

# UNITED STATES DEPARTMENT OF AGRICULTURE

AGRICULTURAL MARKETING SERVICE  
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## Weekly Cotton Market Review

Vol. 68, No. 5

September 2, 1986

Spot cotton prices trended higher, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading of 1984 and 1985-crop equities was light but was fairly active for 1986 crop. Merchant demand remained good. Domestic and foreign mill buying continued fairly active. Limited harvesting has begun in several states but was interrupted by rains. Hot, dry weather is needed to mature the crop. Harvesting was virtually completed in south Texas but some gins were still operating from stored seed cotton. Total export shipments for the 1985-86 season were the smallest since 1943-44. The carryover of all kinds of cotton in the United States on August 2, 1986, totaled 9,044,561 running bales, the largest since 1967.

**Spot cotton prices** for grade 41 staple 34, mike 35-49, in the designated markets averaged 27.42 cents per pound during the week ended Friday, August 29. Prices ranged from a low of 27.18 cents on Monday to a high of 27.84 cents on Friday. A week earlier, prices averaged 26.98 cents and ranged from 26.87 to 27.12 cents. The New York October 1986 futures settlement price ended the week on Friday at 35.28 cents per pound compared with 33.78 cents a week earlier. The December settlement price was 36.28 cents against 34.83 cents a week earlier.

**Trading.** A light volume of 1984 and 1985-crop CCC loan equities continued to trade. Lower qualities were in best demand but little remains uncommitted. Inter-merchant trading of equity cotton accounted for much of the activity as merchants attempted to cover prompt and nearby commitments. Redemption of cotton from the CCC loan by shippers moved at a rapid pace. A light to moderate volume of 1986-crop equities sold. CCC cotton certificates continued to trade readily at prices ranging from 98 to 102 percent of face value. Domestic mills bought a light to moderate volume of cotton for prompt through August 1987 delivery. Export trading continued at an active pace. Sales were primarily to Far Eastern mills. Purchases reported by cotton exchanges in the designated markets totaled 103,900 bales in the week ended Friday, August 29. This compares with 93,900 bales reported a week earlier and 46,800 bales in the corresponding week last season.

**Textile mill report.** A few mills were actively in the market but overall buying was light to moderate. Demand included a fairly wide range of grades but centered on the medium and lower qualities, central and western growths, for nearby and later shipment. Mill inquiries increased for September and later delivery. Orders for textile products remained good with numerous items booked into first quarter months. Apparels, sales yarn and a wide variety of household products remained good sellers. Industrial and automotive product sales were also steady to good. Mills continued to work full to extended schedules.

**Exports** of cotton from the United States in July declined to the lowest level of the 1985-86 marketing year, according to the Bureau of the Census, Industry Division. July shipments of 25,300 running bales were the smallest for this month since 1942 and were down from 61,600 bales shipped a month earlier and 251,600 bales in July last season.

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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.

Shipments during the 1985-86 marketing year (August-July) totaled 1,874,600 bales, the smallest volume since the 1943-44 season. Total exports this marketing year were down sharply from 5,943,000 bales shipped during 1984-85 and 6,418,700 bales during the 1983-84 season.

The carryover of all kinds of cotton in the United States totaled 9,044,561 running bales on August 2, 1986, according to a preliminary report by the Bureau of the Census. This compares with 4,087,916 bales a year earlier and 2,905,976 bales two years ago. Cotton in consuming establishments totaled 770,814 bales on August 2 this year, up from 732,674 bales the previous year. Stocks in public storage totaled 8,123,747 bales, up from 2,930,242 bales a year ago. This season's carryover included an estimated 150,000 bales of cotton "elsewhere."

The supply of all kinds of cotton in the United States totaled 17,180,435 running bales in the 1985-86 season, according to the Bureau of the Census. This compares with a supply of 15,378,539 bales in the previous season. Stocks on hand at the beginning of the 1985-86 season totaled 4,087,916 bales, ginnings August 1, 1985-July 31, 1986 totaled 13,064,487 bales and net imports of foreign cotton amounted to 28,032 bales.

The disappearance of all kinds of cotton (domestic consumption plus exports) in the United States totaled 8,062,293 running bales, according to the Bureau of the Census. This was down from 11,210,752 bales a year earlier. Disappearance in 1985-86 included 6,187,693 bales used by domestic mills and exports of 1,874,600 bales. A year earlier, domestic mills used 5,267,752 bales and exports totaled 5,943,000 bales.

