**DOMESTIC AND WORLD COTTON REVIEW**

**DOMESTIC COTTON CROP SCENARIO**

As per PCGA report as on 1st January, 2017 about 10.3 million bales have arrived in the ginneries. As the seed cotton prices are better enough, so growers are taking 3rd and 4th picking .Still there are some fields of seed cotton especially in Punjab for 3rd and 4th picking. The cotton growers are quite satisfied with the seed cotton prices this season and are convinced to bring more cotton area under cultivation in the next season. About 1.6 million acres of cotton crop could not be sown in Punjab during the season 2016-17 due to huge losses to cotton crop by pink boll worm in the previous season. It is expected that the lost area will be recovered in the coming season 2017-18. Pakistan Central Cotton Committee has launched comprehensive program of grower advisory on production practices, efficient use of inputs and market information. The objective of the program is to sustain and enhance the confidence of cotton grower for the next crop season. Various information dissemination methods like seminars, corner meetings, brochures, leaflets, SMS service and TV programs are being organized.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Table-1: TARGETS FOR AREA AND PRODUCTION OF COTTON CROP 2016-17**   |  |  |  |  | | --- | --- | --- | --- | | **S. No** | **Province** | **Area**  **(Million Hectares)** | **Production**  **(Million Bales)** | | 1. | Punjab | 2.310 | 9.500 | | 2. | Sindh | 0.660 | 4.500 | | 3. | Khyber Pakhtunkhwa | 0.001 | 0.003 | | 4. | Baluchistan | 0.038 | 0.098 | | **Total of Pakistan** | | **3.009** | **14.101** |   Source: Federal Committee on Cotton (FCC) meeting held on 23.2.2016.    **Table-2: SOWING POSITION OF COTTON CROP (Million Hectares)**   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Province** | **Target**  **2016-17** | **Area Sown** | | **% Change Over** | | | **2016-17** | **2015-16** | **Target** | **Last Year** | | Punjab | 2.310 | 1.776 | 2.243 | 76.88 | -20.82 | | Sindh | 0.660 | 0.636 | 0.621 | 96.36 | +2.41 | | Pakistan | 2.97 | 2.412 | 2.864 | 81.21 | -15.78 | |
| Source: Provincial Crop Reporting Departments. |

|  |
| --- |
| **Table – 3: ASSESSMENT OF COTTON CROP 2016-17 (Bales = 170 Kg)** |

|  |  |  |  |
| --- | --- | --- | --- |
| **Province** | **Expected Production (Million Bales)** | | |
| **First Cotton Crop Assessment**  **(06-9-2016)** | **Second Cotton Crop Assessment**  **(06-10-2016)** | **Third Cotton Crop Assessment**  **(05-12-2016)** |
| Punjab | 7.500 | 7.300 | 6.903 |
| Sindh | 3.733 | 3.700 | 3.600 |
| KPK | 0.001 | 0.001 | 0.001 |
| Balochistan | 0.038 | 0.038 | 0.038 |
| Pakistan | **11.272** | **11.039** | **10.542** |

Source: Cotton Crop Assessment Committee Meeting (held on 06-9-2016, 06-10-2016 & 05-12-2016.

**Table-4: SEED COTTON ARRIVALS 2016-17 AND 2015-16 AS ON: 1st JANUARY, 2017**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Heads** | **2016-17** | | | **2015-16** | | |
| **Punjab** | **Sindh** | **Total** | **Punjab** | **Sindh** | **Total** |
| Arrivals | 6,617,646 | 3,749,057 | 10,366,703 | 5,574,767 | 3,704,338 | 9,279,105 |
| Sales to Exporters | 55,500 | 143,744 | 199,244 | 5,200 | 350,226 | 355,426 |
| Sales to Textile Mills | 5,532,928 | 3,285,857 | 8,818,785 | 4,390,473 | 2,881,000 | 7,271,473 |
| Sales to T.C.P | - | - | - | - | - | - |
| Unsold Stock | 912,051 | 272,167 | 1,184,218 | 1,042,959 | 326,753 | 1,369,712 |
| Un-ginned Stock | 117,167 | 47,289 | 164,456 | 136,135 | 146,359 | 282,494 |

Source: Pakistan Cotton Ginners Association.

