

The COTTON SITUATION

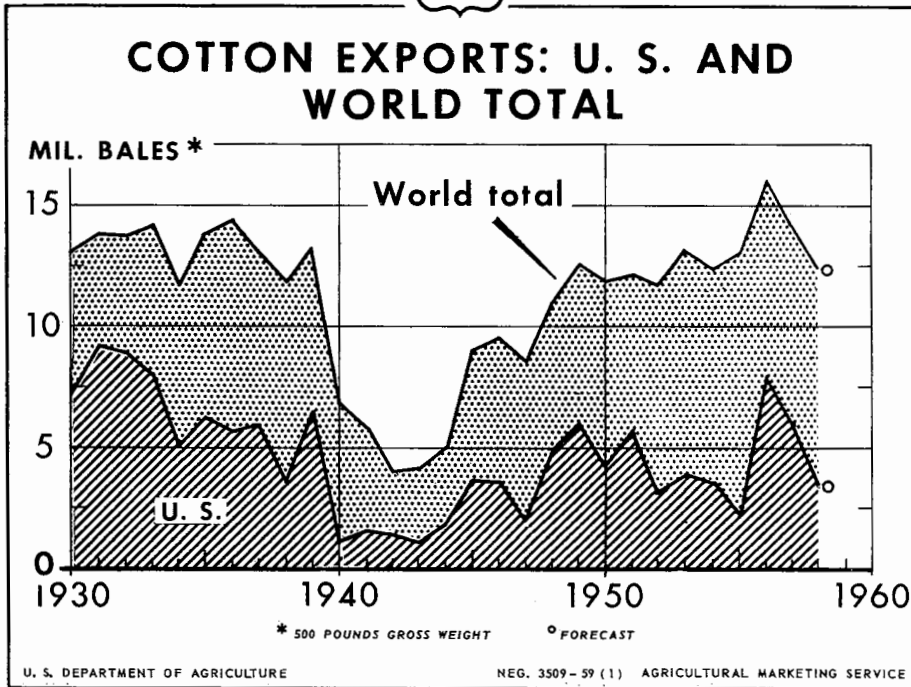
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In this issue:
Apparel Expenditures
and the Demand for Cotton



World trade in cotton in the 1958-59 season is estimated at about 13.1 million bales, 1.1 million below last year and 2.9 million less than the postwar high of 16 million bales in 1956-57. U. S. exports will decline more than the world total, and are not likely to exceed 3.5 million running bales, 2.2 million bales below last year and less

than half the 7.6 million bales exported in 1956-57. Factors responsible for the U. S. export decline include larger beginning stocks and production in foreign exporting countries, significant declines in foreign prices and curtailed textile activity in major U. S. export markets.

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Cotton Situation at a Glance

Item	Unit	1957			1958		
		October	November	December	October	November	December 1/
Prices, received by farmers for Am. Upland (mid-month)	Cents	32.33	31.13	28.19	33.26	32.38	30.29
Parity price for Am. Upland	Cents	37.06	37.31	37.43	38.80	38.93	38.93
Farm price as a percentage of parity	Percent	87	83	75	86	83	78
Average 14 spot market price Middling 1 inch	Cents	33.54	34.34	34.89	34.75	34.75	34.41
Average price for 20 constructions, gray goods	Cents	58.36	58.13	58.55	57.14	58.13	58.98
Average price cotton used in 20 constructions	Cents	34.34	35.77	35.74	34.98	34.77	33.92
Mill margins for 20 constructions	Cents	24.02	22.36	22.81	22.16	22.36	25.06
BLS wholesale price index							
All commodities	1947-49 = 100	117.8	118.1	118.5	2/ 119.0	2/ 119.2	2/ 119.2
Cotton broadwoven goods	do.	86.6	86.4	86.7	84.3	84.6	85.6
Index of industrial production							
Overall (adjusted)	1947-49 = 100	142	139	135	138	141	142
Textiles, products and apparel (adjusted)	do.	104	101	97	110	112	112
Personal income payments (adjusted)	Billion dollars	350.6	350.2	348.4	357.5	360.0	---
Retail store sales (apparel group, adjusted)	Million dollars	1,029	1,007	1,087	1,068	1,033	---
Mill consumption of all kinds of cotton 3/	1,000 bales	4/ 820.0	651.6	569.9	4/ 833.4	672.8	4/ 727.4
Mill consumption, daily rate (unadjusted) 5/	1,000 bales	32.8	32.6	28.5	33.3	33.6	29.1
Mill consumption, daily rate (adjusted) 5/	1,000 bales	30.5	31.0	29.9	31.0	32.0	30.5
Spindles in place end of month in cotton system	Thousands	21.1	21.1	21.1	20.7	20.7	20.7
Spindles consuming 100 percent cotton	Thousands	18.1	18.1	18.1	17.6	17.6	17.6
Spindles idle	Thousands	1.3	1.4	1.3	1.4	1.5	1.4
Gross hourly earnings in broadwoven goods 6/	Dollars	1.44	1.44	1.43	1.44	---	---
Mill stocks + unfilled orders, cotton broadwoven goods 7/	Percent	65	55	52	53	42	---
Exports of cotton	1,000 bales	483.7	525.5	608.6	181.5	313.8	---
Exports of cotton since August 1	1,000 bales	1,198.6	1,724.1	2,332.7	602.1	915.8	---
Imports of cotton	Bales	16,148	27,718	37,437	12,356	---	---
Imports of cotton since August 1	Bales	55,025	82,743	120,180	120,648	---	---
Mill stocks end of month	1,000 bales	1,286.5	1,443.6	1,593.5	1,343.1	1,430.9	1,542.1
Stocks, public storage, etc	1,000 bales	10,817.5	11,354.2	12,622.6	10,269.0	11,908.1	12,726.0
Linters prices 8/							
Grade 2, Staple 2	Cents	8.82	8.38	8.72	8.42	8.40	8.11
Grade 4, Staple 4	Cents	6.73	6.59	6.75	6.25	6.06	5.97
Grade 6, Staple 6	Cents	5.28	5.17	5.38	4.36	4.31	4.31
Rayon prices							
Viscose yarn, 150 denier	Cents	91	91	91	76	76	---
Staple fiber, viscose 1 1/2 denier	Cents	31	31	31	31	31	---
Acetate yarn, 150 denier	Cents	77	77	77	77	77	---

1/ Preliminary. 2/ Revised index based on new weights. 3/ 4-week period except as noted. 4/ 5-week period. 5/ 5-day week. 6/ Cotton, silk and synthetic fibers. 7/ End of month. 8/ Average of prices for specified grades and staples at four markets.

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 T H E C O T T O N S I T U A T I O N
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Approved by the Outlook and Situation Board, January 26, 1959

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SUMMARY

Consumption of cotton by U. S. mills is running a little above a year ago but exports are down sharply. Total disappearance in 1958-59 may be the lowest in 3 years.

Domestic mill consumption from August 1 through December 31, 1958 totaled 3,487,000 bales, about 5,000 bales above 1957. Improved mill margins and low mill and trade inventories relative to unfilled orders and consumer

purchases are encouraging factors for further increases. Total consumption for the 1958-59 season is estimated at $8\frac{1}{4}$ million bales, compared with 8 million last year.

Exports through November 1958 totaled 916,000 bales, only about half as much as during the comparable 4 months last year. Earlier estimates of increased production and lower consumption in the foreign free world are being confirmed. With foreign cotton prices continuing weak, the brunt of the anticipated decline in world cotton trade will fall on the United States. Under these circumstances, it is not likely that U. S. cotton exports during 1958-59 will exceed 3.5 million bales, 2.2 million less than last season.

The prospective 1958-59 disappearance about equals the 1958 crop of 11.5 million running bales and imports of 140,000. This indicates that the carryover on August 1, 1959 will remain about unchanged from the 1958 figure of 8.7 million.

Ginnings through January 15 totaled 11.3 million bales, 98.6 percent of the estimated crop. The grade index was 95.9 (Middling inch = 100) compared with 92.0 last year and 96.1 two years ago. The average staple was 32.8 thirty-seconds inches against 32.7 in the previous two seasons.

The price of cotton at the farm has trended downward as the harvest progressed. The mid-December price received by farmers for upland cotton, 30.29 cents per pound, was more than seasonally below November. However, the December price was 2.1 cents above a year earlier when a large percentage of sales consisted of weather-damaged cotton, marketed at a heavy discount.

Market prices have fluctuated within narrow limits during most of the season, and remained above a year ago until December. The December average price of Middling inch cotton on the 14 spot markets was 34.41 cents, the lowest of the season and .48 cents below a year earlier. Purchases on these markets were largely limited to the lower grades. Prices of higher grades have remained below support during most of the season and the premiums and discounts have narrowed.

