

**Required Report:** Required - Public Distribution

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## **Report Name:** Cotton and Products Update

**Country:** India

**Post:** New Delhi

**Report Category:** Cotton and Products

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### **Report Highlights:**

FAS Mumbai forecasts marketing year (MY) 2023/24 India cotton production at 26 million 480 lb. bales on 12.7 million hectares area planted, unchanged from the previous forecast. Farmers in southern India have replaced 17 percent of last season's cotton area to maize, paddy, and oilseeds to take advantage of higher price expectations. A slow pace of new crop arrivals is observed as seed cotton prices have fallen below the minimum support price and farmers await government procurement operations. Post forecasts MY 2023/24 mill consumption at 24 million 480 lb. bales, up two percent from the previous estimate, as low fiber and yarn prices spurn exports and lead to a marginal recovery in demand.

### India, Commodity, Cotton - Production, Supply and Distribution

Cotton Market Year Begins	2021/2022		2022/2023		2023/2024	
	Aug 2021		Aug 2022		Aug 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>India</b>						
Area Harvested (1000 HA)	12,372	12,372	12,927	12,927	12,700	12,700
Beginning Stocks 1000 480 lb. Bales	11,839	11,839	8,396	8,396	11,824	11,824
Production 1000 480 lb. Bales	24,300	24,300	26,300	26,300	25,000	26,000
Imports 1000 480 lb. Bales	1,000	1,000	1,727	1,727	1,300	1,000
Total Supply 1000 480 lb. Bales	37,139	37,139	36,423	36,423	38,124	38,824
Exports 1000 480 lb. Bales	3,743	3,743	1,099	1,099	1,800	2,000
Domestic Use 1000 480 lb. Bales	25,000	25,000	23,500	23,500	24,000	24,000
Loss 1000 480 lb. Bales	-	-	-	-	-	-
Domestic Use and Loss 1000 480 lb. Bales	25,000	25,000	23,500	23,500	24,000	24,000
Ending Stocks 1000 480 lb. Bales	8,396	8,396	11,824	11,824	12,324	12,824
Total Distribution 1000 480 lb. Bales	37,139	37,139	36,423	36,423	38,124	38,824
Stock to Use % (PERCENT)	29	29	48	48	48	49
Yield (KG/HA)	428	428	443	443	429	446
(1000 HA),1000 480 lb. Bales, (PERCENT), (KG/HA)						

### Area

FAS Mumbai forecasts MY 2023/24 cotton area 12.7 million hectares, unchanged from the [August 2023 report](#). Sowing in northern and central India is complete, with three percent increase in area in north India, and a two percent increase in central India. Sowing in southern India is nearly complete at a nearly 17 percent reduction from last year. However, an additional winter-planted (rabi) area will be reflected by the end of the marketing year. According to the September 29 [sowing progress report](#) by the Ministry of Agriculture and Farmers Welfare's (MOAFW), cotton planted area reached 12.4 million hectares, three percent lower than last year, and four percent lower than the five-year average (refer table 1). Farmers in southern states have replaced cotton area to maize (Karnataka), paddy and oilseeds – soybeans (Telangana), and millets and castor (Andhra Pradesh) to take advantage of higher price expectations. As of November 9, seed cotton is trading below the minimum support price (MSP) (refer table 2). Cotton buying is limited as farmers await government agencies to commence MSP operations to bring new crop to market.

**Table 1. Kharif 2023 Cotton Sowing Position (area in million hectares)**

State	2023/24 as of September 29, 2023	2022/23 as of September 29, 2022	Normal Area as on date	Y-o-Y Change	Change from Normal
Andhra Pradesh	0.398	0.647	0.617	-38%	-35%
Telangana	1.822	2.033	2.022	-10%	-10%
Gujarat	2.682	2.549	2.499	5%	7%
Haryana	0.665	0.649	0.694	2%	-4%
Karnataka	0.693	0.821	0.715	-16%	-3%
Madhya Pradesh	0.650	0.625	0.603	4%	8%
Maharashtra	4.222	4.222	4.403	0%	-4%
Odisha	0.235	0.216	0.167	9%	41%
Punjab	0.169	0.249	0.262	-32%	-35%
Rajasthan	0.791	0.683	0.707	16%	12%
Tamil Nadu	0.031	0.047	0.149	-34%	-79%
Others	0.029	0.032	0.029	-9%	0%
<b>All India</b>	<b>12.387</b>	<b>12.773</b>	<b>12.867</b>	<b>-3%</b>	<b>-4%</b>