**Table-5: SEED COTTON PRICES (Monthly Averages) 2015-16 & 2016-17 (Rs. per 40 Kg)**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Months** | **Hyd** | **M.P. Khas** | **Khair Pur** | **Sukr** | **R.Y. Khan** | **Bahawal**  **Pur** | **Khanewal** | **Mian Channu** | **Sahiwal** | **Multan** | **Burewala** |
| July  2016 | 3154 | - | - | - | 3358 | - | - | - | - | - | - |
| August  2016 | 3364 | 3333 |  |  | 3361 |  |  | 3262 | 3270 |  | 3270 |
| September  2016 | 2985 | 2984 | - | - | 3049 | - | - | 2902 | 2961 | - | 2960 |
| October  2016 | 2954 | 2901 | 3075 | 3116 | 3176 | 3093 | - | 3054 | 3069 | 3090 | 3135 |
| November  2016 | 2400 | 2300 | 3060 | 3110 | 3230 | 3200 | - | 3125 | 3105 | 3100 | 3240 |
| December 2016 | - | - | 3049 | 3209 | 3413 | 3372 | - | 3313 | - | 3296 | 3331 |
| Average  2016-17 | **2971** | **2880** | **3061** | **3145** | **3265** | **3222** | **-** | **3091** | **3100** | **3162** | **3187** |
| Average  2015-16 | **2392** | **2387** | **2794** | **2867** | **2857** | **2858** | **2334** | **2639** | **2416** | **2769** | **2704** |

Source: Market Report.

**Figure -I: SEED COTTON PRICES DURING DECEMBER, 2016 (Rs. per 40 Kg)**

Source: Market Report.

**Figure-II: Cotton COTTON SEED PRICES DURING DECEMBER, 2016 (Rs per 40 kg)**

Source: Market Report.

**Figure-III: Cotton COTTON SEED CAKE PRICES DURING DECEMBER, 2016 (Rs per 40 kg)**

Source: Market Report.

**Figure-IV: KCA SPOT RATE (EX-GIN) AT KARACHI DURING DECEMBER, 2016**

**(Rs per 40 Kg)**

Source: The Karachi Cotton Association

The graph above indicates that the prices of raw cotton witnessed growing tendency during the month of December, 2016. The prices were averaged at Rs. 6,712 per 40 kg as compared to Rs. 6,469 in November, 2016. However, the prices in December, 2015 were recorded much lower at Rs. 5,607 per 40 kg. Month-wise details are given in table below:

**Table-6: MONTHLY AVERAGE PRICES OF RAW COTTON DURING 2016-17 & 2015-16**

**(Rs. per 40 kg)**

|  |  |  |
| --- | --- | --- |
| **Month** | **2016-17** | **2015-16** |
| **Ex-Gin Rate** | **Ex-Gin Rate** |
| August | 7082 | 4880 |
| September | 6450 | 4991 |
| October | 6410 | 5582 |
| November | 6469 | 5698 |
| December | 6712 | 5607 |
| January | - | 5758 |
| February | - | 5726 |
| March | - | 5616 |
| April | - | 5785 |
| May | - | 5986 |
| June | - | 5993 |
| July | - | 6558 |
| **Average** | **6625** | **5682** |

Source: Karachi Cotton Association.

**Table 7: COTTON BALANCE SHEET DURING 2014-15 AND 2015-16\*** **(Bale= 170 kg)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Sr. No.** | **Position** | **2014-15** | | **2015-16\*** | |
|  |  | **‘000’ Bales** | **‘000’ M/Tons** | **‘000’ Bales** | **‘000’ M/Tons** |
| 1. | Carryover | 701 | 118 | 398 | 66 |
| 2. | Production | 13,996 | 2,379 | 9768 | 1661 |
| 3. | Imports | 987 | 168 | 2273 | 386 |
| **Total** | | **15,684** | **2665** | **12439** | **2113** |
| 4. | Mill Consumption | 14727 | 2504 | 11533 | 1961 |
| 5. | Exports | 559 | 95 | 287 | 49 |
| 6. | End Season Stocks | 398 | 66 | 619 | 103 |
| **Total** | | **15,684** | **2665** | **12439** | **2113** |

Source: i) Textile Commissioners Organization

ii) Pakistan Bureau of Statistics.

iii) Pakistan Cotton Ginner’s Association. (PCGA figure is converted in to 170 kg)

\*Provisional \*\*Mill Consumption Aug, 2015-March, 2016.

