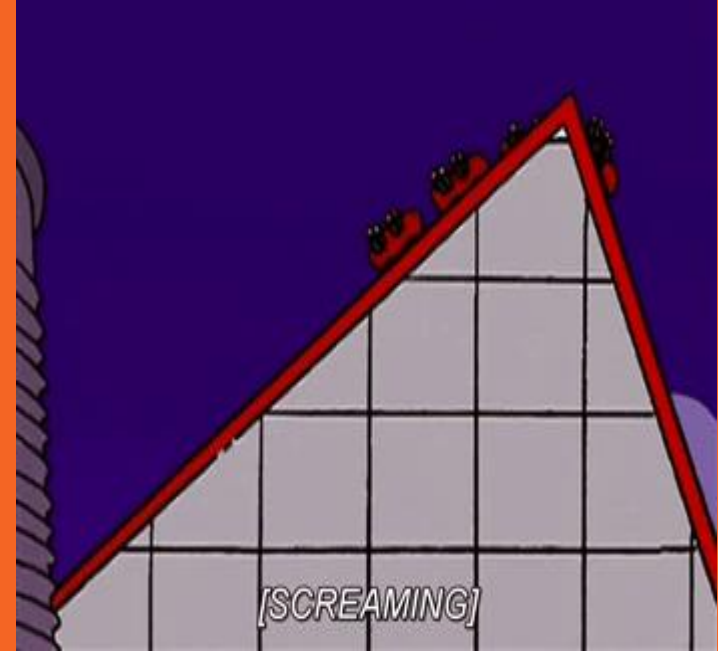




Cotton Scenario



A presentation by Mr. Dhiraj Kumar Khetan

Update on Cotton Acreage

Update on Cotton Acreage (As on 14.08.2019)

(Area in Lakh Ha)

Sr. No.	State	Normal Area (DES)*	Normal Area as on Date (2014-2018)	Area Covered (SDA)					
				2019-20	2018-19	2017-18	2016-17	2015-16	2014-15
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Andhra Pradesh	6.56	4.718	4.910	4.520	4.980	3.750	4.490	5.850
2	Telangana	17.00	15.633	17.240	17.065	17.890	12.500	16.330	14.378
3	Gujarat	26.04	26.597	25.992	26.744	26.510	23.131	26.790	29.810
4	Haryana	6.06	6.078	6.760	6.650	6.560	4.980	5.810	6.390
5	Karnataka	6.47	4.784	4.610	3.760	4.330	4.280	4.400	7.150
6	Madhya Pradesh	5.65	5.964	6.100	6.880	5.760	5.990	5.460	5.730
7	Maharashtra	41.48	39.420	43.499	39.946	41.377	39.000	37.557	39.220
8	Odisha	1.31	1.356	1.690	1.578	1.450	1.260	1.250	1.240
9	Punjab	3.56	3.630	4.020	2.840	3.850	2.560	4.400	4.500
10	Rajasthan	4.76	4.300	6.445	4.961	5.031	3.862	3.490	4.158
11	Tamil Nadu	1.61	0.067	0.048	0.050	0.119	0.056	0.040	0.070
12	Others	0.43	0.230	0.271	0.172	0.286	0.170	0.210	0.310
All India		120.930	112.776	121.584	115.166	118.143	101.539	110.227	118.806

