

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE
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Weekly Cotton Market Review

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Spot cotton prices continued to move higher, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading was slow to moderately active. Supplies increased. Merchant demand was very good in most markets. Domestic mill buying was light. Foreign mills made limited purchases. Harvesting was interrupted by rains in several areas of the Cotton Belt early in the week. As weather conditions improved, harvesting increased rapidly.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 44.36 cents per pound during the week ended Friday, October 17. Prices ranged from a low of 43.77 cents on Monday to a high of 44.92 cents on Friday. A week earlier, prices averaged 42.44 cents and ranged from 41.92 to 43.77 cents. The New York December 1986 futures settlement price ended the week on Friday at 47.70 cents per pound compared with 46.95 cents a week earlier. The October 1987 settlement price was 50.80 cents against 49.05 cents a week earlier.

Trading was slow to moderately active. New-crop supplies were becoming more available as harvesting increased rapidly. Merchant demand was good to strong. CCC certificate trading was less active. Cotton certificates traded in a range of 97 to 103 percent of face value. Generic certificates traded at 113 to 120 percent of value. Domestic mill buying was slow to moderate. Foreign mills purchased a light volume of cotton for prompt through February 1987 shipment. Trading between merchants was fairly active in the southeastern markets and involved a moderate volume of old crop and a light to moderate amount of 1986-crop cotton. Supplies and offerings of new crop were increasing. Merchant demand was good to strong. Growers sold more readily at prices netting \$35 to \$45 per bale equity. Demand was best for grades 41 and higher, staples 34 and longer, mike 35-49. Trading was moderately active in the south central markets. Demand was very good for old-crop equities and 1986-crop cotton. Prices for equities ranged from \$20 to \$35 per bale. Some higher grade cotton, staples 33 and shorter, sold at prices of \$40 to \$60 per bale equity. Merchants paid around 51 to 52 cents per pound, basis grade 41 staple 34, for 1986 crop under the producer option payment plan. Grower-to-merchant sales remained slow to inactive in the southwestern markets. Growers were asking higher prices for equities and merchant demand weakened for these supplies but improved for CCC-owned cotton. A very light volume of 1986 crop spot trading was reported in the western markets. Mixed lot prices were around 58.40 to 59.85 cents per pound, mostly grade 31 staple 34, mike 35-49. Equity trading of 1986 crop was light and was at prices of about \$61 per bale. A few merchants contracted new-crop cotton from growers in the San Joaquin Valley in a range of 75 to 77 cents per pound, basis grade 31 staple 35, mike 35-49, UD, free on gin yard with entitlements going to buyers. Purchases reported by cotton exchanges in the designated markets totaled 69,600 bales in the week ended Friday, October 17. This compares with 68,500 bales reported a week earlier and 45,700 bales in the corresponding week last season.

Textile mill report. Domestic mill buying consisted of a light to moderate volume of central belt and Texas growths for nearby and later delivery. Interest improved for the medium and higher white and Light Spotted grades in staples 34 and longer. Shipper asking prices were firm to slightly higher. Demand for most textiles remained strong but a slight softening was detected in some synthetic or blended yarns. Apparels, household goods and most products for the automotive and industrial market continued to trade readily with orders booked into early 1987. Mills were operating full to extended work schedules.

Supply, disappearance and stocks of all kinds of cotton in the U.S., by months and seasons, crops of 1984-1986 1/

