

COTTON REVIEW

DOMESTIC COTTON CROP SCENARIO

Cotton arrivals placed at 5.572 million bales as on 1st February, 2021 as reported by PCGA. It indicates decline of 34.3 percent over the last year. Volume of crop in Punjab remained decreased by 31.5% to 3.437 million bales as compared to 5.014 million bales in previous year. Whereas in Sindh it witnessed decline of 38.5% to 2.135 million bales as against 3.473 million bales in last year. This decline in production has been occurred due to poor quality of seeds, record breaking rains in Sindh and pest attack both in Punjab and Sindh. Detail of seed cotton arrivals in to ginneries is given as below:

Table-1: SEED COTTON ARRIVALS AS ON 1st FEBRUARY, 2021 (Bales)

Heads	2020-21 (Season)			2019-20 (Season)		
	Punjab	Sindh	Total	Punjab	Sindh	Total
Arrivals	3,436,731	2,134,935	5,571,666	5,014,203	3,472,901	8,487,104
Sales to Exporters	4400	65,800	70,200	0	58,666	58,666
Sales to Textile Mills	3,103,979	1,942,723	5,046,702	4,433,760	3,198,303	7,632,063
Sales to T.C.P	-	-	-	-	-	-
Unsold Stock	284,082	124,964	409,046	519,359	211,405	730,764
Un-ginned Stock	44,270	1,448	45,718	61,084	4,527	65,611

Source: Pakistan Cotton Ginners Association.

Table: 2 COTTON CROP ASSESSMENT FOR 2020-21 SEASON (Bales = 170 Kg)

Province	Expected Production (million bales)	
	First Cotton Crop Assessment (02.10.2020)	Second Cotton Crop Assessment (14.12.2020)
Punjab	5.30	4.900
Sindh	3.000	2.500
Khyber PakhtunKhwa	0.0065	0.0065
Balochistan	0.291	0.291
Pakistan	8.597	7.70

Source: Cotton Crop Assessment Committee Meeting.

Table:3 PROPOSED TARGETS OF COTTON CROP DURING 2020-21

Province	Targets 2020-21	
	Area (Million Hectares)	Production (Million Bales)
Punjab	1.60	6.0
Sindh	0.64	4.6
KPK	0.01	0.0065
Balochistan	0.06	0.291
Total	2.31	10.89

Source: Federal Committee on Agriculture.

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Table:4 SOWING POSITION OF COTTON CROP 2020-21 SEASON

(Million Hectares)

Province	Proposed Target 2020-21	Area Sown		% Change over	
		2020-21	2019-20	Target	Last Year
Punjab	1.60	1.546	1.889	96.6%	-18.16
Sindh	0.64	0.615	0.599	96.1%	+2.7
KPK	0.01	0.000216	0.000213	2.2%	+1.41
Balochistan	0.06	0.057	0.038	95.0%	+50.0
Total	2.31	2.218	2.526	96.02%	-12.19

Source: First estimates, Provincial Agriculture Crop Reporting Service, Departments.

