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Weekly Cotton Market Review

Cotton and Tobacco Program ♦ Cotton Market News Division ♦ 3275 Appling Road ♦ Memphis, TN 38133 ♦ 901.384.3016

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Spot quotations averaged 513 points higher 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 122.77 cents per pound for the week ending Thursday, February 3, 2022. The is the highest weekly average since week ending July 7, 2011, when the average was 126.28. The weekly average was up from 117.64 cents last week and from 77.40 cents reported the corresponding period a year ago. Daily average quotations ranged from a low of 120.12 cents Friday, January 28 to a season high of 123.93 cents Monday, January 31. Spot transactions reported in the Daily Spot Cotton Quotations for the week ended February 3 totaled 121,095 bales. This compares to 97,052 reported last week and 42,139 spot transactions reported the corresponding week a year ago. Total spot transactions for the season were 1,300,780 bales compared to 1,180,334 bales the corresponding week a year ago. The ICE March settlement price ended the week at 127.62 cents, compared to 121.63 cents last week.

41-4-34 Prices

Date	SE	ND	SD	ET-OK	WT	DSW	SJV	7-MKT AVG
28-Jan	124.76	123.51	123.51	117.26	117.26	117.01	117.51	120.12
31-Jan	128.57	127.32	127.32	121.07	121.07	120.82	121.32	123.93
1-Feb	128.33	127.08	127.08	120.83	120.83	120.58	121.08	123.69
2-Feb	127.33	126.08	126.08	119.33	119.33	119.08	119.58	122.40
3-Feb	128.62	127.37	127.37	120.62	120.62	120.37	120.87	123.69

31-3-35 Prices

Date	SE	ND	SD	ET-OK	WT	DSW	SJV	7-MKT AVG
28-Jan	127.01	125.76	125.76	119.51	119.01	119.51	126.41	123.28
31-Jan	130.82	129.57	129.57	123.32	122.82	123.32	130.22	127.09
1-Feb	130.58	129.33	129.33	123.08	122.33	123.08	129.98	126.82
2-Feb	129.58	128.33	128.33	121.58	120.83	121.33	128.48	125.49
3-Feb	130.87	129.62	129.62	122.87	122.12	122.62	129.77	126.78

Futures Settlement

Date	Mar-22	May-22	Jul-22	Oct-22	Dec-22	Mar-23	Far Eastern A Index 1/ Current
28-Jan	123.76	120.84	117.87	106.26	99.73	96.45	135.85
31-Jan	127.57	123.07	119.66	106.87	100.87	97.56	137.70
1-Feb	127.33	123.89	120.57	108.09	102.43	99.44	141.10
2-Feb	126.33	123.03	119.86	108.00	102.95	100.24	141.10
3-Feb	127.62	124.73	121.58	109.08	103.88	101.09	140.15

Spot Transactions

Date	SE	ND	SD	ET-OK	WT	DSW	SJV	PIMA
28-Jan	0	0	0	3,870	11,269	0	0	0
31-Jan	1,925	0	0	6,157	33,779	177	0	0
1-Feb	0	0	0	6,659	30,984	0	0	0
2-Feb	0	0	0	2,704	14,127	1,109	0	0
3-Feb	22	0	0	1,029	7,134	150	0	0
Weekly Totals	**1,947**	**0**	**0**	**20,419**	**97,293**	**1,436**	**0**	0

Source: USDA, AMS, Cotton and Tobacco Program, 1/ Cotlook

Southeastern Markets Regional Summary

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Spot cotton trading was moderate. Supplies and producer offerings were moderate. Demand was good. Average local spot prices were higher. Trading of CCC-loan equities was inactive. The COVID-19 Pandemic continues to disrupt labor availability and logistics. Vaccination doses were being distributed.

