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THE Cotton SITUATION

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THE COTTON SITUATION

SUMMARY

Spot prices of cotton (Middling 15/16 inch) during the 1948-49 season averaged 32.15 cents per pound, down 7 percent from the preceding season. The low price for the season was 30.69 cents per pound reached on August 23, 1948, and the high was 33.37 cents on April 25, 1949. Prices were notably stable, staying within the unusually narrow range of 2.68 cents.

The domestic supply of cotton in 1948-49, including the eighth largest crop in history, was 17.9 million running bales, an increase over the preceding season of 3.5 million. Domestic mill consumption in 1948-49 declined sharply. The total of 7.8 million bales for the season was the lowest since 1939-40.

Exports, on the other hand, with substantial aid from ECA and other special U.S. credits, were at the highest level since 1939-40 and totaled 4.7 million bales, nearly 2.5 times as high as the preceding season. Cotton stocks at the end of the 1948-49 season were 5.3 million bales, an increase of 2.2 million over those at the beginning of the season. Nearly 75 percent of these stocks were pooled on August 1 by the Commodity Credit Corporation as collateral on unredeemed loans. Mill stocks at 884,000 bales were the lowest in 11 years.

The domestic supply of cotton in 1949-50 is indicated at nearly 20 million bales, including the 1949 crop which is currently expected to be about 14.6 million running bales. Weather has been generally unfavorable in the central and eastern cotton states and weevil infestation is heavy, but were unusually favorable in Texas and the three western states.

Domestic mill consumption 1949-50, based on preliminary indications, may turn up from current levels and equal or exceed last season. Exports, however, again based on preliminary data, may drop some from last season.

Total disappearance in 1949-50 may not be as high as last season's total of 12.6 million bales. Stocks of cotton at the end of the season may be 2 million bales or more larger than the 5.3 million at the beginning of the season. It is probable that a large portion of the increase in end-of-season stocks will end up in CCC loan stocks.

THE DOMESTIC COTTON SITUATION

Review of the 1948-49 Season

Supply - 17.9 Million Bales - 24 Percent Above Preceding Season

The unusually large crop of 14,580,000 running bales in 1948 - the eighth largest on record - brought the supply of cotton in 1948-49 to 17,900,000 bales. This exceeds the supply for the preceding season by 3,478,000 bales and compares with the 1935-39 average of 21,353,000 bales of which 5,601,000 bales were CCC loan stocks.

The 1948-49 supply consisted of the August 1, 1948, carryover of 3,080,000 bales, the in-season ginnings and city crop of 14,656,000 bales, and imports of 164,000 bales. As compared with 1947-48, the carryover was 550,000 bales larger, the in-season ginnings and city crop were 2,996,000 bales larger, and imports were 68,000 bales less.

Mill Consumption - 7.8 Million Bales - 17 Percent Below Preceding Season

In only seven of the last 40 seasons has domestic mill consumption of cotton declined from one season to the next by as much as 10 percent. These major declines ranged from 10.5 to 28 percent. The decline in domestic mill consumption from 1947-48 to 1948-49 amounted to 1,556,000 bales or 16.6 percent, the third largest on record. However, the decline in 1948-49, in relation to general business activity, was the sharpest in the past 40 seasons.

Not since 1939-40, when mills consumed 7,784,000 bales, has the domestic use of cotton been so low as during the last season. From 1940-41 through 1944-45, the demand for cotton textiles for war purposes brought the domestic use of cotton to the highest levels in American history. Mill consumption ranged from 9.6 to 11.2 million bales with an average of 10.3 million. During the first three postwar seasons, 1945-46 through 1947-48, the demand continued close to the high wartime levels, and domestic mill consumption averaged 9.5 million bales.

The demand for cotton textiles reached a postwar peak in 1947-48. The decline in demand for textiles which followed resulted in the relatively low mill consumption of late 1948 and the first half of 1949. Part of the decline in total demand reflected a 17 percent drop in industrial production from the peaks reached in late 1948. Industrial uses of cotton cloth account for about 40 percent of the total mill consumption of cotton. The decline in exports of textiles from the all-time peak of 1.5 billion square yards reached in 1947 also was responsible for some of the decline in mill consumption in the 1948-49 season. Even so, the decline in exports of cotton textiles was smaller than expected in the face of increasing foreign competition, exchange difficulties, and other trade barriers. Exports of cotton textiles for the first six months of 1949, at 518.3 million square yards, were 7 percent above 1948 but still 27 percent below the corresponding period in 1947.

The extent to which exports of cotton in 1948-49 benefited by ECA and other special credits can only be estimated but it was substantial. ECA procurement authorizations for cotton to participating European countries for the period, April 3, 1948-June 15, 1949, totaled 494.5 million dollars and covered 2,853,400 bales. In the absence of comparable data, it is reasonable to assume that as many as 2,400,000 bales or 50 percent of the total 1948-49 exports were financed by these authorizations. Another 275,000 was probably exported to China and Korea through ECA funds, although some of this cotton was later diverted to Japan and elsewhere when Shanghai was endangered by the Communist advance. If the 612,000 bales exported directly to Japan under the 160,000,000 dollar Revolving and other U.S. Funds are included, it would appear that about three-fourths of the total U.S. exports of cotton during the past season was financed through loans and grants by the United States Government.

