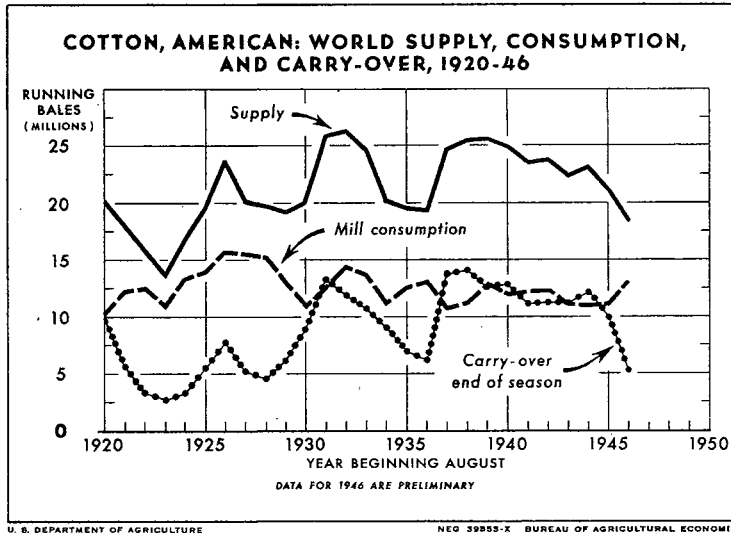


BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

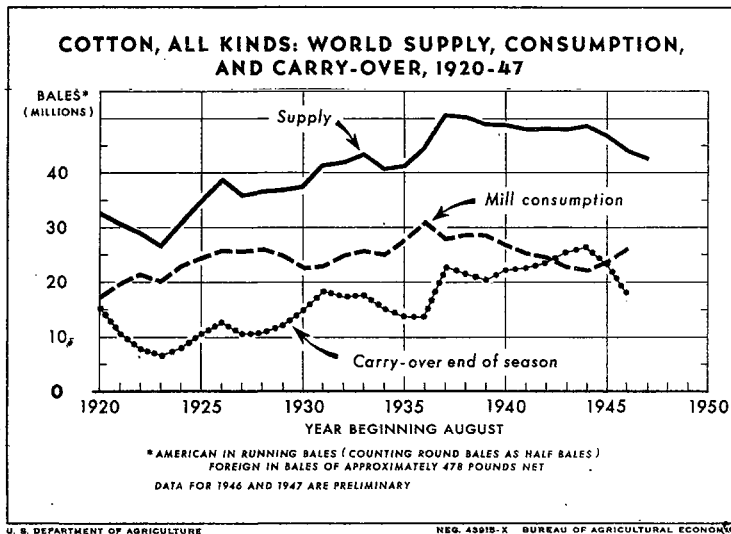
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AUG.-SEPT.-OCT. 1947



World supplies of American cotton for the 1946-47 season are estimated at 18.4 million bales, the lowest level since 1924. They are 4.5 million bales below the 1935-39 average. Continued domestic consumption at a record peacetime level, exceptionally small crops in 1945 and 1946, and a marked increase in foreign consumption of American cotton after the war, are responsible for the 23-year low in supplies of American cotton.



World supply of all kinds of cotton for 1947 is estimated at 42,289 million bales compared with 44.1 million bales for 1946. Since 1937, when supplies were at a peak of 50.4 million bales, they have declined every year except in 1940, 1942, and 1944, but the rate of decline has been more pronounced in the last three seasons. Total mill consumption of 26 million bales in 1946 is an increase of about 11 percent over 1945 and is 17 percent above 1944 consumption. World carry-over at the end of the 1946 season is estimated at about 17.9 million bales, a reduction of 5.2 million bales from carry-over a year earlier and 8.6 million bales decrease from the 1944 carry-over. This reduction is due to the increased rate of consumption and also to the somewhat smaller production in 1945 and 1946.

MONTHLY STATISTICAL SUMMARY FOR COTTON

Item	Unit or base period	1947				Percent of year ago 1/
		August	June	July	August	
Prices:						
Middling 15/16-inch, 10 mar-						
kets	Cent	35.49	37.18	37.52	34.34	97
Farm, United States	Cent	33.55	34.07	35.88	33.15	99
Parity	Cent	25.05	28.64	28.64	29.14	116
Farm, percentage of parity..	Percent	134	119	125	114	85
Premium of 1-1/8 inch over ..						
basis 2/:						
Memphis	Point	200	361	515	432	216
Carolina "E" mill area....	Point	377	534	766	668	187
Cloth, 17 constructions.....	Cent	58.85	83.34	86.71	88.00	150
Mill margin (17 construc-						
tions).....	Cent	24.09	46.46	49.49	53.96	224
Cottonseed, farm price	Dollar	59.10	79.60	79.00	75.50	128
Cottonseed, parity	Dollar	45.55	51.90	52.10	53.00	116
Cottonseed, farm, pct. of ..						
parity	Percent	130	153	152	142	109
Consumption:						
All kinds during month, total	1,000 bales	855.5	728.3	677.5	710.6	83
All kinds per day, total ...	Bale	38,887	34,679	30,795	33,838	87
American-Egyptian cotton,						
total	Bale	1,040	534	416	374	36
Foreign cotton, total	Bale	22,167	16,493	16,132	18,482	83
Stocks, end of month:						
Consuming establishments ...	1,000 bales	2,082.7	1,677.0	1,400.1	1,154.3	55
Public storage and com-						
presses	1,000 bales	3,834.3	1,229.8	900.5	833.1	22
Total 3/	1,000 bales	5,917.0	2,906.8	2,300.6	1,987.4	34
Egyptian cotton, total 3/...	Bale	37,738	56,654	53,224	49,489	131
American-Egyptian cotton,						
total 3/	Bale	6,309	3,428	3,660	3,056	48
Index numbers:						
Cotton consumption	1935-39=100	149	133	118	130	87
Prices paid, interest, and						
taxes	1910-14=100	202	231	231	235	116

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/ Includes only stocks in mills and public storage and at compresses.

Compiled from official sources

ANNUAL STATISTICAL SUMMARY FOR COTTON

Item	Unit or base period	Year beginning August				
		5-yr. av. 1935-39	1945	1946 1/		
				Actual	as a percent of 1935-39	1945
Prices:						
Middling 15/16 inch, 10 markets	Cent	10.66	25.96	34.82	327	134
Farm, United States	Cent	9.91	22.52	32.64	329	145
Parity	Cent	15.80	22.34	27.05	171	121
Farm, percentage of parity	Percent	64	106	122	191	115
Cloth, 17 constructions	Cent	24.03	46.94	77.98	325	166
Mill margin, 17 constructions	Cent	12.90	21.32	43.52	337	204
Cottonseed, farm price 3/	Dollar	25.29	51.10	78.52	310	154
Cottonseed, parity 3/	Dollar	32.32	40.10	48.58	150	121
Cottonseed, farm, pct. of parity 3/ ..	Percent	78	127	162	208	128
Consumption:						
All kinds	1,000 bales	6,938.2	9,163.2	10,035.3	145	110
American-Egyptian cotton	Bale	17,500	19,485	9,448	54	48
Foreign cotton	Bale	139,185	197,582	247,733	178	178
Trade:						
Exports	1,000 bales	5,300.1	3,552.7	3,503.0	66	99
Imports	1,000 bales	185.1	349.0	284.0	153	81
Cotton spindle activity:						
Spindles in place, monthly average..	Thousand	26,779	23,818	23,880	89	100
Active spindles, monthly average....	Thousand	22,881	21,836	21,718	95	99
Percentage active	Percent	85.6	91.7	90.9	106	99
Hours operated, total	Million	7,414	8,773	9,568	129	109
Hours per spindle in operation	Hour	323	388	441	137	114
Carry-over, all kinds, end of year:	1,000 bales	8,336.6	7,326.0	2,520.6	30	34
Stocks end of year:						
Consuming establishments	1,000 bales	1,019.2	2,282.4	1,400.1	137	61
Public storage and compresses	1,000 bales	6,751.4	4,463.6	900.5	13	20
Elsewhere	1,000 bales	566.0	580.0	220.0	39	38
Egyptian cotton, total 4/	Bale	36,408	40,069	53,224	146	133
American-Egyptian cotton, 4/	Bale	8,855	5,677	3,660	41	64
Income:						
Returns from marketings						
of cotton and cottonseed	\$ million	755	1,176	1,631	216	139
Index numbers:						
Cotton consumption	1935-39=100	104	138	150	144	109
Spindle activity 5/	Percent	81	107	116	143	108
Prices paid, interest, and taxes ...	1910-14=100	129	180	218	169	121

1/ Preliminary. 2/ Average of monthly data. 3/ Year beginning July 1. 4/ Included only stocks in mills and public storage and at compresses. 5/ Based on 80-hour week operation. Compiled from official sources.

