

## **VANAKALAM (KHARIF) 2023-24 PRE-SOWING PRICE FORECAST OF COTTON**

### **Cotton Price per Quintal will be around Rs. 7550 - 8000 at the Time of Harvesting (November 2023 to February 2024)**

According to the USDA, Global 2023-24 cotton area and production are projected as 31.53 million hectares (77.91 million acres) and 115.69 million bales of 217.72 Kg each compared to previous year 116.36 lakh bales which is 0.73 lakh bales (0.62%) above the 2022-23 estimates of cotton production led by China, India, and the United States. Two major cotton producing countries i.e., China and India are projected at 27.5 lakh bales and 25.50 lakh bales in 2022-23 followed by United States (15.5 million bales), Brazil (13.25 million bales) and Pakistan (5.30 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. The world's three largest consumers are China, India, and Pakistan, Major importers are Bangladesh, China and Malaysia and major exporters are United States, Brazil, Australia and India.

Cotton exports are getting affected in India, Bangladesh, Vietnam, and China are the major buyers of Indian Cotton. However, exports may gain momentum as local prices had fallen and global prices had move higher. Export of raw cotton can be done minimally due to limited demand from the international market.

The Cotton Association of India in its latest estimate of the cotton crop for 2022-23 season has reduced its cotton production estimate by 10 lakh bales to 303 lakh bales from 313 lakh bales with reduction in Punjab, Maharashtra, Telangana, and Andhra Pradesh. Cotton imports increased to 15 lakh bales whereas exports reduced to 25 lakh bales from previous 30 lakh bales. Domestic consumption was estimated at 311 lakh bales. Overall, the ending stock for the 2022-23 season was estimated at 13.89 lakh bales. As per Cotton Association of India, cotton arrivals between October 2022 to March 2023 were estimated at 190.63 lakh bales.

In India, area under cotton during 2022-23 was 127.39 lakh ha as against 118.56 lakh ha in 2021-22. 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 the major cotton growing states.

Cotton sowing has begun for the 2023-24 season in some parts of Punjab, Haryana, and Rajasthan. During the previous 2022-23 season, around 15.50 lakh hectares was under cotton cultivation in these three states.

In Telangana state during 2022-23 area under cotton was 50,00,724 acres as against 46,68,057 acres in 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.

The Agricultural Market Intelligence Centre established under a research project for development of price forecasting mechanism in the Department of Agricultural Economics, College of Agriculture, Professor Jayashankar Telangana State Agricultural University, Rajendranagar, Hyderabad with the financial support of Agricultural Marketing Department, Telangana State has assessed pre-sowing price forecast of cotton for the year 2023-24. Under expected normal rainfall and an increase in crop area, it is predicted that the cotton price per quintal will be around **Rs. 7550 - 8000** at the time of harvesting (November 2023 to February 2024). This price forecast is based on the monthly modal price of cotton obtained for 21 years

from Warangal regulated market using econometric models like ARIMA, SARIMA, ARIMAX, ARCH and GARCH and also the market survey. Adilabad, Warangal, Bainsa, Khammam, Jammikunta and Peddapalli are the major cotton markets in Telangana.

*Note: There may be any possible deviation of the actual prices from the predicted prices in light of tentative developments in the commodity markets such as change in international prices, export or import restrictions, etc. And these price forecasts are based on past market price data & different econometric models and that actual market price may not turn out to be the same as forecasted.*