

Sell cotton upon harvest

Last year in 2018-19 in India, the monsoon was remained poor and unevenly distributed. Hence, the cotton production in the country declined to eight years low level about 287 lakh bales, from an area of 121 lakh ha. In current year of 2019-20, the estimated area under cotton is increased to about 128 lakh ha and production about 322.67 lakh bales (First Advanced Estimate, dt. 23-09-2019). Except, some damage due to incessant rains in Maharashtra and Madhya Pradesh, the crop condition is good, and there may be higher production from rainfed area too, as rain continued till October, 2019.

This year in Gujarat, the area under cotton is estimated about 26.66 lakh ha, same as last year and production is estimated 92.73 lakh bales, which is about 50 per cent higher than last year (60.91 lakh bales). Barring some reddening (*lal patti*) problems due to continuous rains up to first week of October; the crop condition is normal and higher production also expected from rainfed areas.

As per the International Cotton Advisory Committee's report (dt. 16-9-2019), the area under cotton at world level is projected to increase by 5 per cent from 326 lakh ha in 2018-19 to 344 lakh ha in 2019-20 and production also from 1515 lakh bales to 1577 lakh bales, respectively. The ending stock of 2018-19 is also high about 1055 lakh bales. Whereas, the world cotton consumption is expected to increase slightly this year to about 1555 lakh bales. Hence, there is no chance that cotton lint price will go up at world market in current year.

The last year ending stock in India is almost negligible (about 15 lakh bales) and consumption is expected about 325 lakh bales (almost same as production). In 2017-18 India exported 65 lakh bales of cotton which declined to 47 lakh bales in 2018-19. In current year there is less chance to increase the export above 60 lakh bales. Due to less production in 2018-19 the cotton price which was ruling around Rs. 1000 per 20 kg in January, 2019 increased to around Rs. 1250 in April-May, 2019. Currently it is ruling around Rs. 1050 per 20 kg in various markets of Gujarat, and there is less chance to go up in near future. The Government has fixed MSP of *Kapas* at Rs. 1110 per 20 kg (Rs. 5550 per quintal) for the current year 2019-20. The Cotton Corporation of India (CCI) has announced to purchase about 100 lakh bales at MSP this year.

Considering these all, the research team of Department of Agricultural Economics, JAU, Junagadh analysed the historical monthly price data of cotton from Gondal and Rajkot APMCs. The analysis and other factors revealed that, **the price of *kapas* during November, 2019 to February, 2020 may remain in the range of Rs. 1000 to 1110 per 20 kg (5000 - 5550 Rs/qtl).**

Since, there is limited chance for the *Kapas* price to go up above MSP in near future. It is suggested that, taking their own decision farmer may sell *Kapas* upon harvest at MSP (in CCI Centres, APMCs) without going for storage.