

THE

Cotton

SITUATION

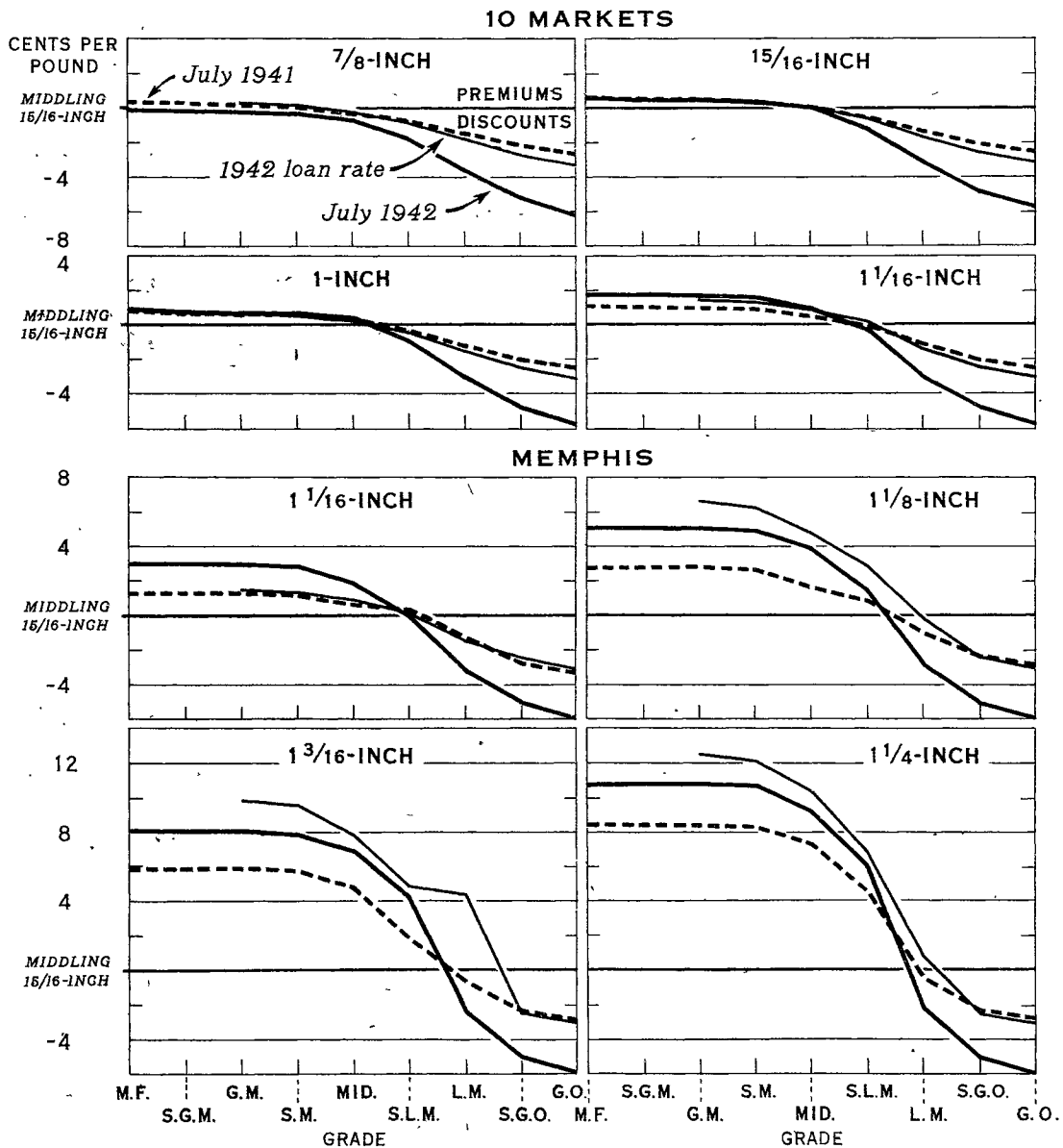
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

CS-70



AUGUST 1942

COTTON, WHITE: GRADE AND STAPLE PREMIUMS AND DISCOUNTS,
10 MARKETS AND MEMPHIS, JULY 1941, JULY 1942,
AND 1942 GOVERNMENT LOAN



T H E C O T T O N S I T U A T I O N

Summary

Based on August 1 conditions, the total supply of American cotton this season is expected to be about 23.4 million running bales compared with 22.6 million bales last season. According to the Bureau of the Census the August 1 carry-over of American cotton in the United States was 10.5 million bales, a decline of 1.6 million from August 1941. The new crop of 12.9 million running bales (13.1 million bales of 500 pounds gross) compared with 10.6 million running bales last year, more than offsets this decline in carry-over. The higher level of production expected this season is due in part to larger acreage, but of more importance is the favorable growing season reflected in the estimated average yield of 266.7 pounds per acre, second only to the record yield of 269.9 pounds in 1937.

The August crop report indicated a larger crop than had been generally expected by the trade. This, plus continued generally favorable weather in the Cotton Belt, has been largely responsible for a decline of about 3/4 cent in the price of cotton during the past month.

Cotton consumption totaled 11.2 million bales last season, 15 percent more than the previous record consumption in 1940-41. Consumption of foreign cotton was 197,799 bales, and of American-Egyptian cotton was 46,813 bales - largest since 1929-30 and 1922-23, respectively. In July the rate of daily consumption declined to the lowest point since last December. Total consumption, however, was 995,000 bales compared with 967,000 in June.

