

UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE

COTTON DIVISION

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**TEXAS TECH**  
Dept of Ag Eco

Weekly Cotton Market Review  
(Week ended September 23)

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Grower offerings and sales were light, according to the Cotton Division, Agricultural Marketing Service, USDA. Spot prices were steady. Merchant demand was limited to cotton needed to fill nearby commitments. Domestic and foreign mill purchases remained light. Forward contracting of the 1982-crop cotton by growers was nil. Harvesting expanded. Scattered showers slowed early harvesting in some areas of the Cotton Belt. The dryland crop in Texas and Oklahoma received beneficial rains.

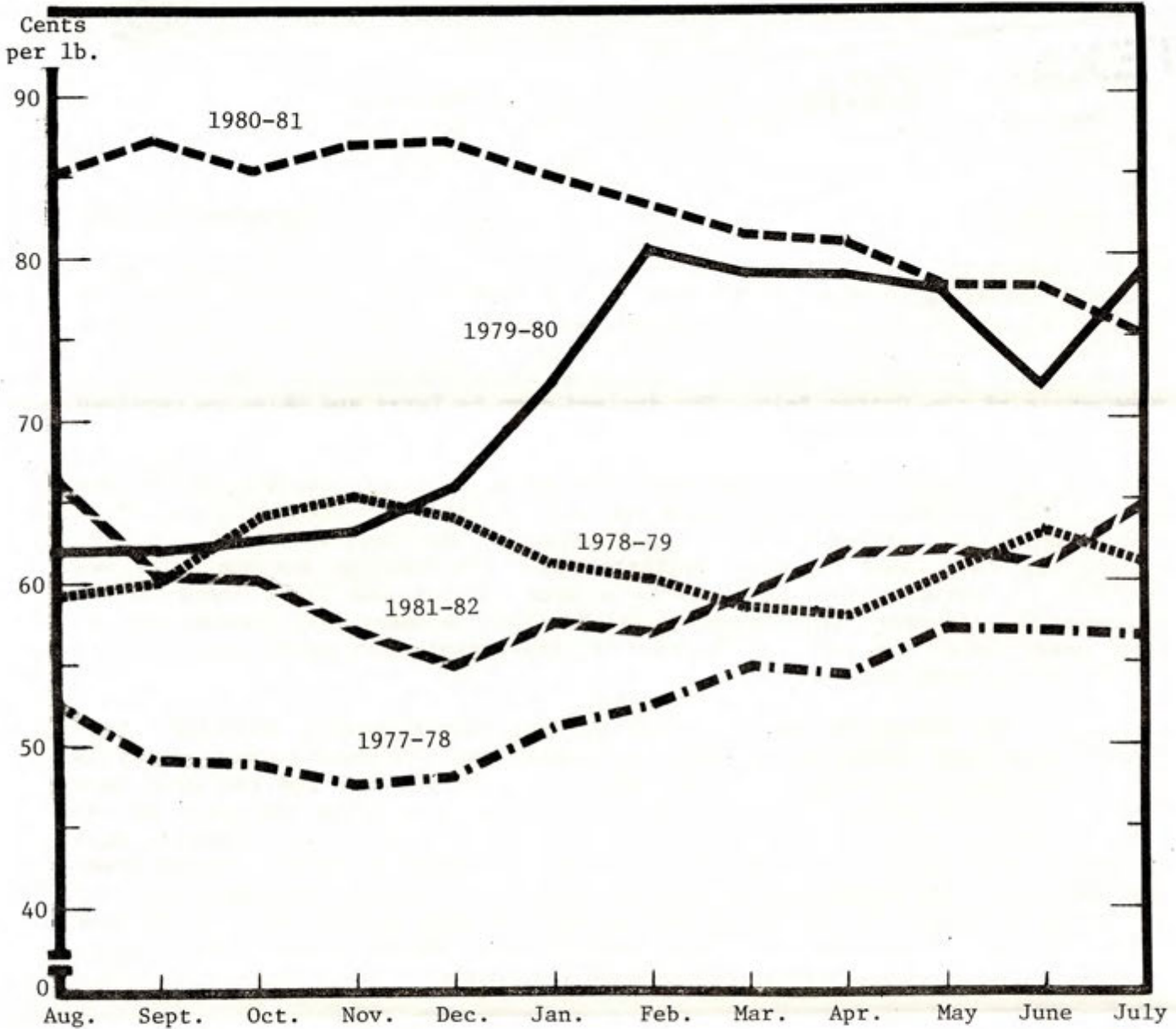
Spot cotton prices. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets began the week on Friday, September 17, at 58.99 cents per pound. Prices moved within a range of less than 40 points every day during the week ended Thursday, September 23. The Thursday average price was 58.88 cents compared with 58.86 cents a week earlier and 59.77 cents on the corresponding Thursday last season. The New York December 1982 futures settlement price ended the week on Thursday at 64.71 cents per pound compared with 65.69 cents a week earlier.

