

# UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE  
COTTON DIVISION, MARKET NEWS BRANCH  
4841 SUMMER AVENUE, MEMPHIS, TENNESSEE 38122  
Telephone 901-766-2931



## Weekly Cotton Market Review

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Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 71.62 cents per pound during the week ending Friday, November 2, according to the Cotton Division, Agricultural Marketing Service, USDA. Daily average quotations ranged from a high of 71.96 cents on Monday October 29, to a low of 71.31 cents on Thursday, November 1. Spot cotton quotations averaged 71.14 cents a week earlier and 70.47 cents in the corresponding week a year ago. The New York December 1990 futures settlement price closed on Friday at 74.98 cents compared with 74.26 cents a week earlier. The March 1991 settlement price was 74.86 cents against 74.10 cents the previous week. Spot transactions reported in the designated markets totaled 65,851 bales during the week ended Friday, November 2. This compares with 41,827 bales the previous week and 69,356 bales in the corresponding week last season.

Southeastern markets. Spot cotton trading continued at a moderate, but active pace. Offerings were limited as growers concentrated on the harvest. Offerings moved readily into trade channels. Demand continued strong for all qualities, but was especially good for higher grade, high strength lots. Prices for mixed lots of mostly grade 41 and higher, staples 34 and longer, mike 35-49 ranged from 200 to 400 points off New York December futures. Offering prices in Alabama were mostly 300 to 400 points off. In Georgia and the Carolinas, buyers offered 200 to 350 points off for mixed lots of mostly grade 41 and higher, staples 34 and longer. Prices for grades 51 and 42 were 150 to 200 points lower. Premiums of 100 to 150 points were being paid for cotton with strength of 27 and higher grams per tex.

South central markets. Demand weakened and prices were lower. Supplies were plentiful. Growers offered a large volume of cotton, but were generally unwilling to accept prevailing prices. Demand was best for grade 31, staples 35 and longer, mike 35-49 and a moderate volume traded at 450 to 550 points off NY December futures. Grade 41 sluggishly traded at 600 to 700 points off December while grade 42 moved at 750 to 850 points off. Domestic mill buying slowed. A light volume of mostly grade 51 and higher was purchased for prompt delivery. Export trading was sharply higher. Sales of 500,000 bales to China and a additional 141,000 bales to Egypt, South Korea, and the Philippines were announced by a major Memphis cotton merchant on Tuesday. The sales reportedly included South Central, Southwestern and Far Western growths, for shipment during the next 90 days. A week of almost perfect harvesting weather permitted many growers to complete harvesting. A large volume of seed cotton remains to be ginned from modules.

Southwestern markets. Spot cotton trading continued slow to moderate. The supply of west Texas and Oklahoma growth cotton rapidly increased. Buyers accepted delivery of contracted cotton and were actively seeking to contract additional acreage. A moderate volume was booked at 1,800 to 1,900 points above CCC loan rate with a ceiling equal to grade 41 staple 33. Demand was strong for most qualities and merchants actively sought free cotton. Mixed lots of mostly grades 51, 42 and higher, staples 30 and longer, generally brought 1,875 to 2,150 points above CCC loan rates. Buyers generally paid premiums of 100 to 300 points for lots with higher strength readings and discounted "average rule used" cotton 200 to 300 points. Below grade cotton traded around 48 to 52 cents per pound. Export trading was more active. Ideal weather enabled harvesting to near completion.

Western markets. Spot trading increased slightly, but remained slow. In the San Joaquin Valley (SJV), mixed lots of grades 21 and 31 traded at 80.35 to 81.15 cents per pound, UD compression paid. In Arizona, growers offerings increased moderately. Mixed lots of

grades 21 and 31 staples 34-36, mike 35-49 traded at 76.15 to 78.05 cents. Mixed lots of grades 41, 32 and 26 mostly mike 35-49 were purchased by buyers at 75.20 to 76 cents per pound. Domestic mills purchased a small volume from the El Paso area for prompt shipment and a moderate volume from Arizona for nearby shipment. Foreign mills bought a moderate volume of from the SJV and Arizona for nearby shipment. Forward contracting was slow. Growers in the SJV booked a small acreage of 1990 crop at 500 to 575 points on NY December futures, basis grade 31 staple 35, mike 35-49. Growers in Arizona booked a small amount at 77.30 cents, basis grade 31 staple 34. The cotton harvest made good progress. Demand for American Pima was steady to weaker. Mixed lots of grades 2 and 3 traded at \$1.26 per pound. Grade 3 brought \$1.25. A small acreage of 1991 crop was forward contracted at \$1.11 per pound, basis grade 3.

Textile mill report. Domestic mill buying was fairly light and was limited mostly to purchases for prompt delivery. Merchants have been reluctant to offer cotton for delivery past second quarter. Qualities in best demand were the medium white and equivalent Light Spotted grades staples 34 and longer, mike 35-49. Most mills had nearby needs fairly well covered. Mill business remained steady for most products. Best selling items were athletic wear, sales yarn, and 100 percent cotton fabrics. Sales of home furnishings and apparel fabrics remained slow. Some denim mills have reduced work schedules and several underwear mills closed for one week. Unsold goods continued to build at some plants. Mill workweeks remained at mostly five to seven days, while a few yarn mills were operating on four-day workweeks. According to the Textile News, increases in sales of cotton apparel and home fabrics outstripped gains by the total retail market in the first six months of 1990. To date, sales of cotton merchandise have increased by 8.6 percent as compared to the same period last year. That is more than double the 3.0 percent gain registered by the total retail market in the first half of 1990.

