

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE
COTTON DIVISION, MARKET NEWS BRANCH
4841 SUMMER AVENUE, MEMPHIS, TENNESSEE 38122
Telephone 901-766-2931



Weekly Cotton Market Review

Vol. 72, No. 7

September 18, 1990

Spot cotton quotations for grade 41 staple 34, mike 35-49, in the designated markets averaged 70.52 cents per pound during the week ending Friday, September 14, according to the Cotton Division, Agricultural Marketing Service, USDA. Quotations averaged 284 points lower than the previous week. Daily average quotations ranged from a high of 70.79 cents on Wednesday, September 12, to a low of 70.14 cents on Friday, September 14. Spot cotton quotations averaged 73.36 cents a week earlier and 68.57 cents in the corresponding week a year ago. The New York October 1990 futures settlement price closed on Friday at 73.20 cents compared with 73.66 cents a week earlier. The December settlement price was 71.59 cents against 72.94 cents the previous week. Spot transactions reported in the designated markets totaled 8,597 bales during the week ended Friday, September 14. This compares with 13,254 bales the previous week and 13,461 bales in the corresponding week last season.

Southeastern markets. Spot cotton trading increased slightly. The volume of new-crop cotton was small. Merchant demand was strong for all qualities and all offerings moved easily into trade channels. Prices offered were around 350 points off NY October futures for mixed lots of mostly grade 41 staples 34 and longer, mike 35-49. Mill business remained fairly good for most products. A fair volume of early ginnings were delivered against forward contracts made earlier in the year. Rain covered the area, causing a delay in the cotton harvest.

South central markets. Trading of 1990-crop cotton was the dominant activity during the week. Demand weakened as more cotton became available and prices trended lower. The volume of free cotton moving through trade channels was light as most early ginnings were being delivered against forward contracts. Some bids on new-crop cotton were rejected by growers. Grade 41 staples 34 and longer, mike 35-49, traded in mixed lots at prices averaging around 350 to 500 points off NY October futures. Small mixed lots of high grades sold at slightly higher prices and a small volume of old-crop low grades commanded much lower prices. Domestic mills purchased a moderate volume of new-crop cotton for first quarter 1991 delivery forward through third quarter 1991. Export sales were light and primarily to Far Eastern mills for prompt to nearby shipment. Thunderstorms across the territory hampered harvesting operations.

Southwestern markets. Trading activity slowed. Supplies of free cotton lightened in south Texas and increased in east Texas. Merchants accepted delivery of contracted cotton. Growers offered mixed lots, but demand for most grades weakened. Mixed lots generally sold at 1,100 to 1,600 points above CCC loan rates. Demand was very weak for cotton stapling 30 and shorter, for 50 and higher miking cotton, and for cotton with strength of 23 grams per tex and below. Merchants contracted a limited volume of 1991-crop south Texas and upper coastal bend cotton at 65.00 cents for grade 41 staple 34, mike 35-49. Very little Plains area spot cotton traded during the week as supplies were extremely limited. Rains slowed harvesting in east Texas. Ideal weather conditions remained in west Texas.

Western markets. Spot trading was inactive. Grower and merchant supplies were practically exhausted. Domestic mills purchased a small amount of grade 41 cotton from the San Joaquin Valley (SJV) for prompt shipment. African mills purchased a light to moderate volume of grades 21 and 31 for prompt shipment. Growers in the SJV forward contracted a small acreage of 1990-crop at 80.50 to 81 cents per pound, basis grade 31 staple 35, mike 35-49. Arizona growers forward contracted a small volume of 1990-crop at 73 cents, basis grade 31 staple 34, mike 35-49. The cotton crop made normal progress.

Insect infestations was a problem in some localities. American Pima trading was inactive. Far Eastern mills purchased a small amount of grade 4 for nearby shipment. Domestic mills purchased a light to moderate volume of 1990-crop for first quarter 1991 shipment. Arizona growers forward contracted a small acreage of 1990-crop at \$1.20 per pound, basis grade 3.

Textile mill report. Domestic mill buying continued at a steady, but light pace. Most purchases were from the central and southeastern areas, and most were for delivery into July and August 1991. Best demand was for the medium white and equivalent Light Spotted grades, staples 34 and longer, mike 35-49. Mill business slowed for some products, but overall remained fairly good. Athletic wear, plied yarns, and 100 percent cotton fabrics were selling well. Most household goods and blended lightweight fabrics continued to be a slow seller. Mill workweeks remained at mostly five to seven days, with an increased number of weekend shifts being dropped.

