

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

COTTON DIVISION

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Weekly Cotton Market Review

(Week ended October 28)

TEXAS TECH
Dept of Ag Eco

Vol. 64, No. 13

October 29, 1982

Trading on spot cotton markets was slow, according to the Cotton Division, Agricultural Marketing Service, USDA. Spot prices were lower. Growers offered reluctantly at prevailing price levels. Merchant demand was generally weak. Domestic and foreign mill purchases were light. Forward contracting of the 1982 crop by growers was nil. Harvesting made good progress in southern states, reaching advanced stages in some areas. Scattered showers and rains interrupted harvesting in many western localities. The September daily rate of domestic mill cotton consumption was the lowest September rate since 1934. The average net weight per bale ginned in the United States prior to October 1 was 492.9 pounds. About one-fourth of the crop was ginned by mid-October. September exports increased from a month earlier.

Spot cotton prices. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets ranged from a low of 57.91 cents per pound to a high of 58.44 cents during the period ended Thursday, October 28. The Thursday average price was 58.28 cents compared with 58.85 cents a week earlier and 60.41 cents on the corresponding Thursday last season. The New York December 1982 futures settlement price ended the week on Thursday at 63.80 cents per pound compared with 64.67 cents a week earlier. The July 1983 settlement price was 68.70 cents against 69.36 cents last Thursday.

Trading. New-crop supplies increased, but growers continued to reject most bids. Merchant demand remained highly selective and limited to cotton needed to fill nearby commitments. Domestic mill purchases were light and included cotton for nearby and forward delivery. Export trading was limited to a light volume, mostly for prompt through April shipment. Purchases reported by cotton exchanges in the designated markets totaled 107,900 bales in the week ended Thursday, October 28. This compares with 82,100 bales a week earlier and 141,100 bales in the corresponding week last season.

Textile mill report. A few domestic mills bought a sizeable volume of cotton but overall purchases slowed from the previous week. Central and western growths of the medium and higher grades constituted the bulk of recent buying. Although a slight improvement has occurred in some areas of the textile market, most sales have been intermittent. Goods sales were mixed and included nearby and forward months with some improvement noted in first quarter 1983 business. Many mills were adequately stocked and only a few have seen fit to purchase cotton beyond that needed to cover ongoing sales. Some mills producing denim, twills, drills, underwear, print cloth and athletic goods reported slightly improved sales and were running five and six day workweeks. Industrials, automotive and a number of household goods continue to move slowly.

Domestic mill consumption of cotton averaged 18,700 running bales per day in the five weeks ended October 2, according to the Bureau of the Census. This was the

smallest September daily rate since 1934 when 15,100 bales per day were used. Mills used 19,300 bales per day a month earlier and 20,700 per day in September last season. Domestic mills consumed 468,100 bales in September, bringing consumption for the first two months this season (nine weeks) to 854,000 bales. Through September last year (nine weeks), mills used 945,900 bales and two years ago (eight weeks) used 898,900 bales.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 152.8 million pounds (about 318,300 bales of 480 pounds, net weight) during the five weeks ended October 2, according to the Bureau of the Census. This brought consumption for the first nine weeks (August-September) this season to 276.7 million pounds (about 576,400 bales of 480 pounds). August-September consumption last season (nine weeks) totaled 338.5 million pounds (about 705,200 bales of 480 pounds).

Stocks of cotton at mills totaled 677,200 running bales on October 2, according to the Bureau of the Census. This was the smallest end-of-September stocks since 1924 and compares with 750,300 bales a month earlier and 694,700 at the end of September last season. At the September daily rate of consumption, mill stocks were equivalent to slightly over seven weeks supply. Cotton in public storage totaled 5,243,100 running bales on October 2, the largest end-of-September stocks since 1967. Public storage stocks totaled 5,007,800 bales a month earlier and 1,940,100 bales at the end of September 1981.

Exports of cotton from the United States totaled 350,800 running bales in September, according to the Bureau of the Census. This was up from 341,600 bales a month earlier and 211,100 bales in September 1981. Shipments for the first two months (August-September) this marketing year totaled 692,400 bales compared with 444,400 bales a year earlier and 795,500 bales two years ago.

The average net weight per bale of 1982-crop cotton ginned in the United States prior to October 1 was 492.9 pounds. The weight was calculated by this office from state average bale weights and ginnings released by the Bureau of the Census. To convert 1982-crop running bales to 480 pound net weight bales, multiply by 1.03. To convert 480 pound net weight bales to running bales, multiply by 0.97.