Table-5: SEED COTTON PRICES (MONTHLY AVERAGES) 2020-21, 2019-20& 2018-19

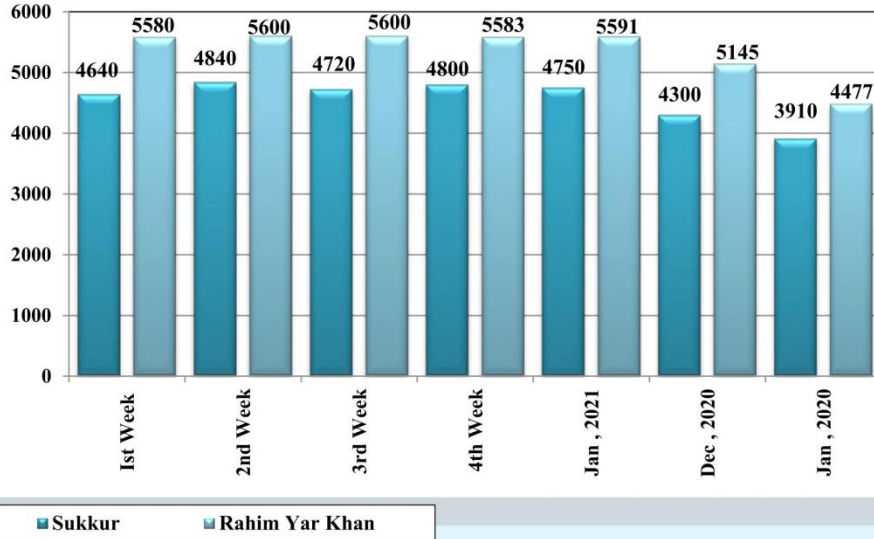
(Rs. per 40 Kg)

Months	Hyd	M.P. Khas	Ghotki	Khair Pur	Sukr	R.Y. Khan	Bahawal Pur	Vehari	Mian Channu	Sahiwal	Lodhran	D.G. Khan	Multan	Burewala
July,2020	3900	3740	-	-	-	4148	-	-	-	-	-	-	-	4189
August,2020	3824	3731	-	-	-	4169	-	3947	3915	4110	-	-	-	3972
September,2020	3815	3550	-	4165	4171	4417	4515	4159	4038	3986	-	-	4100	4129
October,2020	4347	-	-	4729	4648	5184	5072	4798	4706	4485	-	-	4867	4728
November,2020	3728	-	-	4245	4320	4933	4685	4225	4378	4717	-	-	4575	4299
December,2020	3600	-	-	4487	4300	5145	4849	4405	4100	4395	-	-	4350	4508
January,2021	-	-	-	5060	4750	5591	5430	4668	4143	4575	-	-	4815	5105
Average 2020-21	3869	3674	-	4537	4438	4798	4910	4367	4213	4378	-	-	4541	4419
July,2019	-	3912	-	-	-	-	-	4204	3985	4049	-	-	-	4134
August,2019	3436	3431	-	-	-	3919	3797	3875	3787	3825	-	-	3816	3857
September,2019	3657	3645	3811	3996	3957	4047	3762	3898	3798	3657	3798	3823	3879	3865
October,2019	3763	3129	4221	4178	4114	4440	4183	4145	4020	3851	4048	4285	4242	4131
November,2019	3730	2500	4292	4078	4083	4388	4198	4244	4080	3788	4055	4653	4336	4120
December,2019	3480	-	4087	3668	3908	4216	4133	3860	3622	3270	3600	-	4000	3871
January,2020	-	-	4265	3580	3910	4477	4472	4013	3558	-	-	-	4000	4064
February,2020	-	-	-	-	3814	4129	4480	4253	3442	-	-	-	-	4163
March,2020	-	-	-	-	3713	4000	4284	-	-	-	-	-	-	4017
Average 2019-20	3613	3323	4135	3900	3928	4202	4164	4062	3787	3740	3875	4254	4046	4025
June,2018	3975	-	-	-	-	-	-	-	-	-	-	-	-	-
July,2018	4232	-	-	-	-	4240	-	-	-	-	-	-	-	-
August,2018	3852	3869	-	-	-	3991	-	3899	3734	-	-	-	-	3893
September,2018	3764	3810	-	3695	3716	3921	3665	3687	3606	3671	-	-	3602	3705
October,2018	3805	3667	-	3783	3839	4046	3898	3886	3790	3759	-	-	3906	3915
November,2018	3782	3544	-	3850	3999	4173	4048	3948	3841	3780	-	-	4016	3874
December,2018	3554	3459	-	3748	3963	4095	3908	3833	3703	3850	-	-	3971	3828
January,2019	-	-	-	3715	3659	4020	3949	3640	3457	-	-	-	3800	3783
February,2019	-	-	-	-	-	4035	3725	3556	3254	-	-	-	-	3761
March,2019	-	-	-	-	-	3914	-	3635	-	-	-	-	-	3783
April,2019	-	-	-	-	-	3876	-	-	-	-	-	-	-	-
Average 2018-19	3855	3670	-	3758	3835	4031	3866	3761	3626	3765	-	-	3859	3818