Note: Exports and Imports July-June, 2016 (2015-16 Crop)

**COTTON YARN PRICES**

The Cotton Yarn prices of 21’s and 30’s counts in December, 2016 remained stable at the level of previous month and averaged at Rs. 1200 and Rs. 1381 per bundle of 4.54 kg. However, the same counts in the corresponding month of the last year were recorded at Rs. 1056 and Rs. 1381 per bundle respectively. Details are given as below:

**Table-8: DOMESTIC COTTON YARN PRICES DURING DECEMBER, 2016**

**(Rs. per bundle of 4.54 kg)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Count/**  **Week** | **W E E K** | | | | **December**  **2016** | **November**  **2016** | **December**  **2015** |
| **1** | **11** | **III** | **1V** |
| 10/1 | 833 | 833 | 833 | 833 | 833 | 872 | 840 |
| 16/1 | 1144 | 1142 | 1142 | 1144 | 1143 | 1132 | 968 |
| 21/1 | 1201 | 1200 | 1200 | 1200 | 1200 | 1204 | 1056 |
| 22/1 | 1197 | 1195 | 1195 | 1195 | 1196 | 1202 | 1062 |
| 26/1 | 1310 | 1308 | 1308 | 1308 | 1309 | 1301 | 1151 |
| 28/1 | 1350 | 1350 | 1350 | 1350 | 1350 | 1350 | 1200 |
| 30/1 | 1381 | 1381 | 1381 | 1381 | 1381 | 1381 | 1256 |
| 32/1 | 1380 | 1380 | 1380 | 1380 | 1380 | 1380 | 1260 |
| 40/1 | 1650 | 1650 | 1650 | 1650 | 1650 | 1650 | 1520 |
| 52/1 | 1700 | 1700 | 1700 | 1700 | 1700 | 1700 | 1560 |
| 60/1 | 1750 | 1750 | 1750 | 1750 | 1750 | 1750 | 1700 |
| 70/1 | 1850 | 1850 | 1850 | 1850 | 1850 | 1850 | 1800 |
| 20/2 | 1282 | 1282 | 1282 | 1282 | 1282 | 1282 | 1158 |

Source: Pakistan Yarn Merchants Association, Karachi.

**Table-9: EXPORTS OF TEXTILE GROUP COMMODITIES DURING NOVEMBER, 2016**

**(Value = Rs. In Millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Commodities** | **Unit** | **November**  **2016** | | **October**  **2016** | | **November**  **2015** | | **% change**  **Over Oct**  **2016** | | **July-November**  **2016** | | **July-November**  **2015** | | **% Change** | |
| **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** |
| **Raw Cotton** | **M.T** | **2849** | **471** | **7033** | **1209** | **1294** | **197** | **-59.5** | **-61.0** | **20082** | **3506** | **44288** | **7153** | **-54.6** | **-51.0** |
| **Cotton Yarn** | **M.T** | **49784** | **13128** | **45086** | **11907** | **29565** | **9308** | **10.4** | **10.2** | **205514** | **57018** | **194467** | **61364** | **5.7** | **-7.1** |
| **Bed Wear** | **M.T** | **27544** | **17569** | **28432** | **18673** | **26651** | **17174** | **-3.1** | **-5.9** | **144118** | **91362** | **133087** | **87369** | **8.3** | **4.6** |
| **Towels** | **M.T** | **14095** | **6836** | **14558** | **7046** | **14069** | **6773** | **-3.2** | **-3.0** | **69122** | **32516** | **76255** | **35236** | **-9.3** | **-7.7** |
| **Cotton Cloth** | **Th.SQM** | **127658** | **17238** | **144774** | **19255** | **166701** | **17196** | **-11.8** | **-10.5** | **770876** | **93828** | **899636** | **95712** | **-14.3** | **-2.0** |
| **Synthetic**  **Fiber** | **Th.SQM** | **7944** | **2002** | **9708** | **2427** | **23771** | **2504** | **18.2** | **17.5** | **38377** | **8581** | **131569** | **12799** | **-70.8** | **-33.0** |
| **Knitwear** | **Th.Doz Doz** | **12805** | **20989** | **11856** | **20583** | **8304** | **18753** | **8.0** | **2.0** | **53915** | **104232** | **45673** | **103109** | **18.0** | **1.1** |
| **Readymade**  **Garments** | **Th.Doz Doz** | **2597** | **19740** | **2435** | **18503** | **2664** | **17515** | **6.7** | **6.7** | **12457** | **92917** | **12598** | **87715** | **-11.1** | **5.9** |

Source:Pakistan Bureau of Statistics, Karachi.

