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Emerging Cotton Glut: Time To Start Planning Mitigation Measures

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Under India's lead, the world is likely to be awash with cotton in 2017-18 with production in major origins expected to rise. All indications point to a substantial expansion of planted area in India, arguably world's largest producer of the natural fibre and significant stakeholder. The US, rated among the top exporters and China, the largest importer and consumer, are also going to be harvesting more in the upcoming season.

GUEST COLUMN

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Weather across the northern hemisphere is expected to be reasonably benign or less-threatening. Market prices in recent months have been producer-friendly, motivating growers to respond well with higher acreages and improved agronomic practices.

In India, cotton growers have already signaled the market about their intention to plant more. According to the Ministry of Agriculture, area coverage as of May 26 was 11.2 lakh hectares, sharply up from 8.8 lakh hectares this time last year. Aggregate area planted to cotton may well test 120 lakh hectares, going by the current pace of planting.

There is likely to be a shift of area from pulses and oilseeds to cotton. Growers of pulses like tur/arhar or pigeon pea and oilseeds like soybean and groundnut are a disillusioned lot as their price expectations have been belied. Prices have often stayed below the minimum support price and government's procurement has been tardy to say the least and unequal to the task of supporting large harvests.

Subject to normal weather and pest incidents remaining below minimum threshold levels, India can well expect to produce a bumper crop of cotton in 2017-18, possibly some 20 percent higher than 32.6 million bales (170 kgs each) produced in 2016-17. In other words, the country must brace itself to handle a crop size of anything between 38 million and 40 million bales depending on aggregate planted area and eventual yields.

A surge in domestic production has the potential to depress domestic prices. There will be an abundance of raw material available for

the domestic user industry and at consumer-friendly prices. But how about cotton growers? Their price expectations could be belied. This is something the policymakers must guard against.

As said earlier, the fate of oilseed and pulse growers in 2016-17 should ring a stern warning signal for the government to ensure that it is not repeated in cotton in the upcoming harvest season. Indeed, the government must begin to gear itself for an accelerated procurement and price support operation.

Because the world market is going to face a surfeit of supplies, export opportunities will turn limited and be subject to fierce competition. Whether China will continue to destock or begin to restock in 2017-18 is the multi-million dollar question. As the mover and shaker of the world cotton market, developments in China will have to be closely monitored.

What will India do given that domestic production is expected to be large and export opportunities could be limited? The stronger rupee will make export so much less competitive in a situation of falling world prices. This can exacerbate the domestic price situation to the detriment of growers' interest.

It is time for New Delhi to start thinking. Also, industry and trade bodies must start to think about effective ways to handle the emerging situation and provide policy inputs to the government.

Importantly, the user industry must rise to the occasion. In the past, through effective lobbying, cotton textile mills got away with favourable trade policies. Often, they would wait for arrivals to turn heavy so that they would be able to purchase at depressed rates. The upcoming season is the time for the mills to rise to the occasion and support cotton growers for a change.

(The views expressed in this column are of the author and not that of Cotton Association of India)

Cotton Yarn Production

(In Mn. kg)

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17 (P)	2017-18 (P)
April	273.77	268.06	268.2	316.61	328.68	349.38	334.30	338.00
May	283.69	255.56	286.19	314.97	332.92	348.14	360.75	
June	284.79	248.29	288.40	317.69	330.69	346.72	352.00	
July	302.16	256.73	301.34	332.12	340.00	356.36	343.34	
August	300.34	262.74	302.85	336.30	338.09	354.67	334.43	
September	297.68	258.97	296.74	326.09	334.03	338.53	326.58	
October	301.55	241.83	302.65	328.79	323.53	342.12	311.14	
November	283.52	243.85	282.88	312.13	335.66	320.06	326.91	
December	308.78	269.82	314.21	341.67	353.96	353.31	342.52	
January	296.87	279.19	315.07	340.38	349.82	343.98	345.72	
February	272.99	269.01	302.59	321.31	330.35	336.55	332.64	
March	283.63	272.29	321.57	340.20	356.78	347.84	348.60	
TOTAL	**3489.78**	**3126.34**	**3582.68**	**3928.27**	**4054.51**	**4137.64**	**4058.95**	**338.00**

(P) = Provisional

(Source: Office of the Textile Commissioner)