End of Season Stocks -
5.3 Million Bales -
72 Percent Above Year Ago

The domestic stocks of cotton on hand at the end of the 1948-49 season were 5,283,000 bales, compared with 3,080,000 bales one year earlier and 2,530,000 on July 31, 1947. If August 1 stocks were converted at the 1948-49 average rate of disappearance, these stocks would be equivalent to slightly over 5 month's supply.

The Commodity Credit Corporation pooled 3,800,000 bales, or 72 percent, of the total end of season stocks as collateral on unredeemed loans made to cotton farmers during the 1948 crop season. 1/ The stocks in hands of domestic mills totaled 884,000 bales, or 16 percent of the total. The ownership of the remaining 599,000 bales was scattered among mills, merchants, exporters and farmers. The situation at the end of the season was substantially different from that at the beginning of last season when mill stocks were 1,472,000 bales and accounted for 48 percent of the total, while CCC stocks were only 33,000 bales.

Prices - Season Spot Average
32.15 for Middling 15/16 Inch -
7 Percent Below Preceding Season

Spot prices for cotton (Middling 15/16 inch) during the 1948-49 season were notably stable and free from wide day-to-day fluctuations. In the ten spot markets, Middling 15/16 inch cotton averaged 32.35 cents per pound at the opening of the season, declined slowly until August 23, when the lowest price of the season was reached at 30.69 cents, then advanced gradually until April 25, 1949 when the highest price of the season of 33.37 cents was reached. Prices in May and June continued at nearly the April level, then declined in July and ended the season at 31.67 cents per pound. In only three other seasons of record have spot prices fluctuated within such a narrow margin. The average price for the season was 32.15 cents per pound compared with 34.58 in 1947-48. The loan program with an average loan rate of 30.74 cents per pound, relatively high exports resulting from the ECA cotton program and the scarcity of "free" cotton were effective factors in maintaining prices during the season.

1/ Includes 33,000 bales, unredeemed loans, from the 1947 crop.

The most substantial portion of the decline in mill consumption probably occurred, however, as a result of the drop during the last year in the domestic demand for cotton textiles for apparel use and for household furnishings. During the war, production of textiles for civilian apparel and household furnishings was held to a minimum. Consequently, at the close of hostilities, an unprecedented demand for textiles stemmed from this source and also from the several million returning servicemen who required partial or complete outfits of civilian clothes. Many servicemen who married during the war also required household furnishings. The relatively slow shift to the production of durable goods for civilian use following the war also affected the demand for textiles and probably resulted in a greater than usual proportion of disposable income being spent on wardrobes.

Domestic mills attempted to move inventories and offset declining demand by reducing prices of textiles. The average wholesale prices of 17 selected constructions reached their highest level in December 1947 at 100.29 cents. In January 1948, the average price for the 17 constructions fell slightly to 99.25 cents. Some decrease occurred each month through July 1949, when cloth prices averaged 59.99 cents, a decline of 40.30 cents or 40 percent from December 1947. During this time, gross mill margins (difference between cloth prices and the price of cotton) declined from 64.70 cents to 28.18 cents, - a decrease of 36.52 cents or 56.5 percent. The July mill margins were not only less than one-half of those when cloth prices were at a peak, but also were 7 percent less than those in October 1946, the last full month before OPA regulations were lifted. However, domestic sales were not stimulated and to avoid the accumulation of excess inventories, mills reduced their consumption of cotton.

While mill consumption for the full season, at 7,798,000 bales, was 16.6 percent below 1947-48, the last seven months, January-July, 1949, were 23.4 percent below the corresponding period in 1948. Consumption in July at 455,000 bales was 24 percent below June, 27 percent below July last year and the lowest level for any month since July 1938.

Exports - 4.7 Million Bales - 143 Percent Above Preceding Season

Contrary to the trend in domestic mill consumption, exports of raw cotton in 1948-49 reached the highest levels since 1939-40. The season total was 4,748,000 running bales, nearly 2.5 times as high as the previous season, and 1,191,000 bales above any other year since 1939-40. In that season, with an export subsidy averaging about 1.25 cents per pound, 6,163,000 bales were exported.

Seventy percent of the exports of cotton for the past season was to Europe. Four countries - United Kingdom, France, Italy and Germany - accounted for 2,500,000 bales and 75 percent of the total. In 1947-48, U.S. exports of cotton were only 1,968,000 bales, of which Europe took 975,000 bales and 50 percent of the total.

Prices received by farmers ranged from 31.07 in October to 28.74 in March. The average farm price for cotton for the season was 98 percent of the parity price but exceeded parity only in October.

Prospects for the 1949-50 Season

1949 Loan Rate on Middling 15/16 Inch - 29.43 Cents

The loan rate for Middling 15/16 inch cotton produced in 1949 is 29.43 cents per pound, gross weight, at average location. The loan rate for Middling 15/16 inch is 220 points above the rate of 27.23 cents per pound for Middling 7/8 inch, which is the quality cotton on which the loan level is determined. The 1949 loan level is based on 90 percent of August 1, 1949 parity price (30.26 cents per pound) while the 1948 rate was based on 92.5 percent of the parity price for August 1, 1949 (31.12 cents per pound).

