

UNITED STATES DEPARTMENT OF AGRICULTURE

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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 69.56 cents per pound during the week ending Friday, October 5, according to the Cotton Division, Agricultural Marketing Service, USDA. Daily average quotations ranged from a high of 69.89 cents on Tuesday October 2, and Friday October 5, to a low of 69.17 cents on Thursday, October 4. Spot cotton quotations averaged 69.79 cents a week earlier and 69.93 cents in the corresponding week a year ago. The New York December 1990 futures settlement price closed on Friday at 72.80 cents compared with 71.92 cents a week earlier. The March 1991 settlement price was 73.45 cents against 72.93 cents the previous week. Spot transactions reported in the designated markets totaled 19,021 bales during the week ended Friday, October 5. This compares with 10,133 bales the previous week and 14,150 bales in the corresponding week last season.

Southeastern markets. Spot cotton trading continued to increase, but volume remained fairly light. Early ginnings continued to be applied to forward contracts signed earlier. Merchant demand was strong for all qualities. Most lots moved readily into trade channels. Lots that could be shipped promptly attracted higher prices. Prices paid for mixed lots of mostly grade 41 staples 34 and longer, mike 35-49 ranged from 200 to 275 points off NY December futures. The harvest was interrupted by general rains which moved through the area.

South central markets. Grower offerings were more numerous during the week, but growers were generally asking more than buyers were willing to pay. Buyers were bidding 500 to 550 points off NY December futures for grade 41 staples 34 and longer, in mixed lots, but very little traded at those levels. When merchants needed the cotton to cover existing commitments, they frequently increased their bids by 100 to 200 points. A moderate to fair volume of cotton traded at the higher prices but rejected bids greatly outnumbered accepted bids. Domestic mills purchased a moderate to heavy volume of mostly medium to higher white and Light Spotted cotton for nearby through July 1991 shipment. Light to heavy rains interrupted harvesting in many localities.

Southwestern markets. Trading was slow to moderate. Buyers accepted delivery of contracted cotton and actively sought free cotton, but supplies were limited. Demand was good for grades 41 and higher staples 31 and longer, mike 35-49, and strength of 24 grams per tex and higher. Mixed lots generally sold at 1,200 to 1,700 points above CCC loan rates. Rain interrupted harvesting in many localities.

Western markets. Spot trading was very slow. In Arizona, a small amount of 1990-crop cotton grades 31 and 32 staple 36, mike 35-49 traded at 73.25 cents per pound. Domestic mills purchased a light to moderate volume of cotton from the San Joaquin Valley (SJV) for October and November shipment, and bought a small volume of lower grade cotton from the Desert Southwest for prompt shipment. European mills purchased a small amount of cotton from SJV for last quarter 1990 shipment. Growers in the SJV forward contracted a limited acreage of 1990 crop at 79.50 to 80.00 cents per pound, basis grade 31 staple 35, mike 35-49. Growers also booked a small amount of 1991 crop at 75.00 to 75.50 cents per pound. The harvest expanded rapidly in the SJV and increased moderately in Arizona. Progress was slow in the El Paso area. Demand was good for American Pima. A small amount of grades 2 and 3, mike 35-49 traded at \$1.19 per pound. Growers forward contracted a small volume of 1990 crop at around \$1.25 per pound in the SJV and at \$1.22 in Arizona, basis grade 3.

Textile mill report. Domestic mill buying increased. Mills made inquires and bought a fair volume of cotton, mostly for delivery during October through December 1990. Most mills were

concentrating on getting previous purchases delivered. Domestic mills bought a small volume for delivery for fall 1990 and a larger volume for delivery into July and August 1991. The bulk of the purchases were central and southeastern growths. Qualities in best demand were the medium white and equivalent Light Spotted grades staples 34 and longer, mike 35-49. Mill business was fairly steady for most products, but some were building inventories of unsold goods. Best sellers were athletic wear, sales yarn and 100 percent cotton fabrics. Sales of most home furnishings and blended lightweight ladies apparel fabrics have been poor. Low cotton inventories have also resulted in some temporarily reduced workweeks.

Domestic mill consumption averaged 33,200 running bales per day in the four weeks ended August 25, according to the Bureau of the Census. This was up from 28,000 bales used per day a month earlier, and the largest August daily rate since 1968. Domestic mills consumed 664,000 bales in August, up from 559,500 bales a month earlier and 663,200 bales in August last season. Cotton consumed during the first month of the 1990-91 marketing year totaled 664,000 bales, the largest volume used for this period since 1968-69. This compares with 663,200 bales the previous season and 576,800 bales two years ago.

Stocks of cotton at mills totaled 614,700 running bales on August 25, according to the Bureau of the Census. This compares with 599,900 bales held at the end of August last year and 650,700 bales two years ago. At the August daily rate of consumption, mill stocks were equivalent to almost four weeks' supply. Cotton in public storage totaled 1,626,900 bales on August 25, the smallest end-of-August stocks since 1984. Public storage stocks totaled 4,975,000 and 4,431,700 bales at the end of August 1989 and 1988, respectively.

