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Dept of Ag Eco

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Weekly Cotton Market Review
(Week ended November 23)

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Spot cotton prices were lower, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading remained fairly active. Merchant demand was good and readily absorbed most offerings. Domestic mill purchases were light to moderate. Export trading was less active. Growers forward contracted a light volume of 1984-crop cotton. Harvesting made good progress but was slowed by rains in many areas. Upland cotton ginned in the United States prior to November 1 this season contained the largest percentage of grades 41 and higher of any crop since 1979.

Spot cotton prices were lower. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets ranged from 71.99 to 73.53 cents per pound during the period ending Wednesday, November 23. The average price on Wednesday was 71.99 cents compared with 73.60 cents last Thursday and 57.95 cents on the corresponding date last season. The New York March 1984 futures settlement price ended the period on Wednesday at 79.16 cents per pound compared with 81.47 cents a week ago.

Trading on spot cotton markets remained fairly active. New-crop supplies increased but offerings were generally light. Offerings were restricted in many markets as growers delivered current ginnings to CCC for PIK requirements or against forward contracts. Merchant demand was good. Domestic mills purchased a light to moderate volume of cotton. Export trading was less active. Far Eastern mills were the major buyers and purchases included both 1983 and 1984-crop cotton. Purchases reported by cotton exchanges in the designated markets totaled 181,600 bales in the period ending Wednesday, November 23. This compares with 226,600 bales a week earlier and 168,100 bales in the corresponding week last season.

Textile mill report. Domestic mill buying continued at a fairly steady rate. Purchases were light to moderate. Demand was fair to good for medium and higher grades and continued to strengthen for selected lower qualities. Mills continued to seek lower priced qualities to reduce raw material costs. Buying was largely Memphis territory and Texas growths. Mill business continued good. Most plants were operating five or six days per week. Denim and selected yarns remained good sellers with some plants producing these on seven-day work schedules. Sales of numerous products extended into second quarter months with some orders scheduled into the third quarter. Some mills will close for up to four days for Thanksgiving while others will take only one day.

The 1983-84 Egyptian cotton crop has been revised downward to 1.950 million bales, 8 percent below last year's crop of 2.117 million bales. According to the U. S. Agricultural Counselor in Cairo, the reduced outturn is due primarily to shortage of labor.

Quality of ginnings. Upland cotton ginned in the United States prior to November 1 contained the largest percentage of grades 41 and higher of any crop since 1979. Grade 41 was the predominant grade at 41 percent. Average staple was 34.7 thirty-seconds inches, down slightly from the previous year. Upland cotton in the mike 35-49 range accounted for about 88 percent of ginnings, the same as last year. Average fiber strength in grams per tex was 25.0, down slightly from 25.1 in 1982.

Grade. Grade 41 was the predominant quality of upland cotton ginned prior to November 1 this season. This quality accounted for about 41 percent of ginnings, up from 33 percent a year earlier and 32 percent in 1981. White grades 31 and higher comprised 17 percent compared with 14 percent in 1982 and 22 percent in 1981. Grades 41 and higher accounted for about 63 percent of ginnings. This was the largest proportion in these white grades since 1979 and compares with 51 percent last year and 58 percent two years ago. All white grades made up 79 percent of ginnings. This was also the largest proportion since 1979, up from 75 percent a year earlier and 74 percent two years ago. Light Spotted grades comprised 20 percent, down from 25 percent in 1982 and 23 percent in 1981.

Staple. Average staple of upland cotton ginned prior to November 1 was 34.7 thirty-seconds inches. This compares with 34.9 in 1982 and 34.6 two years ago. Staples 31 and shorter accounted for about 4 percent of ginnings compared with 6 and 2 percent in 1982 and 1981, respectively. Staples 32 and 33 totaled 9 percent against 7 percent last year and 12 percent two years ago. Staples 34 and 35 made up almost 63 percent of ginnings, up from 45 percent in 1982 but down from 65 percent in 1981. Staples 36 and longer accounted for about 24 percent, down sharply from 41 percent a year ago and compares with 21 percent in 1981.

Mike. Upland cotton in the mike 35-49 range accounted for 88 percent of ginnings this season, the same as a year ago and up from 82 percent in 1981. About 3 percent of ginnings miked 34 and lower, the same as a year earlier and compares with 2 percent in 1981. Cotton with mike 50 and higher accounted for about 9 percent this season, the same as in 1982 but down from 16 percent two years ago. Average mike was 44, the same as a year ago and down slightly from 45 two years ago.

Strength. The average fiber strength of upland cotton ginned prior to November 1 this season was 25.0 grams per tex. This compares with 25.1 a year ago and 24.4 in 1981. Strengths in the 19 and lower range accounted for about 1 percent of ginnings, the same as the past two years. About 24 percent of ginnings had strengths in the 20 to 23 range, up from 20 percent a year ago but down from 37 percent in 1981. Cotton with strengths of 24 to 27 grams per tex accounted for 65 percent, against 66 percent a year earlier and 51 percent two years ago. Strengths in the 28 and higher range made up 12 percent compared with 13 percent in 1982. In 1981, strengths in this range made up 12 percent.

Ginnings. Upland cotton ginned prior to November 1 this season totaled 3,343,209 running bales, according to the Bureau of the Census. This compares with 5,272,808 bales a year earlier and 5,528,571 bales two years ago. American Pima ginnings totaled 4,933 bales compared with 15,627 in 1982 and 12,101 in 1981. Ginnings through October this season were equivalent to about 46 percent of the expected production. In 1982, about 46 percent of the total crop had been ginned through October.