Trading. The volume of cotton traded on spot cotton markets declined. Merchants were very selective in their purchasing and continued to buy mostly to cover existing commitments. Grower offerings of both old and new crop were light at current prices. Bid prices for equities were below the costs of redeeming cotton from the loan and sales were at a standstill. Domestic mill purchases were light and primarily for prompt or nearby delivery. Export trading was slow. Far Eastern mills made the bulk of purchases. Purchases reported by cotton exchanges in the designated markets totaled 31,000 bales in the week ended Thursday, September 23. This compares with 36,600 bales a week earlier and 64,200 bales in the corresponding week last season.

Textile mill report. Most mills were out of the cotton market. Purchases were limited and mostly for prompt or nearby delivery. Light purchases were made for delivery into June 1983. Some mills began to express cautious optimism regarding their product sales but pointed out that most recent sales were only marginally profitable. Mills making print cloth, denim and yarn reported increases in sales and a few were increasing the number of hours in the workweek. Sales were mixed between nearby and forward months but the greatest volume appeared to be for delivery before the end of the year. Corduroy and industrial fabric sales continued to be very soft.

CCC loan entries of 1982-crop cotton totaled 9,800 bales through September 15. A total of 7,200 bales were entered as Form A (producer) and 2,600 bales were Form G (cooperative) loans. All were in Texas. Entries of 1981-crop cotton totaled 6,082,700 bales. Repayments had been made on 2,915,300 bales. Loans were outstanding on 3,166,800 bales, of which 1,920,200 were Form A (producer) and 1,246,600 were Form G (cooperative) loans. Loans remained outstanding on 113,800 bales of 1980-crop cotton.

SPOT COTTON PRICE TRENDS - GRADE 41 STAPLE 34



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

Monthly average spot prices for grade 41 staple 34 (SLM 1-1/16") cotton in the designated markets are plotted on the above graph for the past five seasons. Monthly average prices trended downward the first four months of the 1977-78 season, then strengthened the remainder of the season. Prices trended upward the first four months of the 1978-79 season, then took a downward direction for the next five months, strengthened in May and June, then declined in July. Monthly average prices rose steadily the first seven months of the 1979-80 season, rising from 62.08 cents per pound in August to 80.66 cents in February. Prices then trended lower through May, dropped sharply in June, but recovered in July. In the first five months of 1980-81 season, monthly average prices were sharply higher, reaching a high of 87.51 cents in September. This was the highest monthly average since USDA began receiving quotation prices from designated markets in 1915. Prices declined steadily the remainder of the marketing year with the low price of 75.08 cents occurring in July. During the 1981-82 season, prices were sharply lower. In August the average price was 66.44 cents and by December had fallen to 55.11 cents. Prices advanced most months during the remainder of the season, reaching 64.96 cents in July.

Parity prices, farm prices, average prices in designated spot markets and landed Group 201 Mill Points (Group B), in cents per pound, net weight, United States, crops of 1978-1982

