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## Weekly Cotton Market Review

Cotton and Tobacco Program ♦ Cotton Market News Division ♦ 3275 Appling Road ♦ Memphis, TN 38133 ♦ 901.384.3016

**\*\*Due to Government Shutdown, AWP prices and Export data are not included in this issue.\*\***

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Spot quotations averaged 61 points higher than the previous week, according to the USDA, Agricultural Marketing Service's Cotton and Tobacco Program. Quotations for the base quality of cotton (color 41, leaf 4, staple 34, mike 35-36 and 43-49, strength 27.0-28.9, and uniformity 81.0-81.9) in the seven designated markets averaged 68.77 cents per pound for the week ending Thursday, January 17, 2019. The weekly average was up from 68.16 last week, but down from 79.04 cents reported the corresponding period a year ago. Daily average quotations ranged from a low of 68.00 cents Tuesday, January 15 to a high of 70.12 cents Thursday, January 17. Spot transactions reported in the Daily Spot Cotton Quotations for the week ended January 17 totaled 54,137 bales. This compares to 28,690 reported last week and 95,760 spot transactions reported the corresponding week a year ago. Total spot transactions for the season were 326,122 bales compared to 1,162,776 bales the corresponding week a year ago. The ICE March settlement prices ended the week at 74.37 cents, compared to 72.85 cents last week.

41-4-34 Prices								
Date	SE	ND	SD	ET-OK	WT	DSW	SJV	7-MKT AVG
11-Jan	70.49	69.74	69.74	66.74	66.74	66.24	66.74	68.06
14-Jan	70.99	70.24	70.24	67.24	67.24	66.99	67.49	68.63
15-Jan	70.36	69.61	69.61	66.61	66.61	66.36	66.86	68.00
16-Jan	71.02	70.52	70.52	68.02	68.02	67.27	67.77	69.02
17-Jan	72.12	71.62	71.62	69.12	69.12	68.37	68.87	70.12
31-3-35 Prices								
Date	SE	ND	SD	ET-OK	WT	DSW	SJV	7-MKT AVG
11-Jan	72.74	71.49	71.49	69.24	69.49	70.49	75.64	71.51
14-Jan	73.24	71.99	71.99	69.74	69.99	71.24	76.39	72.08
15-Jan	72.61	71.36	71.36	69.11	69.36	70.61	75.76	71.45
16-Jan	73.27	72.27	72.27	70.52	70.77	71.52	76.67	72.47
17-Jan	74.37	73.37	73.37	71.62	71.87	72.62	77.77	73.57
Futures Settlement							Far Eastern A Index 1/ Current	
Date	Mar-19	May-19	Jul-19	Oct-19	Dec-19	Mar-20		
11-Jan	72.49	74.03	75.27	74.16	73.64	74.79	82.40	
14-Jan	72.99	74.51	75.79	74.62	74.10	75.26	82.15	
15-Jan	72.36	73.72	74.89	73.74	73.44	74.60	82.45	
16-Jan	73.27	74.54	75.71	74.56	74.24	75.31	81.90	
17-Jan	74.37	75.66	76.79	75.48	75.00	75.96	82.90	
Spot Transactions								
Date	SE	ND	SD	ET-OK	WT	DSW	SJV	PIMA
11-Jan	5,167	0	0	671	2,456	450	0	0
14-Jan	1,980	0	0	3,047	1,821	2,225	0	0
15-Jan	0	1,203	0	1,968	8,128	720	0	0
16-Jan	332	0	0	2,250	4,892	1,878	0	0
17-Jan	0	0	0	4,560	10,041	348	0	0
<b>Weekly Totals</b>	<b>7,479</b>	<b>1,203</b>	<b>0</b>	<b>12,496</b>	<b>27,338</b>	<b>5,621</b>	<b>0</b>	<b>0</b>

Sources: USDA, AMS, Cotton and Tobacco Program, 1/ Cotlook



## Southeastern Markets Regional Summary

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Spot cotton trading was moderate. Supplies and producer offerings were moderate. Demand was moderate. Average local spot prices were firm. Trading of CCC-loan equities was inactive.