COTAAP Corner

Events for June 2017

COTAAP has started extension activities for the crop year 2017-18. From June 1, village meetings have been conducted to explain improved technologies recommended for better cotton cultivation to the farmers. Some of these technologies were demonstrated on the fields of selected farmers. This year, priority has been given to marginal farmers in the selection procedure for FLDs. Most of the farmers have sown cotton. Irrigated crop is in good condition. But rain-fed cotton is suffering due to delayed monsoon. Some of the important activities and events at COTAAP, Chopda Unit in June were as follows :

Special Training Programme for Nutrition Management in Cotton and Banana

As per request from the farmers, a special training programme was conducted on 18th June 2017 regarding nutrition management in cotton and banana. Of special interest was the discussion on how to improve the quality of banana as required for export. Hon. Shri. Arunbhai Gujarathi, former speaker, Vidhansabha, Maharashtra State was the chairperson. He explained about the the different varieties cultivated in various countries. Shri. Pradepbhai Gujarathi, Trustee, COTAAP, Mumbai spoke about the objective of training and extension programmes to be conducted in the current year. Shri. Sachin Walunj, Sahyadri Farmers Producer Company, Nasik, shared his experience regarding export of agricultural goods and emphasised on what care should be taken for its production; while Dr. Harihar Kausdikar, Director of Education & Research, MCAER, Pune, imparted training on nutrition management in cotton and banana. This training programme was conducted in the recently inaugurated Training Hall at COTAAP Farmers Training Centre, Chopda.

Co-ordination Committee Meeting

In order to discuss the projects to be implemented in the area and to consult about

Co-ordination Committee Meeting at the Training Centre on 28th May 2017.

Details of meetings conducted

Date	Village	FLD	No. of farmers present	Co-ordination committee members present	Remark
June, 2017 Thursday	Majrehol	Marginal Farmers and Soil Health Project Inauguration Meeting	48	Shri. S.S.Gujarathi Shri. Sanjay Deshmukh	Scheme information given. Soil health project inaugurated.
02 June, 2017 Friday	Krushnapur (Tribal) Chunchale	Marginal farmers	32 45	Shri. B. G. Mahajan Shri. Anil. G. Patil Dr. Sunil Chaudhari Shri. Sanjay Deshmukh	Scheme information given.
02 June, 2017	Dhanwadi Sanpule	Marginal farmers	42 32	Shri. S.S.Gujarathi Shri. B. N. Patil Shri. Raju Patil (Kurwel)	Scheme information given.
03 June, 2017 Saturday	Nagalwadi Borajanti Warad (Tribal)	Marginal farmers	30 36	Shri. Dharamdas Patil Shri. Pramod Patil Shri. Sanjay Deshmukh	Scheme information given. Pink Bollworm information given.
03 June, 2017 Saturday	Panchak Chandnya-talaw (Tribal)	Marginal farmers	30 25	Shri. S.S.Gujarathi Shri. Hemchandra Patil Dr. Ravindra Nikam	Scheme information given.
05 June, 2017 Monday	Tawase Machla	Marginal farmers	18 17	Shri. S.S.Gujarathi Dr. Ravindra Nikam	Scheme information given. Cultivation practices discussed.
05 June, 2017 Monday	Hingona Kajipura	Marginal farmers	27 15	Shri. Dattu Nana Shri. Umesh Patil Shri. Sanjay Deshmukh	Scheme information given.
06 June, 2017 Tuesday	Nimgavhan Tandalwadi	Marginal farmers	26 30	Dr. G. T. Patil Shri. Sanjay Deshmukh	Scheme information given.
06 June, 2017 Tuesday	Dhupe (KH) Dhupe (BK)	Marginal farmers	22 32	Shri. Sandeep Patil Shri. Prashant Patil. Shri. Kishor Patil	Scheme information given. Bamboo technology discussed.
07 June, 2017 Wednesday	Virwade Malapur (Tribal)	Marginal farmers	24 28	Shri. Ambadas Patil Shri. Prafulla Patil Shri. Kuldeep Patil Shri. Sunil Gujarathi	Scheme information given. EHDPS technology discussed.
07 June, 2017 Wednesday	Vele Ghadwel	Marginal farmers		Shri. Uday Patil Shri. Devendra Patil Shri. Sanjay Deshmukh	Scheme information given.
10 June, 2017 Saturday	Khadgaon Gorgawale	Marginal farmers	27 43	Shri. S.S.Gujarathi Shri. Sunil Patil Shri. Suresh Patil	Scheme information given.
10 June, 2016 Saturday	Akulkheda	Marginal farmers	32	Shri. Umesh Patil Shri. Dattu Nana Shri. Sanjay Deshmukh	Scheme information given. Bamboo and Pink Bollworm discussed

the implementation of projects for the coming year, a co-ordination committee meeting was held on 28th May 2017 at the training centre at COTAAP, Chopda office. After a detailed discussion between Shri. Pradeepbhai Gujarathi, Trustee, COTAAP Research Foundation and the Co-ordination Committee members, a schedule was drawn up for the year 2017-18. Meetings have already been conducted according to the schedule with a few changes.

