**DOMESTIC AND WORLD COTTON REVIEW**

**DOMESTIC COTTON CROP SCENARIO**

Off season management strategies, trainings, seminars and farmer gatherings are being carried out by Pakistan Central Cotton Committee throughout the cotton belt. Trainings were imparted to the assistant directors of agriculture in Punjab province from 54 tehsils, heavily infested with pink boll worm in cotton growing districts on 16-02-17 at Ayub Agricultural Research Institute, Faisalabad. This exercise is being done under the project “Community based integrated management of pink boll worm & provision of missing facilities to pest warning wing”. Prior to this training session on “Off Season Management Strategies for Mealy Bug and Pink Boll Worm was conducted by PCCC in 11 districts of Punjab and 526 master trainers were trained. Simultaneously various trainings are being imparted by PCCC in Sindh province and about 40 trainings have been scheduled with the breakup of 2 trainings at each district. More than 500 extension technicians and growers will be trained as master trainers.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **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 MARCH, 2017**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Heads** | **2016-17** | | | **2015-16** | | |
| **Punjab** | **Sindh** | **Total** | **Punjab** | **Sindh** | **Total** |
| Arrivals | 6,920,370 | 3,786,811 | 10,707,181 | 5,961,734 | 3,766,037 | 9,727,771 |
| Sales to Exporters | 56,100 | 146,256 | 202,356 | 9,975 | 351,266 | 361,241 |
| Sales to Textile Mills | 6,384,456 | 3,517,123 | 9,901,579 | 5,361,028 | 3,185,632 | 8,546,660 |
| Sales to T.C.P | - | - | - | - | - | - |
| Unsold Stock | 473,741 | 122,230 | 595,971 | 580,976 | 223,188 | 804,164 |
| Un-ginned Stock | 6,073 | 1,202 | 7,275 | 9,755 | 5,951 | 15,706 |

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 |
| January  2017 | - | - | - | - | 3526 | 3476 | - | 3194 | - | 3231 | 3470 |
| February  2017 | **-** | **-** | **-** | **-** | **3744** | **-** | **-** | **-** | **-** | **-** | **3553** |
| Average  2016-17 | **2971** | **2880** | **3061** | **3145** | **3357** | **3285** | **-** | **3142** | **3100** | **3179** | **3280** |
| Average  2015-16 | **2392** | **2387** | **2794** | **2867** | **3178** | **2771** | **2334** | **2729** | **2416** | **2648** | **2707** |

Source: Market Repor

**Figure -I: SEED COTTON PRICES DURING FEBRUARY, 2017 (Rs. per 40 Kg)**

Source: Market Report.

**Figure-II: Cotton COTTON SEED PRICES DURING FEBRUARY, 2017 (Rs per 40 kg)**

Source: Market Report.

**Figure-III: Cotton COTTON SEED CAKE PRICES DURING FEBRUARY, 2017 (Rs per 40 kg)**

Source: Market Report.

**Figure-IV: KCA SPOT RATE (EX-GIN) AT KARACHI DURING FEBRUARY, 2017 (Rs per 40 Kg)**

Source: The Karachi Cotton Association

The graph above indicates that the prices of raw cotton witnessed rising tendency during the month of February, 2017. The prices were averaged at Rs. 7,149 per 40 kg as compared to Rs. 6,872 in January, 2017. However, the prices in February, 2016 were recorded much lower at Rs. 5,726 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 | 6872 | 5758 |
| February | 7149 | 5726 |
| March | - | 5616 |
| April | - | 5785 |
| May | - | 5986 |
| June | - | 5993 |
| July | - | 6558 |
| **Average** | **6735** | **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 | 9917 | 1686 |
| 3. | Imports | 987 | 168 | 2453 | 417 |
| **Total** | | **15,684** | **2665** | **12768** | **2169** |
| 4. | Mill Consumption | 14727 | 2504 | 11533\*\* | 1961\*\* |
| 5. | Exports | 559 | 95 | 287 | 49 |
| 6. | End Season Stocks | 398 | 66 | 948 | 159 |
| **Total** | | **15,684** | **2665** | **12768** | **2169** |

