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## Weekly Cotton Market Review

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Spot cotton prices averaged slightly higher than the previous week, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading remained slow. Supplies were limited. Most qualities remaining from the 1984 crop were not in demand and 1985-crop cotton was either moving into the CCC loan or being held off the market. Limited trading of new crop was mostly cotton ineligible for the loan and sold at prices below loan rates. Most merchants had needs fairly well covered and were not seeking additional supplies. Domestic and foreign mill buying was slow. Growers had forward contracted about 6 percent of their 1985 upland crop through the end of August. The crop continued to make fairly good progress in most localities. Harvesting neared completion in south Texas and was expanding northward in central portions of the state. Limited harvesting has been done in the southern states. The interest rate for CCC loans disbursed in September will be 8.125 percent.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 57.09 cents per pound during the week ended Thursday, September 5. Prices ranged from a high of 57.29 cents on Tuesday to a low of 56.89 cents on Thursday. A week earlier, prices averaged 56.95 cents per pound and ranged from 56.68 to 57.32 cents. In the corresponding week a year ago, the average price was 61.72 cents. The New York October 1985 futures settlement price ended the week on Thursday at 58.43 cents per pound compared with 58.58 cents a week earlier. The December settlement price was 58.38 cents against 58.76 cents a week ago.

Trading remained slow on spot cotton markets. Supplies of old-crop cotton in desirable qualities were virtually exhausted. Supplies of 1985 crop increased as harvesting expanded in Texas. Demand was weak as most merchants had prompt and nearby needs covered. Growers were reluctant to sell at prevailing prices and eligible cotton continued to move into the CCC loan. Much of the limited trading in 1985 crop was cotton ineligible for the CCC loan and was at prices below loan rates. Domestic mill buying was light and mostly for prompt delivery. Export trading was slow and primarily with Far Eastern mills for November-December shipment. Purchases reported by cotton exchanges in the designated markets totaled 42,900 bales in the week ended Thursday, September 5. This compares with 27,900 bales reported a week earlier and 39,100 bales in the corresponding week last season.

Textile mill report. Mill buying remained light and intermittent. Although purchases were primarily for prompt or nearby shipment, a light volume was bought for delivery into the first quarter of 1986. Texas and California growths were preferred. Some mills were buying a few truckloads of central belt new crop for forward delivery, gin direct shipment. Lightweight knits, denim, some household items, athletic goods and underwear represented the most active movers in an otherwise sluggish market. Industrial and automotive product sales were spotty. Although textile sales have remained slow, business has been fairly steady. Mills remained on varying work schedules, carefully matching output to market requirements. Workweeks range from four to six days, mostly five.

Prices received by farmers for upland cotton averaged 54.50 cents per pound in mid August, according to the Statistical Reporting Service, USDA. This compares with 58.00 cents for the entire month of July and 67.40 cents in August 1984. These prices include cotton delivered against forward contracts.

Exports of cotton from the United States in July reached the lowest level of the 1984-85 marketing year, according to the Bureau of the Census. July shipments of 251,600 running bales were the smallest for this month since 1972. A month earlier, 352,700 bales were exported and 365,500 bales in July 1984. Exports during the 1984-85 marketing year (August-July) totaled 5,943,000 bales, down from 6,418,700 bales shipped in 1983-84 and up from 4,961,300 bales in 1982-83.

Forward contracting of 1985-crop cotton. By the end of August, growers had forward contracted about 6 percent of their 1985-upland cotton crop. This was the smallest percentage of any crop contracted by the end of August since the 1975 crop and was down from 23 percent a year earlier and 13 percent two years ago. Contracting this season has been most active in the southeastern states where around 13 percent of the crop has been booked. This compares with 32 percent a year earlier and 25 percent in 1983. South central states' growers had booked 9 percent of their crop by the end of August, down from 31 percent in 1984 and 25 percent in 1983. In the western states, growers had booked 5 percent, down from 21 percent the previous year and 14 percent two years ago. Southwestern states' growers had forward contracted about 4 percent compared with 18 percent last year and 6 percent in 1983. American Pima cotton growers had booked about 21 percent of their acreage by the end of August. Arizona growers had contracted 29 percent of their acreage and New Mexico growers 19 percent. No contracting was reported in Texas. These estimates were based on the Crop Reporting Board's August acreage for harvest report and informal surveys made by the Cotton Division, Agricultural Marketing Service, USDA.