An unusually high proportion of current ginnings has gone under loan. Net CCC loan stocks on January 19 totaled 5.9 million bales. This was equal to about 52 percent of the estimated crop. The volume of loan entries as of this date were exceeded only in 1953 and 1955 when the crops were considerably larger. As a result of large loan entries and relatively small sales, CCC holdings of cotton (owned or held as collateral against outstanding loans) have begun to rise after 2 years of decline. Total holdings of 7.5 million bales as of January 19 are 2.6 million above a year ago, but well below the record 14.2 million bales reached on January 20, 1956.

Marketing quotas for the 1959 crops of upland and extra-long staple cotton were overwhelmingly approved in referendums held on December 15. Price support levels for upland cotton will be announced on or before January 31. The legislative minimum level of support for growers staying within their original allotments (Choice A) is 80 percent of parity.

RECENT DEVELOPMENTS

Ginnings Nearly Completed Quality High

As of January 15, 1959 ginnings totaled 11,342,900 bales, 98.6 percent of the estimated crop. This is slightly above the average of 98.1 percent for the past 10 years and compares with 97.7 percent ginned by mid-January last year.

Middling and higher White grades accounted for nearly half of the upland cotton ginned in the United States prior to January 16 this season. The grade index of upland cotton ginned through January 15 was 95.9 (Middling White equals 100). This compares with 92.0 a year earlier and 96.1 two years ago. Spotted and other colored cotton amounted to 13.5 percent of ginnings to date, compared with more than 25 percent of the weather-damaged 1957 crop.

The average staple of upland cotton ginned prior to January 16 was 32.8 thirty-seconds inches against 32.7 thirty-seconds to the same date in the preceding two seasons. Cotton in the lengths 29.32 inches and shorter comprised the smallest proportion of total ginnings on record, while cotton stapling 1-1/16 inches and more comprised 46 percent of ginnings to date.

American-Egyptian cotton ginned prior to January 16 this season also contained proportionately more of the higher grades than a year earlier, but the average staple was somewhat shorter. Grades 3 and higher comprised about 54 percent of total ginnings against 50 percent last year. About 69 percent of total ginnings was in the longer lengths, 1-7/16 inches and longer compared with 70 percent last season. As of January 15, 1959 ginnings of American-Egyptian cotton totaled 80,900 bales against 73,850 a year earlier.

Loan Stocks High

Purchases at the 14 spot markets have been slow and consisted largely of the lower grades. As a result an unusually high proportion of current ginnings has gone under loan.

Table 1.--Percentage of production placed under loan, by States
1953-1958

State	Loan entries as a percent of production						
	1958 1/19/59 1/	1957	1956	1955	1954	1953	
	1,000 bales	1,000 bales					
Alabama	253	57	40	30	38	9	39
Arizona	308	40	22	20	44	7	37
Arkansas	308	34	15	30	50	6	46
California	574	36	24	23	32	19	27
Florida	2	25	12	14	11	4	13
Georgia	268	76	48	52	46	23	49
Louisiana	84	29	28	35	49	6	35
Mississippi	479	51	32	45	53	15	50
Missouri	111	39	15	17	52	3/	67
New Mexico	76	26	38	44	73	41	69
North Carolina	139	54	40	38	33	5	20
Oklahoma	181	57	58	53	74	42	57
South Carolina	103	34	17	16	28	8	29
Tennessee	218	53	13	23	28	3	26
Texas	1,987	47	46	51	63	28	44
Virginia	3	35	26	27	16	1	7
Others	3	34	7	9	14	2	8
In process	868						
Total	5,967	52	34	37	50	17	42

1/ Net loan entries.

2/ Based on production as estimated by the Crop Reporting Board on December 8, 1958 converted to running bales.

3/ Less than 1 percent.

As of January 19, 5,966,523 bales of cotton had been placed under loan. Repayments totaled less than 100,000 bales. Thus net CCC loan stocks totaled 5.9 million bales. Relative to the total crop, cotton placed under loan reached a record 51.8 percent. In terms of volume, outstanding loans on a comparable date were exceeded only in 1953 and 1955 when the total crops were 4.5 and 3 million bales higher respectively. While there is always

some delay in processing loans, further loan entries may be small as end of season marketings are usually lower in grade and there is a relatively strong demand for the lower grades. This factor may be offset however by the widening disparity between support and market prices for the higher grades. By January 19 about one-third of the estimated 1958 crop of extra-long staple cotton had been placed under loan.

The proportion of net loan entries to cotton production has varied greatly by States, depending on market conditions (table 1).

Reported purchases on the 14 markets through January 19 totaled 4.9 million bales, one-third less than last year. The increasing prevalence of direct mill buying, including ginning to buyers' specifications, is tending to reduce the validity of purchases on the 14 markets as an indicator of market demand.

CCC Holdings

Rise

Through January 19, CCC had sold 1.9 million bales of upland cotton under the 1958-59 export program. The past 3 sales averaged 27,000 bales compared with an average of 112,000 during preceding sales. In addition 229,000 bales were registered under the payment-in-kind program, and 92,000 bales were sold for unrestricted use and transferred for ICA for foreign relief. Dispositions under the 1958-59 programs thus totaled 2.2 million bales, of which 1.3 million took place after August 1, 1958. Stocks of 1957 and previous crop cotton remaining in CCC hands as of January 19, 1959 thus totaled 1.6 million bales.

Total CCC price support holdings of cotton, (owned and under loan, but excluding export dispositions) totaled 7.4 million bales as of January 19, 1959. This was 2.5 million above a year ago, but well below the record 14.2 million reached January 20, 1956 (table 18).

Farm Prices Decline

Parity Price

Unchanged

The price of cotton at the farm has trended downward as the harvest progressed. The mid-December price of 30.29 cents received by farmers for upland cotton was over 2 cents--more than seasonally--below November. Throughout the season the better grades have gone under loan and farm prices have reflected marketing of the lower grades.

The December price was 2.1 cents above a year earlier when a large proportion of sales consisted of weather-damaged cotton marketed at heavy discounts. Farm prices for upland cotton averaged 78 percent of parity in December 1958, against 83 percent in November and 75 percent in December a year ago.

Prices received for American-Egyptian cotton averaged 51.9 cents per pound as of December 15 compared with 54.1 cents a month earlier and 60.3 a year ago. Prices for American-Egyptian cotton averaged 62 percent of the mid-December parity for extra-long staple cotton.

The parity price for upland cotton was 38.93 cents per pound as of December 15. This is unchanged from a month earlier and compares with 37.43 cents a year ago. Parity for extra-long staple cotton in mid-December was 83.8 cents per pound, the same as in November. The December 1957 parity price was 80.4 cents.

Spot Market Prices

Slightly Lower

Market prices have fluctuated within narrow limits during most of the season. The monthly average price of Middling inch cotton at the 14 spot markets ranged from a high of 34.83 in August to a low of 34.41 in December. Market prices have declined rather steadily during the past 6 weeks and the season's low was reached on January 20 when the price averaged 34.27 cents per pound, the lowest point since mid-November 1957. Except for December when the average price was .48 cent below last year, monthly prices have averaged above a year earlier. The higher grades have remained below the support price at these markets (35.35 cents for Middling 1) during the entire season.

Prices of extra-long staple cotton on the El Paso and Phoenix markets have varied less than 1 cent during the first five months of the current season. Prices have been generally above the average loan rate at these markets. The average price of base quality American-Egyptian cotton (Grade 3, 1½ inch) was 56.41 cents per pound in December 1958. This was .77 cent below the season high reached in November, but 6.8 cents below a year ago. In December, Egyptian cotton was delivered at mill points in New England at 46.30-48.10 cents per pound, or about 15 cents below the delivered price of comparable grades of American-Egyptian cotton.

Premiums and Discounts

Narrow Again in December

Premiums for the higher grades and longer staples of cotton narrowed in December, continuing a trend evident since April 1958. Average grade premiums in December 1958 were about a fourth lower than a year earlier, due to the combined effect of increased supplies of the higher grades from the 1958 crop as well as the concentration of trade buying on the lower grades.

These factors have also tended to narrow somewhat the discounts for grades below Middling. This trend continued in December for the eighth consecutive month. The December 1958 average discount for Strict Low Middling 1-inch cotton was 3.38 cents (338 points), about 15 percent less than a year ago. Discounts for the shorter staples narrowed for the fifth consecutive month in December and averaged around 6 percent below a year earlier (table 17).

Mill Consumption
Slightly Above
Last Year

Mill consumption of all kinds of cotton in the United States from August 3, 1958 through January 3, 1959 totaled about 3,520,000 running bales. If adjusted for the period August 1-December 31, 1958, the total would be 3,487,000, about 5,000 bales more than the adjusted total for a year earlier.

In recent months, most large mills have been operating on a 5- rather than a 6-day week as in 1957 and shut-downs over the Thanksgiving-Christmas holidays were longer in 1958. On the other hand, the daily rate of mill consumption as published by the Census Bureau is calculated on a standard month of 20 or 25 days respectively. The daily rate of consumption during the past 3 months has averaged above last year (table 2). In fact, during December the number of spindle hours (active spindles times hours of operation) was about 10 percent above last year.

