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India

Cotton and Products

Cotton Update

2000

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Report Highlights:

Post's 1999/2000 cotton production estimate has been reduced to 15.8 million bales as market arrivals in most states have tapered off sharply since end May.

Note: All data in narrative are 170 kg bales.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1], IN

1999/2000 Production Revised Down

Post's 1999/2000 cotton production estimate has been reduced to 15.8 million bales as market arrivals in most states have tapered off sharply since end May. The production decline is mainly attributed to higher than estimated crop losses in Gujarat and Andhra Pradesh (due to the drought) and the absence of late season pickings in the central states of Maharashtra and Madhya Pradesh (due to lack of winter rains). During the last few years, December and January winter rains have resulted in additional flushes in the months of February and March, enabling continued picking and market arrivals through July. During the current season however, these areas did not receive significant winter rains and thus, there were no 'further' flushes. Market arrivals through June 22 totaled 15.3 million bales compared to 15.6 million bales during the corresponding period last year. Taking into account an additional 2-3 million bales of summer cotton marketed in the South, and an expected higher arrival of early cotton in the month of September in the North and parts of central region, 1999/2000 production is estimated at 15.8 million bales (including 800,000 bales of loose cotton).

2000/01 Cotton Planting Awaits Recovery of Monsoon

Although cotton planting in the northern states was completed on time, erratic progress of the monsoon has delayed cotton planting in central and southern India. The next few weeks will be crucial in determining actual planted area and size of the 2000/01 cotton crop.

Planting in the northern states of Punjab, Haryana and Rajasthan (where the crop is irrigated) was completed in May and the crop is reported to be progressing well. There are no reports of water stress. Market sources report a higher share of early sown/hybrid cotton varieties in the region. Farmers have reportedly realized the benefits of early maturing varieties which minimize losses due to late monsoon rains and the accompanied heavy pest incidences during the late season (late September/early October).

The monsoon, critical to the planting of rainfed cotton, arrived on schedule and covered most of the southern and central region by the first week of June. However, from the second week of June, the progress of the monsoon has stalled and has not yet reached at the Western state of Gujarat and parts of Rajasthan. Planting in the central and southern states started on an optimistic note with the onset of the monsoon but, plantings have ceased in the last two weeks due to lack of rains. In the states of Gujarat and parts of Rajasthan, Maharashtra and Madhya Pradesh planting has come to a complete halt and there are reports of losses to the early planted crop due to dry conditions. Although planting has been delayed by 1-2 weeks (normally planting starts from mid-June after the onset of the monsoon and extends through late July), a revival of the monsoon in the next few weeks may lead to a resurgence in planting. Till then, 2000/01 area and production remain unchanged at 9.0 million hectares and 16.0 million bales respectively.

Table 1: Commodity, Cotton (metric tons)

PSD Table							
Country:	India						
Commodity:	Cotton	(HECTARES)		(METRIC TONS)			
		1998		1999		2000	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		08/1998		08/1999		08/2000	(MONTH/YEAR)
Area Planted	9303000	9303000	8883000	8883000	9000000	9000000	(HECTARES)
Area Harvested	9303000	9303000	8883000	8883000	9000000	9000000	(HECTARES)
Beginning Stocks	908650	908650	999940	999940	1110440	1042440	METRIC TONS
Production	2771000	2771000	2754000	2686000	2720000	2720000	METRIC TONS
Imports	110500	110500	255000	255000	127500	127500	METRIC TONS
TOTAL SUPPLY	3790150	3790150	4008940	3940940	3957940	3889940	METRIC TONS
Exports	42500	42500	8500	8500	17000	17000	METRIC TONS
USE Dom. Consumption	2550510	2550510	2686000	2686000	2762500	2762500	METRIC TONS
Loss Dom. Consumption	197200	197200	204000	204000	212500	212500	METRIC TONS
TOTAL Dom. Consumption	2747710	2747710	2890000	2890000	2975000	2975000	METRIC TONS
Ending Stocks	999940	999940	1110440	1042440	965940	897940	METRIC TONS
TOTAL DISTRIBUTION	3790150	3790150	4008940	3940940	3957940	3889940	METRIC TONS

Note: Production figures for MY 1998, 1999 & 2000 in the PS&D include 625,000 bales, 800,000 bales and 750,000 bales of loose cotton, respectively. (170kg bales)

Table 2: Commodity, Cotton (480 lbs bales)

PSD Table							
Country:					Conversion	0.004593	
Commodity:							
		1998		1999		2000	UOM
	Old	New	Old	New	Old	New	
Market Year Begin							(MONTH/YEAR)
Area Planted	9303000	9303000	8883000	8883000	9000000	9000000	(HECTARES)
Area Harvested	9303000	9303000	8883000	8883000	9000000	9000000	(HECTARES)
Beginning Stocks	4173	4173	4593	4593	5100	4788	1,000 480lb bales
Production	12727	12727	12649	12337	12493	12493	1,000 480lb bales
Imports	508	508	1171	1171	586	586	1,000 480lb bales
TOTAL SUPPLY	17408	17408	18413	18100	18178	17866	1,000 480lb bales
Exports	195	195	39	39	78	78	1,000 480lb bales
USE Dom. Consumption	11714	11714	12337	12337	12688	12688	1,000 480lb bales
Loss Dom. Consumption	906	906	937	937	976	976	1,000 480lb bales
TOTAL Dom. Consumption	12620	12620	13274	13274	13664	13664	1,000 480lb bales
Ending Stocks	4593	4593	5100	4788	4436	4124	1,000 480lb bales
TOTAL DISTRIBUTION	17408	17408	18413	18100	18178	17866	1,000 480lb bales

Note: Production figures for MY 1998, 1999 & 2000 in the PS&D include 625,000 bales, 800,000 bales and 750,000 bales of loose cotton, respectively. (170kg bales)