Forward contracting of upland cotton by growers, as of September 1, crops of 1976-1985 and acres for harvest, 1985 crop <sup>1/</sup>

State	Cotton crops										Acres for harvest <sup>2/</sup> 1,000 acres
	1976 Pct.	1977 Pct.	1978 Pct.	1979 Pct.	1980 Pct.	1981 Pct.	1982 Pct.	1983 Pct.	1984 Pct.	1985 Pct.	
Alabama <sup>3/</sup>	68	9	13	13	29	7	15	24	26	21	293
Georgia	33	1	*	7	12	11	4	6	28	4	245
North Carolina	38	16	19	11	34	2	15	28	36	-	88
South Carolina	42	18	21	14	54	12	36	62	53	20	122
Southeastern states	52	9	12	12	30	8	14	25	32	13	748
Arkansas	82	17	28	21	52	15	17	24	40	9	455
Louisiana	72	7	27	16	39	8	18	21	23	1	635
Mississippi	67	23	43	48	79	27	21	25	28	15	1,090
Missouri	84	22	38	24	78	24	22	38	60	*	152
Tennessee	65	2	8	11	33	5	20	33	37	4	305
South central states	73	17	33	31	60	18	19	25	31	9	2,637
Oklahoma	19	19	26	14	4	-	1	-	17	-	365
Texas	23	19	9	12	17	5	4	7	18	4	4,700
Southwestern states	23	19	10	12	16	4	4	6	18	4	5,065
Arizona	62	49	34	24	42	7	20	18	4	4	409
California	68	28	35	24	38	10	15	13	27	5	1,340
New Mexico	37	20	10	6	6	1	*	-	1	2	55
Western states	65	32	33	23	37	8	16	14	21	5	1,804
United States	48	20	19	18	30	8	11	13	23	6	10,254

<sup>1/</sup> Contracting estimates do not include cotton consigned to marketing organizations but do include cotton contracted with marketing organizations.

<sup>2/</sup> August 1985, Crop Reporting Board, Statistical Reporting Service, USDA.

<sup>3/</sup> Includes Florida, 1984 crop.

\* Less than 0.5 percent.

Exports of all cotton from the United States, running bales,  
by months and seasons, 1945-1984

Season beginning August 1	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Season 1/ 1/
	1,000 bales												
1945	188	244	195	297	215	293	250	319	318	457	410	367	3,553
1946	413	242	104	455	361	290	385	383	275	249	303	84	3,544
1947	37	124	133	165	230	214	163	261	155	205	133	149	1,968
1948	115	171	246	428	522	403	497	582	590	464	508	221	4,747
1949	168	211	415	434	657	530	655	686	469	539	741	267	5,771
1950	356	373	284	372	449	317	429	354	471	371	204	129	4,108
1951	146	356	587	805	980	676	588	419	334	316	264	48	5,519
1952	107	241	296	337	466	292	259	246	208	261	220	115	3,048
1953	193	200	217	243	375	297	385	430	422	336	435	228	3,761
1954	190	199	351	390	497	334	307	369	240	231	281	59	3,447
1955	60	116	192	137	159	78	99	294	362	344	238	135	2,215
1956	423	505	598	538	939	791	809	787	603	662	525	418	7,598
1957	336	379	484	526	609	517	449	480	501	535	434	468	5,717
1958	209	212	181	314	298	222	211	284	245	248	236	129	2,789
1959	98	230	392	651	726	1,109	839	767	669	524	502	675	7,182
1960	113	193	439	720	981	976	845	841	585	387	248	304	6,632
1961	644	322	301	402	537	381	381	392	302	361	425	465	4,913
1962	139	163	157	298	383	211	522	440	299	310	244	183	3,351
1963	274	361	386	501	628	587	570	490	400	381	388	697	5,662
1964	120	184	290	388	747	244	181	584	407	251	398	266	4,060
1965	117	226	304	370	447	278	254	236	177	214	176	142	2,942
1966	341	348	306	518	607	458	458	401	288	416	299	228	4,669
1967	244	277	275	298	331	474	447	436	406	383	277	357	4,206
1968	213	262	152	185	276	55	55	130	568	363	194	278	2,731
1969	147	141	167	123	176	382	325	246	308	299	269	186	2,768
1970	84	89	180	251	362	439	455	562	467	327	307	213	3,737
1971	162	310	195	272	417	337	402	437	275	163	147	110	3,229
1972	58	82	191	352	534	654	528	677	607	437	500	381	5,000
1973	329	266	259	257	592	545	598	778	638	561	496	426	5,746
1974	261	125	120	272	350	409	380	346	371	364	392	356	3,746
1975	325	258	226	176	237	214	141	381	302	327	315	276	3,178
1976	274	342	217	265	376	354	509	536	548	400	462	282	4,565
1977	181	200	149	333	496	521	502	704	640	510	528	456	5,219
1978	524	388	283	355	464	517	577	574	602	542	614	410	5,850
1979	463	428	390	630	902	737	1,025	1,150	916	911	686	540	8,779
1980	402	393	237	436	541	669	688	733	498	458	320	264	5,639
1981	233	211	262	478	732	653	754	873	676	484	498	396	6,263
1982	342	351	293	382	377	438	368	487	612	464	435	409	4,961
1983	367	322	261	441	632	663	719	896	723	607	422	365	6,419
1984 2/	452	264	292	484	629	793	766	625	544	426	353	252	5,943

