

Monthly Cotton Review September, 2024.



MONTHLY COTTON REVIEW

September 2024

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Directorate of Marketing & Economic Research
Pakistan Central Cotton Committee
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MONTHLY COTISTICS (SEPTEMBER, 2024)

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DOMESTIC COTTON CROP SCENARIO

The latest report from the Pakistan Cotton Ginners Association, published on September 30, 2024, highlights a significant reduction in cotton arrivals compared to the previous year. Total bales fell from 5.025 million in 2023-24 to just 2.039 million in 2024-25. Punjab experienced a sharp drop, with arrivals decreasing from 2.069 million bales to 0.726 million bales. Sindh also recorded a substantial decline, as arrivals dropped from 2.955 million bales to 1.313 million bales. The detailed data is presented in the table below:

Table: 1 SEED COTTON ARRIVALS AS ON 30th SEPTEMBER, 2024

(Bales)

Heads	2024-2025 Season			2023-2024 Season		
	Punjab	Sindh	Total	Punjab	Sindh	Total
Arrivals	726,767	1,313,196	2,039,963	2,069,433	2,955,849	5,025,282
Sales to Exporters	400	0	400	131,726	116,300	248,026
Sales to Textile Mills	653,133	1,195,772	1,849,905	1,660,715	2,518,742	4,179,457
Total Bales Sold	653,533	1,195,772	1,849,305	1,792,441	2,635,042	4,427,483
Unsold Stock	32,256	17,868	50,124	134,696	66,295	200,991
Un-ginned Stock	40,978	99,556	140,534	142,296	254,512	396,808

Source: Pakistan Cotton Ginners Association

Table2: PROPOSED TARGET OF COTTON CROP DURING (2024-25 Season)

Province	Targets 2024-25		
	Area (Million Hectares)	Production (Million Bales)	Yield (Kg/ hectares)
Punjab	1.680	6.500	657.74
Sindh	0.630	3.900	1052.38
KPK	0.00030	0.00093	527.00
Balochistan	0.808	0.473	99.52
Total	3.118	10.874	592.81

Source: Federal Committee on Agriculture.

Table 3: SOWING POSITION OF COTTON CROP

(Million Hectares)

Province	Propose Target	Area Sown		%age against target	%age change over last year
		2024-25	2023-24		
Punjab	1.680	1.304	1.680	78%	-22%
Sindh	0.630	0.550	0.625	87%	-14%
KPK	0.00030	0.000045	0.000040	15%	13%
Balochistan	0.808	0.119	0.0768	15%	55%
Total	3.118	1.973	2.382	63%	-17%

Source: Provincial Crop Reporting Service.

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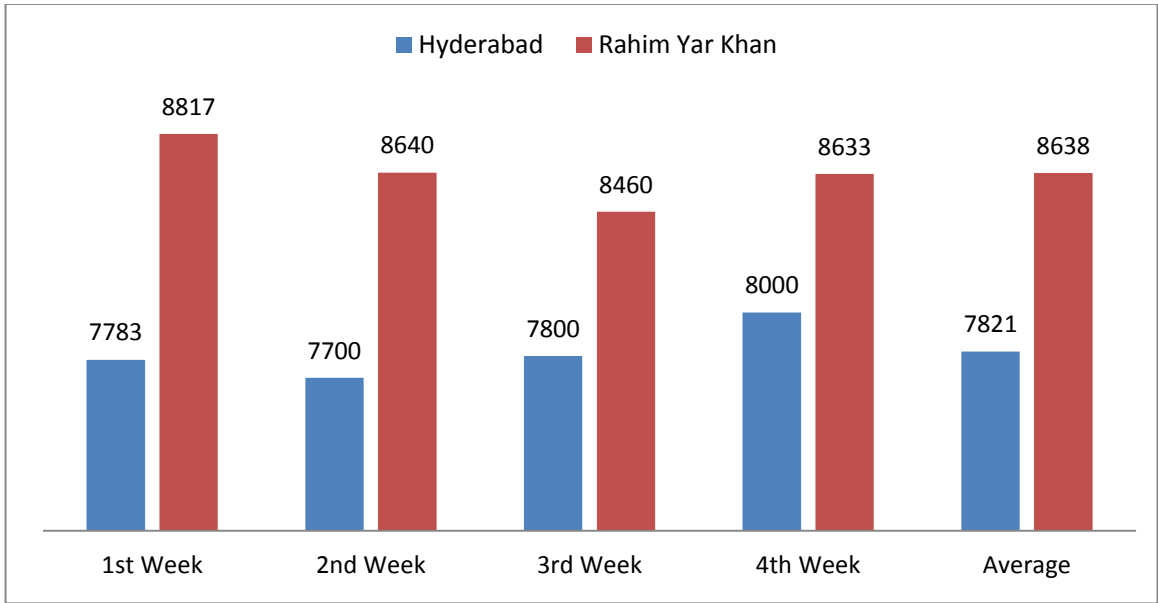
Table 4: SEED COTTON PRICES: MONTHLY AVERAGE (2024-2025 & 2023-24) (Rs. / 40 Kg)