SUPPLY AND DISTRIBUTION OF DOMESTIC AND FOREIGN COTTON IN THE UNITED STATES:  
SEASON OF 1985 to 1986

The figure on the cotton "carryover" in the United States as of August 2, 1986, is 9,044,561 bales, according to the Bureau of the Census, Department of Commerce. (Linters are not included.) In addition to stocks of cotton in warehouses and consuming establishments, this count includes a partially estimated figure of cotton held elsewhere. Running bales, except imported cotton which is in equivalent 480 pound bales.

Supply and distribution	Number of bales
SUPPLY	
Stocks, July 28, 1985 <sup>1/</sup> . . . . .	4,087,916
In consuming establishments. . . . .	732,674
In public storage and at compresses. . . . .	2,930,242
Elsewhere (partially estimated) <sup>2/</sup> . . . . .	425,000
Net imports of foreign cotton <sup>3/</sup> . . . . .	28,032
Total imports for consumption. . . . .	30,000
Less: Re-exports (other than withdrawals from bond for export). . . . .	1,968
Ginnings, crop of 1985 during crop year 1985 to 1986 . . . . .	12,917,879
Total ginnings, crop of 1985 . . . . .	12,987,834
Less: Ginnings prior to August 1, 1985. . . . .	69,955
Ginnings, prior to August 1, 1986, crop of 1986. . . . .	146,608
Aggregate supply . . . . .	17,180,435
DISTRIBUTION	
Total exports <sup>4/</sup> . . . . .	1,874,600
Consumption during crop year 1985 to 1986. . . . .	6,187,693
Cotton lost or destroyed, during crop year 1985 to 1986. . . . .	30,000
Stocks, August 2, 1986 <sup>1/</sup> . . . . .	9,044,561
In consuming establishments. . . . .	770,814
In public storage and at compresses. . . . .	8,123,747
Elsewhere (partially estimated) <sup>2/</sup> . . . . .	150,000
Aggregate distribution . . . . .	17,136,854
Excess of reported supply over distribution. . . . .	43,581

<sup>1/</sup> These data represent the end of the reporting period rather than the end of the crop year.

<sup>2/</sup> Includes cotton in transit to ports, warehouses, consuming establishments, and Canada; on docks, on ship-board but not cleared, and other ports' stocks not in warehouses or consuming establishments; and on farms, in merchant sheds, and other private storage.

<sup>3/</sup> Figures for July imports are estimated.

<sup>4/</sup> Includes exports to Puerto Rico from the United States.

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	1986			
	August 8-14	August 15-21	August 22-28	Aug. 29-Sept. 4
Adjusted world price	22.32	22.64	23.17	23.47
Coarse count adjustment	3.36	3.58	3.81	4.09

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					8 Mkt. Average	Grade 31 Staple 35 'A' Index 1/	Coarse Count 'B' Index 1/
	Futures Settlement							
	Oct '86	Dec '86	Mar '87	May '87	Jul '87			
Aug. 25	33.75	34.62	35.95	37.03	37.50	27.18	H O L I D A Y	
26	33.95	34.77	36.00	36.90	37.80	27.24	37.35	27.35
27	34.62	35.57	36.80	37.85	38.50	27.24	37.60	27.60
28	35.38	36.18	37.45	38.30	39.00	27.62	38.00	27.75
29	35.28	36.28	37.53	38.40	39.11	27.84	38.30	28.10

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 1985-86 and 1986-87

Description	Marketing Year			
	1985-86		1986-87	
	Through August 22		Through August 21	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	1,132,900	-	3,427,400
Exports	33,900	127,900	104,700	245,600
Total export commitments	-	1,260,800	-	3,673,000
New sales	12,500	-	175,600	-
Buy-backs and cancellations	1,700	-	6,600	-
Net sales	10,800	-	169,000	-
Sales next marketing year	-	11,100	-	42,600

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

Upland cotton export sales during the week ended August 21 resulted in a net increase of 169,000 running bales, according to the Foreign Agricultural Service, USDA. Major buyers were Taiwan with 49,000 bales and Japan 39,800 bales. Exports for the week totaled 104,700 bales, up 7 percent from the previous week. Asian destinations accounted for 79 percent of the week's shipments, West European 18 percent and Western Hemisphere 3 percent.

August 29, 1986

SPOT COTTON QUOTATIONS - UPLAND

Spot prices are in cents per pound for cotton equal to the Official Standards with mike readings of 35 thru 49, net weight, in mixed lots, uncompressed, free of all charges in 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.

