

# New cotton prices rule above MSP

**GATHERING PACE.** Arrivals begin in north and south; trade says demand picking up slowly

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The new cotton crop has started arriving in parts of North and South India with its prices hovering above the minimum support price (MSP) levels.

"This year the arrivals are a bit early and the daily arrivals are around 3,000 bales. The demand will pick up slowly and the market expects good arrivals post September 15," said Ashwani Jhamb, Vice-President of the Bhatinda-based Indian Cotton Association Ltd.

"The crop is better than last year and the quality is good, though there have been instances of pink bollworm attacks in Punjab," Jhamb said, adding that the raw cotton (*kapas* or unprocessed cotton) prices

are hovering above ₹7,000 a quintal across North India.

## RAJASTHAN CROP

The MSP has been fixed at ₹6,620 per quintal for the medium staple cotton and ₹7,020 for the long-staple cotton.

Jhamb said the crop in Rajasthan requires rain at this point in time, while a clearer picture would emerge after September 15.

The cotton growing regions in Telangana, Karnataka and Maharashtra have received rains over the past couple of days, after a dry-August.

"The market has firmed up following the trend in ICE last week and delayed rains. Prices have gone up from ₹60,000 to ₹62,500 per candy (356 kg).

"Only mills that have lesser inventories are buying. Availability is not at all



**DRY SPELL ENDS.** The cotton-growing regions in Telangana, Karnataka and Maharashtra have received rains over the past couple of days

an issue and mills cannot afford to pay higher prices due to lower demand and movement in yarn in domestic and export markets." said Ramanuj Das Boob, Vice-President of the National Cotton Brokers

Association and a sourcing agent for multinationals in Raichur.

In parts of Telangana, Andhra Pradesh, and Karnataka, raw cotton arrivals have started in Kurnool, Nandyal, Yemmiga-

nur, Adoni and Raichur, where farmers who have grown the fibre crop using borewell water have started bringing their produce to the markets, Das Boob said.

Prices in Southern markets are ruling between ₹7,400 and ₹7,800 per quintal, lower than the corresponding ₹10,000 a year ago.

"Last year, the crop was less and prices touched a record high and that was the reason arrivals were slower as farmers held back anticipating higher prices," Das Boob said.

The area under cotton has declined this year due to erratic monsoon. Per the latest data from the Agriculture Ministry, the acreage stood at 122.99 lakh hectares (lh) as on September 1 compared with 125.63 lh a year ago.