Months	Hyderabad	M.P. Khas	Khair Pur	Sukkur	R.Y. Khan	BWP	Vehari	Mian Channu	D.G. Khan	Burewala
Aug 2024	7293	7271	-	-	8065	7792	8263	-	-	8229
Sep 2024	7821	7788	-	-	8638	8052	8469	-	-	8587
Avg 2024-25	7557	7530	-	-	8352	7922	8360	-	-	8408
Aug 2023	7897	7793	-	-	8466	8217	8601	8390	8303	8583
Sept 2023	8207	8182	-	-	9031	8816	8974	8628	8873	8962
Oct 2023	6429	6423	7135	7165	7907	7795	7831	7070	7707	7552
Nov 2023	6759	6659	7489	7539	8044	7748	7797	7380	7798	7828
Dec 2023	-	-	7070	7053	7942	7699	8021	-	7813	7852
Jan 2024	-	-	7508	7605	8941	8673	9365	-	-	-
Feb 2024	-	-	-	-	9539	9198	-	-	-	-
March 2024	-	-	-	-	9250	9662	-	-	-	-
Avg 2023-24	7323	7264	7301	7341	8640	8476	8432	7867	8099	8155

Source: Market Report.

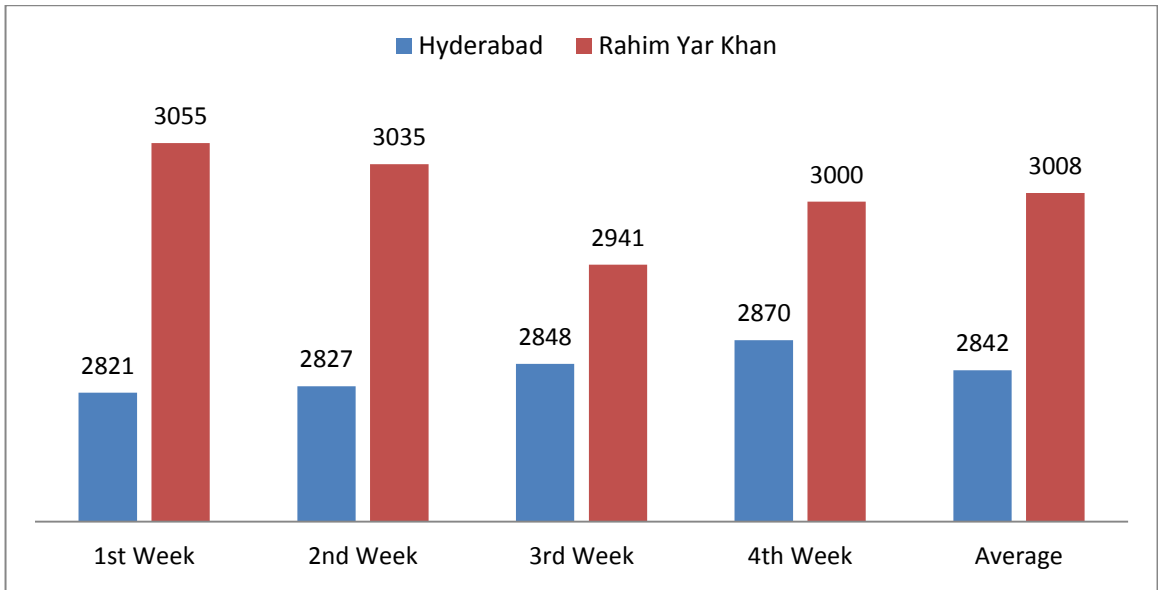
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Figure-I: SEED COTTON PRICES DURING SEPTEMBER, 2024 (Rs /40 kg)



Source: Market Report.

