

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary - Public

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India

Post: New Delhi

Cotton Production Update July 2018

Report Categories:

Cotton and Products

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Report Highlights:

Post lowered its MY 2018/19 area and production forecast to 11.8 million hectares and 28.5 million 480 lb. bales. The delay in monsoon rains in Central India and the continued risk of pest pressure prompted farmers to shift to alternative crops in cotton growing states. Optimistic weather forecasts for the second half of the southwest monsoon may improve prospects of higher cotton yields.

Area and Production:

Post has reduced the MY 2018/19 cotton area forecast to 11.8 million hectares, 100,000 hectares lower than the official USDA estimate. The reduction in area is primarily in the two major cotton growing states of Gujarat and Maharashtra. Deficit rains and pest pressures have prompted farmers to either plant alternate crops, or delay/abandon planting altogether. According to the Ministry of Agriculture and Farmers Welfare (MOAFW), planted area reached 11.26 million hectares as of August 9, 2018 compared to their final estimate of 11.71 million hectares in MY 2017/18. Although planted area is 4 percent lower than last year, it is still 2 percent higher than the 5-year average of 11.05 million hectares.

Maharashtra farmers switch cotton area to soybeans

FAS staff travel to Central Maharashtra indicates a significant part of cotton area has shifted to soybeans and fodder maize. Farmers have reduced cotton area, but continue to plant BT cotton despite issues of pest resistance, as it remains a remunerative crop. The plants are in the early vegetative stage, with farmers mostly undertaking weeding operations. The number of rainy days in July in major cotton districts have ranged between 5-15 days (refer to Table 1) prompting farmers to either delay planting or plant alternate crops. Farmers indicated to FAS staff that input costs related to fertilizers and insecticides have increased from last year, but that labor costs have a significant impact on the overall cost of production. Post forecasts lower cotton area planted than last year in Maharashtra, but expects similar yields as last year, as resurgence in the second half of monsoon season will improve crop development.

According to reports by the Ministry of Agriculture, there are incidence of pink bollworm infestation reported in districts of Akola and Nagpur in the state of Maharashtra. Cotton planted in June with adequate irrigation facilities seems to be affected the most by early signs of infestation; however, the severity remains low to moderate and below economic threshold levels. Overcast conditions and deficit rains, coupled with above normal temperatures during the day, and high humidity (60 to 80 percent) during evenings provided conducive conditions for emergence of the pest. The State Government has issued advisories for cotton farmers for pest surveillance at various crop stages. According to the Maharashtra State Agriculture Department, cotton sowing as of August 3 has reached 3.87 million hectares as compared to a normal area of 4.19 million hectares.

Gujarat farmers struggle through a long dry spell

FAS staff travel to the Saurashtra region in Gujarat indicates that farmers have replanted cotton in major cotton growing districts as lack of adequate moisture in July led to crop failure. Farmers have shifted acreage from groundnut (peanut) to cotton due to poor price realization from groundnuts last year. While there is a marginal increase in cotton acreage, the prolonged dry spell is affecting the plant development, and is expected to have a significant impact on cotton yields if rains are not received in the next 15 days. According to the Gujarat State Agriculture Department, cotton sowing as of August 6, has reached 2.66 million hectares as compared to 2.65 million hectares last year. The normal area (previous three years average) planted during the same time is 2.6 million hectares. The percentage of non-BT cotton planted in the state has increased by 34 percent compared to last year, and the overall share of non-BT cotton area has risen from 15 percent to 20 percent. But farmers continue to prefer planting BT cotton due to its relative drought tolerance over competing crops, and wide planting window.

While cotton planted in June has reached early vegetative/squaring stage, the replanted cotton is

currently in seedling or planting stage. Farmers are being advised to carry out interculturing (weeding, fertilizer application) for soil moisture conservation. In case of further delays in rain, farmers are being advised to plant sesame, castor, pigeon pea (tur) or fodder sorghum instead of cotton and sorghum. Trade sources indicate that in certain districts, farmers have abandoned planting due to lack of water and non-availability of a viable alternate crop.

