

## Cotton Outlook – April 2023

### World Cotton Scenario

According to the USDA, Global 2022-23 cotton area and production are projected as 32.5 million hectares (80.30 million acres) and 115.1 million bales of 217.72 Kg each compared to previous year 115.90 lakh bales which is 0.80 lakh bales (-0.69%) below the 2021-22 estimates of cotton production led by China and Brazil. China is projected at 29.50 lakh bales in 2022-23 followed by India (24.50 million bales), United States (14.70 million bales), Brazil (13.30 million bales) and Australia (5.50 million bales). During 2022-23, cotton area in China and India are projected to increase from 3.10 to 3.15 million hectares (7.8 million acres) and 11.96 to 12.7 million hectares (31.4 million acres) respectively.

The Cotton Association of India in its latest estimate of the cotton crop for 2022-23 season has reduced it by 8.50 lakh bales to 313 lakh bales from 321.50 lakh bales with reduction in Punjab, Haryana, Maharashtra, Telangana, Tamil Nadu, and Karnataka. Cotton imports were maintained at 12 lakh bales and exports at 30 lakh bales. Domestic consumption was estimated at 300 lakh bales. Overall, the ending stock for the 2022-23 season was estimated at 26.89 lakh bales. As per Cotton Association of India, Cotton arrivals between October 2022 to February 2023 were estimated at 154.84 lakh bales.

### International Cotton Price Movement

Most cotton benchmarks moved slightly lower over the past month. The May NY/ICE contract tested the lower end of its range between 78 and 88 cents/lb, which has held values since November. After failing to break below 80 cents/lb in the middle of February, prices rebounded to levels near 85 cents/lb before the end of last month and have traded between 82 and 85 cents/lb through early March.

The A Index was relatively stable near one dollar for much of the past month, but shifted to values below 100 cents/lb since the middle of February. Chinese prices represented by the China Cotton Index (CC 3128B) decreased from early February to early March (from 107 to 101 cents/lb), erasing most of the gains made in the previous month.

Indian spot prices (Shankar-6 quality) increased slightly over the past month, from 94 to 97 cents/lb. In terms of INR/candy, values rose from 61,500 to 62,400. The INR traded held at levels near 82 INR/USD.

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

	Latest Value (8 <sup>th</sup> March 2023)	Latest Month (Feb 2023)	Last 12 Months (Mar 2022-Feb 2023)
NY Nearby	82.60	83.90	102.70
A Index	97.20	98.80	120.50
CC Index	101.80	101.80	114.10
Indian Spot	97.00	97.00	125.30
Pakistani Spot	87.80	88.00	105.90

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

**Indian Cotton Scenario**

As on 30<sup>th</sup> September 2022, area under cotton during 2022-23 was 127.39 lakh ha as against 118.56 lakh ha in 2021-22 as compared to the previous year. Among the states, Maharashtra is leading in cotton acreage with 42.29 lakh ha followed by Gujarat (25.49 lakh ha), Telangana (20.23 lakh ha), Karnataka (8.21 lakh ha) and Rajasthan (6.83 lakh ha).

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

State	2021-22			2022-23		
	Area (lakh ha)	Area (lakh acres)	% to total area	Area (lakh ha)	Area (lakh acres)	% to total area
Maharashtra	39.57	97.78	33.38	42.29	104.50	33.20
Gujarat	22.54	55.70	19.01	25.49	62.99	20.01
Telangana	20.62	50.95	17.39	20.23	50.00	15.88
Karnataka	6.44	15.91	5.43	8.21	20.29	6.44
Rajasthan	6.29	15.54	5.31	6.83	16.88	5.36
Others	23.10	57.08	19.48	24.34	60.15	19.11
All India	118.56	292.97	100.00	127.39	314.79	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 March, 2023 (Rs/Qtl)**

State	Prices March, 2023	Prices Febraury, 2023	Prices March, 2022	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	7428.52	7768.84	9182.75	-4.38	-19.1
Gujarat	7675.35	8048.07	9432.33	-4.63	-18.63
Haryana	7616.21	7853.28	9511.07	-3.02	-19.92
Karnataka	7333.93	7700.97	9869	-4.77	-25.69
Madhya Pradesh	7585.85	7634.03	9221.07	-0.63	-17.73
Maharashtra	7695.65	7959.78	9737.66	-3.32	-20.97
Odisha	7434.55	7474.25	8717.8	-0.53	-14.72
Punjab	7938.56	8198.53	8310.9	-3.17	-4.48
Rajasthan	7891.09	8269.81	10133.72	-4.58	-22.13
Tamil Nadu	7420.35	7599.84	10394.11	-2.36	-28.61
Telangana	7278.68	7458.86	8376.79	-2.42	-13.11
Average	7572.61	7815.11	9353.38		

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

**Cotton in Telangana**

In Telangana state during 2022-23 area under cotton as on 28<sup>th</sup> September was 50,00,724 acres as against 46,68,057 acres during 2021-22. Among the districts, Nalgonda stood first with 6,47,005 acres followed by Adilabad (4,05,161 acres), Sangareddy (3,71,104 acres), Nagarkurnool (3,52,429 acres) and Asifabad (3,20,123 acres).

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

District	2021-22			2022-23		
	Area (ha)	Area (Acres)	% to total area	Area (ha)	Area (Acres)	% to total area
Nalgonda	264570.53	653767	14.01	261834.04	647005	12.94
Adilabad	156685.62	387178	8.29	163963.09	405161	8.10
Sangareddy	146158.92	361166	7.74	150180.69	371104	7.42
Nagarkurnool	142689.54	352593	7.55	142623.18	352429	7.05
Asifabad	126409.42	312364	6.69	129549.38	320123	6.40
Others	1052584.53	2600989	55.72	1175573.95	2904902	58.09
Telangana State	1889098.56	4668057	100.00	2023724.33	5000724	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 March, 2023**

Date	Arrivals (Qtl)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
1	3,556	6,500	7,360	7,100
2	3,677	6,500	7,405	7,250
3	4,595	6,500	7,365	7,200
6	3,973	6,300	7,335	7,250
9	2,668	6,300	7,300	7,150
10	3,280	6,000	7,230	7,000
13	3,510	6,500	7,175	7,000
14	2,972	6,300	7,150	7,000
15	2,801	6,400	7,170	7,000
16	2,877	6,000	7,120	7,050
17	1,595	6,000	7,140	7,000
20	2,141	6,500	7,165	7,000
23	2,028	6,500	7,265	7,100
24	2,228	6,200	7,300	7,000
27	3,316	6,300	7,060	6,900
28	1,734	6,300	7,135	6,800
29	2,124	6,400	7,200	7,100

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

Cotton Outlook

According to USDA WASDE report, projected exports are lower for Brazil, India, and Argentina, with world trade totaling 785,000 bales lower. Production is more than 700,000 bales higher as larger expected crops in China, Australia, and Uzbekistan more than offset reduced prospects for India. At 91.1 million bales, 2022/23 world-ending stocks are projected 2.1 million higher than a month earlier and 5.0 million higher than in 2021/22.

The Turkey textile spinning sector has been affected due to the devastating earthquake earlier therefore the country is importing yarn from India. Similarly, since Europe is also not able to import cotton from Turkey, it is importing cotton from India. The share of Turkey and Europe in India's total cotton exports has increased to 30% in past two months against 15% earlier.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that cotton may trade at price range between **Rs.7000 – 7500** per quintal during April 2023.