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

## Production

FAS Mumbai forecasts MY 2023/24 India cotton production at 26 million 480 lb. bales (33.3 million 170-kilogram bales/5.6 million metric tons or MT), unchanged from the previous forecast. All India yield forecasts remain estimated at 446 kilograms per hectare, while [official government data published on November 6](#) indicate that five-year average (2017-2021) cotton yields are estimated at 458 kilograms per hectare. According to the Indian Meteorological Department (IMD), rainfall over the country during the 2023 monsoon season (June-September), reached 94 percent of its long period average or LPA (a calculation of rainfall recorded over a particular region for a given interval average over a long period). However, [erratic rainfall distribution is likely](#) to increase the risk of field pest infestation and negatively impact yields in north and central India. Excess rains in June and July in major cotton growing districts was followed by deficit rains in August, and a return of excess rains in September.

## Pest Pressures Intensify

Under present weather conditions, overall intensity of pests and diseases remain above the economic threshold level (ETL) for pink bollworm (PBW) in Punjab and Rajasthan. Open boll damage is observed at up to 20 percent, and widespread boll rot has been seen in Rajasthan. Farmers in Punjab have been advised to conclude picking as early as possible and allow animals to feed on plant debris and unopened bolls for clearance. Additional guidance is to not mix low quality first and last pickings with the rest of the harvest, store seed cotton in dry areas, and to undertake sowing of wheat immediately. Similarly, farmers in Haryana were advised to finish picking but separate PBW infested seed cotton separately. The PBW incidence has crossed ETL at most locations based on green boll damage ranging between 80-95 percent. In case of infestation, farmers have been advised not to undertake multiple pickings. Boll rot incidence was also widespread, and among damaged and unopened bolls 40-50 percent boll rot has been observed.

In Gujarat, cotton is at various stages of flowering, boll formation and picking. Under present conditions, whitefly and jassids (sucking pest) infestation are observed above ETL, with bacterial leaf blight and leaf spot causing wilting of plants. High temperatures after boll setting in October have led to early maturation and boll opening which has led to a second picking. Farmers are likely to achieve up to four pickings if plants recover. In Maharashtra, cotton is at various stages of flowering, boll development and picking. Farmers have been advised to undertake foliar spray for cotton that is in boll development stage to avoid reddening in later stages. No major pests or diseases have been reported.

In Telangana, cotton is at various stages of boll formation/boll development, boll bursting and picking. Due to high temperatures and moisture stress, there are reports of wilting in cotton plants. Prevailing weather conditions are congenial for jassids, aphids and white flies that cause various types of plant deformation. Farmers have been advised to monitor the crop, provide irrigation when available, and take appropriate plant protection measures.

### **Government Publishes First MY 2023/24 Advance Estimate of Production**

On October 27, the [first advance estimate of production of principal crops](#) for MY 2023/24 was published by the MOAFW. Cotton production is estimated at 24.7 million 480 lb. bales (31.7 million 170-kilogram bales/5.4 million metric tons). According to the [press release](#), the first production assessment for the 2023/24 (Kharif) is largely based on an average yield of last three years, and may change after receiving yield estimates on actual crop cutting experiments. On October 17, the MOAFW also published [final estimates for the MY 2022/23 season](#), with production at 26.3 million 480 lb. bales (33.7 million 170-kilogram bales/5.7 million metric tons).

