

AGRICULTURAL SUPPLY & DEMAND ESTIMATES



Approved by the World Food and Agricultural Outlook and Situation Board • USDA

#100

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Cotton Stocks Tighten as Demand Strengthens

Continuing strong domestic and export demand for U.S. cotton, coupled with a smaller supply than earlier envisioned, are reducing this season's prospective ending stocks to about 3.7 million bales. This is 0.8 million bales below the previous estimate and 0.3 million below last August's beginning level. The smaller supply reflects a downward revision of 2 percent in the 1979 crop, based on the March 20 Bureau of the Census Cotton Ginnings report. The domestic mill use estimate has been raised slightly to 6.5 million bales as demand for corduroy and denim continues exceptionally strong. U.S. cotton exports are now estimated at 8.5 million bales, 0.5 million above earlier indications, and 2.3 million above last season. The upward revision primarily reflects recent brisk export movement as well as additional sales to Far Eastern and European countries, in part stemming from lagging USSR sales. As of March 30, 6.1 million bales of U.S. cotton had been shipped with another 3.5 million awaiting shipment this season. At the end of March 1979, 4 million bales had been shipped, and outstanding sales were 2.7 million. As usual, some of this season's outstanding sales will not be delivered until early next season.

The Agricultural Supply and Demand Estimates Tables were prepared by the Interagency Commodity Estimates Committee for:

COTTON: Russell G. Barlowe, Chairman, WFAOSB; Wayne E. Bjorlie, ASCS; Donald Bratton, AMS; R. Samuel Evans, ESCS; Gordon H. Lloyd, FAS.

COTTON: UPLAND AND EXTRA LONG STAPLE 1/

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Commodity      : 1977/78 : 1978/79 : 1979/80
                :          :          : Proj.:Prob.variab.2/
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                :          :          :          :          :
                :          :          :          :          : DOMESTIC MEASURE
Area           :          :          :          :          : Million acres
  Planted      : 13.7    : 13.4    : 14.0
  Harvested    : 13.3    : 12.4    : 13.0
Yield per harv. :          :          :          :          : Pounds
  acre        : 520     : 421     : 541
                :          :          :          :          : Million 480-lb. bales
Beginning stocks3/ : 2.9     : 5.3     : 4.0
Production     : 14.4    : 10.9    : 14.6 4/
  Supply, total 5/ : 17.3    : 16.2    : 18.6
Mill use       : 6.5     : 6.4     : 6.5   +0.1 to -0.1
Exports        : 5.5     : 6.2     : 8.5   +.5 to -.5
  Use, total    : 12.0    : 12.5    : 15.0  +.5 to -.5
Dif. unactd. 6/ : 7/      : .3      : .1
Ending stocks  : 5.3 3/  : 4.0 3/  : 3.7   +.5 to -.5
Avg. farm price 8/ : 52.3    : 58.4    : 61.5 9/
                :          :          :          :          : METRIC MEASURE
Area           :          :          :          :          : Million hectares
  Planted      : 5.54    : 5.41    : 5.69
  Harvested    : 5.37    : 5.01    : 5.25
Yield per harv. :          :          :          :          : Metric tons
  hectare     : .58     : .47     : .61
                :          :          :          :          : Million metric tons
Beginning stocks3/ : .64     : 1.16    : .87
Production     : 3.13    : 2.36    : 3.18 4/
  Supply, total 5/ : 3.77    : 3.53    : 4.05
Mill use       : 1.42    : 1.39    : 1.42  +.02 to -.02
Exports        : 1.19    : 1.35    : 1.85  +.11 to -.11
  Use, total    : 2.61    : 2.72    : 3.27  +.11 to -.11
Dif. unactd. 6/ : 10/     : .07     : .02
Ending stocks  : 1.16 3/ : .87 3/  : .81   +.11 to -.11
Avg. farm price 8/ : 1.15    : 1.29    : 1.36 9/
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1/ Marketing year beginning Aug. 1. 2/ The "probable variability" reflects the "root mean square error" and/or "standard errors of estimate" and judgement. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges. 3/ Based on Bureau of the Census data. 4/ Based on the March 20 Bureau of the Census Cotton Ginnings report. 5/ Includes imports. 6/ Difference between ending stocks based on Bureau of Census data and preceding season's supply less distribution. 7/ Less than 0.05. 8/ Season average farm price, domestic measure, cents per pound; metric measure, dollars per kilogram. 9/ Weighted average price for the first 5 months of the season; not a forecast for 1979/80. 10/ Less than 0.005. Note: Totals may not add due to rounding.