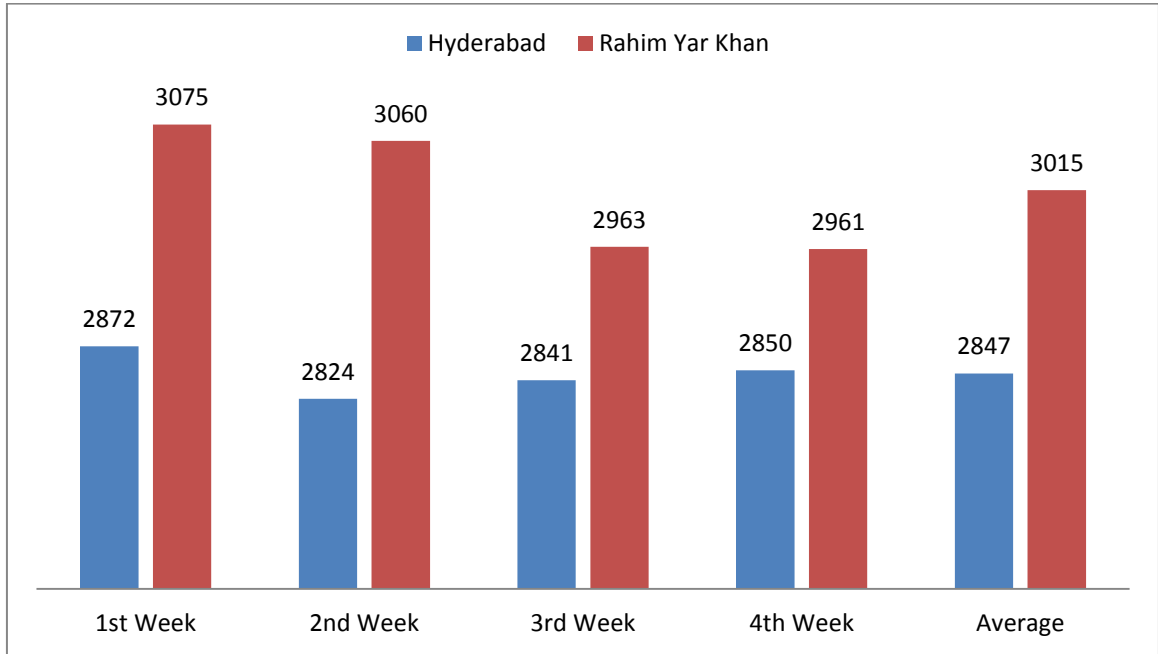
Figure-II: COTTON SEED PRICES DURING SEPTEMBER, 2024 (Rs / 40 kg)



Source: Market Report.

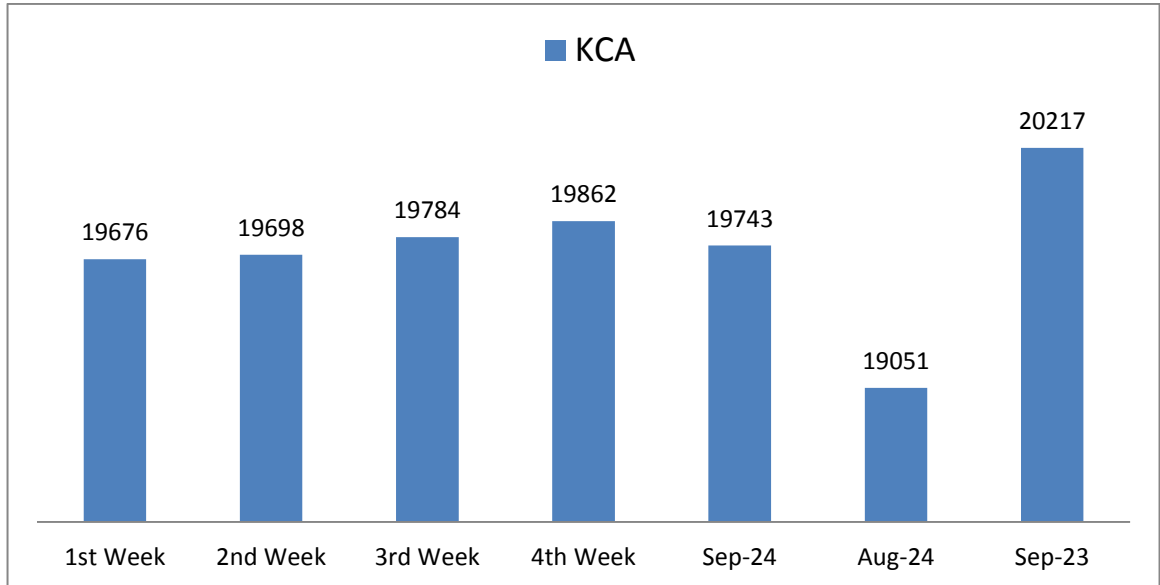
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Figure-III: COTTON SEED CAKE PRICES DURING SEPTEMBER, 2024 (Rs /40 kg)



Source: Market Report.

Figure-IV: KCA SPOT RATE (EX-GIN) DURING SEPTEMBER, 2024(Rs/40 Kg)



Source: The Karachi Cotton Association.

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The graph above shows an increase in the price of raw cotton, with prices rising to monthly average of 19743 rupees per 40 kg in September 2024. The average monthly price for September 2024 is higher than that of August 2024 but lower than September 2023.

