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Cotton Statistics And News

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Cotton Sowings in the North Zone make Satisfactory Progress

With the contours of the current year's cotton crop having been almost settled, the focus is now on plantings for the ensuing seasons' crop, particularly in the North Zone where the earliest Kharif sowings take place. Preliminary reports gathered in this regard indicate that sowings have made good progress so far.

Information obtained from the Directorate of Cotton Development, which gets feedback from the State Agriculture Departments, goes to show that the area under cotton in the north zone comprising the States of Punjab, Haryana and Rajasthan may be above last year's level of 12.15 lakh hectares. As against last year's area of 5.4 lakh hectares, the area so far covered in Punjab is placed at 5.5 lakh hectares. The State Government has set a target of 5.8 lakh hectares for 2009-10 and it is most likely that this target may be achieved.

Haryana is stated to have set a higher target of 6 lakh hectares for 2009-10 against last year's coverage of 4.6 lakh hectares. The area so far sown is reported to be 4.9 lakh hectares. In the case of Rajasthan, about 1.75 lakh hectares are said to have been planted so far. The State has set the target at a much higher level of 4 lakh hectares against last year's coverage of 2.2 lakh hectares. Since a sizable area in south Rajasthan is sown in June with the help of monsoon rains, the final plantings may be significantly higher than the area of 2.2 lakh hectares covered last year. A clearer picture is expected to emerge by the end of June.

The availability of canal water for irrigation is reported to be satisfactory in Punjab and

Haryana while some shortage is being experienced in Rajasthan.

The stimulus for farmers to plant higher area under cotton now is obviously the good prices and returns they obtained for the crop this year. Consequent on the steep hike in the support prices, cotton market prices had shot up after September. Although there was some fall in prices in February-March, they again moved up from April and prices did show a spurt in the north zone in May. This has obviously given a fillip to farmers to enlarge the area under cotton.

NAFED Price

The National Agricultural Cooperative Marketing Federation (NAFED) is reported to have issued a range of indicative prices for domestic sale of their cotton stock. The price indicated for Shankar-6 is said to be Rs.24,500 per candy. Bulk discounts are available at Rs.400 per candy for purchases of 10,000 to 24,999 bales and Rs.450 per candy for quantities between 25,000 and 49,999 bales.

The period during which delivery is free also rises in accordance with the quantity purchased from 15 days for 1001 to 2000 bales to 90 days for 25,000 to 49,999 bales. NAFED's retained holdings have been placed at some 22 lakh bales.

Sentiment Remains Bullish in Cotton Market in May

Cotton prices in the domestic market which had shot up during April continued to remain firm in May with the average prices of all variety settling higher than in April. However, the rise was more moderate from Rs 100 per candy in the case of DCH-32 to a maximum of Rs 1200 per candy in the case of S-6. The monthly average prices in the case of a few representative varieties since the commencement of the season are given in the table below.

Month	Avg. Spot Rate (Rs/Candy)			
	J-34	H-4	S-6	DCH-32
October'08	22500 (17200)	23100 (19100)	23300 (19700)	31900 (29800)
November'08	20400 (18000)	21900 (19100)	22200 (19700)	30600 (28500)
December'08	20400 (18400)	21600 (18900)	21800 (19700)	29000 (28500)
January'09	21000 (19300)	21000 (19800)	21500 (20800)	28200 (29100)
February'09	20100 (19700)	20100 (20500)	20600 (21300)	26800 (30000)
March'09	20600 (20200)	20100 (21200)	20700 (22300)	26500 (31000)
April'09	22400 (20400)	21100 (21600)	22400 (22300)	32100 (31000)
May'09	23100 (22300)	21800 (22700)	23600 (23500)	32200 (31900)

Note: Figures in brackets are prices during 2007-08

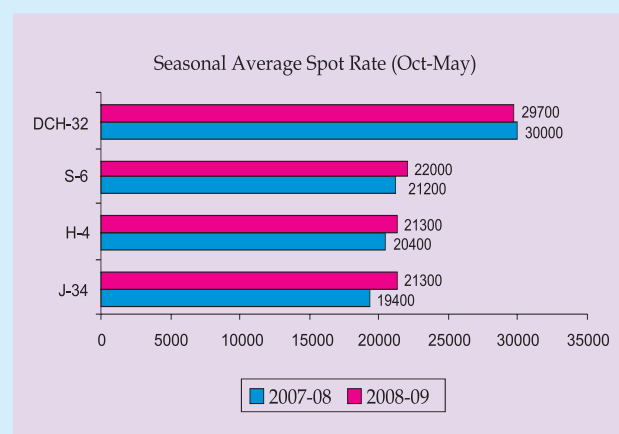
After starting at high levels during October, mainly as a result of the steep hike in support prices, market prices moved down in the subsequent few months. However, they shot up in April by hefty margins of Rs 1700 to Rs 5600 per candy compared to the average price in March. Although prices remained firm in May, the increase was more moderate from Rs 100 to Rs 1200 per candy compared to April prices. There was some expectation that with production now estimated at 292.5 lakh bales by the Association and the carry-over stock placed at a record high level of over 70 lakh bales, prices would seek lower levels. However,

they have remained marginally higher presumably because there is some clogging in the supply side due to various reasons, while there has a slight rise in the demand from mills and to some extent from exporters. Also, the uptrend in world cotton prices as evidenced by the increase in Cotlook A Index might have influenced domestic prices. It is however, observed that towards the end of May prices have shown a steady to easy trend.