Date	Supply			Disappearance			End-of-month stocks				
	Beginning stocks	Ginnings	Imports	Total	Domestic cons.	Exports	Total	Consuming estab.	Public storage	Elsewhere	Total
	<u>1,000 bales</u>										
Aug. 1984	2,906	473	2	3,381	416	452	867	715	1,491	307	2,513
Sept.	2,513	544	1	3,058	494	264	758	645	1,432	223	2,300
Oct.	2,300	3,145	1	5,446	415	292	707	542	3,386	811	4,739
Nov.	4,739	4,648	*	9,387	377	484	861	560	6,321	1,645	8,526
Dec.	8,526	2,110	*	10,636	407	629	1,036	683	7,551	1,367	9,601
Jan. 1985	9,601	1,243	2	10,846	387	793	1,179	812	7,529	1,325	9,666
Feb.	9,666	219	3	9,889	406	766	1,172	875	6,541	1,301	8,717
Mar.	8,717	-	5	8,722	504	625	1,129	815	5,648	1,130	7,593
Apr.	7,593	-	6	7,599	407	544	951	796	4,806	1,047	6,648
May	6,648	-	1	6,649	426	426	852	804	4,008	986	5,798
June	5,798	-	1	5,799	522	353	874	734	3,570	621	4,925
July	4,925	70	-	4,995	369	252	621	733	2,930	711	4,374
Season 4/	2,906	12,452 5/	21	15,379	5,268	5,943	11,211	733	2,930	425	4,088
	<u>Crop of 1984</u>										
Aug. 1985	4,088	611	1	4,700	458	166	624	685	2,826	565	4,076
Sept.	4,076	1,751	*	5,827	562	179	741	621	3,743	722	5,086
Oct.	5,086	3,815	9	8,911	493	222	714	557	6,122	1,518	8,196
Nov.	8,196	3,889	4	12,090	477	196	673	570	8,963	1,884	11,416
Dec.	11,416	2,233	12	13,662	486	236	722	604	10,677	1,658	12,940
Jan. 1986	12,940	586	2	13,528	595	189	784	687	10,747	1,309	12,744
Feb.	12,744	33	-	12,776	499	202	700	728	10,243	1,106	12,076
Mar.	12,076	-	*	12,076	492	134	626	776	9,656	1,018	11,450
Apr.	11,450	-	*	11,450	620	198	818	789	9,072	771	10,632
May	10,632	-	-	10,632	503	69	572	782	8,449	830	10,061
June	10,061	-	*	10,061	489	62	550	788	7,980	743	9,510
July	9,510	147	*	9,657	522	25	547	775	8,116	219	9,110
Season 4/	4,088	13,064 5/	28	17,180	6,198	1,875	8,072	775	8,116	150	9,041
	<u>Crop of 1986</u>										
Aug. 1986 6/	9,041	478 5/	7/	9,518	534	374	908	671	7,393	546	8,610

1/ Imports in equivalent 480 pound gross weight bales, all others in running bales. 2/ Elsewhere stocks determined by subtracting public storage and consuming establishment stocks from total stocks. 3/ Total stocks determined by subtracting total disappearance from total supply. 4/ Adjusted data as reported in Supply and Distribution of Domestic and Foreign Cotton in the United States by Bureau of the Census. 5/ Ginnings prior to August 1 included in carryover. 6/ Preliminary. 7/ Not available. * Less than 500 bales. NOTE: Figures may not add due to various estimates.

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	1986				
	: Sept. 26- : : : :				
	: Sept. 19-25:	Oct. 2	: Oct. 3-9	: Oct. 10-16	: Oct. 17-23
Adjusted world price	29.38	33.76	35.03	37.30	38.20
Coarse count adjustment	5.31	5.34	5.81	5.97	5.02

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					: 8 Mkt.: Average: 'A' Index 1/:	Grade 31 : Staple 35	: Coarse Count	
	Futures Settlement								: 'B' Index 1/
	: Dec '86	Mar '87	May '87	Jul '87	Oct '87				
Oct. 13	: 48.95	49.60	50.15	50.63	51.05	43.77	51.25	39.85	
14	: 48.75	49.32	49.70	50.15	50.97	44.05	52.55	42.00	
15	: 47.38	47.90	48.80	49.20	50.05	44.46	52.55	42.00	
16	: 46.72	47.37	48.00	48.32	49.60	44.58	52.00	41.40	
17	: 47.70	48.38	48.97	49.50	50.80	44.92	51.75	41.10	

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 1985-86 and 1986-87

Description	Marketing Year			
	: 1985-86		: 1986-87	
	: Through October 10		: Through October 9	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	914,700	-	3,874,100
Exports	52,300	429,000	88,900	957,900
Total export commitments	-	1,343,700	-	4,832,000
New sales	18,400	-	91,800	-
Buy-backs and cancellations	9,600	-	16,400	-
Net sales	8,800	-	75,400	-
Sales next marketing year	500	13,100	3,000	69,400

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

Upland cotton export sales during the week ended October 9 resulted in a net increase of 75,400 running bales, down more than 50 percent from the previous week, according to the Foreign Agricultural Service, USDA. Japan was the principal buyer with purchases of 59,800 bales, followed by South Korea 4,400 and Morocco 4,000 bales. Reductions of 5,000 bales were reported from Bangladesh. Shipments for the week totaled 88,900 bales. Asian destinations accounted for 66 percent of the week's exports, West European 19 percent, African 9 percent and Western Hemisphere 6 percent.

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

October 17, 1986

Spot prices are in cents per pound for cotton equal to the Official Standards with mike readings of 35 thru 49, net weight, in mixed lots, uncompressed, free of all charges in 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.

