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Weekly Cotton Market Review

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Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 71.14 cents per pound during the week ending Friday, October 26, according to the Cotton Division, Agricultural Marketing Service, USDA. Quotations averaged 82 points higher than the previous week. Daily average quotations ranged from a high of 71.45 cents on Tuesday October 23, to a low of 70.88 cents on Wednesday, October 24. Spot cotton quotations averaged 70.32 cents a week earlier and 68.99 cents in the corresponding week a year ago. The New York December 1990 futures settlement price closed on Friday at 74.26 cents compared with 73.23 cents a week earlier. The March 1991 settlement price was 74.10 cents against 73.63 cents the previous week. Spot transactions reported in the designated markets totaled 41,827 bales during the week ended Friday, October 26. This compares with 31,490 bales the previous week and 17,000 bales in the corresponding week last season.

Southeastern markets. Spot cotton trading increased. Rains over much of the area slowed the harvest and some growers turned attention to marketing. Demand continued strong for all qualities, but was especially good for higher grade higher strength lots. Most offerings sold. 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. In Alabama prices were mostly 300 to 400 points off. In Georgia and the Carolinas, offers were around 200 to 250 points off. Prices offered for grades 51 and 42 were discounted 150 to 200 points lower. Premiums of around 100 points were being paid for mixed lots with strengths of 27 grams per tex and higher.

South central markets. The supply of south central growth cotton continued to increase as more ginnings reached trade channels. The basis for all qualities weakened, but a large volume of cotton traded. Many farmers held for higher prices. In mixed lots, grade 31 traded at 375 to 475 points off December. Grades 41 and 32 sold at 500 to 600 off, and grade 42 moved at 650 to 750 points off. CCC loan mike discounts were generally applied to any cotton miking outside the 35-49 range. A light to moderate number of forward contracts for 1991-crop cotton were signed at prices averaging around 550 points off NY December 1991 futures. Domestic mills purchased a moderate to heavy volume of mostly grades 51, 42 and higher for prompt through July delivery. Harvesting continued to move at peak levels over most of the north Delta area during the week. Rain temporarily slowed picking in a few localities. The bulk of cotton has been harvested in the south Delta.

Southwestern markets. Spot cotton trading continued slow to moderate. Buyers accepted delivery of contracted cotton and were actively seeking to contract additional acreage. A moderate amount was booked at 1,750 to 1,875 points above CCC loan rates with a ceiling equal to grade 41 staple 33. Merchants actively sought free cotton. Grades 51, 42 and higher, staples 30 and longer, brought 1,600 to 2,000 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 52 cents per pound. Harvesting rapidly increased as growers took advantage of ideal weather conditions.



Western markets. Spot trading remained slow. In the San Joaquin Valley (SJV), a few mixed lots of grades 31, 40 and 41, mike 35-49 traded at 79.55 to 80.80 cents per pound, depending on compression. In Arizona, grade 31 staples 34-37, mike 35-49 brought around 76.75 cents. Grade 31 mike 50 and higher traded at 75.75 cents. Mixed lots of grades 41 and 32 traded at 74.70 cents. Domestic mills purchased a light to moderate volume of higher grades from the SJV for prompt and nearby shipment. Far Eastern mills bought a light volume for nearby shipment. Forward contracting was slow. Growers in the SJV booked a small acreage of 1990 crop at 550 to 680 points on NY December futures, basis grade 31 staple 35, mike 35-49. Growers in Arizona booked a small acreage at 75.50 to 76 cents per pound, basis grade 31 staple 34, mike 35-49. The cotton harvest made good progress. Demand was good for American Pima grades 3 and higher. A small volume of mixed grades 2, 3 and 4, mike 35-49 traded at \$1.24 per pound. SJV growers forward contracted a small volume of 1990 crop at around \$1.26 per pound, basis grade 3. Arizona growers booked a small amount of 1991 crop at \$1.11, basis grade 3. Domestic mills purchased a light volume from the El Paso area and SJV for prompt into first quarter 1991 shipment.

Textile mill report. Domestic mills continued to buy in light to moderate volume. Interest centered mostly on cotton for prompt delivery. A few mills purchased a small volume of cotton for last quarter 1991 delivery. The bulk of purchases was from central and southeastern growths. Stocks of cotton remained at low levels. Qualities in best demand were the medium white and Light Spotted grades, staples 34 and longer, mike 35-49. Mill business remained steady for most products. Best selling items continued to be athletic wear, sales yarn, and 100 percent cotton fabrics. Sales of home furnishings and apparel fabrics remained slow. Mill workweeks remained at mostly five to seven days.