-- August 29, 1942

PRICES

Spot Prices Decline Slightly

Cotton prices continued to decline during the past month and on August 26 the 10-market average of Middling 15/16-inch cotton was 18.40 cents, 3/4 cent lower than a month earlier. Much of the decline is attributable to the August 1 indicated production, which was well above trade expectations, and the apparent continuation of generally favorable crop conditions throughout most of August.

Price Differentials Provide Greater-Than-Normal Incentive for Careful Picking and Handling

Heavy military and civilian demand for cotton textiles requires larger quantities of high grade and long staple cotton than have ever before been consumed by domestic mills. In contrast, the demand for low grade and short staple cotton has declined.

Grade and staple premiums and discounts have widened materially during the past year. Present market differentials work more to the advantage of the higher grades and longer lengths and to the disadvantage of the lower grades and shorter lengths than at any time during the past 10 or 15 years. Little can now be done to alter the staple lengths of this year's crop but, with the picking season getting under way in many sections, much can be done by farmers through careful picking and handling to increase the supply of high grade cotton and to obtain higher returns from marketings. Variation in the care in picking and handling of cotton can often raise or lower the quality of a bale one or two grades. Farmers will find it more profitable this Fall than for many years past to avoid any unnecessary lowering of grade.

Based on the premiums prevailing at Memphis in July 1941, a seller stood to receive 0.40 cents more per pound (\$2.00 per bale) for 1-1/16 inch Middling cotton than he would have received for Strict Low Middling of the same staple length and 1.85 cents (\$9.25 per bale) more than would have been received for Low Middling. By July 1942 these differences had increased to 1.78 cents (\$8.90 per bale) and 5.02 cents (\$25.10 per bale), respectively. Corresponding data for other grade and staple combinations at Memphis and the 10 designated markets are shown in the cover page chart and in table 1. Although the largest increases in returns will result from raising the grade of cotton which with less care would have graded Strict Low Middling or Low Middling, the generally wider premiums and discounts offer a particular inducement for careful picking, handling, and ginning of all grades of this year's crop.

American-Egyptian Cotton Advances at Mill Points and in Arizona

The price of American-Egyptian cotton continued to advance in August with SxP No. 2 1-1/2 inch staple averaging 44.90 cents on August 14 at New England mill points. This is the highest price since the spring of 1929. Although only slightly above the July average of 44.52 cents, it is 56 percent above last season's low of 28.69 cents in November 1941. The advance in the

Arizona farm price of American-Egyptian cotton erased the June decline of 6/10 cent per pound. The July price was 40.3 cents, the same as on May 15, and 9.6 cents above the July 1941 farm price.

1942 Loan Program Announced, Based
on Parity Price of 18.85 Cents

The 1942 Government loan program for cotton was announced on August 8. The average loan rate on 7/8 inch Middling cotton, gross weight, is 16.02 cents per pound (85 percent of the July 15 parity price of 18.85 cents). The corresponding 1941 rate, based on a parity price of 16.49 cents, was 14.02 cents per pound.

As in 1941, premiums and discounts for grade and staple are based on Middling 15/16 inch cotton, which is 20 points above the basic rate for Middling 7/8 inch. The loan rate on a net weight basis will be 70 points above that for gross weight compared with 60 points last year. Practically all of the differences between the premiums and discounts for rain-grown and irrigated cotton have been eliminated under the 1942 Government loan program, thus substantially improving the relative position of irrigated cotton so far as the loan program is concerned. Last season differences ranging from only a few points to over 4 cents existed on 316 of the 322 grade and staple combinations. This season differences ranging from 5 to 65 points exist on only 16 of the grade and staple combinations.

Because of location differentials, loan rates for Middling 15/16 inch cotton, gross weight, will vary from a low of 15.55 cents in Arizona and California to a high of 16.76 cents in the mill area of the Carolinas, a range of 1.21 cents. Last year the corresponding rates varied from 13.80 to 14.69 cents, a range of .89 cent. Under the 1942 program location differentials are based on freight rates to the mill area of the Carolinas, except in eastern Mississippi, eastern Tennessee, Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama, where a zone system similar to that in 1941 is in effect. One significant difference from last year's program is the basing of all location differentials outside of the zoned areas on the freight rates to the mill area, whereas a year ago they were based on freight rates to ports if the freight rate to ports was less than freight rates to the mill area. It is probable that at the present time farm prices in general are above loan rates. This is particularly likely to be the case for medium staple lengths and high grades. On the other hand, farm prices of the shorter and longer lengths and the lower grades may be below the loan rates in some instances.

CONSUMPTION

Domestic Consumption Totaled 11.2 Million
Bales for Season; 995,000 for July

Consumption totaled 11,172,328 bales in the 1941-42 season, exceeding by 15 percent the previous record of 9,721,703 bales established in the preceding season. Included in this consumption were 10,974,529 bales of American cotton, of which 46,813 bales were American-Egyptian. This volume of American Egyptian cotton was 74 percent larger than in 1940-41 and the largest since

1922-23. Consumption of foreign cotton totaled 197,799 bales, 35 percent above the preceding season and the largest since 1929-30.

