



## Weekly Cotton Market Review

Vol. 72, No. 42

May 29, 1991

Spot cotton quotations reached a marketing year high on Monday, May 20, and then declined each of the following days during the week, 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 86.08 cents per pound during the week ending Friday, May 24. That average quotation was 83 points higher than the preceding week's average of 85.25 cents and 927 points above the 76.81 cents averaged in the corresponding week last season. Daily average quotations ranged from the season high of 87.82 cents on Monday, May 20, to a low of 84.23 cents on Friday, May 24. The New York July 1991 futures settlement price closed on Friday at 90.02 cents compared with 92.30 cents a week earlier. The October 1991 settlement price was 79.76 cents compared with 81.00 cents a week earlier, and December 1991 was 74.12 cents compared with 73.95 cents the previous week. Spot transactions reported in the designated markets totaled 17,497 bales during the week ending Friday, May 24. This compares with 21,538 bales reported during the previous week and 16,472 bales in the corresponding week last season.

Southeastern markets. Trading was slow. Demand was strong for grades 41 and higher cotton, but the supply of that type cotton was extremely light. A slightly greater supply of lower grade and lower miking cotton was available, but demand was weak for those types of cotton. Merchants offered around 300 points off NY July futures FOB warehouse in the Carolinas and Alabama for grade 41 staple 34, mike 35-49. They bid around 100 to 200 points off NY July futures FOB trucks for the same type of cotton in Georgia. Grades 51 and 42 were normally priced at around 400 to 450 points lower than grade 41. A light volume of CCC loan equities traded at 28 to 30 cents per pound. Forward contracting slowed. Contract prices for basis grade 41 staples 34 and longer, mike 35-49, remained at around 250 to 300 points off December futures in the Carolinas and at 400 to 500 points off in Alabama FOB warehouse terms. In Georgia, similar contracts except with FOB truck terms ranged from 150 to 200 points off December. Fields dried slightly, and the bulk of the remainder of the crop was planted.

South central markets. Spot trading was slow. Supplies of cotton were light and mostly in the hands of merchants. Trading of equities was minimal. In mixed lots, grade 41, staples 34 and longer, mike 35-49, traded at 100 to 200 points off NY July futures. Large even-running lots commanded premiums of 75 to 125 points. Domestic mill buying was fairly active. Purchases included a light to moderate volume for prompt delivery, but the largest amount was for January through July 1992 delivery. A few inquiries were received from Far Eastern mills for new-crop cotton. Some growers fixed prices on 1991-crop cotton forward contracted earlier. Booking of additional acreage was more active. Prices were around 600 to 650 points off NY December futures for bale contracts and 650 to 700 points off for acreage contracts, basis grade 41 staple 34, mike 35-49. Weather conditions improved in most areas. Most flood waters were receding and cotton growers were planting when and where possible.



Southwestern markets. Spot cotton trading remained slow. Supplies were light. Demand was strong for grades 41 and 42 and higher, staples 33 and longer, and strength of 26 and higher grams per tex, but mostly weak for other qualities. Mixed lot prices averaged around 2,500 points above CCC loan rates. Early in the week, production from a limited acreage was contracted for forward delivery. In south and central Texas, contracts were signed at 65 to 80 cents per pound, basis grade 41 staple 34, mike 35-49, depending on the area, variety, dryland versus irrigated acreage, and picker versus stripper harvest method. In west Texas, contracts had base prices of 60 to 72 cents under widely varying contract terms. Domestic mill inquiries were light to moderate. Foreign mill inquiries were very light. The central and south Texas crop made excellent progress. Widespread planting activities continued in west Texas and Oklahoma.

Western markets. Trading was light to moderate in the San Joaquin Valley (SJV). A light volume of grades 41 and higher, staples 35 and longer, mike 35-49, traded at 90.75 to 92.00 cents per pound, FOB flat, warehouse terms. Domestic mills purchased a moderate volume of cotton for prompt and nearby delivery. A small volume of 1991-crop cotton was forward contracted at 81.50 to 83 cents, basis grade 31 staple 35, mike 35-49, UD free, gin yard. Young cotton plants responded favorably to warmer temperatures. Spot trading was inactive in the Desert Southwest (DSW). Supplies were extremely light. Domestic mills purchased a small volume of cotton for prompt shipment. In Arizona, a small acreage of 1991-crop cotton was forward contracted at 74 to 75 cents, basis grade 31 staple 34. American Pima trading was light to moderate. A moderate volume of grade 4 moved at \$1.03 to \$1.07 per pound with mike readings causing the range in prices. A limited volume of grade 3 traded at \$1.25. Far Eastern mills purchased a small volume for nearby shipment and a moderate volume for first quarter 1992 shipment. A small acreage of 1991-crop cotton was forward contracted in Arizona at \$1.25 per pound, basis grade 3, and at \$1.23 to \$1.24 in the El Paso area.