Related reports indicate that due to high domestic prices, mills are resorting to higher imports not only of extralong staple cotton but also of medium and long staple cotton. As against the estimate of 7 lakh bales made by the Cotton Advisory Board, in February, imports are now estimated by trade circles to reach around 10 lakh bales including some 4 lakh bales of medium and long staple cotton. The imports are stated to have reached about 5 lakh bales so far.

Prices have continued to remain higher during 2008-09 compared to last year except in the case of the extralong staple cotton, DCH-32. The comparative seasonal averages up to May are given below.

Variety	Seasonal Av. Spot Rate (Oct- May)		
	(Rs. / Candy)		
	2007-08	2008-09	Difference
J-34	19400	21300	1900
H-4	20400	21300	900
S-6	21200	22000	800
DCH-32	30000	29700	(-) 300



UPCOUNTRY SPOT RATES

		(Rs. \ Candy)												
MAY 2009	BD(RG) A.Commilla	BD SG	V-797	Jayadhar	Y-1	J-34	NHH-44	LRA-5166	H-4 / MECH-1	Shankar-6	Bunny / Brahma	MCU-5 / Surabhi	DCH-32	ICC
	ICS-101	ICS-201	ICS-102	ICS-103	ICS-104	5CS-202	IICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-106	ICS-107	ICS-301
	22 mm	22 mm	22mm	23 mm	24 mm	27 mm	25 mm	27 mm	28 mm	29 mm	31 mm	33 mm	35 mm	26 mm
	5.0-7.0	5.0-7.0	4.5-5.9	4.0-5.5	4.0-5.5	3.3-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.3-4.5	2.8-3.6	3.7-4.3
	15	15	19	19	20	23	22	24	25	26	27	28	31	25
1	....	....	.....	.....	.....	.....	MARKET CLOSED	.....	.....	.....	.....	.....	.....	.....
2	22700	23600	16400	18500	20400	22700	20000	20600	21000	22700	22800	23200	32000	21400
4	22800	23700	16500	18500	20400	22800	20100	20700	21100	23000	22900	23200	32000	21400
5	22800	23700	16500	18500	20400	22800	20100	20700	21100	23000	22900	23200	32000	21400
6	22800	23700	16500	18500	20400	22800	20100	20700	21100	23000	22900	23200	32000	21400
7	23000	23900	16600	18500	20500	22900	20300	20800	21300	23100	23000	23200	32000	21500
8	23300	24200	17100	18500	20500	23100	20300	20800	21500	23500	23300	23200	32000	21800
9	....	....	.....	.....	.....	.....	HOLIDAY	.....	.....	.....	.....	.....	.....	.....
11	23500	24200	17600	18500	20900	23200	20700	21200	21800	23900	23200	23900	32000	22000
12	23500	24200	17600	18500	20900	23200	20900	21500	22100	24100	23200	24000	32200	22400
13	23500	24200	17600	18500	20900	23200	20900	21500	22100	24100	23200	24000	32400	22400
14	23500	24200	17600	18500	20900	23200	20900	21500	22200	24000	23300	24000	32500	22400
15	23500	24200	17800	18500	20900	23200	20900	21500	22200	24000	23300	24000	32500	22400
16	23500	24200	17800	18500	20900	23200	20900	21500	22200	24000	23300	24000	32500	22400
18	23500	24200	17800	18500	20900	23200	20900	21500	22200	24000	23300	24000	32500	22400
19	23500	24200	17900	18500	20900	23200	20900	21500	22200	24000	23300	24000	32500	22400
20	23500	24200	18000	18500	20900	23200	20900	21500	22200	24000	23300	24000	32500	22400
21	23500	24200	18000	18500	20900	23200	20900	21500	22200	24000	23300	24000	32500	22400
22	23400	24100	17900	18300	20800	23100	20800	21400	22000	23900	23100	23800	32300	22200
23	....	....	.....	.....	.....	.....	HOLIDAY	.....	.....	.....	.....	.....	.....	.....
25	23400	24100	17800	18300	20800	23100	20800	21400	22000	23700	23100	23800	32300	22200
26	23300	24000	17700	18200	20700	23000	20700	21300	21900	23600	23000	23700	32200	22100
27	23300	24000	17500	18200	20700	23000	20700	21200	21800	23400	23000	23700	32200	22100
28	23300	24000	17500	18200	20700	23000	20700	21200	21800	23400	23000	23700	32200	22100
29	23300	24000	17500	18200	20700	23000	20700	21200	21800	23400	23000	23700	32200	22100
30	23300	24000	17500	18200	20700	23000	20700	21200	21800	23200	23000	23700	32200	22100
H	23500	24200	18000	18500	20900	23200	20900	21500	22200	24100	23300	24000	32500	22400
L	22700	23600	16400	18200	20400	22700	20000	20600	21000	22700	22800	23200	32000	21400
A	23300	24000	17400	18400	20700	23100	20600	21200	21800	23600	23100	23700	32200	22100

H = Highest L = Lowest A = Average

