

Cotton Outlook – May 2018

World Scenario

For 2017/18, there are only minor changes in the global balance sheet. Global production is raised due to a larger expected crop in Brazil, partially offset by a smaller crop in Sudan. Trade is up slightly. Consumption is marginally lower with world ending stocks down slightly, reflecting historical revisions which lowered beginning stocks. The U.S. balance sheet has higher exports and lower ending stocks. The U.S. season-average farm price is down by 1 - 68 cents per pound.

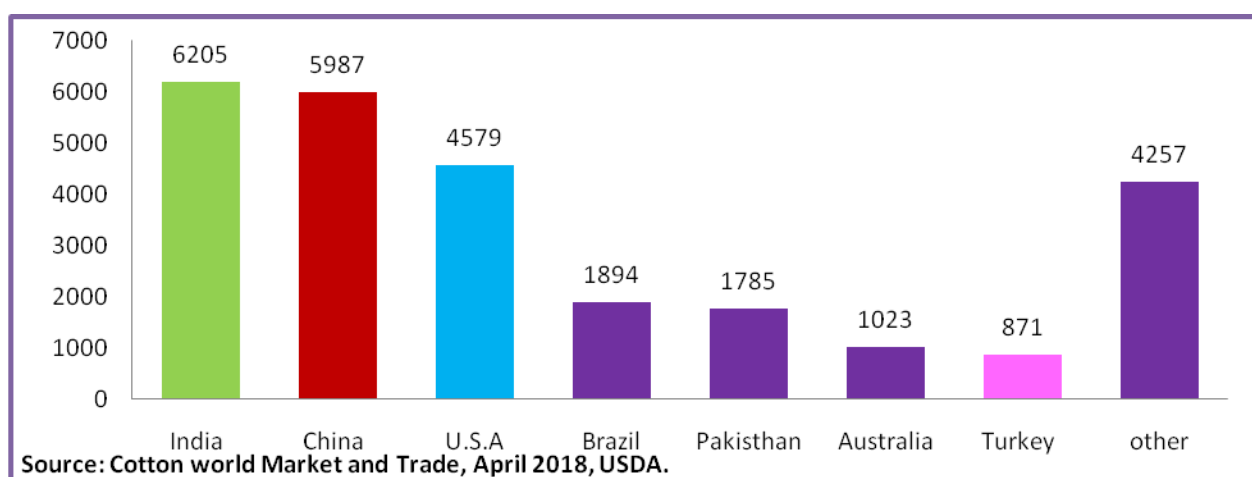


Fig 3: World cotton Production During April 2018 (in 1000 tonnes)