For various grade and staple length combinations above and below Middling 15/16 inch, the loan rate varies from 29.43 cents according to the average premium or discount of the particular quality during the first 9 months of the 1948-49 season. Because of relative short supplies of some grade and staple length combinations last season, premiums were substantially higher than a year earlier. This increased the loan premium of these qualities this season so that the actual loan rate is higher despite a lower loan level. In the case of Good Middling 1-1/4 inch, for instance, the loan premium increased from 1355 points in 1948-49 to 2155 in 1949-50 and, consequently, the loan rate this season is actually 6.69 cents per pound, average location, higher than last season. On the contrary, the loan rate this season of certain qualities below Middling 15/16 inch will be much lower than would be indicated by a reduction of 1.56 cents per pound in the loan level.

1949 Crop - 14.6 Million Running Bales

The 1949 crop as of September 1, was indicated to be 14,943,000 bales, 500 pounds, gross weight or about 14,597,000 running bales. This would be the seventh largest crop in history and the third largest in the last twenty years. The 1948 crop was only slightly smaller, ranking as the eighth largest crop in history and the fourth largest since 1930. This is the first time since 1930, however, that two large crops have been produced in consecutive years.

The cotton acreage in cultivation on July 1, 1949 was estimated at 26,380,000 acres compared with 23,110,000 a year earlier and the 1938-47 average of 22,015,000. All states increased their 1949 acreage over 1948 and only three states - Georgia, Florida and Oklahoma - had less acreage in cotton in 1949 than the 1938-47 average. Texas accounted for 1,607,000 acres or nearly one-half of the total increase of 3,270,000 acres of 1949 over 1948. Mississippi accounted for 257,000 acres and Arkansas, 211,000.

The yield of lint cotton per harvested acre in all but three states - Texas, Arizona, and California - is expected to be below that of last year. The average for all states is indicated at 276.9 pounds compared with the actual last year of 313.1 and the 1938-47 average of 254.0. The reduction in yield from last season in the central and eastern states is due to unfavorable weather and heavy boll weevil infestation. However, unusually favorable yields are in prospect for Texas and the three far-western states.

Production in each state east of the Mississippi River with the exception of Florida is expected to be less than last year because of the weather and pest infestation. The total production last season in all states east of the Mississippi was 6,553,000 bales, 500 pounds, gross weight, while the September 1 indication is 4,756,000 - a net decrease of 1,797,000 bales or 27 percent. The production in the three cotton states bordering on the west banks of the Mississippi - Missouri, Arkansas, and Louisiana - is expected to be about 2,700,000 bales, a reduction of 17 percent from last season. Prospective increases in production in Oklahoma, Texas, and the three Western states (New Mexico, Arizona, and California) however, more than offset the expected decreases in the rest of the states. Production for these five states is indicated at 7,470,000 bales, 500 pounds, gross weight, compared with 5,056,000 last season - an increase of 2,114,000 bales or 48 percent.

Supply - 20 Million Bales

The domestic supply of cotton for 1949-50 is indicated at about 20 million running bales and will consist of the carryover at the beginning of the season of 5.3 million bales, the 1949 crop of nearly 14.6 million bales and imports of about .2 million bales. The 1949-50 supply will be about 12 percent larger than the 17.9 million bale supply of last season and of the postwar years will rank second to 1945-46 when with a carryover of over 11 million bales, the supply totaled nearly 20.5 million bales.

Exports - Decline Probable

Exports for 1949-50 are still uncertain, mainly because the ECA cotton program on which exports largely depend has not been definitely settled. There are some indications, however, that United States cotton exports for 1949-50 exports will be somewhat lower than in 1948-49.

In the first place, preliminary data indicate that cotton production during the current season in the sterling area and in Russia will be larger than last season. In order to conserve dollars, cotton produced in the sterling area will be utilized to the fullest extent in Europe. So any expansion in production in this area will tend to reduce the requirements for United States cotton, assuming, of course, that European consumption of cotton remains about the same. Preliminary data indicate, however, that mill consumption in Europe in 1949-50 is more likely to be lower rather than higher than during the past season. Since stocks in the importing European countries are considered to be adequate for current levels of mill consumption, any decrease in cotton use would tend to reduce still further the requirements for United States cotton. A tendency to

increase the production of rayon textiles in Europe and Japan is gathering momentum and also may reduce the requirements for U.S. cotton in 1949-50.

Mill Consumption - Upturn Possible

The quantity of cotton which domestic mills will consume during 1949-50 can only be guessed this early in the season. The indications are, however, that a continuation of the declining trend of 1948-49 is unlikely and that some sort of an upturn may be in the making. Retail sales of selected textile item 2/ in May were only slightly below a year earlier, while end of month inventories were down substantially. Consequently, the ratio of sales to end of month inventories was substantially lower in May, 1949 than a year earlier. New orders placed with manufacturers of textiles have increased in recent weeks. With a very tight supply situation for nearby delivery, forward commitments have been extended further ahead than at any time in the last several months. Prices for some grey cloth constructions firmed up in July and August and moderate increases occurred for some of the more depressed constructions.

1949-50 Cotton Position Not Favorable - Increase in End of Season and CCC Stocks Practically Certain

Based altogether on preliminary data, the statistical position of domestic cotton in the 1949-50 season appears less favorable, generally, than at any time in the postwar period. The supply is indicated at about 20 million bales. The prospect is that requirements (domestic mill consumption plus exports) will be no higher and may be lower than the disappearance last season of 12.6 million bales.