World cotton supply and demand estimates. This month's assessment of the global cotton outlook for 1990-91 points to production of nearly 87 million bales, close to expected record use. Ending stocks of 23.3 million bales, 2 percent below this season's beginning stocks, equal a record-low 27 percent of consumption. Trade is projected at about 24 and one-fourth million bales, close to the 1989-90 level. U.S. cotton prospects this season feature strong demand in the face of a limited supply, with stocks remaining extremely tight at 2.8 million bales. Even with a prospective one-fifth larger 1990 crop of 14.7 million bales, small beginning stocks will hold supplies about 8 percent below last season. This will restrict mill use and exports to around 8.2 million and 6.8 million bales, respectively. Last season, consumption of 8.75 million bales reached a 22-year high, while exports of 7.8 million were the most in 10 years.

Foreign cotton supply-demand prospects for 1990-91 are about unchanged from last month. Relatively large output in several major producing countries is expected to boost production abroad about 7 percent to 72.1 million bales. Consumption, fueled mostly by larger use in Pakistan and India, is projected up 1 percent in 1990-91. With sluggish use in major importing countries, foreign imports may decline slightly this season. Meanwhile, exports abroad are projected to increase about 6 percent, reflecting the limited U.S. supply. The 1990-91 carryover in foreign countries is placed at 20.5 million bales, 1 percent below beginning stocks.

All cotton production in the United States is forecast at 14.7 million bales, down 1 percent from the August 1 forecast but 21 percent above last year's production. Of the total, Upland production is expected to account for 14.3 million bales, while Pima production will total 425 thousand bales. Growers expect to harvest 11.5 million acres, up 20 percent from 1989 and virtually unchanged from the August estimate. Yield is expected to average 616 pounds per acre, 6 pounds below the initial August 1 forecast but 2 pounds above last year.

Upland cotton production in Texas and Oklahoma is forecast to be 4.80 million bales, 8 percent above last month and 58 percent greater than 1989. In Texas, cotton harvest progressed favorably in southern areas of the State. Mostly hot, dry conditions aided crop maturity and harvest with only slight delays resulting from showers. Cotton on the Texas plains, and the Oklahoma crop, benefited from mostly hot days and cotton developed rapidly. The Delta States (Arkansas, Louisiana, Mississippi, Missouri, and Tennessee) expect to produce 4.83 million bales, down 4 percent from August but up 20 percent from 1989. Hot, dry weather during the past month caused yield prospects to decline in Louisiana. Twenty-eight percent of Mississippi's crop was rated good to excellent on September 2, compared with 82 percent on August 5. The condition of Tennessee's crop for these same dates was 13 percent and 53 percent, respectively. By September 2, boll openings in Arkansas was 8 percent, 31 points behind average. Production in the Western States (Arizona, California, and New Mexico) is expected to total 3.56 million bales, down 1 percent from August but up 5 percent from 1989. The California crop is in good to excellent condition. Final irrigation was applied to most fields. Arizona's yield prospects declined during the past month. Fifty-six percent of Arizona's crop was rated

good to excellent by September 2. One month earlier the entire crop was rated good to excellent. Yields in this region are expected to average 1,192 pounds per acre, down 28 pounds from 1989. The forecast in the Southeastern States (Alabama, Georgia, North Carolina, and South Carolina) puts production at 1.06 million bales, down 17 percent from the August forecast but 3 percent above 1989 production. Except for North Carolina, this region also experienced hot, dry weather during the past month, reducing potential yields. In Georgia, adverse weather conditions were further aggravated by heavy insect activity. A 181 pound per acre decrease in yield from last year is the result. Regional yields are expected to average 134 pounds less than in 1989. The Bureau of the Census reports 582,536 running bales ginned prior to September 1, compared with 382,250 running bales for the same date last year and 803,797 running bales in 1988.

Cotton acreage harvested, yield per acre and production, by states, 1989-1990

State	Area harvested		Lint yield per harvested acre		Production 480 lb. net weight bales 1/		
	: Indicated		: Indicated		: Indicated		
	: 1989	: 1990	: 1989	: 1990	: 1988	: 1989	: 1990
Upland	1,000 acres		Pounds		1,000 bales		
Alabama	322.0	398.0	571	458	380.0	383.0	380.0
Arizona	239.0	344.0	1,303	1,298	865.0	649.0	930.0
Arkansas	595.0	720.0	687	733	1,044.0	851.0	1,100.0
California	1,040.0	1,040.0	1,228	1,177	2,824.0	2,661.0	2,550.0
Florida 3/	25.0	29.5	557	750	34.2	29.0	46.1
Georgia	260.0	320.0	631	450	370.0	342.0	300.0
Kansas 3/	0.4	1.3	240	406	0.7	0.2	1.1
Louisiana	620.0	770.0	672	686	948.0	868.0	1,100.0
Mississippi	1,020.0	1,180.0	732	732	1,825.0	1,555.0	1,800.0
Missouri	209.0	235.0	618	592	306.0	269.0	290.0
New Mexico	55.0	50.0	698	768	102.0	80.0	80.0
North Carolina	110.0	200.0	615	552	133.0	141.0	230.0
Oklahoma	340.0	360.0	244	400	303.0	173.0	300.0
South Carolina	118.0	159.0	626	438	140.0	154.0	145.0
Tennessee	460.0	525.0	497	494	584.0	476.0	540.0
Texas	3,750.0	4,900.0	367	441	5,215.0	2,870.0	4,500.0
Virginia 3/	2.6	5.0	498	547	3.4	2.7	5.7
U.S.	9,166.0	11,236.8	602	611	15,077.3	11,503.9	14,297.9
American Pima							
Arizona	244.5	123.5	936	913	241.0	477.0	235.0
California	17.9	25.5	1,078	1099	3.2	40.2	58.4
Mississippi 4/	1.1	1.0	436	528		1.0	1.1
New Mexico	30.2	20.0	707	720	23.5	44.5	30.0
Texas	78.0	58.0	794	828	66.5	129.0	100.0
U.S.	371.7	228.0	893	894	334.2	691.7	424.5
U.S. all cotton	9,537.7	11,464.8	614	616	15,411.5	12,195.6	14,722.4

