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AGRICULTURAL MARKETING SERVICE

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Weekly Cotton Market Review
(Week ended November 17)

Vol. 65, No. 16

November 18, 1983

Spot cotton prices declined after reaching high levels the previous week, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading continued moderately active. Grower offerings and sales 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, reaching advanced stages in many localities. A sharp downward revision in production for several major foreign countries has enhanced United States export prospects for 1983-84.

Spot cotton prices. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets declined 147 points on Friday, November 11, to 73.37 cents per pound, then remained fairly steady the remainder of the week. The average price on Thursday, November 17, was 73.60 cents compared with 74.84 cents a week earlier and 58.75 cents on the corresponding Thursday last season. The New York March 1984 futures settlement price ended the week on Thursday at 81.47 cents per pound compared with 82.77 cents a week earlier.

Trading on spot cotton markets remained moderately active. A larger volume of cotton moved into trade channels and included a wider range of qualities. Merchant demand absorbed most offerings. Some growers delivered current ginnings against forward contracts and to CCC for PIK requirements. Grower-to-merchant delivery of PIK cotton increased. Domestic mill buying increased for both prompt and deferred delivery. Export trading was active. European mills bought a moderate to heavy volume of cotton for prompt through March shipment. Sales to Far Eastern countries were mostly for January-June shipment. Purchases reported by cotton exchanges in the designated markets totaled 226,600 bales in the week ended Thursday, November 17. This compares with 324,600 a week earlier and 166,400 bales in the corresponding week last season.

Textile mill report. Mills operated five to six-day work weeks with some plants on seven days. This return to full work schedules reflects the continuing trend toward economic recovery in the textile market. Mills producing popular apparel fabrics such as denim and all-cotton sales yarn report strong demand with sales booked well ahead. Sales of numerous other items were registered into second quarter months if not already fully booked. A period of increased production coupled with delays in the delivery of PIK cotton created spot shortages and stimulated demand for prompt delivery. Demand for selected lower grades was increasing, taxing shipper ability to cover. Mills were offered the medium and higher grades in quantity and at slightly lower prices and buying of these qualities was moderately active. Purchases for deferred delivery also increased.

U. S. cotton export prospects enhanced by reduced foreign competition. Production problems in a number of foreign countries are altering the world cotton outlook for 1983-84. Global output is forecast at 65.3 million 480 pound net weight bales, down 1.4 million from last month and 2.4 million below 1982-83. Meanwhile, consumption may total about 69.3 million bales, slightly below October indications but still 1.7 million above last season. Consequently, stocks are expected to fall about 4 million bales below the revised beginning level of 28.9 million.

The 1983-84 foreign cotton supply-demand balance has tightened over the past month as production has been adjusted down in a number of major producing countries, including Pakistan, the Soviet Union, Egypt and Mexico. Foreign output is now placed at 57.8 million

bales, 1.3 million below a month earlier. Tighter supplies mean reduced availabilities for both mill use and exports. Foreign consumption is estimated at 63.4 million bales, 0.2 million below the October forecast while exports abroad are forecast at 12.8 million bales, 0.4 million bales below last month's projection. As a result, stocks are expected to total about 20.8 million bales, slightly below the revised beginning season level. Beginning stocks for 1983-84 differ from those published last month due to a significant upward revision in Egyptian stocks, beginning with 1980-81.

A sharp downward revision in production for several major competitors has enhanced U. S. export prospects for 1983-84. U. S. shipments may total about 5.6 million bales, 0.3 million above last month's assessment and moderately above 1982-83. This season's commitments (exports plus outstanding sales) are running 30 percent above a year earlier. Mill use forecast remains at 6 million bales which coupled with prospective exports would result in disappearance of nearly a million bales above 1982-83's 10.7 million. With the 1983 U. S. crop still forecast at 7.5 million bales, ending stocks are expected to be worked down to 4 million, 0.4 million below a month earlier and nearly 4 million below the beginning level.

Although 1983-84 world cotton trade prospects remain close to last month's indicated 18.4 million bales, the mix has shifted somewhat. The United States is expected to garner a larger export share at the expense of some competitors, notably Pakistan. The U. S. share is placed at 30 percent, up 2 percentage points from last season, as 1983-84 foreign exports are forecast to dip to the lowest level since 1976-77.