If supply and requirements are about as currently indicated, the stocks of cotton at the end of the 1949-50 season would increase by 2 million bales or more over those a year earlier and would total about 7.5 million bales or more. It is likely that a large proportion of these stocks will be in the hands of the Commodity Credit Corporation. The exact proportions will depend in large measure on the price of cotton toward the end of the season in relation to the probable loan level and requirements for the 1950-51 season.

Spot prices of Middling 15/16 inch cotton declined 1.10 cents per pound in August and at the end of the month averaged 30.45 cents in the ten spot markets. The ten market equivalent loan rate for Middling 15/16 inch cotton is 29.57 cents per pound or 0.88 cents below the price at the end of August. The average price received by farmers for cotton in mid-August was 29.32 cents per pound, which was 97 percent of the August parity price and 0.11 cents below the loan rate for Middling 15/16 inch cotton, average location.

2/ The department store groups of items, a large share of which are of cotton are: women's and misses' dresses; aprons, housedresses, and uniforms; men's furnishings, hats and caps; draperies, curtains and upholstery, etc.; and cotton wash goods.

Table 1.- Cotton, Acreage, production, ginnings, United States, 1920-49

Year beginning August 1	Acreage in cultivation July 1 1/	Acreage harvested	Production (total ginnings)	Ginnings prior to August 1	In-season ginnings
	1,000 acres	1,000 acres	1,000 running bales	1,000 running bales	1,000 running bales
1920	35,872	34,408	13,271	2/	13,271
1921	29,716	28,678	7,978	2/	7,993
1922	32,176	31,361	9,729	2/	9,778
1923	37,000	35,550	10,171	2/	10,128
1924	40,690	39,501	13,639	22	13,780
1925	45,968	44,386	16,123	162	16,009
1926	45,839	44,608	17,755	48	17,870
1927	39,471	38,342	12,783	162	12,710
1928	43,737	42,434	14,297	89	14,295
1929	44,448	43,232	14,548	87	14,540
1930	43,329	42,444	13,756	78	13,685
1931	39,110	38,704	16,629	7	16,693
1932	36,494	35,891	12,710	71	12,810
1933	40,248	29,383	12,664	171	12,593
1934	27,860	26,866	9,472	100	9,466
1935	28,063	27,509	10,420	94	10,367
1936	30,627	29,755	12,141	41	12,243
1937	34,090	33,623	18,252	143	18,267
1938	25,018	24,248	11,623	158	11,602
1939	24,683	23,805	11,481	137	11,376
1940	24,871	23,861	12,298	32	12,268
1941	23,130	22,236	10,495	2	10,542
1942	23,302	22,602	12,438	49	12,496
1943	21,900	21,610	11,129	107	11,070
1944	19,990	19,651	11,839	48	11,924
1945	17,562	17,059	8,813	133	8,852
1946	18,190	17,615	8,517	172	8,539
1947	21,500	21,269	11,552	194	11,617
1948	23,110	22,768	14,580	259	14,619
1949 3/	26,380	25,907	14,597	298	

Compiled from reports of the Crop Reporting Board, Bureau of the Census and New York Cotton Exchange Service.

1/ Data for 1920 through 1926 relate to acreage in cultivation June 25.

2/ Comparable data not available.

3/ Preliminary.

Table 2.- Cotton: American Upland: Grade and staple length of cotton ginned in the United States 1948-49