Cotton consumption was 995,000 bales during July. While this is well above the 967,000 bales consumed in June and the 930,000 bales in July 1941, it is still slightly below the record consumption of 999,000 bales last April. Although consumption in July exceeded the June level, the increase was insufficient to offset the larger number of working days. Consequently, the daily rate of consumption and the index of cotton consumption based thereon declined. The July daily consumption rate was the smallest since December, being 43,300 bales per day compared with 44,000 bales in June.

Included in the July consumption were 17,248 bales of foreign-grown cotton. This compares with 16,458 bales of foreign-grown cotton in June and from 14,500 to 17,854 bales during the other months of the past season. July consumption of American-Egyptian cotton totaled 4,590 bales, the largest since March and the second highest since 1922-23.

Record Percentage of Spindles in Operation

During July, 96.4 percent of the spindles in place were in operation. This is the highest percentage on record, comparing with 96.1 percent in May and June and 94.6 percent in July 1941. The rise was a net result of an increase in the number of active spindles from 23,091,000 in June to 23,112,000 in July, a gain of 21,000, and a decrease in the number of spindles in place from 24,020,000 to 23,968,000, a decline of 52,000.

The total number of active spindle hours in July increased to 11,484 million, a new record, compared to 11,264 million in June and the previous high of 11,463 million in April. The hours of activity per spindle in operation totaled 497, also a record high. These increases in spindle hours operated are entirely attributable to the larger number of working days in July. The percentage of activity in the cotton-spinning industry, based on 80 hours per week operation, was 130.2 in July, compared with 133.2 percent in June, and a high of 138.4 percent in May.

STOCKS AND SUPPLY

Census Reports Carry-over of 10.6 Million

Bales; Quality Believed Lower than in 1941

The carry-over of cotton in the United States on August 1, 1942 was 10,589,383 running bales, according to the Bureau of the Census. This is about 1.6 million bales less than a year earlier. Included in the carry-over were 134,880 bales of foreign cotton located entirely in consuming establishments and in public storage and at compresses. At the July level of consumption there were about 8 months' supply of foreign cotton on hand. August 1 carry-over of American-Egyptian cotton in consuming establishments and in public storage and at compresses was 25,074 bales, about 5-1/2 months' supply at the July consumption rate. Data are not yet available on the quality of this year's carry-over. However, unofficial indications are that the increased demand for high quality cotton is reflected in the carry-over this season by relatively increased amounts of the lower grades and shorter lengths.

Total supply of American cotton in the United States is expected to be about 23,355,000 running bales (10,455,000 carry-over and 12,900,000 production). This compares with a total supply of 22,594,000 bales a year ago and is the largest since 1939-40. Since the new crop is expected to contain an increased quantity of long staple cotton, it is probable that the supply will be sufficient not only to meet the total needs for cotton but also the needs for each of the various grades and staple lengths.

PRODUCTION

Highest Yield and Largest Crop Since 1937 in Prospect

The 1942 crop was officially estimated at 13,035,000 bales of 500 pounds gross on the basis of August 1 conditions. This is an increase of 2.3 million bales or 22 percent of 1941, and would be the largest production since 1937. This high level of production is due in part to the larger acreage this season. More important, however, are the favorable growing conditions which are reflected in an average yield of 266.7 pounds per acre, second only to the record of 269.9 pounds per acre in 1937.

No estimate can be made of the average farm price at which the 1942 crop of lint and cottonseed will sell. If, for analytical purposes, July farm prices of cotton and cottonseed are used, the returns from lint for a crop of the size indicated would be about 1.2 billion dollars and from the seed about 0.2 billion dollars, giving a total return from marketings of 1.4 billion dollars. This would be 9 percent larger than returns in 1941 and about equal to 1929.

Although the picking season is just getting under way, ginnings are running well ahead of a year ago. Up to the end of July, 48,626 bales of new-crop cotton had been ginned compared with 1,969 bales a year earlier. Through August 15 the number of bales ginned had increased to 232,016 bales, which compares with 74,079 through August 15, 1941.

Fertilizer Consumption in 1942 Same as 1941

The consumption of fertilizer on cotton totaled about 1.5 million tons in 1942. This was practically the same amount as in 1941. Because of the smaller number of acres fertilized there was an increase in the average application of fertilizer per acre fertilized.

Present indications are that the supply of potassium and phosphate fertilizers in the Cotton Belt will be sufficient to meet normal needs in 1943. The outlook for nitrate supplies is less favorable. In areas where soils are conducive to a good growth of winter legumes, cotton farmers may find it advisable to rely on winter legumes for a larger proportion of their nitrogen needs than has been their practice in the past. For best results farmers will need to obtain not only an adequate supply of seed but they will also need to determine in the near future which fields will be planted to cotton so that they may be planted to winter legumes early enough to obtain the maximum fertilizer value from the winter cover crop. The success of

winter legumes depends partly also on having adequate supplies of minerals in the soil, particularly phosphate and potash. The combined seed supplies of the vetches, Austrian winter peas, and crimson clover are more than twice as large as in 1941 and nearly four times the 1936-40 average. These seeds are already beginning to move into the areas where they will be used. This increase in the available supply of winter legume seed should permit a marked expansion in winter legume acreage in the South and materially reduce the demands of cotton on the limited supplies of commercial nitrate.

