

SELL SUMMER COTTON IMMEDIATELY UPON HARVEST

Cotton occupies 35 per cent of world textile fiber markets. China, India and United States are the major contributors to the world cotton production. During 2014-15, world cotton production was 26.17 million tonnes of which China and India were having the two third share of world cotton production.

During 2014-15, India's cotton production was 6.4 million tonnes from the area of 12.4 million hectares. In the same period, India's export was declined to 0.89 million tonnes when compared to 2013-14, which was 2.02 million tonnes. Also, global total cotton export was declined to 20 per cent during 2014-15. Hence, global accumulated cotton stock has been piled up to 21.82 million tonnes during the same period.

In India, Maharastra, Madhya Pradesh, Odisha and Gujarat states are having the two third of total cotton production. In South India, Karnataka, Andhra Pradesh and Tamil Nadu are the major states contributing with 30 per cent of national cotton production.

India's Cabinet Committee on Economic Affairs headed by Our Prime Minister increased the Minimum Support Price for the cotton by Rs. 50 per quintal during the 2015-16 season and fixed Rs. 3800 for medium staple and Rs. 4100 for long staple cottons. Also, United States Department of Agriculture has forecasted India's 2015-16 production will be declined to 6.37 million tonnes when compared to 6.46 million tonnes during 2014-15.

Simultaneously, International Cotton Advisory Committee (ICAC) also suggested the overall global cotton production would decline during 2015-16. This could be attributed by last year global price decline that led to succeeding global area reduction, China's current season cotton subsidy reduction would be expected to 12 per cent reduction in cotton area. United States area reduction forecasted by 15 percent and production fell by 14 per cent during 2015-16. Moreover the global cotton consumption is forecasted to increase by 2 per cent with 24.9 million tonnes when compared to 2014-15 with 24.3 million tonnes

In this situation, the global end stock is expected to fall during 2015-16 by 5 percent. Also China's end stock, even after the fall will contribute for 56 per cent of global end stock by 2015-16. The above global scenario indicates the cotton production fall is inevitable during 2015-16. Eventually, our domestic cotton price is above the international price which has been sold by Cotton Corporation of India (CCI) since our domestic cotton industry mainly rely on CCI's stock release from time to time.

In Tamil Nadu, the price of freshly harvested cotton in Konganapuram regulated market is ruling around Rs. 3500 - 4000 per quintal. This is due to the arrivals of poor quality moist fibers from the surrounding areas. In this situation, to advise the farmers on cotton price during harvest, the Back Office of Agro Marketing Intelligence and Business Promotion Centre (AMI &BPC) of Centre for Agricultural and Rural Development Studies (CARDS), Tamil Nadu Agricultural University has analyzed the eighteen years monthly prices of Konganapuram cotton market and conducted traders survey to give price forecast.

The results indicated that, forecasted price of the long staple summer cotton upon harvest will be around Rs 4100-4300 per quintal. Hence, farmers are advised to sell their quality produce without holding stock at their hand based on the above market advisories.

For further details, contact:

Domestic and Export Market Intelligence Cell (DEMIC),
Centre for Agricultural and Rural Development studies,
Tamil Nadu Agricultural University,
Coimbatore 641 003.
Phone- 0422-2431405.

For Technical Details, contact:

Professor and Head,
Department of Cotton,
Tamil Nadu Agricultural University,
Coimbatore-641003.
Phone: 0422-2456297.