

## **KHARIF 2017-18 PRE-SOWING PRICE FORECAST OF COTTON**

### **Cotton Price per Quintal will be around Rs. 4500-4900 at the Time of Harvesting (November 2017 to February 2018)**

Cotton is one of the most important fiber and cash crop of India and plays a dominant role in the industrial and agricultural economy of the country. India is the largest cultivator and producer of cotton in the world and stands at second position in consumption and export of the same. China, India, USA, Pakistan, Brazil, Uzbekistan, Turkey, Australia, Turkmenistan and Mexico are major cotton producing countries in the world. In India Gujarat, Maharashtra, Telangana, Andhra Pradesh, Punjab, Haryana, Madhya Pradesh and Karnataka are the major cotton growing states.

According to the Cotton Advisory Board (CAB) estimates the area under cotton in the country has decreased to 105 lakh hectares in 2016-17 from 118.77 lakh hectares in 2015-16. However, it is estimated that there is increase in production from 338 lakh bales (each bale = 170 kg) in 2015-16 to 351 lakh bales in 2016-17 because of increase in productivity from 484 kg/ha to 568 kg/ha due to favorable monsoon and other agro-climatic conditions.

In Telangana Adilabad, Bainsa, Karimnagar, Peddapalli, Warangal and Mahabubnagar are the major cotton growing districts. According to the Cotton Advisory Board (CAB) estimates area under cotton was 12.50 lakh hectares during 2016-17 with production of 48 lakh bales (each bale = 170 kg) and productivity 653 kg/ha as compared to previous year's area of 17.78 lakh hectares with 59.50 lakh bales production and 569 kg/ha productivity.

The Agricultural Market Intelligence Centre established under a research project for development of price forecasting mechanism in the Department of Agricultural Economics, College of Agriculture, Professor Jayashankar Telangana State Agricultural University, Rajendranagar, Hyderabad with the financial support of Agricultural Marketing Department, Telangana State has assessed pre-sowing price of cotton for kharif 2017-18. Under expected normal rainfall and crop area coverage, it is predicted that the cotton price per quintal will be around **Rs.4500 - 4900** at the time of harvesting (Nov 2017 to Feb 2018). This price forecast is based on the monthly modal price of cotton obtained for 16 years from warangal regulated market using econometric models like ARIMA, SARIMA, ARCH, GARCH and ANN and also the market survey.

*Note: There may be any possible deviation of the actual prices from the predicted prices in light of tentative developments in the commodity markets such as change in international prices, export or import restrictions, etc. And these price forecasts are based on past market price data & different econometric models and that actual market price may not turn out to be the same as forecasted.*