



Weekly Cotton Market Review

(Week ended October 6)

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Spot cotton prices moved higher, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading increased slightly. Growers offered more new-crop cotton as harvesting expanded. Merchant demand remained limited primarily to cotton needed to fill nearby commitments. Domestic and foreign mill purchases were light. Growers had contracted about 16 percent of the 1983 crop through the end of September. Heavy rains caused extensive damage to portions of the Arizona crop. Rains slowed early harvesting efforts in California and New Mexico. Harvesting was under way in most other localities and made good progress. The interest rate for CCC loans disbursed in October will be 10.375 percent. The 1983 carryover of upland cotton in the United States was the largest since 1967.

Spot cotton prices strengthened slightly. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets ended the week on Thursday, October 6, at 70.84 cents per pound. This was up from 69.81 cents a week earlier and 58.82 cents on the corresponding Thursday last season. The New York December futures settlement price ended the week on Thursday at 77.25 cents per pound compared with 76.25 cents a week earlier.

Trading was a little more active on some spot cotton markets. Grower-held supplies were light but were increasing as harvesting expanded. A few growers offered and sold a larger volume of 1983-crop cotton. Some current ginnings moved to contract buyers and marketing organizations. Merchants limited buying mostly to cotton needed to fill nearby commitments. Domestic mill purchases were light and included both prompt and forward delivery. Export trading was slow. A few sales were made to Far Eastern mills for October through March shipment. Purchases reported by cotton exchanges in the designated markets totaled 104,700 bales in the week ended Thursday, October 6. This compares with 79,100 bales a week earlier and 72,600 bales in the corresponding week last season.

Textile mill report. Mill interest in new-crop Memphis territory growths continued to increase. Inquiries were more numerous and centered on grades 41 and higher, mostly for prompt to nearby delivery. A few mills were in the market for 1982-crop cotton to cover ongoing product sales. Concern over weather conditions in Arizona stimulated interest in the medium and higher grades. Mill sales were good through the remainder of the year but for first and second quarters of 1984, numerous products were not fully booked. All cotton constructions of denim, terry and combed yarn continued to move well as did athletic wear and lightweight knits. Industrial products were fairly steady while goods sales for the automotive industry showed slight improvement. Work schedules were mostly five to six days per week.

Prices received by farmers for upland cotton during calendar year 1983 continued to fall below the target price of 76.00 cents per pound. The monthly average farm price was 63.60 cents in mid-September and 66.30 cents for the entire month of August, according to the Statistical Reporting Service, USDA. If the weighted average price received by farmers during the calendar year falls below the target price, deficiency payments will be made to growers participating in the cotton program. In September 1982, the average farm price was 55.50 cents per pound. These prices include cotton delivered against forward contracts. The parity price for upland cotton announced September 30 was 120.00 cents per pound. This was up from 119.00 cents a month earlier and in September 1982.

Taiwan cotton imports for 1983-84 are expected to increase about 14 percent over the 970,000 bales imported in 1982-83, according to the Foreign Agricultural Service, USDA. The industry is optimistic that the slowly recovering world economy should improve the textile export outlook. In addition, stocks have been reduced to near minimum so that imports will expand to cover requirements. In 1982-83, the U. S. share was 41 percent, down from 61 percent attained the previous year. Unless U. S. prices decline, our share is not expected to recover in 1983-84.

The 7.4 million running bale carryover of upland cotton on August 1, 1983, was the largest since 1967. The 1983 carryover contained the same proportion of cotton in grades 41 and higher as the previous year but a larger proportion of all white grades. The average staple length was 33.8 thirty-seconds inches. Staples 36 and longer accounted for a larger proportion of the carryover than a year ago. The 1982-83 season supply of 17.7 million bales was up slightly from last year's 17.6 million. Disappearance totaled 10.3 million bales, the smallest since 1975-76.

Contracting 1983 crop. United States upland cotton growers had forward contracted about 16 percent of their crop by the end of September. This was the largest percentage booked by the end of September since the 1980 crop and was up from 12 percent a year earlier and 10 percent two years ago. Growers in western states had contracted 26 percent of their crop this season, up from 16 percent last year. In both southeastern and south central states, growers had booked about 25 percent of their acreage. This was up from 15 percent in southeastern states and 21 percent in south central states under contract a year ago. In southwestern states, growers had booked 6 percent, up from 4 percent a year earlier. These estimates were based on the Crop Reporting Board's September indicated acreage for harvest and informal surveys made by the Cotton Division, Agricultural Marketing Service, USDA.