Source: Market Report

Figure-I: SEED COTTON PRICES DURING JANUARY, 2021

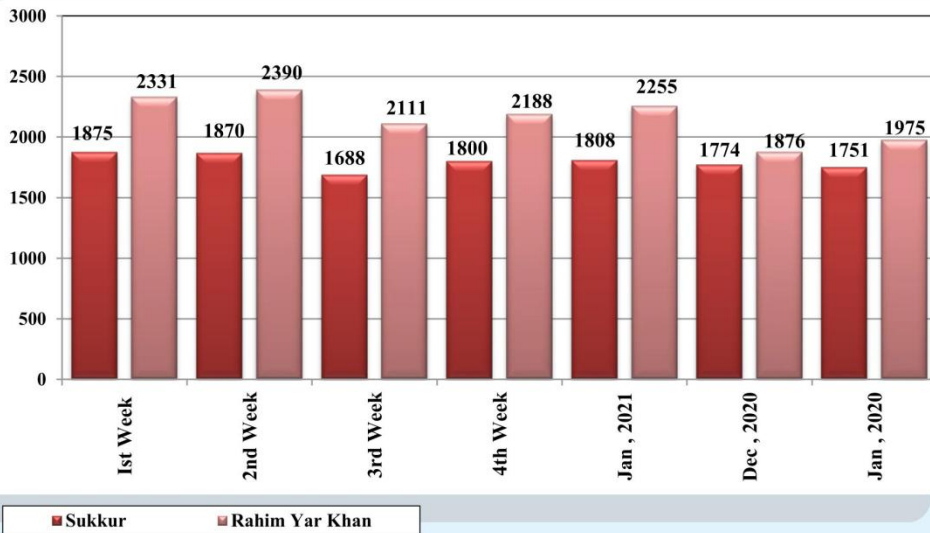
(Rs per 40 kg)



Source: Market Report

Figure-II: COTTON SEED PRICES DURING JANUARY, 2021

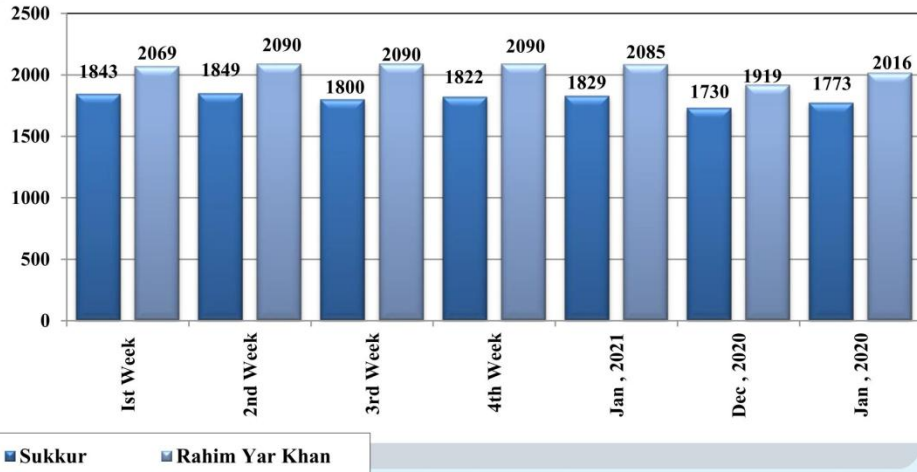
(Rs per 40 kg)



