

TEXAS TECH
Dept of Ag Eco

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
COTTON DIVISION
4841 SUMMER AVENUE, MEMPHIS, TENNESSEE 38122
Telephone 901-521-2934



Weekly Cotton Market Review
(Week ended September 29)

Vol. 65, No. 9

September 30, 1983

Spot cotton prices were lower, according to the Cotton Division, Agricultural Marketing Service, USDA. Grower-held supplies were not offered freely. Merchant demand was light. Domestic mills made limited purchases. Export trading was more active in a few localities. Growers forward contracted limited acreages of 1983 and 1984-crop cotton. Defoliation, harvesting and ginning were slowly increasing in many areas of the Cotton Belt. Domestic mill consumption of cotton in August was the largest usage for that month in four years. August exports decreased from a month earlier.

Spot cotton prices. The average price for grade 41 staple 34, mike 35-49 cotton, in the designated markets ranged from a new season low of 69.71 cents per pound on Monday, September 26, to a high of 70.27 cents during the period. The average price on Thursday, September 29, was 69.81 cents compared with 70.15 cents a week earlier and 58.61 cents on the corresponding Thursday last season. The New York December futures settlement price ended the week on Thursday at 76.25 cents per pound compared with 76.66 cents a week earlier.

Trading on spot cotton markets continued slow. Supplies of new-crop cotton increased as harvesting expanded. Most growers were reluctant to sell at prices offered. Merchants needing cotton to cover outstanding commitments provided the light demand. Domestic mill purchases were light. Export trading with European and Far Eastern mills was more active in western states. Shipments were scheduled mostly through December with some delivery dates extending into the spring of 1984. Purchases reported by cotton exchanges in the designated markets totaled 79,100 bales in the week ended Thursday, September 29. This compares with 67,900 bales a week earlier and 45,000 bales in the corresponding week last season.

Textile mill report. Mills purchased a light volume of the medium white and Light Spotted grades, mostly central and southeastern growths, needed for transition into 1983-crop movement. Current crop cotton from early harvest areas was offered freely by shippers. Central belt cotton was offered at several cents per pound below western growths. Reports indicate that a number of traditional users of California cotton have purchased Memphis territory grades 41 and 51. Mill schedules of five to six days reflected steady business through November and December. Booking of orders into first and second quarters of 1984 were intermittent. All-cotton, wide-width denim remained a strong seller as did most yarns and athletic wear. Industrials and automotive products were fairly steady movers with some improvement in selected items.

Domestic mill consumption of cotton totaled 453,700 running bales in the four weeks ended August 27, according to the Bureau of the Census. This was the largest August consumption since 1979 when 472,300 bales were used. Mills consumed 368,900 bales during July and 385,900 bales in August 1982. Consumption averaged 22,700 running bales per day in August, up from 18,400 bales a month earlier and 19,300 bales in August last season.

Consumption of manmade fibers by domestic mills with cotton system spindles totaled 144.3 million pounds (about 300,600 bales of 480 pounds) in the four weeks ended August 27, according to the Bureau of the Census. This compares with 118.8 million pounds (about 247,400 bales) the previous four weeks and 123.9 million (about 258,100 bales) in August (four weeks) last season.

Stocks of cotton at mills totaled 712,300 running bales on August 27, according to the Bureau of the Census. This was the smallest end-of-August stocks since 1949 and compares with 755,700 bales a month earlier and 750,300 bales at the end of August last season. At the August daily rate of consumption, mill stocks were equivalent to about six weeks' supply. Cotton in public storage totaled 6,266,500 running bales on August 27, the largest end-of-August stocks since 1967. Public storage stocks totaled 6,655,700 bales a month earlier and 5,007,800 bales at the end of August 1982.

Exports of cotton from the United States totaled 382,800 running bales in August, according to the Bureau of the Census. This was down from 409,200 bales shipped a month earlier but was the largest August shipments since 1980. Exports in August 1982 totaled 341,600 bales and two years ago 233,300 bales.

Cotton ginned prior to September 15 totaled 400,863 running bales, according to the Bureau of the Census. This compares with 578,310 bales ginned through the same period last season and 645,065 bales two years ago. Texas accounted for almost 98 percent of the total with 392,747 bales ginned through mid-September this season.

