

# UNITED STATES DEPARTMENT OF AGRICULTURE

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## Weekly Cotton Market Review

Vol. 72, No. 17

November 27, 1990

Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 69.43 cents per pound during the week ending Friday, November 23, according to the Cotton Division, Agricultural Marketing Service, USDA. Daily average quotations ranged from a high of 69.57 cents on Monday November 19, to a low of 69.22 cents on Tuesday, November 20. Spot cotton quotations averaged 69.40 cents a week earlier and 69.42 cents in the corresponding week a year ago. The New York December 1990 futures settlement price closed on Friday at 74.97 cents compared with 74.25 cents a week earlier. The March 1991 settlement price was 73.93 cents against 73.63 cents the previous week. Spot transactions reported in the designated markets totaled 85,553 bales during the week ended Friday, November 23. This compares with 82,140 bales the previous week and 39,758 bales in the corresponding week last season.

Southeastern markets. Merchant demand was light to moderate. Supplies were adequate. Prices were steady. Some growers rejected offers. CCC loan entries were light. Merchant demand was good for all qualities, but remained best for higher grade, higher strength cotton. Prices paid for mixed lots of mostly grade 41 and higher, staples 34 and longer, mike 35-49 ranged from 250 to 350 points off New York March futures, FOB trucks in Georgia. In the Carolina's and Alabama prices were mostly 500 to 550 points off, FOB warehouse. Prices for grades 51 and 42 were 150 to 200 points lower than grade 41. Higher grade, 27 and higher grams per tex cotton brought premiums of 100 to 150 points. The harvest was nearing completion in most localities.

South central markets. Trading was less active during the week. The basis narrowed slightly, but bids were still below what most growers were willing to accept. In mixed lots, grade 41 staples 34 and longer, mike 35-49 moved at prices averaging around 600 points off NY March futures. Domestic mill purchases were very light and were for fill-ins.

Southwestern markets. Spot cotton trading was slow to moderate. Supplies increased and buyers were selective. Prices were lower. Demand was strongest for Strict Low Middling, white and Light Spotted grades and higher. In mixed lots of mostly grades 51, 42 and higher, staples 30 and longer generally brought 1,475 to 1,850 points above CCC loan rates. Buyers paid premiums of 50 to 250 points for lots with higher strength readings and discounted "average rule" cotton 200 to 300 points. Domestic and foreign mill inquiries were light. Harvesting made excellent progress.

Western markets. Spot trading was slow. In the San Joaquin Valley (SJV), mixed lots of grades 31 and 41 traded at 77.60 to 77.90 cents per pound. Mixed lots of mostly grades 31 and higher, brought around 78 cents. Mixed lots of mostly grade 41 traded at around 74 to 75 cents per pound. Domestic mills made a few small purchases from the SJV and El Paso (EP), area for prompt and nearby shipment. Far Eastern mills purchased a light to moderate volume from the SJV and EP area for prompt through first quarter 1991 shipment. European mills purchased a few medium-sized lots from the EP area for shipment through the first quarter 1991. Forward contracting was limited to a small acreage of 1991-crop SJV cotton at 74 cents per pound, basis grade 31 staple 35, mike 35-49. American Pima trading was limited to a few small lots of grade 4 and lower in the Uvalde, Texas area. Grade 4 brought around \$1.09 per pound. Forward contracting was at a standstill.

Textile mill report. Domestic mill buying was slow. Needs were well covered for the short term. A few mills delayed receiving cotton brought earlier and some cancelled

previous purchases. Best demand has been for the medium and higher white and equivalent Light Spotted grades, staples 34 and longer, mike 35-49. The bulk of purchases have been from central and southeastern growths. Mill business slowed. Extended holiday closings for a week or more were wide spread and many others will close from one to five weeks between now and the end of the year. Demand for most products was light and 100 percent cotton fabrics for men's apparel was about the only products that continued to sell fairly well. Lightweight ladies apparel fabrics, automotives, home fabrics, and denims were especially slow movers. Inventories of unsold goods were being reduced with shortened work schedules. Most mill workweeks continued on five to seven days, while a few yarn mill operated on four-day weeks.