Source: Market Report

Figure-III: COTTON SEED CAKE PRICES DURING JANUARY, 2021

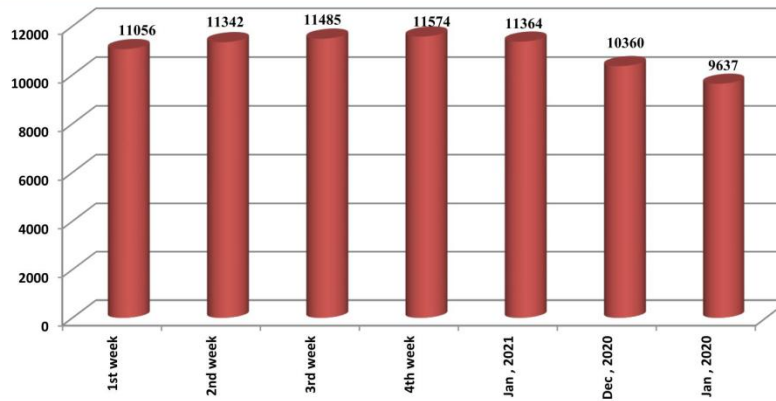
(Rs per 40 kg)



Source: Market Report.

Figure-IV: KCA SPOT RATE (EX-GIN) AT KARACHI DURING JANUARY, 2021

(Rs per 40 Kg)



Source: The Karachi Cotton Association

The graph above indicates that the prices of raw cotton during the month of January, 2021 depicted increasing trend and were recorded at Rs.11,364 per 40 kg as compared to Rs. 10,360 in December, 2020. Whereas, the prices in January, 2020 were recorded at Rs.9,637 per 40 kg. Month-wise details are given in table below:

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Table-6: MONTHLY AVERAGE PRICES OF RAW COTTON DURING 2020-21, 2019-20 & 2018-19

(Rs. per 40 kg)

Month	2019-20	2018-19
	Ex-Gin Rate	Ex-Gin Rate
August,2019	8483	9171
September,2019	8933	8735
October,2019	9542	8986
November,2019	9808	9410
December,2019	9434	9403
January,2020	9637	9338
February,2020	9705	9221
March,2020	9547	9241
April,2020	9431	9420
May,2020	9244	9371
June,2020	8804	9346
July,2020	8967	8927
Average 2019-20	9295	9214
August,2020	8962	8483
September,2020	9368	8933
October,2020	10346	9542
November,2020	10146	9808
December,2020	10360	9434
January,2021	11364	9637
Average 2020-21	10091	9306

Source: Karachi Cotton Association.

Table:7 COTTON BALANCE SHEET DURING 2016-17, 2017-18, 2018-19 AND 2019-20

(Bale= 170kg)

Sr. No.	Position	2016-17		2017-18		2018-19*		2019-20*	
		'000' Bales	'000'M/Tons	'000' Bales	'000' M/Tons	'000' Bales	'000'M/Tons	'000' Bales	'000'M/Tons
1.	Carryover	0	0	439	75	949	162	1088	185
2.	Production	10670	1814	11945	2031	9,860	1676	9178	1560
3.	Imports	2976	506	3521	599	2439	415	2777	472
	Total	13646	2320	15905	2705	13248	2253	13043	2217
4.	Mill Consumption	13060	2220	14749	2508	12085	2055	11019	1873
5.	Exports	147	25	207	35	75	13	75	13
6.	End Season Stocks	439	75	949	162	1088	185	1949	331
	Total	13646	2320	15905	2705	13248	2253	13043	2217

Source: i) Textile Commissioners Organization (Mill Consumption Aug, 2017-June 2018), for 2018-19 (Aug,2018 to April,2019) and for 2019-20 (Aug,2019- April,2020).

ii) Pakistan Bureau of Statistics. (Imports &Exports).

iii) Provincial Crop Reporting Department and D.G Agriculture (Extension) Department.(Production)

Note: For exports and imports data covers (July-June.)

*Provisional.