Table 5: MONTHLY AVERAGE PRICES OF RAW COTTON DURING 2024-25, 2023-24, 2022-23 and 2021-22
(Rs. / 40 kg)

Month	2024-25	2023-24
	Ex-Gin Rate	Ex-Gin Rate
August	19051	19,579
September	19743	20,127
October		17,892
November		18,720
December		18,230
January		20,193
February		22,664
March		23,042
April		22,619
May		21,145
June		20,799
July		19,235
Average	19,397	20,354
Month	2022-23	2021-22
	Ex-Gin Rate	Ex-Gin Rate
August	20,875	14,547
September	23,374	14,383
October	19,095	15,611
November	17,966	17,799
December	17,745	18,219
January	20,714	20,161
February	22,474	21,443
March	20,840	21,434
April	21,037	22,015
May	21,434	22,673
June	20,912	22,038
July	18,414	17,794
Average	20,423	19,010

Source: Karachi Cotton Association.

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Table 6: COTTON PRODUCTION, IMPORTS, MILL CONSUMPTION & EXPORTS (Bale= 170kg)

Position	2021-22		2022-2023		2023-2024*	
	'000' Bales	'000' Metric Tons	'000' Bales	'000' Metric Tons	'000' Bales	'000' Metric Tons
Production	8328	1416	4912	835	10224	1738
Imports	4567	776	4024	684	1206	205
Mill Consumption	13000	2744	12576	2138	11559	1965
Exports	16	03	71	12	182	31

* Provisional

Source: i) Textile Commissioner Organizations (Mill Consumptions)
ii) Pakistan Bureau of Statistics (Imports & Exports).
iii) Provincial Crop Reporting Department and D.G Agriculture (Ext & Res)

DOMESTIC COTTON YARN PRICES:

In August 2024, cotton yarn prices remained stable, with Count 21's unchanged at 3538. The price for Count 30's experienced a slight uptick, reaching 3908 in August 2024, up from 3890 in July 2024 and 3877 in August 2023.

Table 7: DOMESTIC COTTON YARN PRICES DURING AUGUST, 2024 (Rs. per bundle of 4.54 kg)

Count/Week	W	E	E	K	July 2024	June 2024	July 2023
	1	11	111	1V			
10/1	3,150	3,150	3,150	3,150	3,150	3,150	3,325
16/1	3,290	3,290	3,290	3,290	3,290	3,281	3,448
21/1	3,538	3,538	3,538	3,538	3,538	3,538	3,625
22/1	3,625	3,625	3,625	3,625	3,625	3,625	3,638
26/1	3,950	3,950	3,950	3,950	3,950	3,800	3,808
28/1	3,800	3,800	3,800	3,800	3,800	3,800	3,725
30/1	3,908	3,908	3,908	3,908	3,908	3,890	3,877
32/1	3,900	3,900	3,900	3,900	3,900	3,900	3,838
40/1	4,350	4,350	4,350	4,350	4,350	4,350	4,325
52/1	4,900	4,900	4,900	4,900	4,900	4,900	4,725
60/1	5,100	5,100	5,100	5,100	5,100	5,100	4,850
70/1	5,400	5,400	5,400	5,400	5,400	5,400	5,050
20/2	3,840	3,840	3,840	3,840	3,840	3,840	3,905

Source: Pakistan Yarn Merchants Association, Karachi

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Export and Import of Textile Commodities:

In August 2024, textile exports rose compared to July 2024, with towels leading the growth, showing a significant increase of 43.71% in value and 44.55% in quantity. Cotton yarn followed a downward trend, with decreases of 1.58% and 2.87% in value. For detailed figures on specific textile commodities, refer to Table 8.

Table 8: EXPORTS OF TEXTILE COMMODITIES DURING AUGUST, 2024.

(Value= Rs. in Million)

Commodities	Unit	Aug 2024		July 2024		Aug 2023		%age change over July 2024		July-Aug 2024		July-Aug 2023		%age change over July-Aug 2023	
		Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val
Raw Cotton	M.T	0	0	0	0	1638	741	0	0	0	0	1932	896		-100
Cotton Yarn	M.T	19845	15275	20431	15520	38726	30793	-2.87	-1.58	40276	30795	73296	58059	-45	-46.96
Bed wear	M.T	4872	80901	35246	59661	42598	74081	38.24	35.60	83970	140562	76940	135034	9.14	4.09
Towels	M.T	21061	28041	14570	19513	18743	25567	44.55	43.71	35363	47554	33813	46014	5.38	3.35
Cotton Cloth	M.T	33665	50835	26424	39016	32116	47002	27.40	30.29	60089	89851	59718	8606	0.62	3.75
Art, Silk & Synthetic Textile	M.T	7385	9470	6179	7585	6963	8501	19.52	24.85	13564	17055	12886	15854	5.26	7.58
Knit wear	'000' Dozens	22252	128937	18303	99575	20587	117892	21.58	29.49	40555	228512	41032	220331	-1.16	3.71
Readymade garments	'000' Dozens	6657	101124	5737	82250	6169	83447	16.04	22.95	12394	183374	11404	160648	8.68	14.15

