

**Cotton Outlook – June 2023****World Cotton Scenario**

According to the USDA, Global 2023-24 cotton area and production are projected as 35.5 million hectares (77.91 million acres) and 115.7 million bales of 217.72 Kg each compared to previous year 116.40 lakh bales which is 0.70 lakh bales (-0.60%) below the 2022-23 estimates of cotton production led by India, USA, Brazil and Australia. China is projected at 27.50 lakh bales in 2023-24 followed by India (25.50 million bales), United States (15.50 million bales), Brazil (13.30 million bales) and Australia (5.80 million bales). During 2023-24, cotton area in China and India are projected at 2.95 million hectares (7.28 million acres) and 12.40 million hectares (30.64 million acres) respectively.

**International Cotton Price Movement**

Movement in benchmark cotton prices was mixed over the past month. NY/ICE contracts continued their pattern of swinging back and forth within the limits of their recent ranges. After climbing over 85 cents/lb in mid-April, the July futures contract collapsed to values below 80 cents/lb before the end of the month.

Chinese prices, represented by the China Cotton Index (CC 3128B), increased. Prices rose from 102 to 107 cents/lb between early April and May. In domestic terms, prices rose from 15,000 to 16,300 RMB/ton. The RMB weakened against the dollar, from 6.88 to 6.94 RMB/USD.

Indian spot prices (Shankar-6 quality) eased from 97 to 94 cents/lb over the past month. In domestic terms, prices decreased from 63,000 to 60,700 INR/candy. The INR was steady against the dollar, holding near 82 INR/USD.

Pakistani prices were near 82 cents/lb one month ago but traded above 85 cents/lb for most of the past month. More recently, prices have fallen back to 82 cents/lb. In domestic terms, prices held near 20,000 PKR/maund for most of the past month.

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

	Latest Value (12 <sup>th</sup> May 2023)	Latest Month (April 2023)	Last 12 Months (May 2022-April 2023)
NY Nearby	80.50	81.10	92.20
A Index	91.80	93.30	109.70
CC Index	106.60	105.60	105.60
Indian Spot	94.20	95.60	114.50
Pakistani Spot	85.20	85.10	97.30

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). As per the third advance estimates by the Ministry of Agriculture and Farmers Welfare, Cotton production during the 2022-23 season across India is estimated at 343.47 lakh bales higher from previous estimate of 337.23 lakh bales.

**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	49.99	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 May, 2023 (Rs/Qtl)**

State	Prices May, 2023	Prices April, 2023	Prices May, 2022	% Change(Over Previous Month)	% Change(Over Previous Year)
Andhra Pradesh	7240	7555	11838	-4.17	-38.84
Gujarat	7384	7917	10870	-6.73	-32.07
Haryana	7490	7795	11243	-3.91	-33.38
Karnataka	7352	7478	11138	-1.68	-33.99
Madhya Pradesh	7321	7656	10005	-4.38	-26.83
Maharashtra	7394	7831	11422	-5.58	-35.27
Rajasthan	7697	8029	12156	-4.14	-36.68
Tamil Nadu	7190	6828	12455	5.30	-42.27
Telangana	7219	7632	11119	-5.41	-35.08
Average	6841.2	7138.8	11360		

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). According to the 3<sup>rd</sup> advance estimates, Telangana cotton production estimate was 58.54 lakh bales for 2022-23 as against 48.08 lakh bales in 2021-22.

**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 May, 2023**

Date	Arrivals (Qtl)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
2	1,448	6,000	7,225	7,000
4	1,075	6,000	7,260	7,000
5	932	6,200	7,400	7,000
8	1,278	6,000	7,300	7,100
9	1,203	6,000	7,300	7,000
11	1,057	6,500	7,300	7,000
12	967	6,000	7,100	6,850
15	819	6,000	7,025	6,800
16	609	6,000	7,085	6,800
18	1,189	6,000	7,185	6,800
22	976	6,000	7,065	6,800
23	685	6,400	6,915	6,500
25	387	5,500	6,700	6,300
26	595	5,500	6,605	6,300
29	467	5,510	6,810	6,300
30	309	5,800	6,830	6,300

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

### Cotton Outlook

According to USDA Cotton and Product outlook May 2023 report, global cotton production is up from the previous month to 116.5 million bales and attributed to higher production in China, Mexico, and Uzbekistan. However, consumption may be lower by 500,000 bales to 109.6 million and attributed to lower use in Bangladesh.

Indian market sentiment remained bearish during the last week due to increased arrivals in the market. At Rajkot, cotton traded lower at Rs. 7320 per quintal against the previous price of Rs. 7350 per quintal and in some markets like Mehsana and Gondal price has come down even lower at 7000-7180 per quintal.

Cotton sowing has started in Punjab, Haryana and Rajasthan. The cotton sowing has been affected due to recent rains and the heavy rains during the past week have affected the freshly sown crop in some parts of Punjab.

Overall, the area under cotton in Punjab is likely to reduce in the 2023-24 season. However, aided by unseasonal rains, farmers may slightly increase area under the cotton crop in the states of Haryana and Rajasthan.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that cotton may trade at price range between **Rs.6800 – 7300** per quintal during June 2023.