

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

COTTON DIVISION

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TEXAS

Weekly Cotton Market Review

(Week ended May 20)

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Trading on spot cotton markets was restricted by a light volume of grower offerings, according to the Cotton Division, Agricultural Marketing Service, USDA. Prices were lower most of the period. Merchant demand was limited. Domestic and foreign mill purchases continued light. Forward contracting of 1982-crop cotton by growers slowed. Severe weather interrupted land preparation and planting on the Texas Plains and in Oklahoma. Planting neared completion in most other localities.

Spot cotton prices. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets declined from 62.08 cents per pound on Friday, May 14, to 61.68 cents on Monday. Prices moved slightly higher on Tuesday and Wednesday and ended the week on Thursday, May 20, at 62.35 cents. This compares with 62.54 cents last week and 78.38 cents on the corresponding Thursday last season. The New York July futures settlement price ended the week on Thursday at 67.34 cents per pound compared with 67.77 cents a week earlier. The December settlement price was 71.64 cents against 72.03 cents last Thursday.

Trading remained slow in most spot markets. Demand was generally weak and growers were reluctant to sell at prices offered. Inter-merchant trading accounted for some activity. Domestic mills restricted buying to a light volume, mostly for prompt or nearby delivery. Export trading was slow. Far Eastern mills were the major buyers with shipments scheduled through September. Purchases reported by cotton exchanges in the designated markets totaled 123,500 bales in the week ended Thursday, May 20. This compares with 122,800 bales a week earlier and 45,000 bales in the corresponding week last season.

Textile mill report. Mills continued to buy conservatively. Purchases were light in volume and primarily for shipment before new-crop movement. Interest in 1982-crop cotton increased slightly and a small quantity was purchased for first quarter and later shipment. Widely varying conditions existed in the textile market. Selected lightweight apparels, velour, underwear, sports and athletic goods remained in fair to good demand. On the other hand, industrials, household and automotive products continued to reflect market weakness. Mills remained vigilant concerning inventories of both raw cotton and manufactured products. Most mills outturning slower selling items remained on production curtailment.

CCC loan entries of 1981-crop cotton totaled 9,100 running bales in the week ended May 12. This brought entries for the season to 6,034,300 bales. Repayments were made on 130,300 bales during the week, bringing repayments for the season to 1,388,600 bales. Loans were outstanding on 4,645,700 bales, of which 2,324,600 were Form A (producer) and 2,321,100 were Form G (cooperative) loans. A total of 118,500 bales of 1980-crop cotton remained in the loan, of which 47,300 were Form A and 71,200 were Form G.

1982 Upland cotton loan program differentials. Schedules of premiums and discounts for grade, staple and micronaire differences were released by the Commodity Credit Corporation, USDA, May 14. The 1982 upland loan rate of 57.08 cents per pound, basis Strict Low Middling 1-1/16 inches (grade 41 staple 34) cotton, micronaire 35-49, net weight, at average location was announced January 29. The 1982 rate is 4.62 cents per pound above 1981. The schedules of premiums and discounts for grade, staple and micronaire differentials will apply to this rate. A schedule showing base loan rates at each approved warehouse location will be issued later.

Final 1982 upland acreage reduction sign up. Growers enrolled 14.1 million acres of upland cotton in the 1982 upland cotton program. This represents 92 percent of the 15.3 million acre base. Growers who signed up to participate in the acreage reduction program for upland cotton agree to reduce their base acreage by 15 percent. The acreage taken out of production will be devoted to conservation uses. Producers who signed up and later certify their planted acreage will be eligible for program benefits such as target price protection and Commodity Credit Corporation loans.

