

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE
COTTON DIVISION, MARKET NEWS BRANCH
4841 SUMMER AVENUE, MEMPHIS, TENNESSEE 38122
Telephone 901-766-2931



TEXAS TECH
DEPT. OF AG. ECONOMICS
REFERENCE ROOM

Weekly Cotton Market Review

Vol. 72, No. 41

May 22, 1991

Spot cotton quotations were up sharply from a week earlier, according to the Cotton Division, Agricultural Marketing Service, USDA. The average quotation for grade 41 staple 34, mike 35-49, in the designated markets was 85.25 cents per pound during the week ending Friday, May 17, 251 points higher than the week earlier average of 82.74 cents and 1,060 points above the 73.65 cents averaged in the corresponding week last season. Daily average quotations ranged from a low of 83.16 cents on Monday, May 13, to a marketing year high of 86.29 cents on Friday, May 17. The New York July 1991 futures settlement price closed on Friday at 92.30 cents compared with 87.72 cents a week earlier. The October 1991 settlement price was 81.00 cents compared with 78.00 cents a week earlier, and December 1991 was 73.95 cents compared with 72.05 cents the previous week. Spot transactions reported in the designated markets totaled 21,538 bales during the week ending Friday, May 17. This compares with 26,713 bales reported during the previous week and 20,456 bales in the corresponding week last season.

Southeastern markets. Trading remained slow. Demand was best for grades 41 and higher, which were in short supply. Prices for these qualities strengthened. A few mixed lots traded in Alabama at around 300 points off the New York July futures, FOB warehouse, and 100 to 200 points off in Georgia FOB trucks, basis grade 41 staple 34, mike 35-49. Buyer interest remained weak and prices weakened for lower grade mixed lots. Grades 51 and 42 traded at around 350 to 450 points lower than grade 41. Offers for CCC loan equities were around 26 to 28 cent per pound. Merchant interest in forward contracting increased. In the Carolinas, incentives for early delivery and high strength resulted in offers of 50 to 100 points off NY December futures, basis grade 41 staple 34 and longer. Offering prices remained mostly 150 points off in Georgia and 400 to 450 points off in Alabama. Wet fields continued to limit planting activity, but some progress was made and crop prospects have improved.

South central markets. Trading was restricted by minimal supplies of uncommitted cotton. Demand was good for grades 41 and higher which were in short supply. Inter-merchant trades were the predominant activity. In mixed lots, grade 41 staples 34 and longer, mike 35-49, traded at 150 to 200 points off NY July futures. Large even-running lots of grade 41 brought premiums of around 150 points. Prices weakened for mixed lots of lower qualities. A moderate volume of grade 52, staples 34 and longer, sold at prices averaging around 1,850 points off NY July futures. A few domestic mills made purchases of cotton to cover nearby needs and a light to moderate volume was bought for forward delivery. Export trading was light and primarily with Far Eastern mills. Growers booked a light volume of 1991-crop cotton at 600 to 650 points off NY December futures, basis grade 41 staple 34, mike 35-49. Rain hampered fieldwork in many localities. Some growers resumed planting operations between showers.

Southwestern markets. Trading remained slow. Supplies were limited. Prices strengthened for higher grades. A few mixed lots brought around 2,200 to 2,800 points above CCC loan rates. A limited acreage was contracted in south and central Texas at 66 to 80 cents per pound, basis grade 41 staple 34, mike 35-49, depending on area, variety, dryland versus irrigated acreage and picker versus stripper harvest methods. A very limited amount of acreage in west Texas was contracted at around 1,500 points over the 1991 CCC loan rates. Domestic mill inquiries were light to moderate. Foreign mill inquiries were very light. The crop made excellent progress in central and south Texas. Planting was underway in west Texas and Oklahoma.