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

Approved by the Outlook and Situation Board, October 14, 1947

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OUTLOOK ISSUE

SUMMARY

United States supplies of cotton for the 1947-48 season are expected to be about 14 percent smaller than for 1946-47, despite the fact that the 1947 crop is estimated to be 33 percent larger than last year. During the year ending August 1, 1947, carry-over dropped to 2.5 million bales. This reduction of 4.8 million bales is considerably greater than the estimated increase of 2.6 million bales in 1947 production.

Cotton prices declined about 8 cents from mid-July to early September and the average for the 10 markets on October 11 was 7 1/2 cents below a year ago. Prices received by farmers in September averaged 31.21 cents per pound compared with 35.30 cents in September last year, and the seasons' average of 32.64 cents in 1946.

If prices received for cotton lint and seed in 1947-48 are about the same as the September average, the income farmers would receive from the 1947 cotton crop, now estimated at 11.2 million bales, will be about 1/3 more than from the 1946 crop. This would be the first 2-billion-dollar cotton crop since 1919.

Domestic consumption in 1947-48 is expected to be about 8 3/4 million bales compared with 10 million last year and the 1935-39 average of 6.9 million bales.

Mill margins currently are higher than at any time of record and should encourage large output.

The supply of cotton textiles at both wholesale and at retail levels is expected to increase in 1947-48, as it did in 1946-47. This may cause somewhat lower prices, both wholesale and retail.

If proposed credits to foreign governments are provided, exports of cotton in 1947-48 may total 2 1/2 million bales compared with 3.5 million bales in 1946-47 and the 1935-39 average of 5.3 million bales.

If 1947 production, consumption and exports are as estimated in October, the August 1, 1948 carry-over will be around 2.6 million bales, or slightly above the carry-over at the beginning of this season.

World mill consumption of commercial cotton in 1947-48 is expected to be about 26 million bales, approximately the same as in 1946-47 and compares with the wartime low of 22.2 million bales in 1944-45, and the 1935-39 average of 28.5 million bales.

Principal areas where consumption is expected to increase are Europe and the Orient. Consumption in each of these areas may expand slightly over 1/2 million bales above last season. Slight increases also are expected for the United Kingdom and in Brazil. Consumption in foreign countries in 1946-47 is estimated at 16 million bales, 27 percent above the wartime low in 1944-45 but 26 percent below the 1935-39 average.

World production of commercial cotton in 1947-48 is expected to total about 24-1/3 million bales, compared with the 1946-47 crop of 21.0 million bales and the 1935-39 average of 29.7 million bales. The estimated increase of 2.6 million bales in the United States will account for over 3/4 of the world gain over last year. The remainder of the expected increase in world production will come largely from South America, Egypt, and China.

World carry-over of commercial cotton on August 1, 1948 will approximate 16.1 million bales based on tentative estimates of production and consumption in 1947-48. This carry-over which will be the smallest since 1937 is estimated to be 1-3/4 million bales smaller than on August 1, 1947 and 10.3 million bales smaller than the all-time record established in 1945.

(For release October 23, p. m)

THE DOMESTIC SITUATION AND OUTLOOK

Income from 1947 Crop will be at Record Level

If prices for cotton in 1947-48 are about equal to the average for September and the crop is 11.2 million running bales as currently estimated, farmers will receive more than 2 billion dollars for a cotton crop for the first time in nearly 3 decades. The cash receipts from the 1947 crop would exceed receipts from the 1946 crop by 29 percent and would nearly triple the 1935-39 average. Receipts of this size would be the largest since 1919.

Cotton Prices Decline While Parity Advances

Cotton prices in September, and first half of October continued the general downward trend which began about mid-July. During this period, the average price of middling 15/16 inch cotton in the 10 markets declined from last season's peak of 39.35 cents to around 31 cents. The main factors contributing to the decline were the estimated size of 1947 crops and uncertainty concerning effective foreign demand for American cotton during the fall and winter.

Prices farmers received for cotton averaged 31.21 cents per pound in mid-September, compared with 33.15 cents in mid-August, 35.88 cents on July 15, and the season's average for 1946-47 of 32.64 cents. Prices received for cottonseed in mid-September averaged \$75.60 compared to \$78.52 for the season's average of the 1946 crop.

The parity price of cotton advanced 25 points from August 15 to a new record of 29.39 cents per pound on September 15. This compared with 24.80 cents on September 15, 1946 and the average of 27.05 for last season.

1947-48 Supplies Smallest Since 1923

Although the 1947 crop of 11.2 million bales is 33 percent larger than the 1946 crop, the supply of cotton for 1947-48 will be about 14 percent smaller than for last year and the smallest since 1923-24. Including imports of 200,000 bales, it is estimated that the 1947-48 supply will be 13.9 million bales. This compares with 16.2 million bales for 1946-47, an average of 21.3 million in 1935-39, 12.9 million in 1923-24, and the record of 24.6 in 1939-40.

The 1947 carry-over of 2.5 million bales is the lowest since 1929 and compares with 7.3 million bales for 1946, 11.2 millions for 1945 and 8.3 millions for 1935-39 average. This year's carry-over amounts to about 3 months disappearance at the August rate.

Consumption to Decline
From 1946-47 High Rate

It is estimated that mill consumption in the United States in 1947-48 will be 8-3/4 million running bales, below the 10 million bales used last season but well above the 1935-39 average of 6.9 million. Consumption last season was a peacetime record and had been exceeded only in 1941-42 and 1942-43 when it averaged over 11 million bales.

The rate of mill consumption per working day declined somewhat more than seasonally from February through July and then turned upward. Mill use in August averaged 33,838 bales per working day which is equal to an annual rate of 9.5 million bales, seasonally adjusted. Employment in cotton textile mills during August (the latest month for which data are available) averaged 446,000 workers, 6 percent below the season's high average reached in February and the same as in June and July a year earlier.

Mill margins--difference between cloth prices and the price of an equivalent quantity of cotton--declined during the three months ending in June. The trend then reversed and margins in September were above the previous peak of last March and more than double the margins of August 1946. Mill margins are now a great deal more favorable to mills than during the war, even after the increase in wages and other costs to mills are taken into account. The relatively high mill margins should encourage a continued high rate of production.

In June 1947, the quantity of gray goods and yarn in the hands of manufacturers was about 12 percent smaller than a year earlier and 14 percent smaller than the average for 1941. ^{1/} Shipments, however, were about 15 percent smaller in June 1947 than in June 1946 and were nearly 1/3 smaller than the monthly average for 1941. Although manufacturers are keeping inventories at a favorable level compared with 1941, the lag in shipments may result in curtailed production. This would be particularly true if the rate of shipments declines further during the next several months. The lag in shipments may result in curtailed mill output. This would be particularly true if the rate of shipments decline further.