Source: Pakistan Bureau of Statistics

In August 2024, raw cotton imports surged by 50% in quantity and 41% in value. Synthetic fiber imports also saw an uptick, rising by 16% in quantity and 11% in value compared to the previous month. Furthermore, the import value of other textile items grew by 12%.

Table 9: IMPORTS OF TEXTILE COMMODITIES DURING AUGUST, 2024

(Value = Rs. in Millions)

Commodities	Unit	Aug 2024		July 2024		Aug 2023		%age change over July 2024		July-Aug 2024		July-Aug 2023		%age change over July-Aug 2023	
		Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val
Raw Cotton	M.T	26515	14725	17677	10407	21604	14440	49.99	41.49	44192	25132	41044	27670	7.67	-9.17
Synthetic Fiber	M.T	29767	12327	25669	11095	26105	14173	15.97	11.10	55436	23422	59918	30947	-7.48	-24.32
Synthetic & Artificial Silk Yarn	M.T	25229	12988	27395	13445	30869	15856	-7.91	-3.40	52624	26433	64267	32343	-18.12	-18.27
Worn Clothing	M.T	97448	12414	85626	10535	83067	10721	13.81	17.83	183074	22949	159471	20093	14.80	14.21
Other Textile Items	-	-	21983	-	19582	-	15302	-	12.26	-	41565	-	28205	-	47.37

Source: Pakistan Bureau of Statistics

ECONOMICS OF COTTON AND COMPETING CROPS

Cotton, a Kharif crop, competes with rice, sugarcane, and other crops for land, water, and farm resources in areas where all these crops can technically be cultivated. Cotton faces significant indirect competition from sugarcane, an annual crop that occupies the land year-round. The economics of cotton and its competing crops have been analyzed based on the input-output costs incurred and returns received by growers during the 2022-23 year. Summaries of various indicators for Punjab and Sindh are presented in the table below:

Table 10: ECONOMICS OF SEED COTTON AND COMPETING CROPS AT PRICES RELEASED BY THE GROWERS 2022-23 CROP

Sr.#	Province/ Crops/ Crop Combination	Output Input ratio	Gross Revenue Per		
			Rupee of Purchased inputs cost	Days of Crop Duration	Acre inch of irrigation water used
			Rupees		
1	2	3	4	5	
PUNJAB					
1.	Seed Cotton	1.66	4.22	775	7399
2.	Basmati Paddy	1.52	2.79	692	2148
3.	Non-Basmati Paddy	1.57	3.19	689	2000
4.	Cotton + Wheat	1.67	4.42	808	8555
5.	Cotton + Sunflower	1.60	4.03	778	6897
6.	Sugarcane	1.24	3.10	540	4433
SINDH					
1.	Seed Cotton	1.72	4.94	855	9974
2.	Non-Basmati Paddy	1.79	4.44	764	2454
3.	Cotton + Wheat	1.77	4.94	893	10714
4.	Cotton + Sunflower	1.64	4.39	732	7136
5.	Sugarcane	1.14	2.94	393	2701

Source: API's Cotton Policy Analysis Report 2022-23 Crop

1. WORLD COTTON SITUATION

The 2024-25 forecasts predict a 1.14% increase in the global cotton cultivation area, bringing it to an estimated 31.76 million hectares. This expanded cultivation is expected to raise production by 6.22%, with an estimated output of 25.62 million tons. Despite this production growth, global cotton consumption is forecasted to rise by 3.56%, reaching 25.57 million tons in 2024-25, up from 24.98 million tons in the previous season. Consequently, ending stocks are projected to decline by 1.19%, totaling 18.34 million tons in 2024-25, compared to 18.56 million tons in the prior year.

Table-14: WORLD COTTON BALANCE SHEET (Million Metric Tons)

Heads	2020-21	2021-22	2022-23	2023-24 Proj	2024-2025 Proj	% Change in 2024-25 over 2023-24
Beginning Stock	20.57	19.38	18.59	19.38	18.56	-4.23
Production	24.61	25.06	24.43	24.12	25.62	6.22
Consumption	25.71	25.84	23.74	24.98	25.87	3.56
Exports	10.76	9.70	8.35	9.87	10.07	2.03
Imports	10.66	9.61	8.23	9.82	10.07	2.54
Ending Stock	19.36	18.59	19.38	18.56	18.34	-1.19

Source: Cotton This Month 4th September, 2024.