All cotton: Domestic mill consumption and stocks, running bales,
by months and seasons, 1979-1983

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
	<u>Mill consumption 1/</u>												
1979	472	482	630*	482	436	604*	507	513	622*	496	478	487*	6,209
1980	443	456	597*	458	475*	435	446	539*	435	441	531*	385	5,641
1981	429	517*	448	403	400*	378	398	493*	410	392	460*	317	5,043
1982	386	474*	416	391	425*	404	430	549*	431	441	543*	369	5,259
1983 3/	454												
	<u>Mill consumption per day</u>												
1979	23.6	24.1	25.2	24.1	21.8	24.2	25.4	25.7	24.9	24.8	23.9	19.5	23.9
1980	22.1	22.8	23.9	22.9	19.0	21.8	22.3	21.5	21.7	22.1	21.3	19.2	21.7
1981	21.4	20.7	22.4	20.1	16.0	18.9	19.9	19.7	20.5	19.6	18.4	15.9	19.4
1982	19.3	19.0	20.8	19.5	17.0	20.2	21.5	22.0	21.5	22.0	21.7	18.4	20.2
1983 3/	22.7												
	<u>Stocks in consuming establishments 2/</u>												
1979	850	749	648	730	833	900	989	1,071	1,132	1,099	1,002	955	-
1980	891	784	743	750	831	947	1,038	1,105	1,078	1,023	937	883	-
1981	810	695	663	673	757	822	884	917	911	901	871	830	-
1982	750	671	611	635	698	782	777	790	795	777	757	756	-
1983 3/	712												
	<u>Stocks in public storage 2/</u>												
1979	2,198	1,880	3,785	6,898	8,163	7,739	6,558	5,299	4,084	3,126	2,341	1,822	-
1980	1,509	1,578	3,181	5,071	5,927	5,847	5,109	4,227	3,470	2,807	2,199	1,688	-
1981	1,491	1,940	4,060	7,064	9,267	9,489	8,882	7,921	7,112	6,292	5,544	5,269	-
1982	5,008	5,293	7,575	10,190	11,101	11,120	10,225	9,713	8,796	7,930	7,419	6,656	-
1983 3/	6,266												

1/ Consumption figures relate to four-week months except as noted. Daily consumption rates calculated on the basis of 20 days for four-week months and 25 days for five-week months with no allowance for holidays. Season totals not necessarily sums of monthly figures because of adjustments.

2/ Data refer to a particular day near the end of the month.

3/ Preliminary.

* Five-week month.

TOTAL ACCUMULATED EXPORTS OF UPLAND COTTON BY COUNTRY, RANKED IN DESCENDING ORDER
FOR MARKETING YEAR 1982-83, COMPARED WITH THE FOUR PREVIOUS MARKETING YEARS
(1,000 Running Bales)