Table 2.--Daily rate of cotton consumption, by months,
August-December, 1957 and 1958

Month	1957	1958
	<u>Bales</u>	<u>Bales</u>
August	33,277	31,938
September	32,963	32,395
October	32,799	33,335
November	32,580	33,642
December	28,494	29,096

Bureau of the Census.

Improved mill margins, low trade inventories, and firm consumer demand are encouraging factors for further increases in mill consumption. Based on recent rates of consumption, the total for the year is estimated at $8\frac{1}{4}$ million bales.

Mill Margins
Improving

Prices for cloth have strengthened while those for cotton have eased downward in recent months. Consequently mill margins, or the spread between the price of a pound of cotton and its approximate cloth equivalent, have

widened somewhat. Prices for cotton cloth in December averaged less than a half cent per pound higher than a year earlier while those for cotton averaged about 1-3/4 cents per pound lower than in December 1957. The average mill margin of 25.06 cents in December was the highest since September 1957, and compared with 23.36 cents a month earlier and 22.81 cents a year ago. Monthly mill margins averaged 22.75 cents in the 1958 calendar year compared with 24.87 in 1957.

Stock Ratio
Declines Sharply

The ratio of stocks to unfilled orders for broadwoven goods at cotton mills declined to .42 in November--the lowest level since October 1956. In April 1958 the ratio was at a 6-year high of .72. In the past, a decline of this magnitude in the ratio has indicated a substantial increase in mill consumption (table 3).

Table 3.--Cotton broadwoven goods at cotton mills: Ratio of stocks to unfilled orders, United States, by months, January 1954 to date

Year beginning January 1	End of month						
	Jan.	Feb.	Mar.	Apr.	May	June	
1954	.55	.56	.55	.65	.52	.52	
1955	.34	.36	.38	.41	.38	.36	
1956	.22	.22	.27	.30	.34	.44	
1957	.53	.55	.57	.62	.55	.60	
1958	.60	.67	.70	.72	.70	.69	
	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1954	.52	.53	.43	.46	.47	.39	.51
1955	.33	.28	.26	.25	.23	.23	.32
1956	.48	.54	.51	.41	.46	.49	.39
1957	.62	.66	.63	.65	.55	.52	.59
1958	.57	.61	.58	.52	.42		

The American Cotton Manufacturers Institute, Inc.

Part of the decline in the ratio may reflect a deliberate reduction in inventories in anticipation of lower cotton prices next season. Inventories in November were equal to 4.9 weeks' production compared to 5.6 in August while unfilled orders rose to 11.7 weeks' production from 9.2 in August.

Higher Foreign Production,
Lower Consumption Confirmed

Expanded acreage and higher yields in most major producing countries is expected to raise aggregate foreign free world production to 17.7 million bales in 1958-59, 1 million bales above last season. Beginning season stocks in net exporting countries were about 600,000 bales higher. Total supplies in the foreign free world will thus reach a record 27.5 million bales. In contrast, consumption is expected to decline 700,000 bales from 1957-58 to 19.7 million bales with reductions in the importing countries (mainly Western Europe and Japan) more than offsetting increases in exporting countries (Table 4).

Table 4.--Cotton: Supply and distribution in the foreign free world, 1957-58 and 1958-59

Item	1957-58 <u>1/</u>	1958-59 <u>2/</u>
	<u>Million bales</u>	<u>Million bales</u>
Starting carryover	9.2	9.8
Production	16.7	17.7
Imports from U. S.	5.7	3.5
Total supply	31.6	31.0
Consumption	20.4	19.7
Exports to U. S., net exports to communist countries, and destroyed	1.4	1.4
Total disappearance	21.8	21.1
Ending carryover	9.8	9.9

1/ Preliminary.

2/ Estimated.

Foreign Agricultural Service.

World Cotton

Trade Declines

Reduced consumption, which normally is accompanied by lower stock holdings, will tend to reduce foreign import requirements. It is estimated that world trade in cotton will decline around 1.1 million bales from the 14.2 million bales exported in 1957-58. Exports from the U. S. are likely to decline more than total world trade.

This view is being confirmed by developments to date. Foreign exporting countries, which do not have the resources to carry large stocks, have assisted the movement of their surpluses by price concessions and special trading arrangements. Trade sources indicate that exports from most major foreign surplus producing countries are well ahead of a year ago.

Foreign Prices
Continue Weak

The disparity between the prices of foreign growths and comparable U. S. cotton has tended to remain high. Because of the prevalence of special trading arrangements, these disparities are greater on importing markets than would appear from a comparison of spot prices (Table 20). Mexican cotton, for instance, was quoted on European import markets in early January at $3\frac{1}{2}$ --4 cents below comparable U. S. upland types. Egyptian extra-long staple is currently selling more than 25 cents below comparable American-Egyptian cotton.

Export Estimate
Revised Downward

Exports during 1958-59 are not likely to exceed 3.5 million bales, compared with 5.7 last season.

Exports during the first 4 months of the current season amounted to 916,000 bales, 47 percent below a year earlier. Private estimates indicate that exports in December totaled about 300,000 bales. Continuation of the estimated rate of exports during August-December on a seasonally adjusted basis would result in a total export figure of around 3 million bales. A more than seasonal pick-up in exports resulting from the disposition of accumulated stocks in foreign exporting countries, the high quality of the 1958 U. S. crop, the fact that much of the increase in foreign production is in the extra-long staples and the possibility of renewed foreign textile activity could raise the total to 3.5 million bales.

Greatest Decline in Exports
To Traditional Markets

The bulk of the 808,000 bale export decline so far this season has been in cotton 1 inch and over to Western Europe, Canada and Japan. During the period August 1-November 30, 1958 combined exports to the United Kingdom, Germany and Italy were 73 percent below the same months in 1957, while those to Japan and Canada were 56 and 77 percent lower respectively.

Table 5.--U. S. cotton exports to selected areas,
August-November 1957 and 1958

Country or area	1957	1958	Change
	<u>1,000 bales</u>	<u>1,000 bales</u>	<u>1,000 bales</u>
United Kingdom	253	67	-186
Western Germany	257	53	-204
Italy	156	59	- 97
Spain	9	120	112
Other Western Europe	295	183	-108
Canada	75	17	- 58
Japan	316	141	-175
All other	363	276	- 92
Total	1,724	916	-808

Government Export Financing
Below Last Year

Cotton sold for export by CCC and cotton to be exported under the payment-in-kind program may receive additional export financing assistance under the various special export programs.

Authorizations through January 26 under Public Law 480, the Mutual Security Act, Export-Import Bank loans totaled 271 million dollars, providing for the movement of about 1.7 million bales of cotton. In addition, PL 480 agreements have been signed for the export of \$18 million worth of cotton (approximately 109,000 bales) for which purchase authorizations have not yet been issued (Table 6). Agreements and authorizations as of this date last year amounted to 330 million dollars.

It is anticipated that most of this cotton will move out during the current marketing year. Additional agreements may be concluded to finance cotton exports during 1958-59. In the fiscal year ended June 30, 1958 exports of about 2.3 million bales were financed with about 300 million dollars.

Table 6.--Special programs of the U. S. Government for financing cotton exports: Fiscal years beginning July 1, 1957 and 1958 ^{1/}

Program	1957-48		1958-59	
	Value	Quantity ^{2/}	Value	Quantity ^{2/}
	Million dollars	Million bales	Million dollars	Million bales
Mutual Security Act	108.8	0.7	89.7	0.6
Export-Import Bank	112.7	.7	79.8	.5
Public Law 480				
Title I	133.0	.9	^{3/} 100.8	.6
Title II	5.0	^{4/}	1.1	^{4/}
Total	359.5	2.3	271.4	1.7

^{1/} Authorized for delivery, shipments and disbursement. Authorizations made in 1957-58 but not shipped by June 30, 1958 are reported under 1958-59.

^{2/} Running bales, partly estimated.

^{3/} Excludes agreements with Spain, Finland and Pakistan amounting to about 18 million dollars for which purchase authorizations have not been issued.

^{4/} Less than 50,000 bales.

During the 1957-58 fiscal year exports under barter totaled about 465,000 bales compared with 970,000 during the previous season. Exports under barter between July 1 and November 30, 1958 totaled only 72,000 bales; however, there has been renewed interest in barter transactions in the past few weeks.

Cotton Products Export Payment

During the first 5 months of the current marketing year, export payments on cotton products totaled 5.6 million dollars covering 83.1 million pounds of products. Of this total \$1.2 million covering 17.2 million pounds were made in December 1958.

Payments under this program are designed to compensate domestic cotton textile producers for the cheaper cotton available to foreign mills under the CCC export and payment-in-kind programs. Payment rates are announced monthly and have ranged from a high of 6.63 cents per pound to a low of 5.67 cents, the rate in effect during November 1958. The current rate is 5.78 cents per pound. Cumulative payments since the beginning of the program on August 1, 1956 total 35 million dollars. Exports to Canada, Cuba and the Philippines account for about half of total payments to date, as well as in December (Table 21).