Partly to mostly cloudy conditions prevailed over the weekend and early week, but clear conditions were observed later in the period. Daytime high temperatures varied from the upper 40s to low 60s with nighttime lows in the 30s to 50s. Scattered moisture was received in portions of north Alabama and north Georgia. Rainfall totals generally measured from trace amounts to around one-half of an inch in some areas. Fieldwork and harvesting continued in areas where soils were firm enough to support equipment. Ginning continued; a few gins expected to complete pressing operations for the season in the next week. The Macon Classing Office maintained two shifts to accommodate the steady flow of samples that continued to arrive.

Mostly cloudy conditions were observed across the upper Southeastern region during the period. Daytime high temperatures varied from the mid-30s to upper 50s. Nighttime lows were in the low 20s to low 40s. Shower activity brought light-to-moderate rainfall to areas throughout North Carolina and

Virginia during the week. Precipitation totals measured from around one-quarter of an inch to one-inch of day-to-day accumulated moisture. Fieldwork was limited. Ginning was rapidly winding down for the season. Some gins remained on gins days as they waited for the last fields to be harvested and modules to arrive on gin yards. The Florence Classing Office had a single shift operating daily. Producers, ginners, and industry members throughout the Southeastern region attended the Southern Southeastern annual meeting in Hilton Head, SC.

### Textile Mill

Domestic mill buyers inquired for a moderate volume of color 42 and better, leaf 5 and better, and staple 34 and longer for third and fourth quarter 2019 delivery. Mill buyers also made initial inquiries for a moderate volume of 2019-crop cotton, color 41, leaf 4, and staple 34 for January through December 2020 delivery. No sales reported. Most mills have covered their immediate-to-nearby raw cotton needs.

Demand through export channels was light-to-moderate. Representatives for mills throughout the Far East inquired for any discounted styles of cotton.

### Trading

- Even-running lots containing color mostly 31 and 41, leaf 2-4, staple 36, 37, and 38, mike 43-49, strength 27-30, and uniformity 80-82 sold for 25 to 75 points off ICE March futures, FOB car/truck, Georgia terms (Rule 5, compression charges paid, 30 days free storage).
- A moderate volume mixed lot containing color 31 and 41, leaf 3 and 4, staple 36-38, mike 37-49, strength 30-32, and uniformity 81-83 sold for around 150 to 175 points off ICE March futures, same terms as above.
- Similar lots containing color 32 and better traded at around 200 points off ICE March futures, same terms as above.
- A moderate volume of color mostly 41 and 42, leaf 3 and 4, staple 35-37, mike 43-49, strength 27-29, and uniformity 79-81 sold for around 250 points off ICE March futures, same terms as above.
- Mixed lots containing color mostly 31 and 41, leaf 3 and 4, staple 35-37, mike 43-49, strength 29-32, and uniformity 80-82 sold for around 150 points off ICE March futures, FOB car/truck (Rule 5, compression charges paid).



## South Central Markets Regional Summary

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### North Delta

Spot cotton trading was inactive. Supplies of available cotton were moderate. Demand was light. Average local spot prices were higher. Trading of CCC-loan equities was slow. No forward contracting was reported. The on-going partial shutdown of the Federal Government has prevented cotton shipments since producers are unable to redeem cotton from the CCC-loan to fulfill contracts.

Typical winter weather prevailed during the period. Low temperatures were in the 30s. High temperatures were in the 40s early in the week; a flow of warm, moist air pushed temperatures into the low 50s and brought more precipitation to the region. Scattered rain showers brought less than 1 inch of rainfall to the region generally; however, up to 2 inches were reported in localized areas. Additional rainfall in the upper Midwest has caused river flood warnings to remain in effect for numerous counties in a multi-state area throughout the lower Mississippi River Valley. Low-lying roads and fields were flooded. The Dumas and Memphis Classing Offices each maintained one shift to accommodate the steady flow of samples from the few gins that continued to operate. Soft soils in some cases hindered the movement of modules from fields to the gin yard.