The table above indicates that the exports of raw cotton reduced to but its related produce witnessed fluctuation in November, 2016. The raw cotton exports decreased to 2,849 metric tons valuing Rs. 471 million in November, 2016 as compared to 7,030 metric tons amounting Rs. 1209 million in October, 2016. However, the exports in the corresponding month last year recorded much lower at 1,294 metric tons valuing Rs. 197 million. It shows decrease of 59.5 % in quantity and 61.0% in value over October, 2016.

**Table-10: IMPORTS OF TEXTILE GROUP COMMODITIES DURING NOVEMBER, 2016**

**(Value = Rs. In Millions)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Commodities** | **Unit** | **November**  **2016** | | **October**  **2016** | | **November 2015** | | **% change over Oct**  **2016** | | **July-November**  **2016** | | **July-November**  **2015** | | **% Change** | |
| **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** |
| Raw Cotton | M.T | 10369 | 1835 | 18597 | 3090 | 53428 | 10019 | -44.2 | -40.6 | 72155 | 12414 | 88258 | 17237 | -18.2 | -28.0 |
| Synthetic  Fiber | M.T | 16366 | 2894 | 17675 | 3104 | 17202 | 3970 | -7.4 | -6.8 | 100650 | 19151 | 112492 | 23305 | -10.5 | -17.8 |
| Synthetic &  Artificial  Silk Yarn | M.T | 33315 | 6137 | 24180 | 4561 | 23508 | 5459 | 37.8 | 34.5 | 134769 | 26532 | 117808 | 27032 | 14.4 | -1.8 |
| Worn  Clothing | M.T | 37488 | 1334 | 34580 | 1174 | 45285 | 1610 | 8.4 | 13.6 | 174557 | 6589 | 198974 | 6481 | -12.3 | 1.7 |
| Other Textile  Items | - | - | 11363 | - | 9586 | - | 12194 | - | 18.5 | - | 52413 | - | 51505 | - | 1.8 |

Source: Pakistan Bureau of Statistics, Karachi.

The table above shows that the imports of raw cotton during November, 2016 witnessed sluggish trend and recorded at 10,369 metric tons amounting to Rs. 1,835 million as compared to 18,597 metric tons valuing Rs. 3,090 million in October, 2016.Whereas, the imports in November, 2015 recorded at 53,428 metric tons amounting to Rs. 10,019million. It showsdecrease of 44.2 % in quantity and 40.6 % in value, over October, 2016.

**ECONOMICS OF COTTON AND COMPETING CROPS**

Cotton a kharif crop, competes with rice, sugarcane and other crops for land, water and other farm resources in the area where the cultivation of all other crops is technically feasible. Mainly cotton faces indirect competition from sugarcane, the annual crop which keeps the land throughout the year. The farmer gives priorities and takes decision on the economics of cotton and competing crops on the basis of inputs-outputs prices paid and received. The estimation of the indicators, like gross cost, gross income, gross margin, net income, input-output ratio, etc may provide the useful sights to the growers at farm level. Details are presented in following table.

**Table-11: ECONOMICS OF SEED COTTON AND COMPETING CROPS AT PRICES REALIZED BY THE GROWERS 2015-16 CROP**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **S. No.** | **Previous/ Crops/ Crop Combination** | **Output Input ratio** | **Gross Revenue Per** | | |
| **Rupee of Purchased inputs cost** | **Day of Crop Duration** | **Acre inch of irrigation water used** |
| **Ratio** | **Rupees** | | |
| **1** | **2** | **3** | **4** | **5** |
| **PUNJAB** | | | | | |
| 1. | Seed Cotton | 1.03 | 3.06 | 239 | 2602 |
| 2. | Basmati Paddy | 0.87 | 1.95 | 227 | 704 |
| 3. | IRRI Paddy | 0.80 | 1.84 | 184 | 533 |
| 4. | Cotton + Wheat | 1.04 | 2.98 | 235 | 2904 |
| 5. | Cotton + Sunflower | 1.01 | 2.75 | 232 | 2219 |
| 6. | Sugarcane | 1.25 | 3.96 | 237 | 1943 |
| **SINDH** | | | | | |
| 1. | Seed Cotton | 1.16 | 3.71 | 250 | 3332 |
| 2. | IRRI Paddy | 1.18 | 3.29 | 249 | 800 |
| 3. | Cotton + Wheat | 1.12 | 3.41 | 238 | 3338 |
| 4. | Cotton + Sunflower | 1.08 | 3.41 | 239 | 2509 |
| 5. | Sugarcane | 1.28 | 3.89 | 232 | 1597 |