Early Season Imports High
No Change in Total Expected

Most of the cotton imported into the United States is subject to quota limitations. The annual quota for cotton stapling 1-1/8 inches or more is about 95,118 bales (of 500 pounds gross) of which 82,600 bales is extra-long staple or Tanguis cotton. As of January 14, the Bureau of Customs reported that this quota was filled except for about 1,000 bales of Tanguis cotton. The quota for cotton under 1-1/8 inches (other than rough or harsh cotton under 3/4 inch) is 30,244 bales of which about 19,800 bales (mainly from Mexico) had been entered by January 14.

The Census statistics indicate that through October 1958, 120,648 bales of cotton had been entered for consumption compared with 55,000 during the first quarter of 1957-58. Imports in October totaled 12,356 bales. The total for 1958-59, including non-quota cotton, is estimated at about 140,000 bales, or about the same as last season.

Total Disappearance Lower
Carryover about Unchanged

Total disappearance of cotton in 1958-59 may be the lowest since 1955-56, unless exports greatly exceed the current rate. With domestic consumption estimated at $8\frac{1}{4}$ million bales and exports at $3\frac{1}{2}$ million, a total disappearance of 11,750,000 bales is in prospect. This figure indicates little change in the carryover from the 8.7 million bales on August 1, 1958.

Table 7.--Cotton: Estimated supply and disappearance, United States, 1958-59

Item	Upland	Extra-long	Total
	1,000 bales	1,000 bales	1,000 bales
Carryover August 1, 1958	1/8,615	2/122	1/8,737
In-season ginnings 3/	11,214	82	11,296
Imports	54	86	140
Total supply 4/	19,933	290	20,223
Domestic consumption	8,140	110	8,250
Exports	3,480	20	3,500
Total disappearance	11,620	130	11,750

1/ Includes pre-season ginnings of 213,000 bales from 1958 crop. 2/ Approximately 109,000 bales of American-Egyptian (including about 42,000 bales remaining from the 50,000 bales released from the strategic stockpile), 700 bales of Sealand and Sea Island and 12,000 bales of Egyptian and Peruvian cotton.

3/ Based on estimates from the Crop Reporting Board report of December 8, 1958.

4/ Includes City Crop, usually estimated at about 50,000 bales.

The exact level of the carryover will depend on the amount of 1959 crop cotton ginned before August 1. The carryover on August 1, 1958 of 8,737,000 bales included pre-season ginnings from the 1958 crop of 213,000 bales. The average for the previous 5 crops was 337,000 bales or an average of 2.5 percent of each crop. Early ginnings take place mainly in South Texas, and it appears likely that relative production in this area will continue to increase.

The Cotton Linters Situation

The supply of cotton linters in the United States during the current marketing year is estimated at about 2.2 million bales, roughly the same as last year. The 1958-59 supply includes a starting carryover of about .8 million bales, estimated production of 1.3 million and imports of about .2 million.

Consumption has been running below last year's slow rate and the total for the 5 months ending December 31 was 478,600 bales, a decline of about 9 percent from the comparable period of a year ago. However in recent weeks the demand for linters has firmed, and with the general improvement in business conditions total consumption for the year will likely exceed the very low level of 1.1 million bales reached in 1957-58.

Exports of linters from the U. S. during August-November 1958 totaled 68,000 bales, slightly below a year earlier. It appears, therefore, that the carryover will remain relatively unchanged.

Cotton Linters Prices Remain Low

Prices for most qualities of felting linters moved downward during the first 5 months of the current marketing year, continuing the trend evident throughout 1958. Average 1958 prices of the lower felting grades were about 20 percent lower than in 1957, while for the higher grades the decline ranged from 6 to 9 percent (table 8). In recent weeks however prices of higher grades strengthened in some markets.

Prices for chemical linters also declined during 1958, and at the close of the year were the lowest in 10 years, and about a third below 1957.

Table 8.--Prices for specified qualities of cotton linters, by specified months 1/

Year and month	Felting grade						Chemical grade	
	Grade and staple <u>2/</u>						Base	Differ- ential
	2	3	4	5	6	7		
	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.	Ct.
1957								
August	9.13	8.08	7.24	6.94	5.87	5.22	4.24	.06
September	9.22	7.99	7.13	6.88	5.71	5.00	3.84	.05
October	8.82	7.69	6.73	6.38	5.28	4.60	3.14	.04
November	8.38	7.57	6.59	6.23	5.17	4.29	3.10	.04
December	8.72	7.72	6.75	6.47	5.38	4.44	3.20	.04
1958								
August	8.16	7.57	6.42	5.74	4.61	3.67	2.54	.04
September	8.42	7.44	6.31	5.56	4.38	3.38	2.42	.03
October	8.42	7.33	6.25	5.50	4.36	3.36	2.41	.03
November	8.40	7.19	6.06	5.34	4.31	3.25	2.17	.03
December	8.11	7.19	5.97	5.21	4.31	3.19	1.97	.03

1/ Monthly averages of prices quoted at Atlanta, Memphis, Dallas, and Los Angeles, for linters uncompressed in carlots f.o.b. cottonseed oil mill points, excluding ports.

2/ Grade 2, staple 2, grade 3, staple 3, etc.

Pulp Prices Unchanged

The prices for purified linters and woodpulp have remained unchanged since January 1951. Prices for the various types of dissolving woodpulp from January 1951 through November 1958 follow:

	<u>Cents per pound</u>
Acetate and cupra grade	11.25
High tenacity viscose grade	9.75
Standard viscose grade	9.25

Marketing QuotasApproved for
1959 Crops

The national referendum on marketing quotas for the 1959 crop of upland cotton was held December 15. Of the 275,000 farmers voting, 92.2 per cent approved the quotas. On the same day, marketing quotas for the 1959 crop of extra-long staple cotton were approved by 88.5 percent of the 1,180 farmers voting.

Marketing quotas were in effect for the upland and extra-long staple cotton crops produced in 1958. Since more than the necessary two-thirds of those voting in each referendum approved quotas for 1959, the quotas--with penalties on "excess" cotton--will remain in effect for the 1959 crops of both kinds of cotton.

Each farm operator who has an upland cotton acreage allotment will also have an opportunity until March 16, 1959 to choose between complying with the regular Choice A or the 40-percent larger Choice B allotment for his farm.

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APPAREL EXPENDITURES AND THE DEMAND FOR COTTON

By

James R. Donald

The apparel industry--traditionally the major outlet for cotton--has significantly increased its consumption of cotton during the past decade. Furthermore, despite the competition from other fibers, cotton has increased its share of the apparel market during the same period. This indicates that perhaps the most important factor in the future growth of the domestic market for cotton will be the apparel industry, although other industries will continue to be major markets for cotton.

Competition between cotton and manmade fibers has been intense in all 3 major end uses for textile fibers. In 1947, apparel uses accounted for only 36 percent of the total market for cotton. Another 36 percent went into industrial uses and 28 percent was for household uses (Table 9). By 1957, one-half of all cotton consumed by mills was ultimately manufactured into items of apparel. Industrial uses of cotton declined, 14 percent from the 1947 level, primarily because of losses in the automobile market. Household uses increased slightly.

Table 9.--Cotton: Consumption by end uses, 1939 and 1947-57

Year	Consumption by end use						Total consumption bales
	Apparel		Household		Industrial		
	Bales <u>1/</u>	Percent- age of total	Bales <u>1/</u>	Percent- age of total	Bales <u>1/</u>	Percent- age of total	
	<u>1,000</u>	<u>Percent</u>	<u>1,000</u>	<u>Percent</u>	<u>1,000</u>	<u>Percent</u>	<u>1,000</u>
1939	2,474	38	1,868	28	2,227	34	6,569
1947	2,678	36	2,087	28	2,730	36	7,495
1948	2,714	37	2,119	29	2,418	34	7,251
1949	2,901	42	1,926	28	2,087	30	6,914
1950	3,237	41	2,250	29	2,333	30	7,820
1951	3,158	41	2,123	27	2,511	32	7,792
1952	3,453	45	2,157	28	2,005	27	7,615
1953	3,682	47	2,341	30	1,814	23	7,837
1954	3,581	47	2,328	31	1,688	22	7,597
1955	3,901	48	2,405	30	1,824	22	8,130
1956	4,024	49	2,410	30	1,716	21	8,150
1957	3,913	50	2,308	29	1,654	21	7,875

1/ 500 pound gross weight bales.

National Cotton Council, Cotton Counts Its Customers, August 1958, page 1.