Cotton supply and use: U. S., major foreign importers and exporters,
and world; projected marketing year 1983-84 1/
November 14, 1983

Region	Supply			Use		Ending stocks
	Beginning stocks	Production	Imports	Mill use	Exports	
<u>Million 480 pound bales</u>						
<u>United States</u>						
October projection	7.9	7.5	<u>2/</u>	6.0	5.3	4.4
November projection	7.9	7.5	<u>2/</u>	6.0	5.6	4.0
<u>World less U. S.</u>						
October projection	20.1	59.1	18.2	63.6	13.2	20.4
November projection	21.0	57.8	18.3	63.4	12.8	20.8
<u>Major importers ^{3/}</u>						
October projection	9.3	17.8	15.0	32.5	0.5	9.0
November projection	9.7	17.8	15.1	32.6	0.5	9.6
<u>Major exporters ^{4/}</u>						
October projection	4.2	24.7	0.2	15.5	8.4	4.8
November projection	4.7	23.2	0.2	15.3	8.0	4.7
<u>Others</u>						
October projection	6.6	16.6	3.0	15.5	4.2	6.6
November projection	6.5	16.8	3.0	15.5	4.4	6.5
<u>World ^{5/}</u>						
October projection	28.1	66.7	18.2	69.6	18.4	24.8
November projection	28.9	65.3	18.4	69.3	18.4	24.8

1/ Marketing year beginning August 1. 2/ Less than 50,000 bales. 3/ Includes Western Europe, Eastern Europe, Japan, PRC, Korea, Taiwan and Hong Kong. 4/ Includes the USSR, Pakistan, Egypt, Sudan, Turkey, Central America and Mexico. 5/ Total trade of individual countries, including intra-regional trade. World imports and exports may not balance due to cotton in transit and reporting discrepancies in some countries.

NOTE: Totals may not add and stocks may not balance due to rounding, a small quantity of cotton destroyed, and differences unaccounted.

All cotton production in the United States was forecast at 7.50 million 480 pound net weight bales, according to the Crop Reporting Board, SRS, USDA. This was 37 percent below 1982 and 1 percent less than last month's forecast. Upland production was set at 7.42 million bales, down 37 percent from last year. American Pima production was forecast at 79,000 bales, 20 percent below 1982.

Upland acreage for harvest was estimated at 7.07 million acres, down 27 percent from 1982. American Pima acreage for harvest was forecast at 63,300 acres, 10 percent below last year.

Production in the southeastern states -- Alabama, Georgia, North Carolina and South Carolina -- was forecast at 380,000 bales, 60 percent less than last year and down 8 percent from the October 1 forecast. Harvesting was about 70 percent completed by November 1.

In the Delta states -- Arkansas, Louisiana, Mississippi, Missouri and Tennessee -- production was forecast at 1.91 million bales, 48 percent less than last year and virtually unchanged from last month's forecast. Slightly better than expected yields were offset by lower acreage for harvest in Mississippi. Harvesting moved rapidly during October and was over 80 percent finished by November 1.

Texas and Oklahoma upland production was forecast at 2.34 million bales, down 20 percent from 1982 and 3 percent less than last month. Better than expected yields in Texas more than offset the lower acreage for harvest. Harvesting was well ahead of last year and was about one-third finished by November 1.

In the western states -- Arizona, California and New Mexico -- upland production was forecast at 2.77 million bales, down 35 percent from 1982 but up 2 percent from the October 1 forecast. Full assessment of flood damage in Arizona revealed some grade and quality reduction but limited acreage loss. Harvesting was about 30 percent completed by November 1, about one week behind last year's pace.

The Bureau of the Census reported 3,348,142 running bales ginned prior to November 1, compared with 5,288,435 bales ginned to the same date last year and 5,540,672 bales in 1981.

Cotton acreage harvested, yield per acre, production and ginnings, by states, 1982-1983

