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Weekly Cotton Market Review

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Spot cotton prices remained steady, according to the Cotton Division, Agricultural Marketing Service, USDA. Supplies were large and fully adequate to meet demand. Offerings increased but many growers continued to resist bid prices. Merchants bought primarily to cover nearby commitments. Domestic and foreign mill buying was light. Although rains interrupted harvesting in most localities, stored seed cotton was sufficient to keep a number of gins operating. Cotton ginned prior to November 15 totaled 8,225,929 running bales, up from 7,025,375 bales ginned through the same period in 1984. Domestic mill consumption of cotton for the first three months this marketing year was the largest since 1979-80. October exports were the smallest since 1977.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 56.04 cents per pound during the period ending Wednesday, November 27. Prices ranged from a high of 56.39 cents on Friday to a low of 55.74 cents on Wednesday. A week earlier, prices averaged 55.85 cents per pound and ranged from 55.52 to 56.15 cents. In the corresponding week a year ago, the average price was 60.42 cents. The New York March 1986 futures settlement price ended the period on Wednesday at 60.87 cents per pound compared with 61.98 cents on Thursday a week earlier.

Trading on spot cotton markets was fairly steady and was most active in the western states. Supplies were large and offerings increased. Trading was restricted in some markets as many growers were unwilling to sell at prevailing prices. Eligible cotton continued to move into the CCC loan. Demand was fair to good in some markets. Merchants bought primarily to cover nearby commitments. Domestic mill buying slowed. Limited purchases were made by foreign mills for prompt through May delivery. Purchases reported by cotton exchanges in the designated markets totaled 128,200 bales in the period ending Wednesday, November 27. This compares with 98,500 bales reported a week earlier and 184,300 bales in the corresponding week last season.

Textile mill report. Mill buying slowed. Purchases consisted mostly of California cotton but also included Memphis territory and southeastern growths, largely for nearby delivery. Mills were mostly covered through the end of the year and continued to hold stocks at conservative levels. Mill sales of textile products remained good to very good. Most apparel, all-cotton yarns and selected household products continued to move readily with sales booked well into the new year. Numerous other products traded at a steady rate. Mills' normal work schedules of five to seven days will be interrupted by Thanksgiving and most mills expect to be closed from one to four days.

Foreign cotton prices have declined 8 cents per pound during the past six weeks while U.S. prices have been virtually unchanged, according to the Foreign Agricultural Service, USDA. The spread between U.S. and foreign prices is now about 19 cents. U.S. export sales have slowed to a trickle as foreign countries compete to move surplus cotton and earn foreign exchange.

Domestic mill consumption of cotton averaged 24,600 running bales per day in the four weeks ended October 26, according to the Bureau of the Census. This was up from 22,500 bales used per day a month earlier and was the largest October daily rate since 1979. Domestic mills consumed 492,500 bales in October, bringing usage for the first three months

this season (13 weeks) to 1,513,000 bales. This was the largest August-October consumption since 1979 and was up from 1,365,700 bales used through October last year (13 weeks) and 1,471,000 bales two years ago (13 weeks).

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 140.2 million pounds (about 292,100 bales of 480 pounds) in the four weeks ended October 26, according to the Bureau of the Census. This brought consumption for the first 13 weeks (August-October) this season to 427.5 million pounds (about 890,600 bales). August-October consumption last season (13 weeks) totaled 426.0 million pounds (about 887,500 bales).

Stocks of cotton at mills totaled 559,200 running bales on October 26, according to the Bureau of the Census. This was the largest end-of-October stocks at mills since 1982 and compares with 620,600 bales a month earlier and 542,200 bales at the end of October last year. At the October daily rate of consumption, mill stocks were equivalent to slightly over four and one-half weeks' supply. Cotton in public storage totaled 6,164,400 running bales on October 26, up from 3,743,200 bales a month earlier and 3,385,800 bales at the end of October 1984.

Exports of cotton from the United States during October totaled 221,600 running bales, the lowest level for this month since 1977. October exports were up from 178,500 bales shipped a month earlier but down from 291,800 bales exported in October last year. Shipments during the first three months this season totaled 566,000 bales, the smallest August-October volume since 1977-78. Exports totaled 1,007,900 bales through October a year earlier and 950,300 bales two years ago.

The average net weight per bale of 1985-crop cotton ginned in the United States prior to November 1 was 497.0 pounds. This weight was calculated from state average bale weights and ginnings released by the Bureau of the Census. To convert 1985-crop running bales to 480 pound net weight bales, multiply by 1.03. To convert 480 pound net weight bales to running bales, multiply by 0.97.

