

COTTON KHARIF PRE-HARVESTING PRICE FORECASTS FOR 2016-17
COTTON PRICE PER QUINTAL WILL BE AROUND Rs. 4200-4600 AT THE TIME
OF HARVESTING (OCTOBER 2016 TO JANUARY 2017)

The Cotton Association of India (CAI) has estimated cotton crop for 2016-17 season, beginning October 1, at 336 lakh bales of 170 kg each. Cotton supply is projected to be 398 lakh bales while domestic consumption is forecast at 309 lakh bales, leaving an available surplus of 89 lakh bales. However, cotton output would be lower than last year's production of 337.75 lakh bales. In its state-wise estimate, CAI said cotton production in Gujarat would remain at 88 lakh bales in 2016-17. In Maharashtra, cotton output is forecast to improve from 78 lakh bales last season to 87 lakh bales.

Southern states of Telangana and Andhra Pradesh are expected to produce lesser crop in 2016-17, pegged at 48 lakh bales and 15.5 lakh bales, respectively. Among northern states, cotton production in Punjab is likely to rise by 0.5 lakh bales over last year to around 8 lakh bales in 2016-17. In Haryana, yield is expected to remain the same as last season at 17 lakh bales. Rajasthan is expected to produce 18 lakh bales, compared to last year's 16 lakh bales.

To know kharif pre harvest prices of cotton, econometric analysis of modal prices of cotton in Warangal market for a period of 14 years was undertaken by the Network Project on Market Intelligence (NPMI) in the Department of Agricultural Economics, College of Agriculture; Prof. Jayashankar Telangana State Agricultural University, Hyderabad. Cotton price per quintal will be around **Rs.4200 – 4600 /q**. Prices will remain stable at the time of harvest. There are only few chances for prices to increase in the next three months.

Caution: “These forecasts are based on past data & different models and that actual market price may not turn out to be the same as forecasted”