Stocks of many selected items at retail, a large share of which are made from cotton, ^{2/} increased significantly in quantity ^{3/} between June 1946 and June 1947. Stocks of most of these items in department stores were approximately the same in June 1947 as in June 1941, the first year for which data are available and the last pre-war year. Sales of these items in department stores have declined in quantity since last fall and in June 1947 were from 10 to 20 percent below a year earlier. In most instances sales ranged from about the same to 2/5 larger than in 1941. Sales in relation to end of the month stocks are also quite favorable compared with the average relationship of stock to sales in 1941.

^{1/} The relative level of quantity inventories and shipments is indicated by dividing the index of dollar value of inventories and shipments by the index of cotton cloth prices at wholesale.

^{2/} The department store groups of items included are: womens' and misses' dresses, blouses, skirts, sportswear, etc., aprons, housedresses, uniforms; men's furnishings, hats and caps; draperies, curtains, upholstery, awnings, etc.; linens and towels, domestics including muslins, sheetings, etc., and cotton wash goods.

^{3/} Indications of changes in physical quantity were arrived at by dividing the index of dollar value of each of these groups by the index of clothing prices.

It appears that supplies of cotton textiles are gradually becoming more in balance with the demand and that stocks at retail are approaching the pre-war relationship with sales. Some further accumulation can occur before stocks would become burdensome. But if sales decline further the rate of accumulation would be greatly accelerated. This probably would result in lower retail prices and increased sales. Therefore, it is unlikely that stocks in retail stores and in other distribution channels will become burdensome within the next several months. But supplies of cotton goods in domestic markets may increase generally and lower prices may be expected.

In foreign markets, the demand for cotton textiles is not expected to continue as strong as it was during the first half of 1947. Exports of all types of cotton fabrics totaled 857 million square yards during the first seven months in 1947, 10 percent more than the 775 million exported during 1946.

In July, exports totaled 129 million square yards. If the July rate is maintained during the remainder of 1947, total cloth exports will equal about 1.5 billion yards and will be over 80 percent higher than for any year of record. ^{4/} However, it is unlikely that foreign demand will be sufficient to maintain exports at this level, and in 1948 they probably will not exceed the amount exported in 1946.

Estimated 1947-48 Exports, Smaller
But in Line with Seasons' Supplies

Although the outlook for cotton exports during the 1947-48 season was quite uncertain in late September, preliminary estimates indicate that 2-1/2 million bales may be exported. This estimate assumes that the proposed government programs to aid Europe become effective by early 1948 and will result in the purchase of United States cotton. Last season 3.5 million running bales were exported, 3.6 million bales in 1945-46 and an average of 5.3 million in 1935-39.

The supply of dollar exchange and the amount of unused credits available to foreign countries is much less than a year ago. As a result, most cotton importing countries are not in as favorable position for importing cotton as they were last season. However, there is a dire need for cotton products abroad. Wherever labor, equipment and other resources are adequate, mills will be operated at the maximum level permitted by the supply of raw cotton. Cotton probably will be one of the major commodities for which a sizeable share of the dollar exchange in the hands of importing countries will be utilized. A possible exception is the United Kingdom where considerable stocks have been accumulated.

Stocks of cotton on August 1, 1947, in Europe including the United Kingdom but excluding Russia, totaled about 4.3 million bales compared with 4.1 million bales a year earlier. Stocks in the United Kingdom totaled 2.0 million bales, about the same as a year earlier and equivalent to slightly over a year's requirements at the current rate of consumption. France had about 650 thousand bales on hand last August 1, 1947 or about 7 or 8 months requirements. Italy had sufficient cotton to keep mills operating about 10 months. Under the proposed programs for supplying cotton to Germany and Japan, Government agencies will participate only indirectly. Actual shipments of cotton will be carried out by private agencies. The Export-Import Bank will extend credits up to 20 million dollars for Germany and 100 million dollars for Japan for establishing revolving funds for the purchase of cotton to be used in these countries. First shipments to Germany under the program have been made, and by late fall the program for Japan should be in operation. Shipments under these programs may total from 800,000 to a million bales during 1947-48.

^{4/} Not readily available prior to 1918.

Relatively large stocks of cotton are available in foreign producing countries, particularly in Brazil and Egypt, and these will compete with U. S. cotton in foreign markets at prices significantly lower than current U. S. prices. Since the current export subsidy is only 1/2 cent per pound compared with 4 cents a year ago, it is less effective in offsetting lower prices in other countries. Between August 1 and October 3 registrations for exports under the Sales for Export Program totaled 105,242 bales compared with 400,000 bales during the first two months of last season.

Carry-over to Remain
about same in 1948

Indications are that the August 1, 1948 carry-over of cotton in the U. S. will be slightly larger than the 2.5 million on August 1, 1947. With supplies of cotton for the 1947-48 season estimated at 13.9 million bales and disappearance at 11.3 million bales, carry-over next August 1 would be about 2.6 million bales.

Further Expansion of Production
in 1948 to be Difficult

It seems unlikely that many farmers will increase the acreage planted to cotton in the face of sagging cotton prices and relatively more favorable prices for feed crops and for most livestock and livestock products. For example, the price of cotton received by farmers on September 15 was 12 percent less than it was at the same time a year ago, and 4 percent below the 1946 season average.

In the same period, corn prices rose 39 percent, wheat 36 percent, grain sorghums 28 percent, beef cattle 46 percent, and hogs 69 percent. Furthermore, continuing high levels of industrial employment and wages make it unlikely that much more labor will be available for cotton production.

Minor increases in cotton acreage may take place in certain areas in 1948 as a result of reduced acreage quotas for peanuts and tobacco. But the effect of these changes may be offset by decreases in other areas.

Quality of 1947-48 Supplies depends
mainly on Quality of 1947 Crop

The quality of cotton available to mills is likely to be higher during 1947-48, if weather conditions are favorable during the remainder of the harvesting season. Compared with 1946, the 1947 carry-over contains relatively more cotton of strict Middling grade or better and relatively less of all grades lower than strict Middling. Staple length of the 1947 carry-over averages longer than for any year on record. The proportion of cotton 29/32" and shorter was down sharply from a year earlier, while the proportion 15/16" and longer was up.

Because of the much smaller carry-over the quality of the cotton available to mills during 1947-48 will be determined to a much larger degree by the current crop than was the case last year. The 1946 carry-over made up 46 percent of the 1946-47 supply while the 1947 carry-over will be only 18 percent of the estimated total supply for 1947-48.

Early ginnings from the 1947 crop were about 1/32" shorter in length of staple but much higher in grade than for 1946. However, the quality of the current crop will depend largely on the weather during the remainder of the harvesting season.

Rayon Output 10 Percent Above 1946;
Further Increase Expected

During the first half of 1947, production of filament yarn and staple fiber totaled 468 million pounds, 10 percent above production for the same period in 1946. A further increase in production is expected during the next 12 to 18 months. The rate for the first half of 1947 is equal to an annual rate of 936 million pounds which is equivalent to 2.2 million bales of cotton. In 1946, 854 million pounds were produced, the equivalent of 2 million bales of cotton.

The increase in rayon production during the first half of 1947 was about in line with the increase estimated last January by the Textile Economic Bureau, Inc. This survey estimated that plant capacity would have increased about 25 percent over November 1946 by the end of 1948.

Staple fiber production during the first half of 1947 was 20 percent above 1946 and about 1/4 of the total rayon output, compared with about 1/5 in 1946 and only 1/8 in 1939. By the end of 1948 the rayon industry is expected to increase its capacity for staple fiber about 66 percent above November 1946.

Filament yarn production in 1946 increased about 9 percent over 1945 and made up 4/5 of the total rayon output. During the first half of 1947, 362 million pounds were produced. This annual rate of 724 million pounds is equivalent to 1.7 million bales of cotton. During 1946, production totaled 678 million pounds, the equivalent of 1.6 million bales of cotton.