Cotton increased its share of the total apparel market from 56 percent in 1947 to 60 percent in 1957. However, cotton's share of the apparel market in 1957 still was below the 1939 level (Table 10). Estimates are not available for cotton's share of the industrial market in 1947, but it was probably greater than the estimated 26 percent for 1957. Cotton had 50 percent of the household market in 1957, 4 percentage points less than in 1947 and 12 percentage points less than in 1939. Thus, cotton increased its share of the apparel market but lost ground relatively in the industrial and household markets.

Table 10.--Cotton: Share of various markets 1939 and 1947-57

Year	Share of market		
	Apparel	Household	Industrial
	Percent	Percent	Percent
1939	63	62	<u>1/</u>
1947	56	56	<u>1/</u>
1948	55	55	<u>1/</u>
1949	55	56	<u>1/</u>
1950	57	56	<u>1/</u>
1951	57	59	<u>1/</u>
1952	58	57	<u>1/</u>
1953	59	58	<u>1/</u>
1954	60	56	<u>1/</u>
1955	60	54	<u>1/</u>
1956	61	52	<u>1/</u>
1957	60	50	<u>26</u>

1/ Not available prior to 1957.

National Cotton Council: Cotton Counts its Customers, August, 1958.

Cotton increased its share of the apparel market at a time when total apparel expenditures also increased. Consumers spent 15.6 billion dollars on all apparel in 1947 and 20.8 billion dollars in 1957, an increase of 34 percent (Table 11). This was less than half the 76 percent rise in expenditures for other commodities and services. As a result, in 1957 consumers spent only 6.8 cents for apparel out of each dollar earned (after taxes) compared with 9.2 cents in 1947.

Table 11.--Consumer income and expenditures: Personal disposable income and apparel expenditures, actual and adjusted for price change; 1937-39 average and 1947-57

Year	Actual				Adjusted for price change			
	Personal disposable income	Consumer expenditures		Apparel as a percent of income	Personal disposable income ^{2/}	Consumer expenditures		Apparel as a percent of income
		Less apparel	Apparel ^{1/}			Less apparel ^{2/}	Apparel ^{3/}	
	Mil.dol.	Mil.dol.	Mil.dol.	Percent	Mil.dol.	Mil.dol.	Mil.dol.	Percent
1937-39 average	69,045	60,848	5,645	8.2	114,390	99,556	10,614	9.3
1947	170,113	149,799	15,610	9.2	178,129	157,127	16,076	9.0
1948	189,300	161,482	16,831	8.9	184,144	157,194	16,262	8.8
1949	189,654	165,163	15,995	8.4	186,301	161,863	16,092	8.6
1950	207,655	178,996	16,017	7.7	201,999	173,374	16,327	8.1
1951	227,481	192,385	17,420	7.7	204,938	172,718	16,296	8.0
1952	238,714	201,429	18,345	7.7	210,321	176,294	17,339	8.2
1953	252,474	214,121	18,528	7.3	220,694	185,676	17,679	8.0
1954	256,885	219,426	18,599	7.2	223,767	189,507	17,832	8.0
1955	274,448	237,245	19,695	7.2	239,693	205,410	18,992	7.9
1956	290,454	248,752	20,648	7.1	249,960	212,270	19,572	7.8
1957	305,149	263,608	20,834	6.8	253,868	217,152	19,489	7.7

^{1/} Including luggage but excluding shoes.

^{2/} Actual divided by Bureau of Labor Statistics Consumer Price Index (1947-49 = 100).

^{3/} Deflated by Bureau of Labor Statistics Consumer Price Index for apparel (1947-49 = 100).

Computed from reports of the Department of Commerce.

The smaller increase in consumer expenditures for apparel than for other items resulted partly from the fact that apparel prices have increased less and consumers spent more for other items (table 11). After adjusting for price changes, the increase in consumer expenditures for items other than apparel is 39 percent, while the increase in aggregate apparel expenditures is 21 percent. ^{1/} Out of each dollar earned consumers spent 1.2 cents less on apparel in 1957 than in 1947 after allowing for price changes. The decline was half as great as when expressed in current dollars.

The 21 percent increase in aggregate real apparel expenditures by consumers in the postwar period was due mainly to the growth in population. Per capita expenditures lagged relative to income. Average expenditure for apparel for 1956 and 1957, after adjusting for price changes, was \$116; \$4 more than the average in 1947 and 1948 (table 12). The level of expenditures differs considerably between the sexes. In 1947-48 the real per capita expenditures for women's and children's apparel (including males under 5) was 44 percent more than for men's and boys'--\$129 compared with \$90. This ratio remained unchanged in 1956-57 and expenditures on women's and children's apparel totaled \$138 compared with \$97 for men's and boys'.

The difference in level of apparel expenditures between the sexes becomes even more important in view of the fact that in 1957 women and children made up 56 percent of the total population of 170 million and over a decade had increased at a faster rate than the rest of the population.

The fact that relatively more is spent on women's and children's apparel has been looked at from the standpoint of their response to changes in income and price. This leaves out non-measurable considerations such as style changes. However, it is difficult to separate the importance of each of these two factors on apparel expenditures. Consumers had 19 percent more dollars (in real terms) to spend in 1956-57 than in 1947-48. During these two periods, real expenditures on women's and childrens' apparel increased by 7 percent, while men's and boys' apparel expenditures increased by 8 percent. However, prices for women's and childrens' apparel remained about the same, while prices for men's and boys' apparel increased by 8 percent.

Preliminary results from statistical analyses indicate that the level of expenditures for women's and childrens' apparel is more sensitive to apparel price changes than is true in the case of men's and boys'. But for both groups purchases apparently respond more to changes in income than to changes in apparel prices.

Postwar increases in apparel expenditures have therefore reflected the fact that (1) increases in consumer income are accompanied by somewhat smaller increases in aggregate apparel expenditures and (2) that an increasing

^{1/} Since apparel expenditures are divided by the index of prices for apparel, the remaining series is mainly a measure of quantity and quality changes over time.

proportion of the population is made up of women and children whose expenditure level is higher than that of men and boys. 2/

The level of future cotton consumption in apparel may be derived by applying recent trends in per capita disposable income spent on apparel to population projection (table 13). Real per capita income increased at an average annual rate of 2.4 percent during the period 1947-48 to 1956-57. If this rate continues with gains in productivity, relatively full employment, and an increase in the proportion of wage earners in the population, total real disposable income would about double between 1957 and 1975, and reach 600 billion dollars.

On the other hand the proportion of real disposable income spent on apparel during this period 1947-48 to 1956-57 decreased by an average of 1.5 percent per year. Continuation of this rate would indicate that by 1975, apparel expenditures would account for an average 5.7 cents out of each dollar of real disposable income spent by consumers of which 3.7 cents would be spent for women's and childrens' apparel. Thus in 1975 real per capita expenditures would reach \$166 for women's and childrens' clothing and \$117 for men's and boys'.

Due to interfiber competition it is difficult to estimate cotton's share of the increased expenditure for apparel. However, between 1951 and 1957 when interfiber competition in apparel was severe, the average annual increase in per capita consumption of cotton was 1.9 percent. **Continuation** of this rate of increase may be assumed if price and price relationships remain unchanged. On this basis it may be estimated that cotton consumption for apparel only would increase from 3.9 million bales in 1957 to 7.3 million bales in 1975.

2/ Expenditures also vary by age. See "Clothing Expenditure Units: A New Time Series" by Martin Simon in Agricultural Economics Research, April, 1958. Increases in the number of older persons and children in the population who spend less for apparel has tended to reduce expenditures per person.

Table 12.--Consumer apparel expenditures, by sex and real disposal income per capita; and consumer price index of all items and apparel; average 1937-39 and 1947-57

Year	Apparel expenditures per capita 1/			Disposable income per capita 3/	Consumer price index (1947-49=100)		
	Total	Men's and boys'	Women's and children's 2/		Items	Men's and boys'	Women's and children's
	Dollars	Dollars	Dollars	Dollars			
Average							
1937-39	81.74	72.34	88.30	881	60.4	51.5	55.3
1947	112.07	90.59	127.85	1,237	95.5	97.3	98.0
1948	111.31	88.61	129.66	1,256	102.8	102.7	103.8
1949	108.24	87.91	125.63	1,249	101.0	100.0	98.1
1950	107.96	90.36	125.05	1,332	102.8	99.5	94.8
1951	106.24	90.85	123.09	1,327	111.0	107.7	102.2
1952	111.32	91.23	131.40	1,339	113.5	108.2	100.9
1953	111.67	88.93	134.13	1,383	114.4	107.4	99.7
1954	110.63	88.12	133.32	1,378	114.8	106.8	98.9
1955	115.59	95.20	137.54	1,450	114.5	105.7	98.0
1956	117.02	98.98	138.53	1,486	116.2	107.4	98.7
1957	114.42	94.70	138.15	1,483	120.2	109.0	99.2

1/ Deflated by Bureau of Labor Statistics consumer Price Index for apparel by sex. (1947-49=100). 2/ Includes all children under 5 years. 3/ Deflated by Bureau of Labor Statistics Consumer Price Index for all items. (1947-49=100).