Average prices received by farmers for upland cotton averaged 66.90 cents per pound in mid October, according to the National Agricultural Statistics Service, USDA. This compares with 65.00 for the entire month of September and 65.80 cents in September 1989. These prices include cotton delivered against forward contracts.

Average prices received by farmers for upland cotton, in cents per pound, net weight, United States, calendar years, 1989-1990

Month	Year beginning		Month	Year beginning		Month	Year beginning	
	January 1	January 1		January 1	January 1		January 1	January 1
	1989	1990		1989	1990		1989	1990
	Cents	Cents		Cents	Cents		Cents	Cents
January	54.70	59.80	June	57.20	62.30	November	65.40	
February	52.80	60.60	July	59.50	62.90	December	61.40	
March	55.60	64.10	August	60.20	64.60			
April	58.70	65.00	September	63.90	65.00	Calendar		
May	58.30	65.40	October	65.70	66.90 1/	year avg	63.60	

1/ Mid-month price.

Source: National Agricultural Statistics Service, USDA

Forward contracting of 1990-crop cotton. Upland cotton growers in the United States had booked about 33 percent of the 1990 crop. This was up from 30 percent the previous month, and 28 percent a year ago. Contracting has been most active in the western states where about 60 percent of the crop was under contract by the end of October, the same as a year earlier. In the southeastern states, about 43 percent of the crop had been booked, up from 34 percent in 1989. In the south central states, about 33 percent of the crop had been forward contracted, down slightly from 34 percent the previous year. Growers in the southwestern states contracted about 24 percent, compared with 27 percent in 1989.

Forward contracting of upland cotton by growers, as of October 1, crops of 1981-1990  
and acres for harvest, 1990 crop 1/

State	Cotton crops										: Acres for harvest 2/
	: 1981 :	1982 :	1983 :	1984 :	1985 :	1986 :	1987 :	1988 :	1989 :	1990 :	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	1,000 acres
Alabama 3/	6	13	24	26	21		22	9	27	37	428
Georgia	10	7	13	30	8	N	34	6	29	44	320
North Carolina	8	17	28	36	-		45	4	48	45	200
South Carolina	24	36	62	53	20	0	42	1	54	52	154
Southeastern states	10	15	27	33	14	T	31	6	34	43	1,102
Arkansas	16	18	24	40	10		74	27	44	39	740
Louisiana	8	18	21	23	3		20	13	53	34	770
Mississippi	28	24	25	31	17	A	41	10	25	31	1,180
Missouri	25	23	38	53	*		93	7	61	64	235
Tennessee	9	28	33	35	4	V	69	*	4	14	525
South central states	19	22	25	32	10	A	51	12	34	33	3,450
Oklahoma 4/	2	1	-	18	*	I	32	2	16	16	356
Texas	7	5	7	19	4		23	9	28	25	4,900
Southwestern states	7	4	6	19	4	L	24	9	27	24	5,256
Arizona	7	21	19	9	4	A	25	6	19	14	344
California	10	16	33	30	19	B	77	34	73	78	1,040
New Mexico	1	*	-	1	2		58	9	10	23	50
Western states	9	17	28	24	15	L	65	27	60	60	1,434
United States	10	12	16	24	8	E	39	12	35	33	11,242

1/ Contracting estimates are based on October acreage for harvest report: Estimates do not include cotton con-  
signed to marketing organizations but do include cotton contracted with marketing organizations. 2/ October 11,  
1990, Agricultural Statistics Board, NASS, USDA. 3/ Includes Florida, 1984, 1987-1990 crops. 4/ Includes Kan-  
sas, 1990 crop. \* Less than 0.5 percent.

Four months and older certificated stock, as of October 31, 1990

Aging	Delivery points						Total stock
	: Galveston :	Memphis :	Houston :	New Orleans:	Greenville:		
	Bales	Bales	Bales	Bales	Bales	Bales	
4 Months	-	-	-	-	-	0	
5 Months	-	-	-	-	-	0	
6 Months	4	1	1	-	-	6	
7 Months	13	-	-	3	-	16	
8 Months	5	143	-	24	-	172	
9 Months	6	39	-	-	-	45	
10 Months	12	8	1	-	-	21	
11 Months	7	3	1	-	-	11	
12 Months	125	47	4	-	-	176	
13 Months	16	-	-	-	-	16	
14 Months	9	-	-	-	-	9	
15 Months	4	-	1	-	-	5	
16 Months	-	-	-	-	-	0	
17 Months	4	-	4	-	-	8	
18 Months	1	1	3	-	-	5	
19 Months	1	-	-	-	-	1	
20 Months	2	-	-	-	-	2	
21 Months	-	-	-	-	-	0	
22 Months	1	-	-	-	-	1	
23 Months & older	2	-	1	-	-	3	
Total	212	242	16	27	0	497	