Deliveries of filament yarn by trades indicate that the increased production has been fairly evenly distributed between the different fabric manufacturers, with about half the filament yarn produced in 1946 going into broad woven goods. During the first half of 1947, the amount used for this purpose was about 8 percent larger than the same period last year, the miscellaneous uses increased slightly more. For instance tire manufacturers, who used about 1/3 of the output in 1946, used about 5.7 million pounds, or about 5 percent more in the first half of 1947 than a year earlier.

The actual increase in rayon going into the production of tire fabric and cord during the first half of 1947 was not as large as the increase in cotton used for the same purpose. About 37 percent of the total tire fabric and cord produced in the first half of 1947 was made from rayon filament yarn, but in 1946 rayon made up 40 percent of the total. The slight decline in proportion of rayon used in tire fabrics and cord was due to the fact that output of cotton fabric and cord in the first half of 1947 averaged 24 percent higher than the 1946 annual rate. Because of the improved supply-demand position of automobile tires during the last several months, however, cotton tire-fabric production cannot be expected to continue at this rate during the remainder of 1947 and in 1948.

Ratio of Rayon Prices to Cotton Prices
Up Since a Year Ago, But Below 1935-39 Average

After remaining stable during the war and until November of 1946, the prices of filament yarn and staple fiber increased. In August 1947, they were about 22 and 28 percent above prices a year earlier. During the same period cotton prices declined about 5 percent, therefore, cotton's competitive price position is slightly improved. However, cotton prices still are much less favorable in this respect than

before the war. Rayon prices in August were only about 20 percent above the 1935-39 average while cotton prices were about 3 times the pre-war average. In August, the ratio of the price of rayon filament yarn to the price of cotton yarn was 0.73 compared with 0.72 a year ago and an average of 1.55 in 1935-39. The ratios of the price of rayon Staple fiber to the price of Middling 15/16 inch cotton for the same periods were 0.80, 0.62 and 2.15.

As the supply of fibers increases and price becomes more important to fabricators in the selection of raw materials, rayon will become an even stronger competitor to cotton during 1947-48 and the immediate years ahead.

WORLD SITUATION AND OUTLOOK

Foreign Cotton Prices About the Same As Year Ago; U. S. Prices Lower

Except for Argentina and India, the price of cotton in most foreign countries in September 1947 averaged about the same or slightly lower than the average for September 1946. Since cotton prices at New Orleans this September averaged about 5-1/2 cents less than a year earlier, the spread between domestic and foreign cotton prices, not considering the export subsidy, was significantly less than a year ago. In Argentina the price of Type B at Buenos Aires averaged 34.98 cents per pound in September compared with slightly over 28 cents for September 1946. The current price of Argentina Type B cotton is 3.61 cents above the price of middling 15/16 inch cotton at New Orleans.

During 1946-47, cotton prices in most foreign countries were a great deal more stable than were United States prices. In Brazil, the monthly average price of Type 5 at Sao paulo ranged from a low of 24.08 cents for November to a high of 27.60 cents in March. Average monthly prices of middling 15/16 inch cotton in Torreon, Mexico varied from 25.23 cents in August of 1946 to 29.89 cents in November. The spread between New Orleans and Brazilian and Mexican prices narrowed considerably during the late fall and winter of the 1946-47 season but widened again during the spring and summer. This change in spread was due largely to the decline in U. S. prices during the fall and the increase during the spring. During May, June, and July prices of Type 5 at Sao Paulo averaged 11 cents less per pound than prices of middling 15/16 inch cotton at New Orleans. Prices of middling 15/16 inch at Torreon were about 8 cents less during this period. The decline in U. S. prices since mid-July has reduced the spread between cotton prices in the U. S. and in Brazil and Mexico by about half. In September, 1947, Type 5 at Sao Paulo averaged 5.75 cents below middling 15/16 inch cotton in New Orleans. Middling 15/16 cotton in Torreon, Mexico, averaged 4.74 cents below the New Orleans price.

The export subsidy on U. S. cotton has been reduced from 4 cents per pound to 1/2 cent since the beginning of last season. As a result, the difference between the export price of American and Brazilian cotton is about 5.25 cents and the difference between American and Mexican prices is proportionately less. Thus, U. S. cotton is now in as favorable or slightly more favorable position than a year ago to compete in foreign markets with cotton from other Western Hemisphere countries.

The wide swings in U. S. prices in 1946-47 were not reflected significantly in the price movements in other foreign producing countries. This probably is explained largely by the fact that the staple length of cotton produced in these countries (mainly Egypt and India) varies considerably from American cotton, and also to various government controls in these countries which affect prices.

In Egypt the price of Ashmuni Fully Good Fair declined slightly in August 1947 and was not quoted in September. The average for September 1946 was 33.05 cents. In India, prices of Jarilla Fine at Bombay declined about a half-cent per pound from July to August but increased about 16.62 cents per pound during September, slightly higher than a year earlier.

World Mill Consumption About
Same in 1947-48

World mill consumption of cotton in 1947-48 is expected to be about 26.0 million bales, about the same as for 1946-47, and still will be below the 1935-39 average of 28-1/2 million. In the two years following the end of the war, world consumption has increased from slightly over 3/4 of the 1935-39 average to 91 percent in 1946-47.

Mill consumption in continental Europe (excluding the United Kingdom and Russia) was about 40 percent higher in 1946-47 than in 1945-46, but was less than 3/4 of the 1935-39 level. Countries making substantial gains last year include Italy, Czechoslovakia, Belgium, France, Yugoslavia, Switzerland, and Netherlands. Preliminary estimates indicate mill consumption in this area may increase about 1/2 million bales in 1947-48. However, a number of difficulties stand in the way of general improvement. Shortage of exchange with which to buy raw cotton already is limiting consumption particularly in Belgium and Spain. Although supplies have been adequate to keep mills operating in France and Italy, dollar shortages will be encountered in 1947-48. Other factors will retard consumption but the effects will vary among countries. These include shortages of coal and power, shortage of equipment for replacing or modernizing plants and labor difficulties.

Mill consumption in Austria, Poland, and Germany increased either very little or somewhat less than was expected last season. In Germany, progress toward a pre-war scale of operations is very slow. Consumption last season in the whole of Germany was slightly over 1/4 million bales compared with the 1935-39 average of 1 million bales. The difficulties vary among occupation zones but the chief ones are coal shortages, lack of labor and low productivity as well as bottlenecks in sizing materials, spare parts and accessories. Raw cotton supplies have been adequate to keep mills operating but were at a low level at the beginning of this season. Practically all of the cotton consumed in the American and United Kingdom Zones came from the United States.

In the United Kingdom, recovery of the textile industry has been delayed by labor and fuel shortages. Currently, only about 3/4 as many workers as before the war are employed in textile mills. The Government is making a strong effort to recruit additional labor and increase output, mainly for export purposes. A special plant modernization plan under which the Government will bear up to 1/4 of the cost was initiated early in 1947 and may be expected to have considerable effect particularly when new machinery and replacement parts become more plentiful. Consumption in the United Kingdom totaled about 1.7 million bales last season compared with 1.6 million bales in 1945-46. Stocks at the beginning of the current season were about 2 million bales, about the same as a year earlier and equal to a years' requirements at the present rate of output.

In the Far East, both Japan and China have succeeded in expanding consumption from 1945-46 to 1946-47, but India was not able to maintain the 1945-46 rate because of work stoppages and shortages of fuel. Mill consumption in India declined about 10 percent last season but was still about 25 percent above pre-war. In Japan, sufficient labor, power, and other requirements have been mobilized to

operate about 2-1/4 million of the 2.9 million spindles in place on July 1, 1947. Cotton mill activity increased from the time United States cotton began arriving in June 1946, and at the end of the 1946-47 season was running at an annual rate of slightly over 800,000 bales. Consumption during 1947-48 is expected to total about 800,000 bales of which about 2/3 will be United States cotton.

Chinese mills used about 1-1/2 million bales in 1946-47, or about twice as many as a year earlier. About 1-3/4 million bales will be consumed this season.