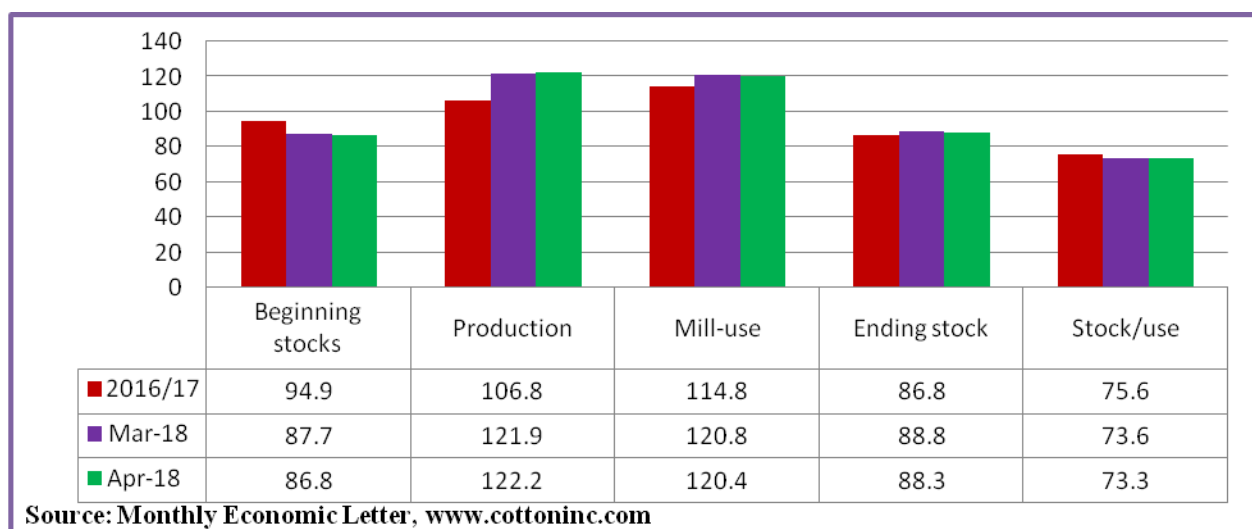


Fig 2: World Cotton Balance Sheet April 2018 (in million 480 lb bales)

April month's USDA report featured a slight increase to global production (+245,000 bales, from 121.9 to 122.2 million) and a slight decrease to global mill-use (-405,000 bales, from

120.8 to 120.4 million). A series of revisions to historical estimates for Australia, Brazil, and Uzbekistan had a net effect of lowering 2017-18 global beginning stocks by 900,000 bales (from 87.7 to 86.8 million). In combination, all of this month's changes pulled the forecast for 2017-18 global ending stocks slightly lower (from 88.8 to 88.3 million 480 lb bales).

Indian scenario

In India, higher beginning stocks, production and less export as compared to the corresponding period of last year resulted in rise of ending stocks.

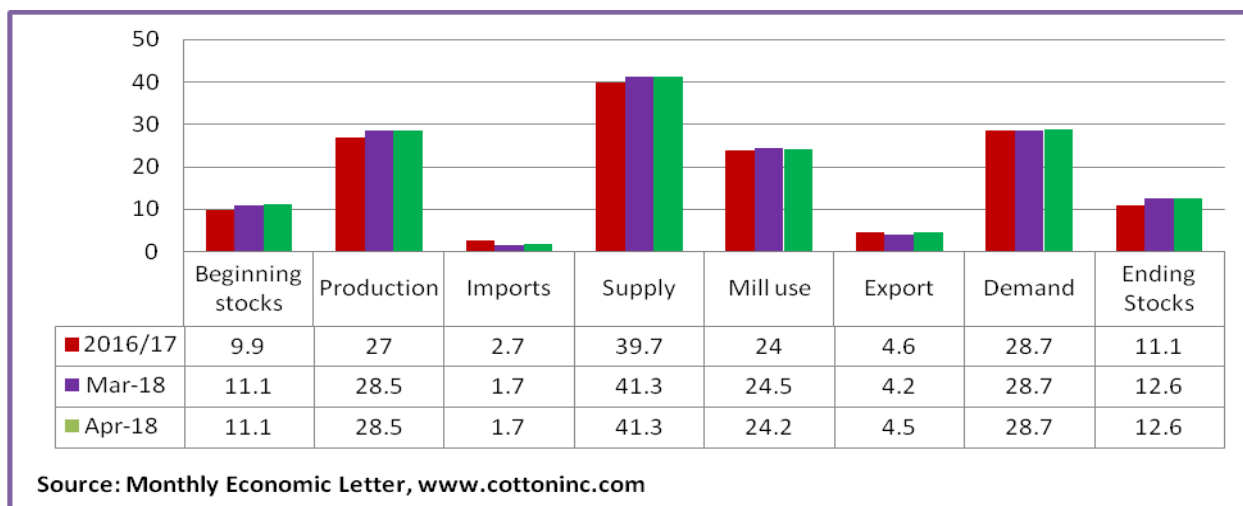


Fig 3: Domestic Cotton Balance Sheet April 2018 (in million 480 lb bales)

During the current harvesting season of 2017-18 up to April 2018, highest arrivals were associated with Maharashtra (6484000 bales of 170 kg) followed by Gujarat (5923000 bales of 170 kg) and Telangana (3830600 bales of 170 kg).