A mix of sun and clouds was observed across the lower Southeast during the period. Daytime high temperatures were mostly in the mid-50s to mid-60s. Widespread showers brought moisture to areas throughout Alabama, portions of the Florida Panhandle, and north Georgia late in the week. Precipitation totals measured from one-quarter of an inch to one and one-half inches of moisture. The wet weather continued to delay fieldwork. Some gins processed backlogs of modules and round bales on gin yards; some gins remained on gin days as they waited for producers to harvest the last remaining fields.

Mostly sunny to partly cloudy conditions prevailed across the upper Southeast during the period. Daytime high temperatures in the low 30s warmed to the 40s and 50s later in the week. Light scattered shower activity and snow flurries brought trace amounts to around one-half of an inch of moisture to areas of the eastern Carolinas and Virginia throughout the week. The mostly dry conditions allowed fieldwork and outside activities to continue with little interruption.

Textile Mill

Domestic mill buyers inquired for a moderate volume color 41, leaf 4, and staple 34 and longer for April through July delivery. No sales were reported. Reports indicated most mills had covered raw cotton needs through early summer. Yarn demand remained good and mills continued to operate at capacity as allowed by labor availability. Mills continued to produce personal protective equipment for frontline workers and consumers.

Demand through export channels was good. Domestic cotton shippers reported a cautious undertone, due to logistics issues and shipping backlogs at the ports. Indonesian and Malaysian mill buyers inquired for a moderate volume of color 31, leaf 3, and staple 36 and 37 for February through April shipment. Indonesian mill buyers also inquired for a moderate volume of 2022-crop cotton, color 31, leaf 3, and staple 36 and 37 for November 2022 through March 2023 shipment. No sales were reported.

Trading

- Heavy volume even-running lots containing color 21 and 31, leaf 2 and 3, staple 36 and longer, mike 37-49, strength 28-31, and uniformity 80-82 sold for around 127.00 cents per pound, FOB car/truck (Rule 5, compression charges paid).

South Central Markets Regional Summary

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North Delta

Spot cotton trading was inactive. Supplies of available cotton were light. Demand was good. Average local spot prices were higher. Trading of CCC-loan equities was inactive. No forward contracting was reported. Cotton was being delivered to fulfill contracts. The Omicron variant of the COVID-19 virus continues to cause major disruptions to our society in general, as well as international marketing channels, domestic supply chains, and the labor force overall.

Typical winter weather dominated climatic conditions during most of the report period. A severe winter storm late week brought a wintry mix of rain, freezing rain, and snow to the entire region. Up to two inches of accumulated precipitation was reported throughout the area. Widespread power outages were reported in the Memphis area as a major ice storm downed powerlines across the region. Restoration of power was slow in outlying areas. The daytime high temperatures ranged from the low 30s to the 60s. Overnight low temperatures were in the mid-teens to the low 30s. Producers continued monitoring commodity prices and the cost of inputs as they planned for the upcoming planting season. Cotton extension economists attributed the strong cotton prices to supply chain disruptions, speculation in the market, and the inflationary pressure from high consumer demand for cotton-related goods. Virtual and in-person industry meetings were being planned and attended. According to the U.S. Drought Monitor, drought conditions persisted in the southern part of Arkansas, with a few pockets of extreme drought. The rest of the region had adequate to surplus soil moisture.

South Delta

Spot cotton trading was inactive. Supplies of available cotton were light. Demand was good. Average local spot prices were higher. Trading of CCC-loan equities was inactive. No forward contracting was reported. Cotton was being delivered to fulfill contracts. The Omicron variant of the COVID-19 virus continues to cause major disruptions to our society in general, as well as international supply chains and the worldwide labor force.