Source: API’s Cotton Policy Analysis for 2015-16 Crop.

**Table-12:** **EXPORT PARITY PRICE OF SEED COTTON ON THE BASIS OF ACTUAL AVERAGE EXPORT PRICE OF PAKISTANI COTTON**

|  |  |  |
| --- | --- | --- |
| **S. No.** | **Item** | **November**  **2016** |
| 01. | Actual average export price per 40 Kgs | 6613 (Rupees) or  71.85 (US Cents per Lb) |
| 02. | Marketing expenses (export & purchase incidentals, insurance & financial expenses) per 40 kgs | 425 |
| 03. | Ex-gin price of lint per 40 kgs (item 1-item 2) | 6188 |
| 04. | Value of 80 Kgs of cotton seed (b) | 3188 |
| 05. | Ginning charges for 120 Kgs of seed cotton | 600 |
| 06. | Value of 120 Kgs of seed cotton ( c ) (item 3+4-item 5) | 8776 |
| 07. | Seed cotton price per 40 Kgs (item 6/3) | 2925 |

**Notes:**

1. One US$ = 104.37 Pak rupees.
2. Average price of cotton seed for November, 2016 in Rahim yar khan market was Rs. 1594 per 40 Kg.
3. 120 Kg of seed cotton = 80 kg of cotton seed + 40 Kg of lint.

**Sources:**

1. PBS for export prices.
2. KCA, Karachi for marketing expenses.
3. Pakistan Cotton Ginners Association, Karachi for ginning charges.
4. Directorate of Agriculture (E&M), Punjab, Lahore.
5. API’s Cotton Policy Analysis for 2015-16 Crop.

**Table-13: IMPORT PARITY PRICE OF SEED COTTON ON THE BASIS OF ACTUAL AVERAGE**

**CIF (KARCHI) PRICE OF IMPORTED COTTON**

|  |  |  |
| --- | --- | --- |
| **Sr. No.** | **Item** | **November**  **2016** |
| 01. | Actual average cif (Karachi) Price, per 40 kgs | Rs.7079 (Rupees)  or  76.91 (US Cent per Lb) |
| 02. | Handling charges at port and transport cost from port to textile mill at Karachi @ 5% of cif price | 425 |
| 03. | Ex-gin price of cotton lint (item 1+ item 2) | 7504 |
| 04. | Value of 80 Kgs of cotton seed (a) | 3188 |
| 05. | Ginning charges for 120 Kgs of seed cotton including ginning losses | 600 |
| 06. | Value of 120 Kgs of seed cotton (item 3 + item 4 – item 5) | 10692 |
| 07. | Seed cotton price (item 6/3) | 3564 |

**Note:**

1. Average price of cotton seed for November, 2016 in Rahim Yar Khan market was Rs. 1594 per 40 Kg.
2. 120 kg of seed cotton = 80 kg of cotton seed + 40 kg of lint.

**Sources:**

1. PBS, for cif (Karachi price).
2. KCA, for incidental charges.
3. Pakistan Cotton Ginners Association, Karachi for ginning charges.
4. Directorate of Agriculture (E&M), Punjab, Lahore.
5. API’s Cotton Policy Analysis for 2015-16 Crop.

**REGIONAL COTTON SITUATION**

1. **CHINA**

The cotton area in China slackened by 7 percent to 2.8 million hectares in 2016-17, as compared to 3.0 million hectares in 2015-16. Similarly, cotton production also slumped by 4 percent to 455 million tons in 2016-17, as compared to 4.75 million tons in 2015-16, despite the 3 percent gain in average yield at 1600 kg/hectare in 2016-17 as against 1553 kg/hectare recorded in 2015-16.