Computed from reports of the Department of Commerce.

Table 13.--Population: Estimates and projections for the United States 1960-80

Year	Population 1/				Grand total
	Men and boys		Women and children 2/		
	Total	Percentage of grand total	Total	Percentage of grand total	
	1,000	Percent	1,000	Percent	1,000
1955	72,692	44	92,578	56	165,270
1960	78,928	44	101,198	56	180,126
1965	85,809	44	109,938	56	195,747
1970	93,121	44	120,689	56	213,810
1975	101,719	43	133,527	57	235,246
1980	112,090	43	147,891	57	259,981

1/ Medium high population estimate (includes armed forces overseas).

2/ Includes males under 5 years.

Computed from reports of the Department of Commerce.

Table 14.--Cotton: Acreage, planted and harvested, and yield per acre on harvested acreage, 1950 to date

Crop year beginning August 1	West <u>1/</u>		Southwest <u>2/</u>		Delta <u>3/</u>		Southeast <u>4/</u>		Total	
	1,000 acres	Per-cent	1,000 acres	Per-cent	1,000 acres	Per-cent	1,000 acres	Per-cent	1,000 acres	
Planted acreage										
1950	1,051	5.6	8,130	43.1	5,740	30.4	3,945	20.9	18,866	
1951	2,227	7.6	14,915	50.8	7,325	25.0	4,886	16.6	29,353	
1952	2,398	8.5	13,710	48.9	6,858	24.4	5,099	18.2	28,065	
1953	2,384	8.9	11,794	43.9	7,569	28.1	5,124	19.1	26,871	
1954	1,546	7.7	9,239	46.1	5,576	27.8	3,691	18.4	20,052	
1955	1,332	7.4	8,495	47.2	4,881	27.1	3,283	18.3	17,991	
1956	1,338	7.8	8,054	47.2	4,605	27.0	3,080	18.0	17,077	
1957	1,289	9.0	6,838	47.8	3,959	27.7	2,225	15.5	14,311	
1958 <u>5/</u>	1,323	10.7	6,105	49.3	3,366	27.2	1,581	12.8	12,375	
Harvested acreage										
1950	1,026	5.8	7,495	41.9	5,493	30.8	3,829	21.5	17,843	
1951	2,179	8.1	13,335	49.4	6,650	24.7	4,785	17.8	26,949	
1952	2,357	9.1	11,920	46.0	6,633	25.6	5,011	19.3	25,921	
1953	2,347	9.6	9,920	40.8	7,027	28.9	5,046	20.7	24,341	
1954	1,509	7.8	8,660	45.0	5,459	28.4	3,623	18.8	19,251	
1955	1,287	7.6	7,690	45.5	4,746	28.0	3,206	18.9	16,928	
1956	1,290	8.3	6,915	44.3	4,441	28.4	2,969	19.0	15,615	
1957	1,248	9.2	6,445	47.5	3,683	27.2	2,182	16.1	13,558	
1958 <u>5/</u>	1,288	10.9	5,810	49.0	3,210	27.1	1,550	13.1	11,858	
Yield per acre on harvested acreage										
	West <u>1/</u>		Southwest <u>2/</u>		Delta <u>3/</u>		Southeast <u>4/</u>		U. S.	
	Actual	Trend <u>6/</u>	Actual	Trend <u>6/</u>	Actual	Trend <u>6/</u>	Actual	Trend <u>6/</u>	Actual	Trend <u>6/</u>
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.
1950	764	657	204	195	307	345	209	281	269	286
1951	625	683	163	211	322	372	331	294	269	307
1952	629	721	164	220	366	392	277	302	280	322
1953	646	766	230	233	385	389	275	300	324	331
1954	862	808	235	247	395	403	296	323	341	352
1955	818		281		536		405		417	
1956	957		269		499		359		409	
1957	974		290		392		334		388	
1958 <u>5/</u>	997		386		428		425		469	

1/ West includes California, Arizona, New Mexico and Nevada.

2/ Southwest includes Texas, Oklahoma and Kansas.

3/ Delta includes Missouri, Arkansas, Tennessee, Mississippi, Louisiana, Illinois, and Kentucky.

4/ Southeast includes Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama.

5/ Preliminary, Crop Reporting Board report of December 8, 1958.

6/ Trend yield is 9-year centered average yield.

Table 15.--Production of cotton by regions, United States, 1930 to date

Crop year begin- ning Aug. 1	Production					Percentage of U. S. crop			
	West	South- west	Delta States	South- east	United States	West	South- west	Delta States	South- east
	<u>1/</u>	<u>2/</u>	<u>3/</u>	<u>4/</u>		<u>1/</u>	<u>2/</u>	<u>3/</u>	<u>4/</u>
	1,000	1,000	1,000	1,000	1,000				
	bales	bales	bales	bales	bales				
	500	500	500	500	500				
	lb.	lb.	lb.	lb.	lb.				
	<u>gr.wt.</u>	<u>gr.wt.</u>	<u>gr.wt.</u>	<u>gr.wt.</u>	<u>gr.wt.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>	<u>Pct.</u>
1930	519	4,892	3,589	4,933	13,932	4	35	26	35
1931	393	6,582	5,464	4,658	17,097	2	39	32	27
1932	270	5,584	3,921	3,228	13,003	2	43	30	25
1933	407	5,694	3,389	3,556	13,047	3	44	26	27
1934	466	2,722	3,157	3,291	9,636	5	28	33	34
1935	449	3,523	3,171	3,495	10,638	4	33	30	33
1936	774	3,223	4,724	3,708	12,399	6	26	38	30
1937	1,214	5,927	6,787	5,017	18,946	6	31	36	27
1938	716	3,649	4,572	3,007	11,943	6	31	38	25
1939	747	3,372	4,645	3,052	11,817	6	29	39	26
1940	868	4,036	4,122	3,540	12,566	7	32	33	28
1941	691	3,370	4,266	2,417	10,744	6	31	40	23
1942	706	3,746	5,108	3,256	12,817	6	29	40	25
1943	580	3,207	4,502	3,138	11,427	5	28	39	28
1944	579	3,280	4,939	3,432	12,230	5	27	40	28
1945	576	2,079	3,644	2,716	9,015	7	23	40	30
1946	758	1,931	3,413	2,539	8,640	9	22	39	30
1947	1,185	3,767	4,192	2,716	11,860	10	32	35	23
1948	1,532	3,527	6,282	3,536	14,877	10	24	42	24
1949	2,087	6,650	4,878	2,512	16,128	13	41	30	16
1950	1,639	3,188	3,518	1,667	10,014	16	32	35	17
1951	2,842	4,536	4,467	3,304	15,149	19	30	29	22
1952	3,098	4,072	5,068	2,901	15,139	21	27	33	19
1953	3,167	4,754	5,646	2,899	16,465	19	29	34	18
1954	2,716	4,233	4,507	2,240	13,696	20	31	33	16
1955	2,201	4,502	5,313	2,705	14,721	15	31	36	18
1956	2,578	3,876	4,629	2,227	13,310	19	29	35	17
1957	2,539	3,895	3,011	1,520	10,964	23	36	27	14
1958 ^{5/}	2,676	4,670	2,861	1,375	11,581	23	40	25	12

^{1/} West includes California, Arizona, New Mexico and Nevada.

^{2/} Southwest includes Texas, Oklahoma and Kansas.

^{3/} Delta includes Missouri, Arkansas, Tennessee, Mississippi, Louisiana, Illinois, and Kentucky.

^{4/} Southeast includes Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama.

^{5/} Crop Reporting Board report of December 8, 1958.

Table 16.--Unfinished cloth prices, cotton prices, and mill margins on 20 selected constructions, United States, by months, 1954 to date

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Year beginning August	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Average
	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>	<u>Cents</u>
	<u>Cloth prices 1/</u>												
1954	60.75	60.98	61.48	61.13	61.24	62.19	62.42	62.04	61.47	61.27	61.58	61.89	61.54
1955	62.35	62.86	63.71	64.40	65.30	65.49	65.46	64.88	64.33	63.96	63.33	62.51	64.05
1956	61.78	61.74	63.21	62.93	62.54	62.00	61.11	60.52	60.18	59.74	59.52	59.42	61.22
1957	59.17	58.86	58.36	58.13	58.55	58.57	58.24	57.86	57.45	56.72	56.74	56.79	57.97
1958	56.98	56.99	57.14	58.13	58.98								
	<u>Cotton prices 2/</u>												
1954	35.88	36.47	36.36	35.90	36.25	36.29	36.41	35.65	35.78	36.54	36.61	36.48	36.22
1955	36.29	35.30	35.33	36.07	35.78	36.32	37.12	37.05	36.69	36.76	36.85	35.72	36.27
1956	33.93	33.93	34.09	34.35	34.43	34.79	35.07	34.70	34.68	34.71	34.74	34.75	34.51
1957	34.08	33.78	34.34	35.77	35.74	35.13	34.98	34.75	34.70	34.92	35.03	35.14	34.86
1958	34.68	34.75	34.98	34.77	33.92								
	<u>Mill margins 3/</u>												
1954	24.87	24.51	25.12	25.23	24.99	25.90	26.01	26.39	25.69	24.73	24.97	25.41	25.32
1955	26.06	27.56	28.38	28.33	29.52	29.17	28.34	27.83	27.64	27.20	26.48	26.79	27.78
1956	27.85	27.81	29.12	28.58	28.11	27.21	26.04	25.82	25.50	25.03	24.78	24.67	26.71
1957	25.09	25.08	24.02	22.36	22.81	23.44	23.26	23.11	22.75	22.00	21.71	21.65	23.11
1958	22.30	22.24	22.16	23.36	25.06								

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1/ Average wholesale price for 20 selected constructions. Prices per yard are converted to the approximate value of cloth obtainable from a pound of cotton. 2/ Average monthly price based on landed quotations (Group 201 mill points) for four growths - Southeastern, Memphis Territory, Texas-Oklahoma and California. 3/ Difference between cloth prices and prices for the average qualities of cotton used in the 20 constructions.