2. REGIONAL COTTON SITUATION

1. CHINA

In 2024-25, China's cotton cultivation area has grown by 0.28% to 2.88 million hectares, compared to 2.87 million hectares in the previous year. As a result, cotton production is expected to decrease by 7.14%, dropping from 6.00 million tons to 5.60 million tons. Meanwhile, China's cotton consumption is projected to rise to 8.50 million tons. Imports are expected to decrease by 15%, reaching an estimated 2.55 million tons. The ending stock of cotton in China for 2024-25 is forecasted to be around 8.74 million tons.

Table-13: CHINA SUPPLY AND DEMAND POSITION (Million Metric Tons)

Heads	2020-21	2021-22	2022-23	2023-24 Proj	2024-25 Proj
Beginning Stock	9.02	9.37	8.60	8.44	8.71
Production	5.91	5.73	5.98	5.60	6.00
Consumption	8.40	8.31	7.50	8.30	8.50
Import	2.84	1.85	1.38	3.00	2.55
Ending Stock	9.37	8.60	8.44	8.71	8.74

Source: Cotton This Month 4th September, 2024.

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2. INDIA

In the 2024-25, India's cotton cultivation area is projected to decline by 4.78%, dropping from 12.47 million hectares in 2023-24 to 11.90 million hectares. As a result, cotton production is expected to fall by 5.31%, reaching 5.83 million tons. Meanwhile, mill consumption is forecasted to increase to 6.46 million tons. Indian cotton exports for the 2024-25 season are projected to decrease significantly by 53%, reaching just 0.30 million tons. Ending stocks for 2024-25 are estimated at 2.58 million tons.

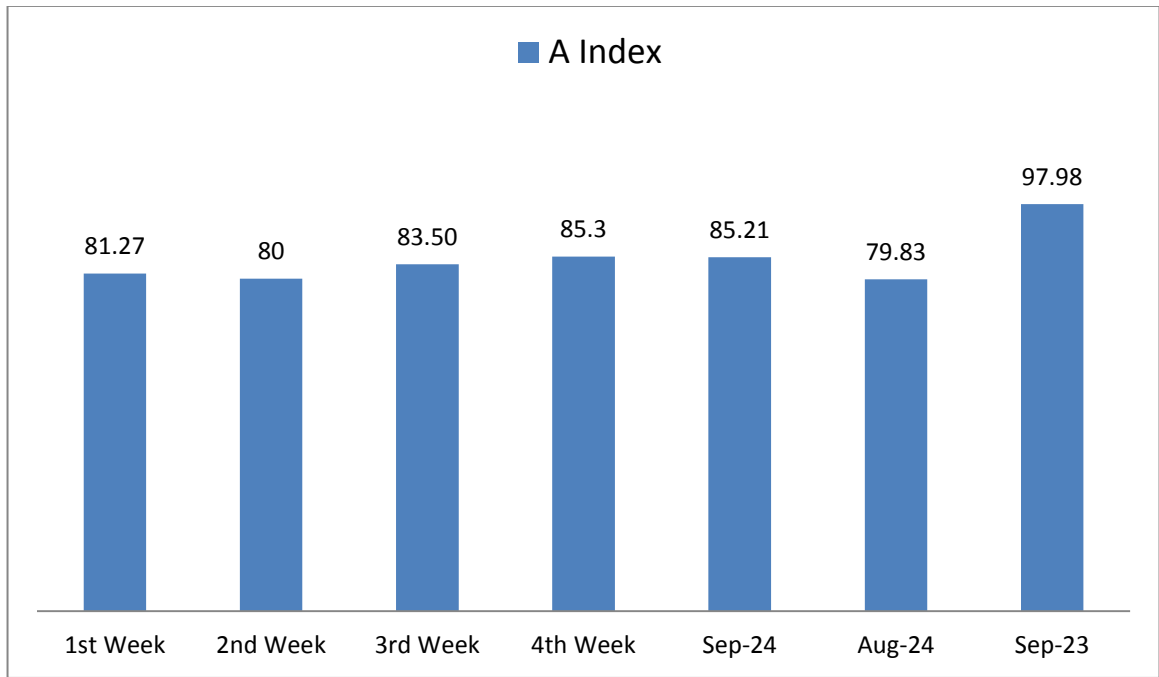
Table: COTTON PRODUCTION AND CONSUMPTION IN MAJOR COTTON GROWING COUNTRIES DURING LAST 5 YEARS (Million Metric Tons)