Table 1.-- Cotton, white: Grade and staple premiums and discounts, ten markets and Memphis, July 1941, July 1942 and rates applicable under 1942 Government loan 1/

AUGUST 1942

| Grade | Ton designated markets | | | | | | | | | | | | | | |
|------------------------------|------------------------|--------|-----------|----------|--------|-----------|------------|--------|-----------|------------|--------|-----------|------------|--------|-----------|
| | 13/16 inch | | | 7/8 inch | | | 29/32 inch | | | 15/16 inch | | | 31/32 inch | | |
| | 1941 | 1942 | 1942 loan | 1941 | 1942 | 1942 loan | 1941 | 1942 | 1942 loan | 1941 | 1942 | 1942 loan | 1941 | 1942 | 1942 loan |
| | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points |
| <u>White and Extra White</u> | | | | | | | | | | | | | | | |
| Middling Fair | 26 | 58 | 33 | 6 | 43 | 17 | 55 | 56 | 63 | 66 | | | | | |
| Strict Good Middling .. | 31 | 64 | 26 | 10 | 37 | 12 | 49 | 50 | 57 | 59 | | | | | |
| Good Middling | 37 | 70 | 35 | 20 | 17 | 25 | 31 | 6 | 35 | 43 | 44 | 45 | 51 | 53 | 55 |
| Strict Middling | 47 | 82 | 50 | 8 | 28 | 10 | 19 | 4 | 20 | 30 | 33 | 30 | 39 | 42 | 40 |
| Middling | 80 | 125 | 80 | 22 | 67 | 20 | 11 | 39 | 10 | Base | Base | Base | 8 | 9 | 10 |
| Strict Low Middling ... | 128 | 237 | 140 | 71 | 175 | 80 | 61 | 149 | 70 | 51 | 116 | 60 | 43 | 107 | 50 |
| Low Middling | 206 | 432 | 245 | 142 | 364 | 175 | 136 | 343 | 170 | 131 | 318 | 165 | 126 | 317 | 160 |
| Strict Good Ordinary .. | 282 | 592 | 335 | 218 | 523 | 265 | 214 | 503 | 260 | 206 | 484 | 255 | 204 | 482 | 250 |
| Good Ordinary | 325 | 690 | 395 | 265 | 623 | 330 | 261 | 592 | 325 | 253 | 575 | 315 | 252 | 574 | 315 |
| <u>Spotted</u> | | | | | | | | | | | | | | | |
| Good Middling | 89 | 136 | 90 | 34 | 75 | 35 | 23 | 47 | 25 | 11 | 22 | 10 | 3 | 14 | 5 |
| Strict Middling | 103 | 152 | 105 | 46 | 92 | 50 | 36 | 64 | 35 | 23 | 39 | 25 | 16 | 31 | 15 |
| Middling | 152 | 248 | 160 | 93 | 182 | 100 | 84 | 156 | 90 | 72 | 131 | 80 | 63 | 123 | 70 |
| Strict Low Middling ... | 241 | 431 | 270 | 177 | 360 | 205 | 170 | 344 | 195 | 159 | 323 | 185 | 155 | 319 | 180 |
| Low Middling | 299 | 598 | 340 | 236 | 528 | 275 | 234 | 511 | 270 | 224 | 494 | 260 | 224 | 491 | 260 |
| <u>Tinged</u> | | | | | | | | | | | | | | | |
| Good Middling | 157 | 286 | 175 | 106 | 224 | 120 | 98 | 208 | 110 | 86 | 190 | 100 | 80 | 135 | 95 |
| Strict Middling | 170 | 306 | 195 | 117 | 244 | 140 | 109 | 228 | 130 | 98 | 210 | 120 | 92 | 205 | 115 |
| Middling | 245 | 446 | 275 | 181 | 379 | 215 | 179 | 359 | 210 | 174 | 345 | 205 | 174 | 343 | 205 |
| Strict Low Middling ... | 296 | 590 | 350 | 233 | 521 | 285 | 233 | 512 | 280 | 227 | 500 | 275 | 227 | 500 | 275 |
| Low Middling | 346 | 691 | 410 | 284 | 619 | 345 | 284 | 610 | 340 | 280 | 597 | 335 | 280 | 597 | 335 |
| <u>Yellow Stained</u> | | | | | | | | | | | | | | | |
| Good Middling | 258 | 514 | 300 | 201 | 446 | 235 | 198 | 437 | 230 | 189 | 417 | 225 | 186 | 414 | 220 |
| Strict Middling | 270 | 535 | 315 | 211 | 467 | 250 | 210 | 458 | 245 | 202 | 438 | 235 | 202 | 435 | 235 |
| Middling | 317 | 624 | 370 | 258 | 556 | 305 | 258 | 548 | 300 | 255 | 529 | 300 | 255 | 527 | 300 |
| <u>Gray</u> | | | | | | | | | | | | | | | |
| Good Middling | 147 | 189 | 155 | 81 | 126 | 85 | 76 | 112 | 80 | 65 | 91 | 70 | 58 | 83 | 65 |
| Strict Middling | 164 | 207 | 170 | 98 | 144 | 105 | 93 | 131 | 100 | 80 | 110 | 85 | 73 | 101 | 80 |
| Middling | 217 | 302 | 245 | 153 | 243 | 180 | 149 | 228 | 175 | 137 | 208 | 160 | 133 | 205 | 155 |

