

TEXAS TECH
Dept of Ag Eco
Ref. Room

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
COTTON DIVISION
4841 SUMMER AVENUE, MEMPHIS, TENNESSEE 38122
Telephone 901-521-2934



Weekly Cotton Market Review

Vol. 67, No. 15

November 7, 1985

Spot cotton prices remained fairly steady, according to the Cotton Division, Agricultural Marketing Service, USDA. Supplies increased but most offerings were CCC loan ineligible cotton. Merchant demand was best for selected qualities needed to cover commitments. Domestic mill buying was more active. Export trading was at a standstill. Harvesting made good progress in most localities. Growers had forward contracted about 8 percent of the 1985 crop through the end of October. Exports during the first two months of this marketing year were the smallest since 1972-73. The interest rate for CCC loans disbursed in November will be 8 percent.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 56.27 cents per pound during the week ended Thursday, November 7. Prices ranged from a low of 56.05 cents on Wednesday to a high of 56.41 cents on Thursday. A week earlier, prices averaged 56.43 cents per pound and ranged from 56.07 to 56.77 cents. In the corresponding week a year ago, the average price was 60.92 cents. The New York December 1985 futures settlement price ended the week on Thursday at 61.70 cents per pound compared with 61.77 cents a week earlier. The October 1986 settlement price was 53.68 cents against 53.60 cents a week ago.

Trading remained most active in the southern states. Supplies increased as harvesting and ginning expanded but offerings remained limited mostly to cotton ineligible for the CCC loan. Many growers were not willing to accept current prices and eligible cotton was being placed into the loan. Merchant demand was light and buying was primarily of qualities and quantities needed to cover commitments. Domestic mill buying was more active and included cotton for both nearby and forward delivery. Export trading remained at a virtual standstill. Purchases reported by cotton exchanges in the designated markets totaled 80,300 bales in the week ended Thursday, November 7. This compares with 70,000 bales reported a week earlier and 88,500 bales in the corresponding week last season.

Textile mill report. Domestic mill inquiries and purchases increased. Buying was heaviest of west Texas and San Joaquin Valley growths for delivery into the spring of 1986. Overall purchases, however, were light to moderate and mostly for prompt to nearby shipment. Mills continued to hold stocks of cotton at low levels. Shippers were being encouraged to deliver against outstanding orders. With mill interest good for selected lower grades, some shippers were working up types on cotton picked after recent rains. Mill sales of textile products were fair to good with some new business for delivery in first quarter months. Sales of most apparels, with the exception of corduroy, were fairly active. All-cotton yarns, numerous household products and selected industrial and automotive items also traded readily. Workweeks were longer at plants outturning good selling products and those receiving new orders. Schedules ranged from five to seven days per week.

Prices received by farmers for upland cotton averaged 56.60 cents per pound in mid October, according to the Statistical Reporting Service, USDA. This compares with 55.00 cents for the entire month of September and 64.40 cents in October 1984. These prices include cotton delivered against forward contracts.

Exports of cotton from the United States totaled 187,400 running bales in September, the lowest level for this month since 1974, according to the Bureau of the Census. September exports were 3 percent below 192,900 bales shipped a month earlier and 29 percent below 264,200 bales exported in September 1984. Shipments for the first two months (August-September) this marketing year totaled 380,300 bales, the smallest volume for the first two months of any season since 1972-73. August-September shipments this season were down 47 percent from 716,200 bales exported a year earlier and 45 percent below 688,900 bales shipped two years ago.

Forward contracting of 1985-crop cotton. United States upland cotton growers had forward contracted about 8 percent of the 1985 crop by the end of October. This tied with the smallest percentage of any crop contracted by the end of October since records began in 1974 and was down from 24 percent a year earlier and 16 percent two years ago. Growers in western states had booked 15 percent of their crop this season, down from 24 percent last year. In the southeastern states, growers had booked 14 percent, down from 33 percent the previous year. Growers in south central states had contracted 10 percent of their acreage against 32 percent in 1984. Growers in southwestern states had contracted 4 percent, down from 19 percent a year earlier. American Pima cotton growers had booked about 24 percent of their acreage by the end of October, 33 percent in Arizona and 19 percent in New Mexico. No contracting was reported in Texas. These estimates were based on the Crop Reporting Board's October acreage for harvest report and informal surveys made by the Cotton Division, Agricultural Marketing Service, USDA.