Domestic mill consumption of cotton averaged 33,700 running bales in the four weeks ending October 27, according to the Bureau of the Census. This was up from 33,400 bales used a month earlier and was the largest October usage since 1967. Domestic mills consumed 673,200 bales in October, bringing consumption for the first three months of the marketing year (thirteen weeks) to 2,187,700 bales. This was the largest August-October usage since 1967 and compares with 2,156,300 bales used through October a year earlier and 1,822,200 bales two years ago.

Consumption of man-made fiber by domestic mills with cotton system spindles totaled 124.8 million pounds in the four weeks ending October 27, according to the Bureau of the Census. This brought August-October consumption to 411.1 million pounds, down 5 percent from last year and 8 percent from two years ago.

Stocks of all cotton at mills totaled 534,300 running bales on October 27, according to the Bureau of the Census. This compares with 530,900 bales held a month earlier and 551,800 bales at the end of October last year. At the October daily rate of consumption, mill stocks were equivalent to about three weeks' supply. On October 27, stocks in public storage totaled 6,040,800 bales, up sharply from 2,451,400 bales a month earlier but down from 7,377,900 bales at the end of October in 1989.

Exports of all cotton from the United States in October totaled 432,700 running bales, according to the Foreign Agricultural Service, USDA. October shipments were up from 354,900 bales shipped a month earlier, but down from 507,000 bales shipped in October 1989. Exports for the August-October period totaled 1,268,000 bales. Through October last year, 1,321,600 bales had been shipped and two years ago, 711,700 bales.

Exports of all cotton from the United States, running bales,  
by months and season, 1984-1990 1/

Season :	:	:	:	:	:	:	:	:	:	:	:	:	:
beginning :	Aug.:	Sept.:	Oct.:	Nov.:	Dec.:	Jan.:	Feb.:	Mar.:	Apr.:	May :	June:	July:	Season
August 1 :	:	:	:	:	:	:	:	:	:	:	:	:	2/
<u>1,000 bales</u>													
1984	454	249	340	472	712	755	705	692	556	435	59	299	5,943
1985	166	218	180	198	236	189	202	206	125	69	68	19	1,875
1986	374	496	489	525	664	591	518	750	500	465	554	439	6,366
1987	355	304	316	612	536	698	879	649	565	537	486	359	6,297
1988	248	173	292	352	524	756	514	597	575	795	515	649	5,987
1989	431	384	507	469	516	909	840	882	818	495	510	535	7,295
1990 3/	480	355	433										

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

2/ 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.

3/ Preliminary.

All Cotton: Domestic mill consumption and stocks, running bales, by months and seasons, 1986-1990

Season beginning August 1 :	Aug. :	Sept. :	Oct. :	Nov. :	Dec. :	Jan. :	Feb. :	Mar. :	Apr. :	May :	June :	July :	Season 1/
1,000 bales													
Mill consumption 2/													
1986	534	523	683*	529	576*	546	562	734*	573	586	708*	540	7,096
1987	606	753*	621	606	610*	568	590	738*	556	551	662*	433	7,294
1988	577	693*	552	523	572*	568	584	751*	623	645	798*	559	7,444
1989	663	829*	665	617	653*	605	633	794*	624	641	826*	559	8,109
1990 4/	680	835*	673										
Mill consumption per day													
1986	26.7	26.2	27.3	26.5	23.1	27.3	28.1	29.4	28.7	29.3	28.3	27.0	27.3
1987	30.3	30.1	31.0	30.3	24.4	28.4	29.5	29.5	27.8	27.6	26.5	21.7	28.1
1988	28.8	27.7	27.6	26.1	22.9	28.3	29.2	30.0	31.2	32.2	31.9	27.9	28.6
1989	33.2	33.1	33.2	30.8	26.1	30.2	31.6	31.8	31.2	32.1	33.0	28.0	31.2
1990 4/	34.0	33.4	33.7										
Stocks in consuming establishments 3/													
1986	664	582	563	578	620	640	705	702	723	709	674	680	-
1987	648	579	530	542	637	722	777	786	790	756	719	709	-
1988	651	581	568	555	571	588	631	612	627	645	603	606	-
1989	600	590	552	544	584	661	689	696	685	675	667	672	-
1990 4/	619	531	534										
Stocks in public storage 3/													
1986	7,625	7,996	9,543	10,148	10,204	10,015	9,058	7,878	6,871	5,870	4,821	3,817	-
1987	3,239	4,864	7,398	9,456	10,582	10,216	9,149	7,972	6,965	5,973	5,072	4,645	-
1988	4,432	5,017	8,259	11,722	13,481	13,109	12,048	10,607	9,362	8,170	6,771	5,929	-
1989	4,975	4,458	7,378	10,558	10,762	9,524	8,052	6,566	5,447	4,224	3,185	2,187	-
1990 4/	1,615	2,451	6,041										

