

## CAI retains its cotton crop estimates at 315 lakh bales for 2018-19

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### So far over 9 lakh bales of import shipments have arrived in India



Cotton Association of India (CAI) on Monday released its latest cotton crop estimate for the month of May retaining the crop size at 315 lakh bales (each of 170 kg), lowest in over a decade and significantly down from the previous year's output estimate of 365 lakh bales.

The total cotton supply estimated by the CAI during the period from October 2018 to May 2019 is 325 lakh bales including the arrival of 288 lakh bales and imports of 9 lakh bales upto May 31, 2019. The opening stock at the beginning of the season as on October 1, 2018 was estimated at 28 lakh bales.

Considering the crop size of 315 lakh bales there is likely be a sharp demand-supply gap for the millers. As a result, India's cotton imports are likely to more than double to about 31 lakh bales for the season, up from about 15 lakh bales in the last season.

The domestic consumption for the entire crop year upto September 30, 2019 is estimated at 315 lakh bales, and CAI estimates cotton exports to be around 46 lakh bales, down by about 23 lakh bales as compared to previous year's estimate of 69 lakh bales.

Total supply including carry-over stock, imports and total crop during the season is estimated at 374 lakh bales, against which total consumption by mills and exporters is estimated at 361 lakh bales leaving the likely carry over stock for the season at 13 lakh bales.

The reduction in the output is attributed to the extreme water shortage conditions in the growing regions Central and South India. The output in Central Zone comprising Gujarat, Maharashtra and Madhya Pradesh is estimated to drop from 209.5 lakh bales last year to about 180 lakh bales in 2018-19.

Cotton crop in South Zone including Telangana, Andhra Pradesh, Karnataka and Tamil Nadu is also likely to drop from 94.5 lakh bales last year to about 72 lakh bales in 2018-19.

However, North Zone which comprises of Punjab, Haryana and Rajasthan is estimated to have higher crop at 59 lakh bales, up from 56 lakh bales estimated last year.

The CAI's Crop Committee met on May 30, 2019 to assess the crop size. It noted that the consumption by Indian spinning mills for 8 months starting from October 1, 2018 to May 31, 2019 is estimated at 209 lakh bales.

Cotton stock held by mills in their godowns as on May 31, 2019 is estimated at 32.68 lakh bales. "This means the mills are having about 38 to 40 days stock inside mill godowns. CCI, MNCs, Ginnerys and MCX are estimated to have stock of 39.32 lakh bales as on May 31, 2019 which is about 42 lakh running bales," said Atul Ganatra, President, CAI after the Crop Committee meet.

**Source:** <https://www.thehindubusinessline.com/economy/agri-business/cai-retains-cotton-crop-size-at-315-lakh-bales-for-2018-19/article27412330.ece>