

## Cotton Outlook – November 2023

### World Cotton Scenario

According to the USDA, Global 2023-24 cotton area and production are projected as 31.8 million hectares (78.57 million acres) and 112.6 million bales of 217.72 Kg each compared to previous year 116.30 lakh bales which is 3.7 lakh bales (-3.18%) below the 2022-23 estimates of cotton production led by Pakistan. China is projected at 27 lakh bales in 2023-24 followed by India (25 million bales), Brazil (14.60 million bales), United States (12.80 million bales) and Pakistan (6.50 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.

According to the first advance estimates 2023-24, Government of India cotton crop is estimated at 316.57 lakh bales as compared to 336.60 lakh tonnes in 2022-23. Among the states, Gujarat is leading in cotton production with 89.44 lakh bales followed by Maharashtra (75.75 lakh bales), Telangana (47.99 lakh bales), Rajasthan (28.10 lakh bales) and Karnataka (19.29 lakh bales).

### International Cotton Price Movement

Cotton benchmarks were flat or lower over the past month. With the latest declines, the NY/ICE December contract has been testing the lower end of the shorter-term range between 85 and 90 cents/lb that has contained values since late August. Current values are near the middle of the longer-term range for nearby prices between 78 and 90 cents/lb that has held prices for nearly one year.

Chinese prices (China Cotton Index or CC 3128B) were stable at 113 cents/lb. In domestic terms, values were also steady, near 18,200 RMB/ton. The USD/RMB exchange rate was nearly unchanged over the past month, holding around 7.30 RMB/USD.

Indian spot prices (Shankar-6 quality) decreased from 95 to 90 cents/lb. In domestic terms, values fell from 62,000 to 59,000 INR/candy. The INR was steady against the dollar over the past month, near 83 INR/USD.

Pakistani spot prices decreased from 78 to 72 cents/lb between the middle of September and the present. In domestic terms, prices ranged between 19,000 and 16,600 PKR/maund. The PKR strengthened from 300 to 280 PKR/USD over the past month.

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

	Latest Value (12 <sup>th</sup> Oct 2023)	Latest Month (Sep 2023)	Last 12 Months (Oct 2022-Sep 2023)
NY Nearby	84.90	86.50	83.90
A Index	95.20	96.90	96.90
CC Index	113.30	113.40	105.90
Indian Spot	90.10	91.60	94.70
Pakistani Spot	72.20	73.90	84.40

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

**Indian Cotton Scenario**

As on 21<sup>st</sup> September 2023, area under cotton during 2023-24 was 123.42 lakh ha as against 127.57 lakh ha in 2022-23 as compared to the previous year. Among the states, Maharashtra is leading in cotton acreage with 42.22 lakh ha followed by Gujarat (26.82 lakh ha), Telangana (18.22 lakh ha), Rajasthan (7.91 lakh ha) and Haryana (6.65 lakh ha).

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

State	2022-23			2023-24		
	Area (lakh ha)	Area (lakh acres)	% to total area	Area (lakh ha)	Area (lakh acres)	% to total area
Maharashtra	42.22	104.33	33.10	42.22	104.33	34.21
Gujarat	25.40	62.76	19.91	26.82	66.27	21.73
<b>Telangana</b>	<b>20.23</b>	<b>50.00</b>	<b>15.86</b>	<b>18.12</b>	<b>44.78</b>	<b>14.68</b>
Rajasthan	6.83	16.88	5.35	7.91	19.55	6.41
Haryana	6.49	16.04	5.09	6.65	16.43	5.39
Others	26.40	65.24	20.69	21.70	53.62	17.58
India	127.57	315.23	100.00	123.42	304.98	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 during Oct, 2023 (Rs/Qtl)**

State	Prices October, 2023	Prices September, 2023	Prices October, 2022	% Change (Over Previous Month)	% Change (Over Previous Year)
Andhra Pradesh	7345	7353	8327	-0.11	-11.79
Gujarat	6985	7105	8508	-1.69	-17.9
Haryana	6981	7162	8439	-2.53	-17.28
Karnataka	7078	7638	8188	-7.33	-13.56
Madhya Pradesh	6506	5601	7812	16.16	-16.72
Maharashtra	6926	7376	7816	-6.1	-11.39
Punjab	7050	7076	7316	-0.37	-3.64
Rajasthan	6922	7097	8525	-2.47	-18.8
Tamil Nadu	5977	6594	7732	-9.36	-22.7
Telangana	6641	6966	7029	-4.67	-5.52
Average	6749.73	6939	7994.73		

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

**Cotton in Telangana**

In Telangana state during 2023-24 area under cotton as on 27<sup>th</sup> September was 44,77,937 acres as against 50,00,401 acres during 2022-23. Among the districts, Nalgonda stood first with 5,66,929 acres followed by Adilabad (4,13,013 acres), Sangareddy (3,57,482 acres), Asifabad (3,37,888 acres) and Vikarabad (2,61,966 acres).

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

District	2022-23			2023-24		
	Area (ha)	Area (Acres)	% to total area	Area (ha)	Area (Acres)	% to total area
Nalgonda	261834.04	647005	12.94	229428.38	566929	12.66
Adilabad	163963.09	405161	8.10	167140.69	413013	9.22
Sangareddy	150180.69	371104	7.42	144668.06	357482	7.98
Asifabad	129549.38	320123	6.40	136738.63	337888	7.55
Vikarabad	99875.36	246797	4.94	106014.04	261966	5.85
Others	1218191.05	3010211	60.20	1028169.81	2540659	56.74
Telangana State	2023593.61	5000401	100.00	1812159.61	4477937	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, 2023**

Date	Arrivals (Qtl)	Minimum Price (Rs/quintal)	Maximum Price (Rs/quintal)	Modal Price (Rs/quintal)
3	2,169	4,500	7,050	6,800
4	2,956	4,500	7,020	6,500
5	2,595	4,700	7,070	6,500
6	2,040	4,500	6,980	6,500
9	2,356	4,700	6,860	6,700
10	1,638	4,500	6,860	6,500
11	2,023	4,500	6,880	6,600
12	1,919	4,500	6,805	6,500
13	2,257	4,500	6,910	6,350
16	2,151	4,500	6,930	6,400
17	2,680	4,500	6,900	6,500
18	3,000	4,600	6,860	6,600
19	3,666	4,500	6,950	6,650
20	4,931	5,800	6,900	6,500
25	1,026	6,000	7,021	6,600
26	1,893	6,000	6,990	6,700
27	2,180	6,000	7,005	6,700
30	4,401	5,600	7,130	6,900

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

Cotton Outlook

CCI has begun purchasing in Haryana, Rajasthan and Punjab. CCI indicated that the procurement in Maharashtra (majorly in Vidarbha region) will commence after Diwali as there are limited new arrivals and the purchases in Telangana started by 1<sup>st</sup> of November.

Average demand from mills is observed, and purchasers are active on lower prices. Once the arrival increases in November, the activity of the ginning factories will increase.

Contrary to earlier predictions that the harvest in Telangana would be the same as last year, it seems now that the yield is likely to be lower than last year. The prolonged dry weather has hit the crop with stunted growth especially in Nalgonda, Nagarkurnool and Warangal.

The arrivals in Maharashtra are expected to be slightly delayed. However, no serious pest infestation has been reported so far in the region. There have been reports of boll rot and poor boll opening in Punjab and Haryana. Additionally, the pink bollworm infestation has grown and is above ETL. When compared to Punjab, the destruction in Haryana is more extensive.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that cotton may trade at price range between **Rs.7150 – 7650** per quintal during November 2023.