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

World market price, in cents per pound, adjusted to U.S. quality and location, for grade 41 staple 34, mike 35-49 upland cotton and the coarse count adjustment in effect from 12:01 a.m. Friday through 12:00 midnight Thursday

Description	1990				
	Oct. 26-				
	Nov. 1	Nov. 2-8	Nov. 9-15	Nov. 16-22	Nov. 23-29
Adjusted world price	66.46	67.11	66.64	66.56	66.84
Course count adjustment	0.81	0.53	0.67	0.93	1.02

Source: Agricultural Stabilization and Conservation Service, USDA

New York futures contract settlement, designated spot market average for grade 41 staple 34 and 'A' and 'B' Index cotton prices in cents per pound

Date	Grade 41 Staple 34					Grade 31	Coarse	
	Futures Settlement					7 Mkt.:	Count	
	Dec '90	Mar '91	May '91	Jul '91	Oct '91	Average: 'A' Index 1/	'B' Index 1/	
Nov. 19	74.34	73.65	73.95	74.20	67.78	69.57	82.60	77.50
20	74.50	73.26	73.48	73.82	67.70	69.22	82.60	77.50
21	75.43	73.78	73.80	74.01	67.75	69.45	82.50	77.35
22	H O L I D A Y						82.65	77.50
23	74.97	73.93	73.93	74.00	67.68	69.49	82.65	77.50

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 1989-90 and 1990-91

Description	Marketing Year			
	1989-90		1990-91	
	Through November 16		Through November 15	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,848,200	-	4,092,400
Exports	142,900	1,579,000	118,900	1,421,300
Total export commitments	-	4,427,200	-	5,513,700
New sales	147,200	-	203,000	-
Buy-backs and cancellations	7,400	-	6,600	-
Net sales	139,800	-	196,400	-
Sales next marketing year	12,100	128,100	2,600	63,700

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Sales of 196,400 running bales slipped from the strong showing of the past two weeks, during the week ending November 15, according to the Foreign Agricultural Service, USDA. The dominant buyer was China with purchases of 87,800 bales followed by Japan 28,600, South Korea 23,300, and Indonesia 10,000 bales. Exports of 118,900 bales were 33 percent above the previous week. Asian destinations accounted for 75 percent of the week's shipments; West European 15 percent; African 7 percent; Western Hemisphere 2 percent; and East European 1 percent.

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NOTE: Portions of the narrative from this report are available on the USDA's Electronic Dissemination of Information System. If you are interested in receiving this information electronically, contact Russell Forte at 202-447-5505.

SPOT COTTON QUOTATIONS - UPLAND

November 23, 1990

Spot quotations are in cents per pound for cotton equal to the Official Standards with mike readings of 35-49, net weight, in mixed lots, uncompressed, free of all charges in the warehouse in the market. Quotations are the average value of spot cotton in each market and may or may not represent actual trades in each quality.

