

## UNITED STATES DEPARTMENT OF AGRICULTURE

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## Weekly Cotton Market Review

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Trading remained slow on spot cotton markets, according to the Cotton Division, Agricultural Marketing Service, USDA. Prices weakened. Grower-held supplies were limited and offerings were very light. Merchants were not actively seeking cotton as nearby needs were mostly covered. Domestic and foreign mill buying was slow. The cotton crop made mostly good progress.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 58.86 cents per pound during the week ended Thursday, May 30. Prices ranged from a high of 59.47 cents on Friday to a low of 57.81 cents on Thursday. A week earlier, prices averaged 60.54 cents per pound and ranged from 60.15 to 60.78 cents. In the corresponding week a year ago, the average price was 80.99 cents. The New York July 1985 futures settlement price ended the week on Thursday at 61.38 cents per pound compared with 64.62 cents a week earlier. The October settlement price was 60.12 cents against 63.53 cents last Thursday and the December price was 60.64 cents compared with 63.60 cents a week ago.

Trading remained slow on spot cotton markets. Growers were holding limited supplies of uncommitted cotton that were not offered freely. Most merchants had nearby commitments covered and were not interested in trading. Domestic mill purchases were light and mostly for prompt or nearby delivery. Export trading was slow. Both Far Eastern and European mills made limited purchases, mostly for prompt or nearby shipment. Purchases reported by cotton exchanges in the designated markets totaled 28,400 bales in the week ended Thursday, May 30. This compares with 31,700 bales reported a week earlier and 31,000 bales in the corresponding week last season.

Textile mill report. Mill buying for prompt delivery was slightly more active. Although some increase in mill business has occurred recently, most mills maintained a conservative buying policy. Mills purchased cotton for spot shortages but buying for deferred shipment declined due to uncertainty over the new farm program. Purchases included a fairly wide range of qualities from most major growth areas. Mill sales of finished goods continued to show modest improvement. Household products were moving at a moderate pace. Apparel sales were spotty but improved in some areas, notably denim. Underwear and sportswear continued to trade at a fairly active pace. Industrial and automotive products were selling intermittently. Mills' work schedules were lengthened at some plants and ranged from five to seven days per week, mostly five.

Crop progress. In California, the Fresno area crop made average progress. Some local observers indicated it was the best looking crop in many years. Stands were good and insect problems were minimal. Bakersfield area growers started irrigating cotton. The crop was about normal. Limited spraying for mites was reported but most growers indicated that mite populations were below the number needed to start

spraying. The El Centro area crop made excellent growth. Late planting was almost completed. Some spraying was done for emerging boll weevils under the weevil eradication program. A few growers sprayed for armyworms. The crop was viewed as excellent. In Arizona, the Phoenix area crop made excellent progress. Conditions were ideal for development of young plants. Squares were appearing in early planted fields. Some growers reported infestations of thrips and grasshoppers and spraying was under way. Cultivation and irrigation were routine activities. Weather conditions were favorable for cotton growth in New Mexico. Most cotton was up to a good stand and was beginning to make good growth. There were no reports of insect problems. In Texas, the Harlingen area crop looked good. Rains fell in areas where it was most needed. Most growers indicated the crop could do well without additional moisture. Spraying for fleahoppers continued. The Corpus Christi area crop made excellent progress. Most cotton was at least to the squaring stage. Insects were present but controllable. Hoe hands were being used in many fields to clean out weeds. Moisture conditions were adequate to excessive. The crop made good progress in the Waco area. Some fields in southern counties were squaring and beginning to bloom. Insect infestations required more spraying than usual in some localities. Some fields north of Dallas were still too wet to plant. Around Abilene, wet fields were drying and planting and replanting were making good progress. Good quality planting seed was reported in short supply for several of the more popular varieties of cotton. In the Lamesa area, planting moved into full swing as fields dried from recent rains. About 80 percent of the crop had been planted. Some growers were waiting to decide whether to replant or not, as stands ranged from poor to good. In the Lubbock area, planting and replanting were heavy. Most growers reported adequate moisture for seed germination. Around 80 to 85 percent of the crop was planted. Planting of dryland acreage reached full stride and neared one-half completion in the Altus area of Oklahoma. Planting conditions were good and only a few growers reported marginal topsoil moisture. Previously planted irrigated cotton made good progress. Insect problems were minor, limited mostly to light infestations of thrips. Reports indicated the Arkansas crop was off to a good start. Stands were uniform, plants had good color and were growing at a normal rate. Thrips were being sprayed in some localities. In Missouri, planting was completed except for a few fields that were expected to be replanted due to flooding. Plants were growing and insect problems were not serious. Cultivation for weeds and grass was being done. Planting was about completed in Tennessee. Cotton in most fields was up to a good stand. Most growers were optimistic about crop prospects. In Mississippi, the cotton crop in the southern half of the Greenwood area needs a rain while moisture was adequate in the northern areas. As a whole, the crop was growing well. Insects have caused few problems. Cultivation was under way in many fields. In Louisiana, beneficial rains fell over most of the Winnsboro area except for portions of the northeastern section. A good rain is needed in these localities as cotton in some fields was showing moisture stress. Elsewhere, the crop made good progress. Growers were cultivating and no insect problems were reported. The Alabama crop could use a good rain, according to many observers. However, most cotton was not yet showing signs of moisture stress. Most cotton still looked good and was growing. Fields were free of weeds and insect control measures have been effective. The Georgia crop is up and making good progress. Stands were rated as good to excellent. Scattered rains brought some relief to many areas suffering from near drought conditions. Soil moisture levels continued to range from low to very low and many growers indicated subsoil moisture is inadequate to support the crop without frequent rains. Crop conditions in North Carolina and South Carolina were mixed. Some localities were very dry. Infestations of thrips have been hard to control and some fields have been sprayed as many as five times. Overall, the crop was rated mostly fair but many fields were rated poor.

