

**Weekly Cotton Market Review**  
(Week ended September 15)

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Trading on most spot cotton markets remained slow, according to the Cotton Division, Agricultural Marketing Service, USDA. Spot prices declined sharply. Grower-held supplies were limited. Merchant demand was fairly good. Domestic and foreign mills made limited purchases. Defoliates were being applied to fields in many southern states and harvesting expanded slowly in drought stressed areas. Harvesting moved northward in central Texas and first bales were ginned from some drought stressed fields on the Texas Plains and in Oklahoma. United States 1983 cotton production was forecast at 7.8 million bales. World cotton stocks in 1983-84 are expected to fall sharply with the United States accounting for all of the prospective decline.

Spot cotton prices declined 368 points during the period. On Thursday, September 15, the average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets was 70.45 cents per pound, the lowest price for the 1983-84 marketing year. This compares with 74.13 cents a week earlier and 58.86 cents on the corresponding Thursday last season. The New York October futures settlement price ended the week on Thursday at 75.90 cents per pound compared with 80.35 cents a week earlier. The December settlement price was 76.97 cents against 81.67 cents last Thursday.

Trading remained slow on most spot markets. In a few southern states, market activity increased slightly. Growers offered and sold a light volume of PIK cotton that was returned to them after successful PIK bidding and equities for cotton on which PIK bids were rejected. Merchant demand was confined mainly to cotton needed to fill nearby commitments. Domestic mill buying was generally slow but included both 1982 and 1983-crop cotton. Export trading was limited, mostly with Far Eastern mills. Purchases were scheduled for prompt through February 1984 shipment. Purchases reported by cotton exchanges in the designated markets totaled 64,700 bales in the week ended Thursday, September 15. This compares with 32,000 bales last week and 36,600 bales in the corresponding week last season.

Textile mill report. Domestic mill purchases of cotton remained light and intermittent. Purchases were largely for fill-ins although some mills booked a small volume of 1983-crop cotton for forward delivery. Mills were looking closely at price spreads between areas of growth before making purchases. A few mills indicated they might switch areas of growth in an effort to hold costs down. Many mills reported difficulties in getting product prices up enough to cover costs. Most mills were running normal schedules of five to six days per week but reported product sales were generally slow for the first half of next year. Apparels, notably denims, continued to sell readily.

United States, world cotton stocks expected to fall 3.2 million bales. The 1983-84 global cotton outlook continues to point to a sharp stock reduction stemming from this season's U. S. production shortfall. World output is projected at 66.5 million 480 pound net weight bales, slightly above August indications but 1.1 million below 1982-83. Meanwhile, recovery in textile activity is expected to boost mill use about 2 million bales to 69.3 million. As a result, stocks by the end of the season may drop a little below 25 million bales, compared with 28 million at the beginning.

The United States is accounting for all of the prospective decline in world stocks this season. The 1983 U. S. crop is placed at 7.8 million bales, 35 percent below 1982. Sharply smaller output reflects both reduced plantings and lower yields resulting from this summer's hot, dry weather. At the same time, disappearance is expected to increase about 4 percent to 11.15 million bales. While mill use is placed at 5.9 million bales, the largest in 3 years, exports may hold near last season's 5.2 million. Increased competitive supplies abroad are dimming this season's U. S. export prospects. With total use



in excess of the small 1983 crop, stocks are expected to fall to 4.7 million bales next summer, down from 7.9 million on August 1, 1983.

In contrast to the U. S. situation, foreign cotton production is estimated at 58.7 million bales, slightly above the month-earlier assessment and 3 million above 1982-83. Foreign textile mills may consume about 63.4 million bales, 3 percent more than last season, as use picks up in major importing countries. Stocks abroad are expected to change little during the 1983-84 season, remaining near the 20-million-bale level.

Little improvement is forecast for world cotton trade this season. Reduced import needs by China, reflecting another bumper crop there, is a major factor in sluggish global trade prospects. Exports are estimated at 18.4 million bales, only marginally above last season's low level. Forecast U. S. exports of 5.2 million bales, 0.1 million below the August assessment, would account for 28 percent of world trade, the same as last season.

