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## **Pakistan**

## **Cotton**

## **COTTON UPDATE**

## **1999**

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### **Report Highlights:**

**Pakistan's MY 1999/2000 cotton export forecast has been increased 87,000 metric tons (MT) to 1.61 million metric tons (MMT), due to good growing weather and the lack of pest problems thus far. The government has removed the cotton export quota for the MY 1999/2000 crop. As a result, Pakistan is forecast to export 43,000 MT of cotton in MY 1999/2000. Pakistan's 1998/99 import forecast has been increased due to late-season buying as a result of the low output and quality of the MY 1998/99 crop.**

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Includes PSD changes: Yes  
Includes Trade Matrix: No  
Unscheduled Report  
Islamabad [PK1], PK

## Production:

Pakistan's MY 1999/2000 cotton production forecast has been increased by about 87,000 MT (400,000 480-lb U.S. bales) to 1.61 MMT or about 7.4 million bales, largely on the basis of good growing weather and the absence of major pest problems thus far. Weather through the end of August generally has been favorable. Except for the May cyclone in lower Sindh, which damaged or destroyed about 50,000 hectares of cotton, no other weather-related problems have been reported. Irrigation supplies are adequate and monsoon rains have been widespread and well-spaced since mid-July.

Rainfall has helped to control white fly populations. However, a few pockets of bollworm and heliothis infestations have been reported. Rains also have helped to keep day time temperatures around normal levels. Pesticide supplies are reported to be adequate. As usual, weather as well as the level of insect infestation in September will be major determinants of the final output.

**Table 1: Cotton Production, Supply and Demand**

PSD Table						
Country	Pakistan					
Commodity	Cotton				(HECTARES)(MT)	
	Revised	1997	Preliminary	1998	Forecast	1999
	Old	New	Old	New	Old	New
Market Year Begin		08/1997		08/1998		08/1999
Area Planted	3000000	3000000	3000000	3000000	3000000	3000000
Area Harvested	2959700	2959700	2922600	2922600	2950000	2950000
Beginning Stocks	493612	493612	429283	429283	378936	417239
Production	1562130	1562130	1415222	1415222	1524087	1611180
Imports	26128	26128	108863	146966	54432	54432
TOTAL SUPPLY	2081870	2081870	1953368	1991471	1957455	2082851
Exports	82737	82737	1800	1600	10886	43546
USE Dom. Consumption	1564850	1564850	1567632	1567632	1567632	1567632
Loss Dom. Consumption	5000	5000	5000	5000	5000	5000
TOTAL Dom. Consumption	1569850	1569850	1572632	1572632	1572632	1572632
Ending Stocks	429283	429283	378936	417239	373937	466673
TOTAL DISTRIBUTION	2081870	2081870	1953368	1991471	1957455	2082851

## Consumption:

Consumption remains stagnant due to weak domestic and export demand

**Trade:**

In response to pressure from cotton traders and producers, the Government of Pakistan (GOP) announced the elimination of cotton export quotas on the MY1999/2000 crop, as part of its new fiscal year budget package. As a result of this policy change and the likelihood of increased production, the MY 1999/2000 export forecast has been increased to 43,000 MT of about 200,000 U.S. bales.

However, despite the expected production increase, Pakistan is forecast to import 54,000 MT (or 250,000 U.S. bales) in MY 1999/2000, mainly from the Commonwealth of Independent States (mostly Uzbek), followed by Australia and the United States (mainly Pima). Cotton shippers have successfully marketed CIS cotton to Pakistan via warehouses in Dubai and Bander Abbas during each of the past two seasons. Based on their success, sources expect this trade will continue in MY 1999/2000, especially for 1-1/8" and 1-3/32" staple grade cotton.

MY1998/99 imports now are forecast to increase by 38,000 MT (175,000 U.S. bales) to 147,000 MT (675,000 U.S. bales), based on heavy late-season arrivals. Official trade data from the Federal Bureau of Statistics shows imports between August 1998 and May 1999 totaled about 105,000 MT (480,000 U.S. bales), but industry sources report the pace picked during the past few months because of the lower quality of the remaining domestic crop, much of which remains unsold at the gins and is expected to be carried over.