

UNITED STATES DEPARTMENT OF AGRICULTURE



AGRICULTURAL MARKETING SERVICE
COTTON DIVISION

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Weekly Cotton Market Review
(Week ended November 10)

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Trading on spot cotton markets remained moderately active, according to the Cotton Division, Agricultural Marketing Service, USDA. Spot prices ended the period at the highest level in over two years. Growers offered a larger volume of cotton as supplies increased. Merchant demand was good. Domestic and foreign mill buying increased. Growers in several states forward contracted a limited volume of 1984-crop cotton. Harvesting made good progress in Arizona and California but rains and wet fields interrupted progress in other western states. Harvesting neared completion in most southern states. United States 1983-cotton production was forecast at 7,496,500 bales.

Spot cotton prices reached the highest level since July 24, 1981. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets was 73.91 cents per pound on Friday, November 4. Prices fluctuated within a fairly narrow range through Wednesday. The average price on Thursday, November 10, was 74.84 cents, a new high for the marketing year. This compares with 73.75 cents a week earlier and 57.85 cents on the corresponding Thursday last season. The New York December futures settlement price ended the week on Thursday at 81.08 cents per pound compared with 80.09 cents a week ago.

Trading on spot cotton markets remained moderately active. Supplies and offerings increased and included a wider range of qualities. Some growers withheld uncommitted cotton with the expectation of better prices. Merchant demand was fairly good and bid prices strengthened in most localities. Domestic mill buying was moderate and included cotton for both prompt and deferred delivery. Export trading was more active. Far Eastern mills were the major buyers. Limited sales were made to European mills. Purchases reported by cotton exchanges in the designated markets totaled 324,600 bales in the week ended Thursday, November 10. This compares with 218,600 bales a week earlier and 134,300 bales in the corresponding week last season.

Textile mill report. Mill buying increased and included a moderate volume for both prompt and deferred delivery. Increased consumption and delays in the delivery of PIK cotton caused spot shortages. Interest was best for Central and Texas growths with shipments extending into the fall of 1984. Concern over the lack of availability of higher qualities seems to have eased and demand for Memphis territory, grades 31 and higher, weakened slightly. Mill sales of manufactured products were good, although some resistance to slightly higher prices was reported. Mill operations were largely five and six days with a few plants on seven days. Denim and sales yarn continued to move readily. Most apparel fabrics remain fair to good sellers along with numerous products for the household. The industrial market remains spotty but continues to show overall improvement.