The provisional production estimate for MY 2023/24, and the final estimate for MY 2022/23 was adopted by the Committee on Cotton Production and Consumption (COCPC), which published its provisional [cotton balance sheet](#) and [state-wise area, production and yield estimates](#) on November 6. They estimate MY 2023/24 production at 24.7 million 480 lb. bales (31.7 million 170-kilogram bales/5.4 million metric tons) on an area of 12.6 million hectares. The nationwide average yield is estimated at 429 kilograms per hectare. The COCPC was established to estimate India's cotton supply balance sheet and is co-chaired by the Ministry of Textiles and Ministry of Agriculture and Farmers Welfare. The committee replaced the erstwhile Cotton Advisory Board (CAB), which was abolished last year.

### **Marketing**

On October 21, the Government of India launched the [website](#) of the brand 'Kasturi Cotton Bharat', an initiative of branding Indian cotton as a premium brand. The Kasturi Cotton Bharat is a joint initiative by the Ministry of Textiles, the Cotton Corporation of India, trade associations, and industry to work on the principle of self-regulation by owning complete responsibility of branding, traceability, and certification of Indian cotton to enhance its' competitiveness in the global market. The website will provide necessary information and updates for the registration process for ginners to produce Kasturi Cotton Bharat Brand. For more details, please refer to the [press release](#).

## **Slow Seed Cotton Market Arrivals as Prices Decline**

According to the Cotton Corporation of India (CCI), MY 2023/24 crop arrivals as of November 9, are estimated at 2.3 million 480 lb. bales (3 million 170-kilogram bales/510,000 MT). The pace of all India cotton market arrivals is 45 percent slower as compared to last year, as farmers await commencement of the government procurement operations under the MSP program. Most seed cotton arrivals in Gujarat, Rajasthan, Madhya Pradesh, and Andhra Pradesh have also included held stock from the previous year. Seed cotton prices will remain under pressure as the pace of market arrivals accelerates in the coming months and couples with sluggish demand. As of October 1, the MSP for MY 2023/24 medium staple cotton has increased by nine percent from last year to \$79.60 per 100 kilograms (INR 6,620 per 100 kilograms). Similarly, the MSP for MY 2023/24 long staple cotton has increased by ten percent from last year to \$84.40 per 100 kilograms (INR 7,020 per 100 kilograms). For more details, refer to the [MSP order 2023/24](#).

## **Stocks**

Post estimates MY 2023/24 carryover stocks at 11.8 million 480 lb. bales, two percent lower than previous estimate. There are no government-held stocks, but government agencies are likely to undertake procurement operations under the MSP program. Carryover stocks include privately held stocks by farmers, ginners, exporters, and textile mills.

