

Cotton sowing may fall 10%

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The area under cotton cultivation in the country is likely to fall 10 per cent this year, said a senior Cotton Corporation of India official. An inconsistent export policy, delay in announcing the minimum support price (MSP), dry and extreme hot weather conditions in the north and high labour costs are expected to result in farmers shifting to other crops.

However, there is some hope the government would increase the MSP and this year's high exports would fetch better prices in the ensuing season.

In 2011-12, sowing rose to 12.2 million hectares, from 11.1 million hectares in 2010-11, owing to positive sentiments in the commodity market.

Farmers in Punjab, Rajasthan and Haryana are shifting from cotton to commodities like paddy, guar and pulses. In these states, where the final stages of sowing are underway, a drop of about 20 per cent was



SHIFTING FOCUS Farmers in Punjab, Rajasthan and Haryana are shifting from cotton to crops like paddy, guar and pulses.

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recorded in cotton acreage. Farmers *Business Standard* spoke to in Maharashtra, Gujarat and Madhya Pradesh, said, a similar trend was expected.

Farmers in Maharashtra may devote a part of the cotton acreage

to sugarcane, as prices of this crop are stable and payments assured. In Gujarat, crops like pulses and groundnut may be more attractive for farmers, as there has been a substantial rise in the prices.

Another factor dissuading farmers from growing cotton is the rising cost of cotton plucking. "High-wage labour adds to costs, while for crops like sugarcane, millers bear the cost of crop harvest. So, some farmers are diversifying into sugarcane," said Murlidhar, a farmer from Marathwada in Maharashtra.

Currently, cotton prices stand at ₹32,500 to ₹33,000 per candy (356 kg) in the domestic market, down 10 per cent in a month. The industry had already indicated supply constraints in August-September. With cotton acreage falling, this season may add to the industry's misery.

India exported about 7.8 million bales (170 kg each) of cotton in 2010-11. According to sources in the ministry of commerce, exports this year had already crossed 12 million bales.