Purchase of Critical Inputs to be Distributed Under FLD Programme

For purchase of critical inputs to be distributed under FLD program for marginal farmers, advertisements were published in newspapers. Accordingly, five agencies submitted quotations. After comparison of rates, certain agencies were short listed and rates were negotiated and finalised. Only the inputs urgently required for distribution in the first lot were negotiated. Rates for other inputs will be finalised as per requirement.

Soil Health Project Inauguration at Majrehol village

Young farmers in discussion at Dhupe village

Meeting at Nagalwadi village

Rainfall Distribution (01.06.2017 to 02.07.2017)

Sr. No.	State	Day 02.07.2017				Period 01.06.2017 to 02.07.2017			
		Actual (mm)	Normal (mm)	% Dep.	Cat.	Actual (mm)	Normal (mm)	% Dep.	Cat.
1	Punjab	0.0	4.8	-100%	NR	113.3	53.9	110%	LE
2	Haryana	2.9	3.5	-16%	N	139.1	52.7	164%	LE
3	West Rajasthan	5.3	2.6	104%	LE	95.3	34.5	176%	LE
	East Rajasthan	5.4	4.8	12%	N	101.8	71.8	42%	E
4	Gujarat	33.8	8.4	302%	LE	156.7	121.7	29%	E
	Saurashtra & Kutch	29.5	7.4	299%	LE	130.3	100.0	30%	E
5	Maharashtra	15.1	11.4	32%	E	263.7	226.6	16%	N
	Madhya Maharashtra	12.2	8.3	48%	E	210.8	160.2	32%	E
	Marathwada	0.4	5.0	-91%	LD	182.4	153.9	18%	N
	Vidarbha	15.6	9.0	74%	LE	175.9	186.2	-6%	N
6	West Madhya Pradesh	4.4	6.3	-31%	D	126.4	118.8	6%	N
	East Madhya Pradesh	12.3	9.0	36%	E	144.8	152.2	-5%	N
7	Telangana	1.3	6.2	-80%	LD	208.9	148.2	41%	E
8	Coastal Andhra Pradesh	4.0	5.2	-24%	D	161.8	114.1	42%	E
	Rayalseema	0.0	1.6	-98%	LD	89.5	71.0	26%	E
9	Coastal Karnataka	55.4	39.5	40%	E	917.6	952.7	-4%	N
	N.I. Karnataka	1.6	4.0	-61%	LD	135.7	112.4	21%	E
	S.I. Karnataka	6.0	8.1	-26%	D	118.6	157.5	-25%	D
10	Tamil Nadu & Pondicherry	0.6	1.4	-60%	LD	48.9	48.7	0%	N
11	Orissa	9.8	10.3	-5%	N	229.4	233.1	-2%	N

L. Excess, Excess, Normal, Deficient, L. Deficient
Source : India Meteorological Department, Hydromet Division, New Delhi

UPCOUNTRY SPOT RATES

(₹\Quintal)

