

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE  
COTTON DIVISION

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Weekly Cotton Market Review

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Trading was less active on most spot cotton markets, according to the Cotton Division, Agricultural Marketing Service, USDA. Prices were firm. Merchant demand was light and selective. Offerings were primarily of CCC loan equities but some growers refused to sell at merchant bid prices. Qualities in best demand were in light to very light supply. Domestic and foreign mill buying was slow. Interest in forward contracting of 1986-crop cotton was weak. Rains were fairly widespread across the Cotton Belt, providing needed moisture in many areas. The crop made good progress in most localities and insects were controllable. April consumption of cotton by domestic mills this season was the largest for any month since October 1979. End-of-April stocks at mills were down slightly from last year but public storage stocks were up 88 percent. Although April exports increased from the previous month, total shipments for the August-April period this season were the smallest since 1955-56.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 64.34 cents per pound during the week ended Thursday, May 29. Prices ranged from a low of 64.25 cents on Friday to a high of 64.48 cents on Thursday. A week earlier, prices averaged 64.04 cents per pound and ranged from 63.88 to 64.27 cents. In the corresponding week a year ago, the average price was 58.86 cents. The New York July 1986 futures settlement price ended the week on Thursday at 68.10 cents per pound compared with 67.16 cents a week earlier. The October settlement price was 34.55 cents against 36.43 cents last Thursday and the December price was 34.77 cents compared with 36.48 cents a week earlier.

Trading was restricted on many spot cotton markets by limited supplies of desired grower-held qualities in the CCC loan. Grower offerings declined slightly because of increasing resistance to bid prices but were fully adequate to meet the light demand. Many merchants who have purchased equities are leaving the cotton in the loan until shipping dates approach. Domestic mills purchased a light volume for both prompt and later delivery. Foreign mills continued to make inquiries for new-crop cotton but little business resulted. A light volume of old crop was purchased by both Far Eastern and European mills. Purchases reported by cotton exchanges in the designated markets totaled 116,700 bales in the week ended Thursday, May 29. This compares with 139,400 bales reported a week earlier and 28,400 bales in the corresponding week last season.

Textile mill report. Most mills have their prompt to nearby needs covered and recent buying was largely for deferred shipment. New-crop purchases were light to moderate. Most segments of the trade were awaiting the announcement of latest developments in the farm program. Mill business remained good to very good. Most mills were operating five to six days per week with some plants on seven days. Sales of most apparels, sheeting, towels, underwear and materials for sportswear were good to strong. Yarn sales were brisk. Industrial and automotive product sales were mixed but fairly steady.

Domestic mill consumption of cotton averaged 24,900 running bales per day in the five weeks ended May 3, according to the Bureau of the Census. This was up from 24,600 bales used per day a month earlier (four weeks) and 21,000 bales in April 1985 (four weeks). Mills used 623,000 bales during April, bringing consumption for the first 40 weeks this marketing year (August-April) to 4,686,900 bales, the largest usage for this period since

1979-80. Through April last year (39 weeks), mills had used 3,934,600 bales and two years ago (39 weeks) 4,280,500 bales.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 166.8 million pounds (equivalent to about 347,500 bales of 480 pounds, net weight) in the five weeks ended May 3, according to the Bureau of the Census. This was up from 132.4 million pounds (about 275,800 bales) a month earlier and 121.0 million pounds (about 252,000 bales) used in April 1985. Consumption of manmades during the first nine months this season totaled 1,306.9 million pounds (about 2,722,600 bales). This was up 10 percent from usage last year but down 8 percent from two years ago.

Stocks of cotton at mills totaled 787,600 running bales on May 3, according to the Bureau of the Census. This was up from 775,900 bales a month earlier but was the second smallest end-of-April stocks at mills since records began in 1913. At the end of April last year, stocks at mills totaled 795,600 bales and two years ago 766,000 bales. At the April daily rate of consumption, mill stocks were equivalent to slightly over six weeks' supply. Cotton in public storage totaled 9,035,500 running bales on May 3, the largest end-of-April stocks since 1967. This was down from 9,656,500 bales held in public storage a month earlier and compares with 4,805,900 bales at the end of April 1985 and 3,956,500 bales two years ago.

All cotton: Domestic mill consumption, stocks and exports, running bales, by months and seasons, 1981-1985

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season 1/
	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 2/</u>													
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	428	509*	428	390	423*	399	418	519*	419	439	525*	369	5,268
1985 4/	458	562*	493	477	486*	595*	499	492	623*				
<u>Mill consumption per day</u>													
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	21.4	20.4	21.4	19.5	16.9	20.0	20.9	20.8	21.0	21.9	21.0	18.5	20.3
1985 4/	22.9	22.5	24.6	23.9	19.5	23.8	24.9	24.6	24.9				
<u>Stocks in consuming establishments 3/</u>													
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	715	645	542	560	683	812	875	815	796	804	734	733	-
1985 4/	685	621	557	570	604	687	728	776	788				
<u>Stocks in public storage 3/</u>													
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	1,491	1,432	3,386	6,321	7,551	7,529	6,541	5,648	4,806	4,008	3,570	2,930	-
1985 4/	2,826	3,743	6,122	8,963	10,677	10,747	10,243	9,656	9,035				
<u>Exports</u>													
1981	233	211	262	478	732	653	754	873	676	484	498	396	6,263
1982	342	351	293	382	377	438	368	487	612	464	435	409	4,961
1983	367	322	261	441	632	663	719	896	723	607	422	365	6,419
1984	452	264	292	484	629	793	766	625	544	426	353	252	5,943
1985 4/	166	179	222	196	236	189	202	134	198				

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.