SOUTHEAST				NORTH DELTA				SOUTH DELTA				DESERT SOUTHWEST				
Grade				Grade				Grade				Grade				
31	41	51	42	31	41	51	42	Staple	31	41	51	42	21	31	41	32
67.38	66.28	63.53	64.03	66.43	65.18	63.18	63.93	33	66.83	65.18	62.68	63.68	71.93	71.93	70.68	70.68
69.43	68.93	66.43	67.18	69.18	67.93	65.68	66.43	34	69.33	67.93	65.43	66.43	75.93	75.93	74.68	74.68
69.68	69.18	66.68	67.43	69.28	68.18	65.78	66.53	35	69.43	68.03	65.53	66.53	76.03	76.03	74.78	74.78
69.83	69.33	66.83	67.58	69.38	68.28	65.88	66.63	36	69.53	68.13	65.63	66.63	76.03	76.03	74.78	74.78

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY				
Grade				Grade				Grade				
31	41	32	42	31	41	32	42	Staple	21	31	41	51
58.40	58.25	58.55	58.05	59.30	58.70	58.75	57.60	29	-	-	-	-
59.15	59.00	59.30	58.60	60.05	59.70	60.20	58.90	30	-	-	-	-
61.90	61.75	61.05	60.35	62.40	61.80	61.65	59.95	31	-	-	-	-
62.55	62.25	61.55	60.60	62.95	62.00	63.15	60.90	32	-	-	-	-
64.60	64.20	63.75	62.50	64.70	64.05	64.70	62.50	33	-	-	-	-
66.35	65.50	65.55	63.30	66.50	66.00	66.00	63.10	34	77.18	76.93	75.43	72.18
66.65	66.25	65.80	63.60	66.80	66.25	66.25	63.40	35	78.93	78.68	77.18	73.18
66.75	66.35	65.90	63.60	66.90	66.35	66.35	63.40	36	79.03	78.78	77.28	73.18
66.75	66.35	65.90	63.60	66.90	66.35	66.35	63.40	37	79.13	78.88	77.38	73.18

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1215	-	-1200	26 & Below	-1200	-2100	-	-1393
-800	-840	-840	-500	27-29	-500	-1400	-1700	-940
-500	-525	-525	-300	30-32	-300	-800	-1150	-586
-250	-230	-230	-150	33-34	-150	-350	-450	-259
0	0	0	0	35-49	0	0	0	0
-200	-155	-155	-300	50-52	-300	-100	-100	-187
-250	-240	-240	-400	53 & Above	-	-150	-	-256

SPOT QUOTATIONS - AMERICAN PIMA

Staple	Grade 01	Grade 02	Grade 03	Grade 04	Grade 05	Grade 06	Mike ranges	Points per pound
							26 & Below	-3100
							27-29	-2275
44	124.75	124.50	123.50	108.50	72.00	52.00	30-32	-1200
							33-34	-300
46	125.25	125.00	124.00	109.00	72.00	52.00	35 & Above	0

LANDED MILL QUOTATIONS - GROUP 201 MILL POINTS

Quotations are in cents per pound for even running lots, with mike readings of 35-49, net weight, prompt shipment, delivered, brokerage included. Quotations for group 200 mill points are slightly higher and for Alabama, Georgia and east Tennessee mills are slightly lower.

SOUTHEASTERN GROWTHS				DELTA GROWTHS				TEXAS-OKLAHOMA GROWTHS				CALIFORNIA (SJV) GROWTHS			
Grade				Grade				Grade				Grade			
31	41	51	42	31	41	51	42	Staple	41	51	32	42	31	41	51
-	-	-	-	-	-	-	-	29	67.50	64.50	67.50	65.00	-	-	-
-	-	-	-	-	-	-	-	30	69.50	66.75	69.50	67.25	-	-	-
-	-	-	-	-	-	-	-	31	70.75	68.25	70.75	68.75	-	-	-
-	-	-	-	-	-	-	-	32	72.25	69.00	72.25	69.50	-	-	-
76.75	75.25	73.25	74.00	77.25	75.75	73.50	74.25	33	74.50	70.25	74.50	71.00	-	-	-
77.75	76.00	74.25	75.00	78.25	76.50	74.50	75.25	34	76.75	72.00	76.75	72.50	85.00	84.00	82.00
78.25	76.75	74.75	75.00	78.75	77.25	75.00	75.25	35	-	-	-	-	86.50	85.50	83.25
-	-	-	-	-	-	-	-	36	-	-	-	-	86.75	85.75	83.25