

**Cotton Outlook – December 2021****World Cotton Scenario**

Global 2021-22 cotton area and production are projected as 32.6 million hectares (80.55 million acres) and 120.3 million bales of 217.72 Kg each. Cotton production in most of the major producing countries is expected to increase except China in 2021-22. India is projected to produce 28 million bales followed by China (26.80 million bales), United States (18 million bales), Brazil (12.50 million bales) and Pakistan (6.5 million bales).

Cotton Association of India has maintained its cotton crop for the 2021-22 season at 360.13 lakh bales. Cotton Association of India has released its monthly balance sheet for October 2021. The Cotton supply for October month is estimated at 107.12 lakh bales, which consist of the arrivals of 31.12 lakh bales, about 15 percent higher than 27.16 lakh bales recorded in the same month last year. Imports were estimated at 1 lakh bales during October 2021 and consumption is estimated at 27.91 lakh bales, while export shipments of cotton up to 31<sup>st</sup> October 2021 is estimated at 4 lakh bales. Stock at the end of October 2021 is estimated at 75.21 lakh bales.

**International Cotton Price Movement**

All benchmark prices increased over the past month. The December NY/ICE contract increased from 110 to 118 cents/lb. Open interest has been migrating out of the December contract ahead of its expiration and into the March contract. March NY/ICE futures have been trading a little lower than December, with the latest values near 114 cents/lb. The A Index increased from 120 to 125 cents/lb.

The China Cotton Index (CC 3128B) increased from 142 to 159 cents/lb. In domestic terms, values rose from 20,150 to 22,320 RMB/ton. The RMB strengthened against the dollar over the past month, from 6.45 to 6.40 RMB/USD.

Indian spot prices (Shankar-6 quality) increased from 99 to 115 cents/lb or from 57,900 to 66,700 INR/candy. Over the past month, the INR was nearly unchanged against the dollar, generally holding between 74 and 75 INR/USD. Pakistani spot prices increased from 104 to 114 cents/lb or from 14,600 to 15,900 PKR/maund. The PKR held steady versus the dollar, trading near 170 PKR/USD.

**Table 1: International Price of Cotton (cents/lb)**

	Latest Value (9 <sup>th</sup> Nov2021)	Latest Month (Oct 2021)	Last 12 Months (Nov 2020-Oct 2021)
<b>NY Nearby</b>	119.40	108.70	86.50
<b>A Index</b>	125.80	117.40	93.90
<b>CC Index</b>	158.60	150.80	115.90
<b>Indian Spot</b>	115.20	102.60	84.20
<b>Pakistani Spot</b>	113.60	103.60	90.20

Source: [www.cottoninc.com](http://www.cottoninc.com)

**Indian Cotton Scenario**

As on 17<sup>th</sup> September 2021, area under cotton during 2021-22 was 119.66 lakh ha as against 126.97 lakh ha in 2020-21. Among the states, Maharashtra is leading in cotton acreage with 39.41 lakh ha followed by Gujarat (22.51 lakh ha), Telangana (18.78 lakh ha), Rajasthan (7.08 lakh ha) and Haryana (6.88 lakh ha).

**Table2: State wise area under cotton in India**

State	2020-21			2021-22		
	Area (lakh ha)	Area (lakh acres)	% to total area	Area (lakh ha)	Area (lakh acres)	% to total area
Maharashtra	42.25	104.40	33.28	39.41	97.38	32.93
Gujarat	22.79	56.32	17.95	22.51	55.62	18.81
<b>Telangana</b>	<b>24.13</b>	<b>59.63</b>	<b>19.00</b>	<b>18.78</b>	<b>46.42</b>	<b>15.69</b>
Rajasthan	6.68	16.51	5.26	7.08	17.50	5.92
Haryana	7.37	18.21	5.80	6.88	17.00	5.75
Others	23.75	58.69	18.71	25.00	61.78	20.89
All India	126.97	313.75	100.00	119.66	295.69	100.00

Source: [www.agricoop.nic.in](http://www.agricoop.nic.in)

