

UNITED STATES DEPARTMENT OF AGRICULTURE



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Weekly Cotton Market Review
(Week ended May 10)

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Trading remained slow on spot cotton markets, according to the Cotton Division, Agricultural Marketing Service, USDA. Prices were higher. Only a small amount of cotton was offered by growers as supplies were nearly exhausted. Merchant demand was weak. Domestic mill purchases were mostly of new-crop cotton. Export trading was slow. Growers in a few states forward contracted a light volume of 1984-crop cotton. Rains continued to delay planting and land preparation in southern states. Crop progress remained limited in some western localities because of dry conditions. United States all cotton production totaled 7.77 million 480 pound net weight bales in 1983, the smallest crop since 1967.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 78.55 cents per pound during the week ended Thursday, May 10. Prices ranged from a low of 78.31 cents on Friday to a high of 79.01 cents on Monday and ended the week at 78.36 cents. The daily high of 79.01 cents was a new marketing year record and the highest price since June 16, 1981. A week earlier, prices averaged 77.52 cents per pound, ranging from 76.89 to 78.43 cents. In the corresponding week a year ago, the average price was 66.98 cents. The New York July 1984 futures settlement price ended the week on Thursday at 82.40 cents per pound compared with 83.08 cents a week earlier. The October settlement price was 79.60 cents against 80.10 cents last Thursday and the December price was 77.14 cents compared with 77.37 cents a week earlier.

Trading continued slow on most spot cotton markets. Grower-held supplies neared depletion and the volume of offerings was light. A few growers that were holding for higher prices decided to sell as prices reached more acceptable levels. Most merchants had immediate needs fairly well covered and were not actively seeking cotton. Domestic mill inquiries were more numerous for 1984-crop cotton and trading was a little more active. Mills continued to buy a light volume for fill-ins. Export trading was slow and included a light volume for prompt or nearby shipment and a light to moderate volume of 1984 crop for October through March 1985 delivery. Purchases reported by cotton exchanges in the designated markets totaled 30,600 bales in the week ended Thursday, May 10. This compares with 65,600 bales a week earlier and 87,000 bales in the corresponding week last season.

Textile mill report. Mill interest improved for 1984-crop cotton and inquiries and purchases increased slightly. Buying was mostly of central and western growths for October and later shipment. Most mills have their primary needs covered but continued to buy a light volume for fill-ins. Shipper asking prices continued to strengthen and some qualities were not being offered for summer delivery. Mill business remained steady. New orders extended into last quarter months for some items. Most plants were operating five to six days per week. Yarn, materials for sportswear, underwear and most household goods continued to sell readily. Sales of other constructions were mixed.

Crop progress. In the San Joaquin Valley of California, replanting was about completed following a spell of below normal temperatures and drying winds. Extra irrigations were required in some localities because of the winds. Some replanting was necessary in Arizona following the recent cold weather. A small volume of cotton remains to be planted when other crops are harvested. High winds and low nighttime temperatures hampered development of the crop in New Mexico but most cotton was up to stands. In Oklahoma, a few localities received rains but most areas were still too dry for planting. Planting was

under way on irrigated acreages. In Texas, Plains area growers began planting irrigated acreages when soil temperatures reached minimum germination requirements. Dryland growers were expected to wait until the last minute of prime planting time or after a rain, whichever comes first. Lack of rainfall continued to cause problems in south central Texas. Planting was under way in north central Texas following beneficial rains. The Harlingen area crop remained in good condition, despite the prolonged dry spell. Showers were reported in a few localities. Heavy rains stopped planting in Arkansas. About one-fourth of the intended acreage was seeded prior to the rains but emerging stands did not look good in many localities. Rain and cool temperatures continued to delay planting in Missouri. Fields were saturated and several dry days will be necessary before planting can resume. Rains continued to deter planting in Tennessee. Only a limited amount of planting was done before the rains and growers indicated it was too early to know if satisfactory stands will result. Frequent, sometimes heavy, rainfall continued to hamper cotton planting in Mississippi. Less than one-half of the state's cotton acreage had been planted. Earlier planted fields were up to stands. Heavy rains kept fields wet in some localities in Louisiana but were welcomed by growers in drier areas. Growers in northeastern parts of the state had a large portion of their crop planted and a few fields were up to stands. Planting was behind schedule in southeastern parts of the state and fields were wet. In Alabama, rain, high winds and cool temperatures hampered planting. Northern portions of the state were approaching 90 percent planted but southern portions were less than one-half completed. Some replanting will be needed. A few fields were up to stands. In Georgia, about two-thirds of the expected crop was planted prior to heavy rains. Good stands were reported on earlier planted fields. Growers in North Carolina and South Carolina made some planting progress between rains. About one-half of the crop had been planted and cotton was emerging to a good stand.

Cottonseed: Production, season average price received by farmers and value of production, by states, 1982 and 1983 crops 1/

State	Production		Price per ton		Value of production	
	1982	1983	1982	1983	1982	1983
	1,000 tons		Dollars		1,000 dollars	
Alabama	160.0	67.0	67.00	161.00	10,720	10,787
Arizona	495.0	302.4	80.00	169.00	39,600	51,106
Arkansas	200.0	120.0	64.50	157.00	12,900	18,840
California	1,261.0	789.0	90.50	168.00	114,121	132,552
Florida	7.4	5.8	60.00	140.00	444	812
Georgia	85.0	41.0	66.50	190.00	5,653	7,790
Kansas	<u>2/</u>	0.1	-	182.00	-	18
Louisiana	327.0	196.0	63.50	172.00	20,765	33,712
Mississippi	650.0	335.0	64.00	165.00	41,600	55,275
Missouri	78.0	29.0	62.00	162.00	4,836	4,698
Nevada	0.4	-	90.00	-	36	-
New Mexico	39.0	34.3	82.00	168.00	3,198	5,762
North Carolina	34.0	16.0	58.00	163.00	1,972	2,608
Oklahoma	95.0	58.0	71.00	182.00	6,745	10,556
South Carolina	58.0	20.0	63.00	176.00	3,654	3,520
Tennessee	132.0	60.0	69.00	161.00	9,108	9,660
Texas	1,122.0	1,002.0	81.00	163.00	90,882	163,326
Virginia	0.1	0.1	55.50	163.00	6	16
U. S.	4,743.9	3,075.7	77.00	166.00	366,240	511,038

1/ 1983 crop preliminary.

