

**Cotton Outlook – November 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 estimated cotton crop for the 2021-22 season at 360.13 lakh bales of 170 kg each. Further, the domestic consumption for the entire crop year i.e. up to 30<sup>th</sup> September 2022 is estimated at 335 lakh bales same as that of previous season, and exports for the 2021-22 season has been estimated at 48 lakh bales, cotton imports was maintained at 10 lakh bales for the 2021-22 season and closing stock at the end of 30<sup>th</sup> September'2022 was estimated as 62.13 lakh bales.

**International Cotton Price Movement**

The Chinese Cotton Index (CC Index 3128B) did not decrease like NY/ICE futures or the A Index in late September, but values moved sharply higher in recent trading nonetheless. Since late September, the CC Index increased from 128 to 153 cents/lb. In domestic terms, prices increased from 18,100 to 21,700 RMB/ton. The RMB was relatively stable against the dollar over the past month, holding near 6.46 RMB/USD.

Indian spot prices (Shankar-6 quality) were comparatively stable. Increases since late September were from 95 to 99 cents/lb. In domestic terms, values increase from 54,500 to 58,400 INR/candy. The INR weakened slightly against the dollar, from 73 to 75 INR/USD over the past month.

Volatility in Pakistani spot prices resembled that in other markets outside India. In international terms, values fell from over a dollar in early September to as low as 91 cents/lb late in the month. More recently, prices have been as high as 105 cents/lb. In domestic terms, prices increased from 12,700 to 14,400 PKR/maund. The PKR weakened slightly against the dollar over the past month, from 168 to 170 PKR/USD.

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

	Latest Value (12 <sup>th</sup> Oct 2021)	Latest Month (Sep 2021)	Last 12 Months (Oct 2020-Sep 2021)
<b>NY Nearby</b>	106.40	95.70	83.20
<b>A Index</b>	118.70	103.70	90.30
<b>CC Index</b>	152.80	128.40	111.20
<b>Indian Spot</b>	98.90	96.00	81.30
<b>Pakistani Spot</b>	102.80	97.10	87.70

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 as compared to the previous year. 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 October, 2021 (Rs/Quintal)**

State	Prices October, 2021	Prices September, 2021	Prices October, 2020	% Change(Over Previous Month)	% Change(Over Previous Year)
Gujarat	7071.07	5715.31	4730.81	23.72	49.47
Haryana	7229.62		5150	—	40.38
Karnataka	10016.94	10186.14	4799.59	-1.66	108.7
Madhya Pradesh	6444.4	4706.19	4819.01	36.93	33.73
Maharashtra	7546.56	5146.21	4503.52	46.64	67.57
Punjab	7365.19	6588.68	5447.35	11.79	35.21
Rajasthan	8005.17	6999.95	5279.68	14.36	51.62
Tamil Nadu	6776.36	6987.95	4627.98	-3.03	46.42
Telangana	7857.96			—	—
Uttar Pradesh	6597.82		5147.08	—	28.19
Average	7491.11	6618.63	4945		

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 October, 2021**

Date	Arrivals (Qtl)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	2,110	5,000	7,400	6,225
4	5,740	4,500	7,200	5,900
5	6,081	5,025	7,160	6,100
7	6,597	5,900	7,235	6,680
8	9,153	5,900	7,335	6,700
11	18,128	5,925	7,220	6,600
12	12,735	5,955	7,335	6,675
20	5,204.50	6,000	7,350	6,700
21	5,254	5,775	7,450	6,850
22	8,050	6,000	7,550	6,900
25	8,963	6,000	7,900	7,550
26	7,167	7,000	7,960	7,850
27	5,824	7,000	8,105	7,850
28	4,542	6,800	8,155	7,900
29	5,153	7,000	8,160	7,950

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

## Cotton Outlook

Cotton consumption in China is expected to increase in the 2021-22 season. Due to the rising demand for textile and clothing from the domestic and overseas market, cotton consumption is expected to move up in 2021-22.

Because of high prices of Indian cotton fibres in the global market and increasing export demand for cotton yarn and textile products, India's domestic cotton consumption is expected to increase to 26 million bales in the 2021-22 season as compared to 24.20 million bales in 2020-21 season.

Domestic cotton prices have increased to Rs. 63,000 per candy as the global market has surged on low production, rising demand, and supply constraints. On the Intercontinental Exchange (ICE), cotton prices have increased over 50 percent year on year rising to 108.67 cents a pound (Rs. 66,025 a candy).

Cotton procurement in Maharashtra has started from 1<sup>st</sup> November 2021. According to the State government data, Cotton sowing in the current kharif season was done on 39.37 lakh hectares compared to 42.08 lakh hectares last season. Cotton cultivation has dipped as farmers have shifted to soya cultivation. Also, farmers are expecting high prices for the produce this season.

The cotton prices in India have gained 64 percent and global prices are higher by around 45 percent. Indian cotton arrivals have crossed 1,20,000 bales a day. Demand in cotton is excellent in the market.

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