Western markets. Trading was slow in the San Joaquin Valley (SJV). Supplies were extremely light. A few mixed lots of grades 41 and higher, traded at 89 cents per pound. Domestic and Far Eastern mills purchased a light volume for prompt and nearby shipment. Forward contracting of 1991-crop cotton was slow to moderate, at 81 to 82.75 cents per pound, basis grade 31 staple 35, mike 35-49, UD free, gin yard. Below normal temperatures slowed plant development. Trading was mostly inactive in the Desert Southwest (DSW). Domestic mills purchased a light to moderate volume for prompt through early 1992 delivery. In Arizona, a small amount of 1991-crop cotton was forward contracted at 73 to 74 cents, basis grade 31 staple 34, mike 35-49. American Pima trading was slow. In mixed lots, grades 2 and 3, mike 35-49, brought \$1.27 per pound. Grade 4 traded at \$1.05 and grade 5 brought at around 70 cents per pound. Far Eastern mills purchased a small volume for prompt shipment. In Arizona, a light volume was forward contracted at \$1.25 per pound, basis grade 3.

Textile mill report. Buying interest centered mostly on qualities for prompt through nearby shipment. Most purchases were small. The bulk of trading was for summer fill-ins, but a few mills made small new crop purchases. Supplies of higher grade cotton were scarce and prices were higher. Mill business continued to improve. Denims and open-end yarns were selling well, while sales of ladies apparel and home furnishings remained weak.

Domestic mill consumption of cotton averaged 32,300 running bales per day during the first quarter of 1991, according to the Bureau of the Census. This was up from 28,500 bales per day in the fourth quarter of 1990, but down from 32,500 bales consumed during the first quarter of 1990. Domestic mills consumed 2,067,800 bales during the first quarter of 1991.

Stocks of cotton at mills totaled 649,900 running bales at the end of the first quarter of 1991, according to the Bureau of the Census. This compares with 580,900 bales held at the end of the fourth quarter in 1990. At the first quarter of 1991 daily rate of consumption, mill stocks were equivalent to about four weeks' supply. Cotton in public storage totaled 5,518,100 running bales at the end of the first quarter of 1991, against 9,874,600 bales three months earlier and 6,565,800 bales a year ago.

Exports of all cotton from the United States totaled 960,000 running bales during April, according to the Foreign Agricultural Service, USDA. This was the highest April volume exported since 1976. A month earlier, 804,000 bales were shipped and 818,000 bales were shipped in April 1990. August-April exports totaled 6,323,000 bales. This represents the second largest volume of cotton exported for this period since 1980 and was up from 4,937,700 bales shipped last season and 3,453,500 bales two years ago.

Exports of all cotton from the United States, running bales,
by months and season, 1983-1990 1/

Season	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season
beginning	August 1	:	:	:	:	:	:	:	:	:	:	:	2/
1,000 bales													
1983	369	329	308	438	566	821	737	783	839	494	429	370	6,419
1984	454	249	340	472	712	755	705	692	556	435	59	299	5,943
1985	166	218	180	198	236	189	202	206	125	69	68	19	1,875
1986	374	496	489	525	664	591	518	750	500	465	554	439	6,366
1987	355	304	316	612	536	698	879	649	565	537	486	359	6,297
1988	248	173	292	352	524	756	514	597	575	795	515	649	5,987
1989	431	384	507	469	516	909	840	882	818	495	510	535	7,295
1990 3/	480	355	433	591	639	1,112	950	804	960				

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

2/ 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.

3/ Preliminary.

Source: Foreign Agricultural Service, USDA

CROP PROGRESS
FOR WEEK ENDING MAY 19, 1991

COTTON % PLANTED

	1991	1990	Average
Alabama	58	85	88
Arizona	93	99	98
Arkansas	47	67	82
California	99	100	99
Georgia	45	87	77
Louisiana	59	96	85
Mississippi	33	91	85
Missouri	44	45	85
New Mexico	92	90	89
North Carolina	92	87	71
Oklahoma	32	16	24
South Carolina	75	81	81
Tennessee	18	58	84
Texas	36	56	43
14 States	48	70	65

These 14 states produced 99% of the 1990 cotton crop.

Two major spring storms moved across the nation, generating rain, snow, high winds, and severe weather during the week of April 7-13, 1991. Rain slowed fieldwork in most areas east of the Mississippi River and caused localized flooding from the lower Mississippi Valley to the Great Lakes. Temperatures averaged above normal in the Great Plains and the east but were below normal in the west. Cotton planting lagged behind normal in California and Arizona but drier weather during the week allowed field preparation to progress well. In the upper coast of Texas, excessive rain slowed cotton plant emergence and was expected to force some replanting.

