 25 percent and Africa 15 percent.