### South Delta

Spot cotton trading was inactive. Supplies of available cotton were moderate. Demand was light. Average local spot prices were higher. Trading of CCC-loan equities was inactive. No forward contracting was reported. The on-going partial shutdown of the Federal Government has prevented cotton shipments since producers are unable to redeem cotton from the CCC-loan to fulfill contracts; no new sales were reported.

Typical winter weather prevailed during the period. Low temperatures were in the 40s. High temperatures were in the 40s early in the week; a flow of warm, moist air pushed temperatures into the low 60s and brought rain showers to the region. A few rain showers brought less than 1 inch of rainfall to some areas; heavier amounts were reported in isolated areas. Additional precipitation in the upper Midwest has caused river flood warnings to remain in effect for numerous counties in a multi-state area throughout the lower Mississippi River Valley. Minor flooding was reported in some places. The Rayville Classing Office was classing the few samples that continued to trickle in as the harvest season grinds to the end in Louisiana.

### Trading

#### *North Delta*

- A light volume of CCC-loan equities traded for 12.00 cents per pound.

#### *South Delta*

- No trading activity was reported.



## Southwestern Markets Regional Summary

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### East Texas

Spot cotton trading was active. Supplies and producer offerings were heavy. Demand was moderate. Average local spot prices were higher. Producer interest in forward contracting was light. Trading of CCC-loan equities was slow. Foreign inquiries were heavy. Interest was best from Bangladesh, India, and Pakistan.

Producers in the Rio Grande Valley were actively tilling the soil and preparing seed beds ahead of planting. Fields were watered because of dry soil conditions. Fertilizer was applied. Seed was booked and pre-plant meetings were held. In the Upper Coast, final harvesting was stalled due to rainfall and soggy soil conditions. Ginning neared the end. Ginning continued in the Coastal Bend. Additional rainfall was received, which further delayed field activities. Some gins were temporarily closed in the Blackland Prairies (BLP) until producers are able to return to the fields. Dry conditions were needed to bring the season to a close in south Texas and in the BLP. Wet, muddy conditions hampered harvesting and ginning progress in Kansas. Harvesting was at a standstill. Gins began to expand and add night crews. Kansas cotton was around 60 percent harvested and 50 percent

ginned, according to local sources. Producers were encouraged looking toward the next crop because of good subsoil moisture.

### West Texas

Spot cotton trading was active. Supplies and producer offerings were heavy. Demand was moderate. Average local spot prices were higher. Producer interest in forward contracting was light. Trading of CCC-loan equities was slow. Foreign inquiries were heavy. Interest was best from Bangladesh, India, and Pakistan.

Daytime highs were in the low 40s to upper 60s and overnight lows were in the low 20s to upper 30s. Some areas received light-to-moderate rainfall early in the reporting period. Modules continued to be transported to the gin yards. Pockets of acres remained unharvested, but most of the fields have been harvested. Many gins have finalized operations and closed for the season. Some gins were about six weeks away from finishing. Fieldwork had begun and tillage was active. Meetings were held that presented the latest technology for dryland and irrigated management.

### Trading

#### *East Texas*

- In Texas, a mixed lot containing a heavy volume of mostly color 51, leaf 3 and 4, staple 36 and 37, mike 43-52, strength 25-30, and uniformity 76-79 sold for around 64.50 cents per pound, FOB warehouse (compression charges not paid).
- In Oklahoma, a light volume of mostly color 31, leaf 2 and 3, staple 36, mike 45-47, strength 27-30, and uniformity 77-79 sold for around 71.25 cents, FOB car/truck (compression charges not paid).
- A heavy volume of color 31 and 41, leaf 4 and better, staple 36 and 37, mike 44-49, strength 28-33, uniformity 79-83, and 25 percent extraneous matter sold for around 68.00 cents, same terms as above.
- In Kansas, a light volume of mostly color 41, leaf 3 and 4, staple 35 and 36, mike 38-43, strength 28-29, uniformity 80-81, and 50 percent extraneous matter sold for around 65.00 cents, same terms as above.
- A light volume of CCC-loan equities traded for around 9.00 cents.