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Table 17A--Premiums and discounts for grades and prices per pound for Middling 1 inch cotton, in the designated spot markets, annual averages, 1949-58

Year and month	Premiums			Price Mid- dling 1 inch	Discounts						
	Good Mid- dling	Strict Mid- dling	Strict Mid- dling		Strict Low Mid- dling	Low Mid- dling	Strict Good Ordinary	Good Ordinary	Strict Mid- dling Spt.	Mid- dling Spt.	Strict Low Middling Spt.
Year	Points	Points	Cents	Points	Points	Points	Points	Points	Points	Points	Points
1949-50	93	82	32.65	316	622	875	1,069	181	386	792	
1950-51	86	75	43.23	242	405	556	682	206	385	550	
1951-52	91	66	39.94	185	512	750	962	216	486	764	
1952-53	58	40	35.32	132	449	715	948	182	412	673	
1953-54	48	35	34.36	142	452	686	873	175	387	606	
1954-55	55	43	35.02	162	410	595	767	191	379	589	
1955-56	81	65	35.45	242	518	722	894	269	472	695	
1956-57	86	71	33.53	292	605	884	1,098	364	580	846	
1957-58	100	82	34.39	387	779	1,093	1,352	460	739	1,066	
1958-59 1/	82	69	34.69	361	765	1,072	1,356	439	739	1,075	

1/ Averages for August 1958 - December 1958

Table 17B--Premiums and discounts for staple lengths and prices per pound for Middling 1 inch cotton, in the designated spot markets, annual averages, 1949-58

Year and month	Premiums				Price Middling 1 inch	Discounts		
	1-1/16 inches	1-1/8 inches 1/	1-3/16 inches 2/	1-1/4 inches 2/		13/16 inch 3/	7/8 inch	15/16 inch
Year	Points	Points	Points	Points	Cents	Points	Points	Points
1949-50	57	221	940	1,791	32.65	303	235	82
1950-51	55	247	701	1,171	43.23	244	188	65
1951-52	55	213	603	1,160	39.94	193	158	52
1952-53	68	268	677	1,183	35.32	360	279	80
1953-54	72	269	656	1,112	34.36	309	239	81
1954-55	115	335	676	1,087	35.02	383	303	114
1955-56	127	281	590	917	35.45	438	336	107
1956-57	149	301	571	867	33.53	485	353	118
1957-58	173	319	565	855	34.39	498	385	146
1958-59 4/	162	280	506	782	34.69	479	378	148

1/ Average of Atlanta, Memphis, Greenwood and Fresno. 2/ Average of Memphis and Greenwood. 3/ Average of 4 Texas markets. 4/ Averages for August 1958 - December 1958.

Table 18.--CCC stocks of cotton, United States, 1958-59

Date	Total	Upland			Extra-long staple 1/		
		Owned 2/	Under loan	Total	Owned	Under loan	Total
	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	<u>bales</u>	<u>bales</u>	<u>bales</u>	<u>bales</u>	<u>bales</u>	<u>bales</u>	<u>bales</u>
1956							
Aug. 1	3/9,877	3,780	6,054	9,834	22	4	3/43
1957							
Aug. 1	5,184	5,182	---	5,182	2	---	2
1958							
Aug. 1	2,922	2,884	---	2,884	38	---	38
Aug. 8	2,905	2,867	---	2,867	38	---	38
Aug. 15	2,920	2,867	13	2,880	4/40	---	40
Aug. 22	2,833	2,746	47	2,793	40	---	40
Aug. 29	2,896	2,746	109	2,855	4/41	---	41
Sept. 5	2,966	2,746	181	2,927	39	---	39
Sept. 12	3,068	2,730	300	3,030	38	---	38
Sept. 19	3,210	2,716	456	3,172	38	---	38
Sept. 26	3,373	2,710	625	3,335	38	---	38
Oct. 3	3,537	2,704	795	3,499	38	5/	38
Oct. 10	3,736	2,704	995	3,699	37	5/	37
Oct. 17	3,699	2,399	1,234	3,633	36	5/	36
Oct. 24	3,968	2,399	1,534	3,933	35	5/	35
Oct. 31	4,003	2,111	1,857	3,968	35	5/	35
Nov. 7	4,376	2,111	2,230	4,341	34	1	35
Nov. 14	4,765	2,111	2,619	4,730	34	1	35
Nov. 21	4,929	1,836	3,058	4,894	34	1	35
Nov. 28	5,148	1,673	3,440	5,113	34	1	35
Dec. 5	5,532	1,673	3,820	5,493	34	5	39
Dec. 12	5,835	1,610	4,184	5,794	34	7	41
Dec. 19	6,157	1,610	4,502	6,112	34	11	45
Dec. 26	6,394	1,586	4,761	6,347	34	13	47
1959							
Jan. 2	6,723	1,586	5,088	6,674	34	15	49
Jan. 9	7,033	1,565	5,411	6,976	34	23	57
Jan. 16	7,470	1,565	5,843	7,408	34	28	62

1/ Includes American-Egyptian, Sealand and Sea-Island.

2/ Estimated stock.

3/ Including Secretary's account.

4/ Adjusted.

5/ Less than 500 bales.

Commodity Stabilization Service.

Table 19.--Cotton: Exports, by staple length and by countries of destination, United States, October and November 1958 and cumulative totals since August 1, 1958

Country of destination	October 1958				November 1958				Cumulative totals since August 1, 1958			
	1-1/8 inches and over 1/	1 inch to 1-1/8 inches	Under 1 inch	Total	1-1/8 inches and over 1/	1 inch to 1-1/8 inches	Under 1 inch	Total	1-1/8 inches and over 1/	1 inch to 1-1/8 inches	Under 1 inch	Total
	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales	Running bales
Europe												
United Kingdom	202	6,011	11,156	17,369	161	11,023	9,242	20,426	585	33,188	32,790	66,563
Austria	43	484	0	527	102	1,692	121	1,915	472	4,758	651	5,881
Belgium and Luxembourg	450	2,923	924	4,297	300	2,815	1,246	4,361	985	11,217	4,422	16,624
Denmark	506	736	0	1,242	0	100	0	100	506	1,392	998	2,896
Eire	0	0	0	0	0	0	0	0	0	109	40	149
Finland	0	1,606	0	1,606	400	9,131	0	9,531	729	11,027	209	11,965
France	3,378	18,361	2,921	24,660	3,888	20,342	5,001	29,231	13,836	91,899	20,116	125,851
Germany (West)	375	9,719	965	11,059	249	13,995	1,015	15,259	3,597	45,304	4,113	53,014
Italy	361	8,394	3,052	11,807	627	9,953	9,291	19,871	1,845	39,481	17,761	59,087
Netherlands	204	2,485	75	2,764	493	1,222	50	1,765	1,266	6,854	376	8,496
Norway	0	0	0	0	0	0	0	0	0	100	0	100
Portugal	0	2,743	100	2,843	200	2,169	688	3,057	200	4,912	838	5,950
Spain	3,083	7,780	1,259	12,122	13,653	51,357	528	65,538	19,609	95,253	5,417	120,279
Sweden	0	2,254	0	2,254	0	3,496	364	3,860	0	11,002	1,748	12,750
Switzerland	0	629	251	880	0	1,395	200	1,595	0	3,533	588	4,121
Trieste	0	0	0	0	0	44	0	44	0	363	0	363
Yugoslavia	0	50	0	50	0	150	0	150	0	299	44	343
Other	0	151	104	255	0	762	1,504	2,266	49	35,201	10,270	45,520
Total Europe	8,602	64,326	20,807	93,735	20,073	129,646	29,250	178,969	43,679	395,892	100,381	539,952
Other Countries												
Canada	0	2,186	1,917	4,103	0	1,734	3,842	5,576	0	5,747	11,709	17,456
Colombia	1,392	959	0	2,351	917	2,015	0	2,932	3,008	3,385	265	6,658
Bolivia	0	0	0	0	0	0	0	0	0	0	0	0
Chile	0	0	23	23	0	0	437	437	173	221	657	1,051
India	18	0	0	18	0	0	0	0	1,029	9	0	1,038
Pakistan	670	0	0	670	0	0	0	0	2,605	100	180	2,885
Indonesia	0	979	881	1,860	0	984	0	984	0	4,820	966	5,786
Korea	99	1,441	9,173	10,713	0	3,916	29,819	33,735	245	8,163	49,446	57,854
Hong Kong	0	1,228	6,629	7,857	0	1,987	12,311	14,298	133	5,122	32,101	37,356
Taiwan	0	0	16,819	16,819	0	1,467	12,847	14,314	360	1,970	43,541	45,871
Japan	256	5,425	26,893	32,574	346	4,713	42,694	47,753	1,452	20,251	118,800	140,503
Australia	0	1,094	0	1,094	0	1,731	0	1,731	703	15,628	3,505	19,836
Morocco	0	819	435	1,254	0	314	0	314	0	2,542	2,833	5,375
Union of South Africa	0	550	1,200	1,750	82	265	600	947	82	2,392	4,249	6,723
Other	518	4,594	1,519	6,631	932	10,223	617	11,772	2,488	21,419	3,566	27,473
World total	11,555	83,601	86,296	181,452	22,350	158,995	132,417	313,762	55,957	487,661	372,199	915,817