Textile mill report. A sharp increase in domestic mill inquiries did not result in significant purchases for most mills. A few mills did make heavy purchases for new crop deliveries. Inquiries and purchases were primarily for the higher white and equivalent light spotted grades, staples 34 and longer, mike 35-49. Mill sales remained fairly good. Most finished goods and yarns were selling well. Denims and open-end carded yarns were among the best sellers while ladies apparels and home furnishings were among the poorest sellers. Mill workweeks remained at mostly five to seven days.

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. 26-				
	May 2	May 3-9	May 10-16	May 17-23	May 24-30
Adjusted world price	65.84	65.35	65.60	65.81	66.39
Course count adjustment	1.09	0.60	0.55	0.18	0.00

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		Coarse		
	Futures Settlement						Staple 35	Index 1/		Index 1/	
	Jul '91	Oct '91	Dec '91	Mar '92	May '92			'A'	'B'	1990	1991
May 20	94.05	82.88	75.90	76.65	76.80	87.82	84.75	81.70	80.65	78.00	
21	93.86	82.60	76.05	76.86	77.28	87.54	85.30	82.80	81.10	79.15	
22	91.86	80.60	74.05	74.86	75.28	86.11	86.25	82.80	81.10	79.15	
23	89.86	79.18	73.53	74.45	74.92	84.69	85.55	81.30	79.90	77.50	
24	90.02	79.76	74.12	75.05	75.50	84.23	85.35	81.10	78.75	77.35	

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 1989-90 and 1990-91

Description	Marketing Year			
	1989-90		1990-91	
	Through May 17		Through May 16	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,903,500	-	1,076,700
Exports	96,300	5,651,600	99,100	6,225,700
Total export commitments	-	7,555,100	-	7,302,400
New sales	125,400	-	29,700	-
Buy-backs and cancellations	13,100	-	5,800	-
Net sales	112,300	-	23,900	-
Sales next marketing year	102,200	1,129,200	96,700	1,262,300

Upland cotton export sales for the 1990-91 marketing year increased by 23,900 running bales. Sales increases for the 1991-92 marketing year totaled 96,700 bales. Japan was the predominant buyer with purchases of 62,500 bales and Indonesia with 21,300 bales. Exports of 99,100 bales were off 16 percent from the previous week. Asian destinations accounted for 72 percent of the week's shipments; West European 21 percent; and Western Hemisphere 7 percent.

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

NOTE: Data may not add due to rounding.

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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 24, 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	
85.52	84.27	79.52	80.02	87.02	85.77	78.52	79.77	33	87.27	85.77	78.27	79.97	82.02	82.02	78.02	78.02
87.52	87.02	82.52	83.27	89.77	88.52	81.02	82.27	34	89.77	88.52	81.02	82.72	86.02	86.02	82.02	82.02
87.77	87.27	82.77	83.52	89.87	88.77	81.62	82.87	35	89.87	88.62	81.12	82.82	86.12	86.12	82.12	82.12
87.92	87.42	82.92	83.67	89.97	88.87	81.72	82.97	36	89.97	88.72	81.22	82.92	86.12	86.12	82.12	82.12

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY				
Grade				Grade				Grade				
31	41	32	42	31	41	32	42	Staple	21	31	41	51
66.90	66.40	66.10	65.80	66.80	66.30	66.00	65.75	29	-	-	-	-
68.95	67.60	67.90	66.95	68.85	67.50	67.80	66.85	30	-	-	-	-
72.00	71.00	70.90	69.10	71.90	70.90	70.80	69.10	31	-	-	-	-
74.95	74.00	73.75	72.10	75.95	75.00	74.75	73.10	32	-	-	-	-
77.65	76.80	76.50	75.50	77.65	76.80	76.50	75.50	33	-	-	-	-
81.10	80.00	80.00	78.20	80.10	79.00	79.00	77.20	34	85.52	85.27	84.52	81.77
81.90	81.00	80.80	78.75	80.90	80.00	79.80	77.75	35	87.27	87.02	86.27	82.77
82.00	81.25	80.90	78.50	81.00	80.25	79.90	77.50	36	87.37	87.12	86.37	82.77
82.00	81.25	80.90	78.50	81.00	80.25	79.90	77.50	37	87.47	87.22	86.47	82.77

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 01	Grade 02	Grade 03	Grade 04	Grade 05	Grade 06	Mike ranges	Points per pound
							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	82.25	79.00	82.25	79.75	-	-	-
-	-	-	-	-	-	-	-	30	84.00	81.50	84.00	82.00	-	-	-
-	-	-	-	-	-	-	-	31	85.50	82.75	85.50	83.50	-	-	-
-	-	-	-	-	-	-	-	32	87.00	83.75	87.00	84.25	-	-	-
96.25	94.75	92.00	92.75	96.75	95.25	92.25	93.00	33	89.00	85.00	89.00	85.50	-	-	-
97.25	95.50	93.00	93.75	97.75	96.00	93.25	94.00	34	91.50	86.75	91.50	87.25	94.00	93.00	90.50
97.75	96.25	93.50	94.25	98.25	96.75	93.75	94.50	35	-	-	-	-	95.50	94.50	91.75
-	-	-	-	-	-	-	-	36	-	-	-	-	95.75	94.75	91.75