

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

COTTON DIVISION

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Weekly Cotton Market Review

(Week ended November 4)

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Spot prices declined after remaining fairly steady the first part of the period, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading activity on spot cotton markets was limited. Grower offerings were light. Demand was best from merchants needing cotton to fill nearby commitments. Domestic and foreign mill buying was slow. Harvesting made satisfactory progress except in localities where rains caused delays. Growers had contracted over 12 percent of the 1982 crop through the end of October. The interest rate for CCC loans disbursed in November will be 9.75 percent, the lowest since the 1979 crop when the rate was 9 percent. The November crop forecast will be released Wednesday, November 10.

Spot cotton prices. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets began the week on Friday, October 29, at 58.19 cents per pound. Prices were fairly stable until Wednesday, November 3, when the average declined to 57.76 cents. The average price on Thursday, November 4, was 57.77 cents compared with 58.28 cents last Thursday and 59.80 cents on the corresponding date last season. The New York December 1982 futures settlement price ended the week on Thursday at 63.11 cents per pound compared with 63.80 cents a week earlier. The July 1983 settlement price was 68.50 cents against 68.70 cents last Thursday.

Trading remained generally slow on spot cotton markets. Some growers made delivery of contracted cotton. Grower-held supplies increased but market prices restricted trading. Merchant demand was limited mostly to cotton for nearby commitments. Domestic mill buying was light and highly selective. Export trading was slow. Most sales were made to European mills for prompt through February shipment. Purchases reported by cotton exchanges in the designated markets totaled 140,500 bales in the week ended Thursday, November 4. This compares with 107,900 bales a week earlier and 184,700 bales in the corresponding week last season.

Textile mill report. Mills continued to buy light to moderate quantities of cotton but overall volume remained well below levels purchased in previous years. Purchases remained highly selective for both quality and price. Some price fixing was done on recent downturns in the market. The medium and higher grades, central and western growths, were preferred. The generally slow pace of textile business was dotted with slight improvements in a few products. Sales of denim, print cloth and selected bottomweights, along with knitting yarns, increased noticeably and corduroy made modest gains. Some mills lengthened workweeks to cover new business. On the other hand, in industrial and household products, only a few items were selling well enough to support normal operations and work schedules were often less than five days.

CCC loan entries of 1982-crop cotton totaled 153,300 bales through October 27. A total of 116,600 bales were entered as Form A (producer) and 36,700 bales were Form G (cooperative) loans. Entries of 1981-crop cotton totaled 6,083,300 bales. Repayments had been made on 3,094,600 bales. Loans were outstanding on 2,979,200 bales, of which 1,876,600 were Form A and 1,102,600 were Form G loans. Forfeitures totaled 2,500 through October 27. Loans remained outstanding on 112,800 bales of 1980-crop cotton.

Contracting 1982 crop. United States upland cotton growers had forward contracted over 12 percent of the 1982 crop by the end of October. This compares with 10 percent through October a year ago and 34 percent in 1980. Contracting this season has been most active in south central states where 22 percent had been booked, against 19 percent in 1981 and 63 percent in 1980. Growers in western states had forward contracted about 17 percent compared with 9 percent a year earlier and 41 percent two years ago. In southeastern states, growers had booked 15 percent compared with 10 percent the previous year and 33 percent in 1980. Growers in southwestern states had contracted about 4 percent, down from 7 percent a year earlier and 20 percent two years ago. These estimates were based on the Crop Reporting Board's October indicated acreage for harvest and informal surveys made by the Cotton Division, Agricultural Marketing Service, USDA.

Prices received by farmers for upland cotton averaged 59.50 cents per pound in mid-October, according to the Statistical Reporting Service, USDA. This compares with 54.90 cents for the entire month of September and 62.30 cents in October 1981. These prices include cotton delivered against forward contracts. The parity price for upland cotton announced October 29 was 119.00 cents per pound, the same as a month earlier and compares with 117.00 cents in October last season.

Average prices received by farmers for upland cotton, in cents per pound, United States, calendar years, 1981-1982

Month	Year beginning January 1		Month	Year beginning January 1		Month	Year beginning January 1	
	1981	1982		1981	1982		1981	1982
	Cents	Cents		Cents	Cents		Cents	Cents
Jan.	76.60	49.90	June	71.20	54.90	Nov.	60.10	
Feb.	70.80	48.40	July	70.40	57.60	Dec.	51.20	
Mar.	71.90	50.10	Aug.	65.00	55.30			
Apr.	72.70	53.50	Sept.	58.00	54.90	Calendar		
May	72.50	54.20	Oct.	62.30	59.50 <u>1/</u>	year avg.	63.20	

1/ Mid-month price.