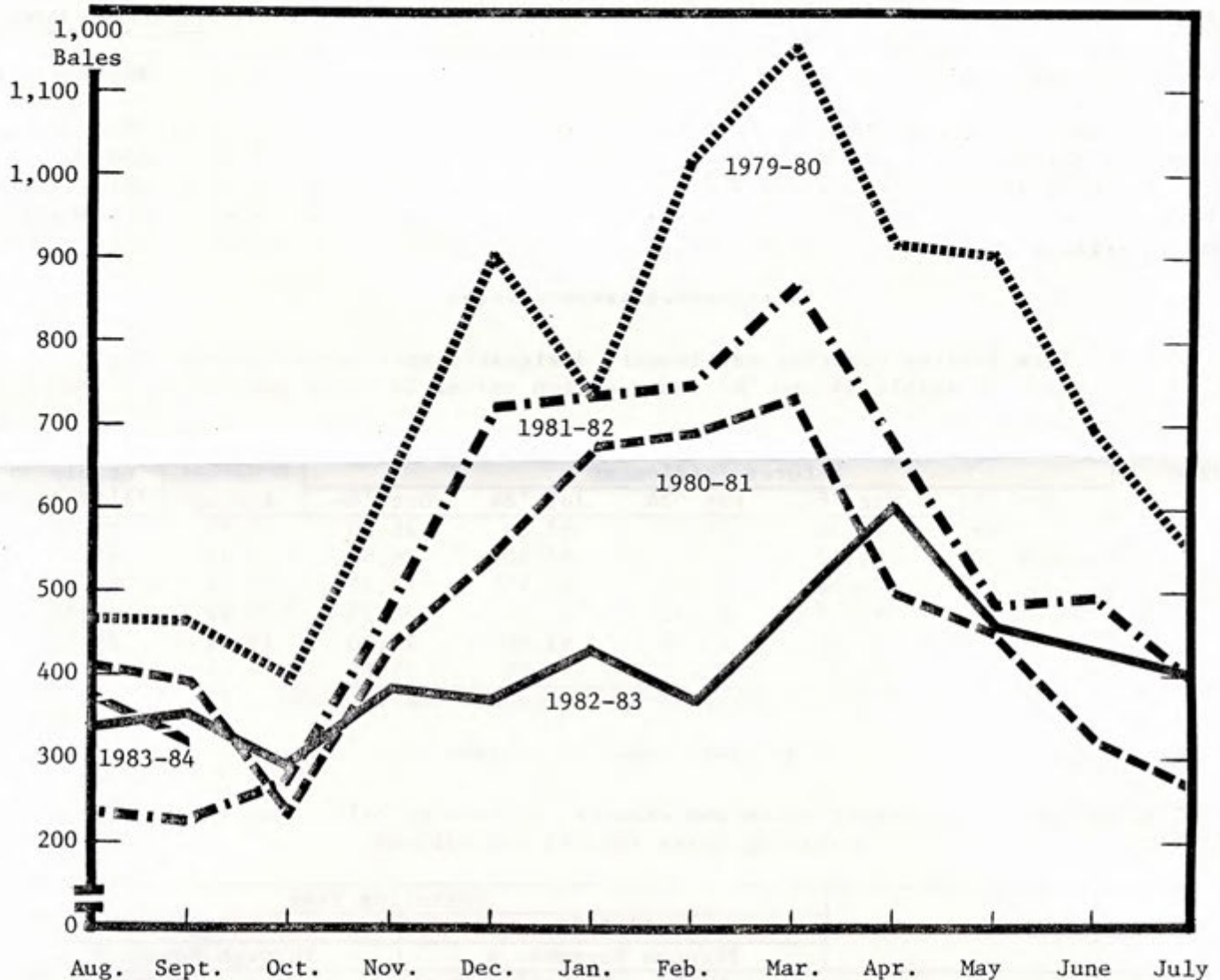
In Peru, prospects for cotton imports have weakened in light of a recent government decision to allow 7,000 tons of synthetic fiber into the country, rather than raw cotton, despite textile industry reservations, according to the Foreign Agricultural Service, USDA. The primary reason for the government's decision was apparently based on cotton and synthetic fiber price differences. Peru's weather-reduced crop situation had been expected to result in a substantial increase in cotton imports during 1983-84.

Exports of cotton from the United States, running bales,
by months and seasons, 1940-1983

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Total
	1,000 bales												
1940	65	91	195	145	113	56	69	97	74	71	75	61	1,112
1941	79	189	162	147	67	46	38	45	105	91	133	23	1,125
1942	71	154	209	80	58	41	40	67	103	77	354	226	1,480
1943	310	138	116	62	73	69	43	42	91	59	43	94	1,138
1944	33	39	186	254	96	86	121	205	107	193	295	310	1,924
1945	188	244	195	297	215	293	250	319	318	457	410	367	3,553
1946	413	242	104	455	361	290	385	383	275	249	303	84	3,544
1947	37	124	133	165	230	214	163	261	155	205	133	149	1,968
1948	115	171	246	428	522	403	497	582	590	464	508	221	4,747
1949	168	211	415	434	657	530	655	686	469	539	741	267	5,771
1950	356	373	284	372	449	317	429	354	471	371	204	129	4,108
1951	146	356	587	805	980	676	588	419	334	316	264	48	5,519
1952	107	241	296	337	466	292	259	246	208	261	220	115	3,048
1953	193	200	217	243	375	297	385	430	422	336	435	228	3,761
1954	190	199	351	390	497	334	307	369	240	231	281	59	3,447
1955	60	116	192	137	159	78	99	294	362	344	238	135	2,214
1956	423	505	598	538	939	791	809	787	603	662	525	418	7,598
1957	336	379	484	526	609	517	449	480	501	535	434	468	5,717
1958	209	212	181	314	298	222	211	284	245	248	236	129	2,789
1959	98	230	392	651	726	1,109	839	767	669	524	502	675	7,182
1960	113	193	439	720	981	976	845	841	585	387	248	304	6,632
1961	644	322	301	402	537	381	381	392	302	361	425	465	4,915
1962	139	163	157	298	383	211	522	440	299	310	244	183	3,351
1963	274	361	386	501	628	587	570	490	400	381	388	697	5,662
1964	120	184	290	388	747	244	181	584	407	251	398	266	4,060
1965	117	226	304	370	447	278	254	236	177	214	176	142	2,942
1966	341	348	306	518	607	458	458	401	288	416	299	228	4,669
1967	244	277	275	298	331	474	447	436	406	383	277	357	4,206
1968	213	262	152	185	276	55	55	130	568	363	194	278	2,731
1969	147	141	167	123	176	382	325	246	308	299	269	186	2,768
1970	84	89	180	251	362	439	455	562	467	327	307	213	3,737
1971	162	310	195	272	417	337	402	437	275	163	147	110	3,229
1972	58	82	191	352	534	654	528	677	607	437	500	381	5,000
1973	329	266	259	257	592	545	598	778	638	561	496	426	5,746
1974	261	125	120	272	350	409	380	346	371	364	392	356	3,746
1975	325	258	226	176	237	214	141	381	302	327	315	276	3,178
1976	274	342	217	265	376	354	509	536	548	400	462	282	4,565
1977	181	200	149	333	496	521	502	704	640	510	528	456	5,219
1978	524	388	283	355	464	517	577	574	602	542	614	410	5,850
1979	463	428	390	630	902	737	1,025	1,150	916	911	686	540	8,779
1980	402	393	237	436	541	669	688	733	498	458	320	264	5,639
1981	233	211	262	478	732	653	754	873	676	484	498	396	6,249
1982	342	351	293	382	377	438	368	487	612	464	435	409	4,959
1983	383	322											