COTTON YARN PRICES:

The Cotton Yarn prices of 21's and 30's count witnessed increasing trend during the month of January, 2021. The prices were recorded at Rs.2,074 and Rs.2,324 per bundle of 4.5 kg respectively as compared to Rs.1,984 and Rs.2,201 per bundle in previous month. However, the same counts in the corresponding month of last year were recorded much lower at Rs. 1,656 and Rs.1,832 per bundle respectively. Details are given as below:

Table-8: DOMESTIC COTTON YARN PRICES DURING JANUARY, 2021

(Rs. per bundle of 4.54 kg)

Count/ Week	W	E	E	K	January 2021	December 2020	January 2020
	I	II	III	IV			
10/1	1825	1850	1900	1900	1869	1675	1465
16/1	1942	1960	2006	2006	1979	1818	1592
21/1	2056	2063	2089	2089	2074	1984	1656
22/1	2080	2085	2100	2100	2091	2010	1675
26/1	2224	2224	2300	2300	2262	2129	1737
28/1	2250	2250	2330	2330	2290	2119	1800
30/1	2293	2293	2355	2355	2324	2201	1832
32/1	2250	2250	2320	2320	2285	2188	1850
40/1	2700	2700	2800	2800	2750	2669	2250
52/1	2900	2900	3000	3000	2950	2869	2550
60/1	3000	3000	3200	3200	3100	2938	2650
70/1	3100	3100	3300	3300	3200	3006	2700
20/2	2140	2160	2324	2324	2237	2071	1780

Source: Pakistan Yarn Merchants Association, Karachi.

Table-9: EXPORTS OF TEXTILE GROUP COMMODITIES DURING DECEMBER, 2020

(Value = Rs. In Millions)

Commodities	Unit	December 2020		November 2020		December 2019		%Change over November 2020		July- December 2020		July- December 2019		% Change Over July-Dec, 2019	
		Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val
Raw Cotton	M.T	53	11	0	0	806	163	100.00	100.00	499	97	11,500	2,410	-95.66	-95.98
Cotton Yarn	M.T	39,320	15,396	31,683	11,817	23,847	9,006	24.10	30.29	176,601	65,388	222,204	85,282	-20.52	-23.33
Bed Wear	M.T	42,112	40,981	39,264	37,991	33,542	28,549	7.25	7.87	231,235	227,966	239,045	187,557	-3.27	21.54
Towels	M.T	19,050	13,288	18,733	12,649	13,721	9,595	1.69	5.05	104,329	72,848	95,953	59,397	8.73	22.65
Cotton Cloth	Th.S	62,025	25,907	58,782	23,610	203,975	25,750	5.52	9.73	796,018	153,048	1,360,829	158,600	-41.50	-3.50
Synthetic Fiber	Th.S	8,136	5,356	7,023	4,588	44,542	4,859	15.85	16.74	98,426	27,375	247,543	26,165	-60.24	4.62
Knitwear	Th.D	19,120	54,761	18,649	51,731	9,026	41,245	2.53	5.86	88,385	302,396	60,060	248,452	47.16	21.71
Readymade Garments	Th.D	3,312	45,609	3,086	41,140	4,351	39,749	7.32	10.86	17,859	243,697	30,434	221,023	-41.32	10.26

Source: Pakistan Bureau of Statistics, Karachi.

The table above indicates that raw cotton exports in the month of December,2020 were recorded at 53 metric tons valuing Rs.11 million. However, the exports in the corresponding month of December,2019 recorded at 806 metric tons amounting to Rs.163 million, showing decline of 93.4 percent in quantity and 93.25 percent in value over December,2019. Whereas other related produce witnessed increasing trend during the same month of December, 2020.

Table-10: IMPORTS OF TEXTILE GROUP COMMODITIES DURING DECEMBER, 2020.