Forward contracting of upland cotton by growers, through September 30, crops of 1974-1983 and acres for harvest, 1983 crop

State	Cotton crops										Acres for harvest ^{1/} 1,000 acres
	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	
Alabama	11	3	68	9	15	13	31	7	13	24	195
Georgia	4	1	33	1	*	9	12	11	4	6	125
North Carolina	8	-	38	16	23	12	42	5	15	28	59
South Carolina	17	15	42	18	29	22	55	22	36	62	69
Southeastern states	10	4	52	9	15	14	32	10	15	25	448
Arkansas	30	16	82	17	34	23	53	15	18	24	310
Louisiana	21	2	72	7	27	17	41	8	18	21	410
Mississippi	37	15	67	27	45	50	80	27	23	25	750
Missouri	36	10	84	24	41	34	78	25	23	38	93
Tennessee	17	1	65	2	9	13	41	8	22	33	215
South Central states	31	12	73	19	35	33	62	18	21	25	1,778
Oklahoma	*	-	19	19	26	18	4	2	1	-	350
Texas	7	*	24	19	10	13	21	7	4	7	3,500
Southwestern states	6	*	23	19	11	14	20	7	4	6	3,850
Arizona	40	23	62	49	34	30	45	7	20	18	290
California	55	33	73	30	38	26	40	10	15	30	965
New Mexico	12	-	45	18	12	10	7	1	*	-	49
Western states	46	28	69	34	35	26	40	9	16	26	1,304
United States	20	8	49	21	21	20	33	10	12	16	7,380

^{1/} September 1983, Crop Reporting Board, Statistical Reporting Service, USDA.

* Less than 0.5 percent.

Grade and staple of upland cotton in the carryover, August 1, 1983 1/

Grade Code	Staple														All staples		
	26 and shorter	28	29	30	31	32	33	34	35	36	37	38	39	40 and longer		Bales	Percent
White:																	
11	-	-	-	-	-	-	91	-	-	-	-	-	-	-	30	-	121
21	-	-	-	1,248	4,427	1,492	1,631	4,343	9,284	7,474	336	-	-	-	2	-	30,237
31	-	46	1,927	11,458	32,154	19,751	16,931	38,823	3,818	1,160	68	-	-	48	-	-	6,489
40	-	181	-	529	2,977	2,897	6,647	80,072	130,294	64,694	3,287	243	-	102	-	-	332,269
41	-	276	684	7,148	20,085	29,113	57,196	269,755	620,473	465,633	23,072	1,865	120	557	-	-	291,923
50	-	-	-	572	745	3,887	7,180	79,031	176,696	139,079	5,474	383	-	18	-	-	1,495,977
51	-	-	1,088	854	13,197	40,477	33,139	119,074	333,919	276,208	17,747	559	-	5	-	-	413,066
60	-	-	-	-	-	184	3,809	7,154	8,267	3,140	-	-	-	-	-	-	836,267
61	-	-	91	315	1,455	2,996	7,578	25,558	44,070	29,946	1,392	278	-	-	-	-	22,554
70	-	-	-	-	-	51	-	241	491	147	-	-	-	-	-	-	113,679
71	-	-	-	-	151	1,127	1,575	5,645	4,820	5,946	-	-	-	-	-	-	930
Total	-	7,640	3,837	22,265	75,230	102,016	135,907	630,694	1,432,962	1,094,577	53,168	3,398	120	962	-	-	3,562,776
Lt. Spotted:																	
12	-	-	-	-	-	16	-	-	2	-	-	-	-	-	-	-	19
22	-	385	938	2,440	3,435	1,221	867	1,291	2,341	1,134	291	-	-	-	-	-	14,343
32	537	5,127	19,754	122,948	186,020	90,029	50,351	53,637	76,312	31,074	1,221	68	-	-	-	-	637,078
42	141	2,979	24,456	181,003	350,584	203,702	140,716	222,973	412,316	207,245	9,199	1,002	341	1,150	-	-	1,737,807
52	-	389	5,307	45,266	122,734	97,296	81,244	112,997	200,785	103,738	7,015	336	68	-	-	-	777,175
Total	678	8,880	50,455	351,657	662,773	392,264	273,178	390,899	691,756	343,191	17,726	1,406	409	1,150	-	-	3,186,422
Spotted:																	
23	181	348	832	1,154	1,291	652	120	166	633	239	-	-	-	-	-	-	5,616
33	-	1,249	13,494	37,053	36,534	17,645	8,385	11,269	6,046	2,844	621	-	-	-	-	-	135,140
43	-	1,853	10,290	47,042	62,489	41,406	23,371	32,998	36,309	13,752	741	136	-	-	-	-	270,387
53	-	291	2,500	14,598	30,087	24,995	16,562	22,276	28,006	12,455	1,687	227	-	-	-	-	153,684
Total	181	3,741	27,116	99,847	130,401	84,698	48,438	66,709	70,994	29,290	3,049	363	-	-	-	-	564,827
Tinged:																	
24	-	-	-	406	-	-	-	-	-	-	-	-	-	-	-	-	406
34	44	270	751	1,796	3,003	990	605	452	151	-	-	-	-	-	-	-	8,062
44	-	378	1,109	2,494	4,076	2,404	1,542	1,161	652	-	-	-	-	-	-	-	13,816
54	-	83	918	1,023	1,229	1,976	1,272	2,217	1,261	59	-	-	-	-	-	-	10,038
Total	44	731	2,778	5,719	8,308	5,370	3,419	3,830	2,064	59	-	-	-	-	-	-	32,322
Stained:																	
35	-	45	91	272	72	73	239	106	-	-	-	-	-	44	-	-	942
Total	-	45	91	272	72	73	239	106	-	-	-	-	-	44	-	-	942
Light Gray:																	
26	-	-	-	-	-	-	134	-	38	38	-	-	-	-	-	-	210
36	-	-	-	-	-	47	299	794	1,934	1,934	-	-	-	32	-	-	3,284
46	-	-	-	-	-	-	339	85	112	859	-	-	-	-	-	-	1,395
Total	-	-	-	-	-	47	772	879	328	2,831	-	-	-	32	-	-	4,889
Gray:																	
27	-	-	-	-	-	-	47	-	-	-	-	-	-	-	-	-	47
37	-	-	-	-	-	95	-	74	106	-	-	-	-	-	-	-	275
47	-	-	-	-	87	-	-	-	1,139	373	-	-	-	-	-	-	1,599
Total	-	-	-	-	87	95	-	121	1,245	373	-	-	-	-	-	-	1,921
Below Grade	-	-	846	3,296	9,569	11,479	13,195	17,323	16,006	5,243	94	-	-	-	-	-	77,051
All grades	903	21,037	85,123	483,056	886,440	596,042	475,148	1,110,561	2,215,355	1,475,564	74,037	5,167	529	2,188	-	-	7,431,150
All grades	0.3	1.1	6.5	11.9	8.0	6.4	14.9	29.9	19.9	1.0	0.1	-	-	-	-	-	100.0