Grade	13/16 inch and shorter	7/8 inch	29/32 inch	15/16 inch	31/32 inch	1 inch	1-1/32 inches	1-1/16 inches	1-3/32 inches	1-1/8 inches	1-5/32 inches	1-3/16 inches	1-7/32 inches	1-1/4 inches and longer	All lengths	
	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Percent
Extra White:																
3-G.M.	---	---	---	2	4	121	3,251	11,630	20,454	25,637	4,058	1,432	1,155	659	68,403	0.5
4-S.M.	---	10	---	74	205	4,674	139,618	284,637	148,927	86,975	13,075	2,899	1,833	1,664	684,591	4.8
5-M.	---	26	5	404	1,225	20,129	186,560	203,430	89,075	23,148	3,108	826	370	335	528,641	3.6
6-S.L.M.	4	79	48	1,507	4,082	23,989	45,385	43,314	14,827	2,082	189	63	16	10	135,095	.9
7-L.M.	128	837	47	4,031	3,558	9,752	6,869	6,412	968	38	6	3	---	---	32,049	.2
8-S.G.O.	391	1,856	68	5,276	2,326	3,110	1,004	485	45	---	---	---	---	---	14,561	.1
9-G.O.	248	1,232	15	1,999	606	772	276	85	---	---	---	---	---	---	5,233	1/
Total	771	4,040	183	13,293	12,006	62,547	382,963	549,993	274,296	137,880	20,436	5,223	3,374	2,668	1,469,673	10.1
White:																
2-S.G.M.	---	---	---	---	---	9	17	13	2	4	1	---	---	---	46	1/
3-G.M.	448	1,410	6,172	13,738	8,550	4,727	3,339	2,614	923	159	18	---	8	17	42,123	.3
4-S.M.	17,894	39,200	83,213	175,996	81,623	120,927	199,227	243,776	101,124	12,357	962	402	176	368	1,077,245	7.4
5-M.	112,096	194,871	199,949	315,185	204,177	583,875	1,333,287	1,469,393	559,778	68,491	5,466	1,464	721	1,441	5,050,194	34.6
6-S.L.M.	106,308	120,900	92,443	135,631	127,527	459,156	1,059,767	1,002,830	308,439	25,492	2,384	481	97	552	3,442,067	23.6
7-L.M.	53,899	37,558	22,999	40,677	44,805	212,254	324,015	203,015	56,230	2,651	221	106	38	61	998,529	6.9
8-S.G.O.	7,241	6,420	3,347	21,937	16,970	96,295	111,696	72,096	10,826	443	63	17	17	---	347,368	2.4
9-G.O.	1,272	1,372	602	10,954	2,858	26,578	22,485	10,953	985	6	---	9	---	---	78,074	.5
Total	299,158	401,731	408,725	714,118	486,510	1,503,821	3,053,833	3,004,730	1,038,307	109,603	9,115	2,479	1,057	2,439	11,035,646	75.7
Spotted:																
3-G.M.	8,823	13,094	14,017	19,068	6,433	4,433	5,188	3,062	791	83	14	69	61	---	75,136	.5
4-S.M.	102,289	110,497	72,595	85,022	38,500	67,104	87,046	45,053	7,636	558	149	62	31	31	616,573	4.2
5-M.	74,836	67,363	30,153	41,623	34,009	87,723	89,531	55,864	11,546	559	105	16	8	68	493,404	3.4
6-S.L.M.	46,190	28,982	8,590	28,334	23,634	63,003	61,313	40,701	5,292	240	97	1	---	3	306,380	2.1
7-L.M.	12,203	16,223	3,554	47,697	22,131	66,633	52,992	26,790	1,647	16	12	---	---	58	249,956	1.7
Total	244,341	236,159	128,909	221,744	124,707	288,896	296,070	171,470	26,912	1,456	377	148	100	160	1,741,449	11.9
Tinged:																
3-G.M.	141	358	201	262	195	188	188	104	19	---	---	---	---	---	1,656	1/
4-S.M.	3,068	5,548	1,855	3,815	2,268	5,235	3,702	1,307	125	10	---	9	---	9	26,951	.2
5-M.	6,955	8,967	1,963	6,327	3,636	9,033	6,180	1,817	23	10	---	---	---	---	44,911	.3
6-S.L.M.	3,741	6,075	1,295	9,830	5,499	11,294	6,206	1,265	34	4	---	---	---	---	45,243	.3
7-L.M.	1,451	6,517	1,628	18,636	6,556	14,004	7,128	1,510	122	---	---	---	---	---	57,552	.4
Total	15,356	27,465	6,942	38,870	18,154	39,754	23,404	6,003	323	24	---	9	---	9	176,313	1.2
Yellow Stained:																
3-G.M.	---	13	---	---	---	---	---	---	---	---	---	---	---	---	13	1/
4-S.M.	246	106	9	2	51	83	---	3	---	---	---	---	---	---	500	1/
5-M.	998	654	63	205	138	204	67	51	---	---	---	---	---	---	2,380	1/
Total	1,244	773	72	207	189	287	67	54	---	---	---	---	---	---	2,893	1/
Gray:																
3-G.M.	11	16	50	162	118	395	968	612	53	10	2	---	1	---	2,398	1/
4-S.M.	439	887	400	3,834	3,789	7,256	10,874	4,393	315	4	1	---	2	---	32,194	.2
5-M.	2,353	2,107	625	4,759	4,987	16,885	21,223	14,254	2,032	70	9	17	---	---	69,321	.5
6-S.L.M.	178	113	29	208	158	276	426	280	139	9	6	---	---	---	1,822	1/
Total	2,981	3,123	1,104	8,963	9,052	24,812	33,491	19,539	2,539	93	18	17	3	---	105,735	.7
Below Grade	4,724	10,036	882	13,614	1,421	9,720	3,592	1,029	87	---	---	---	---	---	45,105	.4
All Grades	568,575	683,327	546,817	1,010,809	652,039	1,929,837	3,793,420	3,752,838	1,342,464	249,056	29,946	7,876	4,534	5,276	14,576,814	100.0
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
All Grades	3.9	4.7	3.8	6.9	4.5	13.2	26.1	25.7	9.2	1.7	.2	.1	1/	1/	100.0	

1/ Less than 0.05 percent.

Compiled from reports of the Cotton Branch of Production and Marketing Administration except total ginnings which are from Bureau of the Census.

Percentage rough preparation.....3.1
Grade index.....95.7
Average staple length.....32.4

Table 3.- Wage rates in cotton textile industry, prices of cotton and cloth, by months, United States, 1935-1949