(Value = Rs. In Millions)

Commodities	Unit	December 2020		November 2020		December 2019		% Change over November, 2020		July Dec,2020		July Dec,2019		% Change over July-Dec, 2019	
		Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val
		Raw Cotton	M.T	92,449	24,831	55,895	13,548	14,622	3,703	65.40	83.28	331,560	86,701	49,573	13,624
Synthetic Fiber	M.T	36,116	7,614	34,101	6,410	28,693	6,057	5.91	18.78	241,357	46,286	145,152	35,219	66.28	31.42
Synthetic & Artificial Silk Yarn	M.T	39,981	10,417	41,487	9,853	27,673	8,193	-3.63	5.72	210,294	52,299	131,946	42,645	59.38	22.64
Worn Clothing	M.T	83,191	5,551	85,923	5,607	31,281	2,144	-3.18	-1.00	286,839	19,985	189,985	13,222	50.98	48.88
Other Textile Items	-	-	14,916	-	15,118	-	8,682	-	-1.34	-	66,537	-	48,597	-	36.92

Source: Pakistan Bureau of Statistics, Karachi

The table above shows that the imports of raw cotton during December, 2020 witnessed increasing trend and recorded at 92,449 metric tons amounting to Rs.24,831 million as compared to 55,895 metric tons valuing Rs.13,548 million in November,2020. Whereas the imports in December,2019 recorded at 14,622 metric tons amounting to Rs. 3,703 million, showing an increase of 65.40 percent in quantity and 83.28 percent in value over November,2020.

ECONOMICS OF COTTON AND COMPETING CROPS

Cotton a Kharif crop, competes with rice, sugarcane and other crops for land, water and other farm resources in the area where the cultivation of all other crops is technically feasible. Mainly cotton faces indirect competition from sugarcane, the annual crop which keeps the land throughout the year. The economics of cotton and competing crops has been analyzed on the basis of inputs-outputs costs paid and received growers during 2019-20 year. The summary of various indicators for Punjab and Sindh are presented in table as under:

Table-11: ECONOMICS OF SEED COTTON AND COMPETING CROPS AT PRICES REALIZED BY THE GROWERS 2016-17 CROP

S. No.	Previous/ Crops/ Crop Combination	Output Input ratio	Gross Revenue Per		
			Rupee of Purchased inputs cost	Day of Crop Duration	Acre inch of irrigation water used
			Rupees		
1	2	3	4	5	
PUNJAB					
1.	Seed Cotton	1.30	3.96	247	3781
2.	Basmati Paddy	1.03	2.12	360	1117
3.	IRRI Paddy	0.84	1.87	295	856
4.	Cotton + Wheat	1.21	3.93	309	3814
5.	Cotton + Sunflower	1.21	3.71	313	2984
6.	Sugarcane	1.16	4.90	260	2133
SINDH					
1.	Seed Cotton	1.30	3.85	379	5051
2.	IRRI Paddy	0.93	2.58	268	862
3.	Cotton + Wheat	1.20	3.72	323	4525
4.	Cotton + Sunflower	1.18	3.38	294	3084
5.	Sugarcane	1.16	4.23	256	1761

Source: API's Cotton Policy Analysis Report 2019-20 Crop.

Table-12: EXPORT PARITY PRICE OF SEED COTTON ON THE BASIS OF ACTUAL AVERAGE EXPORT PRICE OF PAKISTANI COTTON

Sr. No.	Item	December, 2020
01.	Actual average export price per 40 Kgs	8,302 (Rupees) or 58.57 (US Cents per Lb)
02.	Marketing expenses (export & purchase incidentals, insurance & financial expenses) per 40 kgs	450
03.	Ex-gin price of lint per 40 kgs (item 1-item 2)	7852
04.	Value of 80 Kgs of cotton seed (b)	3752
05.	Ginning charges for 120 Kgs of seed cotton	600
06.	Value of 120 Kgs of seed cotton (c) (item 3+4 -item 5)	11,004
07.	Seed cotton price per 40 Kgs (item 6/3)	3,668

Notes:

- a) One US\$ = 160.74 Pak rupees.
- b) Average price of cotton seed for December, 2020 in Rahim Yar Khan market was Rs. 1876 per 40 Kg.
- c) 120 Kg of seed cotton = 80 kg of cotton seed + 40 Kg of lint.

