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Weekly Cotton Market Review  
(Week ended May 12)

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Spot cotton prices increased sharply, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading was restricted by a very light volume of grower offerings. Forward contracting of the 1983 crop was more active in some localities. Trading of PIK entitlements was slow. Planting made good progress and was nearing completion in most areas except in Oklahoma and on the Texas Plains. United States cotton growers expect to plant 8.13 million acres in 1983, down 28 percent from 1982 plantings.

Spot cotton prices were sharply higher. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets ended the week on Thursday, May 12, at 66.79 cents per pound. This was up 1.58 cents from 65.21 cents a week earlier. On the corresponding Thursday last season, the average was 62.54 cents. The New York July 1983 futures settlement price ended the week on Thursday at 73.10 cents per pound compared with 71.41 cents a week ago. The December settlement price was 73.97 cents against 72.49 cents last Thursday.

Trading remained slow on spot cotton markets. Growers were holding very little uncommitted cotton and offerings were light. Merchant demand was fairly good and bid prices were higher. Domestic and foreign mill purchases were light. Purchases reported by cotton exchanges in the designated markets totaled 87,000 bales in the week ended Thursday, May 12. This compares with 77,700 bales a week earlier and 122,800 bales in the corresponding week last season.

Textile mill report. Domestic mill business continued on a slow upward trend with some mills buying cotton to cover product sales and for fill-in purposes. Purchases, however, were spotty and irregular. Sales of denim, lightweight knits, sportswear, sheeting and towels were strong. Most garment goods, household products and yarn sales continued to show improvement. Mills continued to operate mostly five or six day weeks with a few on seven days, depending on the product manufactured.

USDA offers to acquire 1982-crop upland cotton under loan. The U. S. Department of Agriculture is offering to acquire cotton from farmers who have pledged cotton as collateral for Commodity Credit Corporation price support loans.

The heavy signup for participation in the Payment-in-Kind program makes it necessary for the CCC to either acquire additional cotton from farmers or to exercise USDA's previously announced option of requiring farmers to obtain CCC loans on their 1983 crop for PIK purposes.

CCC will acquire the cotton for an amount which is equal to that amount which is necessary for farmers to liquidate their CCC loan obligations. Farmers with CCC-loan cotton have through the close of business May 26 to submit offers at the county Agricultural Stabilization and Conservation Service office where the loan was obtained to sell their cotton to CCC. All zero offers will be accepted by USDA.

In addition, there may be some farmers with cotton loan collateral who will require additional compensation before selling their cotton to CCC. In these cases, farmers may submit competitive bids as to the amount of additional compensation which is required. The bids must specify the quantity of cotton which the farmer offers to sell to CCC and the number of bales which CCC must pay the farmer in-kind as additional compensation. Bids will be received by the local ASCS office beginning May 16 and ending May 26.



CCC may reject any bid that includes in-kind compensation. The factors used in determining whether any of these bids will be accepted include the total cost to the government, the location and quality of the cotton and total needs. If such bids are accepted, the farmer will receive the in-kind compensation immediately.

USDA's offer to purchase the cotton is open to all farmers with 1982-crop upland cotton pledged as loan collateral and will not be limited to those farmers participating in the PIK program. However, USDA will not purchase cotton which has been designated to meet PIK requirements.

CCC will not accept offers which specify a bid of more than 1 bale of payment-in-kind compensation for a 15 bale offer or a bid offer combination which would result in the grower receiving compensation in excess of 7 percent of the total bales offered.

May planting intentions. Planted acreage of all cotton in 1983 is expected to total 8.13 million acres. If realized, this acreage would be 28 percent less than 1982 plantings and down 43 percent from 1981. The prospective acreage includes 8.06 million acres of upland and 68,000 acres of American Pima.

In the southeastern states -- Alabama, Georgia, North Carolina and South Carolina -- growers intend to plant 470,000 acres of cotton, down 24 percent from last year.