Crop year beginning August 1	Actual data				Index (1935-39=100)		Proportion of cloth prices	
	Hourly wages 1/	Cloth prices 2/	Cotton prices 3/	Mill margins 4/	Hourly wage	Cloth prices	Cotton prices	Mill margins
	Cents	Cents	Cents	Cents			Percent	Percent
1935	36.9	26.40	13.77	12.63	94	110	52.2	47.8
1936	39.1	30.02	13.43	16.59	100	125	44.7	55.3
1937	41.4	21.35	9.20	12.15	106	89	43.1	56.9
1938	38.4	19.54	9.10	10.44	98	81	46.6	53.4
1939	40.4	22.86	10.18	12.68	103	95	44.5	55.5
1940	42.9	27.47	11.12	16.35	109	114	40.5	59.5
1941	50.8	38.91	18.36	20.55	130	162	47.2	52.8
1942	58.0	40.62	19.99	20.63	148	169	49.2	50.8
1943	60.8	40.68	20.48	20.20	155	169	50.3	49.7
1944	65.8	42.48	21.59	20.89	168	177	50.8	49.2
1945	75.7	46.94	25.62	21.32	193	195	54.6	45.4
1946	93.1	77.98	34.46	43.52	238	325	44.2	55.8
1947	105.0	91.10	34.30	56.81	268	379	37.6	62.4
1948	111.8	65.62	31.78	33.84	285	273	48.4	51.6
1949								
January	112.5	65.04	32.26	32.78	287	271	49.6	50.4
February	112.4	64.56	32.26	32.30	287	269	50.0	50.0
March	112.2	63.70	32.35	31.35	286	265	50.8	49.2
April	111.5	62.57	32.63	29.94	284	260	52.1	47.9
May	110.1	61.27	32.51	28.76	281	255	53.1	46.9
June	111.1	60.22	32.47	27.75	283	251	53.9	46.1
July	111.0	59.99	31.81	28.18	283	250	53.0	47.0

Hourly wages are from reports of the Bureau of Labor Statistics: Prices are from reports of Cotton Branch, PMA.

1/ Average hourly earnings in cotton textile manufactures, except small wares.

2/ Estimated price of unfinished cloth (17 constructions). Represents the price of the approximate quantity of cloth obtainable from a pound of cotton, with adjustments for salable waste.

3/ Average price in the 10 designated spot markets for the qualities of cottons assumed to be used in each kind of cloth.

4/ Difference between prices of cotton and cloth.

Table 4.- Cotton Prices and specified loan data, United States, 1933-34 to 1949-50

Crop year beginning August 1	Middling 15/16" Price per pound at 10 spot markets	Loan rates per pound (10 markets)	Percent loan rate was of parity	Cotton placed under loan	Number of bales pooled at beginning of season	Number of bales under Government ownership at beginning of season	Number of bales under loan at end of season
	Cents	Cents	Percent	1,000 bales	1,000 bales	1,000 bales	1,000 bales
1933	11.00	1/10.00	68.9	1,926	---	---	1,117
1934	12.68	1/12.00	76.2	4,632	---	---	4,433
1935	11.88	1/10.00	61.6	115	---	---	3,237
1936	13.25	2/	2/	2/	---	---	1,665
1937	9.09	3/ 9.00	53.0	5,581	---	---	6,964
1938	9.00	8.60	52.3	4,482	---	---	11,049
1939	10.09	8.95	55.7	30	6,921	6,921	2,089
1940	11.00	9.15	56.5	3,180	0	6,643	921
1941	18.31	14.22	85.0	2,221	4/ 34	6,126	897
1942	20.14	17.22	90.0	3,143	0	3,681	2,695
1943	20.65	19.26	90.0	3,594	5/ 334	2,902	3,892
1944	21.86	21.08	95.0	2,122	6/1,277	2,615	2,275
1945	25.96	21.09	92.5	216	845	4,703	210
1946	34.82	24.38	92.5	146	7/ 129	971	11
1947	34.58	27.94	92.5	280	3	44	33
1948	32.15	30.74	92.5	5,271	29	8	3,819
1949		29.43	90.0				

Compiled from reports of the Cotton Branch, Production and Marketing Administration, and records of CCC.

1/ Applicable for all cotton, Low Middling and better 7/8" and longer.

2/ No loans.

3/ Applicable for all cottons Middling and better 7/8" and longer.

4/ Quantity pooled October 1, 1941.

5/ Quantity pooled September 15, 1943.

6/ Quantity pooled August 15, 1944.

7/ Quantity pooled August 1, 1946 and on October 1, 1946 2,000 bales were pooled.

Table 5.- Cotton: CCC Loans on the 1948 crop by States, United States, 1948-49

State	Gross loans through August 25, 1949	Redemptions	Loans unredeemed through August 25, 1949
	Bales	Bales	Bales
Alabama	515,288	147,191	368,097
Arizona	133,770	2,044	131,726
Arkansas	705,836	198,299	507,537
California	390,121	18,825	371,296
Florida	1,434	30	1,404
Georgia	350,395	42,706	307,689
Illinois	190	0	190
Kentucky	1,184	180	1,004
Louisiana	284,588	120,309	164,279
Mississippi	949,546	166,963	782,583
Missouri	335,409	53,688	281,721
New Mexico	97,198	9,957	87,241
North Carolina	175,610	25,916	149,694
Oklahoma	135,906	94,749	41,157
South Carolina	252,937	19,466	233,471
Tennessee	206,505	59,917	146,588
Texas	729,829	517,608	212,221
Virginia	5,803	140	5,663
Total	5,271,549	1,477,988	3,793,561

Compiled from reports of the Commodity Credit Corporation.

Table 6.- Cotton, American Upland: Premiums and discounts for all qualities of 1949 crop for price support loans.

