

## **Cotton Forecasting for Month October and November-2020**

Cotton is one the most important fiber and cash crop of India and plays very vital role in the industrial and agricultural economy of India. Cotton has played vital role in economic development of every nation as it is key source of livelihood for many farmers. Cotton is mainly cultivated in China, India, Brazil, USA, Uzbekistan, Pakistan, Greece, Argentina etc. India is the second largest country in production, consumption and export of cotton.

During 2019-20 in India, cotton occupied about 129 lakh ha area and production was estimated about 360.48 lakh bales (1 Bale= 170 kg) against 280.42 lakh bales in 2018-19. Sowing of cotton till June 2020 was 91.67 lakh ha.

In Gujarat, the area under cotton is reported 26.54 lakh ha (Third Advance Estimate, Directorate of Agriculture, Gujarat) as against 26.60 lakh ha as in last year 2018-19 (Revised Final Advance Estimate, Directorate of Agriculture, Gujarat). Production is estimated to be 86.26 lakh bales as against 62.79 lakh bales in 2018-19. In Gujarat area under cotton is around 15.72 lakh ha till month of June 2020 as compared to 14.35 lakh ha in 2019-20.

Export has remained stable to 42 lakh bales in 2019-20 which is same as per previous year 2018-19. Import has decreased to 25 lakh bales in 2019-20 from 32 lakh bales in 2018-19. In Gujarat price of cotton was prevailing around Rs.5292 per quintal in June 2018 that has increased to Rs. 5725 per quintal in June 2019. In March 2020 price was Rs. 4639, in April Rs.4668, in May Rs.4548 and in June Rs. 4289 which is lower than the previous year prices. This is because of weak global signals and Covid-19 Pandemic that has gripped all over the world and government all around world-imposed travel and transport bans.

CCI has already purchased over 7.5 lakh bales out of 84 lakh bales in the current season from Gujarat which accounts for 8% of total. Notably it is the highest procurement by any central government agency in the state in the past 12 years. Despite the bulk purchase by CCI, farmers wouldn't be able to get good prices for their produce due to bumper cotton crop in Gujarat along with Corona pandemic, they were left disappointed. The ongoing trade war and border disputes with China create a threat in textile sector of country, as China is the biggest importer of Indian cotton.

Considering all these available information and traders reviews on the same, the research team of NAHEP-CAAST, IABMI, Anand Agricultural University, Anand analysed the historical monthly price data of cotton collected from Rajkot Market Yard. The econometric analysis revealed that the prices of cotton during October-November 2020 may remain in the range of **1010 to 1130 Rs. /20 kg. (Rs. 5050 to Rs. 5650 per quintal).**