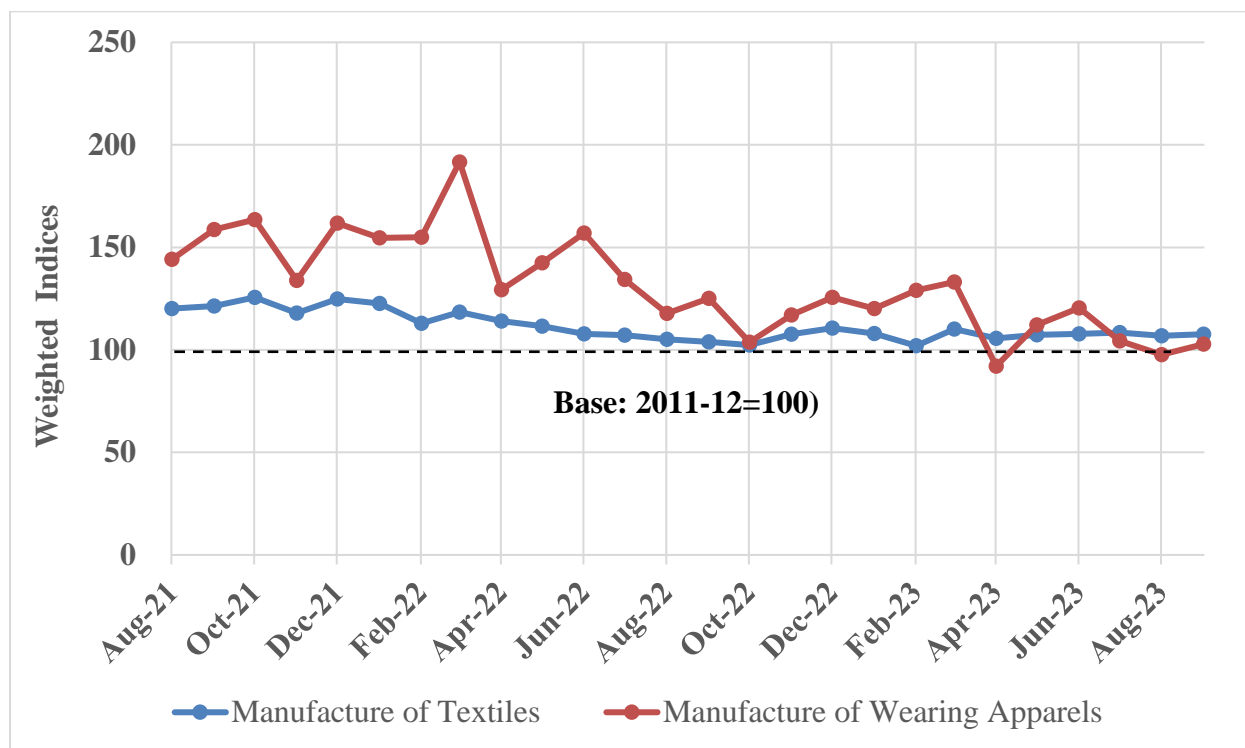
## **Consumption**

Post forecasts MY 2023/24 consumption at 24 million 480 lb. bales, 500,000 480 lb. bales higher from the previous estimate. The strong revival in exports of value-added cotton products, particularly cotton yarn, during the first two months of MY 2023/24 indicates mill consumption recovery. Cotton yarn prices are down seven percent over the past month, leading to an increase in exports of more than 280 percent as compared to last year (refer table 5). Cotton fabric exports have increased by 20 percent from last year. Major cotton yarn export markets are Bangladesh (40 percent), China (20 percent), Egypt (six percent) and Portugal (four percent).

The production of textiles and apparels increased by one percent and five percent respectively in September 2023 based on the [Index of Industrial Production - Quick Forecasts of IIP September 2023](#)) as compared to last year. However, cumulatively (Apr-Sep) the production of textiles and apparels is still depressed and lagging by one percent and 22 percent respectively, and any rise in consumption will only lead to recovery or offsetting of sizeable output losses in MY 2022/23.

As of November 9, the Cotlook A-Index has fallen by 11 percent since October 2023 (the beginning of the Indian MY 2023/24), while Indian ex-gin prices and domestic cotton yarn prices fell by eight percent and seven percent respectively during the same period. Since October, Indian spot prices (Shankar-6) decreased by eight percent, from 94 cents per pound to 86 cents per pound. Currently, Indian prices are on par with the Cotlook A-Index making it very competitive, however mill demand remains sluggish so mill offtake is slow.

**Figure 1: Monthly Index of Industrial Production (IIP), August 2021- September 2023**



Source: Ministry of Statistics and Program Implementation, Government of India

## Trade

Post forecasts MY 2023/24 cotton exports at two million 480 lb. bales (2.5 million 170-kilogram bales/ 435,450 metric tons), unchanged from the previous forecast. MY 2023/24 (Aug-Sep) provisional estimates of raw cotton exports indicate that exports are higher by more than 300 percent as compared to last year (refer table 4a). Post expects the volume of exports to be higher as new crop arrivals gradually increase in the market pushing market prices lower.

According to the [September 2023 provisional trade data](#) published by the Ministry of Commerce, exports of cotton yarn/fabric/made-ups and handloom products rose by 27 percent (by value) as compared to last year. However, cumulative exports between April 2023 and September 2023 witnessed a marginal one percent increase on a year-on-year basis. Other value-added products continue to face sluggish demand. Exports of readymade garments of all textiles (by value) in September 2023 declined by 11 percent as compared to last year, and by 15 percent between April 2023 and September 2023 on a year-on-year basis. Similarly, exports of man-made yarn/fabric/made-ups also declined by seven percent in September 2023 as compared to last year, and by ten percent on a cumulative basis (April 2023 – September 2023) from last year.

