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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 107 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 68.16 cents per pound for the week ending Thursday, January 10, 2019. The weekly average was up from 67.09 last week, but down from 76.84 cents reported the corresponding period a year ago. Daily average quotations ranged from a low of 67.24 cents Tuesday, January 8 to a high of 68.70 cents Wednesday, January 9. Spot transactions reported in the Daily Spot Cotton Quotations for the week ended January 10 totaled 28,690 bales. This compares to 9,450 reported last week and 148,565 spot transactions reported the corresponding week a year ago. Total spot transactions for the season were 271,985 bales compared to 1,067,016 bales the corresponding week a year ago. The ICE March settlement prices ended the week at 72.85 cents, compared to 70.83 cents last week.

41-4-34 Prices								
Date	SE	ND	SD	ET-OK	WT	DSW	SJV	7-MKT AVG
4-Jan	70.52	69.77	69.77	66.77	66.77	66.27	66.77	68.09
7-Jan	70.75	70.00	70.00	67.00	67.00	66.50	67.00	68.32
8-Jan	69.67	68.92	68.92	65.92	65.92	65.42	65.92	67.24
9-Jan	71.13	70.38	70.38	67.38	67.38	66.88	67.38	68.70
10-Jan	70.85	70.10	70.10	67.10	67.10	66.60	67.10	68.42
31-3-35 Prices								
Date	SE	ND	SD	ET-OK	WT	DSW	SJV	7-MKT AVG
4-Jan	72.77	71.52	71.52	69.27	69.52	70.52	75.67	71.54
7-Jan	73.00	71.75	71.75	69.50	69.75	70.75	75.90	71.77
8-Jan	71.92	70.67	70.67	68.42	68.67	69.67	74.82	70.69
9-Jan	73.38	72.13	72.13	69.88	70.13	71.13	76.28	72.15
10-Jan	73.10	71.85	71.85	69.60	69.85	70.85	76.00	71.87
Futures Settlement							Far Eastern A Index 1/ Current	
Date	Mar-19	May-19	Jul-19	Oct-19	Dec-19	Mar-20		
4-Jan	72.52	73.94	75.29	73.81	73.84	75.03	79.70	
7-Jan	72.75	74.10	75.40	74.04	74.09	75.30	81.50	
8-Jan	71.67	73.07	74.40	73.18	73.23	74.47	81.90	
9-Jan	73.13	74.52	75.66	74.54	74.19	75.37	81.05	
10-Jan	72.85	74.36	75.67	74.60	74.11	75.30	82.60	
Spot Transactions								
Date	SE	ND	SD	ET-OK	WT	DSW	SJV	PIMA
4-Jan	0	0	0	2,473	1,764	0	0	0
7-Jan	0	0	0	2,153	5,245	0	0	0
8-Jan	0	0	0	2,382	2,393	0	0	0
9-Jan	0	0	0	1,679	3,241	0	0	0
10-Jan	0	0	0	3,108	4,252	0	0	0
Weekly Totals	0	0	0	11,795	16,895	0	0	0

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



## Southeastern Markets Regional Summary

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

Scattered showers brought around one quarter of an inch to one inch of moisture to areas throughout Alabama, portions of the Florida Panhandle, and central Georgia early in the period. Partly cloudy to sunny conditions prevailed the remainder of the week with daytime high temperatures in the 60s. The dry and clear weather helped soft soils to firm and sunshine helped to dry rain soaked lint that remained on the stalk. Fieldwork and harvesting resumed in areas where fields were accessible, but standing water remained in some low-lying areas. Ginning continued, but had slowed at some locations to allow backlogs of modules to accumulate on gin yards. The Macon Classing Office reduced operations to two shifts daily.

Similar conditions were observed across the upper Southeastern region as widespread shower activity brought around one-quarter to one-half of an inch of rainfall to areas throughout the Carolinas and portions of Virginia entering the period. Mostly sunny to fair conditions were observed the remainder of the period with daytime high temperatures in the upper 40s to upper 60s. Fieldwork and harvesting resumed in some fields where soils were firm enough to support equipment. However, in many places fields remained

unharvested due to soggy conditions; standing water also remained in some low-lying areas. Producers were considering insurance options for fields that may be abandoned, due to damage from excessive moisture in recent months. Many gins had completed pressing operations for the season. A few gins remained on gin 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.

