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**Weekly Cotton Market Review**

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Trading on spot cotton markets remained slow, according to the Cotton Division, Agricultural Marketing Service, USDA. Spot prices averaged slightly lower. Growers were holding limited quantities of uncommitted cotton and very little was offered at prevailing prices. Merchant needs were fairly well covered and trading interest was light. Domestic and foreign mill buying was slow. Growers forward contracted a light volume of 1984-crop cotton. Defoliation, harvesting and ginning were slowly increasing in several states. Applicable CCC loan discounts for two new standards of upland cotton, grades 62 and 63, were released for the 1984 crop. Cotton production in the United States for 1984 was forecast at 13.3 million bales, 6 percent above last month's estimate.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 61.68 cents per pound during the week ended Thursday, September 13. Prices ranged from a low of 60.73 cents per pound to a high of 62.25 cents during the week. The low of 60.73 cents was the lowest daily average since February 11, 1983. A week earlier, prices averaged 61.72 cents per pound and ranged from 61.32 to 61.99 cents. In the corresponding week a year ago, prices averaged 72.24 cents. The New York October 1984 futures settlement price ended the week on Thursday at 63.65 cents per pound compared with 64.87 cents a week earlier. The December price was 64.82 cents against 65.72 cents the previous week.

Trading on spot cotton markets continued slow. Grower-held supplies of 1983-crop cotton were about exhausted. Supplies of new crop increased as harvesting expanded. Growers were reluctant to offer uncommitted cotton at prevailing prices. Merchant demand was limited but was strongest for lower grade cotton. Most domestic mills have adequate to excessive supplies to cover needs and restricted purchases to a light volume of fill-ins. Export trading was slow. Limited purchases were made by Far Eastern and European mills. Purchases reported by cotton exchanges in the designated markets totaled 47,000 bales in the week ended Thursday, September 13. This compares with 39,100 bales reported a week earlier and 64,700 bales in the corresponding week last season.

Textile mill report. Mill demand was weak for old and new-crop cotton and buying remained slow. A few mills bought an occasional truckload to stretch stocks into the new crop. Some mills with stocks in excess of needs have sold cotton or have extended delivery dates on existing shipments. A strong demand for textile products was noticeably absent. Sales were intermittent with demand weaker in first and second quarters of 1985. Most apparels and household goods traded at a fairly steady rate. Automotive and industrial sales were mixed but mostly good. Blended yarn sales were declining. Some mills were cutting production and a few were on less than five-day work schedules.

All cotton production in the United States is expected to total 13.3 million 480 pound net weight bales, up 71 percent from last year and 11 percent above 1982, according to the Crop Reporting Board, SRS, USDA. Upland is forecast at 13.2 million bales, 72 percent above last year and 11 percent more than 1982 production. American Pima is forecast at 108,300 bales compared with 94,700 bales last year and 98,700 bales in 1982.

Area for harvest is estimated at 10.4 million acres, 41 percent above 1983 and 6 percent above 1982.

Yield per harvested acre is set at a record high 615 pounds compared with 506 last year and the previous record high yield of 590 pounds set in 1982.

Production in the southeastern states -- Alabama, Georgia, North Carolina and South Carolina -- is forecast at 820,000 bales, more than double last year's production but 14 percent below 1982. August growing conditions were favorable for fruiting but cool temperatures delayed maturity and bolls are opening about one week later than last year. Plants are well fruited but excessive vegetative growth in many fields makes bolls vulnerable to boll rot if cool, damp weather continues.

In the Delta states -- Arkansas, Louisiana, Mississippi, Missouri and Tennessee -- growers expect to harvest 3.93 million bales, 99 percent more than last year and 6 percent above 1982. Favorable growing conditions continued during August and fruit set is heavy. The crop is maturing about 10 days later than last year because of cool nighttime temperatures.

Upland production in Oklahoma and Texas is forecast at 3.95 million bales, up 56 percent from last year and 34 percent above 1982. Timely rains improved prospects for the dryland acreage, but caused some concern for the irrigated acreage in Texas. Harvest is nearly finished in the Rio Grande Valley and the Coastal Bend and is moving into central Texas. Yields are exceeding expectations in many areas. The High Plains crop made good progress under favorable growing conditions.

In the western states -- Arizona, California and New Mexico -- upland production at 4.45 million bales is expected to exceed last year by 61 percent and 1982 by 5 percent. Larger acreage for harvest and good to excellent yield prospects pushed expected production above the previous two years. The crop was planted on schedule and developed rapidly under favorable conditions. High August temperatures hastened maturity, and boll opening is one to two weeks earlier than last year.