GREENVILLE, SC				MONTGOMERY, AL				GREENWOOD, MS				MEMPHIS, TN				
Staple	Grade			:	Grade			:	Grade			:	Grade			
	41	51	42	52	41	51	42	52	31	41	51	42	41	51	42	52
33	24.00	20.75	22.75	16.25	24.50	21.00	23.00	16.50	25.65	25.35	22.40	23.45	25.35	21.40	22.45	18.95
34	26.50	22.50	23.75	16.75	26.50	22.50	24.50	16.50	27.90	27.50	24.00	24.85	27.50	23.00	23.85	18.95
35	27.00	22.75	24.00	17.00	26.60	22.60	24.60	16.50	28.40	27.95	24.20	25.10	27.95	23.20	24.10	19.00
36	27.20	22.85	24.10	17.10	26.70	22.70	24.70	16.50	28.50	28.10	24.35	25.25	28.10	23.35	24.25	19.00

  

DALLAS, TX				LUBBOCK, TX				PHOENIX, AZ				FRESNO, CA				
Staple	Grade			:	Grade			:	Grade			:	Grade			
	31	41	32	42	41	51	42	52	31	41	32	42	31	40	41	32
29	17.05	16.30	16.40	15.45	16.95	15.90	16.60	16.05	-	-	-	-	-	-	-	-
30	18.80	18.05	18.10	16.75	18.70	17.15	17.90	17.20	-	-	-	-	-	-	-	-
31	20.90	20.10	20.15	18.60	20.70	18.95	19.75	18.15	-	-	-	-	-	-	-	-
32	22.40	21.50	21.60	19.65	22.15	19.75	20.80	18.30	-	-	-	-	-	-	-	-
33	24.70	23.50	23.40	20.60	24.40	20.45	21.50	19.25	31.25	27.85	27.75	23.95	-	-	-	-
34	26.95	25.65	25.50	22.00	26.55	22.05	22.90	19.25	33.50	30.00	29.85	25.35	34.50	33.50	32.50	32.50
35	-	-	-	-	-	-	-	-	34.00	30.45	30.30	25.60	36.25	35.25	34.25	34.25
36	-	-	-	-	-	-	-	-	-	-	-	-	36.35	35.35	34.35	34.25
37	-	-	-	-	-	-	-	-	-	-	-	-	36.45	35.45	34.45	34.25

MIKE DIFFERENCES

MIKE RANGES	Points per pound									8 MARKET AVER
	GVL	MTG	MEM	GRNW	DAL	LUB	PHOE	FRES		
26 & Below	-1000	-1200	-1035	-1035	-960	-950	-1035	-1000	-1027	
27 thru 29	-800	-800	-760	-760	-500	-300	-760	-700	-673	
30 thru 32	-500	-500	-485	-485	-350	-250	-485	-400	-432	
33 thru 34	-200	-300	-220	-220	-200	-200	-220	-200	-220	
35 thru 49	0	0	0	0	0	0	0	0	0	
50 thru 52	-150	-150	-120	-120	-120	-100	-120	-50	-116	
53 & Above	-250	-250	-215	-215	-225	-200	-215	-100	-209	

SPOT COTTON QUOTATIONS - AMERICAN PIMA 1/

Staple	Grade			Mike ranges	Points per pound
	03	04	05		
	Cents per pound			26 & Below	-2000
44	90.50	82.50	53.00	27 thru 29	-1550
				30 thru 32	-1250
46	91.00	83.00	53.25	33 thru 34	-350
				35 & Above	0

1/ Arizona, New Mexico and Texas.

LANDED MILL PRICES - GROUP 201 MILL POINTS

Prices are in cents per pound for even running lots, with mike readings of 35 thru 49, net weight, prompt shipment, delivered, brokerage included. Prices for group 200 mill points are slightly higher. Prices for Alabama, Georgia and east Tennessee mills are slightly lower.

SOUTHEASTERN GROWTHS				MEMPHIS TERRITORY GROWTHS				CALIFORNIA (SJV) GROWTHS			TEXAS OKLAHOMA GROWTHS				
Staple	Grade			:	Grade			:	Grade			:	Grade		
	31	41	51	42	31	41	51	42	31	41	51	41	51	32	42
29	-	-	-	-	-	-	-	-	-	-	-	25.50	24.00	25.50	24.50
30	-	-	-	-	-	-	-	-	-	-	-	27.50	25.50	27.50	27.50
31	-	-	-	-	-	-	-	-	-	-	-	29.25	27.25	29.25	29.25
32	-	-	-	-	-	-	-	-	-	-	-	30.75	28.50	31.00	28.75
33	36.50	35.00	31.75	33.25	36.75	35.25	31.75	33.25	-	-	-	33.00	30.00	33.00	30.25
34	37.50	36.00	32.75	34.50	37.75	36.25	32.75	34.50	44.00	43.00	41.25	35.50	31.75	35.25	32.25
35	38.00	36.50	33.00	35.00	38.25	36.75	33.00	35.00	45.50	44.50	42.50	-	-	-	-
36	-	-	-	-	-	-	-	-	45.75	44.75	42.50	-	-	-	-