

Slow China Imports Cut Cotton Prices

MADHVISALLY

CHANDIGARH

Cotton prices have dropped after China slowed imports from India, reducing gains for Indian farmers ahead of the next sowing season.

"If demand doesn't pick up in a fortnight, we might see increased availability at mandis before the arrival of monsoon crashing prices further," said an analyst. On Wednesday, prices of export-quality Shankar-6 variety closed at Rs 33,700-34,000 per candy (of 356 kg each) at the Rajkot mandi with daily availability of 30,000 to 40,000 bales. Buying by domestic mills has been dull till now. "Demand from China is very low this time. In the past fortnight, buying has been very less. Chinese mills are carrying a huge stock bought at a higher price from Brazil," said Bhadresh Trading Company MD Bhadresh Mehta, who is in China's cotton expo at Chengdu, Sichuan province. Till now, shipments of 11.5 million bales have taken place with exporters expecting another 1 to 1.5 million bales this season.

Traders and ginneries said that owing to a steep decline in international fibre prices, multinational merchants have started offloading the pressed cotton lots to local mills in Gujarat and Punjab. The June contract on the MCX was trading down 0.7% at Rs 17,150 per bale (of 170 kg) on Wednesday.

With over 120-lakh hectare of cotton crop, India is one of the largest cotton growing countries.