

Kharif acreage

Cotton area this kharif season was down at 110 lakh hectares (lh) over 112.97 lh last year, as a section of farmers switched over to other crops such as maize and oilseeds. Daily arrivals have picked up and have crossed 1 lakh mark this week. "New crop arrivals are increasing every day. Last four days, arrivals were above 1 lakh bales from Monday onwards. On Thursday, total arrivals were 1.17 lakh bales," Ganatra said.

CAI has maintained its pressing estimates for the just ended 2024-25 season at 312.40 lakh bales. Based on the feedback from its member association, CAI estimates total supply till September-end at 392.59 lakh bales. This comprised pressing of 312.40 lakh bales, imports of 41 lakh bales and opening stock of 39.19 lakh bales. Consumption till end of the cotton season 2024-25 is estimated at 314 lakh bales and exports at 18.00 lakh bales (28.36 lakh bales in previous season).

Season-end stocks are estimated at 60.59 lakh bales including 31.50 lakh bales with textile mills and the remaining 29.09 lakh bales with Cotton Corporation of India (CCI), Maharashtra Federation and others (MNCs, traders, ginners, exporters) including cotton sold but not delivered.

Ramanuj Das Boob, a sourcing agent in Raichur, said the crop size could be around 320 lakh bales. Daily arrivals have picked up but have failed to lift the market sentiment as the demand is slow. Big buyers have covered their positions for the next few months from the recent sale of CCI and also contracted for duty free imports.

Prices of good quality raw cotton are ruling in the range of 6,500-7,300 per quintal, much below the MSP of 8,100. The CCI has been active in procurement at MSP in some regions of North India. It is likely to start buying operations in Central and South India after Deepavali, which may provide a floor to prices. However, the trade largely remains sentiment driven with ICE market and yarn demand, he added.