Domestic mill consumption of cotton averaged 33,400 running bales in the five weeks ending September 29, according to the Bureau of the Census. This was down from 34,000 bales used per day a month earlier (four weeks) and was the second largest September usage since 1967. Domestic mills consumed 836,000 bales in September, bringing consumption for the first two months of the marketing year (nine weeks) to 1,515,700 bales. This was the largest August-September usage since 1967 and compares with 1,491,800 bales used through September a year earlier and 1,270,200 bales two years ago.

Stocks of cotton at mills totaled 534,500 running bales on September 29, according to the Bureau of the Census. This was the smallest end-of-September stocks at mills since records began in 1965, down from 619,400 bales a month earlier and 589,700 bales at the end of September last year. At the September daily rate of consumption, mill stocks were equivalent to about 3 weeks' supply. On September 29, stocks in public storage totaled 2,407,000 bales, the smallest since 1984. A month earlier, 1,615,400 bales were held in public storage and at the end of September last year 4,457,900 bales.

Exports of all cotton from the United States totaled 354,900 running bales in September, according to the Foreign Agricultural Service, USDA. This compares with 480,400 bales shipped a month earlier and 383,800 bales in September 1989. Shipments for the first two months (August-September) this marketing year totaled 835,300 bales, the largest volume for this period since 1986-87. August-September shipments last year totaled 814,600 bales and two years ago, 420,200 bales.



All Cotton: Domestic mill consumption and stocks, running bales, by months and seasons, 1986-1990

Season beginning August 1:	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season
	534	523	683*	529	576*	546	562	734*	573	586	708*	540	7,096
1986	606	753*	621	606	610*	568	590	738*	556	551	662*	433	7,294
1987	577	693*	552	523	572*	568	584	751*	623	645	798*	559	7,444
1988	663	829*	665	617	653*	605	633	794*	624	641	826*	559	8,109
1989	680	836*											
1990 4/													
1,000 bales													
Mill consumption 2/													
1986	26.7	26.2	27.3	26.5	23.1	27.3	28.1	29.4	28.7	29.3	28.3	27.0	27.3
1987	30.3	30.1	31.0	30.3	24.4	28.4	29.5	29.5	27.8	27.6	26.5	21.7	28.1
1988	28.8	27.7	27.6	26.1	22.9	28.3	29.2	30.0	31.2	32.2	31.9	27.9	28.6
1989	33.2	33.1	33.2	30.8	26.1	30.2	31.6	31.8	31.2	32.1	33.0	28.0	31.2
1990 4/	34.0	33.4											
Mill consumption per day													
1986	664	582	563	578	620	640	705	702	723	709	674	680	-
1987	648	579	530	542	637	722	777	786	790	756	719	709	-
1988	651	581	568	555	571	588	631	612	627	645	603	606	-
1989	600	590	552	544	584	661	689	696	685	675	667	672	-
1990 4/	619	535											
Stocks in consuming establishments 3/													
1986	7,625	7,996	9,543	10,148	10,204	10,015	9,058	7,878	6,871	5,870	4,821	3,817	-
1987	3,239	4,864	7,398	9,456	10,582	10,216	9,149	7,972	6,965	5,973	5,072	4,645	-
1988	4,432	5,017	8,259	11,722	13,481	13,109	12,048	10,607	9,362	8,170	6,771	5,929	-
1989	4,975	4,458	7,378	10,558	10,762	9,524	8,052	6,566	5,447	4,224	3,185	2,187	-
1990 4/	1,615	2,407											
Stocks in public storage 3/													

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/ 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. 3/ These data refer to a particular day near the end of the month. 4/ Preliminary. \* Five week month.

Source: Bureau of the Census

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				
	Sept. 28-				Oct. 26-
	Oct. 4	Oct. 5-11	Oct. 12-18	Oct. 19-25	Nov. 1
Adjusted world price	65.45	64.93	65.55	65.86	66.46
Course count adjustment	0	0	0.10	0.61	0.81

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					Grade 31	Coarse
	Futures Settlement					7 Mkt.:	Count
	Dec '90	Mar '91	May '91	Jul '91	Oct '91	Average:'A' Index 1/	'B' Index 1/
Oct. 22	74.62	74.53	74.80	74.80	68.15	71.12	81.75
23	74.68	74.94	75.20	74.25	67.85	71.45	82.40
24	74.08	74.38	74.80	74.81	68.13	70.88	82.40
25	74.47	74.58	74.98	75.00	68.05	71.19	82.40
26	74.26	74.10	74.62	74.74	68.13	71.04	82.40