The Bureau of the Census reports 636,475 running bales ginned prior to September 1 compared with 315,062 bales ginned to the same date last year and 453,251 bales ginned in 1982.

Cottonseed production in 1984, based on a three year average lint-seed ratio is forecast at 5.30 million tons, 72 percent above last year.

The Commodity Credit Corporation, USDA, released the following schedule of differentials to be applied to the 1984 upland cotton crop for issuing price support loans to growers, effective August 14, 1984:

Grade	Staple length (inches)								
	13/16 (26) through 29/32 (29)	15/16 (30)	31/32 (31)	1 (32)	1-1/32 (33)	1-1/16 (34)	1-3/32 (35)	1-1/8 (36)	1-5/32 (37) & longer
Code	Points per pound								
LIGHT SPOTTED:									
SGO (62)	-1635	-1560	-1525	-1505	-1485	-1485	-1485	-1445	-1445
SPOTTED:									
SGO (63)	-1925	-1885	-1880	-1880	-1790	-1780	-1770	-1760	-1755

Source: Agricultural Stabilization and Conservation Service, USDA

Cotton acreage harvested, yield per acre and production, by states, 1983-1984

State	Area harvested		Lint yield per harvested acre		Production 480 lb. net weight bales 1/	
	1983	Indicated 1984	1983	Indicated 1984	1983	Indicated 1984
	1,000 acres		Pounds		1,000 bales	
<u>Upland</u>						
Alabama	215.0	298.0	409	580	183.0	360.0
Arizona	284.0	477.0	1,225	1,208	725.0	1,200.0
Arkansas	310.0	430.0	500	647	323.0	580.0
California	950.0	1,400.0	996	1,080	1,971.0	3,150.0
Florida <u>2/</u>	12.0	13.5	608	651	15.2	18.3
Georgia	115.0	195.0	467	554	112.0	225.0
Kansas <u>2/</u>	0.4	0.8	240	480	0.2	0.8
Louisiana	410.0	645.0	623	707	532.0	950.0
Mississippi	675.0	1,140.0	640	800	900.0	1,900.0
Missouri	93.0	160.0	377	480	73.0	160.0
New Mexico	47.0	72.0	715	653	70.0	98.0
North Carolina	59.0	94.0	350	536	43.0	105.0
Oklahoma	300.0	345.0	232	278	145.0	200.0
South Carolina	69.0	105.0	369	594	53.0	130.0
Tennessee	215.0	310.0	337	526	151.0	340.0
Texas	3,550.0	4,600.0	322	391	2,380.0	3,750.0
Virginia <u>2/</u>	0.4	1.0	360	480	0.3	1.0
U. S.	7,304.8	10,286.3	504	614	7,676.7	13,168.1
<u>American Pima</u>						
Arizona	29.3	49.5	768	735	46.9	75.8
New Mexico	11.1	9.6	683	575	15.8	11.5
Texas	22.3	17.8	689	566	32.0	21.0
U. S.	62.7	76.9	725	676	94.7	108.3
U. S. all cotton	7,367.5	10,363.2	506	615	7,771.4	13,276.4

1/ Based on crop conditions about September 1.

2/ Estimates for current year carried forward from earlier forecast.

Source: Crop Reporting Board, 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 '84	Dec '84	Mar '85	May '85	Jul '85			
Sept. 6	64.87	65.72	67.37	68.51	69.60	61.99	73.90	
7	64.89	65.50	67.10	68.45	69.65	62.01	73.90	
10	65.07	65.67	67.45	68.50	69.68	62.14	73.90	
11	65.22	65.90	67.75	68.90	69.82	62.25	73.90	
12	64.22	65.29	67.23	68.45	69.60	61.28	73.75	
13	63.65	64.82	66.70	67.95	69.20	60.73	72.95	

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 1983-84 and 1984-85

Description	Marketing Year			
	1983-84		1984-85	
	Through September 8		Through September 6	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,665,300	-	3,082,500
Exports	82,400	451,100	63,500	512,500
Total export commitments	-	3,116,400	-	3,595,000
New sales	89,600	-	83,400	-
Buy-backs and cancellations	5,900	-	2,400	-
Net sales	83,700	-	81,000	-
Sales next marketing year	-	32,900	-	21,600

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

Upland cotton export sales totaled 81,000 running bales during the week ended September 6, according to the Foreign Agricultural Service, USDA. The major buyers were Japan with 16,600 bales, Taiwan 11,400, Indonesia 10,600 and South Korea 10,100 bales. Weekly exports of 63,500 bales declined from the previous week. Asian destinations accounted for 80 percent of the week's shipments, Western Europe 9 percent and Western Hemisphere 11 percent.