According to the Indian Meteorological Department (IMD), the districts of Rajkot, and Surendranagar have received 30 percent, and 60 percent lower rains during the Southwest Monsoon (Jul-Sep) than the normal average respectively. But the Amreli district has received cumulatively 31 percent higher rains than the normal average as of August 10, 2018, which led to an increase in the cotton area, however the dry spell in past two weeks has affected crop development. The three districts combined contribute almost 40 percent of the total cotton area in the state.

Second half of Monsoon forecast looks more optimistic

According to IMD, the long range forecast for the second half (Aug-Sep) of the Southwest monsoon (rainfall predicted during August 2018) is likely to be higher than the previous IMD estimate in June. Rainfall during August is likely to be 96 percent of the long period average (LPA). IMD forecasts scattered showers in Central Maharashtra and isolated showers in Eastern Maharashtra (Vidarbha) and the Saurashtra region of Gujarat in the next two weeks (Aug 9-15), which should provide limited albeit much needed moisture to the crop.

Telangana

Cotton acreage in Telangana state has reached 1.7 million hectares, 4 percent lower than last year. Cotton sowing in the state is near completion and should be finished by end of the month. Farmers have increased area in other crops, such as paddy, redgram and soybeans. The yield forecasts remain high due to above normal rainfall in major cotton growing districts in the eastern part of Telangana. However, deficit rains in western and southwestern districts have prompted farmers to protect soil moisture, especially for cotton and soybean, in view of the dry spell. The general crop condition is at the vegetative stage. State-level agency reports indicate the presence of pink bollworm in the Medak and Vikarabad districts.

MY 2017/18 arrivals ahead of last season

Total arrivals as a percentage of the MY 2017/18 total Cotton Advisory Board (CAB) production estimate have reached 96 percent as of July 28, 2018. MY 2017/18 all India cotton arrivals, as reported by the Cotton Corporation of India (CCI), reached 27.66 million 480 lb. bales (35.43 million 170 kg bales/6 mmt). Pace of cotton arrivals in MY 2017/18 is 7 percent higher than last year (refer to Table 3). For MY 2018/19, owing to the prospects of a larger crop, CCI anticipates buying seed cotton under the Minimum Support Price (MSP) program in the latter part of the season.

Policy:

Draft Cotton Bales (Quality Control) Order 2018 open for comments

On August 8, the Ministry of Textiles approved a proposal to create a [Cotton Bales \(Quality Control\) Order, 2018](#). As per the proposed order the Indian Standard Cotton Bales – Specification IS 12171:2013 will be brought under the Mandatory Conformity Assessment Scheme under the Bureau of Indian Standards (BIS) Act 2016. All Indian cotton bales will be required to bear a Standard Mark under a license from BIS. Failure to conform to the requirements as per the order will be a punishable offense. The draft order is open for comments from the industry up to September 6, 2018.