Countries	2019-20	2020-21	2021-22	2022-23	2023-24 Projected	2024-25 Projected
Production						
China	5.80	5.91	5.73	5.98	5.60	6.00
India	6.20	5.99	5.29	5.72	5.49	5.20
USA	4.34	3.18	3.82	3.15	2.63	3.29
Brazil	2.78	3.00	2.36	2.55	3.20	3.65
Pakistan	1.46	0.96	1.27	0.84	1.42	1.30
Uzbekistan	0.53	0.70	0.59	0.59	0.59	0.64
Others	4.93	4.87	6.01	5.60	5.19	5.54
World Total	23.05	25.71	25.84	23.64	24.98	25.87
Consumption						
China	7.23	8.40	8.31	7.50	8.30	8.50
India	4.45	5.70	5.30	5.20	5.39	5.60
Pakistan	2.34	2.15	2.45	1.90	2.30	2.10
Europe & Turkey	1.60	1.79	2.01	1.82	1.82	1.81
Bangladesh	1.50	1.64	1.73	1.60	1.60	1.85
Vietnam	1.45	1.52	1.46	1.30	1.42	1.50
Brazil	0.57	0.69	0.70	0.70	0.70	0.75
USA	0.47	0.52	0.56	0.45	0.40	0.41
Others	3.44	3.30	3.32	3.18	3.05	3.34
World Total	23.05	25.71	25.84	23.64	24.98	25.87

Source: Cotton This Month 4th September, 2024.

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Figure-V: COTLOOK 'A' INDEX DURING SEPTEMBER, 2024 (US Cents per Pound)



Source: CottonOutlook

'A' Index

The 'A' index prices followed an upward trend in September 2024, with a monthly average of 85.21 cents per pound, rising from 79.83 cents per pound in August 2024. In contrast, the 'A' index stood at 97.98 cents per pound in September 2023.

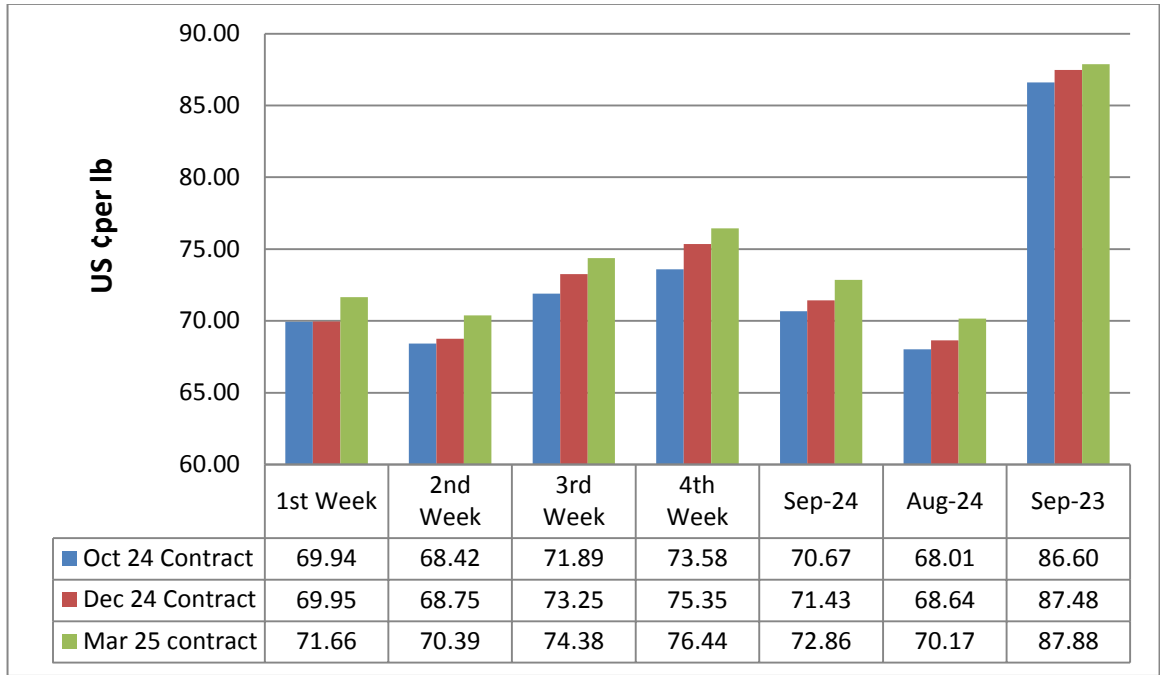
Table-16: MONTHLY AVERAGE PRICES OF "A" INDEX DURING 2022, 2023 & 2024. (US Cents per Pound)