Acreage in the Delta states -- Arkansas, Louisiana, Mississippi, Missouri and Tennessee -- is forecast at 1.69 million acres, 30 percent less than a year ago.

Growers in Oklahoma and Texas intend to plant 4.68 million acres of upland cotton in 1983, 25 percent less than the 1982 acreage.

Intended upland acreage in the western states -- Arizona, California and New Mexico -- is 1.21 million acres, down 37 percent from 1982.

All cotton: Planted acreage, by states, 1981, 1982 and prospective plantings, 1983

State	1981	1982	Prospective 1983		1983 as percent of 1982
			February	May	
<u>Upland</u>			<u>1,000 acres</u>		<u>Percent</u>
Alabama	377.0	287.0	225.0	200.0	70
Arizona	600.0	466.0	310.0	300.0	64
Arkansas	610.0	410.0	375.0	300.0	73
California	1,540.0	1,380.0	1,100.0	850.0	62
Florida	18.0	16.0	12.0	10.0	63
Georgia	180.0	163.0	145.0	140.0	86
Louisiana	700.0	605.0	400.0	400.0	66
Mississippi	1,230.0	1,000.0	800.0	660.0	66
Missouri	242.0	154.0	150.0	110.0	71
Nevada	1.1	0.7	-	-	-
New Mexico	136.0	79.0	70.0	57.0	72
North Carolina	83.0	71.0	55.0	55.0	77
Oklahoma	650.0	480.0	450.0	380.0	79
South Carolina	119.0	97.0	85.0	75.0	77
Tennessee	325.0	260.0	240.0	220.0	85
Texas	7,460.0	5,800.0	4,800.0	4,300.0	74
Virginia	0.4	0.3	0.2	0.2	67
U. S.	14,271.5	11,269.0	9,217.2	8,057.2	71.5
<u>American Pima</u>					
Arizona	33.8	41.8	31.0	35.0	84
New Mexico	7.1	9.5	11.0	12.0	126
Texas	17.7	19.6	22.0	21.0	107
U. S.	58.6	70.9	64.0	68.0	95.9
<u>U. S. all cotton</u>	14,330.1	11,339.9	9,281.2	8,125.2	71.7

Source: Crop Reporting Board, Statistical Reporting Service, USDA.

United States Department of Agriculture, Agricultural Marketing Service, Cotton Division



United States cotton production totaled 12.0 million 480 pound net weight bales in 1982, 23 percent less than in 1981 but 8 percent more than 1980 production, according to the Crop Reporting Board, SRS, USDA. Upland cotton accounted for 11.9 million bales and American Pima 98,700 bales. Planted area, at 11.3 million acres, was down 21 percent from 1981. Harvested area totaled 9.73 million acres, a 30 percent decline from 1981. Abandonment in 1982 was 14.2 percent of the planted acreage, compared with 3.4 percent in 1981, and the 5 year (1976-80) average of 6.8 percent. Much of the abandonment occurred in the High Plains of Texas where severe weather destroyed about 1.5 million acres in late May and early June. The U. S. yield per harvested acre of all cotton was a record high 593 pounds, 50 pounds above 1981 and 46 pounds above the previous record high set in 1979. Nine states in the Delta and Southeast established new record high yields. Except for a slow start due to cool, stormy weather in Arizona, Texas and California, growing conditions were near ideal throughout the belt.

The Bureau of the Census reported 11,526,035 running bales ginned during the 1982 season compared with 15,150,260 running bales ginned in 1981. Ginnings in 1982 totaled 11,988,508 equivalent 480 pound net weight bales.

The preliminary 1982 season average price for lint is 58.00 cents per pound, up 3.70 cents from 1981. Value of lint and seed for the 1982 crop totaled \$3.71 billion, 20 percent below the previous year.

The 1982 cottonseed production, at 4.76 million tons, was 26 percent below 1981 production. The preliminary season average price is \$77.50 per ton compared with \$86.00 in 1981.