1/ Includes American Egyptian and Sea Island cotton.

Bureau of the Census.

Table 20.--Foreign spot prices per pound including export taxes 1/ and CCC average sales prices at average location in the United States, October, November and December, 1958 2/

Market	Foreign		United States	
	Quality	Price per pound <u>3/</u>	Price per pound <u>4/</u>	Quality <u>5/</u>
		Cents	Cents	
October				
Bombay, India	:Broach, Vijay, : fine	24.46	24.53	SLM 15/16"
Karachi, Pakistan	:289 F Sind fine : S G	28.00	26.24	SLM 1"
Izmir, Turkey	:Acala II	<u>6/</u>	31.60	M 1-1/16"
Sao Paulo, Brazil	:Type 5	30.08	25.32	SLM 31/32"
Matamoros, Mexico	:M 1-1/32"	<u>7/</u> 27.84	30.75	M 1-1/32"
Lima, Peru	:Tanguis type 5	28.26	29.86	SLM 1-3/16"
Alexandria, Egypt	:Ashmouni good	39.46	32.68	M 1-1/8"
November				
Bombay, India	:Broach Vijay, fine	24.13	24.59	SLM 15/16
Karachi, Pakistan	:289 F Sind Fine : S G	25.96	26.32	SLM 1"
Izmir, Turkey	:Acala II	20.67	31.56	M 1-1/16"
Sao Paulo, Brazil	:Type 5	32.95	25.39	SLM 31/32"
Matamoros, Mexico	:M 1-1/32"	<u>7/</u> 27.09	30.72	M 1-1/32"
Lima, Peru	:Tanguis type 5	28.02	29.66	SLM 1-3/16"
Alexandria, Egypt	:Ashmouni good	39.27	32.56	M 1-1/8"
December				
Bombay, India	:Broach Vijay, : fine	25.05	24.44	SLM 15/16
Karachi, Pakistan	:289 F Sind Fine : S G	25.28	26.15	SLM 1"
Izmir, Turkey	:Acala II	21.00	31.30	M 1-1/16"
Sao Paulo, Brazil	:Type 5	33.86	25.21	SLM 31/32"
Matamoros, Mexico	:M 1-1/32"	<u>7/</u> 24.64	30.48	M 1-1/32"
Lima, Peru	:Tanguis type 5	<u>6/</u>	29.44	SLM 1-3/16"
Alexandria, Egypt	:Ashmouni good	38.93	32.28	M 1-1/8"

1/ Includes export taxes where applicable. 2/ Quotations on net weight basis. 3/ Average of prices collected once each week. 4/ Net weight price for U. S. is CCC average sales price + 0.96. Price for each month is the average of prices at average location for all sales made during the month. 5/ Quality of U. S. cotton generally considered to be most nearly comparable to the foreign cotton. 6/ No quotations. 7/ Delivered at Brownsville. Net weight price = actual price + 0.96.

Table 21.--Cotton products export program: Classes of cotton products and equalization payments
October, November and December 1958, and cumulative totals since August 1, 1958

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Class	Principal item of export	Equalization payments							
		October 1958		November 1958		December 1958		August-December 1958	
		Value	Quantity	Value	Quantity	Value	Quantity	Value	Quantity
		Dollars	Pounds	Dollars	Pounds	Dollars	Pounds	Dollars	Pounds
A	Card strips, comber noil, spinners laps, and roving waste	208,055.14	3,788,250	223,883.75	4,018,308	246,560.11	4,412,826	1,178,953.51	21,462,565
B	Picker laps and cotton batting	170.69	2,563	5.00	75	123.80	2,000	1,730.60	27,208
C	Sliver, sliver laps, ribbon laps, roving, and drawing sliver	32.70	500	70.30	1,000	142.85	2,032	292.28	4,197
D	Gray or unfinished yarn, twine, cordage, and rope	73,976.31	1,062,882	47,762.81	691,129	71,715.10	999,830	296,278.42	4,259,399
E	Gray fabrics, absorbent cotton, and full finished yarn	176,767.78	2,481,829	157,598.49	2,200,578	160,025.62	2,233,597	755,926.95	10,651,461
F	Knitted articles	7,972.95	111,322	9,337.02	126,848	6,925.59	93,572	32,667.55	457,170
G	Finished fabrics	521,667.30	6,962,274	408,351.81	5,365,859	459,593.06	6,076,139	2,304,024.36	30,765,233
H	Articles manufactured from fabrics	118,392.98	1,391,998	85,219.10	989,083	107,535.78	1,237,963	463,666.21	5,441,625
I	Coated and rubberized yarns and fabrics, absorbent cotton, twine, cordage, rope, and fabrics consisting of a mixture of fibers, containing not less than 50% by weight of cotton	22,780.87	538,979	16,105.95	370,987	16,281.19	376,785	93,026.92	2,187,196
J	Coated, rubberized and impregnated articles manufactured from fabrics consisting of a mixture of fibers, containing not less than 50% by weight of cotton	14,987.00	299,442	8,851.92	173,921	9,195.55	276,206	49,744.29	1,084,985
K	Gray or finished fabrics 1 yard or more but less than 10 yards in length	78,940.89	1,414,862	65,498.88	1,170,527	61,402.38	1,107,390	300,925.55	5,448,668
L	Coated and rubberized fabrics and fabrics consisting of a mixture of fibers containing not less than 50% by weight of cotton, 1 yard or more but less than 10 yards in length	3,966.40	122,788	455.48	13,826	486.35	15,178	6,713.22	207,979
M	Articles manufactured from gray fabrics; bags; and mops	23,922.74	323,453	8,802.69	112,136	25,123.66	329,852	84,850.09	1,123,285
	Total	1,251,633.75	18,501,142	1,031,943.20	15,234,277	1,165,111.04	17,163,370	5,568,799.95	83,120,971

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Table 22.--Exports of American cotton: Actual quarterly rate as a percent of quarterly average and quarterly moving seasonal adjustment factors ^{1/}, United States, marketing years beginning August 1, 1947-1957

Marketing year	Average seasonal pattern ^{1/}				Actual quarterly total as percent of quarterly average			
	Aug.-Oct.	Nov.-Jan.	Feb.-Apr.	May-July	Aug.-Oct.	Nov.-Jan.	Feb.-Apr.	May-July
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1947	53	125	132	90	60	123	118	99
1948	58	126	128	87	45	114	141	100
1949	65	127	124	84	55	112	126	107
1950	70	128	119	82	98	111	122	69
1951	74	128	116	82	79	178	97	46
1952	77	127	114	82	84	144	94	78
1953	78	125	113	84	65	97	132	106
1954	79	121	114	86	86	142	106	66
1955	79	118	115	88	67	68	136	129
1956 ^{2/}	83	114	121	82	80	119	116	85
1957 ^{2/}	80	108	108	---	84	116	100	101
1958	---	---	---	---	3/69			

^{1/} The quarterly seasonal adjustment factors are averages of the monthly factors given in table 8 of the February 1957 Cotton Situation and may differ somewhat from the seasonal factors that would be obtained from a seasonal calculation based on quarterly data. The estimated quarterly factors reflect the percentage that each quarter's exports are expected to be of the average quarterly rate for a given marketing year under normal seasonal conditions.

^{2/} Preliminary.

^{3/} Based on the estimated quarterly rate for the season as a whole.

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