

Cotton price likely to remain around MSP in current year

In the current year of 2024-25, the monsoon arrived timely throughout Bharat and received good precipitation, with almost normal distribution, barring some incidence of flood damage. Gujarat received high rainfall throughout kharif season and cotton sowing was completed in third week of July, 2024, occupied about 24 lakh ha acreage, *i.e.* 3 lakh ha less than the last year. In current year the cotton production in Gujarat is estimated 88.32 lakh bales (First Advanced Estimate, dt. 23-09-2024), as against 92.48 lakh bales in 2023-24. The crop condition is good, will result in normal to good yields than estimated.

In current year at country level, the cotton acreage is estimated less about 113.60 lakh ha as against 126.88 lakh ha in last year and the production is also estimated low about 299.26 lakh bales (1st AE, dt. 5-11-2024) as against 325.22 lakh bales in last year, due to decline in acreage and flood damage in major cotton producing states. This indicates that, the current year's cotton production will be slight less than our domestic consumption requirement of around 325 lakh bales.

As per USDA report at Global level, the cotton acreage has been reported about 311.6 lakh ha as against 313.5 lakh ha in last year. The decline in area is only from Bharat. The Global cotton production is projected at 1494 lakh bales in 2024-25, *i.e.* about 38 lakh bales higher than the last year (1456 lakh bales) and the consumption is expected slight more about 1482 lakh bales; slight more than last year, expected to hold up the price at world market in current year. In 2023-24, Bharat's cotton (lint) export increased to 33.71 lakh bales over 18.73 lakh bales in previous year. Whereas, cotton import in Bharat was decreased to 14.83 lakh bales in 2023-24 as against 26.56 lakh bales in 2022-23. Besides, in current year from April to August, 2024 only 11 lakh bales of cotton was exported and 9 lakh bales was imported. The last year's ending stock might be about 40 lakh bales in Bharat and 963 lakh bales at global level.

In last year, cotton export from Bharat was increased and import decreased, hence the cotton price, which was ruling around Rs. 1420 per 20 kg in October, 2023 remained at this level still February 2024 and further increased to Rs. 1520 in April, 2024 and then remained stable around this level. Currently, the cotton price is ruling around Rs. 1500 per 20 kg in various market of Gujarat is likely to remain stable at this level with slight ups and down during harvesting season. The Government of Bharat has fixed MSP of *Kapas* at Rs. 1504.20 per 20 kg (Rs. 7521 per quintal) for the current year 2024-25 as against Rs. 1404 in last year.

Considering these all, the research team of Department of Agricultural Economics, JAU, Junagadh analysed the historical monthly price data of cotton from Gondal and Rajkot APMCs. The analysis and other factors revealed that, **the price of *kapas* during November, 2024 to January, 2025 (at harvest) may remain in the range of Rs. 1460 to 1600 per 20 kg (7300 - 8000 Rs/qtl).** Hence, farmers are suggested to take note of the above situation and take their own decision to sell *kapas* upon harvest, without going for storage.

This year cotton production will be low in Bharat, but higher at world level and particularly in America. Which will suppress price at international level, cause low export from Bharat. Hence, there are less chances, that cotton price will go up in near future.