

Cotton output may fall short of estimates

Textile Bureau

New Delhi, May 25: Cotton arrivals in the domestic market fell marginally until May 20, led by an 18% drop in second-largest producer Maharashtra, raising fears that the country may reap a smaller-than-estimated harvest in the year through September.

Arrivals declined to 31.69 million bales, of 170 kg each, until May 20, since harvesting began around October, compared with 31.85 million bales a year before, according to official data.

In Maharashtra, worst affected by the problem of low yield, the arrivals slumped to 6.82 million bales from 8.30 million bales during the review period, while Gujarat witnessed a 3.6% decline to 9.78 million bales. In November, low yield and soaring costs had forced farmers in Maharashtra to demand a sharp hike in the support price of the fibre. Gujarat and Maharashtra are the country's top cotton producers. Arrivals in Andhra Pradesh, however, rose to 5.46 million bales from 5.23 million bales a year earlier.

The state-backed Cotton Advisory Board (CAB) has pegged production for 2011-12 at 34.7 million bales, while the farm ministry has forecast a crop size of 35.2 million bales. However, textile industry executives say with the harvesting nearing end, production is all set to



miss the estimate despite a 10% increase in areas under the fibre crop to 12.19 million hectares. Rough weather has hit yield in Maharashtra and planting in non-traditional areas has also affected the crop.

India, the world's second-largest cotton grower as well as supplier, produced 33.9 million bales of cotton in 2010-11, according to the CAB estimate.

Large plantation in many non-traditional areas and rough weather have hit cotton yield, farmers and trade executives said. Record cotton prices in 2010-11 due to a worldwide shortage encouraged many farmers even in non-traditional regions with little experience in the fibre farming to plant more of the crop for better returns this year. "Lack of good farm practices, little exposure in cotton farming and different soil have affected yield in non-traditional areas," a senior trade executive had said last month.

The CAB had forecast an average cotton yield level of 496 kg a hectare in 2011-12 in its last meeting in November, the same level as last year.