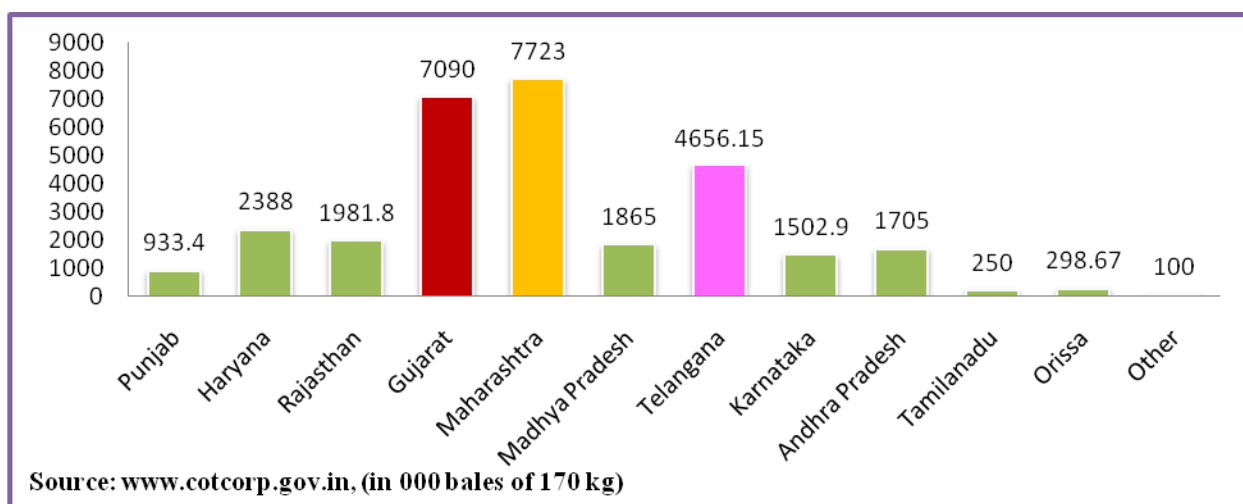


Fig 4: Cotton Arrivals at Major Cotton Assembling Areas in India up to April 2018

Domestic cotton Prices

Kapas (seed cotton) prices in country noticed slightly weak tone during the April month when compared to March and the same is ruling lower compared to the prices during the corresponding month of the previous season. The prices of cotton ranged between Rs.5000 – 5250 per quintal in all major producing states except in Telanagana and Andhra Pradesh, where it is restricted to the range of Rs 4300 - 4500.

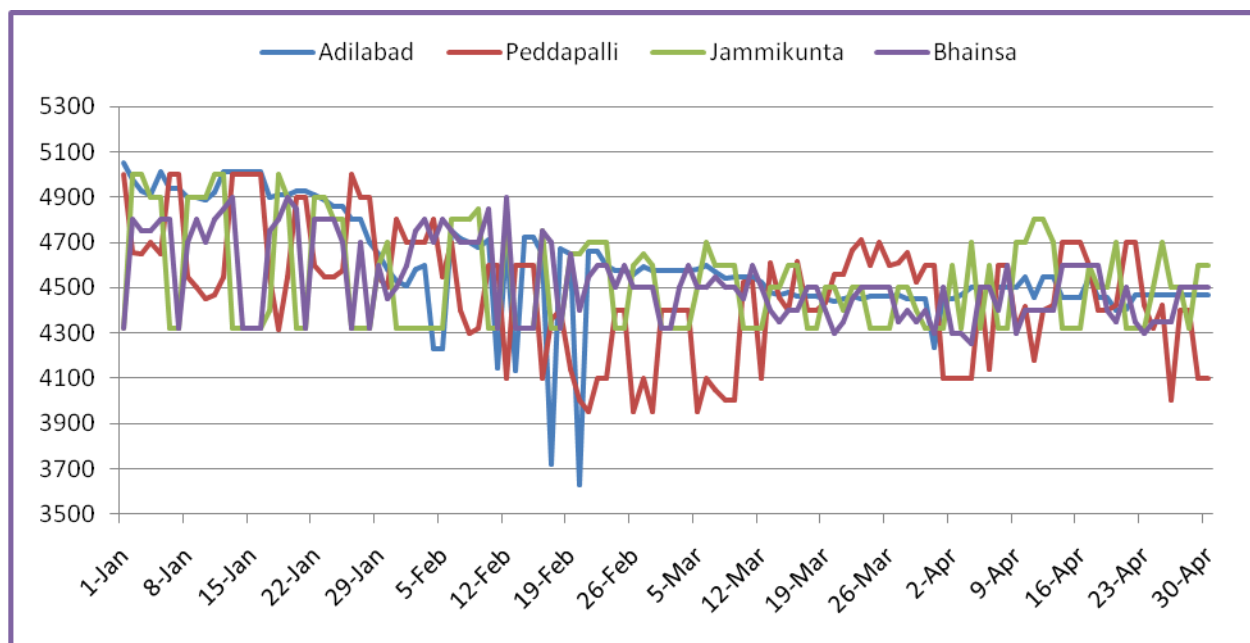
Table 1: Weekly Average Prices of Cotton in all Major Markets of India during April 2018