#### *West Texas*

- A light volume of mostly color 31, leaf 2 and 3, staple 36 and 37, mike 39-42, strength 28-31, and uniformity 78-80 sold for around 68.50 cents per pound, FOB car/truck (compression charges not paid).
- A mixed lot containing a light volume of mostly color 41, leaf 3 and 4, staple 35 and 36, mike 38-43, strength 28-30, and uniformity 80-81 sold for around 65.00 cents, same terms as above.
- A light volume of color 31 and 32, leaf 3 and 4, staple mostly 33 and longer, mike 29-51, strength 28-30, and uniformity 78-80 sold for around 60.75 cents, same terms as above.
- A light volume of CCC-loan equities traded for 13.75 to 14.50 cents.



## Western Markets Regional Summary

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### *Desert Southwest (DSW)*

Spot cotton trading was active. Supplies and demand were moderate. Producers continued to deliver previously contracted cotton to merchant and cooperative marketing pools. Average local spot prices were higher. No forward contracting or domestic mill activity was reported. Foreign mill inquiries were light.

Daytime high temperatures were in the 60s for central Arizona. Rain was received mid-week. Precipitation amounts ranged from one-tenth to three-quarters of an inch. Foggy conditions were present in low-lying areas. Higher elevations received snow in northern Arizona, which will help to increase reservoir capacity in late spring. Ginning continued uninterrupted. Partly cloudy conditions kept daytime high temperatures in the 60s for New Mexico and El Paso, TX. Wind advisories were in effect late in the period. Ginning continued. The Visalia Classing Office reached the milestone of 50-million samples classed early in the reporting period.

### *San Joaquin Valley (SJV)*

Spot cotton trading was inactive. Supplies and demand were light. Producers delivered previously contracted cotton to merchant and cooperative marketing pools. Average local spot prices were higher. No forward contracting or domestic mill activity was reported.

A rainy weather pattern settled into California in the period. Precipitation totals measured from

one-quarter of an inch in the south Valley to around three-quarters of an inch in the north Valley. Improvements in snow levels were noted in the Sierra Nevada Mountain range. The California Department of Water Resources reported the snow water equivalent average for the state increased to 50 percent of normal to date. The storm entering southern California closed Interstate 5 at the Grapvine for several hours mid-week as ice and snow accumulated on the roads. Roller-ginning continued. The Visalia Classing Office reached the milestone of 50-million samples classed early in the reporting period.

### *American Pima (AP)*

Spot cotton trading was inactive. Supplies were moderate. Demand was light. Average local spot prices were steady. No forward contracting or domestic mill activity was reported. Foreign mill inquiries were light. Interest was best from Japan.

Daytime high temperatures were in the 60s in the Far West. Weather systems brought rainfall and snow to the region. Precipitation amounts ranged from one-tenth to three-quarters of an inch, with more on the way. Snowfall was reported in higher elevations of Arizona, and California. The California Department of Water Resources reported the snow water equivalent average for the state increased to 50 percent of normal to date. The Visalia Classing Office reached the milestone of 50-million samples classed early in the reporting period.

## *Trading*

### *Desert Southwest*

- In Arizona, a moderate volume of color 21 and better, leaf 3 and better, staple 37 and longer sold for around 250 points on ICE March futures, uncompressed, FOB warehouse.
- A heavy volume of color 31 and 41, leaf 4 and better, staple 36 and longer, mike averaging 4.7, strength averaging 31.4, and uniformity averaging 81.3 sold for around 67.00 cents per pound, same terms as above.
- In New Mexico, a light volume of mostly color 41 and better, leaf 4 and better, and staple 38 sold for around 67.50 cents, FOB car/trucks (compression charges not paid).

### *San Joaquin Valley*

- No trading activity was reported.

### *American Pima*

- No trading activity was reported.

