

# Business Standard

## Cotton acreage to decline 10-12% this kharif season as farmers shy away

Farmers are shifting to other remunerative crops like soybean and paddy in major growing states

Dilip Kumar Jha | Mumbai June 05, 2018



Sowing area under cotton is likely to decline by 10-12 per cent this year as farmers shift to other remunerative crops such as soybean and paddy to fetch better prices for their produce.

The area under cotton is likely to decline to 10.7 million ha this year compared to 12.2 million ha last year as distressed farmers in Punjab, Maharashtra, Telangana and Andhra Pradesh have evinced weak interest in this cash crop.

Farmers' dissatisfaction can be attributed to two major factors. Firstly, cotton was heavily impacted by pink bollworm last year which farmers fear spoil the crop this year as well. Secondly, prices remained subdued throughout last year, prompting farmers to look for the alternative crop.

“We estimate at least 10-12 per cent decline in the cotton acreage this year,” said Atul Ganatra, President, Cotton Association of India (CIA), the representative body of cotton traders in India.

Farmers are facing a spate of issues such as water shortage, unfavourable weather and the persistent menace of pink bollworm which could dent cotton sowing this kharif season by about 10 per cent as against the previous year. Farmers may shift from cotton to groundnut in Gujarat, paddy in Haryana and soybean in Maharashtra and the Telangana belt as cotton is still not remunerative compared to other options. Similarly, soybean, pulses and sugarcane area could surpass cotton in acreage as prices were firm and pest infestation in those crops are less.

“Cotton prices on the Multi Commodity Exchange of India (MCX) are trading at Rs 21,700 for bales of 170 kg each, up 3.23 per cent year-on-year, well ahead of the kharif season this year. Price outlook remain firm for this year and we can see prices jump 8-10 per cent, as support can be seen on the expectation of lower cotton acreage in India,” said Ajay Kedia, Managing Director, Kedia Commodity.

Meanwhile, gains in cotton prices may be capped even as good quality seeds and an improved yield are not making much impact on crop output.

The decline in acreage may lower cotton output proportionately. India’s cotton output was estimated at 37.7 million bales in the first advanced estimate by the Cotton Advisory Board (CAB) under the Ministry of Textiles. With monsoons forecast to be normal this year, Kharif output is expected to be bumper this season.

**Source:** [https://www.business-standard.com/article/markets/cotton-acreage-to-decline-10-12-this-kharif-season-as-farmers-shy-away-118060100565\\_1.html](https://www.business-standard.com/article/markets/cotton-acreage-to-decline-10-12-this-kharif-season-as-farmers-shy-away-118060100565_1.html)