

# CCI begins buying cotton from Telangana farmers at MSP

**TIMELY START.** Procurement in other States soon; may buy higher quantities this season

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The Cotton Corporation of India (CCI) has begun procurement of the fibre crop at minimum support price (MSP) in Telangana last week.

Lalit Kumar Gupta, Chairman-cum-Managing Director, CCI said, so far, about 600 bales of cotton had been purchased in Telangana at MSP. "We expect huge arrivals post-Diwali and may have to step in across all major cotton-producing States," Gupta said, adding that CCI is geared up for the procurement.

Presently, cotton prices are hovering marginally above MSP levels across States and are likely to come under pressure when the arrivals peak in the days ahead. The prevailing firm trend in cottonseed prices, witnessed on account of the recent increase in import duty on edible oils, is holding the cot-



**GLOOMY OUTLOOK.** Cotton prices are likely to come under pressure when the arrivals peak in the days ahead

ton prices a tad over the MSP levels.

The Centre declared MSP of ₹7,121 per quintal for the medium staple and ₹7,521 per quintal for the longer variety for the 2024-25 cropping season, an increase of around 7 per cent over the previous year.

Gupta said CCI's cotton procurement for the 2024-25 marketing season may range between 50-70 lakh bales of 170 kg each, higher than the 33 lakh bales procured last

year. CCI is currently having a stock of 15 lakh bales from the previous season.

## QUALITY A CONCERN

With the recent spell of rain impacting cotton in certain States, the quality of the current market arrivals has been a concern for trade and the millers. "We see good demand for old cotton," Gupta added.

The daily market arrivals have crossed 1 lakh bales of 170 kg each across the coun-

try and cumulative arrivals till Friday stood at 12.73 lakh bales in the current season, as per the Cotton Association of India (CAI) data.

Recently, CAI projected a 7 per cent decline in output this year at 302.25 lakh bales of 170 kg each with dip in acreage and adverse weather impacting the crop in some areas. Production in the previous season stood at 325.29 lakh bales.

Cotton acreages during kharif 2024 are down by 14 lakh hectares at 112.90 lakh ha as a section of farmers in the key producing States of Gujarat, Maharashtra and Madhya Pradesh shifted to crops such as groundnut and pulses, among others.

The crop reduction is mainly witnessed in the North and Central Zones, where the output is supposed to decline by 9.62 lakh bales and 11.05 lakh bales respectively.

In the south zone, the crop size is seen lower by 1.85 lakh bales.