

# Cotton prices begin to ease on new arrivals

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Cotton prices have started easing with the new crop arrivals across key producing States, after having ruled at record highs in May. Trade sources estimate the daily market arrivals in the range of 25,000-30,000 bales (170 kg) and prices are seen softening ahead of peak arrivals in mid-October.

Lack of demand with millers preferring to wait for the prices to drop further amidst a decline in global prices is influencing cotton prices in the country.

At agricultural produce marketing committee (APMC) yards in States such



**BIG PLANS.** Farmers have expanded the cotton area by 9%

as Haryana, Rajasthan, Punjab and Gujarat the modal price (the rate at which most trades occur) is above ₹8,000 a quintal.

## **SLACK DEMAND**

However, in some markets such as Halvad in Gujarat, the modal price has slipped

to around ₹7,300 levels.

“While it is difficult to predict prices, the expectation is that there are more chances of the market coming down as arrivals peak during mid-October,” he said.

Anand Popat, a Rajkot-based trader in cotton, yarn

and cotton waste, said spinning mills are in no mood to buy cotton, while some mills have shut down due to raw material shortage.

A textile industry official said prices of kapas (raw cotton) may not drop below ₹8,000 given the tight supply situation. Besides, carryover stocks are low. Due to the low carryover stocks, the Tamilnadu Spinning Association (TASMA) has urged the Centre to ask the Cotton Corporation of India (CCI) to procure cotton. Multinationals have lowered the forward quotes for delivery from November onwards, quoting ₹61,500-63,300.

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With inputs from Subramani Ra Mancombu, Chennai