Average winter weather prevailed during most of the report period. A severe winter storm late week brought a wintry mix of rain and freezing rain to parts of region. Around one inch of accumulated precipitation was reported throughout the area. The daytime high temperatures ranged from the low 30s to the 60s. Overnight low temperatures were in the mid-teens to the low 30s. Producers monitored the price and availability of inputs needed for spring planting. Industry experts indicated that many producers were considering alternative crops to corn and cotton. Cotton extension economists indicated that high cotton prices were a result of supply chain disruptions, speculation in the market, and the inflationary pressure from strong consumer demand for cotton-related goods. Virtual and in-person industry meetings were planned and attended. According to the U.S. Drought Monitor, severely deficient soil moisture persisted throughout the state of Louisiana, with the cotton-producing northeastern region experiencing extreme drought conditions. Abnormally dry to moderate drought conditions were prevalent throughout Mississippi.

Trading

North Delta

- No trading activity was reported.

South Delta

- No trading activity was reported.

Southwestern Markets Regional Summary

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East Texas

Spot cotton trading was active. Supplies and producer offerings were moderate. Demand was good. Average local spot prices were higher. Producer interest in forward contracting was heavy. Trading of CCC-loan equities was moderate. Foreign mill inquiries were light. Interest was best from Pakistan and Vietnam. The COVID-19 Pandemic continued to place pressure on shipping logistics and slowed global economic recovery.

Widespread heavy thunderstorms were received in the Upper Coast, Coastal Bend, Rio Grande Valley, and in south Texas with daytime temperatures in the low 40s to low 80s. Most locations received more than one inch of beneficial precipitation. East Texas received freezing rain that changed to a wintry mix on February 2 and caused daytime high temperatures to fall from the 70s to the 20s. Significant icing was reported that caused travel hazards. The precipitation will be beneficial for spring planting. Ginning was completed.

In Kansas and Oklahoma, sunny conditions with temperatures in the 60s and 70s ended abruptly when a blustery Arctic storm entered the region that dropped daytime highs into the single digits and teens. Wintry precipitation brought up to eight inches of accumulated freezing rain and snow. Cold, slick conditions forced the temporary closure of schools, businesses, and ginning operations.

West Texas

Spot cotton trading was active. Supplies and producer offerings were heavy. Demand was good. Average local spot prices were higher. Producer interest in forward contracting was light. Trading of CCC-loan equities was moderate. Foreign mill inquiries were light. Interest was best from Pakistan and Vietnam. The COVID-19 Pandemic continued to place pressure on commodity markets and shipping logistics. Global economic recovery was slow.

Ginning advanced ahead of winter storm Landon with daytime temperatures in the teens to mid-60s, and overnight lows below zero to mid-30s. Modules were quickly moved from the fields to the gin yards in the Southern Low Plains and the Rolling Plains in preparation for the winter storm. Ginning was nearly done in the Panhandle. Arctic air moved into the area on February 2 and brought snow, sleet, and freezing rain. Accumulated totals were around two to eight inches of precipitation. Icy road conditions caused havoc for travelers and most schools, businesses, and gins closed during the worst part of the storm. Wind chill factors were as much as -15 below at some locations.

Trading

East Texas

- In Kansas, lots containing a heavy volume of color 21 and 31, leaf 2 and 3, staple 34-36, mike 30-35, strength 25-34, uniformity 79-82, and 25 percent extraneous matter sold for 114.75 to 117.00 cents per pound, FOB car/truck (compression charges not paid).
- In Oklahoma, mixed lots containing a heavy volume of color 22 and better, leaf 4 and better, staple 35-38, mike 32-49, strength 25-34, and uniformity 78-82 sold for 115.75 to 120.50 cents, same terms as above.
- Mixed lots containing a heavy volume of color 32 and better, leaf 2-6, staple 33-38, mike 32-48, strength 25-34, and uniformity 76-81 sold for 110.00 to 114.50 cents, same terms as above.
- A moderate volume of CCC-loan equities traded for 63.00 to 64.00 cents.