State	KAPAS					
	Market	Variety	30 th Mar to 8 th April 18	5 th to 12 th April 18	13 th to 19 th April 18	20 th to 26 th Aril 18
Gujarat	Ahmadabad	Shankar-6	5300	5308	5433	5425
	Gondal	Shankar-6	NA	5218	5228	5245
	Rajkot	B.T. Cotton	5222	5295	5322	5395
	Patan	B.T. Cotton	5253	5388	5357	5398
	Kadi	B.T. Cotton	5188	5275	5258	5250
	Deesa	B.T. Cotton	NA	NA	NA	NA
	Dhrol	B.T. Cotton	NA	5177	5162	5064
Haryana	Bhiwani	B.T. Cotton	5039	5050	5033	5083
	Adampur	B.T. Cotton	4878	4900	NA	4880
	Fatehabad	B.T. Cotton	4910	4904	5008	5035
	Jind	B.T. Cotton	5000	5080	NA	NA
	Uchana	B.T. Cotton	4847	4864	NA	NA
	Dabwali	B.T. Cotton	4778	4700	NA	NA
Rajasthan	Hanumangarh	B.T. Cotton	4899	4908	4895	NA
	Rawatsar	B.T. Cotton	4769	4764	4950	NA
Maharashtra	Amravati	Mech-1	5700	5079	5100	5100
Telangana	Adilabad	Un-Ginned	4473	NA	NA	NA
Andhra Pradesh	Kurnool	Un-Ginned	NA	4520	4550	4540
Karnataka	Bijapur	Bunny	5354	5440	5521	5440
	Hubli	D.C.H	3601	3652	4676	4439
	Raichur	H-44 Cotton	NA	5030	5050	5119

Source: www.agriwatch.com

Cotton Prices in Telangana

Cotton prices in major markets of Telangana state which showed a declining trend from January to middle of March, rose from last week of March to middle of April and again started declining. At present, the cotton price in major markets of Telangana ranged between Rs 4000 – 4450 per quintal.



According to the Cotton Corporation of India, Indian markets have received nearly 68% of the 2017-18 total cotton production. Total cotton arrivals across the country stood at 25.77 million bales as against 25.50 million bales a year ago.

Currently Rs. 4700 - 5500 a quintal cotton prices moved up during the past month when export demand emerged suddenly from Bangladesh, China and Pakistan. Bangladesh has emerged as the biggest importer of Indian cotton this season. It imported around 21 lakh bales of cotton from India overtaking China, which was largest importer of Indian cotton until now.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expect that Cotton prices are likely to trade in price range between Rs.4200-4600 per quintal during May 2018.