Country	1982-83		1981-82		1980-81		1979-80		1978-79	
	Exports	Rank	Exports	Rank	Exports	Rank	Exports	Rank	Exports	Rank
Japan	1,257.0	1	1,567.6	1	1,115.9	3	1,585.4	2	1,313.1	1
Korea	1,219.4	2	1,343.9	2	1,227.3	2	1,438.3	3	1,248.6	2
Taiwan	350.2	3	744.8	4	345.5	4	701.1	4	438.6	5
Indonesia	234.4	4	260.2	5	214.7	6	289.8	6	242.0	6
Canada	230.8	5	165.7	7	247.5	5	265.1	7	221.8	8
Thailand	174.4	6	161.0	8	210.8	7	243.2	8	236.9	7
Hong Kong	143.9	7	242.4	6	202.7	8	680.5	5	473.0	4
Germany, Fed. Rep. of	111.5	8	104.8	11	103.4	9	187.2	10	97.6	12
Italy	105.9	9	111.6	10	55.7	13	192.1	9	143.4	9
Greece	99.2	10	127.3	9	82.7	10	114.1	13	9.5	33
Bangladesh	82.5	11	46.9	16	30.7	17	70.6	17	116.0	11
German Democratic Rep.	74.6	12	-	-	-	-	0.4	44	0.1	47
Czechoslovakia	72.6	13	-	-	-	-	-	-	-	-
Philippines	67.9	14	57.4	13	77.2	11	147.0	11	122.1	10
Ireland	62.0	15	16.5	24	15.3	21	15.0	29	10.4	32
Spain	59.8	16	52.7	15	61.8	12	127.1	12	66.9	15
Poland	57.4	17	-	-	18.3	20	18.2	27	63.5	16
France	47.5	18	54.6	14	44.6	15	95.0	15	71.3	14
Romania	42.8	19	-	-	-	-	119.5	14	44.6	20
United Kingdom	41.8	20	35.4	19	23.5	19	68.3	18	60.2	17
Portugal	41.0	21	61.5	12	46.6	14	71.5	16	50.3	19
Yugoslavia	38.9	22	-	-	-	-	1.6	39	-	-
Bulgaria	37.3	23	-	-	-	-	-	-	-	-
Morocco	23.5	24	23.4	22	11.0	24	24.6	23	36.1	21
Switzerland	23.4	25	35.3	20	7.5	28	23.3	24	27.4	22
Malaysia	23.1	26	40.9	18	25.8	18	46.3	19	56.4	18
Sweden	22.7	27	15.8	25	10.9	25	20.1	26	22.5	24
Belgium	21.5	28	45.8	17	9.8	26	31.4	20	18.1	26
USSR	19.9	29	-	-	-	-	-	-	-	-
Singapore	19.2	30	21.6	23	11.7	22	30.1	22	13.1	28
Nigeria	10.6	31	9.9	28	-	-	-	-	-	-
Norway	9.4	32	7.0	29	7.4	29	8.2	34	5.0	36
Finland	8.2	33	11.2	27	2.5	33	13.4	30	12.7	29
China	6.9	34	831.1	3	1,355.8	1	2,119.7	1	587.8	3
Colombia	5.8	35	-	-	-	-	22.5	25	23.2	23
Ghana	5.7	36	2.8	32	8.2	27	11.5	31	11.6	30
Israel	5.1	37	28.2	21	44.4	16	15.7	28	0.2	45
Denmark	2.4	38	2.6	33	2.2	34	3.4	36	2.4	38
Netherlands	2.3	39	3.3	30	3.0	32	8.2	33	10.4	31
Australia	1.5	40	-	-	-	-	-	-	-	-
Venezuela	0.5	41	-	-	-	-	-	-	-	-
Argentina	0.1	42	-	-	0.4	38	5.5	35	14.3	27
Jamaica	0.1	43	0.4	37	-	-	0.4	45	0.8	40
Hungary	-	-	11.5	26	11.3	23	30.4	21	3.4	37
Austria	-	-	3.0	31	-	-	1.3	40	-	-
El Salvador	-	-	1.0	34	1.1	35	-	-	1.4	39
Chile	-	-	0.8	35	0.3	40	0.4	43	0.2	44
Sri Lanka	-	-	0.7	36	-	-	3.4	37	19.2	25
Tunisia	-	-	0.4	38	0.6	36	2.6	38	5.5	35
Pakistan	-	-	0.3	39	-	-	0.3	46	-	-
Haiti	-	-	0.2	40	0.4	39	-	-	-	-
Trinidad	-	-	0.1	41	0.3	41	0.1	50	0.3	43
Zaire	-	-	-	-	5.6	30	10.4	32	8.1	34
Madagascar	-	-	-	-	5.5	31	-	-	-	-
Guyana	-	-	-	-	0.6	37	-	-	-	-
Guatemala	-	-	-	-	-	-	1.0	41	0.8	41
Costa Rica	-	-	-	-	-	-	0.6	42	0.6	42
Uruguay	-	-	-	-	-	-	0.3	47	-	-
Algeria	-	-	-	-	-	-	0.2	48	-	-
Mauritania	-	-	-	-	-	-	0.2	49	-	-
Egypt	-	-	-	-	-	-	-	-	97.1	13
Rep. of South Africa	-	-	-	-	-	-	-	-	0.1	46
Total	4,864.6	-	6,251.5	-	5,650.3	-	8,866.5	-	6,008.9	-
Unknown destinations	-	-	-	-	-	-	0.3	-	1.0	-
Grand total <u>1/</u>	4,864.6	-	6,251.5	-	5,650.3	-	8,866.8	-	6,009.9	-

1/ Totals may not add due to rounding.

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 '83	Dec '83	Mar '84	May '84	Jul '84		
Sept. 22	75.40	76.66	78.15	79.20	79.80	70.15	89.05
23	74.85	76.80	78.45	79.25	79.97	70.25	87.70
26	74.35	76.25	77.88	78.85	79.45	69.71	87.70
27	75.15	76.91	78.51	79.40	79.85	70.27	87.30
28	74.30	76.16	77.88	78.70	79.35	69.80	87.70
29	74.45	76.25	77.99	78.75	79.25	69.81	87.00

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 1982-83 and 1983-84

Description	Marketing Year			
	1982-83		1983-84	
	Through September 23	Through September 22	Through September 23	Through September 22
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,106,200	-	2,813,200
Exports	92,600	592,000	65,200	623,700
Total export commitments	-	2,698,200	-	3,436,900
New sales	57,300	-	201,700	-
Buy-backs and cancellations	4,700	-	13,900	-
Net sales	52,600	-	187,800	-
Sales next marketing year	-	9,300	3,500	39,400

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

Upland cotton export sales. An active market during the week ended September 22 produced an increase in sales of 187,800 running bales, according to the Foreign Agricultural Service, USDA. This was 42 percent above a week earlier. The major buyers were South Korea 56,000 bales, Japan 40,400, Yugoslavia 38,300 and Indonesia 31,700 bales. Weekly exports dropped to 65,200 bales, nearly 40 percent below the level of a week ago. Asian destinations received 90 percent, Western Hemisphere 6 percent and European 3 percent of the week's shipments.