West Texas

- Lots containing a heavy volume of color 31 and better, leaf 4 and better, staple 35 and longer, mike 33-46, strength 28-32, and uniformity 78-80 sold for 119.00 to 121.00 cents per pound, FOB car/truck (compression charges not paid).
- A heavy volume of lots containing color 11 and 21, leaf 3 and better, staple 35 and longer, mike 32-42, strength 27-35, and uniformity 79-83 sold for 116.00 to 118.50 cents, same terms as above.
- Lots containing a heavy volume of color 32 and better, leaf 3 and better, staple 32 to 36, mike 25-44, strength 24-33, and uniformity 76-82 sold for 107.00 to 108.00 cents, same terms as above.
- A heavy volume of CCC-loan equities traded for 63.00 to 64.00 cents.

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Desert Southwest (DSW)

Spot cotton trading was slow. Supplies were moderate. Demand was good. Producers continued to deliver bales to fulfill contracts. Average local spot prices were lower. Producers inquired for 2022-crop contracts. No domestic mill activity was reported. Foreign mill inquiries were light. The COVID-19 Pandemic with the Omicron variant continues to disrupt labor availability, shipping, and supply chains.

Daytime high temperatures were in the 60s and 70s for central Arizona. Overnight lows were in the 50s for most of the week, then a cold front entered the region and dropped temperatures into the high 30s late in the period. Producers in Yuma, Arizona picked up seed and prepared for planting. Some producers tended to wheat crops. Ginning continued. In New Mexico and El Paso, Texas, daytime highs were in the 60s and dropped to the high 30s late in the period. Overnight lows went from the 30s and 40s into the teens. Winter weather advisories were in effect as light snow and icy conditions were prevalent. Frost was reported throughout the territory, but no rainfall was recorded. Irrigation water availability remained a concern. The Visalia Classing Office ended the night shift on January 28.

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 COVID-19 Pandemic with the Omicron variant continues to disrupt labor availability, shipping, and supply chains.

Daytime high temperatures were mostly in the 60s. Overnight lows were in the high 30s. High pressure off the California coast kept conditions dry with no rain or snow. January 2022 was one of the driest on record, with very little measurable moisture received. The second manual snow survey was conducted on February 1 and confirmed that water content in the Sierra Nevada Mountain snowpack is 92 percent of normal for this date. More rain and snow are needed to help replenish reservoirs. One gin continued operations. The Visalia Classing Office ended the night shift on January 28.

American Pima (AP)

Spot cotton trading was inactive. Supplies were light. Demand was very good. Average local spot prices were steady. Producers made inquiries for new-crop pricing. No forward contracting or domestic mill activity was reported. Foreign mill inquiries were moderate. Interest was best for prompt shipment. The COVID-19 Pandemic with the Omicron variant continues to disrupt labor availability, shipping, and supply chains.

Temperatures were in the 60s to 70s for most of the reporting period in the Far West. A dry cold front entered the region late in the period and brought frosty temperatures. Daytime highs dropped to the high 30s for El Paso, Texas to the low 60s for central Arizona and the San Joaquin Valley of California. Overnight lows were in the teens to 30s. Dry conditions continued with little to no rainfall recorded for the region. According to the U.S. Drought Monitor, most of the cotton-growing areas of the Far West were rated at abnormally dry to severe drought intensity. Much more rain and snow are needed to help replenish lakes, reservoirs, and rivers. Producers in Yuma, Arizona picked up seed and prepared for planting. Ginning continued uninterrupted. The Visalia Classing Office ended the night shift on January 28.

Trading

Desert Southwest

- A moderate volume of Arizona cotton color mostly 21 and better, leaf 2 and better, staple 38 and longer, mike averaging 45.2, strength averaging 31.3, and uniformity averaging 81.9 sold for around 75 points off ICE March futures, uncompressed FOB warehouse.
- A moderate volume of 2022-crop cotton for contract base quality color 31, leaf 3, and staple 36 was booked at 100 points off to even on ICE December futures. These contracts were subject to government discounts.
- A light volume of New Mexico cotton color mostly 21, leaf 2 and better, staple 35 and longer sold for around 120.00 cents per pound, FOB car/truck (compression charges not paid).

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Trading

San Joaquin Valley

- No trading activity was reported.

American Pima

- No trading activity was reported.