-- Continued

Table 1.- Cotton, white: Grade and staple premiums and discounts, ten markets and Memphis, July 1941, July 1942 and rates applicable under 1942 Government loan 1/ - Continued.

| Grade | Ten designated markets | | | | | | | | | Memphis | | | | | |
|------------------------------|------------------------|--------|-------------|---------------|--------|-------------|---------------|--------|-------------|---------------|--------|---------------|--------|--------|-------------|
| | 1 inch | | | 1-1/32 inches | | | 1-1/16 inches | | | 1-1/16 inches | | 1-3/32 inches | | | |
| | 1941 | 1942 | 1942: loan: | 1941 | 1942 | 1942: loan: | 1941 | 1942 | 1942: loan: | 1941 | 1942 | 1942: loan: | 1941 | 1942 | 1942: loan: |
| | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points |
| White and Extra White | | | | | | | | | | | | | | | |
| Middling Fair | 75 | 81 | --- | 87 | 120 | --- | +107 | +174 | --- | +125 | +297 | --- | 165 | 347 | --- |
| Strict Good Middling | 69 | 75 | --- | 81 | 113 | --- | +101 | +168 | --- | +125 | +297 | --- | 165 | 347 | --- |
| Good Middling | 63 | 69 | 65 | 75 | 107 | 80 | +95 | +162 | +145 | +125 | +297 | +145 | 165 | 347 | 290 |
| Strict Middling | 51 | 58 | 55 | 64 | 96 | 70 | +83 | +151 | +130 | +115 | +287 | +130 | 155 | 337 | 275 |
| Middling | 19 | 24 | 20 | 31 | 50 | 35 | +46 | +97 | +85 | +60 | +177 | +85 | 75 | 227 | 185 |
| Strict Low Middling | 31 | 93 | 40 | 19 | 71 | 30 | 4 | 39 | +10 | +20 | 1 | +10 | 35 | 29 | 80 |
| Low Middling | 121 | 307 | 155 | 117 | 302 | 150 | 114 | 301 | 145 | 125 | 325 | 145 | 115 | 310 | 145 |
| Strict Good Ordinary | 203 | 480 | 250 | 203 | 479 | 245 | 203 | 479 | 245 | 292 | 500 | 245 | 277 | 500 | 245 |
| Good Ordinary | 251 | 574 | 310 | 251 | 574 | 310 | 251 | 574 | 305 | 327 | 600 | 305 | 312 | 600 | 305 |
| Spotted | | | | | | | | | | | | | | | |
| Good Middling | 8 | 3 | 5 | 17 | 11 | 15 | +29 | +29 | +40 | +35 | +35 | +40 | 70 | 75 | 90 |
| Strict Middling | 7 | 22 | 10 | 4 | 6 | Even | +17 | +13 | +25 | +35 | +10 | +25 | 60 | 50 | 75 |
| Middling | 55 | 114 | 60 | 42 | 101 | 50 | 35 | 87 | 40 | 5 | 25 | 40 | 10 | 15 | 20 |
| Strict Low Middling | 146 | 312 | 175 | 142 | 308 | 170 | 141 | 308 | 160 | 160 | 365 | 160 | 145 | 340 | 150 |
| Low Middling | 222 | 491 | 260 | 222 | 490 | 260 | 222 | 490 | 260 | 250 | 555 | 260 | 235 | 550 | 260 |
| Tinged | | | | | | | | | | | | | | | |
| Good Middling | 74 | 176 | 85 | 70 | 172 | 80 | 65 | 168 | 75 | 50 | 155 | 75 | 25 | 105 | 10 |
| Strict Middling | 86 | 196 | 110 | 82 | 192 | 105 | 77 | 188 | 100 | 50 | 175 | 100 | 35 | 125 | 20 |
| Middling | 170 | 339 | 200 | 170 | 335 | 200 | 170 | 330 | 200 | 160 | 375 | 200 | 145 | 350 | 165 |
| Strict Low Middling | 227 | 497 | 275 | 227 | 496 | 275 | 227 | 496 | 270 | 250 | 565 | 270 | 235 | 560 | 260 |
| Low Middling | 280 | 597 | 335 | 280 | 596 | 335 | 280 | 596 | 330 | 300 | 665 | 330 | 290 | 660 | 325 |
| Yellow Stained | | | | | | | | | | | | | | | |
| Good Middling | 184 | 410 | 220 | 181 | 408 | 220 | 181 | 408 | 215 | 250 | 405 | 215 | 190 | 380 | 195 |
| Strict Middling | 201 | 431 | 235 | 201 | 429 | 235 | 201 | 429 | 235 | 260 | 425 | 235 | 200 | 400 | 205 |
| Middling | 255 | 527 | 295 | 255 | 526 | 295 | 255 | 526 | 295 | 300 | 550 | 295 | 250 | 540 | 275 |
| Gray | | | | | | | | | | | | | | | |
| Good Middling | 49 | 67 | 55 | 40 | 54 | 45 | 32 | 34 | 35 | +6 | 5 | 35 | 18 | 25 | 40 |
| Strict Middling | 65 | 85 | 70 | 56 | 72 | 60 | 48 | 52 | 50 | 2 | 20 | 50 | 10 | 10 | 35 |
| Middling | 126 | 194 | 150 | 123 | 188 | 145 | 119 | 183 | 140 | 86 | 150 | 140 | 76 | 125 | 65 |