Post forecasts MY 2023/24 cotton imports at one million 480 lb. bales (1.3 million 170-kilogram bales/ 218,000 metric tons), unchanged from the previous estimate, as mills retain access to cheap domestic fiber supplies.

**Table 2: State Monthly Wholesale Prices for Seed Cotton, November 2023\*\***

State	Prices November 2023**	Prices October 2023	Prices November 2022	Change (Over Previous Month)	Change (Over Previous Year)
Andhra Pradesh	7,346	7,362	8,485	-0.22%	-13.42%
Gujarat	7,072	6,996	8,863	1.09%	-20.21%
Haryana	6,858	6,985	8,461	-1.82%	-18.95%
Karnataka	7,514	7,122	8,804	5.50%	-14.65%
Madhya Pradesh	6,900	6,593	8,401	4.66%	-17.87%
Maharashtra	6,979	6,970	8,775	0.13%	-20.47%
Punjab	6,700	7,050	8,794	-4.96%	-23.81%
Rajasthan	6,813	6,928	8,776	-1.66%	-22.37%
Tamil Nadu	6,898	5,980	7,415	15.35%	-6.97%
Telangana	6,870	6,672	8,441	2.97%	-18.61%
Uttar Pradesh	6,000	5,836	-	2.81%	-
<b>Average</b>	<b>6,905</b>	<b>6,772</b>	<b>8,454</b>	<b>1.95%</b>	<b>-18.33%</b>

Source: Directorate of Marketing and Inspection, Ministry of Agriculture and Farmers Welfare, Government of India

Note: \*\*Prices reported for the period from November 01-13, 2023 (India rupees/100 kilograms).

**Table 3: State Seed Cotton Arrivals in Market Yards, November 2023\*\* (metric tons)**

State	Market Arrivals November 2023	Market Arrivals November 2022	Change (Over Previous Year)
Andhra Pradesh	30,378	4,304	605.78%
Gujarat	55,645	44,601	24.76%
Haryana	19,900	3,671	442.03%
Karnataka	2,836	9,224	-69.25%
Madhya Pradesh	30,506	36,029	-15.33%
Maharashtra	8,194	2,825	190.01%
Odisha	183	485	-62.29%
Punjab	33,330	50,313	-33.76%
Rajasthan	278	85	227.25%
Tamil Nadu	14,712	33,969	-56.69%
Telangana	200	-	-
<b>TOTAL</b>	<b>196,160</b>	<b>185,507</b>	<b>5.74%</b>

Source: Directorate of Marketing and Inspection, Ministry of Agriculture and Farmers Welfare, Government of India

Note: \*\*Arrivals reported for the period from November 01-13, 2023

**Table 4a: Cotton Exports by Month**  
(Figures in 480 lb. Bales)

Month/Year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Aug	67,667	149,979	60,929	265,264	269,321	19,434	85,660
Sep	61,279	75,251	58,557	350,289	215,376	20,544	77,162*
Oct	55,260	178,496	89,804	413,196	196,472	18,101	
Nov	441,035	510,352	267,334	611,030	501,255	29,873	
Dec	806,272	703,660	472,078	555,687	745,925	60,393	
Jan	729,338	538,640	739,317	604,217	578,925	132,599	
Feb	648,821	427,040	442,685	640,625	427,104	185,129	
Mar	692,948	549,149	281,914	838,634	299,994	166,720	
Apr	642,815	166,511	26,385	616,890	240,593	134,197	
May	444,963	107,904	123,374	536,086	133,120	133,652	
Jun	390,080	48,898	298,085	443,132	86,938	115,185	
Jul	219,316	65,238	341,103	313,649	48,407	83,444	
<b>TOTAL</b>	<b>5,199,793</b>	<b>3,521,118</b>	<b>3,201,563</b>	<b>6,188,700</b>	<b>3,743,431</b>	<b>1,099,270</b>	