Source: National Agricultural Statistical Service; National Oceanic and Atmospheric Administration

All Cotton: Domestic mill consumption and stocks, running bales, by months and seasons, 1986-1990

Season beginning August 1:	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season 1/
	534	523	683*	529	576*	546	562	734*	573	586	708*	540	7,096
1986	606	753*	621	606	610*	568	590	738*	556	551	662*	433	7,294
1987	577	693*	552	523	572*	568	584	751*	623	645	798*	559	7,444
1988	663	829*	665	617	653*	605	633	794*	624	641	826*	559	8,109
1989	680	835*	671	610	601* 5/	-	-	2,068	-	-	-	-	-
1990 4/													
	1,000 bales												
	Mill consumption 2/												
1986	26.7	26.2	27.3	26.5	23.1	27.3	28.1	29.4	28.7	29.3	28.3	27.0	27.3
1987	30.3	30.1	31.0	30.3	24.4	28.4	29.5	29.5	27.8	27.6	26.5	21.7	28.1
1988	28.8	27.7	27.6	26.1	22.9	26.3	29.2	30.0	31.2	32.2	31.9	27.9	28.6
1989	33.2	33.1	33.2	30.8	26.1	30.2	31.6	31.8	31.2	32.1	33.0	28.0	31.2
1990 4/	34.0	33.4	33.6	30.5	24.0	5/	-	32.3	-	-	-	-	-
	Mill consumption per day												
1986	664	582	563	578	620	640	705	702	723	709	674	680	-
1987	648	579	530	542	637	722	777	786	790	756	719	709	-
1988	651	581	568	555	571	588	631	612	627	645	603	606	-
1989	600	590	552	544	584	661	689	696	685	675	667	672	-
1990 4/	619	531	519	514	581	5/	-	650	-	-	-	-	-
	Stocks in consuming establishments 3/												
1986	7,625	7,996	9,543	10,148	10,204	10,015	9,058	7,878	6,871	5,870	4,821	3,817	-
1987	3,239	4,864	7,398	9,456	10,582	10,216	9,149	7,972	6,965	5,973	5,072	4,645	-
1988	4,432	5,017	8,259	11,722	13,481	13,109	12,048	10,607	9,362	8,170	6,771	5,929	-
1989	4,975	4,458	7,378	10,558	10,762	9,524	8,052	6,566	5,447	4,224	3,185	2,187	-
1990 4/	1,615	2,451	6,126	8,930	9,875	5/	-	5,518	-	-	-	-	-
	Stocks in public storage 3/												

1/ 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/ 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. 3/ These data refer to a particular day near the end of the month. 4/ Preliminary. 5/ Data released quarterly beginning January 1, 1991. * Five week month.

Source: Bureau of the Census

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					
	Apr. 19-25		Apr. 26- May 2	May 3-9	May 10-16	May 17-23
	Adjusted world price	65.91	65.84	65.35	65.60	65.81
Course count adjustment	1.26	1.09	0.60	0.55	0.18	

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 Index 1/		Coarse Count 'B' Index 1/		
	Futures Settlement						: Average	: 'A'	: 'B'	: 'A'	: 'B'
	Jul '91	Oct '91	Dec '91	Mar '92	May '92						
May 13	88.63	79.17	72.84	73.63	74.03	83.16	83.15	81.25	78.35	76.90	
14	90.33	81.17	74.19	74.98	75.18	84.81	83.55	81.60	78.85	77.40	
15	91.96	82.63	75.15	75.95	76.30	86.04	84.45	82.75	79.85	78.60	
16	91.83	81.58	74.10	75.00	75.55	85.95	84.75	82.35	80.65	78.75	
17	92.30	81.00	73.95	74.85	75.55	86.29	84.75	81.75	80.65	78.10	

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 May 10		Through May 9	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,887,500	-	1,151,900
Exports	122,600	5,555,300	118,000	6,128,000
Total export commitments	-	7,442,800	-	7,279,900
New sales	53,900	-	17,300	-
Buy-backs and cancellations	5,500	-	24,000	-
Net sales	48,400	-	-6,600	-
Sales next marketing year	62,700	1,027,000	67,000	1,165,700

Upland cotton export sales for the 1990-91 marketing year were reduced by 6,600 running bales. Sales for marketing year 1991-92 totaled 67,000 bales. Japan was the predominant buyer with purchases of 26,800 bales, South Korea 16,600, Thailand 12,300, and Indonesia 7,200 bales. Exports of 118,000 bales were off 8 percent from the previous week. Asian destinations accounted for 71 percent of the week's shipments; African 13 percent; West European 10 percent; and Western Hemisphere 6 percent.