1/ Production ginned and to be ginned.

2/ 480-LB. Net weight bales.

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

4/ Estimates began in 1989.

Cotton supply and use: World, United States, major exporters and importers;
marketing years 1989-90, and 1990-91 1/
September 12, 1990

Region	Supply			Use		Loss 2/	Ending stocks	
	Beginning stocks	Produc- tion	Imports	Domestic	Exports			
Million 480 pound bales								
1989-90 (Estimated)								
World	30.23	79.86	24.76	86.55	24.36	0.19	23.76	
United States	7.09	12.20	3/	8.75	7.80	-0.26	2.99	
Total foreign	23.14	67.67	24.76	77.79	16.56	0.45	20.77	
Major exporters 4/	9.23	43.57	2.93	39.15	8.44	0.23	7.91	
China	4.97	17.40	1.90	20.00	0.80	-	3.47	
Pakistan	0.23	6.68	3/	4.84	1.30	0.20	0.60	
USSR	2.07	12.23	0.35	9.20	3.50	-	1.94	
Major importers 5/	5.15	1.55	15.90	17.24	0.98	0.09	4.29	
Japan	0.79	-	3.10	3.35	-	-	0.54	
Selected Other								
Brazil	2.25	3.03	0.60	3.45	0.60	-	1.83	
India	1.70	10.30	-	8.55	1.02	-	2.43	
1990-91 (Projected)								
World								
August	24.3	86.6	24.1	87.0	24.3	0.3	23.4	
September	23.8	86.9	24.1	86.7	24.3	0.3	23.3	
United States								
August	2.90	14.86	3/	8.00	7.00	-0.12	2.90	
September	2.99	14.72	3/	8.20	6.80	-0.07	2.80	
Total foreign								
August	21.35	71.71	24.10	79.02	17.25	0.40	20.50	
September	20.77	72.15	24.04	78.48	17.53	0.41	20.54	
Major exporters 4/								
August	8.03	47.17	2.28	40.12	8.54	0.24	8.59	
September	7.91	47.02	2.48	39.72	8.66	0.24	8.78	
China	Aug.	3.57	21.00	1.30	20.50	1.00	-	4.37
	Sept.	3.47	20.50	1.40	20.00	1.00	-	4.37
Pakistan	Aug.	0.60	6.90	3/	5.30	1.25	0.20	0.77
	Sept.	0.60	6.90	3/	5.30	1.25	0.20	0.77
USSR	Aug.	1.95	11.50	0.35	9.20	3.00	-	1.60
	Sept.	1.94	12.00	0.35	9.30	3.20	-	1.79
Major importers 5/								
August	4.64	1.67	15.73	16.67	1.17	0.06	4.14	
September	4.29	1.65	15.44	16.37	1.12	0.07	3.82	
Japan	Aug.	0.54	-	3.15	3.25	-	0.44	
	Sept.	0.54	-	3.15	3.25	-	0.44	
Selected Other								
Brazil	Aug.	1.83	3.40	0.60	3.56	0.50	-	1.77
	Sept.	1.83	3.40	0.60	3.56	0.50	-	1.77
India	Aug.	2.55	9.40	-	8.75	1.00	-	2.20
	Sept.	2.43	10.00	-	8.90	1.20	-	2.33

1/ Marketing year beginning August 1. Totals may not add and trade may not balance due to rounding and other factors. 2/ For foreign countries, reflects cotton lost or destroyed in the marketing channel; for the United States, reflects the difference between ending stocks based on Bureau of Census data and implicit stocks based on supply less total use. 3/ Less than 5,000 bales. 4/ Australia, China, Central American, Egypt, Mexico, Pakistan, Sudan, Turkey and the USSR. 5/ Eastern Europe, Western Europe, Japan, Hong Kong, Republic of Korea and Taiwan.

