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## Weekly Cotton Market Review

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Spot cotton prices were at the lowest level in over 18 months, according to the Cotton Division, Agricultural Marketing Service, USDA. Trading was slow. Supplies were limited; most of the 1983 crop had already moved into marketing channels and early ginned 1984 crop was either forward contracted or being held off the market. Merchants filled needs and balanced commitments against stocks by trading among themselves. Domestic mill purchases were light and included both 1983 and 1984-crop cotton. Export trading was slow. The crop made good progress in most localities. First bales were ginned in several states. The interest rate for CCC loans disbursed in September will be 11.875 percent.

Spot cotton prices for grade 41 staple 34, mike 35-49, in the designated markets averaged 61.72 cents per pound during the week ended Thursday, September 6. Prices ranged from a high of 61.99 cents per pound to a low of 61.32 cents during the week. The low of 61.32 cents was the lowest price since February 1983. A week earlier, prices averaged 62.29 cents per pound and ranged from 61.98 to 62.66 cents. In the corresponding week a year ago, prices averaged 74.05 cents. The New York October 1984 futures settlement price ended the week on Thursday at 64.87 cents per pound compared with 64.85 cents a week earlier. The December price was 65.72 cents against 65.85 cents the previous week.

Trading was light on spot cotton markets. Supplies were light but were increasing in the early harvesting areas of Texas. Offerings in those areas were limited because growers were concentrating on their harvest or had contracted a large portion of their current ginnings earlier in the year. Elsewhere across the Cotton Belt, grower-held supplies were light. Merchant demand was limited mostly to those qualities and quantities needed to fill commitments. Some trading occurred between merchants as they sought to balance stocks with commitments. Domestic mill buying was light and included a small volume for prompt and forward delivery. Export trading was slow and mostly with Far Eastern mills. Purchases reported by cotton exchanges in the designated markets totaled 39,100 bales in the week ended Thursday, September 6. This compares with 125,800 bales reported a week earlier and 32,000 bales in the corresponding week last season.

Textile mill report. Domestic mills remained mostly out of the market for cotton. Where weaker product demand dictated production curtailment, supplies on hand were extended and the need for adding to existing stocks was reduced. However, a small amount for fill-ins and a limited quantity of new crop was purchased. Mill sales of goods continued to reflect widely divergent market conditions but a slowing trend remained noticeably in evidence. Mills continued to fill orders already booked but reported more bill and hold orders and delays in shipping instructions. Inventories were building at some mills. Sales of a number of goods dropped off for first and second quarter delivery. Apparel fabric sales were spotty; household and industrials intermittent. Yarn sales were slow to very slow. Some mills producing blended sales-yarn were reducing production by shortening workweeks.



Crop progress. In California, the San Joaquin Valley crop made good progress. Some growers continued to spray for insects. Cotton was opening rapidly and harvesting was expected to be under way in many localities by the last week in September. Scattered showers continued across Arizona. High humidity caused increased amounts of boll rot in some fields. Insects were being controlled as necessary. Most growers feel that they will begin harvesting in early to mid October. The New Mexico crop made good progress. Grass was a problem in some fields where rains have been frequent; but, in general, fields were fairly clean. No current insect problems were reported. Harvesting neared completion in the Harlingen area of Texas but the late stages were hampered by rains and wet fields. Harvesting was slowly advancing northward in the Waco area until interrupted briefly by scattered rain showers. Harvesting was nearing completion in southern counties. The Lubbock area crop continued to make good progress. The season's first cool spell caused some growers to become concerned but no crop damage was reported. Open bolls were reported in some fields. In Oklahoma, scattered showers were beneficial. Cotton looked good in some dryland areas, while other areas were critically dry. Some spraying for insects was being done and insects were generally under control. The Arkansas crop made good progress. Frequent rains caused some concern over boll rot. Insect infestations eased and some growers stopped spraying. Open bolls were becoming more noticeable and the first bale was picked in the northeastern part of the state. The Missouri crop was maturing rapidly and prospects for above average yields were reported by some growers. In Tennessee, the crop made fair to good progress despite showers and intermittently cooler weather. Plants were setting fruit and older cotton was maturing. Bolls were opening but little harvesting was expected until late in the month. In Mississippi, bolls were opening on older plants and many growers expected yields to be above average. Insect infestations were light and controls were being applied as needed. First bales were expected in several counties by September 15 but no large volume of cotton was expected to be harvested before October 1. In Louisiana, cotton was opening rapidly. Harvesting was under way on a limited scale in several localities. The Alabama crop made excellent progress. Moisture was adequate. Insect controls were effective. Plants are heavily fruited but rank growth in some fields caused some boll rot. Georgia growers were preparing to begin the harvest. Defoliation began on a limited scale in southern counties. In North Carolina and South Carolina, dry sunny weather was beneficial for cotton. Some cotton was nearing maturity but defoliation was not expected to begin until around the middle of the month. Growers reported good yield prospects.

