

Indian cotton arrivals to rise on improving weather

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by Dr. Seshadri Ramkumar

TEXAS, USA (Commodity Online): The recent unseasonal rains in the cotton growing regions in India, in the states of Gujarat, Maharashtra, Madhya Pradesh and Andhra Pradesh have created some uncertainty on the arrivals and crop situation in India.

For the past few days, the weather has been under control and is hoped to return back to normalcy soon. With the weather improving, farmers in cotton growing villages will be able to bring the crop to market yards thus stabilizing the situation said, Mr. Subash Grover, Chairman and Managing Director of The Cotton Corporation of India (CCI), a Government of India undertaking with 300 cotton procurement centers throughout India.

In a telephone conversation from Mumbai, India on November 24th (7.30 AM US CST), Mr. Grover commented that the November arrivals will be higher than what it was during last November. Furthermore, he commented that this season's December arrival will be 10% higher than the 2009 December arrivals. He said on a conservative estimate the arrivals during this November-December period will be 5-7% higher than what it was during this time last season.

Mr. Dhiren Sheth, President of the Cotton Association of India via telephone conversation on Wednesday, November 24th confirmed that the cotton arrivals will be higher during this period and even up to 10% higher than what it was around this time last year. In a separate conversation, a cotton purchasing executive of a multinational company headquartered in India who wanted to remain anonymous stated that the rains since Diwali, the festival of lights holiday, some cotton growing states have been affected by the unseasonal rains and farmers are facing logistic problems in bringing cotton to market yards.

The rains have slowed the ginning but the situation is hoped to return to normalcy soon. According to this textile mill executive, this temporary halt has shot up the Indian cotton price contrary to the international price which has come down significantly from the November 9th price of \$1.51 per pound.

Commenting on the price, the executive hinted that the price of Sankar-6, the benchmark cotton has come down from Rs 47,000 per candy (356 kilograms) to Rs 42,000. But due to the temporary halt in the arrivals, the price has slightly gone up to Rs 44,000 per candy as of November 24th. Mr. Subash Grover of CCI hinted that with the better control on cotton arrivals now, the price of Sankar-6 may come down to Rs 40,000 per candy within 10 days.

He also commented that with crop arrivals stabilizing, India should be able to export the allowable limit of 5.5 million bales (170 kg each). According to Mr. Grover, India's cotton crop is estimated at 32.5 million bales (170 kg each) as estimated by the Cotton Advisory Board. The Cotton Association of India has estimated the crop to be 35.7 million bales (170 kg each). (The writer is an Associate Professor of Non-Wovens at Texas Tech University)



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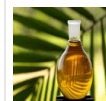
In abohar area of Punjab, the arrival of raw cotton till Nov15,2010 is abt 80000 B/S which is more than about 10000 B/S as compared to last year.If the arrival improve than the price of cotton goes down [Reply](#)

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