GREENVILLE, SC				MONTGOMERY, AL				GREENWOOD, MS				MEMPHIS, TN				
Staple	Grade			Staple	Grade			Staple	Grade			Staple	Grade			
	31	41	51	42	31	41	51	42	31	41	51	42	31	41	51	42
33	40.50	40.00	36.75	38.75	41.50	40.50	37.00	39.00	43.55	42.35	38.40	39.45	40.05	40.85	34.90	35.95
34	43.25	42.50	38.50	39.75	43.50	42.50	38.50	40.50	45.30	44.00	39.50	40.35	43.30	42.00	37.50	40.35
35	43.70	43.00	38.75	40.00	43.60	42.60	38.60	40.60	45.80	44.45	39.70	40.60	43.80	42.45	37.70	40.60
36	44.00	43.20	38.85	40.10	43.70	42.70	38.70	40.70	45.90	44.60	39.85	40.75	43.90	42.60	37.85	40.75

DALLAS, TX				LUBBOCK, TX				PHOENIX, AZ				FRESNO, CA				
Staple	Grade			Staple	Grade			Staple	Grade			Staple	Grade			
	31	41	32	42	41	51	42	52	31	41	32	42	31	40	41	51
29	34.55	33.80	33.90	32.95	31.40	29.35	31.05	28.50	-	-	-	-	-	-	-	-
30	36.30	35.55	35.60	34.25	33.15	30.60	32.35	29.65	-	-	-	-	-	-	-	-
31	38.40	37.60	37.65	36.10	35.20	32.40	34.20	30.60	-	-	-	-	-	-	-	-
32	39.90	39.00	39.10	37.15	36.60	33.20	35.25	30.75	-	-	-	-	-	-	-	-
33	44.20	43.00	42.90	39.60	38.85	34.90	36.95	31.70	49.75	44.85	44.75	40.95	-	-	-	-
34	45.45	45.15	45.00	41.00	42.00	36.50	38.35	31.70	52.00	47.00	46.85	42.35	56.25	55.25	54.25	52.00
35	-	-	-	-	-	-	-	-	52.50	47.45	47.30	42.60	58.00	57.00	56.00	53.00
36	-	-	-	-	-	-	-	-	-	-	-	-	58.10	57.10	56.10	53.00
37	-	-	-	-	-	-	-	-	-	-	-	-	58.20	57.20	56.20	53.00

MIKE DIFFERENCES

MIKE RANGES	Points per pound									B MARKET AVERAGE
	GVL	MTG	MEM	GRNW	DAL	LUB	PHOE	FRES		
26 & Below	-1000	-1200	-1035	-1035	-960	-950	-1035	-1000	-1027	
27 thru 29	-800	-800	-760	-760	-500	-300	-760	-700	-673	
30 thru 32	-500	-500	-485	-485	-350	-250	-485	-400	-432	
33 thru 34	-200	-300	-220	-220	-200	-200	-220	-200	-220	
35 thru 49	0	0	0	0	0	0	0	0	0	
50 thru 52	-150	-150	-120	-120	-120	-100	-120	-50	-116	
53 & Above	-250	-250	-215	-215	-225	-200	-215	-100	-209	

SPOT COTTON QUOTATIONS - AMERICAN PIMA 1/

Staple	Grade			Mike ranges	Points per pound
	03	04	05		
	Cents per pound			26 & Below	-2000
				27 thru 29	+1550
44	90.50	82.50	51.00	30 thru 32	-1250
				33 thru 34	-350
46	91.00	83.00	51.25	35 & Above	0

1/ Arizona, New Mexico and Texas.

LANDED MILL PRICES - GROUP 201 MILL POINTS

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

SOUTHEASTERN GROWTHS				MEMPHIS TERRITORY GROWTHS				TEXAS-OKLAHOMA GROWTHS				CALIFORNIA (SJV) GROWTHS			
Staple	Grade			Staple	Grade			Staple	Grade			Staple	Grade		
	31	41	51	42	31	41	51	42	41	51	32	42	31	41	51
29	-	-	-	-	-	-	-	-	40.00	38.50	40.00	38.75	-	-	-
30	-	-	-	-	-	-	-	-	42.00	40.25	42.00	40.50	-	-	-
31	-	-	-	-	-	-	-	-	43.50	41.75	43.75	42.00	-	-	-
32	-	-	-	-	-	-	-	-	45.25	43.00	45.25	43.25	-	-	-
33	51.50	49.50	45.50	47.50	52.00	50.00	45.75	47.75	47.50	44.75	47.75	45.00	-	-	-
34	52.50	50.50	47.25	49.00	53.00	51.00	47.50	49.25	49.75	46.50	49.75	46.75	66.50	64.75	62.00
35	53.00	51.25	47.75	49.75	53.50	51.75	48.00	50.00	-	-	-	-	68.00	66.25	63.25
36	-	-	-	-	-	-	-	-	-	-	-	-	68.25	66.50	63.25