Average net weight per bale of cotton ginned prior to November 1,
by specified states, crops of 1982 to 1985

State	Crop year			
	1985	1984	1983	1982
	Pounds	Pounds	Pounds	Pounds
Alabama	503.6	506.5	508.1	504.9
Arizona	496.6	495.9	498.1	495.7
Arkansas	490.7	491.3	490.0	491.0
California	498.8	498.3	500.0	499.2
Florida	498.2	508.1	508.5	513.0
Georgia	499.3	500.2	505.4	511.4
Louisiana	489.1	495.6	490.9	489.7
Mississippi	499.4	501.3	500.2	511.6
Missouri	492.2	496.2	490.2	493.2
New Mexico	493.2	495.3	493.5	494.9
North Carolina	517.9	504.2	488.0	505.8
Oklahoma	489.3	491.5	502.9	480.0
South Carolina	510.3	519.5	508.2	521.3
Tennessee	497.1	495.8	495.2	505.1
Texas	496.0	491.3	499.0	497.8

Source: Bureau of the Census

All cotton: Domestic mill consumption, stocks and exports, running bales, by months and seasons, 1981-1985

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
	<u>Mill consumption 2/</u>												
1981	429	517*	448	403	400*	378	398	493*	410	392	460*	317	5,043
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	5,628
1984	428	509*	428	390	423*	399	418	519*	419	439	525*	369	5,268
1985 4/	458	562*	493										
	<u>Mill consumption per day</u>												
1981	21.4	20.7	22.4	20.1	16.0	18.9	19.9	19.7	20.5	19.6	18.4	15.9	19.4
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 4/	22.9	22.5	24.6										
	<u>Stocks in consuming establishments 3/</u>												
1981	810	695	663	673	757	822	884	917	911	901	871	830	-
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 4/	685	621	559										
	<u>Stocks in public storage 3/</u>												
1981	1,491	1,940	4,060	7,064	9,267	9,489	8,882	7,921	7,112	6,292	5,544	5,269	-
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 4/	2,826	3,743	6,164										
	<u>Exports</u>												
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 4/	166	179	222										

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.

Average price received by farmers for upland cotton, 480 pound net weight bale, by states, crops of 1983 and 1984 ^{1/}

State	Crop year		State	Crop year	
	1983	1984		1983	1984
	Cents per pound			Cents per pound	
Alabama	65.70	55.30	Missouri	68.50	57.90
Arizona	68.20	59.80	New Mexico	73.90	59.80
Arkansas	66.50	55.60	N. Carolina	70.50	61.80
California	72.80	66.80	Oklahoma	57.80	48.30
Florida	67.30	57.90	S. Carolina	72.40	61.00
Georgia	67.20	58.40	Tennessee	68.50	56.20
Kansas	57.80	48.30	Texas	59.30	52.50
Louisiana	65.40	54.30	Virginia	73.00	63.00
Mississippi	66.20	54.20	United States	66.00	57.50

^{1/} Includes an allowance for unredeemed loans, by states.

Source: Statistical Reporting 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							
	Dec '85	Mar '86	May '86	Jul '86	Oct '86	Dec '86		
Nov. 21	61.55	61.98	62.40	61.05	54.60	51.85	56.15	48.15
22	61.88	62.36	62.65	61.12	54.45	52.00	56.39	48.00
25	61.15	61.59	62.12	60.21	54.10	51.65	55.91	48.00
26	61.30	61.77	62.20	60.17	54.09	51.67	56.11	48.00
27	60.60	60.87	61.25	59.32	53.95	51.55	55.74	48.00
28	H O L I D A Y							2/

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

^{2/} Not available.

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					
	Dec '85	Mar '86	May '86	Jul '86	Oct '86	
Nov. 21	55.90	55.90	-	-	-	51.02
22	55.90	55.90	-	-	-	51.25
25	55.90	55.90	-	-	-	50.88
26	55.90	55.90	-	-	-	51.09
27	55.90	55.90	-	-	-	50.55
28	H O L I D A Y					

^{1/} Greenville, Montgomery, Memphis, Dallas and Lubbock.

U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1984-85 and 1985-86

Description	Marketing Year			
	1984-85		1985-86	
	Through November 22		Through November 21	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	3,415,400		
Exports	129,200	1,373,600		
Total export commitments	-	4,789,000		WILL BE RELEASED
New sales	229,200	-		
Buy-backs and cancellations	166,400	-		NOVEMBER 29, 1985
Net sales	62,800	-		
Sales next marketing year	5,300	46,700		

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