All cotton production in the United States is expected to total 7.78 million 480 pound net weight bales, down 35 percent from 1982, according to the Crop Reporting Board, SRS, USDA. Upland production was forecast at 7.69 million bales, 35 percent below last year and American Pima at 81,000 bales, was down 18 percent.

Acreage for harvest was estimated at 7.45 million acres, down 23 percent from last year. Average yield of lint per harvested acre was forecast at 501 pounds, 89 pounds below last year's record high.

In the southeastern states -- Alabama, Georgia, North Carolina and South Carolina -- production was forecast at 440,000 bales, down 54 percent from last year and 16 percent below the August forecast. Showers were beneficial in Alabama and Georgia. Extremely

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Cotton supply and use: U. S., major foreign importers and exporters, and world;  
projected marketing year 1983-84 1/  
September 13, 1983

Item	Supply			Use		Ending stocks
	Beginning stocks	Production	Imports	Mill use	Exports	
Million 480 pound bales						
<u>United States</u>						
August projection	8.0	7.8	<u>2/</u>	5.9	5.3	4.7
September projection	7.9	7.8	<u>2/</u>	5.9	5.2	4.7
<u>World less U. S.</u>						
August projection	20.0	58.5	18.3	63.5	13.2	19.9
September projection	20.1	58.7	18.2	63.4	13.2	20.1
Major importers <u>3/</u>						
August projection	9.1	17.8	15.0	32.5	0.5	9.0
September projection	9.2	17.8	15.0	32.5	0.5	9.0
Major exporters <u>4/</u>						
August projection	4.0	23.8	0.5	15.7	8.2	4.2
September projection	4.2	24.3	0.3	15.5	8.4	4.6
Others						
August projection	6.9	17.0	2.8	15.3	4.6	6.7
September projection	6.7	16.6	2.8	15.4	4.3	6.5
<u>World <u>5/</u></u>						
August projection	28.0	66.3	18.3	69.4	18.5	24.5
September projection	28.0	66.5	18.2	69.3	18.4	24.8

1/ Marketing year beginning August 1. 2/ Less than 50,000 bales. 3/ Includes Western Europe, Eastern Europe, Japan, PRC, Korea, Taiwan and Hong Kong. 4/ Includes the USSR, Pakistan, Egypt, Sudan, Turkey, Central America and Mexico. 5/ Total trade of individual countries, including intra-regional trade. World imports and exports may not balance due to cotton in transit and reporting discrepancies in some countries.

NOTE: Totals may not add and stocks may not balance due to rounding, a small quantity of cotton destroyed, and differences unaccounted.

Source: United States Department of Agriculture.



hot, dry conditions in North Carolina and South Carolina caused fruit shedding and premature opening of bolls.

Production in the Delta states -- Arkansas, Louisiana, Mississippi, Missouri and Tennessee -- was forecast at 2.01 million bales, 46 percent below last year and down 4 percent from last month's forecast. Yield prospects declined during August in the northern part of the Delta because of hot, dry weather. Yield prospects remained fair to good in south Mississippi and parts of Louisiana. Most cotton has cut out and bolls were opening.

Upland production in Oklahoma and Texas was forecast at 2.51 million bales, 15 percent below 1982, but was up 5 percent from last month. The crop developed rapidly under hot, dry conditions but harvest remained behind last year's progress with only 7 percent of the Texas crop harvested by September 1. Dryland acreage suffered from heat and moisture stress but yield prospects were good for irrigated cotton.

In the western states -- Arizona, California and New Mexico -- upland production was forecast at 2.72 million bales, down 36 percent from last year but was unchanged from the August forecast. The crop made good progress under favorable weather conditions but was about one week behind last year. Showers and high humidity about mid-August caused some boll rot and interrupted insect control measures in the Imperial Valley and Arizona.

The Bureau of the Census reported 315,078 running bales ginned prior to September 1 compared with 453,251 bales ginned to the same date last year and 426,516 bales ginned in 1981.