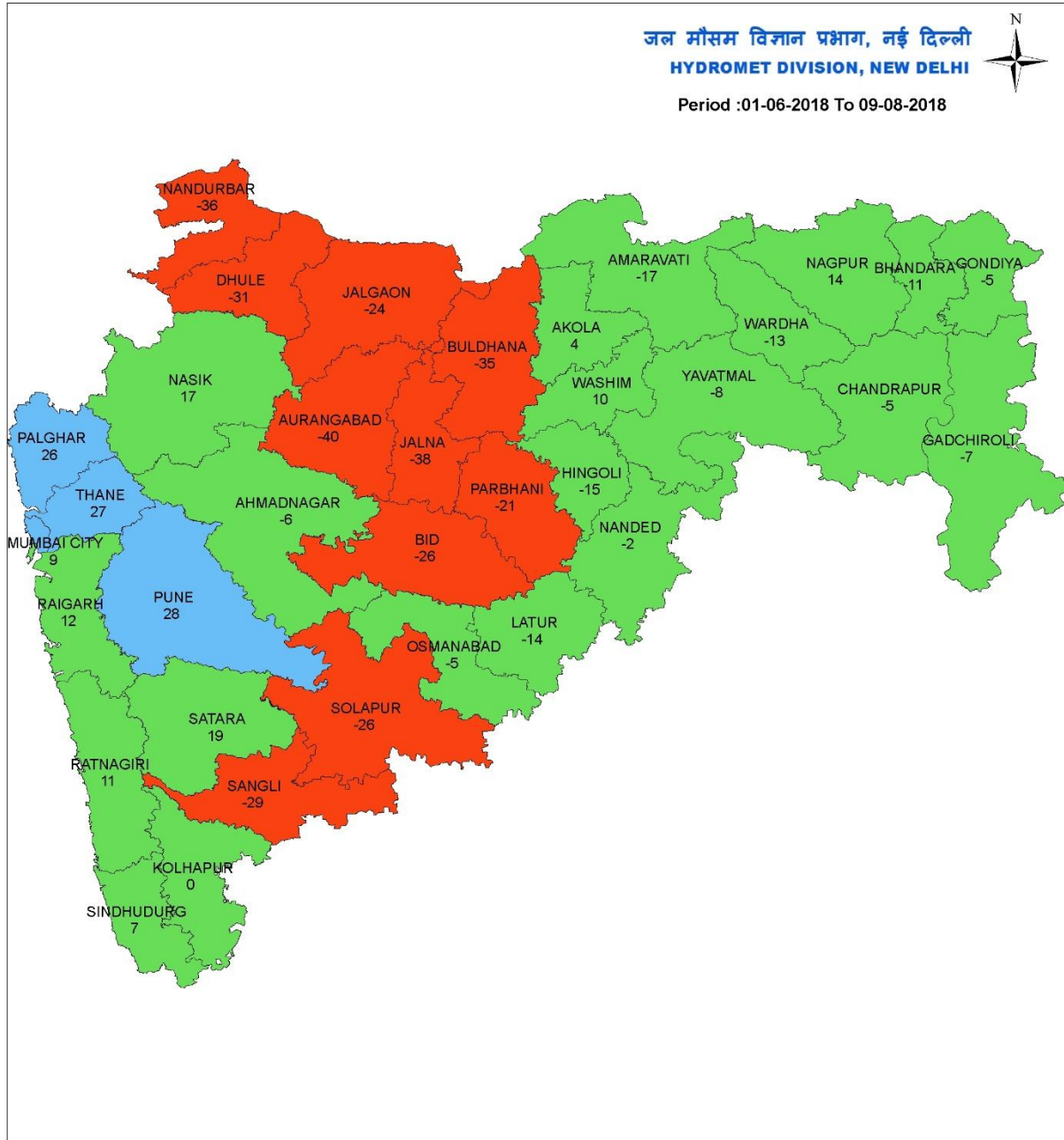
Production, Supply and Demand Data Statistics :

Cotton	2016/2017		2017/2018		2018/2019	
Market Begin Year	Aug 2016		Aug 2017		Aug 2018	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	-	-	-	-	-	-
Area Harvested (a)	10,850	10,850	12,400	12,444	11,900	11,800
Beginning Stocks	9,944	9,944	11,130	11,165	12,630	12,765
Production (b)	27,000	27,000	29,000	29,000	28,700	28,500
Imports	2,736	2,736	1,700	1,700	1,500	1,600
MY Imports from U.S.	-	-	-	-	-	-
Total Supply	39,680	39,680	41,830	41,865	42,830	42,865
Exports	4,550	4,515	5,000	5,100	4,300	4,200
Use	24,000	24,000	24,200	24,000	25,200	25,000
Loss	-	-	-	-	-	-
Total Dom. Cons.	24,000	24,000	24,200	24,000	25,200	25,000
Ending Stocks	11,130	11,165	12,630	12,765	13,330	13,665
Total Distribution	39,680	39,680	41,830	41,865	42,830	42,865
Stock to Use % (c)	39	39	43	44	45	47
Yield (d)	542	542	509	507	525	526

