

UNITED STATES DEPARTMENT OF AGRICULTURE

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Weekly Cotton Market Review

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Spot cotton prices averaged higher than the previous week, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading remained steady. Some merchants bought more selectively but demand was fairly good. Domestic mill buying was more active. Export sales increased slightly. Harvesting in cotton producing areas of the United States was finished or neared completion except in Oklahoma and on the Texas Plains. After receiving the first hard freeze recently in these localities, harvesting was increasing. Domestic mill consumption of cotton for the first three months this season was the largest since 1973. October exports were the largest for this month since 1939.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 45.68 cents per pound during the week ended Friday, November 21. Prices ranged from a low of 45.30 cents on Monday to a high of 46.48 cents on Friday. A week earlier, prices averaged 45.19 cents and ranged from 45.04 to 45.30 cents. The New York December 1986 futures settlement price ended the week on Friday at 49.32 cents per pound compared with 48.75 cents a week earlier. The October 1987 settlement price was 51.00 cents against 49.95 cents a week earlier.

Trading was fairly steady on most spot cotton markets. Demand was strong enough to absorb most offerings. Domestic mills continued to experience spot shortages and buying was primarily for prompt shipment. A moderate volume of cotton was bought for delivery through December 1987. Export sales increased slightly. The bulk of purchases was made by European mills and a light volume was bought by Far Eastern mills. CCC certificate trading was light. Cotton certificates traded at prices ranging from 94 to 98 percent of face value and generics at 109 to 114 percent of value. Purchases reported by cotton exchanges in the designated markets totaled 140,340 running bales in the week ended Friday, November 21. This compares with 88,198 bales reported a week earlier and 106,046 bales in the corresponding week last season. In the southeastern markets, merchant demand was good and trading was fairly steady, in spite of grower confusion about their particular selling options. Cotton has been moving into the CCC loan but a few growers elected the producer option payment plan. Prices for equities held fairly steady at \$30 to \$45 per bale depending on quality, and in some instances variety. Spot cotton trading in the south central markets was at a near standstill, following last week's very active trading. The decline in trading was attributed to the higher adjusted world price that was in effect during the week. Merchants were more selective in their purchases. Limited activity involved producer option payment trading, basis grade 41 staple 34, at 49 to 51 cents per pound. Prices for selected CCC loan equities ranged from \$20 to \$45 per bale. Equity trading was a little more active in the southwestern markets. Merchant demand was slightly stronger. Prices paid to growers were higher and ranged from \$35 to \$40 per bale for 1986-crop equities. Mixed lots of specific varieties brought around \$75 per bale equity in some areas. Grower offerings in the western markets continued to be very light. Demand was good and most offerings traded. Arizona cotton sold at prices ranging from 59.50 to 60.40 cents per pound for grade 31, with growers keeping loan deficiency payments. San Joaquin Valley cotton, both spot purchases and contracting, sold at prices of about 74.00 to 76.25 cents, basis grade 31 staple 35, mike 35-49, UD, free on gin yard with entitlements going to buyers.

Textile mill report. Mill buying was more active and included a light quantity of cotton for prompt shipment and a moderate volume for deferred delivery. Central and far western growths, grades 51 and higher, staples 35 and longer, were in best demand. Shipper asking

prices were firm to slightly higher. Shipment delays were of less consequence but continued to exist. Cotton consumption remained at high levels, reflecting a good to excellent textile demand over a wide range of products. Work schedules ranged from five to seven days per week, mostly five to six.

Domestic mill consumption of cotton averaged 27,400 running bales per day in the five weeks ended November 1, according to the Bureau of the Census. This was up from 26,200 bales used per day a month earlier (four weeks) and was the largest October daily rate since 1973. Domestic mills consumed 685,900 bales in October, bringing usage for the first three months this season (13 weeks) to 1,743,300 bales. This was the largest August-October consumption since 1973 and compares with 1,513,400 bales used through October a year earlier (13 weeks) and 1,365,700 bales two years ago (13 weeks).

Consumption of man-made fibers by domestic mills with cotton system spindles totaled 180.5 million pounds (about 376,100 bales of 480 pounds) in the five weeks ended November 1, according to the Bureau of the Census. This brought consumption for the first 13 weeks (August-October) this season to 455.8 million pounds (about 949,600 bales). This was the largest August-October man-made fiber usage by mills since 1983 and was up seven percent from both a year earlier and two years ago.

Stocks of cotton at mills totaled 561,600 running bales on November 1, according to the Bureau of the Census. This was the largest end-of-October stocks at mills since 1982 and compares with 581,900 bales a month earlier and 556,800 bales at the end of October last year. At the October daily rate of consumption, mill stocks were equivalent to about four weeks' supply. Cotton in public storage totaled 9,518,800 running bales on November 1. This was the largest end-of-October stocks in public storage since 1967 and compares with 7,996,400 bales held a month earlier and 6,121,600 bales at the end of October 1985.