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 19		Through October 18	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,686,200	-	3,113,600
Exports	108,300	1,125,500	65,600	1,008,300
Total export commitments	-	3,811,700	-	4,121,900
New sales	181,700	-	66,700	-
Buy-backs and cancellations	2,400	-	13,600	-
Net sales	179,200	-	53,100	-
Sales next marketing year	1,100	110,600	400	47,700

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Net sales of 53,100 running bales during the week ending October 18, were below 19 percent from the previous week, according to the Foreign Agricultural Service, USDA. The major increases were for Japan with purchases of 17,500 bales, South Korea 16,900, Canada 8,100 and Indonesia 4,400 were partially offset by reductions of 9,400 bales for Mauritius. Exports of 65,600 bales were 3 percent above the previous week. Asian destinations accounted for 72 percent of the week's shipments; Western Hemisphere 14 percent; West European 13 percent and African 1 percent. Shipments of American Pima totaled 11,100 bales and were primarily to Romania 8,000 and South Korea 1,000 bales.

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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

October 26, 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	31	41	51	42	21	31	41	32	
69.21	68.11	65.36	65.86	66.76	65.76	63.76	64.51	33	67.16	65.76	63.26	64.26	72.26	72.26	70.51	70.51
71.26	70.76	68.01	68.51	69.51	68.51	66.26	67.01	34	69.66	68.51	66.01	67.01	76.26	76.26	74.51	74.51
71.51	71.01	68.26	68.76	69.61	68.76	66.36	67.11	35	69.76	68.61	66.11	67.11	76.36	76.36	74.61	74.61
71.66	71.16	68.41	68.91	69.71	68.86	66.46	67.21	36	69.86	68.71	66.21	67.21	76.36	76.36	74.61	74.61

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY				
Grade				Grade				Grade				
31	41	32	42	31	41	32	42	Staple	21	31	41	51
60.90	60.75	60.55	59.55	62.30	61.20	62.25	60.10	29	-	-	-	-
61.65	61.50	61.30	60.10	63.55	62.70	63.70	62.15	30	-	-	-	-
65.40	65.25	64.05	63.85	66.65	65.70	64.65	63.20	31	-	-	-	-
66.05	65.75	64.55	64.10	67.20	65.90	66.65	64.90	32	-	-	-	-
68.10	67.70	67.00	66.75	68.75	68.20	68.20	66.50	33	-	-	-	-
69.85	69.50	68.80	67.55	70.30	69.50	69.50	67.10	34	78.76	78.51	76.01	72.51
70.15	69.75	69.05	67.85	70.60	69.75	69.75	67.40	35	80.51	80.26	77.76	73.51
70.25	69.85	69.15	67.85	70.70	69.85	69.85	67.40	36	80.61	80.36	77.86	73.51
70.25	69.85	69.15	67.85	70.70	69.85	69.85	67.40	37	80.71	80.46	77.96	73.51

MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	EAST TX-OK	MIKE RANGES	WEST TEXAS	DESERT SW	SJV	AVG
-1250	-1215	-	-1700	26 & Below	-1700	-2100	-	-1593
-800	-840	-840	-700	27-29	-700	-1400	-1500	-969
-500	-525	-525	-300	30-32	-300	-800	-950	-557
-250	-230	-230	-150	33-34	-150	-350	-350	-244
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	01	02	Grade 03	04	05	06	Mike ranges	Points per pound
							26 & Below	-3100
							27-29	-2275
44	126.75	126.50	125.50	114.50	87.50	76.00	30-32	-1200
							33-34	-300
46	127.25	127.00	126.00	115.00	87.50	76.00	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	68.75	65.50	68.75	66.25	-	-	-
-	-	-	-	-	-	-	-	30	70.50	68.00	70.50	68.50	-	-	-
-	-	-	-	-	-	-	-	31	72.00	69.25	72.00	70.00	-	-	-
-	-	-	-	-	-	-	-	32	73.50	70.25	73.50	70.75	-	-	-
77.25	76.00	74.00	75.25	77.75	76.50	74.25	75.50	33	75.50	71.50	75.50	72.00	-	-	-
78.25	76.75	75.00	76.25	78.75	77.25	75.25	76.50	34	77.75	73.25	77.75	73.75	85.75	85.00	82.50
78.75	77.50	75.50	76.25	79.25	78.00	75.75	76.50	35	-	-	-	-	87.25	86.50	83.75
-	-	-	-	-	-	-	-	36	-	-	-	-	87.50	86.75	83.75