1/ Season totals are adjusted data as reported in Supply and Distribution of Domestic and Foreign Cotton in the United States by Bureau of the Census.

2/ Preliminary.

Source: Bureau of the Census

Average prices received by farmers for upland cotton, in cents per pound, net weight, United States, calendar years, 1984-1985

Month	Year beginning January 1		Month	Year beginning January 1		Month	Year beginning January 1	
	1984	1985		1984	1985		1984	1985
	Cents	Cents		Cents	Cents		Cents	Cents
January	62.70	52.10	June	68.00	57.50	November	61.80	
February	65.00	48.90	July	65.90	58.00	December	55.80	
March	70.10	54.50	August	67.40	54.50 <sup>1/</sup>	Calendar		
April	67.20	55.90	September	64.60		year avg.	62.40	
May	72.70	54.70	October	64.60				

<sup>1/</sup> Mid-month price.

Source: Statistical Reporting Service, USDA

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						Desig. 8-Mkt. Avg.	Grade 31 Staple 35 'A' Index <sup>1/</sup>
	Futures Settlement							
	Oct '85	Dec '85	Mar '86	May '86	Jul '86	Oct '86		
Aug. 29	58.58	58.76	59.83	60.26	60.13	55.05	57.32	55.95
30	58.40	58.47	59.71	60.05	60.04	55.07	57.18	55.80
Sept. 2	HOLIDAY							55.80
3	58.55	58.61	59.80	60.25	60.25	55.05	57.29	55.75
4	58.17	58.49	59.55	60.08	59.97	55.05	57.01	55.50
5	58.43	58.38	59.45	60.02	59.95	54.97	56.89	55.20

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

Chicago futures contract settlement and designated spot market average for grade 42 staple 31 in cents per pound

Date	Grade 42 Staple 31					Desig. 5-Mkt. Average <sup>1/</sup>
	Futures Settlement					
	Oct '85	Dec '85	Mar '86	May '86	Jul '86	
Aug. 29	-	49.85	50.85	-	-	48.39
30	-	49.70	50.60	-	-	48.28
Sept. 2	HOLIDAY					
3	-	49.40	50.45	-	-	48.37
4	-	49.72	50.65	-	-	48.14
5	-	49.65	50.60	-	-	47.80

<sup>1/</sup> Greenville, Montgomery, Memphis, Dallas and Lubbock.

U. S. upland cotton export sales and exports, in running bales, for week and year, marketing years 1984-85 and 1985-86

Description	Marketing Year			
	1984-85		1985-86	
	Through August 30		Through August 29	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	3,065,100		
Exports	114,800	449,000		
Total export commitments	-	3,514,100		WILL BE RELEASED
New sales	127,300	-		
Buy-backs and cancellations	5,400	-		SEPTEMBER 6, 1985
Net sales	121,900	-		
Sales next marketing year	15,000	21,600		

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