Most countries in the Western Hemisphere increased domestic mill consumption last year over 1945-46. As in the United States, the increased output was used to rebuild consumer supplies, to meet increased demands resulting from higher incomes and to increase exports. In South and Central America, the strong upward trend of the war years is leveling off and in some countries a decline has set in. As new machinery becomes available in these countries, however, plant capacity will expand and the quality of textiles should improve. Until then, the market for their production will be limited mainly to domestic requirements and to the needs of nearby countries. Mill consumption in Brazil totaled 850,000 bales in 1946-47 compared with 900,000 bales in 1945-46; consumption in Argentina for the two seasons was 342,000 and 346,000 bales respectively. In Mexico mill consumption declined to 298,000 bales in 1946-47 from 319,000 in 1945-46 because of a decline in the demand for exports of the type of cloth produced.

World Carry-over Down and 1947-48 Supplies Below Last Season

The World carry-over of all kinds of commercial cotton on August 1, 1947, is estimated at 17.9 million bales, compared with 23.1 million bales on August 1, 1946 and 26.5 million bales for 1945. More than 4/5 of the reduction in world carry-over during the past two seasons occurred in American cotton which declined from 12.2 million bales on August 1, 1945 to 5.3 million bales on August 1, 1947. The carry-over of foreign cotton during the last two years declined from 14.3 to 12.6 million bales, or 1.7 million bales.

The estimated world carry-over plus the estimated 1947 crop gives a world supply for 1947-48 of 42.3 million bales. This is 1.8 million bales smaller than the supply of commercial cotton for the 1946-47 season and 8.1 million bales below the peak year of 1937. The 1947 world crop of commercial cotton is now estimated at 24.4 million bales compared with 21.0 million bales in 1946-47 and the 1935-39 average of 29.7 million bales. If world consumption during 1947-48 is as estimated the world carry-over of commercial cotton on August 1, 1948 may be decreased to around 16.1 million bales.

World Production Will be a Sixth Larger in 1947-48 than in 1946-47

After two seasons with production less than 3/4 as large as the 1935-39 average crop, world cotton production in 1947-48 is expected to be about 16 percent larger than in 1946-47 but still will be 1.5 million bales under the average of 1939-44.

World commercial production totaled 21.0 million bales in 1946-47, an increase of about 0.7 million bales from a year earlier. This compares with the 1935-39 average production of 29.7 million bales, and the average during the war years (1939-44) of 25.9 million.

Table 1. Commercial Cotton, American: World supply and consumption, 1920-47

Year beginning Aug.	Supply					Mill consumption 1/				
	Carry-over August 1			Foreign countries	World total carry-over	World production	World total supply	Mill consumption		World total consumption
	United States	Other stocks	Total					United States	Foreign countries	
Loan stocks	run-ning bales	run-ning bales	run-ning bales	run-ning bales	run-ning bales	run-ning bales	run-ning bales	run-ning bales	run-ning bales	
1920	0	3,541	3,541	2,797	6,338	13,664	20,002	4,677	5,591	10,268
1921	0	6,724	6,724	2,950	9,674	8,285	17,959	5,613	6,596	12,209
1922	0	3,156	3,156	2,524	5,680	10,124	15,804	6,325	6,124	12,449
1923	0	2,129	2,129	1,189	3,318	10,330	13,648	5,353	5,564	10,917
1924	0	1,439	1,439	1,272	2,711	14,006	16,717	5,917	7,394	13,311
1925	0	1,503	1,503	1,877	3,380	16,181	19,561	6,176	7,834	14,010
1926	0	3,413	3,413	2,088	5,501	18,162	23,663	6,880	8,868	15,748
1927	0	3,662	3,662	4,183	7,845	12,957	20,802	6,535	9,041	15,576
1928	0	2,425	2,425	2,781	5,206	14,555	19,761	6,778	8,448	15,226
1929	0	2,131	2,131	2,386	4,517	14,716	19,233	5,803	7,218	13,021
1930	2/1,312	3,010	4,322	1,865	6,187	13,873	20,060	5,084	5,972	11,056
1931	2/3,393	2,870	6,263	2,713	8,976	16,877	25,853	4,744	7,784	12,528
1932	2/2,379	7,201	9,580	3,683	13,263	12,961	26,224	6,004	8,381	14,385
1933	1,129	6,952	8,081	3,728	11,809	12,712	24,521	5,553	8,227	13,780
1934	3,002	4,646	7,648	3,033	10,701	9,576	20,277	5,241	5,965	11,206
1935	5,088	2,049	7,137	1,904	9,041	10,495	19,536	6,221	6,282	12,503
1936	3,237	2,099	5,336	1,662	6,998	12,375	19,373	7,768	5,325	13,093
1937	1,665	2,722	4,387	1,848	6,235	18,412	24,647	5,616	5,179	10,795
1938	6,964	4,482	11,446	2,341	13,787	11,665	25,452	6,736	4,513	11,249
1939	11,049	1,907	12,956	1,181	14,137	11,418	25,555	7,655	5,221	12,876
1939-40	5,601	2,651	8,253	1,787	10,040	12,873	22,913	6,799	5,304	12,103
1940			10,469	2,073	12,542	12,315	24,857	9,576	2,364	11,940
1941			12,026	771	12,797	10,628	23,425	10,974	1,186	12,160
1942			10,505	660	11,165	12,534	23,699	10,930	1,349	12,279
1943			10,569	711	11,280	11,075	22,355	9,829	1,217	11,046
1944			10,626	615	11,241	11,919	23,160	9,448	1,480	10,928
1945			11,040	1,110	12,150	8,907	21,057	8,966	2,135	11,101
1946 3/			7,173	2,696	9,869	8,574	18,443	9,787	3,288	13,075
1947 3/			2,395	2,898	5,293	11,170	16,463			

1/ Excluding from 18,000 to 140,000 bales destroyed annually.
 2/ Probably includes some futures, the exact amount of which is not known.
 3/ Preliminary and partly estimated.
 Data for war years are tentative and subject to further revisions.
 Compiled from reports of the Bureau of the Census, the New York Cotton Exchange Service, the Commodity Credit Corporation, and estimates of the Department of Agriculture.

Table 2-Commercial Cotton, foreign: World supply and consumption, 1920-47

Year begin- ning Aug.	Supply				Mill consumption 1/			
	Carry-over August 1		World total carry- over	World produc- tion	World total supply	United States	Foreign countries	World total consump- tion
	United States	Foreign countries						
	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	1,000 bales 2/	
1920	283	5,131	5,414	6,964	12,378	216	6,667	6,883
1921	172	5,323	5,495	6,888	12,383	297	7,272	6,569
1922	166	4,648	4,814	8,327	13,141	341	8,547	8,888
1923	196	4,057	4,253	8,760	13,013	328	8,782	9,110
1924	117	3,786	3,903	10,088	13,991	276	9,147	9,423
1925	107	4,461	4,568	10,562	15,130	280	9,878	10,158
1926	129	4,843	4,972	9,768	14,740	310	9,621	9,931
1927	100	4,709	4,809	10,386	15,195	299	9,567	9,866
1928	111	5,218	5,329	11,247	16,576	313	10,239	10,552
1929	182	5,842	6,024	11,535	17,559	303	11,551	11,854
1930	208	5,497	5,705	11,503	17,208	179	11,197	11,376
1931	107	5,725	5,832	9,602	15,434	122	10,239	10,361
1932	98	4,975	5,073	10,500	15,573	133	10,133	10,266
1933	83	5,224	5,307	13,354	18,661	147	11,675	11,822
1934	96	6,743	6,839	13,466	20,305	120	14,154	14,274
1935	71	5,960	6,031	15,646	21,677	130	14,896	15,026
1936	73	6,578	6,651	18,354	25,005	182	17,363	17,545
1937	112	7,348	7,460	18,333	25,793	132	16,646	16,778
1938	87	8,828	8,915	15,844	24,759	122	17,136	17,258
1939	76	7,425	7,501	15,908	23,409	129	15,491	15,620
av. 1935:								
-1939	84	7,228	7,312	16,817	24,129	139	16,307	16,446
1940	95	7,625	7,720	16,405	24,125	146	14,509	14,655
1941	140	9,230	9,370	14,988	24,358	196	12,677	12,873
1942	135	11,285	11,420	13,048	24,468	170	11,844	12,014
1943	88	12,202	12,290	13,446	25,736	114	11,406	11,520
1944	118	14,045	14,163	11,472	25,635	120	11,102	11,222
1945	124	14,213	14,337	11,364	25,701	197	12,243	12,440
1946 3/	153	13,045	13,198	12,419	25,617	248	12,677	12,925
1947 3/	126	12,493	12,619	13,207	25,826			

1/ Excludes 53,000 to 164,000 bales destroyed annually for recent years.