United States Department of Agriculture, Agricultural Marketing Service, Cotton Division

Number of bales in certificated stock under certification more than six months on September 15 and November 15, 1982 1/

Delivery point	Number of bales held for stated periods									
	7 thru 12 Months		13 thru 18 Months		19 thru 24 Months		25 Months or more		Total	
	Sept. 15	Nov. 15	Sept. 15	Nov. 15	Sept. 15	Nov. 15	Sept. 15	Nov. 15	Sept. 15	Nov. 15
Galveston	24,677	38,213	2,990	2,022	107	185	15	15	27,789	40,435
Greenville	5	-	355	301	-	-	-	-	360	301
Houston	7,883	21,097	105	5	-	-	-	-	7,988	21,102
Memphis	9,998	14,196	1,325	2,689	492	615	627	935	12,442	18,435
Total	42,563	73,506	4,775	5,017	599	800	642	950	48,579	80,273

1/ Based on Marketing Services Office records as of Sept. 1 and Nov. 1.

United States Department of Agriculture, Agricultural Marketing Service, Cotton Division

Forward contracting of upland cotton by growers, through October 31, crops of 1974-1982
and acres for harvest, 1982 crop

State	Cotton crops												Acres for harvest 1/ 1,000 acres						
	1974		1975		1976		1977		1978		1979			1980		1981		1982	
	Pct.		Pct.		Pct.		Pct.		Pct.		Pct.			Pct.		Pct.		Pct.	
Alabama	11	4	68	9	15	23	32	6	13	300									
Georgia	4	1	33	1	*	8	14	10	7	175									
North Carolina	8	4	38	16	27	13	43	8	17	72									
South Carolina	17	16	42	18	31	33	55	24	36	103									
Southeastern states	10	5	52	9	15	21	33	10	15	650									
Arkansas	30	17	82	17	38	27	55	16	18	425									
Louisiana	21	2	72	7	29	23	41	8	18	605									
Mississippi	37	17	67	27	49	50	80	28	24	1,050									
Missouri	36	11	84	24	46	40	78	25	23	165									
Tennessee	17	1	65	2	16	13	46	9	28	250									
South Central states	31	13	73	19	39	35	63	19	22	2,495									
Oklahoma	*	*	19	19	27	21	4	2	1	440									
Texas	7	*	24	19	9	14	22	7	5	3,700									
Southwestern states	6	*	23	19	10	14	20	7	4	4,140									
Arizona	40	23	62	49	34	30	46	7	21	489									
California	55	34	73	30	53	27	42	10	16	1,370									
New Mexico	13	*	45	18	13	10	7	1	*	65									
Western states	48	29	69	34	46	27	41	9	17	1,924									
United States	21	8	49	21	24	21	34	10	12	9,209									

1/ October 1982, Crop Reporting Board, Statistical Reporting Service, USDA.

* Less than 0.5 percent.

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					9-market average	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement						
	Dec '82	Mar '83	May '83	Jul '83	Oct '83		
Oct. 28	63.80	65.95	67.30	68.70	68.75	58.28	69.40
29	63.68	65.99	67.42	68.75	68.30	58.19	69.55
Nov. 1	63.88	66.15	67.68	69.10	68.50	58.40	69.45
2		C L O S E D				58.40	69.45
3	62.99	65.37	66.90	68.42	68.20	57.76	69.40
4	63.11	65.57	67.15	68.50	68.15	57.77	69.20

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

New Orleans futures contract settlement and designated spot market average for grade 41 staple 32 in cents per pound

Date	Grade 41 Staple 32					5-market average 1/
	Futures Settlement					
	Dec '82	Mar '83	May '83	Jul '83	Oct '83	
Oct. 28	58.35	60.35	62.60	63.80	-	53.18
29	58.25	60.30	62.60	63.80	-	53.08
Nov. 1	58.43	60.45	62.60	63.80	-	53.30
2		C L O S E D				53.30
3	58.05	60.35	62.60	63.80	-	52.66
4	58.05	60.35	62.60	63.80	-	52.69

1/ Greenville, Montgomery, Memphis, Dallas and Lubbock.

U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1981-82 and 1982-83

Description	MARKETING YEAR			
	1981-82		1982-83	
	Through October 29		Through October 28	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	3,514,200	-	2,141,900
Exports	53,500	641,100	45,100	899,200
Total export commitments	-	4,155,300	-	3,041,100
New sales	170,000	-	92,500	-
Buy-backs and cancellations	12,000	-	9,300	-
Net sales	158,000	-	83,200	-
Sales next marketing year	3,400	23,400	-	14,800

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

Upland cotton export sales totaled 83,200 running bales during the week ended October 28, according to the Foreign Agricultural Service, USDA. This was up 21 percent from a week earlier. The major destinations were Canada 17,500 bales; Japan 14,000 and the European Community 17,400 bales. Asian destinations accounted for 76 percent of the week's exports and European destinations 14 percent.