

Lower prices may impact cotton planting next year

M.R. Subramani
Mumbai, Nov. 13

Cotton plantings in the country could be lower next year since the average price for the natural fibre is likely to rule lower this year.

"Globally, cotton production this year will be above consumption. The average price will be lower but it will be higher than historic lows," said Mr Terry P. Townsend, Executive Director of International Cotton Advisory Committee.

The ICAC has projected global cotton output for this season that began in August at 27 million tonnes (mt), while estimating consumption at 25 mt. India's share in production is seen at 6 mt (355 lakh bales of 170 kg each) and in consumption 4.5 mt (281 lakh bales)



More growers have responded to higher prices this year. A similar reaction next year will lead to drop in acreage. - Mr Terry P Townsend, Executive Director of International Cotton Advisory Committee

Cotton prices, which increased to a record \$2.19 a pound in March this year, have dropped to 55 per cent to \$0.9605, discouraging growers.

Higher prices last season en-

couraged growers in the country to increase area under cotton to 118 lakh hectares from around 111 lakh hectares last season and around 95 lakh hectares the previous season. In Brazil, the area under cotton has increased by over 60 per

cent this year.

"More growers have responded to higher prices this year. A similar reaction next year will lead to drop in acreage," said Mr Townsend, who is here to attend the Fifth World Cotton Research Conference.

"In India, production has peaked and we expect the area to decline. But consumption will go up and the gap between production and consumption will narrow," he said.

The ICAC is concerned over the declining share of cotton in global textiles trade. During 1960s, cotton made up two-thirds of the total textiles trade with silk, wool and polyester making up the rest. However, currently cotton enjoys only a one-third share, having given way to polyester.

"Polyester is being con-

sumed more that cotton now because it is cheaper than the natural fibre," he said.

Asked how the ICAC viewed the ban on Indian cotton exports, Mr Townsend said that his organisation was vehemently opposed to such intervention process.

"Subsidy for cotton in the US, some measures taken by China to curb trade and India's export ban are highly detrimental for growth in cotton," he said.

He also criticised "some elements in the industry" for running a campaign to ban cotton exports. "The industry has gained from various Government policies. But going on a campaign to ban exports is an effort to hide its inefficiency behind trade policies," Mr Townsend said.