\*FAS analysis

Source: Directorate General of Foreign Trade, Ministry of Commerce, and Industry

**Table 4b: Cotton Imports by Month**  
(Figures in 480 lb. Bales)

Month/Year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Aug	342,309	119,657	761,216	47,381	61,194	371,669	131,826
Sep	325,246	104,792	424,648	69,024	72,436	412,072	67,057*
Oct	66,841	68,161	281,301	48,466	63,301	228,399	



Nov	36,511	44,533	173,402	33,148	37,825	60,301	
Dec	46,696	46,319	97,353	59,683	65,766	17,958	
Jan	56,363	67,528	77,553	105,435	42,430	31,434	
Feb	77,416	66,583	75,050	64,011	48,924	39,651	
Mar	92,276	118,008	87,491	73,875	67,131	70,548	
Apr	165,789	138,472	67,712	59,672	53,885	73,947	
May	154,902	192,607	89,580	87,479	106,369	98,680	
Jun	169,524	318,896	83,758	105,806	145,519	158,453	
Jul	142,770	514,499	60,886	89,737	235,487	163,995	
<b>TOTAL</b>	<b>1,676,643</b>	<b>1,800,056</b>	<b>2,279,949</b>	<b>843,717</b>	<b>1,000,266</b>	<b>1,727,105</b>	

\*FAS analysis

Source: Directorate General of Foreign Trade, Ministry of Commerce, and Industry

**Table 5: Cotton Yarn\* Exports by Month**  
(Figures in thousand Metric Tons)

Month/Year	2017-18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Aug	79	108	67	92	116	33	116
Sep	99	98	66	93	117	26	109**
Oct	98	97	78	86	117	28	
Nov	111	95	89	87	111	47	
Dec	116	92	91	91	123	47	
Jan	87	91	102	82	111	64	
Feb	95	100	91	82	91	78	
Mar	118	117	73	98	95	91	
Apr	106	89	18	89	73	77	
May	109	76	58	101	47	80	
Jun	117	58	96	119	38	93	
Jul	101	59	101	115	35	104	
<b>TOTAL</b>	<b>1,236</b>	<b>1,080</b>	<b>929</b>	<b>1,135</b>	<b>1,076</b>	<b>768</b>	

\*HS code: 5204, 5205 and 5207

\*\* Provisional estimate, Directorate General of Commercial Intelligence and Statistics, Ministry of Commerce, and Industry

Source: Directorate General of Foreign Trade, Ministry of Commerce

**Table 6: Cotton Fabric\* Exports by Month**  
(Figures in thousand square meters)

Month/Year	2017-18	2018-19	2019/20	2020/21	2021/22	2022/23	2023/24
Aug	107,497	147,673	150,882	147,156	185,041	157,251	188,954
Sep	123,688	126,498	139,365	155,853	167,888	151,308	
Oct	109,769	142,260	146,139	160,755	199,174	143,259	
Nov	118,256	119,215	126,143	144,515	158,629	120,659	
Dec	132,635	132,049	142,892	163,571	194,641	154,884	
Jan	125,493	136,899	140,226	152,862	178,802	159,513	
Feb	113,399	135,495	148,992	146,373	188,930	156,110	

Mar	133,927	162,676	121,661	155,698	177,113	167,278	
Apr	114,876	126,031	21,311	167,624	159,373	156,637	
May	119,821	141,129	69,666	139,329	155,910	154,281	
Jun	122,381	131,507	127,850	151,776	138,906	165,526	
Jul	113,614	140,699	154,192	176,276	134,517	168,509	
<b>TOTAL</b>	<b>1,435,355</b>	<b>1,642,132</b>	<b>1,489,320</b>	<b>1,861,788</b>	<b>2,038,925</b>	<b>1,855,217</b>	

\***HS code:** 5208 and 5209

Source: Directorate General of Foreign Trade, Ministry of Commerce, and Industry

**Attachments:**

No Attachments