Forward contracting of upland cotton by growers, as of November 1, crops of 1976-1985 and acres for harvest, 1985 crop ^{1/}

State	Cotton crops										Acres for harvest ^{2/} 1,000 acres
	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	
Alabama ^{3/}	68	9	15	23	32	6	13	24	26	21	293
Georgia	33	1	*	8	14	10	7	13	30	8	260
North Carolina	38	16	27	13	43	8	17	28	36	-	88
South Carolina	42	18	31	33	55	24	36	62	53	20	122
Southeastern states	52	9	15	21	33	10	15	27	33	14	763
Arkansas	82	17	38	27	55	16	18	24	40	10	440
Louisiana	72	7	29	23	41	8	18	21	23	3	635
Mississippi	67	27	49	50	80	28	24	25	31	17	1,040
Missouri	84	24	46	40	78	25	23	38	53	*	152
Tennessee	65	2	16	13	46	9	28	33	35	4	330
South central states	73	19	39	35	63	19	22	25	32	10	2,597
Oklahoma	19	19	27	21	4	2	1	-	18	*	365
Texas	24	19	9	14	22	7	5	7	19	4	4,700
Southwestern states	23	19	10	14	20	7	4	6	19	4	5,065
Arizona	62	49	34	30	46	7	21	19	9	4	409
California	73	30	53	27	42	10	16	33	30	19	1,340
New Mexico	45	18	13	10	7	1	*	-	1	2	55
Western states	69	34	46	27	41	9	17	28	24	15	1,804
United States	49	21	24	21	34	10	12	16	24	8	10,229

^{1/} Contracting estimates do not include cotton consigned to marketing organizations but do include cotton contracted with marketing organizations.

^{2/} October 1985, Crop Reporting Board, Statistical Reporting Service, USDA.

^{3/} Includes Florida, 1984 crop.

* Less than 0.5 percent.

Exports of cotton from the United States, running bales,
by months and seasons, 1945-1985

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season 1/
	1,000 bales												
1945	188	244	195	297	215	293	250	319	318	457	410	367	3,553
1946	413	242	104	455	361	290	385	383	275	249	303	84	3,544
1947	37	124	133	165	230	214	163	261	155	205	133	149	1,968
1948	115	171	246	428	522	403	497	582	590	464	508	221	4,747
1949	168	211	415	434	657	530	655	686	469	539	741	267	5,771
1950	356	373	284	372	449	317	429	354	471	371	204	129	4,108
1951	146	356	587	805	980	676	588	419	334	316	264	48	5,519
1952	107	241	296	337	466	292	259	246	208	261	220	115	3,048
1953	193	200	217	243	375	297	385	430	422	336	435	228	3,761
1954	190	199	351	390	497	334	307	369	240	231	281	59	3,447
1955	60	116	192	137	159	78	99	294	362	344	238	135	2,215
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	4,913
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 2/	193	187											

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.

Average prices received by farmers for upland cotton, in cents per pound, net weight, United States, calendar years, 1984-1985

Month	Year beginning January 1		Month	Year beginning January 1		Month	Year beginning January 1	
	1984	1985		1984	1985		1984	1985
	Cents	Cents		Cents	Cents		Cents	Cents
January	62.70	52.20	June	68.00	60.30	November	62.00	
February	65.00	49.50	July	65.90	60.50	December	56.10	
March	70.10	56.10	August	67.30	56.00			
April	67.20	57.00	September	65.60	55.00	Calendar		
May	72.70	57.50	October	64.40	56.60	1/ year avg.	62.40	

1/ Mid-month price.

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						Designated 8-Market Avg.	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement							
	Dec '85	Mar '86	May '86	Jul '86	Oct '86	Dec '86		
Oct. 31	61.77	62.15	62.34	59.45	53.60	52.25	56.64	48.15
Nov. 1	61.22	61.65	61.95	59.20	53.42	52.02	56.30	48.10
4	61.17	61.57	61.95	59.40	53.45	52.10	56.27	48.05
5	61.29	61.89	62.10	59.66	53.40	52.09	56.34	48.05
6	61.12	62.00	62.45	60.67	53.10	51.78	56.05	48.00
7	61.70	62.59	62.83	62.00	53.68	51.85	56.41	48.00

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

Chicago futures contract settlement and designated spot market average for grade 42 staple 31 in cents per pound

Date	Grade 42 Staple 31					Designated 5-Market Average 1/
	Futures Settlement					
	Dec '85	Mar '86	May '86	Jul '86	Oct '86	
Oct. 31	55.05	55.30	-	-	-	51.59
Nov. 1	54.70	55.20	-	-	-	51.26
4	54.70	55.20	-	-	-	51.23
5	56.00	55.20	-	-	-	51.30
6	54.70	55.20	-	-	-	51.10
7	55.00	55.20	-	-	-	51.45

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 1		Through October 31	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	3,345,100	-	820,800
Exports	86,400	1,034,200	55,800	552,900
Total export commitments	-	4,379,300	-	1,373,700
New sales	167,600	-	18,900	-
Buy-backs and cancellations	3,100	-	12,100	-
Net sales	164,500	-	6,800	-
Sales next marketing year	1,000	34,700	-	13,100

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

Upland cotton export sales during the week ended October 31 of 6,800 running bales dropped 43 percent from the previous week, according to the Foreign Agricultural Service, USDA. Purchases by Italy of 5,000 bales, Japan 4,000 and Ireland 2,900 bales were partially offset by reductions by Taiwan of 5,000 bales and South Korea 1,900 bales. Exports for the week totaled 55,800 bales. Asian destinations accounted for 68 percent of the week's shipments, West European 21 percent, Western Hemisphere 7 percent and Africa 4 percent.