Cotton ginned prior to November 15, in running bales, and average net weight per bale of cotton ginned prior to November 1, by states, crops of 1984-1986

State	Ginnings			Average bale weight		
	1986	1985	1984	1986	1985	1984
United States	6,374,827	8,216,061	7,025,375	-	-	-
Upland	6,302,108	8,168,672	6,985,826	-	-	-
American Pima	72,719	47,389	39,549	-	-	-
Alabama	269,459	422,259	313,127	501.0	503.6	506.5
Arizona	463,633	495,418	587,545	498.4	496.6	495.9
Arkansas	567,943	643,226	368,846	486.0	490.7	491.3
California	1,538,736	1,776,040	1,837,330	497.0	498.8	498.3
Georgia	109,479	256,175	194,129	492.9	499.3	500.2
Louisiana	665,013	693,281	770,360	484.4	489.1	495.6
Mississippi	1,139,630	1,469,334	1,058,551	497.2	499.4	501.3
Missouri	182,320	171,519	139,461	487.0	492.2	496.2
New Mexico	26,424	33,276	33,990	496.8	493.2	495.3
North Carolina	77,277	(D)	70,466	509.2	517.9	504.2
Oklahoma	(D)	78,409	(D)	491.7	489.3	491.5
South Carolina	57,803	141,947	135,075	500.7	510.3	519.5
Tennessee	367,869	333,724	188,446	484.8	497.1	495.8
Texas	891,817	1,608,798	1,250,534	491.8	496.0	491.3
Other states	17,424	92,655	77,515	-	-	-

(D) Withheld to avoid disclosure of individual gins.

Source: Bureau of the Census

Exports of cotton from the United States during October totaled 617,000 running bales, the highest level for this month since 1939, according to the Bureau of the Census, Industry Division. A month earlier, 368,900 bales were shipped and in October a year ago, 221,600 bales were exported. Shipments for the first three months (August-October) this marketing year totaled 1,359,800 bales, the largest volume for this period since 1956-57. Exports totaled 566,000 bales through October a year earlier and 1,007,900 bales two years ago.

Exports of all cotton from the United States, running bales, by months and seasons, 1955-1986

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season 1/
	1,000 bales												
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	6,263
1982	342	351	293	382	377	438	368	487	612	464	435	409	4,961
1983	367	322	261	441	632	663	719	896	723	607	422	365	6,419
1984	452	264	292	484	629	793	766	625	544	426	353	252	5,943
1985	166	179	222	196	236	189	202	134	198	69	62	25	1,875
1986 2/	374	369	617										

1/ Season totals are adjusted data as reported in Supply and Distribution of Domestic and Foreign Cotton in the United States by Bureau of the Census.

2/ Preliminary.

All cotton: Domestic mill consumption and stocks, running bales, by months and seasons, 1982-1986

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season 1/
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
1982	386	474*	416	391	425*	404	430	549*	431	441	543*	369	5,259
1983	453	560*	459	446	468*	469	448	548*	430	442	503*	354	5,129
1984	428	509*	428	390	423*	399	418	519*	419	439	525*	369	5,268
1985	458	562*	493	477	486*	595*	499	492	620*	503	489	522*	6,198
1986 4/	534	523	686*										
				Mill consumption 2/									
1982	19.3	19.0	20.8	19.5	17.0	20.2	21.5	22.0	21.5	22.0	21.7	18.4	20.2
1983	22.6	22.4	22.9	22.3	18.7	23.5	22.4	21.9	21.5	22.1	20.1	17.7	21.6
1984	21.4	20.4	21.4	19.5	16.9	20.0	20.9	20.8	21.0	21.9	21.0	18.5	20.3
1985	22.9	22.5	24.6	23.9	19.5	23.8	24.9	24.6	24.8	25.2	24.4	20.9	23.4
1986 4/	26.7	26.2	27.4										
				Mill consumption per day									
1982	750	671	611	635	698	782	777	790	795	777	757	756	-
1983	712	639	556	554	611	647	713	741	766	766	822	795	-
1984	715	645	542	560	683	812	875	815	796	804	734	733	-
1985	685	621	557	570	604	687	728	776	789	782	788	775	-
1986 4/	664	582	562										
				Stocks in consuming establishments 3/									
1982	5,008	5,293	7,575	10,190	11,101	11,120	10,546	9,713	8,796	7,930	7,419	6,656	-
1983	6,168	5,870	7,119	8,570	8,790	7,525	6,359	4,997	3,956	2,966	2,212	1,761	-
1984	1,491	1,432	3,386	6,321	7,551	7,529	6,541	5,648	4,806	4,008	3,570	2,930	-
1985	2,826	3,743	6,122	8,963	10,677	10,747	10,243	9,656	9,072	8,449	7,980	8,116	-
1986 4/	7,625	7,996	9,519										
				Stocks in public storage 3/									

1/ Season totals are adjusted data as reported in Supply and Distribution of Domestic and Foreign Cotton in the United States by Bureau of the Census.

2/ Consumption figures relate to four-week months except as noted. Daily consumption rates calculated on the basis of 20 days for four-week months and 25 days for five-week months with no allowance for holidays.

3/ These data refer to a particular day near the end of the month.

4/ Preliminary.

* Five-week month.

Source: Bureau of the Census