

CCI procures 94 l bales of cotton, prices below MSP

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The procurement of cotton by the government agency has touched 94 lakh bales till now, even as prices continue to rule below the Minimum Support Price (MSP) levels due to weak demand.

Lalit Kumar Gupta, managing director, Cotton Corporation of India (CCI) said the procurement at MSP has touched 94 lakh bales. "Procurement is still going on across all States. CCI field officials will be present in all the market yards till last arrivals," Gupta said. Further, Gupta said CCI has not yet decided on when to sell the 2024-25 season crop.

As per the data collated by trade body Cotton Association of India (CAI), the cumulative market arrivals for the 2024-25 crop season stood at over 216 lakh bales

of 170 kg each till March 1. CAI has recently lowered its crop estimate to 301.75 lakh bales of 170 kg each while first advance estimates has pegged the crop size at 299 lakh bales.

NO MOOD TO SELL

"Market arrivals of raw cotton have reduced as farmers, who are left with 10-15 per cent crop, are in no mood to sell and holding back their produce. Raw cotton prices are ruling between ₹6,500 and ₹7,000 per quintal, below the MSP level of ₹7,121 (medium staple). The market for raw cotton and pressed bales is not good due to the weak demand. However, the cottonseed market is better as there is some improvement of ₹200-300 prices per quintal to ₹3,300-3,400 levels," said Pradeep Jain, President, Khandesh Ginners Association.

Atul Ganatra, President,



Cotton Association of India (CAI), said daily arrivals have dropped below 90,000 bales, of which 40,000-50,000 bales is being purchased by CCI. "Ginners are hardly getting 40,000-45,000 bales, but mills need 1 lakh bales a day. So mills have started increasing their purchases slightly and want to build up inventory at these rates. However, mills are not buying at higher price and sticking to their own price" Ganatra said.

Further, Ganatra said the mills don't want to go long

on inventories for more than a month. "Every mill wants to buy for one month and run the mill. They are having the confidence as CCI is having over 90 lakh bales" he said.

PRESSED PRICES

While the perception is that the prices will stabilise once the arrivals slow down, but until and unless the ICE futures go up, Indian cotton prices will not go up, Ganatra said. The pressed cotton prices are hovering between ₹53,000-54,500 per candy depending on the quality, he said.

Ramanuj Das Boob, a sourcing agent in Raichur said the current cotton scenario presents a unique set of challenges and opportunities. With good crop yields despite a 7 per cent less area, the market with stagnant prices between ₹52,500-54,000 remains uncertain, Boob said.