Prices received by farmers for upland cotton averaged 68.10 cents per pound in mid August, according to the Statistical Reporting Service, USDA. This compares with 68.20 cents for the entire month of July and 67.00 cents in August 1983. These prices include cotton delivered against forward contracts.

Forward contracting 1984 crop. By the end of August, growers had forward contracted about 23 percent of their 1984-upland cotton crop. This was the largest percentage of any crop contracted by the end of August since the 1980 crop and was up from 13 percent a year earlier and 11 percent two years ago. Contracting this season has been most active in the southeastern states where around 32 percent of the crop had been booked. This compares with 25 percent a year earlier and 14 percent in 1982. South central states' growers had booked about 31 percent of their crop by the end of August, up from 25 percent in 1983 and 19 percent in 1982. In the western states, growers had booked about 22 percent, up from 14 percent a year earlier and 16 percent two years ago. Southwestern states' growers had forward contracted about 18 percent of their crop by the end of August compared with 6 percent in 1983 and 4 percent in 1982. 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 1975-1984  
and acres for harvest, 1984 crop 1/

State	Cotton crops										Acres for harvest 2/ 1,000 acres
	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	
Alabama 3/	3	68	9	13	13	29	7	13	24	26	312
Georgia	1	33	1	*	7	12	11	4	6	28	195
North Carolina	-	38	16	19	11	34	2	15	28	36	94
South Carolina	2	42	18	21	14	54	12	36	62	53	105
Southeastern states	2	52	9	12	12	30	8	14	25	32	706
Arkansas	5	82	17	28	21	52	15	17	24	40	430
Louisiana	1	72	7	27	16	39	8	18	21	23	655
Mississippi	5	67	23	43	48	79	27	21	25	28	1,140
Missouri	5	84	22	38	24	78	24	22	38	60	140
Tennessee	1	65	2	8	11	33	5	20	33	37	310
South central states	4	73	17	33	31	60	18	19	25	31	2,675
Oklahoma	-	19	19	26	14	4	-	1	-	17	345
Texas	*	23	19	9	12	17	5	4	7	18	4,600
Southwestern states	*	23	19	10	12	16	4	4	6	18	4,945
Arizona	13	62	49	34	24	42	7	20	18	10	477
California	29	68	28	35	24	38	10	15	13	27	1,400
New Mexico	-	37	20	10	6	6	1	*	-	1	72
Western states	23	65	32	33	23	37	8	16	14	22	1,949
United States	4	48	20	19	18	30	8	11	13	23	10,275

1/ Contracting estimates do not include cotton consigned to marketing organizations but does include cotton con-  
tracted with marketing organizations.

2/ August 1984, Crop Reporting Board, Statistical Reporting Service, USDA.

3/ Includes Florida, 1984 crop.

\* Less than 0.5 percent.



Average prices received by farmers for upland cotton, in cents per pound, net weight, United States, calendar years, 1983-1984

Month	Year beginning January 1		Month	Year beginning January 1		Month	Year beginning January 1	
	1983	1984		1983	1984		1983	1984
	Cents	Cents		Cents	Cents		Cents	Cents
January	57.00	62.70	June	62.60	69.50	November	66.80	
February	57.70	65.70	July	67.10	68.20	December	67.30	
March	62.20	70.50	August	67.00	68.10 <sup>1/</sup>			
April	60.40	68.10	September	63.10		Calendar		
May	63.60	73.60	October	64.00		year avg.	63.90	

<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					8-Market Average	Grade 31 Staple 35 'A' Index <sup>1/</sup>
	Futures Settlement						
	Oct '84	Dec '84	Mar '85	May '85	Jul '85		
Aug. 30	64.85	65.85	67.82	69.11	70.10	61.98	74.50
31	64.70	65.94	67.95	69.15	70.35	61.86	74.25
Sept. 3	HOLIDAY						74.10
4	64.02	65.45	67.42	68.63	69.85	61.32	74.10
5	64.55	65.70	67.52	68.70	69.85	61.72	73.80
6	64.87	65.72	67.37	68.51	69.60	61.99	73.90

<sup>1/</sup> 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 1983-84 and 1984-85

Description	Marketing Year			
	1983-84		1984-85	
	Through September 1		Through August 30	
	Week	Marketing Year	Week	Marketing Year
Outstanding sales	-	2,664,100		
Exports	70,000	368,800		
Total export commitments	-	3,032,900		Will be released
New sales	66,000	-		
Buy-backs and cancellations	16,700	-		September 7, 1984
Net sales	49,300	-		
Sales next marketing year	1,000	32,900		

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