2/ Less than 50 tons.

United States cotton production totaled 7.77 million 480 pound net weight bales, down 35 percent from 1982 and 50 percent below 1981 production, according to the Crop Reporting Board, SRS, USDA. Upland accounted for 7.68 million bales and American Pima 94,700 bales. Planted area, at 7.95 million acres, was 30 percent below 1982 plantings. Harvested area totaled 7.37 million acres, a 24 percent decline from 1982. Abandonment in 1983 was 7.3 percent of the planted acreage, compared with 14.2 percent in 1982 and the five year (1977-81) average of 6.2 percent. Favorable growing conditions during October and open harvest weather in November and December reduced the effects of a late September freeze in the northern High Plains of Texas. The unusually high abandonment in 1982 resulted from extensive acreage losses in Texas due to severe May and June weather. The average yield per harvested acre was 506 pounds in 1983, 84 pounds below the record high yield of 590 pounds in 1982. Growing conditions were generally favorable throughout the producing belt except in the southeastern states where dry weather cut yields sharply.

The preliminary 1983 season average price for lint is 66.60 cents per pound, up 7.20 cents from 1982. Value of lint and seed for the 1983 crop totaled \$3.00 billion, 21 percent below the previous year.

The 1983 cottonseed production, at 3.08 million tons, was 35 percent below 1982. Preliminary season average price is \$166.00 per ton compared with \$77.00 in 1982. In 1983, 89 percent of cottonseed production was sold to oil mills, compared with 75 percent in 1982, reflecting the higher 1983 price.

All cotton: Acreage planted, harvested, yield per acre, production in 480 pound net weight bales and value of production, 1983 crop

State	Planted	Harvested	Yield	Production ^{1/}	Value of Production ^{2/}
	1,000 acres	1,000 acres	Pounds	1,000 bales	1,000 dollars
Upland					
Alabama	219.0	215.0	409	183.0	57,711
Arizona	291.0	284.0	1,225	725.0	236,988
Arkansas	340.0	310.0	500	323.0	102,481
California	960.0	950.0	996	1,971.0	699,153
Florida	12.5	12.0	608	15.2	4,823
Georgia	120.0	115.0	467	112.0	36,073
Kansas	0.4	0.4	240	0.2	55
Louisiana	420.0	410.0	623	532.0	167,516
Mississippi	687.0	675.0	640	900.0	282,096
Missouri	108.0	93.0	377	73.0	24,002
New Mexico	56.0	47.0	715	70.0	24,931
North Carolina	60.0	59.0	350	43.0	14,572
Oklahoma	320.0	300.0	232	145.0	40,229
South Carolina	69.0	69.0	369	53.0	18,444
Tennessee	220.0	215.0	337	151.0	49,576
Texas	4,000.0	3,550.0	322	2,380.0	677,443
Virginia	0.4	0.4	360	0.3	105
U. S.	7,883.3	7,304.8	504	7,676.7	2,436,198
American Pima					
Arizona	29.5	29.3	768	46.9	23,187
New Mexico	11.1	11.1	683	15.8	8,797
Texas	22.4	22.3	689	32.0	17,357
U. S.	63.0	62.7	725	94.7	49,341
U. S. all cotton	7,946.3	7,367.5	506	7,771.4	2,485,539

^{1/} Production ginned and to be ginned.

^{2/} Average to April 1, 1984, with no allowance for unredeemed loans.

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							
	May '84	Jul '84	Oct '84	Dec '84	Mar '85			
May 3	83.60	83.08	80.10	77.37	78.60	78.43	89.35	
4	83.40	82.92	79.85	77.31	78.40	78.31	89.45	
7	84.31	83.77	80.44	77.70	78.90	79.01	HOLIDAY	
8	82.39	82.84	79.80	77.16	78.45	78.34	89.75	
9	-	83.25	80.10	77.45	78.80	78.71	89.30	
10	-	82.40	79.60	77.14	78.22	78.36	89.35	

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 May 5		Through May 3	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,510,500	-	1,701,300
Exports	95,000	3,601,700	178,600	5,165,700
Total export commitments	-	5,112,200	-	6,867,000
New sales	41,200	-	39,700	-
Buy-backs and cancellations	8,900	-	28,000	-
Net sales	32,300	-	11,700	-
Sales next marketing year	36,600	1,083,600	12,600	1,108,500

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

Upland cotton export sales for the current marketing year resulted in a net increase of 11,700 running bales during the week ended May 3, according to the Foreign Agricultural Service, USDA. Major new purchases were by Indonesia with 8,800 bales, Thailand 4,700 and West Germany 3,500 bales. These purchases were partially offset by reductions for the Philippines of 4,000 bales and unknown destinations 3,400 bales. Sales for the 1984-85 marketing year totaled 12,600 bales and were primarily to South Korea with 3,800 bales, Taiwan 3,100 and Malaysia and Thailand each with 2,000 bales. Weekly exports of 178,600 bales exceeded shipments a week earlier and the four-week average. Asian destinations accounted for 67 percent, the USSR 17 percent and Western Europe 14 percent of the week's shipments.