2/ Approximately 478 pounds net weight.

3/ Preliminary and partly estimated.

Data for war years are tentative and subject to further revisions.

Compiled from reports of the Bureau of the Census, the New York Cotton Exchange Services and estimates made of the Department of Agriculture.

Table 3. Commercial Cotton, all growths: World supply and consumption, 1920-47

Year beginning Aug.	Supply				Mill consumption 1/			
	Carry-over	Aug. 1	World total	World production	World total supply	United States	Foreign countries	World total consumption
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
	2/	2/	2/	2/	2/	2/	2/	2/
1920	3,824	7,928	11,752	20,628	32,380	4,893	12,258	17,151
1921	6,896	8,273	15,169	15,173	30,342	5,910	13,868	19,778
1922	3,322	7,172	10,494	18,451	28,945	6,666	14,671	21,337
1923	2,325	5,246	7,571	19,090	26,661	5,681	14,346	20,027
1924	1,556	5,058	6,614	24,094	30,708	6,193	16,541	22,734
1925	1,610	6,338	7,948	26,743	34,691	6,456	17,712	24,168
1926	3,542	6,931	10,473	27,930	38,403	7,190	18,489	25,679
1927	3,762	8,892	12,654	23,343	35,997	6,834	18,608	25,442
1928	2,536	7,999	10,535	25,802	36,337	7,091	18,687	25,778
1929	2,313	8,228	10,541	26,251	36,792	6,106	18,769	24,875
1930	4,530	7,362	11,892	25,376	37,268	5,263	17,169	22,432
1931	6,370	8,438	14,808	26,479	41,287	4,866	18,023	22,889
1932	9,678	8,658	18,336	23,461	41,797	6,137	18,514	24,651
1933	8,164	8,952	17,116	26,066	43,182	5,700	19,202	25,602
1934	7,744	9,796	17,540	23,042	40,582	5,361	20,119	25,480
1935	7,208	7,864	15,072	26,141	41,213	6,351	21,178	27,529
1936	5,409	8,240	13,649	30,729	44,378	7,950	22,688	30,638
1937	4,499	9,196	13,695	36,745	50,440	5,748	21,825	27,573
1938	11,533	11,169	22,702	27,509	50,211	6,858	21,649	28,507
1939	13,032	8,606	21,638	27,326	48,964	7,784	20,712	28,496
Average 1935-39	8,337	9,015	17,352	29,690	47,042	6,938	21,611	28,549
1940	10,564	9,698	20,262	28,720	48,982	9,722	16,873	26,595
1941	12,166	10,001	22,167	25,616	47,783	11,170	13,863	25,033
1942	10,640	11,945	22,585	25,582	48,167	11,100	13,193	24,293
1943	10,657	12,913	23,570	24,521	48,091	9,943	12,623	22,566
1944	10,744	14,660	25,404	23,391	48,795	9,568	12,582	22,150
1945	11,164	15,323	26,487	20,271	46,758	9,163	14,378	23,541
1946 3/	7,326	15,741	23,067	20,993	44,060	10,035	15,965	26,000
1947 3/	2,521	15,394	17,912	24,377	42,289			

1/ Excludes from 18,000 to 304,000 bales destroyed annually.
 2/ American in running bales (counting round bales as half bales) and foreign in bales of approximately 478 pounds net weight.
 3/ Preliminary and partly estimated.
 Data for war years are tentative and subject to further revisions.
 Compiled from reports of the Bureau of the Census, the New York Cotton Exchange Service, the Commodity Credit Corporation, and estimates of the Department of Agriculture.

Table 4.- Cotton and rayon: Actual prices of yarn and equivalent prices of raw fiber, United States, average 1930-34, 1935-1939 and 1940 to date

Year beginning August	Actual prices per pound		Equivalent prices per lb. of usable fiber			Ratios		
	Rayon filament yarn 1/	Cotton yarn 2/	Rayon staple fiber 3/	Cotton 4/ Middling 15/16"	S.M. 1-1/16"	Rayon yarn to cotton yarn	Rayon staple fiber to Mid. 15/16"	Rayon staple fiber to S.M. 1-1/16"
	Cents	Cents	Cents	Cents	Cents			
Average 1930-34	67	37	46.83	11.68	13.54	1.86	4.36	3.69
Average 1935-39	56	36	28.56	13.37	14.95	1.55	2.15	1.93
1940	53	39	26.25	13.71	15.34	1.36	1.91	1.71
1941	55	50	26.25	22.33	25.01	1.10	1.18	1.05
1942	55	52	26.25	24.55	27.45	1.07	1.07	.96
1943	55	52	25.20	25.07	27.97	1.07	1.01	.90
1944	55	56	26.25	26.47	28.97	.98	.99	.91
1945	55	62	26.25	31.26	33.15	.89	.84	.79
1946	63	83	30.58	41.83	43.44	.76	.73	.70
1946								
Aug.	55	76	26.25	42.42	44.17	.72	.62	.59
Sept.	55	80	26.25	43.98	45.71	.69	.60	.57
Oct.	55	82	26.25	43.19	44.52	.67	.61	.59
Nov.	59	82	27.82	37.03	38.33	.72	.75	.73
Dec.	62	82	29.40	38.89	40.27	.76	.76	.73
Jan.	62	82	29.40	38.30	39.94	.76	.77	.74
Feb.	69	82	33.60	39.94	41.54	.84	.84	.81
March	69	82	33.60	42.03	43.61	.84	.80	.77
April	69	88	33.60	42.06	43.65	.78	.80	.77
May	69	88	33.60	43.16	44.94	.78	.78	.75
June	69	88	33.60	44.77	46.52	.78	.75	.72
July	1/ 67	89	33.60	46.07	48.02	.75	.73	.70
1947								
Aug.	1/ 67	92	33.60	41.99	44.95	.73	.80	.75

1/ Wholesale price of Viscose on skeins first quality yarn, 150 denier until June 1947 since July 1947 price "on cones."

2/ Wholesale price of Single 40's carded until July 1946, since August 1946, twisted, carded.

3/ Wholesale price of Viscose, 1-1/2 denier. Assumes net waste multiplier of 1

4/ Prices of Memphis Territory growths, landed Group B mill points and assuming net waste multiplier of 1.15.

Compiled from data from Bureau of Labor Statistics and Cotton Branch, Production and Marketing Administration.