Although China consumption is forecast to remain stable at 7.4 million tons in 2016-17, it will continue to be the world’s largest consumer of cotton. Total imports in China during 2016-17 projected at 0.98 million tons as against 0.96 million tons recorded in 2015-16 showing an increase of 2 percent.

**Table-14: CHINA SUPPLY AND DEMAND POSITION (Million Metric Tons)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Heads** | **2011-12** | **2012-13 Est.** | **2013-14 Est.** | **2014-15 Proj.** | **2015-16 Proj.** | **2016-17 Proj.** |
| **Beginning Stock** | 2.09 | 6.18 | 9.61 | 12.11 | 12.92 | 11.16 |
| **Production** | 7.40 | 7.30 | 6.95 | 6.50 | 4.75 | 4.55 |
| **Consumption** | 8.63 | 8.29 | 7.52 | 7.48 | 7.44 | 7.44 |
| **Import** | 5.34 | 4.43 | 3.07 | 1.80 | 0.96 | 0.98 |
| **Ending Stock** | 6.18 | 9.61 | 12.11 | 12.92 | 11.16 | 9.23 |

Source: Cotton this Month 3rd January, 2017.

1. **INDIA**

Cotton area in India slumped by 7 percent to 11.07 million hectare in 2016-17 as compared to 11.91 million hectares in 2015-16, due to competition from other crops such as maize. However, 9 percent increase in the average yield to 526 kg/ha will likely offset the losses in area. Production in India is fore cast to increase by 4 percent to just under 6 million tons , making it the world’s largest producer .Where as mill use in India , is projected to decline by 01 percent to 5.2 million tons due to firm domestic cotton prices making cotton less attractive to spinners.

1. **INTERNATIONAL COTTON SITUATION 2016-17**

The world cotton area in 2016-17 declined by 1.8 percent to 29.8 million hectare, which is the lowest area under cotton since 2009-10. While average yield is projected to improve by 10 percent to 764 Kg/ha as compared to 694 kg/ha recorded in 2015-16. As a result, world cotton production is predicted to increase by 8.0 percent to 22.8 million tons in 2016-17 as compared to 21 million recorded in 2015-16. India is still the world’s largest cotton producing country, followed by China, U.S.A and Pakistan.

World cotton consumption is expected to remain stable at 24.1 million tons in 2016-17. The world imports in 2016-17 are projected to increase by 2.4 percent at 7.7 million tons as against 7.5 million tons in 2015-16. Similarly, world cotton export showed a slight increase of 2.6 percent at 7.7 million metric tons as compared to 7.5 million tons recorded in 2015-16. The world cotton ending stocks are projected to decline by 7.2 percent to 17.9 million tons in 2016-17 as compared to 19.3 million tons registered in 2015-16.

**Table-15: WORLD COTTON BALANCE SHEET (Million Metric Tons)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Heads** | **2012-13**  **Estimated** | **2013-14**  **Estimated** | **2014-15**  **Projected** | **2015-16**  **Projected** | **2016-17**  **Projected** | **% Change in 2016-17 over**  **2015-16** |
| Beginning stock | 15.36 | 18.51 | 20.60 | 22.33 | 19.31 | -13.52 |
| Production | 26.78 | 26.17 | 26.20 | 21.07 | 22.77 | 8.07 |
| Consumption | 23.78 | 24.00 | 24.46 | 24.15 | 24.13 | -0.08 |
| Exports | 10.06 | 9.01 | 7.80 | 7.48 | 7.73 | 3.34 |
| Imports | 10.20 | 8.93 | 7.78 | 7.55 | 7.73 | 2.38 |
| Ending Stock | 18.51 | 20.60 | 22.33 | 19.31 | 17.95 | -7.04 |

Source: Cotton this Month 3rd January, 2017.