1/ Quality data on bales stored in consuming establishments included in this table based on information furnished by mills. Average staple.... 33.8
 2/ As reported by the Bureau of the Census, running bales.
 * Less than 0.05 percent.

Average prices received by farmers for upland cotton, in cents per pound, net weight, United States, calendar years, 1982-1983

Month	Year beginning January 1		Month	Year beginning January 1		Month	Year beginning January 1	
	1982	1983		1982	1983		1982	1983
	Cents	Cents		Cents	Cents		Cents	Cents
January	50.30	56.00	June	58.10	61.10	November	59.90	
February	49.10	56.40	July	59.90	64.60	December	57.30	
March	50.40	59.90	August	52.80	66.30			
April	54.30	59.70	September	55.50	63.60	1/ Calendar		
May	55.80	61.70	October	59.80		year avg.	55.20	

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					8-Market Average	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement						
	Oct '83	Dec '83	Mar '84	May '84	Jul '84		
Sept. 29	74.45	76.25	77.99	78.75	79.25	69.81	87.00
30	75.05	76.96	78.50	79.30	79.70	70.34	86.70
Oct. 3	75.50	77.38	78.82	79.75	80.40	70.47	87.00
4	74.85	76.63	78.20	79.10	79.50	70.03	87.15
5	76.15	77.95	79.35	80.05	80.50	71.18	87.30
6	75.50	77.25	78.75	79.50	80.01	70.84	87.70

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 1982-83 and 1983-84

Description	Marketing Year			
	1982-83		1983-84	
	Through September 30		Through September 29	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,143,000	-	2,876,400
Exports	58,900	650,900	73,100	696,900
Total export commitments	-	2,793,900	-	3,573,300
New sales	102,500	-	149,900	-
Buy-backs and cancellations	6,800	-	13,500	-
Net sales	95,700	-	136,400	-
Sales next marketing year	700	10,000	5,900	45,300

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

Upland cotton export sales of 136,400 running bales during the week ended September 29 were 27 percent below a week earlier but 20 percent greater than the four-week average, according to the Foreign Agricultural Service, USDA. The major buyers were Yugoslavia 42,200 bales, Japan 20,600, South Korea 18,900, Canada 12,000 and Indonesia 8,100 bales. Weekly exports of 73,100 bales rose 12 percent from a week earlier but fell 10 percent below the four-week average. Asian destinations accounted for 80 percent and European destinations 10 percent.