United States: Percentage distribution of grade, staple, mike and fiber strength
for upland cotton ginned prior to November 1, 1983 ^{1/}

Grade Code	Staple														All Staples
	26 and shorter	28	29	30	31	32	33	34	35	36	37	38	39	40 and longer	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
White:															
11	-	-	*	-	-	-	*	*	*	*	*	-	-	-	*
21	*	*	*	*	0.1	*	*	0.1	0.1	0.1	*	*	-	-	0.4
30	*	-	-	*	*	*	*	*	*	*	*	*	*	*	*
31	*	*	*	0.1	0.4	0.3	0.6	2.6	7.6	4.4	0.3	*	*	*	16.4
40	-	*	*	*	*	*	0.2	0.8	2.2	1.5	0.1	*	*	*	4.8
41	*	*	*	0.1	0.4	0.6	1.8	8.2	20.2	9.0	0.7	0.1	*	*	41.1
50	*	*	*	*	*	*	0.2	1.1	3.6	1.8	0.2	*	*	*	7.0
51	*	*	*	*	0.1	0.3	0.6	1.7	3.3	1.6	0.2	*	*	*	7.9
60	-	-	-	*	*	*	*	*	*	*	*	*	*	*	0.1
61	-	*	*	*	*	0.1	0.1	0.3	0.2	0.1	*	*	*	*	0.8
70	-	-	-	-	-	-	*	*	*	*	*	*	*	*	*
71	-	*	*	*	*	*	*	*	*	*	*	*	*	*	0.1
Lt. Spotted:															
12	-	-	-	-	-	-	-	-	*	-	-	-	-	-	*
22	*	*	*	*	*	*	*	*	*	*	*	*	*	*	0.1
32	*	*	0.1	0.3	0.5	0.4	0.5	0.9	0.9	0.4	0.1	*	*	*	4.2
42	*	*	0.1	0.2	0.5	0.7	1.1	2.7	3.6	1.9	0.5	0.1	*	*	11.4
52	*	*	*	*	0.2	0.4	0.6	1.0	1.1	0.6	0.2	*	*	*	4.0
Spotted:															
13	-	-	-	-	*	*	*	*	*	*	-	-	-	*	*
23	*	*	*	*	*	*	*	*	*	*	-	-	-	-	*
33	*	*	*	*	*	*	*	*	*	*	*	*	*	*	0.2
43	*	*	*	*	*	*	0.1	0.1	0.1	*	*	*	*	*	0.4
53	*	*	*	*	*	*	*	0.1	0.1	*	*	*	*	*	0.3
Tinged:															
24	-	-	*	*	*	*	*	*	-	-	-	-	-	-	*
34	-	-	*	*	*	*	*	*	*	*	*	*	*	*	*
44	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
54	-	-	-	*	*	*	*	*	*	*	*	*	*	*	*
Stained:															
25	-	-	-	-	-	-	-	*	-	-	-	-	-	-	*
35	-	-	-	-	*	-	-	*	*	*	-	-	-	*	*
Lt. Gray:															
16	-	-	-	-	-	-	-	*	-	-	-	-	-	-	*
26	-	-	-	-	*	*	*	*	*	*	-	-	-	-	*
36	-	-	-	-	*	*	*	*	*	*	-	-	-	-	*
46	-	-	-	-	*	*	*	*	*	*	-	-	-	-	*
Gray:															
17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	-	-	-	-	-	-	-	*	-	-	-	-	-	-	*
37	-	-	-	-	-	-	-	*	*	*	-	-	-	-	*
47	-	-	-	*	-	*	*	*	*	*	-	-	-	-	*
Below Grade <u>2/</u>	*	*	*	*	*	0.1	0.1	0.2	0.1	*	*	*	*	*	0.6
All grades	*	0.1	0.2	0.9	2.4	3.2	6.1	19.8	43.1	21.4	2.4	0.3	*	*	100.0

Mike	26 and below	27-29	30-32	33-34	35-49	50-52	53 and above	Average
Percent	0.1	0.4	1.1	1.5	87.9	7.6	1.3	44

Fiber Strength	1/8" Gage (Grams per tex)								Average
	17 and below	18-19	20-21	22-23	24-25	26-27	28-29	30 and above	
Percent	*	0.5	5.2	18.4	35.6	28.9	9.0	2.5	25.0

^{1/} Ginnings, Bureau of the Census, 3,343,209 running bales.

^{2/} Lower in grade than the lowest grade of the official standards.

* Less than 0.05 percent.

Average staple. 34.7

Percent tenderable. 67.3

Percent Average Rule Used (ARU) 1.2

Percent grade reductions. 6.9

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. 17	79.72	81.47	82.62	82.77	76.75	73.60	89.25
18	79.27	81.05	82.30	82.50	76.67	73.34	89.45
21	79.04	81.09	82.40	82.70	77.00	73.53	89.45
22	77.04	79.97	81.25	81.00	76.40	72.72	89.60
23	75.66	79.16	80.35	81.10	76.30	71.99	89.45

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 18		Through November 17	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,013,300		
Exports	96,400	1,162,100		
Total export commitments	-	3,175,400	Will be released	
New sales	45,800	-		
Buy-backs and cancellations	11,700	-	November 25	
Net sales	34,100	-		
Sales next marketing year	4,000	30,200		

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

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