(a) 1000 HA , (b) 1000 480 lb. Bales , (c) PERCENT, (d) (KG/HA)



DISTRICT RAINFALL DEPARTURE MAP - MAHARASHTRA



Legend

Large Excess [60% or more] Excess [20% to 59%] Normal [-19% to 19%] Deficient [-59% to -20%] Large Deficient [-99% to -60%] No Rain [-100%] NO DATA



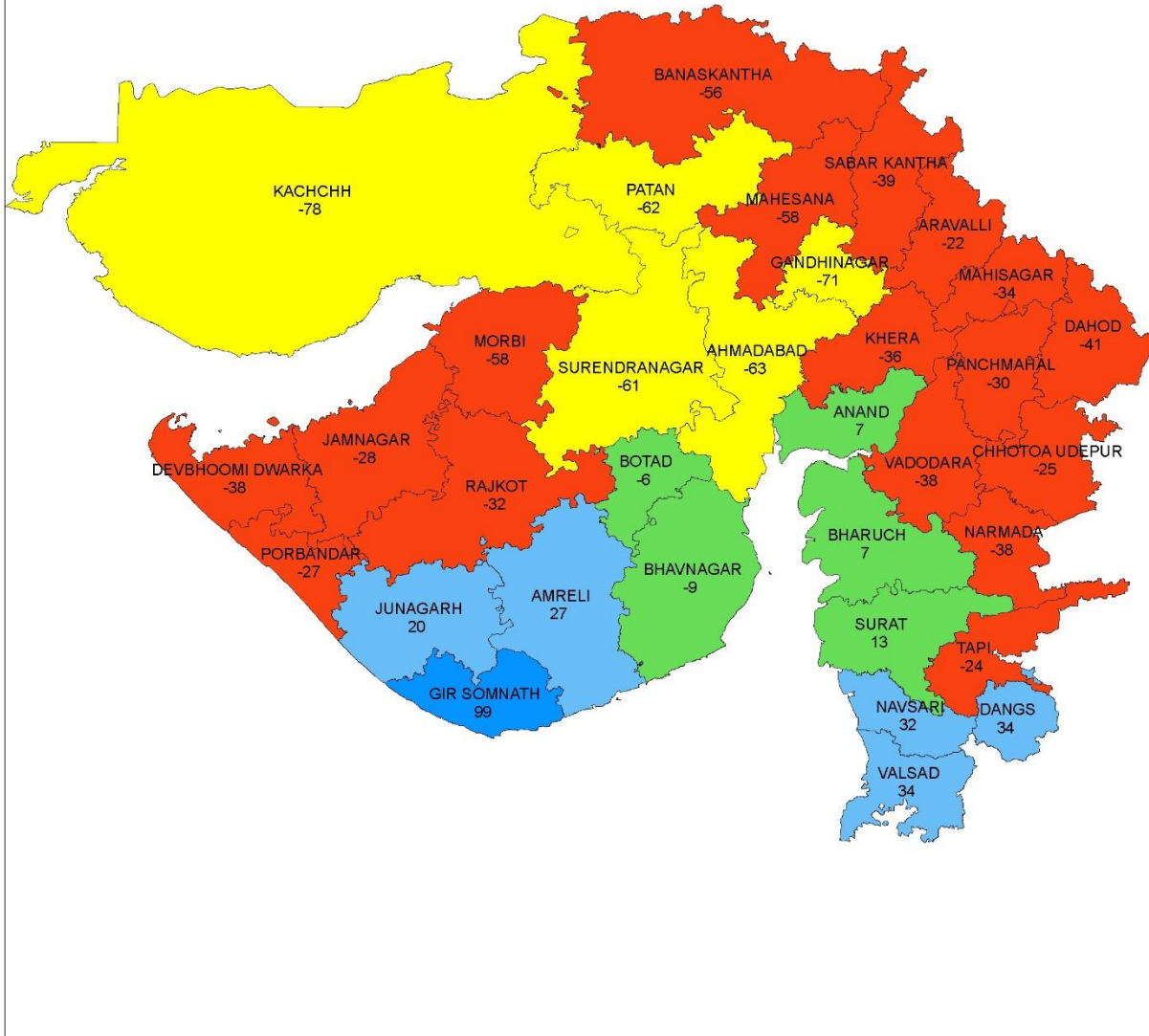
भारत मौसम विज्ञान विभाग
INDIA METEOROLOGICAL DEPARTMENT