(Basis 15/16 inch Middling)

GRADE	Staple Length (inches)													
	13/16	7/8	29/32	15/16	31/32	1	1-1/32	1-1/16	1-3/32	1-1/8	1-5/32	1-3/16	1-7/32	1-1/4 & Longer
	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.
WHITE & EXTRA WHITE														
Good Middling & Better	-295	-175	-65	50	75	110	150	180	270	430	705	1,205	1,870	2,[illegible]
Strict Middling	-305	-185	-75	35	65	100	135	165	255	420	680	1,180	1,845	2,430
Middling	-340	-220	-110	Base	25	60	90	115	175	325	575	1,065	1,735	1,955
St. Low Middling	-485	-370	-265	165	-145	-120	-95	-70	-10	100	245	655	900	1,000
Low Middling	-875	-780	-685	-605	-600	-585	-580	-580	-570	-560	-545	-530	-520	-495
St. Good Ordinary	-1,280	-1,195	-1,095	-1,000	-1,000	-995	-995	-985	-960	-950	-950	-950	-950	-950
Good Ordinary	-1,545	-1,415	-1,315	-1,230	-1,230	-1,230	-1,230	-1,210	-1,140	-1,115	-1,115	-1,115	-1,115	-1,115
SPOTTED														
Good Middling	-425	-320	-205	-100	-80	-65	-50	-35	-5	20	55	95	145	195
Strict Middling	-435	-335	-220	-115	-95	-75	-60	-45	-15	5	35	70	120	170
Middling	-615	-515	-405	-295	-280	-260	-250	-240	-195	-170	-145	-120	-95	-70
St. Low Middling	-1,165	-1,055	-945	-830	-825	-815	-815	-810	-810	-810	-810	-810	-810	-810
Low Middling	-1,500	-1,415	-1,320	-1,215	-1,215	-1,215	-1,215	-1,210	-1,200	-1,200	-1,200	-1,200	-1,200	-1,200
TINGED														
Good Middling	-1,060	-920	-835	-750	-750	-725	-720	-710	-680	-655	-630	-580	-530	-505
Strict Middling	-1,105	-955	-865	-785	-785	-760	-755	-740	-700	-675	-650	-600	-550	-525
Middling	-1,350	-1,220	-1,135	-1,050	-1,050	-1,035	-1,035	-1,025	-1,005	-1,005	-1,005	-1,005	-1,005	-1,005
St. Low Middling	-1,690	-1,520	-1,420	-1,345	-1,345	-1,335	-1,335	-1,310	-1,275	-1,260	-1,260	-1,260	-1,260	-1,260
Low Middling	-1,860	-1,715	-1,620	-1,555	-1,550	-1,550	-1,550	-1,540	-1,525	-1,515	-1,515	-1,515	-1,515	-1,515
YELLOW STAINED														
Good Middling	-1,405	-1,265	-1,165	-1,080	-1,080	-1,080	-1,075	-1,070	-1,060	-1,050	-1,050	-1,050	-1,050	-1,050
Strict Middling	-1,475	-1,320	-1,220	-1,135	-1,135	-1,130	-1,130	-1,120	-1,100	-1,085	-1,085	-1,085	-1,085	-1,085
Middling	-1,675	-1,485	-1,380	-1,305	-1,300	-1,300	-1,300	-1,295	-1,295	-1,295	-1,295	-1,295	-1,295	-1,295
GRAY														
Good Middling	-510	-455	-345	-255	-245	-230	-220	-210	-200	-180	-105	-30	20	85
Strict Middling	-550	-490	-375	-295	-280	-270	-255	-245	-225	-200	-130	-55	-5	60
Middling	-655	-570	-460	-375	-365	-355	-340	-330	-320	-315	-300	-270	-245	-235
St. Low Middling	-1,150	-1,050	-950	-875	-850	-850	-850	-850	-850	-850	-850	-850	-850	-850

Compiled from reports of the Commodity Credit Corporation.

Table 7.- Changes in Commodity Credit Corporation premiums and discounts for all qualities of American Upland Cotton, between 1948-49 and 1949-50 loan programs.

(1948-49-base)

	Staple length (inches)													
	13/16	7/8	29/32	15/16	31/32	1	1-1/32	1-1/16	1-3/32	1-1/8	1-5/32	1-3/16	1-7/32	1-1/4 & Longer
	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.	Pts.
WHITE & EXTRA WHITE														
Good Middling & Better	-15	-30	-25	0	-10	-15	-20	-35	-90	-55	+15	+195	+690	+800
Strict Middling	-15	-25	-20	0	-5	-10	-20	-35	-95	-55	+15	+195	+690	+800
Middling	-15	-25	-20	131	-10	-15	-30	-45	-125	-90	-15	+180	+680	+725
St. Low Middling	-25	-60	-65	-50	-65	-80	-90	-100	-185	-170	-145	+85	+255	+265
Low Middling	-70	-105	-115	-125	-125	-125	-140	-150	-180	-180	-180	-180	-180	-180
St. Good Ordinary	-35	-90	-85	-70	-75	-70	-70	-65	-40	-30	-30	-30	-30	-30
Good Ordinary	-80	-90	-90	-95	-95	-95	-95	-80	-10	+10	+10	+10	+10	+10
SPOTTED														
Good Middling	-15	-65	-45	-25	-20	-20	-20	-25	-50	-70	-105	-165	-190	-240
Strict Middling	-15	-60	-40	-25	-20	-15	-15	-30	-55	-80	-115	-180	-205	-255
Middling	+15	-45	-25	0	0	+10	+5	0	+35	-25	-50	-95	-145	-195
St. Low Middling	-150	-205	-180	-165	-165	-160	-160	-160	-170	-170	-170	-170	-170	-170
Low Middling	-90	-160	-150	-130	-140	-145	-145	-150	-160	-170	-170	-170	-170	-170
TINGED														
Good Middling	-75	-135	-135	-125	-130	-110	-110	-105	-90	-90	-90	-90	-65	-65
Strict Middling	-85	-120	-120	-115	-120	-105	-105	-90	-60	-60	-60	-60	-35	-35
Middling	-60	-140	-150	-150	-150	-145	-150	-150	-145	-155	-155	-155	-155	-155
St. Low Middling	-140	-190	-195	-195	-200	-195	-195	-190	-185	-185	-185	-185	-185	-185
Low Middling	-135	-175	-175	-185	-185	-190	-190	-180	-165	-155	-155	-155	-155	-155
YELLOW STAINED														
Good Middling	-105	-155	-135	-115	-120	-125	-125	-120	-135	-135	-135	-135	-135	-135
Strict Middling	-150	-180	-160	-145	-150	-150	-150	-145	-150	-145	-145	-145	-145	-145
Middling	-205	-215	-205	-200	-200	-205	-205	-215	-230	-245	-245	-245	-245	-245
GRAY														
Good Middling	+15	-85	-45	-35	-35	-30	-40	-50	-110	-215	-210	-190	-190	-200
Strict Middling	+20	-80	-35	-30	-30	-35	-35	-45	-95	-195	-175	-175	-175	-185
Middling	+10	-75	-40	-30	-30	-30	-30	-35	-55	-90	-100	-95	-95	-110