### [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 June through October delivery. Mill buyers also made initial inquiries for a moderate volume of 2019-crop cotton, color 41, leaf 4, and staple 34 for delivery January through December 2020. No sales reported. The undertone from mill buyers was cautious; due to the lapse in federal government funding, all commodity loan activity has ceased as of January 3, 2019. Subsequently, due to the government shutdown some merchants could not redeem cotton held as collateral by the USDA and some cotton shippers had to cancel deliveries of raw cotton to mills.

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

### [Trading](#)

- No trading activity was reported.



## 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 inactive. No forward contracting was reported. Most merchants reported lackluster interest in business as producers remained on the sidelines due to uncertainty about trade agreements, disappointing harvest results, and fluctuating market conditions. The on-going shutdown of the Federal Government will soon begin to delay cotton shipments if producers are unable to redeem cotton from the CCC-loan to fulfill contracts; no new sales were reported.

Seasonably cold weather prevailed during the period, compared with historical daytime average temperatures. Highs reached into the low 60s; low temperatures were in the 30s and 40s. Scattered rain showers brought less than one inch of rainfall to the region; however, heavy precipitation in the Midwest has raised the level of the Mississippi River and its tributaries to flood stage. Flood warnings were issued for numerous counties throughout the region. Low-lying roads and fields were flooded. According to the U.S. Drought Monitor, soil moisture conditions were adequate-to-surplus throughout the region. A few gins in the region continued to operate. Representatives of all of the sectors of the cotton industry made plans to attend upcoming regional and national industry meetings; the recent Beltwide meetings in New Orleans were well attended.

### 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. Most merchants reported lackluster interest in business as producers remained on the sidelines due to uncertainty about trade agreements, disappointing harvest results, and fluctuating market conditions. The on-going shutdown of the Federal Government will soon begin to delay cotton shipments if producers are unable to redeem cotton from the CCC-loan to fulfill contracts; no new sales were reported.

Seasonable winter weather prevailed during the period. Highs ranged from the 50s to the 70s; low temperatures were in the 30s and 40s. Scattered rain showers brought 2 inches of rainfall to the region; however, heavy precipitation in the Midwest, as well as regionally, has raised the level of the Mississippi River and its tributaries to flood stage. Flood warnings were issued for numerous counties throughout the region. Low-lying roads and fields were flooded. According to the U.S. Drought Monitor, soil moisture conditions were adequate-to-surplus throughout the region. A few gins in the region continued to operate. Producers and other industry representatives attended the Beltwide meetings in New Orleans and made plans to attend regional and national meetings.

### Trading

#### *North Delta*

- No trading activity was reported.

#### *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 moderate. Interest was best from Bangladesh, India, and Pakistan.

In the Upper Coast, ginning neared the end. Ginning continued in the Coastal Bend. In the Blackland Prairies, rainfall stalled harvesting and ginning activities. Thousands of acres remained unharvested. Fields were too wet to support equipment, so modules remained in the fields. Some gins were delayed because of a lack of modules on the gin yards. Producers were discouraged by excessively soggy conditions that delayed harvesting cotton and planting wheat. In Kansas, harvesting was mostly completed, but ginning was estimated at around 15 percent done. Not all of the gins had opened, mostly due to equipment repairs or updates. In Oklahoma, ginning advanced and was estimated to be more than 50 percent completed. A few fields that were too wet to harvest remained, but harvesting was more than 95 percent completed, according to local

experts. Melting snow hindered transporting modules from the fields to the gin yards early in the reporting period. Shipping and receiving bales continued at a steady pace.

### 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 moderate. Interest was best from Bangladesh, India, and Pakistan.

Daytime highs were in the low-50s to mid-60s and overnight lows were in the upper 20s to mid-30s. The Lubbock territory was impacted by northern winds that helped dry fields in some areas. Portions of the Rolling Plains remained soggy, which delayed fieldwork. Most modules were on the gin yards, but gins processed accumulated modules. Ginning schedules changed, with some moving to gin days and or weekends off. Some gins had completed the season.