## Number of Bales in Certificated Stocks

Delivery Points	Stocks as of 1-17-2019	Awaiting Review	Non-Rain Grown Cotton
Dallas/FT. Worth, TX	10,702	0	0
Galveston, TX	28,078	0	0
Greenville, SC	37	0	0
Houston, TX	12,176	0	0
Memphis, TN	72,806	0	0
<b>Total</b>	<b>123,799</b>	<b>0</b>	<b>0</b>

**Spot quotations are in cents per pound for cotton equal to the Official Standards, net weight, in mixed lots, compressed, FOB car/truck.**

SOUTHEAST				NORTH DELTA				Staple	SOUTH DELTA				DESERT SOUTHWEST			
31-3	41-4	51-5	42-4	31-3	41-4	51-5	42-4		31-3	41-4	51-5	42-4	21-2	31-3	41-4	51-5
71.62	70.12	66.62	67.87	70.62	68.87	64.37	67.12	33	70.62	68.87	64.37	67.12	67.37	66.62	62.12	60.37
73.37	72.12	67.62	69.37	72.37	71.62	66.37	68.12	34	72.37	71.62	66.37	68.12	69.62	68.87	68.37	60.87
74.37	73.12	68.12	69.37	73.37	71.62	66.87	68.87	35	73.37	71.62	66.87	68.87	74.12	72.62	68.62	62.62
74.87	73.87	68.37	69.62	74.37	72.87	67.12	69.12	36	74.37	72.87	67.12	69.37	75.57	74.57	69.22	62.87

EAST TEXAS-OKLAHOMA				WEST TEXAS				Staple	SAN JOAQUIN VALLEY			
21-2	31-3	41-4	42-4	21-2	31-3	41-4	42-4		21-2	31-3	41-4	32-3
65.62	64.87	63.37	60.12	66.37	64.37	62.62	59.87	26-31				
66.12	65.62	64.87	61.37	67.22	65.97	64.62	61.87	32				
67.87	67.62	65.87	62.37	69.22	67.97	65.37	63.12	33				
71.12	70.37	69.12	67.12	70.72	69.97	69.12	66.62	34	73.02	71.52	68.87	68.37
72.62	71.62	69.87	67.37	72.87	71.87	69.87	67.37	35	79.27	77.77	70.87	70.87
73.87	72.87	70.37	67.87	73.37	72.87	70.12	68.62	36	82.77	81.27	71.67	71.62
74.12	73.37	70.62	68.37	74.12	73.62	70.37	69.12	37	84.27	82.52	71.77	72.12
74.37	73.62	73.62	68.37	74.37	73.87	73.62	69.12	38	86.52	84.27	71.77	73.12

MIKE DIFFERENCES - POINTS PER POUND									
SOUTH-EAST	NORTH DELTA	SOUTH DELTA	E. TX OK	Mike Ranges	WEST TEXAS	DESERT SW	SJ VALLEY AVG.		
			-2075	24 & Below	-2075	-1350			-1833
-825	-1000	-1100	-2075	25-26	-2075	-1150			-1371
-425	-650	-750	-1200	27-29	-1200	-1050	-1600		-982
-275	-325	-325	-850	30-32	-850	-650	-1000		-611
-150	-125	-125	-625	33-34	-625	-450	-500		-371
0	0	0	0	Base 35-36	0	0	0		0
0	25	25	0	37-42	0	25	25		14
0	0	0	0	Base 43-49	0	0	0		0
-200	-225	-225	-250	50-52	-250	-300	-500		-279
-375	-375	-375	-375	53 & Above	-375	-550		-404	