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 February, 2017 increased to Rs. 1242 and Rs. 1409 per bundle of 4.54 kg respectively as compared to Rs.1218 and Rs.1384 per bundle in January,2017. However, the same counts in the corresponding month of the last year were recorded at Rs. 1057 and Rs. 1256 per bundle respectively. Details are given as below:

**Table-8: DOMESTIC COTTON YARN PRICES DURING FEBRUARY, 2017**

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **Count/**  **Week** | **W E E K** | | | | **February**  **2017** | **January**  **2017** | **February**  **2016** |
| **1** | **11** | **III** | **1V** |
| 10/1 | 907 | 933 | 933 | 933 | 927 | 901 | 819 |
| 16/1 | 1168 | 1183 | 1184 | 1185 | 1180 | 1157 | 970 |
| 21/1 | 1225 | 1247 | 1247 | 1247 | 1242 | 1218 | 1057 |
| 22/1 | 1235 | 1265 | 1265 | 1265 | 1258 | 1225 | 1067 |
| 26/1 | 1329 | 1344 | 1344 | 1344 | 1340 | 1324 | 1152 |
| 28/1 | 1350 | 1350 | 1350 | 1350 | 1350 | 1350 | 1200 |
| 30/1 | 1397 | 1413 | 1413 | 1413 | 1409 | 1384 | 1255 |
| 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 | 1304 | 1348 | 1348 | 1348 | 1337 | 1290 | 1158 |

Source: Pakistan Yarn Merchants Association, Karachi.

**Table-9: EXPORTS OF TEXTILE GROUP COMMODITIES DURING JANUARY, 2017**

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Commodities** | **Unit** | **January**  **2017** | | **December**  **2016** | | **January**  **2016** | | **% Change**  **Over Dec**  **2016** | | **July-January**  **2017** | | **July-January**  **2016** | | **% Change** | |
| **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** |
| **Raw Cotton** | **M.T** | **707** | **112** | **1544** | **248** | **1445** | **223** | **-54.2** | **-54.8** | **22011** | **3866** | **47404** | **7643** | **-53.6** | **-49.4** |
| **Cotton Yarn** | **M.T** | **36655** | **9709** | **41565** | **10952** | **29921** | **9312** | **-11.8** | **-11.3** | **275122** | **77815** | **260375** | **82005** | **5.7** | **-5.1** |
| **Bed Wear** | **M.T** | **27770** | **18141** | **27453** | **17610** | **28202** | **17774** | **1.1** | **3.0** | **204663** | **128276** | **187277** | **121250** | **9.3** | **5.8** |
| **Towels** | **M.T** | **13520** | **6652** | **13254** | **6513** | **15140** | **6751** | **2.0** | **2.1** | **99725** | **45993** | **105310** | **48782** | **-5.3** | **-5.7** |
| **Cotton Cloth** | **Th.SQM** | **147379** | **19454** | **121457** | **15930** | **187781** | **20097** | **21.3** | **22.1** | **1108826** | **129131** | **1286372** | **135349** | **-13.8** | **-4.6** |
| **Synthetic**  **Fiber** | **Th.SQM** | **9012** | **2298** | **8244** | **2141** | **22315** | **2678** | **9.3** | **7.3** | **73292** | **13010** | **173024** | **18038** | **-57.6** | **-27.9** |
| **Knitwear** | **Th.Doz Doz** | **12748** | **20908** | **12557** | **21339** | **14955** | **21676** | **1.5** | **-2.0** | **72166** | **145809** | **68834** | **145248** | **4.8** | **0.4** |
| **Readymade**  **Garments** | **Th.Doz Doz** | **2771** | **21156** | **2897** | **22111** | **2923** | **21970** | **-4.3** | **-4.3** | **18834** | **136236** | **18296** | **129915** | **2.9** | **4.9** |

Source:Pakistan Bureau of Statistics, Karachi.

The table above indicates that the exports of raw cotton remained eased but its related produce witnessed mixed trend in January, 2017. The raw cotton exports decreased to 707 metric tons valuing Rs. 112 million in January, 2017 as compared to 1544 metric tons amounting Rs. 248 million in December, 2016. However, the exports in the corresponding month last year recorded at 1445 metric tons valuing Rs. 223 million. It shows decrease of 54.2 % in quantity and 54.8% in value over December, 2016.