### Trading

#### *East Texas*

- In Texas, a mixed lot containing a heavy volume of mostly color 62, 63, and 83, leaf 8 and better, staple 35 and longer, mike 46-52, strength 22-29, uniformity 75-81, and 75 percent extraneous matter sold for around 42.00 cents per pound, FOB warehouse (compression charges not paid).
- In Oklahoma, a light volume of mostly color 31, leaf 3, staple 37, mike 38-46, strength averaging 32.1, and uniformity averaging 81.6 sold for around 71.00 cents, FOB car/truck (compression charges not paid).
- A moderate volume of color 31 and 41, leaf 4 and better, staple mostly 36, mike 46-52, strength 28-31, uniformity 80-81, and 25 percent extraneous matter sold for around 68.50 cents, same terms as above.
- In Kansas, a moderate volume of mostly color 31, leaf 3, staple 36, mike 35-38, strength 28-29, and uniformity 79-80 sold for around 67.00 cents, same terms as above.
- A light volume of CCC-loan equities traded for 9.00 to 9.50 cents.

#### *West Texas*

- A light volume of mostly color 21 and 31, leaf 2 and 3, staple 36 and longer, mike 34-42, strength 28-31, and uniformity 79-81 sold for around 69.00 cents per pound, FOB car/truck (compression charges not paid).
- A mixed lot containing a heavy volume of mostly color 42 and better, leaf 4 and better, staple 35 and 36, mike 36-47, strength 30-33, and uniformity 79-80 sold for around 65.00 cents, same terms as above.
- A heavy volume of color 31, leaf 3 and better, staple mostly 38, 39, and 40, mike 26-37, strength 30-34, and uniformity 78-82 sold for around 60.50 cents, same terms as above.
- A light volume of mostly color 31 and 41, leaf 3 and better, staple 38 and longer, mike 37-49, strength 31-33, and uniformity 80-82 sold for around 60.00 cents, same terms as above.
- A light volume of CCC-loan equities traded for 8.75 to 10.50 cents.



## Western Markets Regional Summary

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### *Desert Southwest (DSW)*

Spot cotton trading was inactive. Supplies were moderate. Demand was light. 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.

Arizona received rain early in the reporting period. Approximately one-half inch of moisture was deposited. Daytime temperatures returned to the low 70s by mid-week. Rain is in the near term forecast. Ginning continued uninterrupted. The Visalia Classing Office reported the Arizona season average predominate color 41 was at 39.0 percent, leaf 3 at 45.3 percent, mike averaging 4.61, staple averaging 37.35, and strength averaging 31.32 for week ending January 10. Daytime high temperatures were in the 50s for New Mexico and El Paso, TX. Showers produced one-tenth to one-quarter of an inch of moisture late in the period. Ginning continued. The Visalia Classing Office reported the New Mexico and El Paso, TX season average predominate color 31 was at 54.3 percent, leaf 3 at 44.2 percent, mike averaging 4.21, staple averaging 37.85, and strength averaging 30.44 for week ending January 10. The Visalia Classing Office continues to operate two shifts.

### *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 first manual snow

survey was conducted on January 3 and there was several feet of snow blanketed on the ground, which is a definite improvement from January 2018, when only patches of snow were seen. Early morning fog made an appearance late in the period. Saw-ginning was completed in the SJV. Roller-ginning continued. The Visalia Classing Office reported the season average of Upland saw-ginned color 21 and better was at 76 percent, leaf 2 and better at 75.4 percent, mike averaging 4.41, staple averaging 37.51, and strength averaging 33.83 for week ending January 10. Roller-ginned Upland season average was reported as color 21 and better at 50.7 percent, leaf 2 and better at 51.4 percent, mike averaging 4.23, staple averaging 39.34, and strength averaging 36.02. The Visalia Classing Office continues to operate two shifts. Some industry members attended the Beltwide Cotton Conference.