UPLAND COTTON BY STAPLE LENGTH  
 OUTSTANDING EXPORT SALES AND ACCUMULATED EXPORTS  
 MARKETING YEAR 1984-85, AS OF APRIL 25, 1985  
 (1,000 Running Bales)

Region	Outstanding sales	Accumulated exports
	<u>1-1/16" and over</u>	
European Community	99.2	535.8
Other West Europe	40.9	142.7
Eastern Europe	12.6	125.2
USSR	149.8	173.0
Japan	198.4	1,044.4
China	-	1.6
Taiwan	40.1	198.8
Other Asia and Oceania	373.9	914.3
Korea	265.1	600.9
Hong Kong	-	16.8
Africa	39.8	125.3
Western Hemisphere	24.0	166.9
Unknown	9.4	-
Total	988.2	3,427.8
	<u>1" up to 1-1/16"</u>	
European Community	82.6	192.9
Other West Europe	36.3	99.2
Eastern Europe	10.0	2.6
Japan	11.0	68.3
China	-	2.5
Taiwan	4.1	13.1
Other Asia and Oceania	238.3	530.6
Korea	144.2	278.2
Hong Kong	3.4	86.3
Africa	7.1	10.7
Western Hemisphere	27.5	40.2
Total	417.1	960.0
	<u>Under 1"</u>	
European Community	3.6	5.5
Other West Europe	-	0.8
Japan	17.8	139.5
Taiwan	64.5	169.1
Other Asia and Oceania	27.0	51.9
Korea	17.5	21.8
Hong Kong	-	2.6
Western Hemisphere	1.2	5.5
Total	114.0	372.3
	<u>All upland cotton</u>	
Total Known	1,509.8	4,760.1
Total Unknown	9.4	-
Known and Unknown	1,519.2	4,760.1

Data may not add due to rounding.

Reprint of table prepared by Foreign Agricultural Service, USDA.

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							
	Jul '85	Oct '85	Dec '85	Mar '86	May '86	Jul '86		
May 23	64.62	63.53	63.60	64.56	65.16	65.45	60.15	64.65
24	63.72	62.72	62.97	63.95	64.70	64.55	59.47	64.65
27	H O L I D A Y							
28	63.18	62.20	62.33	63.35	63.82	64.02	59.00	64.45
29	62.90	62.02	62.48	63.40	63.86	64.05	59.14	64.30
30	61.38	60.12	60.64	61.82	62.50	62.72	57.81	64.20

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

Chicago futures contract settlement and designated spot market average for grade 42 staple 31 in cents per pound

Date	Grade 42 Staple 31					Desig. 5-Mkt. Average 1/
	Futures Settlement					
	Jul '85	Oct '85	Dec '85	Mar '86	May '86	
May 23	56.00	-	54.65	-	-	50.24
24	56.00	-	53.57	-	-	49.70
27	H O L I D A Y					
28	56.00	-	52.05	-	-	49.38
29	56.00	-	52.05	-	-	49.41
30	54.00	-	50.05	-	-	48.40

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

U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1983-84 and 1984-85

Description	Marketing Year			
	1983-84		1984-85	
	Through May 24		Through May 23	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,391,100		
Exports	120,400	5,437,400		
Total export commitments	-	6,928,500		Will be released
New sales	52,700	-		
Buy-backs and cancellations	21,400	-		May 31, 1985
Net sales	31,300	-		
Sales next marketing year	52,500	1,241,600		

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