

PJTSAU

Agricultural Market Intelligence Centre

COTTON

(As on 30th June 2021)



Global Cotton Scenario in 2021-22

World Cotton Area	32.1 million hectares (4% above 2020-21)
World Cotton Yield Forecast	782 Kg/ha (766 Kg/ha in 2020-21)
World Cotton Production Forecast	118.9 million bales (5% above 2020-21)
World Cotton Mill Use Forecast	122.5 million bales (4% above 2020-21)
Largest Producer – India – Cotton Area	129.46 lakh hectares (As on 18.09.2020)
India Yield Forecast	486 Kg/ha (473 Kg/ha in 2020-21)
Projected Cotton Output - India	29 million bales (1.75% above 2020-21)
China	26.8 million bales (-9.15% below 2020-21)
USA	17 million bales (16.44% above 2020-21)
Brazil	13.3 million bales (17.70% above 2020-21)
Pakistan	5.3 million bales (17.78% above 2020-21)

Source: Cotton and Wool Outlook, June 2021; (1 bale = 480 lb = 217.724 Kg)

World Cotton Production

(in million 480 lb. bales)

Country	2020-21	2021-22 June	% change over 2020-21
India	28.50	29.00	1.75
China	29.50	26.80	-9.15
United States	14.60	17.00	16.44
Brazil	11.30	13.30	17.70
Pakistan	4.50	5.30	17.78
Rest of World	24.90	27.60	10.84
World	113.30	118.90	4.94

Source: Monthly Economic Letter, Cotton Incorporated, June 2021

World Cotton Balance Sheet

(in million 480 lb bales)

	2020-21	2021-22 June	% change over 2020-21
Beginning stocks	97.90	93.00	-5.01
Production	113.30	118.90	4.94
Mill-Use	118.00	122.50	3.81
Ending Stocks	93.00	89.30	-3.98
Stocks/Use	78.80%	72.90%	-7.49

Source: Monthly Economic Letter, Cotton Incorporated, June 2021

World Cotton Mill-Use

(in million 480 lb. bales)

Country	2020-21	2021-22 June	% change over 2020-21
China	40.00	41.00	2.50
India	23.50	25.00	6.38
Pakistan	10.30	10.50	1.94
Bangladesh	8.10	8.40	3.70
Turkey	7.70	8.20	6.49
Rest of World	28.40	29.40	3.52
World	118.00	122.50	3.81

Source: Monthly Economic Letter, Cotton Incorporated, June 2021

World Cotton Exports

(in million 480 lb. bales)

Country	2020-21	2021-22 June	% change over 2020-21
United States	16.40	14.80	-9.76
Brazil	11.00	9.30	-15.45
India	5.90	6.00	1.69
Australia	1.40	3.40	142.86
Benin	1.40	1.40	0.00
Rest of World	11.30	11.70	3.54
World	47.40	46.60	-1.69

Source: Monthly Economic Letter, Cotton Incorporated, June 2021

World Cotton Imports

(in million 480 lb. bales)

Country	2020-21	2021-22 June	% change over 2020-21
China	12.50	11.00	-12.00
Bangladesh	8.30	8.00	-3.61
Vietnam	7.20	7.60	5.56
Turkey	5.10	5.20	1.96
Pakistan	5.30	5.00	-5.66
Rest of World	9.10	9.80	7.69
World	47.50	46.60	-1.89

Source: Monthly Economic Letter, Cotton Incorporated, June 2021

World Cotton Ending Stocks

(in million 480 lb. bales)

Country	2020-21	2021-22 June	% change over 2020-21
China	38.90	35.60	-8.48
India	16.80	15.80	-5.95
Brazil	11.70	12.60	7.69
United States	3.20	2.90	-9.38
Pakistan	2.80	2.60	-7.14
Rest of World	19.70	19.90	1.02
World	93.00	89.30	-3.98

Source: Monthly Economic Letter, Cotton Incorporated, June 2021

Indian Cotton Scenario

Season & Year: **Kharif 2020-21** (as on 18th September 2020)