**Table -16: COTTON PRODUCTION AND CONSUMPTION IN MAJOR COTTON GROWING COUNTRIES DURING LAST 5 YEARS (Million Tons)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Countries** | **2012-13**  **Estimated** | **2013-14**  **Estimated** | **2014-15**  **Estimated** | **2015-16**  **Projected** | **2016-17**  **Projected** |
| **PRODUCTION** | | | | | |
| India | 6.29 | 6.76 | 6.56 | 5.75 | 5.96 |
| China | 7.30 | 6.95 | 6.50 | 4.75 | 4.55 |
| USA | 3.77 | 2.81 | 3.55 | 2.81 | 3.52 |
| Pakistan | 2.00 | 2.07 | 2.30 | 1.51 | 1.82 |
| Brazil | 1.31 | 1.73 | 1.56 | 1.29 | 1.41 |
| Uzbekistan | 1.00 | 0.91 | 0.88 | 0.83 | 0.81 |
| Others | 5.11 | 4.93 | 4.83 | 4.13 | 4.61 |
| World Total | 26.78 | 26.17 | 26.20 | 21.07 | 22.77 |
| **CONSUMPTION** | | | | | |
| China | 8.29 | 7.51 | 7.48 | 7.44 | 7.44 |
| India | 4.73 | 5.06 | 5.26 | 5.24 | 5.19 |
| Pakistan | 2.22 | 2.47 | 2.49 | 2.26 | 2.27 |
| Europe & Turkey | 1.56 | 1.61 | 1.69 | 1.69 | 1.63 |
| Vietnam | 0.49 | 0.67 | 0.87 | 1.01 | 1.14 |
| Bangladesh | 1.02 | 1.15 | 1.20 | 1.32 | 1.39 |
| USA | 0.76 | 0.77 | 0.78 | 0.75 | 0.72 |
| Brazil | 0.91 | 0.86 | 0.80 | 0.73 | 0.70 |
| Others | 3.79 | 3.89 | 3.87 | 3.71 | 3.66 |
| World Total | 23.78 | 24.00 | 24.44 | 24.15 | 24.13 |

Source: Cotton this Month, 3rd January, 2017.

**Figure-V: COTLOOK 'A' INDEX DURING DECEMBER, 2016 (US Cents per Pound)**

Source: Cotton Outlook.

The graph above shows that ‘A’ index prices during December 2016, enhanced to 79.5 cents per pound as compared to 78.7 cents per pound recorded in November, 2016. However, the prices in December, 2015 were recorded lower at 70.5 cents per pound. The available Cotlook ‘A’ index in 2016-17 as compared to 2015-16 are given in the table below:-

**Table-17: MONTHLY AVERAGE PRICES OF “A” INDEX DURING 2016-17 & 2015-16**

**(US Cents Per Pound)**

|  |  |  |
| --- | --- | --- |
| **Month/Season** | **2016-2017** | **2015-2016** |
| August | 80.39 | 71.79 |
| September | 77.80 | 68.95 |
| October | 78.46 | 68.93 |
| November | 78.71 | 69.21 |
| December | 79.51 | 70.52 |
| January | - | 68.81 |
| February | - | 66.55 |
| March | - | 65.38 |
| April | - | 69.17 |
| May | - | 70.27 |
| June | - | 74.01 |
| July | - | 80.72 |
| **Average** | **78.97** | **70.36** |

Source: Cotton Outlook.

**Figure-VI: NEW YORK COTTON FUTURES VALUES DURING DEC.20116**

(**US Cents Per Pound** Source: Cotton Outlook

The graph above indicates that the nearby March and May, 2017 contract during December, 2016 remained slightly increased at 71.02 cents per pound as compared to 70.64 cents in previous month. However, the price of same contract in the corresponding month of last year recorded lower at 63.76 cents per pound.

**DESCRIPTION OF RATING OF DIFFERENT FIBER CHARACTERISTICS**

1. **Fiber Length**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Rating** | | | |
| Short Staple | 20.32 | 0.80” | -0.99” | 25.15 |
| Medium Staple | 25.40 | 1.00” | -1.10” | 27.94 |
| Long Staple | 28.19 | 1.11” | -1.26” | 32.00 |
| Extra Long | Above 1.27” | | | 32.26 |

**II) Uniformity Ratio/Uniformity Index.**

|  |  |  |
| --- | --- | --- |
| **Description** | | **Rating** |
| **Uniformity Ratio** | **Uniformity Ratio** |  |
| 42.0% or Below | 77 or below | Very Low |
| 42.0 - 43.0 | 78-79 | Low |
| 44.0 - 45.0 | 80-82 | Average |
| 46.0 -47.0 | 83—85 | High |
| Above 47.0 | Above 85 | Very high |