Year beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Avg.
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
<u>Parity, upland cotton 1/</u>													
1978	90.60	91.50	92.10	92.30	93.20	94.40	96.20	98.20	99.20	100.00	101.00	99.90	95.72
1979	99.70	101.00	102.00	102.00	103.00	104.00	105.00	106.00	106.00	107.00	108.00	109.00	104.39
1980	110.00	111.00	112.00	113.00	113.00	115.00	115.00	116.00	117.00	117.00	117.00	117.00	114.42
1981	117.00	118.00	117.00	117.00	117.00	117.00	118.00	118.00	118.00	119.00	120.00	120.00	118.00
1982	119.00												
<u>Average prices received by farmers for upland cotton 2/</u>													
1978	57.40	56.20	59.60	61.10	59.00	57.00	55.60	53.50	54.70	56.00	58.80	61.90	58.10
1979	59.20	57.30	61.20	61.00	59.80	60.90	64.90	62.90	61.00	63.60	62.20	71.50	63.10
1980	73.70	74.00	75.30	77.60	80.90	76.60	70.80	71.90	72.70	72.50	71.20	70.40	74.40
1981	65.00	58.00	62.30	60.10	51.20	49.90	48.40	50.10	53.50	54.20	54.90	57.60	54.50 4/
1982	60.40 3/												
<u>Grade 41 staple 34 cotton in designated spot markets</u>													
1978	59.78	60.04	64.08	65.65	64.39	61.48	60.59	58.70	58.05	60.90	63.38	61.87	61.58
1979	62.08	62.15	62.88	63.40	66.20	72.40	80.66	79.24	79.05	78.27	72.41	79.01	71.48
1980	85.60	87.51	85.78	87.05	87.23	85.11	83.30	81.52	81.15	78.46	78.12	75.08	82.99
1981	66.44	60.81	60.63	57.47	55.11	57.82	57.26	59.73	62.03	62.44	61.10	64.96	60.48
1982	60.38												
<u>Grade 31 staple 34 cotton in designated spot markets</u>													
1978	61.06	61.28	65.34	67.09	66.04	63.40	62.62	60.72	59.94	62.66	65.03	63.49	63.22
1979	63.69	63.64	64.19	64.51	67.30	73.52	81.79	80.37	80.18	79.40	73.54	80.14	72.69
1980	86.76	88.68	87.06	88.19	88.32	86.23	84.41	82.66	82.25	79.56	79.20	76.16	84.12
1981	67.52	61.91	61.80	58.86	56.52	59.15	58.73	61.31	63.56	63.95	62.61	66.47	61.87
1982	61.90												
<u>Grade 41 staple 34 cotton, landed Group 201 Mill Points (Group B) 5/</u>													
1978	65.29	65.88	69.76	72.15	72.89	69.47	67.97	66.84	65.03	67.69	70.33	69.74	68.59
1979	68.73	68.67	69.44	70.96	72.52	79.45	87.44	86.96	87.39	84.93	78.41	83.58	78.21
1980	90.79	95.30	92.48	93.97	95.06	94.65	92.33	90.54	89.71	87.31	86.48	83.20	90.99
1981	74.83	68.61	68.06	65.67	63.57	65.96	65.50	67.31	69.07	70.74	68.31	73.68	68.44
1982	68.91												
<u>Grade 31 staple 34 cotton, landed Group 201 Mill Points (Group B) 5/</u>													
1978	67.24	67.59	72.14	74.35	75.78	72.61	71.74	70.45	68.98	71.56	74.71	73.60	71.73
1979	72.35	71.83	72.36	72.90	75.00	82.35	90.87	90.70	91.16	88.49	80.39	86.47	81.24
1980	95.12	98.90	95.28	96.85	97.41	96.93	95.15	92.85	91.78	89.46	88.55	84.76	93.59
1981	76.59	70.42	70.15	67.62	65.28	68.92	68.09	70.03	72.09	73.95	70.97	76.56	70.89
1982	71.05												

1/ Monthly parity price shown under month in which it was published.

2/ Annual averages are crop year average prices, by states, weighted by sales, including an allowance for unredeemed loans at estimated average loan value.

3/ Mid-month price.

4/ Average to April 1, 1982 with no allowance for unredeemed loans.

5/ Monthly average prices of cotton for Southeastern, Memphis, Texas-Oklahoma and California (San Joaquin) growths. Average landed prices for grade 31 staple 34 excludes Texas-Oklahoma growths.

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					9-market average	Grade 31 Staple 35 'A' Index 1/
	Futures Settlement						
	Oct '82	Dec '82	Mar '83	May '83	Jul '83		
Sept. 16	63.79	65.69	67.69	69.08	70.55	58.86	73.10
17	63.28	65.36	67.47	68.95	70.45	58.99	72.55
20	62.57	64.62	66.80	68.40	69.95	58.63	72.55
21	62.52	64.67	66.70	68.25	69.85	58.67	72.45
22	62.55	64.74	66.63	68.20	69.75	58.90	72.10
23	62.20	64.71	66.65	68.05	69.65	58.88	72.05

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

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New Orleans futures contract settlement and designated spot market average for grade 41 staple 32 in cents per pound

Date	Grade 41 Staple 32					5-market average 1/
	Futures Settlement					
	Oct '82	Dec '82	Mar '83	May '83	Jul '83	
Sept. 16	58.25	59.34	61.60	63.00	64.00	54.02
17	57.60	59.40	61.60	63.00	64.00	54.32
20	56.55	58.75	61.35	63.00	63.75	53.67
21	56.60	58.85	61.00	63.00	63.75	53.70
22	56.60	58.80	61.00	63.00	63.75	53.94
23	56.35	58.75	61.00	63.00	63.75	53.83

1/ Greenville, Montgomery, Memphis, Dallas and Lubbock.

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U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1981-82 and 1982-83

Description	MARKETING YEAR			
	1981-82		1982-83	
	Through September 17		Through September 16	
	Week	Marketing year	Week	Marketing year
Outstanding sales	-	2,818,000	-	2,146,300
Exports	45,600	326,300	74,700	499,300
Total export commitments	-	3,144,300	-	2,645,600
New sales	103,000	-	79,900	-
Buy-backs and cancellations	1,600	-	6,800	-
Net sales	101,400	-	73,100	-
Sales next marketing year	600	8,500	900	9,300

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

Upland cotton export sales activity slowed during the week ended September 16, according to the Foreign Agricultural Service, USDA. Sales were down more than one-third from the previous week's level. The major buyers were South Korea 25,600 running bales; Bangladesh 19,500 bales and the European Community 11,500 bales. Weekly exports were steady at 74,700 bales, with 81 percent going to Asian destinations and 12 percent to European destinations.