\* Five-week month.

Supply, disappearance and stocks of all kinds of cotton in the U.S., by months and seasons, crops of 1983-1985 1/

Date	Supply			Disappearance			End-of-month stocks				
	Beginning stocks	Ginnings	Imports	Total	Domestic cons.	Exports	Total	Consuming estab.	Public storage	Elsewhere	Total
	1,000 bales			1,000 bales			1,000 bales			1,000 bales	
Apr. 1984	6,914	-	*	6,914	430	723	1,154	766	3,956	1,038	5,760
May	5,760	-	1	5,761	442	607	1,049	766	2,966	980	4,712
June	4,712	-	2	4,714	503	422	925	822	2,212	755	3,789
July	3,789	163	3	3,955	354	365	720	795	1,761	679	3,235
Season 4/	7,561	7,665	5/	15,235	5,628	6,419	12,047	795	1,761	350	2,906
Aug. 1984	2,906	473	2	3,381	Crop of 1984			715	1,491	307	2,513
Sept.	2,513	544	1	3,058	416	452	867	645	1,432	223	2,300
Oct.	2,300	3,145	1	5,446	494	264	758	542	3,386	811	4,739
Nov.	4,739	4,648	*	9,387	415	292	707	560	6,321	1,645	8,526
Dec.	8,526	2,110	*	10,636	377	484	861	683	7,551	1,367	9,601
Jan. 1985	9,601	1,243	2	10,846	407	629	1,036	812	7,529	1,325	9,666
Feb.	9,666	219	3	9,889	387	793	1,179	875	6,541	1,301	8,717
Mar.	8,717	-	5	8,722	406	766	1,172	815	5,648	1,130	7,593
Apr.	7,593	-	6	7,599	504	625	1,129	796	4,806	1,047	6,648
May	6,648	-	1	6,649	407	544	951	804	4,008	986	5,798
June	5,798	-	1	5,799	426	426	852	734	3,570	621	4,925
July	4,925	70	-	4,995	522	353	874	733	2,930	711	4,374
Season 4/	2,906	12,452	5/	15,379	369	252	621	733	2,930	425	4,088
Aug. 1985	4,088	611	1	4,700	Crop of 1985			624	2,826	565	4,076
Sept.	4,076	1,751	*	5,827	458	166	624	621	3,743	722	5,086
Oct.	5,086	3,815	9	8,911	562	179	741	557	6,122	1,518	8,196
Nov.	8,196	3,889	4	12,090	493	222	714	570	8,963	1,884	11,416
Dec.	11,416	2,233	12	13,662	477	196	673	604	10,677	1,658	12,940
Jan. 1986	12,940	586	2	13,528	486	236	722	687	10,747	1,309	12,744
Feb.	12,744	33	-	12,776	595	189	784	728	10,243	1,106	12,076
Mar.	12,076	-	*	12,076	499	202	700	776	9,656	1,018	11,450
Apr.	11,450	-	7/	11,450	492	134	626	788	9,035	806	10,629
Season thru Apr.	4,088	12,918	29	17,035	623	198	821	788	2,930	425	4,088
Season thru Apr.	4,088	12,918	29	17,035	4,687	1,719	6,406	733	2,930	425	4,088

1/ Imports in equivalent 480 pound gross weight bales, all others in running bales. 2/ Elsewhere stocks determined by subtracting public storage and consuming establishment stocks from total stocks. 3/ Total stocks determined by subtracting total disappearance from total supply. 4/ Adjusted data as reported in Supply and Distribution of Domestic and Foreign Cotton in the United States by Bureau of the Census. 5/ Ginnings prior to August 1 included in carryover. 6/ Preliminary. 7/ Not available. \* Less than 500 bales. NOTE: Figures may not add due to various estimates.

Exports of cotton from the United States totaled 197,700 running bales during April, according to the Bureau of the Census, Industry Division. This was up from the previous month's shipments of 133,700 bales but was the smallest volume shipped in April since 1966. Shipments during the first nine months this season totaled 1,719,100 bales, down sharply from 4,848,500 bales shipped a year earlier and 5,024,100 bales two years ago. August-April exports this season were the smallest since 1955-56.

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 '86	Jul '86	Oct '86	Dec '86	Mar '87	May '87		
May 22	67.16	36.43	36.48	37.45	38.15	38.78	64.27	44.60
23	66.99	36.05	36.18	37.20	37.75	38.60	64.25	44.60
26	H O L I D A Y							
27	67.45	35.12	35.27	36.30	37.20	38.00	64.31	44.50
28	67.47	34.95	35.05	36.04	37.00	37.85	64.31	44.50
29	68.10	34.55	34.77	35.84	36.70	37.57	64.48	44.20

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 1984-85 and 1985-86

Description	Marketing Year			
	1984-85		1985-86	
	Through May 23		Through May 22	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,153,200		
Exports	86,700	5,218,700		
Total export commitments	-	6,371,900	WILL BE RELEASED	
New sales	21,600	-		
Buy-backs and cancellations	2,900	-	MAY 30, 1986	
Net sales	18,700	-		
Sales next marketing year	24,400	565,000		

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