DISTRICT RAINFALL DEPARTURE MAP - GUJARAT

जल मौसम विज्ञान प्रभाग, नई दिल्ली
HYDROMET DIVISION, NEW DELHI



Period :01-06-2018 To 12-08-2018



Legend

Large Excess [60% or more] Excess [20% to 59%] Normal [-19% to 19%] Deficient [-59% to -20%] Large Deficient [-99% to -60%] No Rain [-100%] NO DATA

Table 1. India: Central Maharashtra District-wise Rainfall in July 2018

District	District Normal Rainfall*	Total Rainfall	Percentage of Rainfall	Rainy Days
Aurangabad	168.1	73.0	43.4	8.0
Jalna	171.8	115.8	67.4	8.0
Beed	161.0	67.6	42.0	6.0
Latur	192.7	80.0	41.5	10.0
Osmanabad	141.6	89.6	63.3	10.0
Nanded	273.9	162.9	59.5	13.0
Parabhani	210.8	108.8	51.6	9.0
Hingoli	258.9	199.5	77.1	16.0

*Normal Rainfall is a fifty year average as per Indian Meteorological Department

Source: Department of Agriculture, Maharashtra State

Table 2: India's Kharif 2018 Cotton Sowing Position (area in hectares)

State	2018/19 as of August 10, 2018	2017/18 as of August 10, 2017	Normal Area**	Y-o-Y Change	Change from Normal
Andhra Pradesh	402,000	443,000	439,600	-9%	-9%
Telangana	1,706,500	1,777,000	1,502,800	-4%	14%
Gujarat	2,658,700	2,649,000	2,626,900	0%	1%
Haryana	665,000	656,000	586,000	1%	13%
Karnataka	376,000	430,000	496,800	-13%	-24%
Madhya Pradesh	524,000	576,000	582,200	-9%	-10%
Maharashtra	3,969,900	4,113,000	3,862,500	-3%	3%
Odisha	156,000	144,400	128,700	8%	21%
Punjab	284,000	385,000	407,200	-26%	-30%
Rajasthan	496,100	503,100	388,800	-1%	28%
Tamil Nadu	5,000	5,900	5,300	-15%	-6%
Others	17,200	28,600	26,100	-40%	-34%
All India	11,260,400	11,711,000	11,052,900	-4%	2%

Source: Ministry of Agriculture and Farmers Welfare, Government of India,

** Normal Area is the five-year average during 2013 through 2017

Table 3: India's State-wise Progressive Arrivals as of June 27, 2018 (in 170 kg bales)

States	2016/17	2017/18	Difference
Punjab	880,400	1,094,750	24.35%
Haryana	2,030,000	2,250,000	10.84%
Rajasthan	1,692,600	2,200,000	29.98%
North	4,603,000	5,544,750	20.46%
Gujarat	8,308,500	9,828,290	18.29%
Maharashtra	8,837,000	8,500,000	-3.81%
Madhya Pradesh	2,098,300	2,050,000	-2.30%
Central	19,243,800	20,378,290	5.90%
Andhra Pradesh	1,861,200	1,854,600	-0.35%
Telangana	4,698,000	5,053,220	7.56%
Karnataka	1,755,800	1,800,000	2.52%
Tamil Nadu	416,950	350,000	-16.06%
South	8,731,950	9,057,820	3.73%
Orissa	300,000	350,000	16.67%
Others	161,450	100,000	-38.06%
Total	33,040,200	35,430,860	7.24%
CAB* Production Estimate	34,500,000	37,000,000	
Arrivals as % of Prod. Est.	95.8%	95.8%	

Source: Cotton Corporation of India

*Cotton Advisory Board (CAB)