

Cotton acreage estimate down by 15% as farmers shift to lucrative soyabean

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The area under cotton acreage is likely to decrease by around 15% with farmers shifting towards soyabean in the hope of better returns and after the Pink Bollworm infestation in Maharashtra and Telangana that damaged the crop reducing farmer incomes. The drop in cotton planting is likely to see a rise in soybean planting after farmers received good rates during the ongoing season and a rise in import duties, Cotton Association of India (CAI) president Atul Ganatra said on Monday.

“The Kapas sowing is expected to reduce by 10-12% in Maharashtra and Telangana due to the Pink Bollworm attack. The area under cotton could fall to 108 lakh hectares in the 2018/19 marketing season that starts at the beginning of October, down from 122.6 lakh hectares in the current year, he estimated.

On the other hand, soyabean prices have jumped by about Rs 1,000 per quintal in the last few months from Rs 28,000 per quintal to Rs 3,800 per quintal. Ganatra was speaking at the Cotton Meet on ‘Challenges Facing Cotton Trade’ on Monday.



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Textile Commissioner Kavita Gupta said that the shift in area under cotton may not be significant. “There may not be much decline in total production as area under cotton in other states may compensate for any decline in area in pink boll worm affected states,” she said. The Commissioner suggested that Indian textile industry should strive to become world class on the lines of Egypt.

Pasha Patel, chairman, State Agriculture Price Commission (SAPC) pointed out that if soybean prices rose, farmers would shift to soybean and there would be no takers for cotton. Earlier, he had stated that last year the area under soybean in Maharashtra was 39 lakh hectares and area under cotton was 26 lakh hectares.

“There was no MSP for cotton. This season, the area under cotton in Maharashtra has gone up to 42 lakh hectares while area under soybean has dropped to 36 lakh hectares. This season, farmers are seeing cotton planting as a risk. On the other hand, soybean is a sturdy crop and even if the planting doubles, the crushing capacity is available in the country,” he pointed out. India imports 70% of its vegetable oil needs and produces only 30% which means there is huge scope for growth, he said. Soyabean prices are likely to remain supported in the short term as production of Argentina has declined from 550 lakh tonnes to 400 lakh tonnes.

Meanwhile, Ganatra said that the country has signed contracts to export 200,000 bales of cotton to China after Beijing last week sought to impose tariffs on cotton supplies from the United States. India is expected to export 70 lakh bales (each of 170 kg) of the fibre in 2017/18 against 58 lakh bales shipped in the 2016/17 season, he said.

Source: <http://www.financialexpress.com/industry/cotton-acreage-estimate-down-by-15-as-farmers-shift-to-lucrative-soyabean/1127494/>