Final 1982 upland acreage reduction sign up

State	Farms with upland cotton acreage bases			Upland cotton acreage bases		
	Total number	Number enrolled	Percent enrolled	Total acres	Acres enrolled	Percent enrolled
Alabama	7,330	4,872	66.47	404,979.2	344,039.3	84.95
Arizona	2,083	1,587	76.19	601,837.5	517,064.3	85.91
Arkansas	8,050	5,580	69.32	632,414.9	551,390.7	87.19
California	6,327	4,502	71.16	1,551,384.5	1,360,668.2	87.71
Florida	297	213	71.72	17,685.9	12,924.9	73.08
Georgia	2,909	1,663	57.17	205,950.6	159,146.6	77.27
Kansas	5	2	40.00	73.8	10.3	13.96
Kentucky	1	-	-	0.5	-	-
Louisiana	7,571	6,609	87.29	718,346.6	680,699.7	94.76
Mississippi	12,636	9,786	77.45	1,303,388.3	1,177,738.3	90.36
Missouri	4,343	3,788	87.22	263,482.9	247,568.7	93.96
Nevada	8	7	87.50	1,035.1	1,021.1	98.65
New Mexico	2,307	1,904	82.53	167,342.3	152,152.4	90.92
North Carolina	2,263	1,682	74.33	89,345.9	80,124.0	89.68
Oklahoma	9,712	8,379	86.27	752,660.9	696,790.0	92.58
South Carolina	1,867	1,244	66.63	131,011.0	113,589.0	86.70
Tennessee	7,619	6,278	82.40	336,046.2	302,222.7	89.93
Texas	62,810	53,801	85.66	8,131,089.4	7,717,837.2	94.92
Virginia	11	10	90.91	392.7	375.1	95.52
U. S. Total	138,149	111,907	81.00	15,308,468.2	14,115,362.5	92.21

CCC loan premiums and discounts for grade and staple length of 1982-crop American upland cotton basis grade 41 staple 34 (SLM 1-1/16"), net weight

Grade	Code	Staple length (inches)								
		29/32	15/16	31/32	1	1-1/32	1-1/16	1-3/32	1-1/8	1-5/32
		(29) & shorter	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37) & longer
		Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	
<u>WHITE</u>										
SM & better	(21)	-980	-810	-545	-365	-40	+170	+210	+235	+350
MID Plus	(30)	-1000	-825	-570	-390	-60	+145	+190	+220	+325
MID	(31)	-1005	-840	-575	-400	-75	+130	+170	+200	+305
SLM Plus	(40)	-1050	-875	-620	-460	-155	+50	+90	+120	+220
SLM	(41)	-1075	-900	-650	-505	-200	B	+40	+65	+165
LM Plus	(50)	-1175	-1015	-765	-640	-420	-250	-220	-200	-105
LM	(51)	-1240	-1080	-835	-735	-560	-390	-365	-330	-250
SGO Plus	(60)	-1515	-1430	-1335	-1280	-1095	-1015	-1000	-975	-960
SGO	(61)	-1565	-1480	-1385	-1345	-1180	-1100	-1085	-1060	-1050
GO Plus	(70)	-1845	-1780	-1700	-1665	-1535	-1465	-1455	-1435	-1430
GO	(71)	-1900	-1835	-1775	-1740	-1610	-1550	-1535	-1520	-1510
<u>LIGHT SPOTTED</u>										
SM & better	(22)	-1030	-865	-610	-455	-120	+75	+110	+140	+230
MID	(32)	-1075	-910	-650	-510	-210	-10	+25	+55	+140
SLM	(42)	-1195	-1060	-815	-710	-530	-365	-340	-310	-230
LM	(52)	-1460	-1345	-1215	-1190	-1090	-1005	-990	-975	-960
<u>SPOTTED</u>										
SM & better	(23)	-1280	-1195	-1110	-1030	-715	-590	-575	-550	-540
MID	(33)	-1355	-1275	-1185	-1115	-930	-815	-810	-785	-770
SLM	(43)	-1535	-1465	-1415	-1380	-1260	-1190	-1180	-1175	-1160
LM	(53)	-1720	-1660	-1630	-1610	-1505	-1455	-1445	-1430	-1415
<u>TINGED 1/</u>										
SM	(24)	-1650	-1575	-1550	-1525	-1510	-1495	-1495	-1335	-1335
MID	(34)	-1690	-1610	-1585	-1560	-1545	-1535	-1535	-1380	-1380
SLM	(44)	-1765	-1695	-1675	-1660	-1645	-1635	-1635	-1490	-1490
LM	(54)	-1890	-1820	-1795	-1775	-1765	-1755	-1750	-1615	-1615
<u>LIGHT GRAY</u>										
SM & better	(26)	-1210	-1045	-790	-625	-270	+10	+70	+110	+195
MID	(36)	-1365	-1205	-1010	-925	-660	-385	-345	-290	-210
SLM	(46)	-1775	-1695	-1595	-1520	-1230	-1110	-1075	-1005	-990
<u>GRAY</u>										
SM & better	(27)	-1365	-1205	-1015	-930	-710	-455	-420	-365	-285
MID	(37)	-1780	-1695	-1595	-1520	-1310	-1170	-1130	-1055	-1040
SLM	(47)	-2160	-2080	-2010	-1950	-1770	-1645	-1610	-1535	-1525