Compiled from reports of the Commodity Credit Corporation.

Table 8.- Loan rates of cotton in 1949 as a percentage of 1948 loan rates

Grade	13/16 Inch	7/8 Inch	29/32 Inch	15/16 Inch	31/32 Inch	1 Inch	1-1/32 Inch	1-1/16 Inch	1-3/32 Inch	1-1/8 Inch	1-5/32 Inch	1-3/16 Inch	1-7/32 Inch	1-¼ Inch & Longer
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
White and Extra White:	95	94	95	96	96	95	95	95	94	95	97	102	113	115
Good Middling and Better	95	95	95	96	96	96	95	95	93	95	97	102	113	115
Strict Middling	95	95	95	96	95	95	95	95	92	94	96	101	113	114
Strict Low Middling	94	93	93	94	93	93	93	93	90	91	92	99	103	104
Low Middling	91	90	90	90	90	90	90	89	88	88	89	89	89	89
Strict Good Ordinary	91	89	90	91	90	91	91	91	92	93	93	93	93	93
Good Ordinary	87	87	88	88	88	88	88	89	93	94	94	94	94	94
Spotted:														
Good Middling	95	93	94	95	95	95	95	95	94	94	93	91	91	89
Strict Middling	94	93	94	95	95	95	95	95	94	93	92	91	90	89
Middling	95	93	94	95	95	96	96	95	97	95	94	93	91	90
Strict Low Middling	86	85	87	88	88	88	88	88	88	88	88	88	88	88
Low Middling	87	84	85	87	86	86	86	86	86	85	85	85	85	85
Tinged:														
Good Middling	90	88	89	90	89	90	90	90	91	91	91	91	92	93
Strict Middling	89	89	89	90	90	90	90	91	92	92	92	92	94	94
Middling	89	86	87	87	87	87	87	87	88	87	87	87	87	87
Strict Low Middling	82	82	82	83	83	83	83	84	84	84	84	84	84	84
Low Middling	80	80	81	81	81	81	81	82	83	83	83	83	83	83
Yellow Stained:														
Good Middling	87	85	87	88	88	88	88	88	88	88	88	88	88	88
Strict Middling	84	84	86	87	87	87	87	87	87	87	87	87	87	87
Middling	79	81	82	83	83	83	83	83	82	81	81	81	81	81
Gray:														
Good Middling	95	92	94	94	94	94	94	94	92	89	89	90	90	90
Strict Middling	96	92	94	94	94	94	94	94	92	89	90	90	91	90
Middling	95	92	94	94	94	94	94	94	93	92	92	92	92	92

Source: Computed from reports of the First National Bank of Memphis, Tennessee.

Table 9.- Loan Rates for all Qualities of 1949-Crop American-Egyptian Cotton

Grade	STAPLE LENGTH (INCHES)							
	1-3/8		1-7/16		1-1/2		1-9/16 and longer	
	Cal. and Ariz.	N. M. and Texas	Cal. and Ariz.	N. M. and Texas	Cal. and Ariz.	N. M. and Texas	Cal. and Ariz.	N. M. and Texas
	Cents 1/	Cents 1/	Cents 1/	Cents 1/	Cents 1/	Cents 1/	Cents 1/	Cents 1/
1	52.50	52.75	55.95	56.20	61.60	61.85	61.60	61.85
1-½	51.50	51.75	54.95	55.20	60.20	60.45	60.20	60.45
2	49.95	50.20	53.55	53.80	57.85	58.10	57.85	58.10
2-½	48.10	48.35	49.70	49.95	52.75	53.00	52.75	53.00
3	44.35	44.60	45.95	46.20	48.10	48.35	48.10	48.35
3-½	38.95	39.20	41.20	41.45	44.05	44.30	44.05	44.30
4	34.10	34.35	37.40	37.65	40.55	40.80	40.55	40.80
4-½	29.55	29.80	32.85	33.10	36.40	36.65	36.40	36.65
5	27.05	27.30	30.05	30.30	33.30	33.55	33.30	33.55

1/ Cents per pound, net weight.
Production and Marketing Administration.