1. **Micronaire Value**

|  |  |
| --- | --- |
| **Description** | **Rating** |
| Below 3.0 | very fine |
| 3.0 - 3.9 | Fine |
| 4.0 - 4.9 | Average |
| 5.0 - 5.9 | Coarse |
| Above 6.0 | Very coarse |

1. **Maturity Ratio**

|  |  |
| --- | --- |
| **Description** | **Rating** |
| 1.0 and above | Very mature |
| 1.0 -0.95 | Above average |
| 0.94 - 0.85 | Mature |
| 0.84 - 0.80 | Below average |
| 0.79 - 0.70 | Immature |

1. **Flat Bundle Strength 000 Ibs PSI**

|  |  |
| --- | --- |
| **Description** | **Rating** |
| Less than 76 | Very Low |
| 77 - 83 | Low |
| 84 - 90 | Average |
| 91 - 97 | High |
| Above 97 | Very High |

1. **Fiber Strength (G/Tex)**

|  |  |  |
| --- | --- | --- |
| **Description** | | **Rating** |
| ICC mode | HVI mode |
| Less than 16 | Less than 21 | Low |
| 17 -19 | 22 - 24 | Low |
| 20 - 22 | 25 - 27 | Average |
| 23 - 25 | 28 - 30 | High |
| Above 25 | Above 30 | High |

1. **Short Fiber Content**

|  |  |
| --- | --- |
| **Description** | **Rating** |
| Below 6 | Very Low |
| 6 - 9 | Very Low |
| 10 - 13 | Low |
| 14 - 17 | High |
| Above 17 | Very High |

1. **Rd%**

|  |  |
| --- | --- |
| **Description** | **Rating** |
| 80 and above | Very High |
| 75 - 79 | High |
| 70 - 74 | Average |
| 64 -96 | Low |
| Below 63 | Very Low |

1. **+B**

|  |  |
| --- | --- |
| **Description** | **Rating** |
| 6 and below | Very Low |
| 6 - 8 | Low |
| 8 - 10 | Average |
| 10 - 12 | High |
| Above 13 | Very high |

1. **Moisture**

|  |  |
| --- | --- |
| **Description** | **Rating** |
| below 4.5 | very low |
| 4.5 to 6.5 | low |
| 6.5 ­-8.0 | Medium |
| 8.0 - 10.0 | High |
| 10.0 and Higher | Very high |

**WEIGHTS AND MEASURES**

|  |  |  |
| --- | --- | --- |
| **Kilogram** | = | 2.2046 Pounds = 1.0717 Seers |
| **Pounds** | = | 453.5924 Grams = 0.4536 Kilogram |
| **Maund** | = | 82.2858 Pounds = 37.3242 Kilograms = 0.0373 Metric Ton |
| **Metric Ton** | = | 2204.6229 Pounds= 26.7923 Maunds = 1000 Kilograms |
| **Kantar** | = | 50 Kilograms = 110.2334 Pounds = 1.3396 Maunds |
| **Quintal** | = | 1.9684 Cwt. = 2.6792 Maunds = 100 Kilograms |
| **Hundred weight**  **(CWT)** | = | 112 Pounds = 50.8029 Kilograms |
| **Yard** | = | 0.9144 Meter |
| **Square Yard** | = | 0.8361 Square Meter |
| **Meter** | = | 3.2808 Feet = 1.0936 Yards |
| **Square Meter** | = | 1.19603 Square Yards |
| **Acre** | = | 4840 Square Yards = 0.4047 Hec. = 4046.7240 Sq. Meter |
| **Hectare** | = | 2.4710 Acre = 11959.6400 Sq. Yards = 999.4550 Sq. Meter |
| **Bale of Raw Cotton** | = | 375 Pounds = 170 Kilograms = 0.170 Metric Ton |
| **Bale of Cotton Yarn** | = | 400 Pounds=181.4388 Kilograms=0.1814388 Metric Ton |
| **Bale of Cotton Cloth** | = | 1500 Sq. Yards = 1254.1500 Sq. Meter |
| **Lbs/Acre.** | = | 0.8922 X (Kgs. /Hectare) |
| **Kgs/Hectare** | = | 1.1208 X (Lbs/Acre) = 92.2281 X (Mds. /acre) |
| **Maund/Acre** | = | 0.01084268 X (Kgs. /Hectare) |