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

Season	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season
beginning August 1	:	:	:	:	:	:	:	:	:	:	:	:	1/
1,000 bales													
Mill consumption 2/													
1986	534	523	683*	529	576*	546	562	734*	573	586	708*	540	7,096
1987	606	753*	621	606	610*	568	590	738*	556	551	662*	433	7,294
1988	577	693*	552	523	572*	568	584	751*	623	645	798*	559	7,444
1989	663	829*	665	617	653*	605	633	794*	624	641	826*	559	8,109
1990 4/	664												
Mill consumption per day													
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/	33.2												
Stocks in consuming establishments 3/													
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/	615												
Stocks in public storage 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/	1,627												

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.

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. 7-13		Sept. 14-20		Sept. 21-27
	Sept. 28-		Oct. 4		Oct. 5-11
Adjusted world price	65.94	65.62	65.75	65.45	64.93
Course count adjustment	0	0	0	0	0

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					: 7 Mkt.:	Staple 35	: Coarse Count		
	Futures Settlement								:Average:'A' Index 1/	:'B' Index 1/
	Dec '90	Mar '91	May '91	Jul '91	Oct '91					
Oct. 1	71.58	72.20	73.00	73.16	68.85	69.34	80.60	76.40		
2	72.35	73.15	73.73	73.82	69.20	69.89	80.30	76.25		
3	72.03	72.72	73.35	73.40	69.15	69.49	80.75	76.75		
4	71.94	72.61	73.30	73.40	68.97	69.17	80.40	76.40		
5	72.80	73.45	74.21	74.25	69.13	69.89	80.40	76.40		

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 September 28		Through September 27	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,661,500	-	3,151,700
Exports	147,000	802,300	61,700	781,000
Total export commitments	-	3,463,800	-	3,932,700
New sales	129,700	-	101,200	-
Buy-backs and cancellations	8,600	-	1,600	-
Net sales	121,100	-	99,600	-
Sales next marketing year	2,000	104,500	1,000	46,900

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Net sales of 99,600 running bales during the week ending September 27, improved from the marketing year low from the previous week, according to the Foreign Agricultural Service, USDA. The major increases were for Japan with purchases of 46,200 bales, South Korea 17,000, Taiwan 13,600 and Mexico 8,800 bales. Shipment of 61,700 bales were one-fifth above the previous week. Asian destinations accounted for 84 percent of the week's exports; West European 12 percent; Western Hemisphere 3 percent; and African 1 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 5, 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
68.50	67.40	64.40	64.90	66.30	65.80	62.80	63.80	66.00	65.30	61.55	63.05	71.05	71.05	68.80	68.80
70.55	70.05	67.05	67.55	69.05	68.55	65.30	66.30	68.50	68.05	64.30	65.80	75.05	75.05	72.80	72.80
70.80	70.30	67.30	67.80	69.15	68.80	65.40	66.40	68.60	68.15	64.40	65.90	75.15	75.15	72.90	72.90
70.95	70.45	67.45	67.95	69.25	68.90	65.50	66.50	68.70	68.25	64.50	66.00	75.15	75.15	72.90	72.90

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY			
Grade				Grade				Grade			
31	41	32	42	31	41	32	42	21	31	41	51
56.40	56.25	56.05	55.05	57.80	55.70	55.75	54.60	29	-	-	-
57.15	57.00	56.80	55.60	59.05	57.20	57.20	56.65	30	-	-	-
62.90	62.75	61.55	61.35	63.15	61.20	61.15	60.70	31	-	-	-
65.05	64.75	63.55	63.10	65.20	63.15	63.15	62.40	32	-	-	-
65.60	65.20	64.50	64.25	66.75	64.70	64.70	64.00	33	-	-	-
67.35	67.00	66.30	65.05	68.30	66.00	66.00	64.60	34	78.80	78.55	76.80
67.65	67.25	66.55	65.35	68.60	66.25	66.25	64.90	35	80.55	80.30	78.55
67.75	67.35	66.65	65.35	68.70	66.35	66.35	64.90	36	80.65	80.40	78.65
67.75	67.35	66.65	65.35	68.70	66.35	66.35	64.90	37	80.75	80.50	78.75

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	-450	30-32	-450	-800	-950	-600
-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	Grade	01	02	03	04	05	06	Mike ranges	Points per pound
	Cents per pound							26 & Below	-3100
								27-29	-2275
44		119.75	119.50	118.50	110.50	87.50	76.00	30-32	-1200
								33-34	-300
46		120.25	120.00	119.00	111.00	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	67.50	64.25	67.50	64.75	-	-	-
-	-	-	-	-	-	-	-	30	69.25	66.75	69.25	67.25	-	-	-
-	-	-	-	-	-	-	-	31	70.75	68.00	70.75	68.50	-	-	-
-	-	-	-	-	-	-	-	32	72.25	69.00	72.25	69.50	-	-	-
75.50	75.00	73.00	73.75	76.00	75.50	73.25	74.00	33	74.25	70.25	74.25	70.75	-	-	-
76.50	75.75	74.00	74.75	77.00	76.25	74.25	75.00	34	76.50	72.00	76.50	72.50	85.25	84.25	80.50
77.00	76.50	74.50	74.75	77.50	77.00	74.75	75.00	35	-	-	-	-	86.75	85.75	81.75
-	-	-	-	-	-	-	-	36	-	-	-	-	87.00	86.00	81.75