

Source AgFax le 16 juillet 2022

Weekly Cotton Market Review – USDA



Photo: Alabama Cooperative Extension

Spot quotations were 269 points lower than the previous week, according to the USDA, Agricultural Marketing Service's Cotton and Tobacco Program. Quotations for the base quality of cotton (color 41, leaf 4, staple 34, mike 35-36 and 43-49, strength 27.0-28.9, and uniformity 81.0-81.9) in the seven designated markets averaged 102.70 cents per pound for the week ending Thursday, July 14, 2022.

The weekly average was down from 105.39 cents last week, but up from 85.02 cents reported the corresponding period a year ago. Daily average quotations ranged from a high of 107.25 cents Friday, July 8 to a low of 96.05 cents Thursday, July 14.

Spot transactions reported in the Daily Spot Cotton Quotations for the week ended July 14 totaled 880 bales. This compares to 616 reported last week and 3,019 spot transactions reported the corresponding week a year ago.

Total spot transactions for the season were 1,624,146 bales compared to 1,385,676 bales the corresponding week a year ago. The ICE October settlement price ended the week at 91.41 cents, compared to 99.82 cents last week.

USDA ANNOUNCES SPECIAL IMPORT QUOTA #13 FOR UPLAND COTTON July 14, 2022

The Department of Agriculture's Commodity Credit Corporation announced a special import quota for upland cotton that permits importation of a quantity of upland cotton equal to one week's domestic mill use. The quota will be established on July 21, 2022, allowing importation of 12,148,606 kilograms (55,798 bales of 480-lbs) of upland cotton.

Quota number 13 will be established as of July 21, 2022 and will apply to upland cotton purchased not later than October 18, 2022 and entered into the U.S. not later than January 16, 2023. The quota is equivalent to one week's consumption of cotton by domestic mills at the seasonally-adjusted average rate for the period March 2022 through May 2022, the most recent three months for which data are available.

Future quotas, in addition to the quantity announced today, will be established if price conditions warrant.

Southeastern Markets Regional Summary

Spot cotton trading was inactive. Supplies and producer offerings were light. Demand was moderate. Average local spot prices were lower. Trading of CCC-loan equities was inactive. The COVID-19 Pandemic continues to disrupt labor availability and logistics, but cities and locales were easing COVID restrictions.

Mostly cloudy conditions dominated the weather pattern across the lower Southeast during the period. Daytime high temperatures were in the upper 80s to low 90s. A stalled storm front brought widespread moisture from thundershowers lingering from the Gulf to Atlantic coasts throughout the week. Moderate precipitation was received throughout Alabama, Georgia, and the Florida Panhandle.

Weekly accumulated precipitation totals measured from 1 to 3 inches, with heavier accumulations recorded along coastal areas. Flash flooding was observed in low-lying areas. The widespread heavy rains allowed for some easing of the drought conditions that were impacting the region, according to the U.S. Drought Monitor. The crop made good progress, squaring and boll-setting advanced across the region.

The crop condition was mostly fair-to-good. Producers scouted fields and applied herbicides and insecticides. Spider mites were reported in central Georgia. According to the National Agricultural Statistics Service's (NASS) Crop Progress report released July 11, cotton squaring was reported at 80 percent in Alabama and 76 percent in Georgia; boll-setting advanced to 30 percent in Georgia and 24 percent in Alabama.

Mostly cloudy and overcast conditions prevailed across the upper Southeast throughout the week. Daytime high temperatures were mostly in the 80s. An unsettled storm front brought moderate to heavy precipitation to areas throughout the Carolinas and Virginia. Widespread thunderstorms deposited 2 to 5 inches of rainfall on cotton growing areas of the region throughout reporting period.

Due to the moisture, a full drought category reduction was reported in the Carolinas and Virginia, according to the U.S. Drought Monitor. The crop advanced at a good pace and squaring and boll-setting advanced. Producers scouted fields for disease and insect pressure and applied fungicide and insecticide as needed. According to NASS, squaring advanced to 78 percent in Virginia, 69 in South Carolina, and 57 percent in North Carolina; boll-setting advanced to 36 percent in Virginia, 28 percent in South Carolina, and 8 percent in North Carolina.

Textile Mill

Domestic mill buyers inquired for a moderate volume of 2022-crop cotton, color 41, leaf 4, and staple 34 and longer for first quarter through fourth quarter 2023 delivery. No sales were reported. Yarn demand remained good, but mills operated at capacity as allowed by available labor. Mills continued to produce personal protective equipment for frontline workers and consumers.