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

NOTE: Data may not add due to rounding.

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

May 17, 1991

Spot quotations are in cents per pound for cotton equal to the Official Standards with mike readings of 35-49, net weight, in mixed 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
87.80	86.55	81.80	82.30	88.80	87.55	80.30	81.55	89.05	87.55	80.05	81.75	84.30	84.30	80.30	80.30
89.80	89.30	84.80	85.55	91.55	90.30	82.80	84.05	91.55	90.30	82.80	84.50	88.30	88.30	84.30	84.30
90.05	89.55	85.05	85.80	91.65	90.55	83.40	84.65	91.65	90.40	82.90	84.60	88.40	88.40	84.40	84.40
90.20	89.70	85.20	85.95	91.75	90.65	83.50	84.75	91.75	90.50	83.00	84.70	88.40	88.40	84.40	84.40

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY			
Grade				Grade				Grade			
31	41	32	42	31	41	32	42	21	31	41	51
68.90	68.40	68.10	67.80	68.80	68.30	68.00	67.75	29	-	-	-
70.95	69.60	69.90	68.95	70.85	69.50	69.80	68.85	30	-	-	-
74.00	73.00	72.90	71.10	73.90	72.90	72.80	71.10	31	-	-	-
76.95	76.00	75.75	74.10	74.10	76.95	76.00	75.75	32	-	-	-
79.65	78.80	78.50	77.50	78.65	77.80	77.50	76.50	33	-	-	-
83.10	82.00	82.00	80.20	81.10	80.00	80.00	78.20	34	88.80	88.55	87.80
83.90	83.00	82.80	80.75	81.90	81.00	80.80	78.75	35	90.55	90.30	89.55
84.00	83.25	82.90	80.50	82.00	81.25	80.90	78.50	36	90.65	90.40	89.65
84.00	83.25	82.90	80.50	82.00	81.25	80.90	78.50	37	90.75	90.50	89.75

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1215	-	-1400	26 & Below	-1400	-2200	-	-1493
-800	-890	-890	-700	27-29	-700	-1500	-1500	-997
-500	-625	-625	-350	30-32	-350	-900	-950	-614
-250	-330	-330	-150	33-34	-150	-450	-350	-287
0	0	0	0	35-49	0	0	0	0
-300	-155	-155	-200	50-52	-200	-200	-100	-187
-400	-240	-240	-250	53 & Above	-	-250	-	-276

SPOT QUOTATIONS - AMERICAN PIMA

Staple	Grade	Grade	Grade	Grade	Grade	Grade	Grade	Points per pound
	01	02	03	04	05	06	Mike ranges	
							26 & Below	-3100
							27-29	-2275
44	128.75	128.50	125.50	104.50	70.00	62.00	30-32	-1200
							33-34	-300
46	129.25	129.00	126.00	105.00	70.00	62.00	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	Staple	41	51	32	42	31	41	51
-	-	-	-	-	-	-	-	29	83.75	80.50	83.75	81.25	-	-	-
-	-	-	-	-	-	-	-	30	85.50	83.00	85.50	83.50	-	-	-
-	-	-	-	-	-	-	-	31	87.00	84.50	87.00	85.00	-	-	-
-	-	-	-	-	-	-	-	32	88.50	85.25	88.50	85.75	-	-	-
98.50	97.00	94.25	95.00	99.00	97.50	94.50	95.25	33	90.50	86.50	90.50	87.25	-	-	-
99.50	97.75	95.25	96.00	100.00	98.25	95.50	96.25	34	93.00	88.25	93.00	88.75	96.75	95.75	93.25
100.00	98.50	95.75	96.50	100.50	99.00	96.00	96.75	35	-	-	-	-	98.25	97.25	94.50
-	-	-	-	-	-	-	-	36	-	-	-	-	98.50	97.50	94.50