

Cotton imports may touch 35 lakh bales this season

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India's cotton imports may rise during the 2024-25 crop year (October 2024-September 2025) on lower carry-forward stocks and the likely impact on the output due to a drop in its acreage. Also, a section of the trade, taking advantage of lower global prices in the recent past, has contracted imports for November-March delivery, sources said.

"The expectation is that imports may touch 35 lakh bales this year," said Atul Ganatra, President, Cotton Association of India, the apex trade body for the sector. As per the CAI data, imports till August-end in the 2023-24 season were 16.40 lakh bales of 170 kg each.

Imports are higher because of anticipated lower crop as the sowing is down by 12-13 lakh hectares. Mainly,



LOW ON STOCK. Fall in acreage, lower carry-forward stocks may spur imports

there's no carry-forward stock of 2023-24, Ganatra said. "We are having carry-forward stock of 30 lakh bales of kapas (unprocessed cotton) with farmers of 2022-23."

LANDED COST

As per the CAI cotton balance sheet as of end August, the closing stocks as of September 30, 2024, are estimated at 23.32 lakh bales against 28.90 lakh bales in the previous year.

Ganatra said the trade has already contracted ship-

ments of 7-10 lakh bales for the November-March shipment period. With a customs duty of 11 per cent, the landed cost of Brazilian cotton of 28 mm for delivery on Indian ports in December works out to ₹64,880 as of October 1. Similarly, the landed cost for Australian cotton of 29 mm with 11 per cent customs duty works out to ₹69,120, while the West African cotton of 28.7 mm, which attracts a duty of 5.5 per cent works out to ₹63,480 for March 2025 shipment and delivery in April-

May, he said. Spot rates, as per CAI data, for 28 mm cotton per candy (356 kg) on October 4 was down by ₹400 at ₹56,700, while the 29 mm is also down at ₹58,000.

Arrivals on October 3 stood at 37,500 bales across the country, as per CAI data, up from the previous day's 14,800 bales. The cumulative arrivals from October 1 stood at 80,300 bales.

Ganatra said it is too early to predict the 2024-25 crop size as of now. Ramanuj Das Boob, vice president of All India Cotton Brokers Association, said till now around 10 lakh bales have been contracted when the futures on ICE was around 66-67 cents per pound. Now the ICE futures are now hovering around 72/73 cents per pound. "Further imports will depend on how the Indian cotton prices react once the arrivals pick up. Already with the initial arrivals, the market has started coming down," he said.