**Table-10: IMPORTS OF TEXTILE GROUP COMMODITIES DURING JANUARY, 2017.**

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Commodities** | **Unit** | **January**  **2017** | | **December**  **2016** | | **January**  **2016** | | **% Change**  **Over Dec**  **2016** | | **July-January**  **2017** | | **July-January**  **2016** | | **% Change** | |
| **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** | **Qty** | **Val** |
| Raw Cotton | M.T | 36,654 | 6,031 | 13,914 | 2,400 | 56,997 | 10,677 | 163.4 | 151.3 | 121,752 | 20,844 | 225,901 | 43,142 | -46.1 | -51.7 |
| Synthetic  Fiber | M.T | 22,422 | 3,984 | 18,861 | 3,105 | 15,800 | 3,594 | 18.9 | 28.3 | 135,238 | 26,240 | 144,776 | 30,701 | -6.6 | -14.5 |
| Synthetic &  Artificial  Silk Yarn | M.T | 35,884 | 6,728 | 34,277 | 6,369 | 22,198 | 5,217 | 4.7 | 5.6 | 197,441 | 39,629 | 162,331 | 37,710 | 21.6 | 5.1 |
| Worn  Clothing | M.T | 31,671 | 1,236 | 32,629 | 1,262 | 39,023 | 1,505 | -2.9 | -2.0 | 234,375 | 9,224 | 280,700 | 9,611 | -16.5 | -4.0 |
| Other Textile  Items | - | - | 12,308 | - | 12,425 | - | 11,088 | - | -0.9 | - | 77,143 | - | 72,950 | - | 5.8 |

Source: Pakistan Bureau of Statistics, Karachi.

The table above shows that the imports of raw cotton during January, 2017 witnessed rising trend and recorded at 36654 metric tons amounting to Rs. 6031 million as compared to 13914 metric tons valuing Rs. 2400 million in December, 2016.Whereas, the imports in January, 2016 recorded at 56997 metric tons amounting to Rs. 10677million. It showsan increase of 163.4% in quantity and 151.3% in value, over December, 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** | **January**  **2017** |
| 01. | Actual average export price per 40 Kgs | 6337 (Rupees) or  68.80 (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) | 5912 |
| 04. | Value of 80 Kgs of cotton seed (b) | 3436 |
| 05. | Ginning charges for 120 Kgs of seed cotton | 600 |
| 06. | Value of 120 Kgs of seed cotton ( c ) (item 3+4-item 5) | 8748 |
| 07. | Seed cotton price per 40 Kgs (item 6/3) | 2916 |

**Notes:**

1. One US$ = 104.45 Pak rupees.
2. Average price of cotton seed for January, 2017 in Rahim yar khan market was Rs. 1718 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** | **January**  **2017** |
| 01. | Actual average cif (Karachi) Price, per 40 kgs | Rs.6582 (Rupees)  or  77.46 (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) | 7007 |
| 04. | Value of 80 Kgs of cotton seed (a) | 3436 |
| 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) | 9843 |
| 07. | Seed cotton price (item 6/3) | 3281 |

**Note:**

1. Average price of cotton seed for January, 2017 in Rahim Yar Khan market was Rs. 1718 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 remained declined for fifth consecutive season and placed at 2.8 million hectares in 2016-17, due to high production cost and better return from competing crops. Similarly, cotton production also decreased by 0.3 percent to 4.73 million tons in 2016-17, as compared to 4.75 million tons in 2015-16, despite the 7.2 percent gain in average yield at 1665 kg/hectare in 2016-17 as against 1553 kg/hectare recorded in 2015-16. Whereas consumption in China is forecast to grow by 2 percent to7.6 million tons in 2016-17 as against 7.4 million tons in 2015-16. China 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 | 4.74 |
| **Consumption** | 8.63 | 8.29 | 7.52 | 7.48 | 7.44 | 7.59 |
| **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 | 9.27 |

Source: Cotton this Month 1st March, 2017.