JUNE 2017

2016-17 Crop

Growth	P/H/R	P/H/R	GUJ	KAR	M/M	P/H/R	M/M/A	M/M/A	P/H/R	M/M/A	M/M/A	P/H/R	M/M/A	GUJ	M/M/A/K	GUJ	M/M/A/K	M/M/A/K/T/O	A/K/T/O	M(P)/K/T
G. Standard	ICS-101	ICS-201	ICS-102	ICS-103	ICS-104	ICS-202	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-106	ICS-107
Grade	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine	Fine
Staple	22 mm	22 mm	22 mm	23 mm	24 mm	26 mm	26 mm	26 mm	27 mm	27 mm	27 mm	28 mm	28 mm	28 mm	29 mm	29 mm	30 mm	31 mm	32 mm	34 mm
Micronaire	5.0-7.0	5.0-7.0	4.0-6.0	4.0-5.5	4.0-5.5	3.5-4.9	3.0-3.4	3.5-4.9	3.5-4.9	3.0-3.4	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.0-3.8
Strength/GPT	15	15	20	21	23	26	25	25	26	26	26	27	27	27	28	28	29	30	31	33
1	9898	10151	8295	9505	10601	12401	9392	10123	12570	10123	10826	12626	11585	11782	11951	12120	12232	12485	12991	15607
2	9898	10151	8295	9533	10629	12429	9505	10179	12598	10236	10826	12654	11585	11782	11951	12120	12232	12485	12991	15607
3	9898	10151	8267	9505	10601	12345	9505	10151	12513	10236	10798	12570	11529	11726	11895	12063	12176	12429	12935	15607
5	9814	10067	8211	9448	10545	12260	9420	10151	12429	10236	10798	12485	11445	11642	11810	11979	12148	12401	12907	15607
6	9983	10236	8155	9392	10489	12120	9392	10123	12288	10208	10770	12345	11417	11614	11782	11951	12120	12401	12907	15607
7	10095	10348	8099	9336	10432	12092	9336	10067	12260	10151	10714	12317	11360	11557	11726	11895	12063	12401	12907	15607
8	10095	10348	8127	9364	10461	12120	9392	10123	12288	10208	10770	12345	11417	11614	11782	11951	12120	12401	12907	15607
9	10095	10348	8155	9392	10489	12176	9420	10151	12345	10236	10798	12401	11445	11642	11810	11979	12148	12401	12907	15607
10	10095	10348	8183	9420	10517	12232	9420	10151	12401	10236	10798	12457	11445	11642	11810	11979	12148	12401	12907	15747
12	10095	10348	8183	9420	10517	12232	9505	10151	12401	10236	10798	12457	11501	11670	11895	12007	12204	12457	12907	15747
13	10095	10348	8183	9420	10517	12204	9505	10123	12373	10236	10770	12429	11445	11642	11838	11979	12148	12457	12907	15747
14	10039	10292	8239	9420	10517	12148	9505	10123	12317	10236	10770	12373	11445	11642	11838	11979	12148	12485	12907	15747
15	10039	10292	8239	9420	10517	12092	9505	10123	12260	10236	10770	12317	11445	11642	11838	11979	12148	12485	12907	15747
16	10039	10292	8239	9420	10517	12035	9505	10123	12204	10236	10770	12260	11445	11642	11838	11979	12148	12485	12907	15747
17	10067	10320	8267	9420	10517	12063	9533	10151	12232	10264	10798	12288	11473	11670	11867	12007	12176	12513	12907	15747
19	10067	10320	8267	9420	10517	12092	9533	10151	12260	10264	10798	12317	11473	11670	11838	12007	12148	12485	12879	15607
20	10067	10320	8211	9392	10489	12092	9561	10151	12260	10320	10798	12317	11473	11670	11838	12007	12148	12485	12879	15607
21	10067	10320	8155	9392	10489	12063	9561	10151	12232	10320	10798	12288	11473	11670	11838	12007	12148	12485	12879	15607
22	10039	10292	8099	9392	10489	12007	9561	10151	12176	10320	10798	12232	11501	11614	11867	12007	12148	12485	12879	15607
23	10011	10264	8099	9392	10489	11979	9561	10151	12148	10320	10798	12204	11501	11614	11923	12007	12148	12485	12879	15607
24	10011	10264	8099	9392	10489	11979	9589	10151	12148	10348	10798	12204	11501	11529	11923	11951	12148	12485	12879	15607
26	10011	10264	8099	9392	10489	11979	9645	10208	12148	10404	10854	12204	11557	11585	11923	11951	12148	12485	12879	15607
27	10011	10264	8127	9420	10517	11979	9701	10264	12148	10461	10911	12204	11557	11585	11923	11951	12148	12429	12879	15607
28	10011	10264	8155	9448	10545	11979	9701	10320	12204	10461	10967	12260	11557	11585	11923	11951	12148	12429	12879	15607
29	10011	10264	8211	9476	10573	12007	9701	10376	12232	10489	10995	12288	11585	11614	11951	11979	12176	12429	12879	15747
30	10011	10264	8211	9476	10573	12007	9701	10376	12232	10489	10995	12288	11585	11614	11951	11979	12176	12429	12879	15747
H	**10095**	**10348**	**8295**	**9533**	**10629**	**12429**	**9701**	**10376**	**12598**	**10489**	**10995**	**12654**	**11585**	**11782**	**11951**	**12120**	**12232**	**12513**	**12991**	**15747**
L	**9814**	**10067**	**8099**	**9336**	**10432**	**11979**	**9336**	**10067**	**12148**	**10123**	**10714**	**12204**	**11360**	**11529**	**11726**	**11895**	**12063**	**12401**	**12879**	**15607**
A	**10022**	**10275**	**8187**	**9423**	**10520**	**12120**	**9525**	**10172**	**12295**	**10289**	**10819**	**12351**	**11490**	**11641**	**11867**	**11991**	**12156**	**12454**	**12903**	**15655**