- Continued

Table 1.- Cotton, white: Grade and staple premiums and discounts, ten markets and Memphis, July 1941, July 1942 and rates applicable under 1942 Government loan ^{1/} - Continued

| Grade | Memphis | | | | | | | | | | | | | | |
|------------------------------|--------------|--------|--------|---------------|--------|--------|---------------|--------|--------|---------------|--------|--------|--------------|--------|--------|
| | 1-1/8 inches | | | 1-5/32 inches | | | 1-3/16 inches | | | 1-7/32 inches | | | 1-1/4 inches | | |
| | 1941 | 1942 | 1942 | 1941 | 1942 | 1942 | 1941 | 1942 | 1942 | 1941 | 1942 | 1942 | 1941 | 1942 | 1942 |
| | | | loan | | | loan | | | loan | | | loan | | | loan |
| | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points | Points |
| White and Extra White | | | | | | | | | | | | | | | |
| Middling Fair | 276 | 505 | --- | 401 | 655 | --- | 588 | 805 | --- | 713 | 930 | --- | 838 | 1,080 | --- |
| Strict Good Middling | 276 | 505 | --- | 401 | 655 | --- | 588 | 805 | --- | 713 | 930 | --- | 838 | 1,080 | --- |
| Good Middling | 276 | 505 | 665 | 401 | 655 | 845 | 588 | 805 | 990 | 713 | 930 | 1,110 | 838 | 1,080 | 1,250 |
| Strict Middling | 261 | 490 | 625 | 386 | 640 | 805 | 573 | 790 | 950 | 698 | 915 | 1,070 | 823 | 1,065 | 1,210 |
| Middling | 161 | 390 | 475 | 286 | 540 | 650 | 473 | 690 | 790 | 598 | 815 | 905 | 723 | 915 | 1,035 |
| Strict Low Middling | 82 | 140 | 295 | 132 | 265 | 380 | 190 | 415 | 480 | 315 | 515 | 555 | 440 | 590 | 665 |
| Low Middling | -100 | -290 | -10 | -75 | -265 | 15 | -60 | -245 | 35 | -55 | -225 | 55 | -50 | -215 | 75 |
| Strict Good Ordinary | -245 | -500 | -245 | -242 | -500 | -245 | -238 | -500 | -245 | -235 | -500 | -245 | -235 | -500 | -245 |
| Good Ordinary | -282 | -600 | -305 | -282 | -600 | -305 | -282 | -600 | -305 | -282 | -600 | -305 | -282 | -600 | -305 |
| Spotted | | | | | | | | | | | | | | | |
| Good Middling | 140 | 150 | 295 | 225 | 250 | 410 | 355 | 350 | 510 | 430 | 425 | 590 | 560 | 500 | 710 |
| Strict Middling | 130 | 125 | 270 | 215 | 225 | 385 | 345 | 325 | 490 | 420 | 400 | 565 | 550 | 475 | 690 |
| Middling | 55 | 75 | 170 | 110 | 175 | 240 | 165 | 250 | 310 | 215 | 325 | 375 | 300 | 400 | 470 |
| Strict Low Middling | -110 | -325 | -50 | -85 | -300 | -25 | -60 | -275 | Even | -60 | -275 | 15 | -60 | -275 | 35 |
| Low Middling | -200 | -540 | -250 | -200 | -540 | -250 | -200 | -540 | -250 | -200 | -540 | -250 | -200 | -540 | -250 |
| Tinged | | | | | | | | | | | | | | | |
| Good Middling | 25 | -55 | 105 | 75 | -5 | 170 | 100 | 45 | 215 | 150 | 95 | 265 | 225 | 145 | 370 |
| Strict Middling | 15 | -75 | 90 | 65 | -25 | 155 | 90 | 25 | 200 | 140 | 75 | 250 | 215 | 125 | 355 |
| Middling | -110 | -325 | -90 | -85 | -300 | -65 | -60 | -275 | -40 | -60 | -275 | -30 | -60 | -275 | -15 |
| Strict Low Middling | -200 | -550 | -230 | -200 | -550 | -230 | -200 | -550 | -230 | -200 | -550 | -230 | -200 | -550 | -230 |
| Low Middling | -265 | -650 | -310 | -250 | -650 | -300 | -250 | -650 | -300 | -250 | -650 | -300 | -250 | -650 | -300 |
| Yellow Stained | | | | | | | | | | | | | | | |
| Good Middling | -165 | -355 | -170 | -165 | -330 | -170 | -140 | -305 | -145 | -140 | -280 | -145 | -140 | -260 | -145 |
| Strict Middling | -175 | -375 | -180 | -175 | -350 | -180 | -150 | -325 | -155 | -150 | -300 | -155 | -150 | -280 | -155 |
| Middling | -225 | -525 | -260 | -225 | -525 | -260 | -225 | -525 | -260 | -225 | -525 | -260 | -225 | -525 | -260 |
| Gray | | | | | | | | | | | | | | | |
| Good Middling | 60 | 100 | 200 | 102 | 175 | 250 | 144 | 250 | 300 | 204 | 300 | 360 | 281 | 350 | 445 |
| Strict Middling | 52 | 85 | 180 | 94 | 160 | 230 | 137 | 235 | 280 | 196 | 285 | 340 | 273 | 335 | 415 |
| Middling | -59 | -100 | 5 | -39 | -75 | 20 | -32 | -50 | 30 | -27 | -25 | 45 | -15 | Even | 65 |

Compiled from reports of the Agricultural Marketing Administration and the Commodity Credit Corporation.
^{1/} Based on Middling 15/16 inch.