Table 5.- Employment, wage rates, cost and income factors in cotton textile mills, United States, 1939 to date

Period	Workers	Hourly	Cloth	Cotton	Mill	Workers	Hourly	Cloth	Cotton	Mill	Rise in mill margins per 100 point rise in index of	
	employed	wage	prices	prices	margins	employed	earning	prices	prices	margins	Wage rates	Cotton prices
	1/	2/	3/	4/	5/						points	points
	: 1,000	: cents	: cents	: cents	: cents	: index	: index	: index	: index	: index	:	:
1939	: 396	38.9	21.14	9.39	11.74	: 100	100	100	100	100	:	100
1940	: 412	41.2	22.54	10.27	12.27	: 104	106	107	109	104	:	98
1941	: 478	46.4	33.39	14.05	19.34	: 121	119	158	150	164	:	138
1942	: 506	54.0	40.38	19.24	21.14	: 128	139	191	205	180	:	129
1943	: 487	59.0	40.62	20.43	20.19	: 123	152	192	218	172	:	113
1944	: 440	62.9	41.40	21.01	20.39	: 111	162	196	224	174	:	107
1945	: 414	68.5	43.19	22.32	20.86	: 104	176	204	238	178	:	101
1946	: 449	82.7	56.83	30.15	26.68	: 113	212	269	321	227	:	107
Jan.	: 429	72.4	44.98	24.36	20.62	: 108	186	212	259	175	:	94
Feb.	: 437	75.3	44.98	25.55	19.43	: 110	194	212	272	166	:	86
Mar.	: 442	78.8	49.28	26.36	22.92	: 112	202	233	281	195	:	96
Apr.	: 443	79.9	50.72	27.28	23.44	: 112	205	240	290	200	:	98
May	: 443	80.3	50.72	27.06	23.66	: 112	206	240	288	202	:	98
June	: 448	80.3	50.72	28.78	21.94	: 113	206	240	306	187	:	91
July	: 445	80.3	51.54	33.17	18.37	: 112	206	244	353	156	:	76
Aug.	: 452	87.5	58.85	34.76	24.09	: 114	224	278	370	205	:	92
Sept.	: 456	88.8	63.53	36.39	27.14	: 115	228	300	378	231	:	101
Oct.	: 460	89.2	66.03	35.70	30.33	: 116	229	312	380	258	:	113
Nov.	: 465	89.8	70.99	30.47	40.52	: 118	231	336	324	345	:	149
Dec.	: 469	90.0	79.66	31.94	47.72	: 118	231	377	340	406	:	176
1947	:	:	:	:	:	:	:	:	:	:	:	:
Jan.	: 470	91.4	83.34	31.74	51.60	: 119	235	394	338	440	:	187
Feb.	: 472	92.7	85.42	33.06	52.36	: 119	238	404	352	446	:	187
Mar.	: 470	97.9	88.19	34.82	53.37	: 119	252	417	371	454	:	180
Apr.	: 468	98.1	86.15	34.90	51.25	: 118	252	408	372	436	:	173
May	: 460	97.4	83.54	35.68	47.86	: 116	250	395	380	408	:	163
June	: 453	97.0	83.34	36.88	46.46	: 114	250	394	393	396	:	158
July	: 445	97.3	86.71	37.22	49.49	: 112	250	410	396	422	:	169
Aug.	: 446		88.00	34.04	53.96	: 113		416	363	460	:	127

1/ Number of production workers in cotton textile manufactures, except small wares. 2/ Average hourly earnings in cotton textile manufactures, except small wares. 3/ Prices of approximate quantity of cloth obtainable from a pound of cotton with adjustment for salable waste. 4/ Average 10 market price of the qualities of cotton assumed to be used in the 17 cloth constructions. 5/ Difference between cloth prices and prices of cotton assumed to be used in the 17 cloth constructions.
 Compiled from official sources.

Table 6.- Cotton Prices: Comparison between American and foreign growths in specified locations; average 1935-39 annually 1940-46 and by months, August 1946 to date

Season beginning	Mid. 15/16"	Type 5 at Sao Paulo, Brazil	Type 5 at Mexico	Mid. 15.16" at Torreon	Jarilla at Bombay, India	Type B at Buenos Aires	Type B at Buenos Aires	Type B at Buenos Aires	Type B at Buenos Aires
August 1 and month	at New Orleans	at New Orleans	at New Orleans	at New Orleans	at New Orleans	at New Orleans	at New Orleans	at New Orleans	at New Orleans
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Average 1935-39	10.80	10.37	.43	11.52	+ .72	8.31	2.49	12.18	+1.38
1940	11.06	6.91	4.15	11.32	+ .26	6.62	4.44	11.61	+ .55
1941	18.17	8.42	9.75	14.68	3.49	<u>1</u> /6.59	11.58	15.45	2.72
1942	19.96	11.08	8.88	17.40	2.56	<u>2</u> /	<u>2</u> /	13.83	6.13
1943	20.44	13.15	7.29	19.60	.84	<u>2</u> /	<u>2</u> /	13.72	6.72
1944	21.69	14.10	7.59	18.17	3.52	<u>3</u> /16.50	5.19	15.28	6.41
1945	25.82	17.93	7.89	19.41	6.41	16.43	9.39	20.43	5.39
1946	34.65	25.88	8.77	28.34	6.31	16.81	17.84	30.14	4.51
August	35.45	26.39	9.06	25.23	10.22	16.83	18.62	27.90	7.55
Sept.	36.86	26.38	10.48	27.80	9.06	16.23	20.63	28.09	8.77
Oct.	35.94	27.05	8.89	29.44	6.50	16.52	19.42	28.43	7.51
Nov.	30.70	24.08	6.62	29.89	.81	17.35	13.35	28.50	2.20
Dec.	32.14	24.97	7.17	29.68	2.46	17.44	14.70	28.50	3.64
Jan.	31.68	24.74	6.94	29.16	2.52	17.14	14.54	28.50	3.18
Feb.	33.12	26.04	7.08	28.81	4.31	16.77	16.35	28.64	4.48
March	34.93	27.60	7.33	28.12	6.81	16.60	18.33	29.31	5.62
April	35.03	26.57	8.46	27.10	7.93	16.54	18.49	29.64	5.39
May	35.87	24.83	11.04	28.30	7.57	16.54	19.33	32.87	3.00
June	37.05	26.31	10.74	28.30	8.75	16.82	20.23	35.65	1.40
July	37.04	25.54	11.50	28.30	8.74	16.94	20.10	35.65	1.39
1947									
August	34.02	25.58	8.44	26.60	7.42	16.55	17.47	34.98	+ .96
Sept.	<u>31.37</u>	25.62	5.75	26.63	4.74	16.62	14.75	34.98	<u>3.61</u>

Compiled from reports of the Cotton Branch, Production and Marketing Administration and reports from the State Department and converted to cents per pound at current monthly rates of exchange of the Federal Reserve Board.

1/ Average for 11 months.
2/ Not available.
3/ Average for 8 months.

Table 7.- Cotton: Exports from the United States to specified countries, average 1935-39 annual 1940-46

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Country of destination	Year beginning August 1								
	Average	1940						1945	1946
	1935-39	1940	1941	1942	1943	1944	1/	1/ 2/	
	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	
Belgium	157,776	0	0	0	0	72,295	70,966	175,957	
Czechoslovakia	60,700	0	0	0	0	27,105	68,917	96,605	
Finland	32,460	25,744	0	0	0	0	15,743	22,097	
France	622,815	0	0	0	0	438,983	768,493	379,750	
Germany	481,881	0	0	0	0	0	6,208	198,144	
Greece	3,088	500	0	0	0	22,325	27,932	10,130	
Italy	420,251	0	0	0	0	0	499,583	403,054	
Netherlands	99,802	0	0	0	0	20,941	45,945	112,131	
Norway	15,747	0	0	0	0	5,117	650	4,300	
Poland and Danzig	168,000	0	0	0	0	26,112	92,346	46,347	
Portugal	33,761	375	150	0	0	0	0	0	
Spain	99,173	0	0	109,293	179,281	266,137	154,463	40,510	
Sweden	108,100	41,686	33,037	0	2,188	2,234	2,304	21,920	
Switzerland	9,960	3,696	7,729	0	912	8,691	26,396	18,918	
U. S. S. Republics	292	139,057	0	0	0	0	0	0	
United Kingdom	1,282,400	420,307	791,264	1,017,418	632,932	643,048	287,138	469,161	
Yugoslavia	16,040	1,200	0	0	0	22,279	90,107	70,625	
Other Europe	54,634	0	0	0	0	0	3,995	3,887	
Total Europe	3,666,880	632,565	832,180	1,126,711	815,313	1,555,267	2,161,186	2,073,536	
British India	50,701	1,000	0	0	0	0	0	0	
Canada	288,471	171,939	217,528	321,995	305,883	364,029	310,302	308,340	
China	113,410	94,699	12,660	0	0	0	691,355	552,453	
Japan	1,099,742	117,828	15,918	0	0	0	361,637	504,414	
Other countries	80,946	93,866	46,704	31,564	16,901	5,084	28,243	64,218	
Grand total	5,300,150	1,111,897	1,124,990	1,480,270	1,138,097	1,924,380	3,552,723	3,502,961	

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1/ Excludes War Department shipments.