**Domestic Trade information**

**Table 3: State wise Wholesale Prices Monthly Analysis for Cotton November, 2021 (Rs/Quintal)**

State	Prices November, 2021	Prices October, 2021	Prices November, 2020	% Change (Over Previous Month)	% Change (Over Previous Year)
Gujarat	7875.53	7094.33	5307.77	11.01	48.38
Haryana		7280.82	5150	—	—
Karnataka	8879.05	9944.32	5036.76	-10.71	76.28
Madhya Pradesh	7834.63	6559.2	5097.03	19.44	53.71
Maharashtra	8117.49	7691.56	5485.06	5.54	47.99
Odisha	7194.06		5723.76	—	25.69
Punjab	8092.1	7360.42	5582.67	9.94	44.95
Rajasthan	8193.69	8047.81	5421.53	1.81	51.13
Tamil Nadu	5358.66	6770.23	4593.69	-20.85	16.65
Telangana	7782.33	7862.43	5476.53	-1.02	42.1
Uttar Pradesh	6548.15	6624.01	5873.53	-1.15	11.49
Average	7587.57	7523.51	5340.76		

Source: <https://agmarknet.gov.in>

**Cotton in Telangana**

In Telangana state during 2021-22 area under cotton as on 29<sup>th</sup> September was 46,42,695 acres as against 60,17,992 acres during 2020-21. Among the districts, Nalgonda stood first with 6,54,667 acres followed by Adilabad (3,87,311 acres), Sangareddy (3,61,213 acres), Nagarkurnool (3,52,619 acres) and Asifabad (2,97,280 acres).

**Table 4: District wise area under cotton in Telangana**

District	2020-21			2021-22		
	Area (ha)	Area (Acres)	% to total area	Area (ha)	Area (Acres)	% to total area
Nalgonda	294074.18	726672	12.07	264934.74	654667	14.10
Adilabad	171308.96	423313	7.03	156739.44	387311	8.34
Sangareddy	161517.98	399119	6.63	146177.94	361213	7.78
Nagarkurnool	184634.47	456241	7.58	142700.07	352619	7.60
Asifabad	136617.63	337589	5.61	120305.13	297280	6.40
Others	1487245.50	3675058	61.07	1047977.58	2589605	55.78
Telangana State	2435398.72	6017992	100.00	1878834.91	4642695	100.00

Source: [www.agri.telangana.gov.in](http://www.agri.telangana.gov.in)

**Cotton Prices in Telangana**

**Table 5: Arrivals and Prices of Cotton at Warangal Market in the Month of November, 2021**

Date	Arrivals (Qtl)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	7,967	7,100	8,500	8,200
2	4,745	7,000	8,570	8,200
8	4,557	7,200	8,290	8,000
9	7,780	7,200	8,100	7,900
10	11,345	6,850	7,905	7,700
11	13,220	6,800	7,755	7,525
12	9,875	7,050	7,810	7,500
15	6,257	7,000	7,830	7,500
16	4,804	7,300	7,900	7,600
17	4,465	7,300	7,775	7,650
18	4,674	7,150	7,600	7,400
22	3,582	7,000	7,665	7,500
23	4,356	6,500	7,725	7,400
24	3,576	6,500	7,765	7,150
25	3,284	6,500	7,870	7,600
26	4,390	6,700	8,015	7,800
29	5,144	6,700	7,730	7,500
30	3,431	6,800	7,740	7,600

Source: <http://tsmarketing.in/>

Cotton Outlook

The cotton harvest season in Xinjiang of China was last by mid-November this year, with the output to reach 5.2 million tonnes. The region has contributed nearly 90 percent of china's cotton production capacity and about 20 percent of the global cotton production.

The Committee on Cotton Production and Consumption has projected the cotton production for 2021-22 season at 362 lakh bales, opening stock is projected at 73.20 lakh bales and imports at 10.50 lakh bales.

The total availability for this season is likely to be 445.88 lakh bales as against 485.66 bales the previous season. The demand from textile mills including small scale units is estimated at 322 lakh bales, and exports were pegged at 45 lakh bales.

Cotton prices have dropped by 8-10 percent in Telangana with the increase in arrivals in the market. Prices have dropped to Rs. 7,830 per quintal from a high of Rs. 8,710 in few mandis. Prices in other parts of the country have also dropped by about three percent. Cotton prices in Adilabad have fallen from Rs.8,600 to Rs. 7,910.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that cotton is likely to trade in price range between **Rs. 7000 – 7500** per quintal during December 2021.