Table 2.- STATISTICAL SUMMARY

| Item | Unit or base period | Year beginning August 1 | | | |
|--|---------------------------|----------------------------------|----------|----------|---------------------|
| | | 5-year average : 1935-39 : | 1940 | 1941 1/ | |
| | | | | Actual | As a pct of 1940 |
| Prices: | | | | | |
| Middling 15/16-inch, 10 markets: | Cent | 10.66 | 11.00 | 18.31 | 166.5 |
| Farm, United States | Cent | 9.90 | 9.89 2/ | 17.44 | 176.3 |
| Parity | Cent | 15.91 | 15.82 | 18.06 | 114.2 |
| Farm, percentage of parity | Percent | 62 | 63 | 97 | 154.0 |
| American-Egyptian, farm Arizona: | Cent | 3/ 21.71 | 30.08 2/ | 34.74 | 115.5 |
| SXP, New England mill points 4/: | Cent | 5/ 26.99 | 33.23 | 38.88 | 117.0 |
| Cloth, 17 constructions | Cent | 24.03 | 27.47 | 38.91 | 141.6 |
| Mill margin (17 constructions): | Cent | 12.90 | 16.35 | 20.55 | 125.7 |
| Cottonseed, farm price | Dollar | 6/ 25.29 | 6/ 21.73 | 6/ 47.65 | 219.3 |
| Cottonseed, parity..... | Dollar | 6/ 28.95 | 6/ 28.64 | 6/ 32.49 | 113.4 |
| Cottonseed, farm pct.of parity.: | Percent | 87 | 76 | 147 | 193.4 |
| Consumption: | | | | | |
| Total | 1,000 bales: | 6,938.2 | 9,721.7 | 11,172.3 | 114.9 |
| Mattress programs | 1,000 bales: | 0 | 420.0 | 68.7 | 16.4 |
| Mills, total 7/ | 1,000 bales: | 6,938.2 | 9,301.7 | 11,103.6 | 119.4 |
| American-Egyptian | Bales | 17,500 | 26,937 | 46,813 | 173.8 |
| Foreign .. | Bales | 139,135 | 146,182 | 197,799 | 135.3 |
| Spindle activity: | | | | | |
| Spindles in place 2/..... | Thousand | 26,779 | 24,474 | 24,133 | 98.6 |
| Active spindles 2/..... | Thousand | 22,831 | 22,714 | 23,070 | 101.6 |
| Percentage active | Percent | 85.4 | 92.8 | 95.6 | 103.0 |
| Hours operated, total 2/ | Million | 7,414 | 9,315 | 10,994 | 118.0 |
| Hours per spindle in operation : 2/ | Hour | 324 | 410 | 477 | 116.3 |
| Stocks, end of season: | | | | | |
| Consuming establishments | 1,000 bales: | 1,055.8 | 1,876.8 | 2,252.7 | 120.0 |
| Public storage and compresses...: | 1,000 bales: | 7,427.8 | 9,704.0 | 7,632.2 | 78.6 |
| Elsewhere 8/..... | 1,000 bales: | 524.0 | 585.0 | 705.0 | 120.5 |
| Total | 1,000 bales: | 9,007.7 | 12,165.8 | 10,589.9 | 87.0 |
| American-Egyptian 9/..... | Bales | 8,855 | 15,695 | 25,074 | 159.8 |
| Egyptian 9/..... | Bales | 36,408 | 45,423 | 39,424 | 86.8 |
| Foreign 9/..... | 1,000 bales: | 88.6 | 139.6 | 134.9 | 99.6 |
| Index numbers: | | | | | |
| Cotton consumption | 1935-39=100: | 104 | 146 | 166 | 113.7 |
| Spindle activity 10/..... | Percent | 81.0 | 110.9 | 131.0 | 118.1 |
| Prices paid, interest and taxes: | 1910-14=100: | 123 | 128 | 146 | 113.2 |
| Industrial production | 1935-39=100: | 104 | 142 | 170 | 119.7 |
| Wholesale prices | 1910-14=100: | 117 | 119 | 139 | 116.8 |

Compiled from official sources. 1/ Preliminary. 2/ Average of monthly data.
 3/ Average for 3 years, 1937-1939. 4/ SXP, No. 2, 1-1/2-inch staple.
 5/ American-Egyptian, Pima No. 2. 6/ Year beginning July 1. 7/ Total consumption less cotton consumed in Government mattress programs. 8/ Includes cotton for export on shipboard but not cleared; coastwise; in transit to ports, interior towns, and mills; on farms, etc. 9/ Summation of stocks in consuming establishments, and in public storage and at compresses. 10/ Based on 5-day, 80 hour week operation.