2/ Preliminary.

Compiled from reports of the Department of Commerce.

Table 8.- Grade and staple length of upland cotton in the carry-over, United States, August 1, 1947 ^{1/}

Grade	:13/16" & shorter :	7/8" :	:29/32" :	15/16" :	31/32" :	1" :	:1-1/32" :	1-1/16" :	:1-3/32" :	1-1/8" & longer :	Total
	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales	Bales
Extra White											
G.M.	-	-	-	1	-	-	19	238	493	631	1,382
S.M.	-	1	1	2	-	17	48	1,300	1,161	1,899	4,429
M.	-	-	-	-	11	6	372	295	387	1,247	2,318
S.L.M.	-	-	-	-	-	247	1,252	2,451	291	1,222	5,463
L.M.	-	4	1	38	80	417	131	238	98	99	1,106
S.G.O.	-	107	-	707	206	300	5	-	-	-	1,325
G.O.	174	302	-	197	62	86	-	-	-	-	821
White											
S.G.M.	-	-	-	-	20	43	12	112	127	766	1,080
G.M.	140	338	154	1,057	1,886	7,193	13,372	11,170	8,253	6,261	49,824
S.M.	1,203	5,362	2,472	10,060	10,562	51,501	116,101	93,108	45,122	77,712	413,203
M.	4,843	12,037	8,743	37,448	30,993	104,294	121,686	116,624	68,877	136,191	641,736
S.L.M.	4,328	25,225	11,848	33,006	30,677	107,476	108,730	81,424	27,301	53,232	483,247
L.M.	1,881	13,960	9,172	27,707	19,424	69,965	60,501	25,665	6,162	6,108	240,545
S.G.O.	1,613	5,801	5,889	23,889	29,502	100,313	55,390	21,435	3,737	2,048	249,617
G.O.	591	3,443	1,763	14,270	9,652	18,491	6,900	3,899	1,023	888	60,920
Spotted											
G.M.	110	345	166	238	99	299	618	368	184	542	2,969
S.M.	998	3,635	1,611	2,612	2,127	4,182	3,846	2,378	764	2,377	24,530
M.	2,559	7,756	3,738	6,219	5,012	8,981	5,459	6,585	631	1,544	48,484
S.L.M.	1,902	14,730	4,000	8,121	5,765	11,065	5,318	4,094	517	832	56,344
L.M.	1,973	6,855	2,626	7,847	8,264	12,341	3,277	1,649	234	163	45,229
Tinged											
G.M.	-	14	15	301	-	34	15	-	-	-	379
S.M.	62	524	192	590	290	304	84	26	15	-	2,087
M.	381	1,306	492	1,158	822	443	320	187	27	-	5,136
S.L.M.	517	2,439	808	1,777	638	984	994	249	79	56	8,541
L.M.	658	1,633	446	1,841	287	805	115	322	-	11	6,118
Stained ^{2/}	323	442	77	214	25	121	17	37	-	74	1,330
Gray ^{2/}	15	186	36	649	730	7,612	4,052	2,117	384	435	16,216
Below Grade	1,065	2,262	651	3,759	2,004	3,142	1,075	541	51	134	14,684
All grades	25,336	108,707	54,901	183,708	159,138	510,662	509,709	376,512	165,918	294,472	3/ 2,389,063

Aug.-Sept.-Oct. 1947

^{1/} Preliminary.
^{2/} Includes all grades.
^{3/} As reported by the Bureau of the Census.

From reports of Cotton Branch, Production and Marketing Administration except as noted.

Table 9.- Cotton, Mill Consumption: daily rate and ratio
United States, 1939 to date

Year beginning August 1 and month	Actual	Average	Percent	1946-47 monthly rate expressed as annual rate	
	consumption	daily rate	1939-40 rate	Actual	Seasonally adjusted 2/
	1,000 bales	bales	percent	1,000 bales	1,000 bales
1939	7,784	30,276	100		
1940	9,722	37,828	125		
1941	11,170	43,364	143		
1942	11,100	43,516	144		
1943	9,943	38,603	128		
1944	9,576	37,394	123		
1945	9,166	35,793	118		
1946	10,035	39,048	128		
1946-47					
August	856	38,887	128	9,994	10,863
Sept.	818	39,924	132	10,260	10,469
Oct.	931	40,488	134	10,405	10,201
Nov.	877	42,803	141	11,000	10,680
Dec.	774	36,866	121	9,475	9,974
Jan.	947	42,090	139	10,817	10,401
Feb.	840	42,023	138	10,800	10,189
Mar.	875	41,673	137	10,710	10,200
Apr.	883	40,131	132	10,314	10,112
May	827	38,476	127	9,888	9,888
June	728	34,679	114	8,913	9,187
July	677	30,795	102	7,914	8,330
1947-48					
Aug.	711	33,838	112	8,696	9,452

1/ Actual consumption divided by number of working days as computed by the Federal Reserve Board.

2/ Adjusted by the percentage relationship of the average daily rate per working day for each month during the period 1930-39 to the annual average daily rate for the same period.

Computed from reports of the Bureau of the Census and the Federal Reserve Board.

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In a number of the major producing countries, the low point in acreage planted to cotton was reached in 1945-46, and a slight upturn occurred last season. Some improvement in labor and machinery supplies resulted in a moderate increase in acreage planted for 1947-48.

The improved food situation in some regions also may encourage expanded production particularly in 1948-49. The necessity for restricting the acreage planted to cotton in order to maintain food production at a high level has been an important factor in controlling cotton production in India and in China. Because of restricted cotton acreage and the resulting limited supplies, India in 1945-46 imposed export quotas on cotton having a staple length of 11/16 inch and shorter, and banned the shipment of cotton having a longer staple. However, the supply situation had improved by July 1947 until such restrictions were no longer necessary.

In Egypt, the acreage planted to cotton in 1947 was slightly larger than in 1946 and with further relaxation of acreage restrictions may increase again in 1948-49. However, production is expected to increase only slightly since yields are expected to be about the same as last year. Although the Egyptian carry-over is 20 percent below the wartime peak, there is a surplus of the extra-long staple varieties and the government may further restrict the acreage that can be planted to these varieties. This will result in the growing of a larger proportion of the shorter staple varieties which compete more directly with American cotton.

In the Western Hemisphere, Brazil, Argentine, Mexico and Peru are the principal cotton producing countries outside the United States. Plantings to cotton in Brazil, the largest producer among these countries, increased between 10 and 15 percent in 1946-47. But production was only slightly larger than in 1945-46, mainly because of unfavorable weather. The 1947-48 planted acreage for Northern Brazil is believed to be about the same as 1946-47, but it is too early to determine what the plantings in Southern Brazil will be. In Argentina, weather also limited production for 1946-47. Improvement in the farm labor supply, and probably some reduction in the prices received for food crops, probably will contribute to some further increase in cotton production both in South Brazil and in Argentina in 1947-48. Production in Mexico is estimated at 500,000 bales for 1947-48 compared with 460,000 bales for 1946-47. Production in 1948-49 is likely to be closely associated with the labor supply and may increase moderately. Since 1942, the acreage of cotton grown in Peru has been limited to 80 percent of the 1935-39 acreage, and in 1946-47 was below this level.