Demand through export channels was good. Agents for mills in China inquired for a moderate volume of color 41, leaf 4, and staple 36 for prompt shipment. Buyers for mills in Mexico inquired for a moderate volume of color 42 and 51, leaf 4, and staple 32 and longer for nearby shipment.

Trading

- No trading activity was reported.

South Central Markets Regional Summary

North Delta

Spot cotton trading was inactive. Supplies of available cotton were light. Demand was very light. Average local spot prices were lower. Trading of CCC-loan equities was inactive. No forward contracting was reported. Variants of the COVID-19 virus continue to appear, causing disruptions that vary from state to state, as well as negatively impacting international marketing channels, domestic supply chains, and the labor force overall.

Hot and dry conditions remained in effect during the report period. Daytime temperatures reached over 100 degrees, and on several days the heat index registered over 110 degrees. The National Weather Service issued excessive heat and air quality advisories regionally. Overnight lows were in the 70s. Pop-up thunderstorms brought less than 1 inch of moisture to a few places, but most areas recorded no measurable precipitation.

Local experts reported that many fields that had thrived in the heat were now in desperate need of moisture to ensure good plant development. Cotton extension specialists reported that the number of bolls per plant was below average in many fields due to insufficient moisture. The lack of water at this stage could also negatively affect seed quality and lint yields. Plant growth regulators were applied to some irrigated fields. Blooming was advancing rapidly.

The heat allowed spider mite populations to explode, and fields were treated to control infestations as necessary. According to the National Agricultural Statistics Service's (NASS) Crop Progress report released on July 11, boll-setting advanced to 32 percent complete in Arkansas, 32 in Missouri, and 22 percent in Tennessee.

NASS reported that topsoil moisture was only 9 percent adequate in Arkansas, 51 percent in Missouri, and 35 percent adequate in Tennessee. The overall crop condition in most places was rated fair-to-good. Virtual and in-person industry meetings were being planned and attended.

South Delta

Spot cotton trading was inactive. Supplies of available cotton were light. Demand was very light. Average local spot prices were lower. Trading of CCC-loan equities was inactive. No forward contracting was reported. Variants of the COVID-19 virus continue to appear, causing disruptions that vary from state to state, as well as negatively impacting international marketing channels, domestic supply chains, and the labor force overall.

Scattered pop-up thunderstorms brought much needed moisture to some areas. Up to 2 inches were reported in a few places, but most areas received lesser amounts. Some fields received only trace amounts of rain. The heat continued to dominate climatic conditions. Daytime temperatures were in the mid-90s to low 100s. Overnight temperatures were in the 70s. Producers were irrigating to the extent possible, but a general rain was needed to promote good fruit set and retention.

Local experts in Mississippi and Louisiana reported that the crop made slow progress under hot weather conditions. Squaring advanced steadily in all areas. Boll-setting expanded and irrigated fields were treated with plant growth regulators. Insect pressure from spider mites increased and hotspots were treated to control infestations. According to the National Agricultural Statistics Service's (NASS) Crop Progress report, released on July 11, boll-setting advanced to 52 percent complete in Louisiana and 25 percent in Mississippi.

NASS reported that topsoil moisture was only 30 percent adequate in Louisiana, and 38 percent adequate in Mississippi. The overall crop condition in most places was rated fair-to-good. Virtual and in-person industry meetings were being planned and attended.

Trading

North Delta

- No trading activity was reported.

South Delta

- No trading activity was reported.

Southwestern Markets Regional Summary

East Texas

Spot cotton trading was inactive. Supplies and producer offerings were light. Demand was light. Average local spot prices were lower. Producer interest in forward contracting was light. Trading of CCC-loan equities was inactive. Foreign mill inquiries were light. Interest was best from Pakistan, Taiwan, and Turkey. Logistics continued to be negatively impacted by the COVID-19 Pandemic.

Defoliation and harvesting neared in the Rio Grande Valley with daytime highs in the low 100s. The stands had around 50 percent opened bolls, depending on the planting date. Insects were mostly light, but some whitefly pressure in fields at the river were reported by industry experts. Heat advisories were in effect as heat indices ranged from 105 to 112 degrees in the Coastal Bend and Upper Coast.

Extreme heat and dryness ruled with occasional stray showers. Bolls had begun to pop open and producers made pre-harvesting management decisions. In the Blackland Prairies, prolonged hot and dry conditions negatively impacted stands. Square and boll loss increased. Most of the crop had begun to bloom and was at cut-out. Some fields were expected to fail for insurance purposes. A widespread rain event on July 14 brought more than 2 inches of precipitation, but was too late to help most stands in the northern Blackland Prairies.