All cotton: Acreage planted, harvested, yield per acre, production in 480 pound net weight bales and value of production, 1982-crop

State	Planted	Harvested	Yield	Production 1/	Value of Production 2/
	1,000 acres	1,000 acres	Pounds	1,000 bales	1,000 dollars
<u>Upland</u>					
Alabama	287.0	285.0	775	460.0	127,843
Arizona	466.0	465.0	1,130	1,095.0	309,578
Arkansas	410.0	390.0	657	534.0	148,666
California	1,380.0	1,370.0	1,093	3,120.0	943,488
Florida	16.0	15.0	627	19.6	5,287
Georgia	163.0	158.0	714	235.0	61,927
Louisiana	605.0	595.0	702	870.0	239,285
Mississippi	1,000.0	990.0	853	1,760.0	494,208
Missouri	154.0	151.0	648	204.0	59,144
Nevada	0.7	0.7	617	0.9	320
New Mexico	79.0	68.0	551	78.0	22,464
North Carolina	71.0	70.0	699	102.0	30,355
Oklahoma	480.0	450.0	254	238.0	54,721
South Carolina	97.0	95.0	783	155.0	44,268
Tennessee	260.0	255.0	638	339.0	93,889
Texas	5,800.0	4,300.0	301	2,700.0	659,664
Virginia	0.3	0.3	640	0.4	115
U. S.	11,269.0	9,658.0	592	11,910.9	3,295,222
<u>American Pima</u>					
Arizona	41.8	41.6	760	65.9	31,632
New Mexico	9.5	9.4	511	10.0	4,944
Texas	19.6	19.5	561	22.8	11,272
U. S.	70.9	70.5	672	98.7	47,848
<u>U. S. all cotton</u>	11,339.9	9,728.5	593	12,009.6	3,343,070

1/ Production ginned and to be ginned.

2/ Average to April 1, 1983, with no allowance for unredeemed loans.

Source: Crop Reporting Board, Statistical Reporting 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					8-market average	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement						
	Jul '83	Oct '83	Dec '83	Mar '84	May '84		
May 5	71.41	72.40	72.49	73.82	74.15	65.21	80.10
6	72.38	73.20	73.31	74.40	74.80	66.00	80.25
9	74.04	74.50	74.39	75.50	75.50	67.40	80.75
10	74.15	74.70	74.68	75.70	75.80	67.61	81.70
11	73.42	74.35	74.37	75.30	76.70	67.12	81.75
12	73.10	74.00	73.97	75.30	75.60	66.79	82.00

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

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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				
	Jul '83	Oct '83	Dec '83	Mar '84	
May 5	59.00	-	59.30	-	58.13
6	59.00	-	59.30	-	58.81
9	59.15	-	59.30	-	59.90
10	59.15	-	59.30	-	60.17
11	59.15	-	59.30	-	59.73
12	59.15	-	59.30	-	59.44

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

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U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1981-82 and 1982-83

Description	Marketing Year			
	1981-82		1982-83	
	Through May 6		Through May 5	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	1,649,900	-	1,510,500
Exports	118,900	4,977,400	95,000	3,601,700
Total export commitments	-	6,627,300	-	5,112,200
New sales	35,700	-	41,200	-
Buy-backs and cancellations	15,600	-	8,900	-
Net sales	20,100	-	32,300	-
Sales next marketing year	36,500	599,500	36,600	1,083,600

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

Upland cotton export sales activity slowed during the week ended May 5, according to the Foreign Agricultural Service, USDA. Sales for the 1982-83 marketing year totaled 32,300 running bales. Major buyers were Taiwan 14,600 bales; Hong Kong 7,200 and South Korea 7,100 bales. Sales for the 1983-84 marketing year totaled 36,600 bales. Principal buyers were Taiwan 14,600 and Spain 6,400 bales. Weekly exports of 95,000 bales were 30 percent below a week earlier and 32 percent below the four-week average. Asian destinations accounted for 82 percent of the week's exports and European destinations 10 percent. Previously reported exports to Yugoslavia totaling 42,800 bales were corrected to Romania.