Area Coverage in Telangana: **129.46 lakh ha (319.90 lakh acres)**

State	2019-20			2020-21		
	Area (lakh ha)	Area (lakh acres)	% to total area	Area (lakh ha)	Area (lakh acres)	% to total area
Maharashtra	43.83	108.31	34.49	42.25	104.40	32.64
Telangana	18.59	45.94	14.63	24.13	59.63	18.64
Gujarat	26.66	65.88	20.98	22.78	56.29	17.60
Haryana	7.01	17.32	5.52	7.37	18.21	5.69
Karnataka	5.75	14.21	4.52	6.88	17.00	5.31
Others	25.24	62.37	19.86	26.05	64.37	20.12
All India	127.08	314.02	100.00	129.46	319.90	100.00

Source: www.agricoop.gov.in

Telangana Scenario

Season & Year: Vanakalam 2021-22 (As on 30.06.2020)

Area Coverage in Telangana: 10.54 lakh ha (26.05 lakh acres)

Districts	2020-21			2021-22		
	Area (ha)	Area (acres)	% to total area	Area (ha)	Area (acres)	% to total area
Adilabad	142514.72	352161	9.67	138231.93	341578	13.11
Nalgonda	121862.37	301128	8.27	127735.58	315641	12.11
Sangareddy	113425.87	280281	7.70	113347.36	280087	10.75
Asifabad	105168.65	259877	7.14	93202.48	230308	8.84
Warangal (R)	76727.30	189597	5.21	60736.53	150083	5.76
Others	914119.91	2258836	62.02	521125.03	1287726	49.42
Telangana State	1473818.82	3641880	100.00	1054378.91	2605423	100.00

Source: Season and crop coverage report kharif – 2021, Govt. of Telangana

State wise Wholesale Prices Monthly Analysis for Cotton June, 2021

State	Prices June, 2021	Prices May, 2021	Prices June, 2020	% Change (Over Previous Month)	% Change (Over Previous Year)
Gujarat	6901.52	6373.49	4289.93	8.28	60.88
Haryana	7000.00			—	—
Karnataka	6448.64	5134.55	4493.52	25.59	43.51
Madhya Pradesh	5513.29	5295.85	4726.67	4.11	16.64
Maharashtra	5499.44	5984.07	4898.53	-8.1	12.27
Pondicherry			3947.67	—	—
Tamil Nadu	6793.41	5598.71	4369.38	21.34	55.48
Average	6359.38	5677.33	4454.28		