Cotton acreage harvested, yield per acre and production, by states, 1982-1983

State	Area harvested		Lint yield per harvested acre		Production 480 lb. net weight bales 1/		
	1982	Indicated 1983	1982	Indicated 1983	1982	Indicated 1983	
						August	September
<u>Upland</u>	<u>1,000</u>	<u>acres</u>		<u>Pounds</u>		<u>1,000</u>	<u>bales</u>
Alabama	285.0	195.0	775	505	460.0	225.0	205.0
Arizona	465.0	290.0	1,130	1,092	1,095.0	660.0	660.0
Arkansas	390.0	310.0	657	465	534.0	320.0	300.0
California	1,370.0	965.0	1,077	995	3,073.0	2,000.0	2,000.0
Florida	15.0	9.5	627	621	19.6	12.3	12.3
Georgia	158.0	125.0	714	461	235.0	140.0	120.0
Louisiana	595.0	410.0	702	562	870.0	480.0	480.0
Mississippi	990.0	750.0	853	653	1,760.0	1,000.0	1,020.0
Missouri	151.0	93.0	648	263	204.0	75.0	51.0
Nevada	0.7	-	617	-	0.9	-	-
New Mexico	68.0	49.0	551	598	78.0	61.0	61.0
North Carolina	70.0	59.0	699	366	102.0	61.0	45.0
Oklahoma	450.0	350.0	254	219	238.0	237.0	160.0
South Carolina	95.0	69.0	783	487	155.0	95.0	70.0
Tennessee	255.0	215.0	638	357	339.0	215.0	160.0
Texas	4,300.0	3,500.0	301	322	2,700.0	2,150.0	2,350.0
Virginia	0.3	0.3	640	320	0.4	0.2	0.2
U. S.	9,658.0	7,389.8	590	500	11,863.9	7,731.5	7,694.5
<u>American Pima</u>							
Arizona	41.6	30.8	760	764	65.9	49.0	49.0
New Mexico	9.4	11.0	511	480	10.0	11.0	11.0
Texas	19.5	19.8	561	509	22.8	18.0	21.0
U. S.	70.5	61.6	672	631	98.7	78.0	81.0
U. S. all cotton	9,728.5	7,451.4	590	501	11,962.6	7,809.5	7,775.5

1/ Based on crop conditions about September 1.

Source: Crop Reporting Board, Statistical Reporting Service, USDA.

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



Seven months and older certificated stock, October 1, 1983 <sup>1/</sup>

Delivery point	7-12 Months	13-18 Months	19-24 Months	Over 24 Months	Total
	Bales	Bales	Bales	Bales	Bales
Charleston	-	-	-	-	-
Galveston	15,402	200	347	83	16,032
Greenville	350	-	-	-	350
Houston	4	24	92	-	120
Memphis	10,092	-	583	20	10,695
Mobile	-	-	-	-	-
New Orleans	248	3	3	-	254
<b>Total</b>	<b>26,096</b>	<b>227</b>	<b>1,025</b>	<b>103</b>	<b>27,451</b>

<sup>1/</sup> Based on Cotton Division records as of September 15, 1983.

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

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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 <sup>1/</sup>
	Futures Settlement						
	Oct '83	Dec '83	Mar '84	May '84	Jul '84		
Sept. 8	80.35	81.67	82.85	83.45	83.45	74.13	91.95
9	80.30	81.35	82.42	83.20	83.50	74.09	91.95
12	79.70	80.88	82.00	82.70	83.22	73.64	91.95
13	77.75	78.89	80.12	81.10	81.60	72.09	91.80
14	76.40	77.52	78.90	80.02	80.80	70.95	91.10
15	75.90	76.97	78.60	79.60	80.60	70.45	89.10

<sup>1/</sup> C.I.F. Northern Europe price furnished by Cotton Outlook of Liverpool.

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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 9		Through September 8	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,147,800	-	2,665,300
Exports	77,600	425,000	82,400	451,100
Total export commitments	-	2,572,800	-	3,116,400
New sales	122,800	-	89,600	-
Buy-backs and cancellations	8,000	-	5,900	-
Net sales	114,800	-	83,700	-
Sales next marketing year	-	8,400	-	32,900

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

Upland cotton export sales during the week ended September 8 resulted in a net increase of 83,700 running bales, according to the Foreign Agricultural Service, USDA. The major buyers were Japan with 33,900 bales, South Korea 16,200 and Indonesia 14,000 bales. Exports for the week of 82,400 bales were 18 percent greater than a week ago and 8 percent above the four-week average. Asian destinations accounted for 80 percent and European destinations 11 percent of the week's shipments.