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				
	: Aug. 17-23		: Aug. 24-30		: Aug. 31-
	: Aug. 17-23		: Aug. 24-30		: Sept. 6
Adjusted world price	64.82	64.24	66.01	65.94	65.62
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					Grade 31	Coarse
	Futures Settlement					7 Mkt.:	Count
	Oct '90	Dec '90	Mar '91	May '91	Jul '91	Average:'A' Index 1/	'B' Index 1/
Sept. 10	72.58	72.06	73.35	74.05	74.17	70.77	81.40
11	72.17	71.84	73.20	73.94	74.13	70.48	81.15
12	73.90	72.54	73.77	74.55	74.60	70.79	80.90
13	73.62	72.46	73.82	74.60	74.52	70.44	81.30
14	73.20	71.59	72.95	73.70	73.90	70.14	81.30

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 7		Through September 6	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,619,500	-	3,161,300
Exports	73,800	494,700	72,500	521,000
Total export commitments	-	3,114,200	-	3,682,300
New sales	169,200	-	89,000	-
Buy-backs and cancellations	2,400	-	5,000	-
Net sales	166,800	-	84,000	-
Sales next marketing year	700	92,200	0	37,900

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

NOTE: Data may not add due to rounding.

Upland cotton export sales. Net sales of 84,000 running bales during the week ending September 6, were down 6 percent from the previous week, according to the Foreign Agricultural Service, USDA. The major increases were for Zaire with purchases of 17,200 bales, Japan 15,500, unknown destinations 9,800 and Taiwan 8,700 bales. Shipments of 72,500 bales were 46 percent below the prior week. Asian destinations accounted for 91 percent of the week's exports; West European 5 percent and Western Hemisphere 4 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

September 14, 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	Staple	31	41	51	42	21	31	41	32
68.15	67.05	64.05	64.55	66.45	65.45	59.95	60.95	33	66.65	65.45	59.70	61.20	70.20	70.20	67.95	67.95
70.20	69.70	66.70	67.20	69.20	68.20	62.45	63.45	34	69.15	68.20	62.45	63.95	74.20	74.20	71.95	71.95
70.45	69.95	66.95	67.45	69.30	68.45	62.55	63.55	35	69.25	68.30	62.55	64.05	74.30	74.30	72.05	72.05
70.60	70.10	67.10	67.60	69.40	68.55	62.65	63.65	36	69.35	68.40	62.65	64.15	74.30	74.30	72.05	72.05

EAST TEXAS-OKLAHOMA				WEST TEXAS				SAN JOAQUIN VALLEY				
Grade				Grade				Grade				
31	41	32	42	31	41	32	42	Staple	21	31	41	51
57.40	57.25	57.05	56.05	59.80	57.70	57.75	56.60	29	-	-	-	-
58.15	58.00	57.80	56.60	61.05	58.95	59.20	59.15	30	-	-	-	-
62.90	62.75	62.55	62.35	65.15	62.95	63.15	63.00	31	-	-	-	-
65.05	64.75	64.55	64.10	67.20	64.70	65.15	64.90	32	-	-	-	-
66.60	66.20	65.50	65.25	68.75	66.70	66.70	66.30	33	-	-	-	-
68.35	68.00	67.30	66.05	70.30	68.00	68.00	66.60	34	78.95	78.70	76.95	73.45
68.65	68.25	67.55	66.35	70.60	68.25	68.25	66.90	35	80.70	80.45	78.70	74.45
68.75	68.35	67.65	66.35	70.70	68.35	68.35	66.90	36	80.80	80.55	78.80	74.45
68.75	68.35	67.65	66.35	70.70	68.35	68.35	66.90	37	80.90	80.65	78.90	74.45

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	-450	50-52	-450	-100	-100	-230
-250	-240	-240	-600	53 & Above	-	-150	-	-296

SPOT QUOTATIONS - AMERICAN PIMA

Staple	Grade 01	Grade 02	Grade 03	Grade 04	Grade 05	Grade 06	Mike ranges	Points per pound
							26 & Below	-3100
							27-29	-2275
44	115.75	115.50	114.50	105.50	82.50	71.00	30-32	-1200
							33-34	-300
46	116.25	116.00	115.00	106.00	82.50	71.00	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	-	-	-
76.00	75.00	74.00	75.00	76.50	75.50	74.25	75.25	33	75.25	70.25	74.25	70.75	-	-	-
77.00	75.75	75.00	76.00	77.50	76.25	75.25	76.25	34	76.50	72.00	76.50	72.50	86.25	85.00	80.25
77.50	76.50	75.50	76.00	78.00	77.00	75.75	76.25	35	-	-	-	-	87.75	86.50	81.50
-	-	-	-	-	-	-	-	36	-	-	-	-	88.00	86.75	81.50