State	Area Harvested		Lint yield per harvested acre		Production 480 lb. net weight bales 1/			Ginnings prior to October 1	
	1982	Indicated 1983	1982	Indicated 1983	1982	Indicated 1983		1982	1983
						October	November		
Upland	1,000	acres	Pounds		1,000 bales			Running bales	
Alabama	285.0	215.0	775	391	460.0	187.0	175.0	300,271	121,483
Arizona	465.0	288.0	1,130	1,100	1,095.0	660.0	660.0	200,731	153,314
Arkansas	390.0	310.0	657	465	534.0	300.0	300.0	418,677	256,616
California	1,370.0	965.0	1,077	1,020	3,073.0	2,000.0	2,050.0	932,045	640,097
Florida 2/	15.0	9.5	627	621	19.6	12.3	12.3	-	-
Georgia	158.0	115.0	714	438	235.0	120.0	105.0	106,305	36,314
Louisiana	595.0	410.0	702	574	870.0	450.0	490.0	590,565	400,862
Mississippi	990.0	675.0	853	640	1,760.0	930.0	900.0	1,209,402	724,008
Missouri	151.0	93.0	648	377	204.0	70.0	73.0	184,917	65,644
Nevada 2/	0.7	-	617	-	0.9	-	-	-	-
New Mexico	68.0	49.0	551	607	78.0	61.0	62.0	22,347	0
North Carolina	70.0	59.0	699	366	102.0	45.0	45.0	51,156	28,318
Oklahoma	450.0	300.0	254	224	238.0	160.0	140.0	0	11,637
South Carolina	95.0	69.0	783	383	155.0	60.0	55.0	91,104	43,150
Tennessee	255.0	215.0	638	335	339.0	160.0	150.0	271,614	122,345
Texas	4,300.0	3,300.0	301	320	2,700.0	2,250.0	2,200.0	876,785	729,154 3/
Virginia 2/	0.3	0.3	640	320	0.4	0.2	0.2	-	-
All other	-	-	-	-	-	-	-	16,889	11,891
U. S.	9,658.0	7,072.8	590	503	11,863.9	7,465.5	7,417.5	5,272,808	3,343,209
American Pima									
Arizona	41.6	29.5	760	716	65.9	49.0	44.0	7,199	3,309
New Mexico	9.4	11.0	511	480	10.0	11.0	11.0	1,003	0
Texas	19.5	22.8	561	505	22.8	24.0	24.0	7,425	0
U. S.	70.5	63.3	672	599	98.7	84.0	79.0	15,627	4,933
U. S. all cotton	9,728.5	7,136.1	590	504	11,962.6	7,549.5	7,496.5	5,288,435	3,348,142

1/ Based on crop conditions about November 1.

2/ Estimates for current year carried forward from earlier forecast.

3/ Includes American Pima and upland. Total Pima ginnings withheld to avoid disclosure of individual gins.

(D) Withheld to avoid disclosure of individual gins.

Compiled from reports of the Crop Reporting Board, SRS, USDA and Bureau of the Census.

Seven months and older certificated stock, December 1, 1983 1/

Delivery point	7-12 months	13-18 months	19-24 months	Over 24 months	Total
	Bales	Bales	Bales	Bales	Bales
Charleston	-	-	-	-	-
Galveston	17,239	721	209	63	18,232
Greenville	1,001	-	-	-	1,001
Houston	10	-	29	-	39
Memphis	19,418	1,409	221	205	21,253
Mobile	-	-	-	-	-
New Orleans	490	1	6	-	497
Total	38,158	2,131	465	268	41,022

1/ Based on Cotton Division records as of November 15, 1983.

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. 10	81.08	82.77	83.70	83.90	77.65	74.84	89.15	
11	79.13	81.00	82.02	82.25	76.55	73.37	89.45	
14	79.50	81.44	82.35	82.70	76.65	73.59	89.30	
15	79.45	81.25	82.45	82.70	76.65	73.55	89.30	
16	79.05	80.94	82.01	82.35	76.50	73.26	89.40	
17	79.72	81.47	82.62	82.77	76.75	73.60	89.25	

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 11		Through November 10	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,075,600	-	3,057,800
Exports	89,100	1,070,500	99,500	1,103,800
Total export commitments	-	3,146,100	-	4,161,600
New sales	78,900	-	153,000	-
Buy-backs and cancellations	16,800	-	15,900	-
Net sales	62,100	-	137,100	-
Sales next marketing year	11,400	26,200	37,900	130,800

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

Upland cotton export sales during the week ended November 10 resulted in a net increase of 137,100 running bales, according to the Foreign Agricultural Service, USDA. This was 63 percent greater than a week earlier and 57 percent above the four-week average. The major buyers were Japan with 40,400 bales, South Korea 16,600, Italy 16,200, Taiwan 15,400 and Hong Kong 14,600 bales. Sales for the 1984-85 marketing year totaled 37,900 bales. Major purchasers were Taiwan with 16,500 bales and Japan 15,000 bales. Weekly exports of 99,500 bales were up a quarter from a week earlier and two thirds greater than the four-week average. Asian destinations accounted for 72 percent and European destinations 20 percent of the week's shipments.