1. **INDIA**

Cotton area in India, the largest cotton producing country, fell by 11.6 percent to 10.5 million hectare in 2016-17 as compared to 11.9 million hectares in 2015-16, due to competition from food crops. However, the average yield recovered by 16 percent to 553 kg/ha due to favorable monsoon conditions. As a result production in 2016-17 is estimated to rise by 2 percent to 5.8 million tons as compared to 5.7 million tons during last season. Whereas, mill use in India is projected to decline by 03 percent to 5.1 million tons in 2016-17 due to currency crises and high domestic cotton prices.

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

The world cotton area in 2016-17 declined by 3.6 percent to 29.2 million hectare as compared to 30.3 million hectare in 2015-16, which is the lowest area under cotton since 2009-10. While average yield is projected to rise by 12 percent to 776 Kg/ha in 2016-17 as compared to 693 kg/ha recorded in 2015-16. As a result, world cotton production is predicted to increase by 8.0 percent to 22.7 million tons in 2016-17 as compared to 21 million recorded in 2015-16.

World cotton consumption is expected to remain stable at 24.1 million tons in 2016-17 as high price discouraged growth in demand. The world imports in 2016-17 are projected to increase by 4.0 percent at 7.84 million tons as against 7.5 million tons in 2015-16. Similarly, world cotton export also showed an increase of 5.3 percent at 7.9 million metric tons as compared to 7.5 million tons recorded in 2015-16. The world cotton ending stocks are projected to decline by 6.8 percent to 17.9 million tons in 2016-17 as compared to 19.2 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 | 22.34 | 19.25 | -13.75 |
| Production | 26.78 | 26.17 | 26.20 | 21.03 | 22.69 | 7.89 |
| Consumption | 23.78 | 24.00 | 24.44 | 24.13 | 24.05 | -0.03 |
| Exports | 10.06 | 9.00 | 7.80 | 7.53 | 7.85 | 4.25 |
| Imports | 10.20 | 8.93 | 7.78 | 7.54 | 7.85 | 4.25 |
| Ending Stock | 18.51 | 20.60 | 22.34 | 19.25 | 17.88 | -7.12 |

Source: Cotton this Month 1st March, 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 | 5.80 |
| China | 7.30 | 6.95 | 6.50 | 4.75 | 4.74 |
| USA | 3.77 | 2.81 | 3.55 | 2.81 | 3.69 |
| Pakistan | 2.00 | 2.07 | 2.30 | 1.51 | 1.69 |
| Brazil | 1.31 | 1.73 | 1.56 | 1.29 | 1.42 |
| Uzbekistan | 1.00 | 0.91 | 0.88 | 0.83 | 0.77 |
| Others | 5.11 | 4.92 | 4.83 | 4.09 | 4.58 |
| World Total | 26.78 | 26.17 | 26.20 | 21.03 | 22.69 |
| **CONSUMPTION** | | | | | |
| China | 8.29 | 7.52 | 7.48 | 7.44 | 7.59 |
| India | 4.73 | 5.06 | 5.26 | 5.27 | 5.12 |
| Pakistan | 2.22 | 2.47 | 2.49 | 2.26 | 2.23 |
| 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 | 1.40 |
| 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 | 3.65 | 3.52 |
| World Total | 23.78 | 24.00 | 24.44 | 24.13 | 24.05 |

Source: Cotton this Month, 1st March, 2017.

**Figure-V: COTLOOK 'A' INDEX DURING FEBRUARY, 2017 (US Cents per Pound)**

Source: Cotton Outlook.

The graph above shows that ‘A’ index prices during February 2017, raised to 85 cents per pound as compared to 82 cents per pound recorded in January, 2016. However, the prices in February, 2016 were recorded lower at 66 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 | 82.22 | 68.81 |
| February | 85.16 | 66.55 |
| March | - | 65.38 |
| April | - | 69.17 |
| May | - | 70.27 |
| June | - | 74.01 |
| July | - | 80.72 |
| **Average** | **80.32** | **70.36** |

Source: Cotton Outlook.

**Figure-VI: NEW YORK COTTON FUTURES VALUES DURING FEBRUARY, 2017**

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

The graph above indicates that the nearby May and July, 2017 contract during February, 2017 posted gains to 76.0 cents per pound as compared to 74.0 cents in previous month. However, the price of same contract in the corresponding month of last year recorded lower at 60.0 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) |