Average net weight per bale of cotton ginned prior to October 1,
by specified states, crops of 1979 to 1982

State	Crop year			
	1982	1981	1980	1979
	Pounds	Pounds	Pounds	Pounds
Alabama	505.3	501.6	497.5	505.0
Arkansas	498.4	498.3	495.2	518.9
Georgia	514.0	502.7	494.9	503.6
Louisiana	496.8	489.9	484.7	504.7
Mississippi	496.0	499.2	498.1	506.9
Missouri	492.5	491.5	486.9	498.7
North Carolina	515.8	503.8	495.4	509.9
South Carolina	513.6	509.8	502.3	510.3
Tennessee	502.9	501.2	498.7	457.0
Texas	485.6	489.4	486.5	489.0

Source: Bureau of the Census.

Cotton: Domestic mill consumption, consumption per day, stocks and exports, running bales, by months and seasons, 1978-1982

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
1978	459	569*	482	595*	435	603*	471	506	584*	484	489	503*	6,180
1979	472	482	630*	482	436	604*	507	513	622*	496	478	487*	6,209
1980	443	456	597*	458	475*	435	446	539*	435	441	531*	385	5,641
1981	429	517*	448	403	400*	378	391	493*	410	392	460*	317	5,036
1982 3/	386	468*											
Mill consumption 1/													
1978	22.9	22.8	24.1	23.8	21.7	24.1	23.6	25.3	23.4	24.2	24.5	20.1	23.3
1979	23.6	24.1	25.2	24.1	21.8	24.2	25.4	25.7	24.9	24.8	23.9	19.5	23.9
1980	22.1	22.8	23.9	22.9	19.0	21.8	22.3	21.5	21.7	22.1	21.3	19.2	21.7
1981	21.4	20.7	22.4	20.1	16.0	18.9	19.5	19.7	20.5	19.6	18.4	15.9	19.4
1982 3/	19.3	18.7											
Stocks in consuming establishments 2/													
1978	1,065	1,032	1,015	1,003	1,051	1,050	1,070	1,099	1,095	1,066	969	927	-
1979	850	749	648	730	833	900	989	1,071	1,132	1,099	1,002	955	-
1980	891	784	743	750	831	947	1,038	1,105	1,078	1,023	937	883	-
1981	810	695	663	673	757	822	884	917	911	901	871	830	-
1982 3/	750	677											
Stocks in public storage and at compresses 2/													
1978	3,462	3,434	5,314	6,232	7,863	7,690	6,884	6,035	5,062	4,174	3,278	2,605	-
1979	2,198	1,880	3,785	6,898	8,163	7,739	6,558	5,299	4,084	3,126	2,341	1,822	-
1980	1,509	1,578	3,181	5,071	5,927	5,847	5,109	4,227	3,470	2,807	2,199	1,688	-
1981	1,491	1,940	4,060	7,064	9,267	9,489	8,729	7,921	7,112	6,292	5,544	5,269	-
1982 3/	5,008	5,243											
Exports													
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	6,249
1982 3/	342	351											

1/ 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.

2/ Season totals not necessarily sums of monthly figures because of adjustments.

3/ Data refer to a particular day near the end of the month.

* Preliminary.

‡ Five-week month.

Compiled from Bureau of the Census reports.

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

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. 21	64.67	66.83	68.22	69.36	69.25	58.85	70.30
22	64.18	66.36	67.75	68.97	69.15	58.44	70.10
25	63.53	65.56	67.25	68.65	68.55	57.91	69.75
26	63.70	65.90	67.32	68.75	68.60	58.04	69.40
27	63.47	65.77	67.15	68.65	68.50	57.92	69.50
28	63.80	65.95	67.30	68.70	68.75	58.28	69.40

^{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. 21	59.40	61.30	62.60	63.80	-	53.57
22	58.90	60.75	62.60	63.80	-	53.28
25	58.50	60.50	62.60	63.80	-	52.89
26	58.55	60.55	62.60	63.80	-	52.99
27	58.35	60.35	62.60	63.80	-	52.95
28	58.35	60.35	62.60	63.80	-	53.15

^{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 22		Through October 21	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	3,409,700	-	2,103,800
Exports	69,700	587,600	72,400	854,100
Total export commitments	-	3,997,300	-	2,957,900
New sales	190,100	-	75,200	-
Buy-backs and cancellations	8,100	-	6,600	-
Net sales	182,000	-	68,600	-
Sales next marketing year	5,300	19,900	4,800	14,800

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

Upland cotton export sales increased to 68,600 running bales during the week ended October 21, according to the Foreign Agricultural Service, USDA. This was up 78 percent from last week's marketing year low. The major buyers were Japan 18,700 bales; South Korea 9,200; and Hong Kong 8,600 bales. China also purchased 3,400 bales during the week. Asian destinations accounted for 77 percent of the week's exports of 72,400 bales and European destinations 10 percent.