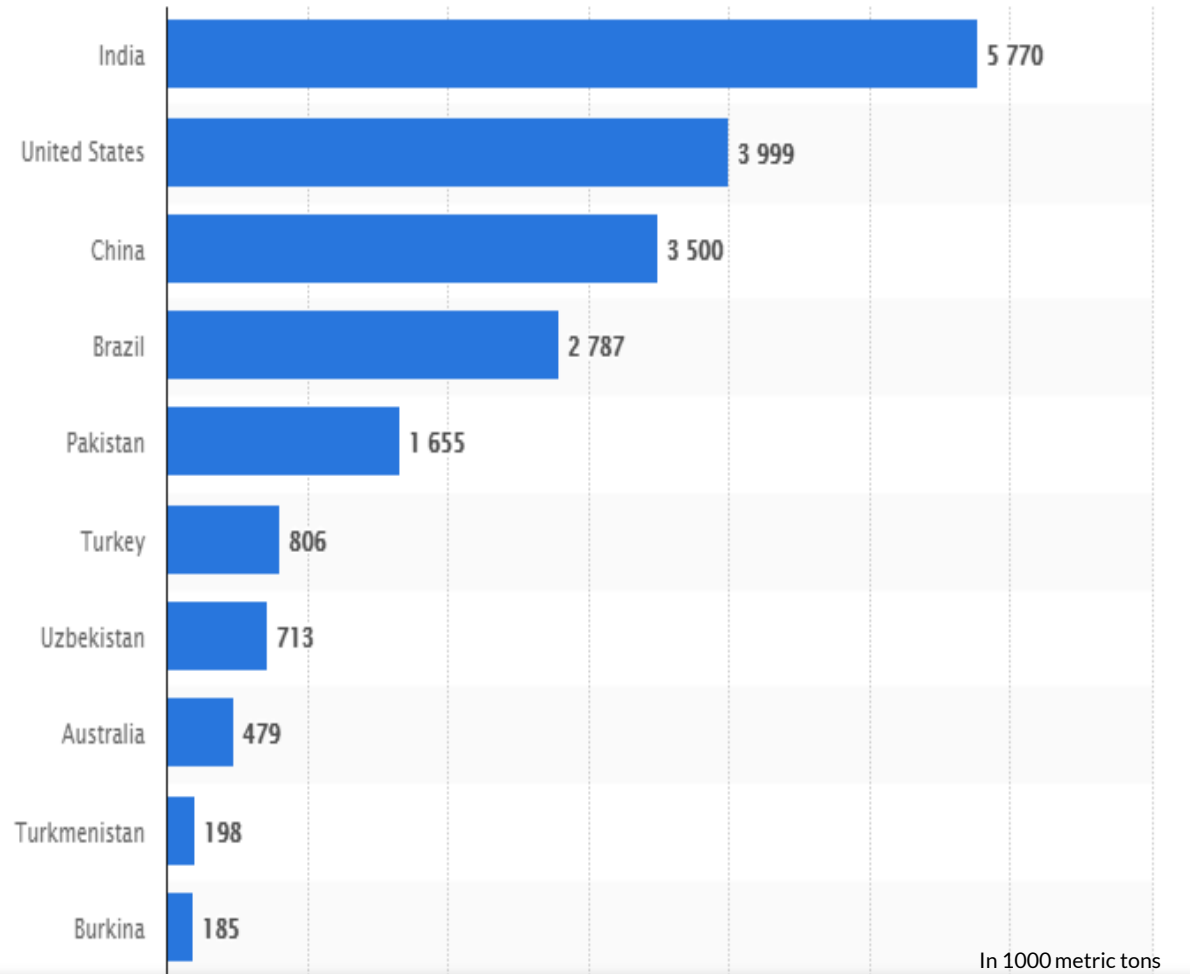
* Directorate of Economics & Statistics, Ministry of Agriculture and Farmers Welfare, Krishi Bhavan, New Delhi
Source : Directorate of Cotton Development, Nagpur

Balance Sheet drawn by Association for 2018-19

The Balance Sheet drawn by the Association for 2018-19 and 2017-18 is reproduced below:-
(in lakh bales of 170 kg)

Details	2018-19	2017-18
Opening Stock	33.00	36.00
Production	312.00	365.00
Imports	31.00	15.00
Total Supply	376.00	416.00
Mill Consumption	276.00	275.00
Consumption by SSI Units	27.00	29.00
Non-Mill Use	12.00	15.00
Total Domestic Demand	315.00	319.00
Available Surplus	61.00	97.00
Exports	46.00	69.00
Closing Stock	15.00	28.00

Cotton Production by Country Worldwide (2018-2019)



In 1000 metric tons

Source - [statista.com](https://www.statista.com)

China's State Reserve Stocks Forecast at 8- Year Low

- Just under 9 million bales are estimated to remain (as of Oct. 1 2019); this level is consistent with government's objectives and is down from nearly 60 million bales in March 2014.
- Despite greater import demand from the State Reserve in 2019/20, China's total imports are lowered to 9.5 million bales from 10.0 million this month and below the previous year.

US-China Trade War



- Trade War has impacted Indian textile.
 - Chinese garments exports to USA has fallen impacting our cotton yarn export to China negatively.
-

China backs Pakistan

Countries like Pakistan and Vietnam have zero duty access to China while India's exports to China face a 3.5-4 per cent levy. This has adversely impacted our cotton yarn exports. They have fallen to 15-20 million kg as against an average of 50-60 million kg

Recent average price data (in cents)

Recent Price Data

cents/lb	Latest Value (Oct 10)	Latest Month (Sep)	Last 12 Months (Oct18-Sep19)
NY Nearby	61.4	59.6	70.5
A Index	72.5	71.3	80.8
CC Index	80.6	82.9	98.8
Indian Spot	74.8	74.9	79.9
Pakistani Spot	68.3	65.0	72.6

World Balance Sheet

World Balance Sheet

million 480 lb. bales	2019/20		
	2018/19	Sep	Oct
Beg. Stocks	80.9	80.8	80.7
Production	119.0	124.9	124.8
Mill-Use	120.2	121.7	121.6
Ending Stocks	80.7	83.7	83.7
Stocks/Use	67.1%	68.8%	68.8%

Financial Crisis in Textile Sector



- Due to less margin and fluctuation in cotton prices specially towards downtrend, has resulted in severe financial crisis in whole cotton textile value chain.
-

MSP factor for season 2019-20

- Minimum Support Price for cotton is grown significantly by Rs. 5550 per quintal indicating cotton price rised to 80-85 cents approximately.
- Price difference between ICE and Indian price.



Deal with rains

- Rains in Harvesting period have impacted the new crop's quality which is expected to be sorted in few days



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Thank you for being
here today.