Month/Year	2024	2023	2022
January	91.83	100.12	131.91
February	99.42	99.54	138.46
March	99.74	95.59	139.76
April	90.78	95.24	154.99
May	86.34	94.03	163.89
June	83.26	93.01	155.41
July	81.53	92.86	131.55
August	79.83	95.81	123.62
September	85.21	97.98	118.28
October		95.69	99.91
November		90.44	101.08
December		90.51	100.87
Average	--	95.51	129.20

Source: Cotton Outlook

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Figure-VI: NEW YORK COTTON FUTURES VALUES DURING SEPTEMBER, 2024. (US Cents per Pound)



Source: Cotton Outlook

The October 2024 contract saw a monthly average rise of 3.91%, settling at 70.67 cents. The December 2024 contract increased by 4.06%, reaching 71.43 cents, while the March 2025 contract posted a 3.83% gain, closing at 72.86 cents.

DESCRIPTION OF RATING OF DIFFERENT FIBER CHARACTERISTICS

i) Fiber Length Rating

Description	inches	mm
Short Staple	0.80 to 0.99	20.32 to 25.15
Medium Staple	1.00 to 1.10	25.40 to 27.94
Long Staple	1.11 to 1.26	28.19 to 32.00
Extra Long	Above 1.27	Above 32.00

II) Uniformity Ratio/ Uniformity Index.

Description		Rating
Uniformity Ratio %	Uniformity Index	
42.0 or Below	77 or below	Very Low
42.0 - 43.0	78 - 79	Low
44.0 - 45.0	80 - 82	Average
46.0 - 47.0	83 - 85	High
Above 47.0	Above 85	Very high

iii) Micronaire Value

Description	Rating
Below 3.0	Very fine
3.0 - 3.9	Fine
4.0 - 4.9	Average
5.0 - 5.9	Coarse
Above 6.0	Very coarse

iv) Maturity Ratio

Description	Rating
1.0 and above	Very mature
1.0 - 0.95	Above average
0.94 - 0.85	Mature
0.84 - 0.80	Below average
0.79 - 0.70	Immature

v) Flat Bundle Strength 000 lb PSI

Description	Rating
Less than 76	Very Weak
77 - 83	Weak
84 - 90	Average
91 - 97	Strong
Above 97	Very Strong

vi) Fiber Strength (G/Tex)

Description		Rating
ICC mode	HVI mode	
Less than 16	Less than 21	Very Low
17 - 19	22 - 24	Low
20 - 22	25 - 27	Average
23 - 25	28 - 30	High
Above 25	Above 30	Very High

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vii) Short Fiber Content

Description	Rating
Below 6	Very Low
6 to 9	Low
10 to 13	Average
14 to 17	High
Above 17	Very High

viii) Rd%

Description	Rating
80 and above	Very High
75 to 79	High
70 to 74	Average
64 to 69	Low
Below 63	Very Low

ix) +b

Description	Rating
6 and below	Very Low
6 to 8	Low
8 to 10	Average
10 to 12	High
Above 13	Very high

X) Moisture

Description	Rating
below 4.5	very low
4.5 to 6.5	low
6.6 to 8.5	Medium
8.6 to 10.0	High
10.1 and Higher	Very high

WEIGHTS AND MEASURES

Kilogram	=	2.2046 Pounds = 1.0717 Seers
Pounds	=	453.5924 Grams = 0.4536 Kilogram
Maund	=	82.2858 Pounds = 37.3242 Kilograms = 0.0373 Metric Ton
Metric Ton	=	2204.6229 Pounds= 26.7923 Maunds = 1000 Kilograms
Kantar	=	50 Kilograms = 110.2334 Pounds = 1.3396 Maunds
Quintal	=	1.9684 Cwt. = 2.6792 Maunds = 100 Kilograms
Hundred weight(CWT)	=	112 Pounds = 50.8029 Kilograms
Yard	=	0.9144 Meter
Square Yard	=	0.8361 Square Meter
Meter	=	3.2808 Feet = 1.0936 Yards
Square Meter	=	1.19603 Square Yards
Acre	=	4840 Square Yards = 0.4047 Hec. = 4046.7240 Sq. Meter
Hectare	=	2.4710 Acre = 11959.6400 Sq. Yards = 999.4550 Sq. Meter
Bale of Raw Cotton	=	375 Pounds = 170 Kilograms = 0.170 Metric Ton
Bale of Cotton Yarn	=	400 Pounds=181.4388 Kilograms=0.1814388 Metric Ton
Bale of Cotton Cloth	=	1500 Sq. Yards = 1254.1500 Sq. Meter
Lbs/Acre.	=	0.8922 X (Kgs. /Hectare)
Kgs/Hectare	=	1.1208 X (Lbs/Acre) = 92.2281 X (Mds. /acre)
Maund/Acre	=	0.01084268 X (Kgs. /Hectare)