Source: Bureau of the Census.

MONTHLY EXPORTS OF COTTON FROM THE UNITED STATES



Source: Bureau of the Census.

United States exports of cotton are shown on the above graph for the past four seasons and the first two months (August-September) of the current season. During the 1979-80 season, exports totaled 8,778,700 running bales, the largest volume of cotton exported since the 1926 season. Monthly exports declined slightly in September and October, strengthened in November and December, then declined in January. Shipments increased in February and reached the highest monthly level for the season in March 1980. A downward trend continued through July. U. S. cotton exports reached 5,639,300 bales during the 1980-81 season, 36 percent below the previous year. Monthly exports declined the first two months, then increased for five consecutive months, reaching the highest monthly level for the season in March 1981. Shipments dropped each month during the remainder of the season. Exports during the 1981-82 season totaled 6,248,900 running bales, 11 percent above the previous year. Movement of cotton for export during the first four months was slow. Monthly shipments were larger in December through April, reaching the highest monthly level for the season in March 1982. During the last three months of the season exports trended lower. Exports during the 1982-83 season totaled 4,959,500 bales, a decline of 21 percent from the previous year. Monthly shipments fluctuated but trended upward the first eight months, reaching the highest monthly level in April 1983. Shipments declined each month during the remainder of the season. Exports during the first two months of the 1983-84 season totaled 704,600 bales, the largest for this period since 1980. USDA's October 13 projected exports for the season was 5.3 million bales of 480 pounds net weight, only slightly above last season.

DAILY COTTON MARKET NEWS

MARKET

TELEPHONE NUMBER

Bakersfield, California - - - - -	805-834-2121
Birmingham, Alabama	
In state WATS line-toll free- - - - -	1-800-292-4924
Fresno, California- - - - -	209-251-9264
Greenwood, Mississippi- - - - -	601-455-3285
Lubbock, Texas- - - - -	806-763-7870
Phoenix, Arizona- - - - -	602-257-9304

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						8-Market Average	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement							
	Dec '83	Mar '84	May '84	Jul '84	Oct '84			
Nov. 3	80.09	81.34	82.00	82.25	76.20	73.75	89.05	
4	80.30	81.67	82.25	82.50	76.50	73.91	89.05	
7	79.64	81.24	82.00	82.45	76.25	73.41	89.20	
8	80.17	81.77	82.57	82.74	76.75	73.97	89.05	
9	80.07	81.76	82.78	82.90	76.90	73.89	89.15	
10	81.08	82.77	83.70	83.90	77.65	74.84	89.15	

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 1982-83 and 1983-84

Description	Marketing Year			
	1982-83		1983-84	
	Through November 4		Through November 3	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,102,500	-	3,020,200
Exports	82,200	981,400	79,900	1,004,300
Total export commitments	-	3,083,900	-	4,024,500
New sales	50,700	-	87,700	-
Buy-backs and cancellations	7,900	-	4,700	-
Net sales	42,800	-	83,000	-
Sales next marketing year	-	14,800	44,100	92,900

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

Upland cotton export sales during the week ended November 3 resulted in a net increase of 83,000 running bales, according to the Foreign Agricultural Service, USDA. This was down 16 percent from the previous week and 8 percent below the four-week average. The principal buyers were Spain with 17,100 bales, Hong Kong 11,500, Japan 9,200 and Italy 8,700 bales. Weekly exports of 79,900 bales were about 40 percent above both the previous week and the four-week average. Asian destinations accounted for 82 percent and European destinations 12 percent of the week's shipments.