1/ Cotton classed as "Yellow Stained" (Middling and better grades) will be eligible for loan, if otherwise eligible, at a discount 200 points greater than the discount applicable to the comparable quality in the color group "Tinged."

CCC loan schedule of micronaire differentials for 1982-crop cotton

Micronaire Reading	Points per Pound	Micronaire Reading	Points per Pound
5.3 and above	Discount of 205	3.0 through 3.2	Discount of 425
5.0 through 5.2	Discount of 105	2.7 through 2.9	Discount of 685
3.5 through 4.9	0	2.6 and below	Discount of 965
3.3 through 3.4	Discount of 165		

United States Department of Agriculture, Agricultural Stabilization and Conservation Service.

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						
	Jul '82	Oct '82	Dec '82	Mar '83	May '83		
May 13	67.77	70.62	72.03	73.86	74.90	62.54	77.05
14	67.25	70.10	71.54	73.50	74.65	62.08	76.85
17	66.77	69.77	71.17	73.03	74.10	61.68	76.75
18	66.83	69.75	71.19	73.00	74.10	61.73	76.35
19	66.87	69.77	71.31	73.05	74.20	61.93	76.45
20	67.34	70.15	71.64	73.42	74.55	62.35	76.60

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					
	Jul '82	Oct '82	Dec '82	Mar '83	May '83	
May 13	60.40	62.75	64.00	66.00	-	54.12
14	60.15	62.75	63.70	66.00	-	53.71
17	60.05	62.35	63.45	65.15	-	53.37
18	59.95	62.35	63.45	65.15	-	53.41
19	59.90	62.15	63.40	65.15	-	53.53
20	59.90	62.19	63.40	65.15	-	54.11

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 May 14		Through May 13	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	1,079,500	-	1,596,100
Exports	95,400	4,830,500	118,300	5,094,900
Total export commitments	-	5,910,000	-	6,691,000
New sales	36,700	-	81,500	-
Buy-backs and cancellations	16,800	-	17,100	-
Net sales	19,900	-	64,400	-
Sales next marketing year	24,000	284,200	63,200	662,700

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

Upland cotton export sales. Renewed buyer interest during the week ended May 13 resulted in a net increase of sales for both 1981-82 and 1982-83 marketing years, according to the Foreign Agricultural Service, USDA. Sales for the current marketing year were mostly to Japan 21,200 running bales and South Korea 13,000 bales. China purchased 5,500 bales and cancelled 3,700 for a net increase of 1,800 bales. The 1982-83 marketing year increase was mainly to Japan 39,300 and Hong Kong 6,700 bales. Weekly exports totaled 118,300 bales with Asian destinations accounting for 89 percent and European destinations nine percent.