In Kansas, the plants held up well under heat stress and were not dropping fruit. Stands bloomed and advanced. Producers were encouraged with the progress of the replanted and later planted fields. The cotton crop needs rain and unfortunately there is none in the nearby forecast. Hoe crews were in the fields removing weeds. Treatments for tarnished plant bugs were applied at some locations.

The entire region in Oklahoma needs a period of wet weather to fortify subsoil moisture levels and enhance plant development. The forecast shows little to no rain with daytime highs in the low to upper 100s. The crop is maintaining, but failed to normally advance as expected. Earlier-planted stands under center pivots progressed. Local reports indicated about 60 percent of stands in some areas had been failed for insurance purposes due to excessive heat and a lack of precipitation.

West Texas

Spot cotton trading was slow. Supplies and producer offerings were light. Demand was light. Average local spot prices were lower. Producer interest in forward contracting was light. Trading of CCC-loan equities was inactive. Foreign mill inquiries were light. Interest was best from Pakistan, Taiwan, and Turkey. Logistics continued to be negatively impacted by the COVID-19 Pandemic. According to the Centers for Disease Control and Prevention, the weekly community levels for Randall and Gaines Counties were low, but medium for Lubbock County.

Prolonged hot, windy conditions prevailed with daytime high temperatures in the low 90s to low 100s. Intermittent thunderstorms brought light rainfall to some locations, but all precipitation was quickly absorbed. Heat stress drew down the plants, and more rainfall would be beneficial. Some stands progressed depending on location. Crop insurance adjusters were making decisions to fail acreage, according to industry reports.

Texas AgriLife Extension Integrated Pest Management specialists identified the *Monzema obtusa* Uhler plant bug on cotton leaves in localized areas and worked with producers and homeowners to determine the best chemistries for control. Weeds were managed. Meetings were held.

Trading

East Texas

- In Oklahoma, a light volume of color 11 and 21, leaf 3 and better, staple 37, mike averaging 31.1, strength averaging 30.8, and uniformity averaging 78.3 sold for around 93.50 cents per pound, FOB car/truck (compression charges not paid).

West Texas

- A moderate volume of color 11 and 21, leaf 3 and better, staple 37, mike averaging 31.1, strength averaging 30.8, and uniformity averaging 78.3 sold for around 93.50 cents per pound, FOB car/truck (compression charges not paid).

Western Markets Regional Summary

Desert Southwest (DSW)

Spot cotton trading was inactive. Supplies and demand were light. Average local spot prices were lower. No forward contracting or domestic mill activity was reported. Foreign mill inquiries were light. The U.S. continues in COVID-19 Pandemic status.

Hot and dry conditions were the norm in central Arizona. A couple of heat stress Level 1 and Level 2 days were recorded in the period. Watering the crop helped manage heat stress. Some producers tilled fields. The crop made good progress. According to the National Agricultural Statistics Service's (NASS) Crop Progress report for week ending July 10, the crop was at 59 percent boll-setting stage and 4 percent was at open boll stage.

A cotton field day is planned for the week of July 18. The crop made good progress in New Mexico and El Paso, TX with temperatures in the 90s. A few isolated areas received some moisture which helped the crop. Local sources reported the crop was right on time. Insect pressures were light and easily controlled. Concerns remained of having enough irrigation water to complete the crop to harvest. The crop was mostly in fair-to-good condition, according to NASS.

San Joaquin Valley (SJV)

Spot cotton trading was inactive. Supplies and demand were light. Average local spot prices were lower. No forward contracting or domestic mill activity was reported. Foreign mill inquiries were light. The U.S. remains in COVID-19 Pandemic status.

Temperatures were in the high 90s to mid-100s. No moisture was recorded in the period. Blooming continued. Boll-setting was good. Insect activity was moderate. Some fields were tilled. The crop continued to make good progress.

American Pima (AP)

Spot cotton trading was inactive. Supplies were light. Demand was good. Average local spot prices were steady. No forward contracting or domestic mill activity was reported. Foreign mill inquiries were moderate. Interest for 2022-crop cotton was good. The U.S. remains in COVID-19 Pandemic status.

Daytime high temperatures were recorded in the 90s to 110s throughout the Far West. Central Arizona reached a one-day high temperature of 115 degrees. Arizona producers helped manage Level 1 and Level 2 heat stress with timely irrigations. Blooming continued and boll-setting advanced in the region. Insect sweeps were made. Producers noted a decrease in insect activity. Overall, the crop made good progress.

Save the date: The Visalia Classing Office will host the annual American Pima Guide Box Matching on July 20. We hope to see you next week.

Trading

Desert Southwest

- No trading activity was reported.

San Joaquin Valley

- No trading activity was reported.

American Pima

- No trading activity was reported.