Due to inclement weather, we are experiencing network issues. The world market Upland prices and the export sales chart are unavailable.

Web links are provided below. Thank you.

https://www.fsa.usda.gov/Internet/FSA_EPAS_Reports/feb03upl.pdf

https://apps.fas.usda.gov/export-sales/cottfax.htm

USDA ANNOUNCES SPECIAL IMPORT QUOTA #16
FOR UPLAND COTTON
February 3, 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 February 10, 2022, allowing importation of 10,197,690 kilograms (46,837 bales of 480-lbs) of upland cotton.

Quota number 16 will be established as of February 10, 2022 and will apply to upland cotton purchased not later than May 10, 2022 and entered into the U.S. not later than August 8, 2022. The quota is equivalent to one week's consumption of cotton by domestic mills at the seasonally-adjusted average rate for the period October 2021 through December 2021, the most recent three months for which data are available.

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

Number of Bales in Certificated Stocks

Delivery Points	Stocks as of 2-3-2022	Awaiting Review	Non-Rain Grown Cotton
Dallas/FT. Worth, TX	187	0	0
Galveston, TX	41	0	0
Greenville, SC	1	0	0
Houston, TX	218	0	0
Memphis, TN	170	0	0
Total	**617**	**0**	**0**

Source: USDA, AMS and ICE U.S. Futures

Due to inclement weather, we are experiencing network issues. The Spot Quotations snapshot for February 3 is unavailable. Thank you.

American Pima quotations are for cotton equal to the Official Standards, net weight, in mixed lots, UD Free, FOB warehouse. 1/

AMERICAN PIMA SPOT QUOTATIONS

Color	Leaf	Staple 44	Staple 46	Staple 48	Staple 50
1	1	294.75	300.50	302.25	302.25
	2	294.50	300.25	302.00	302.00
	3	287.75	295.50	296.50	296.50
	4				
	5				
	6				
2	1	294.50	300.25	302.00	302.00
	2	294.25	300.00	301.75	301.75
	3	287.50	295.25	296.25	296.25
	4	277.50	285.75	286.75	286.75
	5				
	6				
3	1	286.25	294.00	295.00	295.00
	2	283.75	291.50	292.50	292.50
	3	281.50	289.25	290.25	290.25
	4	272.50	280.25	281.25	281.25
	5	256.50	263.75	264.75	264.75
	6				
4	1	267.50	275.25	277.00	277.00
	2	267.25	275.00	276.25	276.25
	3	266.00	273.75	274.75	274.75
	4	261.00	268.75	269.75	269.75
	5	249.75	257.50	258.50	258.50
	6				
5	1				
	2	244.25	254.25	254.25	254.25
	3	244.25	253.75	254.00	254.00
	4	244.25	248.25	248.25	248.25
	5	244.00	248.00	248.00	248.00
	6				
6	1				
	2	236.50	239.50	239.50	239.50
	3	236.50	239.50	239.50	239.50
	4	236.50	239.50	239.50	239.50
	5	236.25	239.25	239.25	239.25
	6	235.75	238.75	238.75	238.75

The current Pima spot quotations represent prices from local sales, export sales, and offerings last reported on January 18, 2022

Mike

Range	Diff.
26 & Below	-1900
27-29	-1400
30-32	-900
33-34	-400
35 & Above	0

Strength

(Grams per Tex)

Range	Diff.
34.9 & Below	-1350
35.0 – 35.9	-1100
36.0 – 36.9	-850
37.0 – 37.9	-500
38.0 – 38.9	0
39.0 – 39.9	0
40.0 & Above	500

Extraneous Matter

Type - Level	Diff.
Prep - Level 1	-810
Prep - Level 2	-1095
Other - Level 1	-715
Other - Level 2	-1035
Plastic - Level 1	-4000
Plastic - Level 2	-4000

1/ Pima spot quotations for color-leaf-staple combinations not quoted will be included as sales of those qualities which are reported.