Source: https://agmarknet.gov.in/PriceTrends/SA_Pri_Month.aspx

Prices and Arrivals of Cotton at Warangal Market in the Month of June 2021

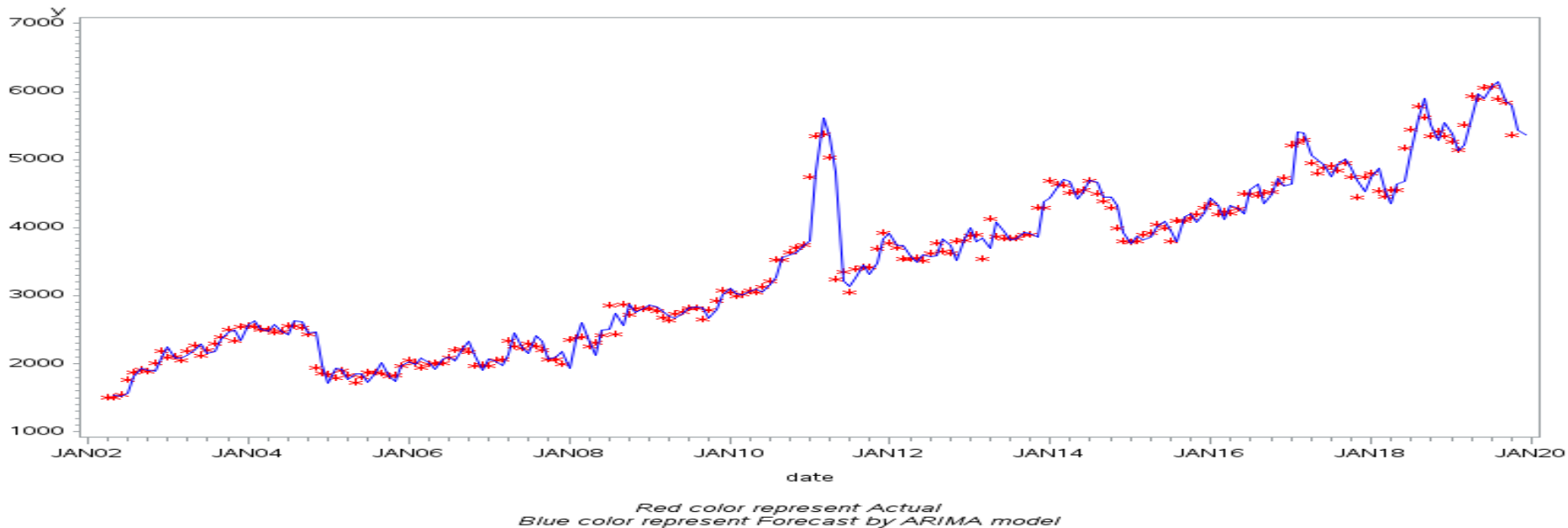
Date	Arrivals (Qtl)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	900	5,075	6,660	5,875
3	1,371	5,000	6,740	5,900
7	1,815	5,150	7,000	6,250
8	1,695	5,225	7,105	6,315
11	2,274	5,275	7,110	6,250
14	2,215	5,250	7,085	6,200
15	4,358	5,100	6,940	6,100
17	4,302	5,175	7,055	6,200
18	3,550	5,150	7,120	6,200
21	3,494	5,025	7,020	6,500
22	2,320	5,100	7,100	6,200
24	1,901	5,200	7,200	6,625
25	1,505	5,275	7,260	6,650
28	1,623	5,025	7,215	6,300
29	2,019	5,100	7,220	6,500

Source: <http://agrimarketing.telangana.gov.in/indexnew.jsp>

Cotton Price Forecast (July - 2021)

Forecast Model	ARIMA 211
Model Price Forecast	Rs. 6550/ q
Farmers Expectation	Rs. 6000-6500/ q
Traders Expectation	Rs. 6500-7000 / q
MSP 2021-22	Rs. 6025 / q
Integrated Price Forecast	Rs. 6500 - 7000

ARIMA fitting for cotton price data



Recent Cotton Price Movement (Cents/lb)

	Latest Value (10 th June 2021)	Latest Month (May 2021)	Last 12 Months (June 2020-May 2021)
NY Nearby	87.40	84.90	73.80
A Index	95.60	90.90	80.30
CC Index	114.60	112.60	97.50
Indian Spot	88.00	81.60	70.50
Pakistani Spot	96.10	91.80	75.40

Source: Monthly Economic Letter, Cotton Incorporated, June 2021

Trade Information

- In USDA's June 2021 forecast report, for the 2020-21 season, global production and consumption have been raised marginally from May month. Global trade is boosted, led by the robust demand in China, Bangladesh, and Turkey. Exports have also been raised for India, Brazil, and United States in May 2021.
- Cotton price of Shanker-6 is currently the highest in the decade. It is expected to rise further in the coming months to reach Rs. 52,027 per candy by the end of 2021 from Rs. 49,012 per candy in June 2021. This can be attributed to increasing purchase by domestic cotton mills and demand from overseas market.
- Cotton Association of India has reiterated its request to withdraw import duty on cotton. As per CAI if the import duty is not removed the domestic prices will go up further and create more hardship to the domestic textile sector.
- Currently, the 10 percent import duty levied on cotton is not in the interest of the nation as it does more harm than good and also the interest of the domestic textile sector would be served better if 10% import duty on cotton is withdrawn immediately.
- The average price of Kapas is likely to remain firm between Rs. 6900-7500/q in Rajkot while the prices in Telangana are likely to hover around Rs.6500-7000/q.