

**Required Report:** Required - Public Distribution

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## **Report Name:** Cotton and Products Update

**Country:** Pakistan

**Post:** Islamabad

**Report Category:** Cotton and Products

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### **Report Highlights:**

Based on current market arrivals, Pakistan's Marketing Year (MY) 2019/20 cotton production is estimated at 6.2 million 480 lb bales, down 22 percent from the previous estimate and 17 percent from the last year's production level mainly due to intense hot weather that prevailed during critical stages of crop growth coupled with severe pest infestations and high input prices. Uncertain conditions in domestic and international markets also affected cotton production. The shortfall in domestic supplies will be bridged through imports, with 2019/20 imports forecast at 4.4 million 480 lb bales.

### Cotton Production Expected Significantly Lower:

MY 2019/20 (August/July) cotton production is now expected at 6.2 million 480 lb bales, down 22 percent from the previous estimate and 17 percent from the last year's production level. This production level matches the 1986/87 production, which Pakistan achieved 33 years ago with old technology. The production estimate is derived from the 75 percent of the cotton crop already harvested and delivered to ginneries. The shortfall in production is mainly due to an intense hot weather during critical stages of crop growth that led to the shattering of fruiting bodies from the cotton crop. Cotton in the Sindh province was affected by untimely rains resulting in severe pest infestation and lower quality produce. In addition, the attack of whitefly and pink boll worms remained uncontrolled throughout the growing season. The farmers community believe that existing pesticides remained ineffective against the pest infestations. Uncertain conditions in the international and domestic markets also affected farmer investment decisions on agronomic and pest control measures. The Cotton Crop Assessment Committee (CCAC) on October 4, 2019, assessed cotton production at 10.2 million 170 kg bales (7.9 million 480 lb bales), but there is strong industry consensus that the final production estimate will be much lower given the pace of arrivals recorded by the Pakistan Cotton Ginners Association (PCGA). The PCGA, in its November 15 report showed arrivals at 6.85 million bales of 155 kg (equivalent to 4.88 million bales of 480 lb bales), down 21 percent from the same period last year.

### Significant Quantity of Cotton Imports Will Continue:

MY 2018/19 imports are estimated at 2.9 million 480 lb bales based on official Pakistani import data and export data from major suppliers. The shortage of supplies for MY 2019/20 will be augmented through imports, which is expected at 4.4 million 480 lb bales. Pakistan will continue to import better grades of cotton from the United States and other reliable sources to produce quality products for its textile export markets. Pakistan's typically imports upland and long staple cotton, as well as medium staple cotton, to augment domestic supplies.

### Production, Supply and Demand Data Statistics:

Cotton	2017/2018		2018/2019		2019/2020	
Market Begin Year	Aug 2017		Aug 2018		Aug 2019	
Pakistan	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	0	0	0		0
Area Harvested	2700	2700	2300	2300	2500	2450
Beginning Stocks	2315	2315	2830	2830	2495	2495
Production	8200	8200	7600	7600	7000	6200

<b>Imports</b>	3400	3400	2850	2850	3600	4400
<b>MY Imports from U.S.</b>	0	0	0	0	0	0
<b>Total Supply</b>	13915	13915	13530	13280	13095	13095
<b>Exports</b>	160	160	60	60	100	100
<b>Use</b>	10900	10900	10700	10700	10700	10500
<b>Loss</b>	25	25	25	25	25	25
<b>Total Dom. Cons.</b>	10925	10925	10725	10725	10725	10525
<b>Ending Stocks</b>	2830	2830	2495	2495	2270	2470
<b>Total Distribution</b>	13915	13915	13280	13280	13095	13095
<b>Stock to Use %</b>	25.59	25.59	25.92	23.19	21.02	23.52
<b>Yield</b>	661	661	699	680	610	550
(1000 HA) ,1000 480 lb. Bales, (PERCENT) ,(KG/HA)						

**Attachments:**

No Attachments