Table 3.- STATISTICAL SUMMARY

| Item | Unit or base period | 1942 | | | | Pct. of year ago 1/ |
|---------------------------------------|---------------------------|--------|--------|--------|--------|---------------------------|
| | | July | May | June | July | |
| Prices: | | | | | | |
| Middling 15/16-inch, 10 markets ... | Cent | 15.58 | 20.01 | 18.94 | 19.42 | 125 |
| Farm, United States | Cent | 14.32 | 19.17 | 18.26 | 18.55 | 130 |
| Parity | Cent | 16.49 | 18.85 | 18.85 | 18.85 | 114 |
| Farm, percentage of parity | Percent | 87 | 102 | 97 | 98 | 113 |
| Premium of 1-1/8-inch over basis 2/: | | | | | | |
| Memphis | Point | 155 | 450 | 450 | 450 | 290 |
| Carolina "B" mill area | Point | 300 | 650 | 638 | 635 | 212 |
| New England mill area | Point | 325 | 675 | 662 | 660 | 203 |
| American-Egyptian, farm, Arizona ... | Cent | 30.7 | 40.3 | 39.7 | 40.3 | 131 |
| SXP, New England mill points 3/ ... | Cent | 35.50 | 44.35 | 44.41 | 44.52 | 125 |
| Cloth, 17 constructions | Cent | 34.74 | 40.90 | 40.69 | 40.62 | 117 |
| Mill margin (17 constructions) | Cent | 19.06 | 20.95 | 21.82 | 21.27 | 112 |
| Cottonseed, farm price | Dollar | 35.90 | 43.99 | 43.87 | 43.20 | 120 |
| Cottonseed, parity | Dollar | 29.99 | 34.28 | 34.28 | 34.28 | 114 |
| Cottonseed, farm, pct. of parity ... | Percent | 120 | 128 | 128 | 126 | 109 |
| Consumption: | | | | | | |
| Total, during month | 1,000 bales | 929.8 | 957.0 | 966.9 | 995.0 | 107 |
| Total, cumulative 4/ | 1,000 bales | 9,722 | 9,203 | 10,169 | 11,172 | 115 |
| Mattress programs, total | 1,000 bales | 49.0 | 1.7 | .3 | 0 | --- |
| Mattress programs, cumulative | 1,000 bales | 420.0 | 68.4 | 68.7 | 68.7 | 164 |
| Mills, total 5/ | 1,000 bales | 880.8 | 955.3 | 966.6 | 995.0 | 113 |
| Mills, cumulative 4/ | 1,000 bales | 9,302 | 9,134 | 10,101 | 11,104 | 119 |
| Per day, total | Bale | 42,263 | 45,572 | 43,952 | 43,263 | 102 |
| Per day, in mills 5/ | Bale | 40,036 | 45,491 | 43,938 | 43,263 | 108 |
| American-Egyptian cotton, total ... | Bale | 3,087 | 4,209 | 4,383 | 4,590 | 149 |
| American-Egyptian, cumulative 4/ ... | Bale | 26,937 | 37,497 | 41,880 | 46,813 | 174 |
| Spindle activity: | | | | | | |
| Spindles in place | Thousand | 24,335 | 24,062 | 24,020 | 23,968 | 98 |
| Active spindles | Thousand | 23,028 | 23,121 | 23,091 | 23,112 | 100 |
| Percentage active | Percent | 94.6 | 96.1 | 96.1 | 96.4 | 102 |
| Hours operated, total | Million | 10,537 | 11,193 | 11,264 | 11,484 | 109 |
| Hours per spindle in operation | Hour | 458 | 484 | 488 | 497 | 109 |
| Hours per day 6/ | Hour | 14.8 | 15.6 | 16.3 | 16.0 | 108 |
| Stocks, end of month: | | | | | | |
| Consuming establishments | 1,000 bales | 1,877 | 2,589 | 2,441 | 2,253 | 120 |
| Public storage and compresses | 1,000 bales | 9,704 | 9,403 | 8,459 | 7,632 | 79.6 |
| Total 7/ | 1,000 bales | 11,581 | 11,992 | 10,900 | 9,885 | 85 |
| Egyptian cotton, total 7/ | Bale | 45,423 | 42,918 | 37,654 | 39,424 | 87 |
| American-Egyptian cotton, total 7/ .. | Bale | 15,695 | 32,309 | 29,454 | 25,074 | 160 |
| Index numbers: | | | | | | |
| Cotton consumption | 1935-39=100 | 162 | 175 | 169 | 166 | 102 |
| Spindle activity 8/ | Percent | 123.0 | 138.4 | 133.2 | 130.2 | 106 |
| Prices paid, interest and taxes ... | 1910-14=100 | 133 | 152 | 152 | 152 | 114 |
| Industrial production | 1935-39=100 | 159 | 174 | 176 | 180 | 109 |
| Wholesale prices | 1910-14 100 | 130 | 144 | 144 | 144 | 111 |

Compiled from official sources. 1/ Applies to last month for which data are available. 2/ Premiums for Middling 1-1/8-inch based on near active month futures at New York. 3/ SXP, No. 2, 1-1/2-inch, staple. 4/ July 1942, total for season and not a summation of data shown for previous months. 5/ Total consumption less cotton consumed in Government mattress programs. 6/ Total hours per spindle in operation divided by number of days in calendar month. 7/ Includes only stocks in mills and public storage and at compresses. 8/ Based on 5-day, 80-hour per week operation.

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