STRENGTH DIFFERENCES										UNIFORMITY DIFFERENCES							
SOUTH-EAST	NORTH DELTA	SOUTH DELTA	E. TX OK	Grams per tex	WEST TEXAS	DESERT SW	SJ VALLEY AVG.		SOUTH-EAST	NORTH DELTA	SOUTH DELTA	E. TX OK	Unit	WEST TEXAS	DESERT SW	SJ VALLEY AVG.	
			-300	19.0 - 19.9	-300		-300	-300	-125	-90	-90	-90	77 & below	-125	-100	-60	-97
			-300	20.0 - 20.9	-300		-300	-300	-110	-80	-80	-75	78	-95	-90	-50	-83
-425	-300	-275	-275	21.0 - 21.9	-275	Diff.	-358	-358	-100	-70	-70	-60	79	-80	-80	-40	-71
-350	-250	-225	-250	22.0 - 22.9	-250	-600	-296	-296	-25	0	0	0	80	0	0	0	-4
-300	-200	-200	-225	23.0 - 23.9	-225	-450	-242	-242	0	0	0	0	Base 81	0	0	0	0
-250	-175	-175	-225	24.0 - 24.9	-225	-300	-254	-254	0	0	0	0	82	0	0	50	7
-200	-150	-150	-150	25.0 - 25.9	-150	-225	-400	-200	20	30	30	0	83	0	30	80	27
-25	-25	-25	-100	26.0 - 26.9	-100	-200	-100	-100	30	40	40	0	84	0	40	90	34
0	0	0	0	Base 27.0 - 28.9	0	-125	0	0	40	50	50	0	85	0	50	100	41
0	0	0	0	29.0 - 29.9	0	0	0	0	50	60	60	0	86 & above	0	60	110	49
25	25	25	25	30.0 - 30.9	25	0	75	32									
50	50	50	25	31.0 - 32.9	25	25	125	54									
50	50	50	25	33.0 & above	25	50	250	79									

American Pima quotations are for cotton equal to the Official Standards, net weight, in mixed lots, UD Free, FOB warehouse. 1/

**AMERICAN PIMA SPOT QUOTATIONS**

Color	Leaf	Staple			
		44	46	48	50
1	1	116.75	125.50	126.50	126.50
	2	116.50	125.25	126.25	126.25
	3	108.75	116.50	116.50	116.50
	4				
	5				
	6				
2	1	116.50	125.25	126.25	126.25
	2	116.25	125.00	126.00	126.00
	3	108.50	116.25	116.25	116.25
	4	98.50	106.75	106.75	106.75
	5				
	6				
3	1	106.25	114.00	114.00	114.00
	2	103.75	111.50	111.50	111.50
	3	102.50	110.25	110.25	110.25
	4	93.50	101.25	101.25	101.25
	5	77.50	84.75	84.75	84.75
	6				
4	1	87.25	95.00	95.75	95.75
	2	87.00	94.75	95.00	95.00
	3	86.75	94.50	94.25	94.25
	4	81.75	89.50	89.25	89.25
	5	70.50	78.25	78.00	78.00
	6				
5	1				
	2	66.25	76.25	76.00	76.00
	3	66.25	75.75	76.00	76.00
	4	66.25	70.25	70.00	70.00
	5	66.00	70.00	69.75	69.75
	6				
6	1				
	2	58.50	61.50	61.25	61.25
	3	58.50	61.50	61.25	61.25
	4	58.50	61.50	61.25	61.25
	5	58.25	61.25	61.00	61.00
	6	57.75	60.75	60.50	60.50

**The current Pima spot quotations represent prices from local sales, export sales, and offerings last reported on December 20, 2018.**

**Mike**

Range	Diff.
26 & Below	-1900
27-29	-1400
30-32	-900
33-34	-400
35 & Above	0

**Strength**

*(Grams per Tex)*

Range	Diff.
34.9 & Below	-1350
35.0 – 35.9	-1100
36.0 – 36.9	-850
37.0 – 37.9	0
38.0 – 38.9	0
39.0 – 39.9	0
40.0 & Above	0

**Extraneous Matter**

Type - Level	Diff.
Prep - Level 1	-810
Prep - Level 2	-1095
Other - Level 1	-715
Other - Level 2	-1035
Plastic - Level 1	-715
Plastic - Level 2	-1035

1/ Pima spot quotations for color-leaf-staple combinations not quoted will be included as sales of those qualities which are reported.