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- :
	: Oct. 5-11	: Oct. 12-18	: Oct. 19-25	: Nov. 1	: Nov. 2-8
Adjusted world price	64.93	65.55	65.86	66.46	67.11
Course count adjustment	0	0.10	0.61	0.81	0.53

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					: 7 Mkt.:	Average: 'A' Index 1/:	: 'B' Index 1/		
	Futures Settlement								: Staple 35 :	Count
	: Dec '90	: Mar '91	: May '91	: Jul '91	: Oct '91				: Average:	: 'A' Index 1/:
Oct. 29	75.54	75.13	75.29	75.25	68.45	71.96	82.35	77.85		
30	74.92	74.97	75.04	74.90	68.10	71.69	83.20	78.50		
31	75.03	74.95	75.13	75.05	68.14	71.74	83.05	78.35		
Nov. 1	74.79	74.80	75.00	75.01	68.10	71.31	83.05	78.35		
2	74.98	74.86	75.08	75.05	68.05	71.38	83.05	78.35		

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 October 26		Through October 25	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,889,800	-	3,101,800
Exports	73,400	1,198,900	78,500	1,086,800
Total export commitments	-	4,088,700	-	4,188,600
New sales	281,200	-	95,900	-
Buy-backs and cancellations	4,300	-	29,200	-
Net sales	276,900	-	66,700	-
Sales next marketing year	900	111,500	800	48,500

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Net sales of 66,700 running bales during the week ending October 25, were above 25 percent from the previous week, according to the Foreign Agricultural Service, USDA. The major increases were for Japan with purchases of 25,800 bales, Bangladesh 16,000, Spain 7,500 and Italy 5,800 bales were partially offset by reductions of 4,400 bales for Iraq. Exports of 78,500 bales were 20 percent above the previous week. Asian destinations accounted for 78 percent of the week's shipments; West European 11 percent; Western Hemisphere 10 percent; and African 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 2, 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
69.68	68.58	65.03	66.33	66.98	65.73	63.73	64.48	33	67.38	65.73	63.23	64.23	72.48	72.48	71.48	71.48
71.73	71.23	68.48	68.98	69.73	68.48	66.23	66.98	34	69.88	68.48	65.98	66.98	76.48	76.48	75.48	75.48
71.98	71.48	68.73	69.23	69.83	68.73	66.33	67.08	35	69.98	68.58	66.08	67.08	76.58	76.58	75.58	75.58
72.13	71.63	68.88	69.38	69.93	68.83	66.43	67.18	36	70.08	68.68	66.18	67.18	76.58	76.58	75.58	75.58

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY				
Grade				Grade				Grade				
31	41	32	42	31	41	32	42	Staple	21	31	41	51
61.90	61.75	62.05	61.05	63.30	62.20	62.75	60.60	29	-	-	-	-
62.65	62.50	62.80	61.60	64.55	63.70	64.20	62.65	30	-	-	-	-
66.40	66.25	64.55	64.35	67.15	66.20	65.15	63.70	31	-	-	-	-
67.05	66.75	65.05	64.60	67.70	66.40	67.15	65.40	32	-	-	-	-
69.10	68.70	67.50	67.25	69.25	68.70	68.70	67.00	33	-	-	-	-
70.85	70.00	69.30	68.05	70.80	70.00	70.00	67.60	34	77.73	77.48	75.98	72.73
71.15	70.75	69.55	68.35	71.10	70.25	70.25	67.90	35	79.48	79.23	77.73	73.73
71.25	70.85	69.65	68.35	71.20	70.35	70.35	67.90	36	79.58	79.33	77.33	73.73
71.25	70.85	69.65	68.35	71.20	70.35	70.35	67.90	37	79.68	79.43	77.93	73.73

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	-600	27-29	-600	-1400	-1700	-969
-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	Grade	Grade	Grade	Grade	Grade	Mike ranges	Points per pound
	01	02	03	04	05	06		
							26 & Below	-3100
							27-29	-2275
44	125.75	125.50	124.50	110.50	81.50	70.00	30-32	-1200
							33-34	-300
46	126.25	126.00	125.00	111.00	81.50	70.00	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	69.25	66.25	69.50	66.75	-	-	-
-	-	-	-	-	-	-	-	30	71.25	68.50	71.25	69.25	-	-	-
-	-	-	-	-	-	-	-	31	72.75	70.00	72.75	70.50	-	-	-
-	-	-	-	-	-	-	-	32	74.00	70.75	74.00	71.25	-	-	-
78.00	76.50	74.50	76.00	78.50	77.00	74.75	76.25	33	76.25	72.00	76.25	72.75	-	-	-
79.00	77.25	75.50	77.00	79.50	77.75	75.75	77.25	34	78.50	74.00	78.50	74.50	86.00	85.25	83.00
79.50	78.00	76.00	77.00	80.00	78.50	76.25	77.25	35	-	-	-	-	87.50	86.75	84.25
-	-	-	-	-	-	-	-	36	-	-	-	-	87.75	87.00	84.25