H = Highest L = Lowest A = Average

UPCOUNTRY SPOT RATES

(Rs./Qtl)

Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	Spot Rate (Upcountry) 2016-17 Crop JUNE-JULY 2017					
							26th	27th	28th	29th	30th	1st
1	P/H/R	ICS-101	Fine	Below 22mm	5.0-7.0	15	10011 (35600)	10011 (35600)	10011 (35600)	10011 (35600)	10011 (35600)	10011 (35600)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0-7.0	15	10264 (36500)	10264 (36500)	10264 (36500)	10264 (36500)	10264 (36500)	10264 (36500)
3	GUJ	ICS-102	Fine	22mm	4.0-6.0	20	8099 (28800)	8127 (28900)	8155 (29000)	8211 (29200)	8211 (29200)	8211 (29200)
4	KAR	ICS-103	Fine	23mm	4.0-5.5	21	9392 (33400)	9420 (33500)	9448 (33600)	9476 (33700)	9476 (33700)	9476 (33700)
5	M/M	ICS-104	Fine	24mm	4.0-5.0	23	10489 (37300)	10517 (37400)	10545 (37500)	10573 (37600)	10573 (37600)	10573 (37600)
6	P/H/R	ICS-202	Fine	26mm	3.5-4.9	26	11979 (42600)	11979 (42600)	11979 (42600)	12007 (42700)	12007 (42700)	12007 (42700)
7	M/M/A	ICS-105	Fine	26mm	3.0-3.4	25	9645 (34300)	9701 (34500)	9701 (34500)	9701 (34500)	9701 (34500)	9701 (34500)
8	M/M/A	ICS-105	Fine	26mm	3.5-4.9	25	10208 (36300)	10264 (36500)	10320 (36700)	10376 (36900)	10376 (36900)	10432 (37100)
9	P/H/R	ICS-105	Fine	27mm	3.5.4.9	26	12148 (43200)	12148 (43200)	12204 (43400)	12232 (43500)	12232 (43500)	12232 (43500)
10	M/M/A	ICS-105	Fine	27mm	3.0-3.4	26	10404 (37000)	10461 (37200)	10461 (37200)	10489 (37300)	10489 (37300)	10517 (37400)
11	M/M/A	ICS-105	Fine	27mm	3.5-4.9	26	10854 (38600)	10911 (38800)	10967 (39000)	10995 (39100)	10995 (39100)	11023 (39200)
12	P/H/R	ICS-105	Fine	28mm	3.5-4.9	27	12204 (43400)	12204 (43400)	12260 (43600)	12288 (43700)	12288 (43700)	12288 (43700)
13	M/M/A	ICS-105	Fine	28mm	3.5-4.9	27	11557 (41100)	11557 (41100)	11557 (41100)	11585 (41200)	11585 (41200)	11614 (41300)
14	GUJ	ICS-105	Fine	28mm	3.5-4.9	27	11585 (41200)	11585 (41200)	11585 (41200)	11614 (41300)	11614 (41300)	11642 (41400)
15	M/M/A/K	ICS-105	Fine	29mm	3.5-4.9	28	11923 (42400)	11923 (42400)	11923 (42400)	11951 (42500)	11951 (42500)	11979 (42600)
16	GUJ	ICS-105	Fine	29mm	3.5-4.9	28	11951 (42500)	11951 (42500)	11951 (42500)	11979 (42600)	11979 (42600)	12007 (42700)
17	M/M/A/K	ICS-105	Fine	30mm	3.5-4.9	29	12148 (43200)	12148 (43200)	12148 (43200)	12176 (43300)	12176 (43300)	12176 (43300)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5-4.9	30	12485 (44400)	12429 (44200)	12429 (44200)	12429 (44200)	12429 (44200)	12429 (44200)
19	A/K/T/O	ICS-106	Fine	32mm	3.5-4.9	31	12879 (45800)	12879 (45800)	12879 (45800)	12879 (45800)	12879 (45800)	12879 (45800)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0-3.8	33	15607 (55500)	15607 (55500)	15607 (55500)	15747 (56000)	15747 (56000)	15747 (56000)

Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length [By law 66 (A) (a) (4)]

(Note: Figures in bracket indicate prices in Rs./Candy)