### *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 Thailand and Turkey.

Daytime high temperatures were in the 50s to 70s 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 abundant in higher elevations of Arizona, California, and New Mexico; which is beneficial for irrigation uses as well as drinking water. Ginning continued. Three AP gins were completed for the season in the San Joaquin Valley. The Visalia Classing Office reported the season average AP color 2 and better at 94.2 percent, leaf 2 and better at 89.3, staple averaging 49.20, mike averaging 4.14, and strength averaging 43.99 for week ending January 10. The Visalia Classing Office continues to operate two shifts. Some industry members attended the Beltwide Cotton Conference.

### *Trading*

#### *Desert Southwest*

- No trading activity was reported.

#### *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 1-10-2019	Awaiting Review	Non-Rain Grown Cotton
Dallas/FT. Worth, TX	11,138	0	0
Galveston, TX	28,078	0	0
Greenville, SC	37	0	0
Houston, TX	12,176	0	0
Memphis, TN	73,158	0	0
<b>Total</b>	<b>124,587</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
70.35	68.85	65.35	66.60	69.10	67.35	62.85	65.60	33	69.10	67.35	62.85	65.60	65.60	64.85	60.35	58.60
72.10	70.85	66.35	68.10	70.85	70.10	64.85	66.60	34	70.85	70.10	64.85	66.60	67.85	67.10	66.60	59.10
73.10	71.85	66.85	68.10	71.85	70.10	65.35	67.35	35	71.85	70.10	65.35	67.35	72.35	70.85	66.85	60.85
73.60	72.60	67.10	68.35	72.85	71.35	65.60	67.60	36	72.85	71.35	65.60	67.85	73.30	72.30	66.95	61.10

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
63.60	62.85	61.35	58.10	64.35	62.35	60.60	57.85	26-31				
64.10	63.60	62.85	59.35	65.20	63.95	62.60	59.85	32				
65.85	65.60	63.85	60.35	67.20	65.95	63.35	61.10	33				
69.10	68.35	67.10	65.10	68.70	67.95	67.10	64.60	34	71.25	69.75	67.10	66.60
70.60	69.60	67.85	65.35	70.85	69.85	67.85	65.35	35	77.50	76.00	69.10	69.10
71.85	70.85	68.35	65.85	71.35	70.85	68.10	66.60	36	81.00	79.50	69.90	69.85
72.10	71.35	68.60	66.35	72.10	71.60	68.35	67.10	37	82.50	80.75	70.00	70.35
72.35	71.60	71.60	66.35	72.35	71.85	71.60	67.10	38	84.75	82.50	70.00	71.35

### MIKE DIFFERENCES - POINTS PER POUND

SOUTH-EAST	NORTH DELTA	SOUTH DELTA	E. TX OK	Mike Ranges				WEST TEXAS	DESERT SW	SJ VALLEY	AVG.
-825	-1000	-1100	-2075	24 & Below				-2075	-1350		-1833
-425	-650	-750	-1200	25-26				-2075	-1150		-1371
-275	-325	-325	-850	27-29				-1200	-1050	-1600	-982
-150	-125	-125	-625	30-32				-850	-650	-1000	-611
0	0	0	0	33-34				-625	-450	-500	-371
0	25	25	0	Base 35-36				0	0	0	0
0	0	0	0	37-42				0	25	25	14
-200	-225	-225	-250	Base 43-49				0	0	0	0
-375	-375	-375	-375	50-52				-250	-300	-500	-279
				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	-125	-90	-90	-90	77 & below	-125	-100	-60	-97
			-300	20.0 - 20.9	-300			-300	-110	-80	-80	-75	78	-95	-90	-50	-83
-425	-300	-275	-275	21.0 - 21.9	-275	Diff.		-358	-100	-70	-70	-60	79	-80	-80	-40	-71
-350	-250	-225	-250	22.0 - 22.9	-250	-600		-296	-25	0	0	0	80	0	0	0	-4
-300	-200	-200	-225	23.0 - 23.9	-225	-450		-242	0	0	0	0	Base 81	0	0	0	0
-250	-175	-175	-225	24.0 - 24.9	-225	-300	-500	-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	-300	-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**

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

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

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.