Sources:

1. PBS for export prices.
2. KCA, Karachi for marketing expenses.
3. Pakistan Cotton Ginners Association, Karachi for ginning charges.
4. Directorate of Agriculture (E&M), Punjab, Lahore.
5. API's Seed Cotton Policy Analysis Report for 2019-20 Crop.

Table-13: IMPORT PARITY PRICE OF SEED COTTON ON THE BASIS OF ACTUAL AVERAGE CIF (KARCHI) PRICE OF IMPORTED COTTON

Sr. No.	Item	December, 2020
01.	Actual average cif (Karachi) Price, per 40 kgs	Rs.10,744 (Rupees) or 75.79 (US Cent per Lb)
02.	Handling charges at port and transport cost from port to textile mill at Karachi @ 5% of cif price	514
03.	Ex-gin price of cotton lint (item 1+ item 2)	11,258
04.	Value of 80 Kgs of cotton seed (a)	3752
05.	Ginning charges for 120 Kgs of seed cotton including ginning	600
06.	Value of 120 Kgs of seed cotton (item 3 + item 4 – item 5) losses	14,410
07.	Seed cotton price (item 6/3)	4,803

Note:

- a) Average price of cotton seed for December, 2020 in Rahim Yar Khan market was Rs. 1876 per 40 Kg.
- b) 120 kg of seed cotton = 80 kg of cotton seed + 40 kg of lint.

Sources:

1. PBS, for cif (Karachi price).
2. KCA, for incidental charges.
3. Pakistan Cotton Ginners Association, Karachi for ginning charges.
4. Directorate of Agriculture (E&M), Punjab, Lahore.
5. API's Seed Cotton Policy Analysis Report for 2019-20 Crop.

REGIONAL COTTON SITUATION



1. CHINA

Cotton area in China witnessed continued reduction by 3.0% to 3.2 million hectares in 2020-21 season as compared to 3.3 million hectares in 2019-20. Whereas production is expected to increase by 2.0% to 5.91 million tons in 2020-21 as compared to 5.80 million tons in last year. Similarly, consumption is expected to rise by 10.3% to 8.00 million tons in 2020-21. Imports by China are projected at 2.0 million tons, indicating an increase of 28.7% over previous season. Stock level in China is estimated to decline by 1.6% to 8.798 million tons in 2020-21 as compared to 8.938 million tons in 2019-20.

Table-14: CHINA SUPPLY AND DEMAND POSITION

(Million Metric Tons)

Heads	2016-17	2017-18	2018-19 Proj.	2019-20 Proj.	2020-21 Proj.
Beginning Stock	12.65	10.35	9.03	8.88	8.94
Production	4.90	5.89	6.04	5.80	5.91
Consumption	8.28	8.50	8.25	7.25	8.00
Import	1.10	1.32	2.10	1.55	2.00
Ending Stock	10.35	9.03	8.88	8.94	8.80

Source: Cotton this month February 01, 2021.

2. INDIA

Cotton area in India is estimated to decline by 5.0% to 12.6 million hectares in 2020-21 season as compared to 13.3 million hectares in 2019-20. Whereas, production in India is projected to rise by 2.1% to 6.20 million tons in 2020-21 as compared to 6.07 million tons in previous year. Similarly, mill consumption is expected to grow by 15.2% to 5.13 million tons in 2020-21. However, Indian exports are projected at 1.1 million tons for the current season based on a production of 6.2 million tons and excess stock from the previous season. While the ending stocks in 2020-21 are estimated at 3.55 million tons.

3. INTERNATIONAL COTTON SITUATION 2020-21



World cotton area estimates has been reduced by 9.8% to 31.364 million hectares in 2020-21 season as compared to 34.782 million hectares in 2019-20. Global cotton production is projected at 24.1 million tons, an 8.0 percent decline from the previous year owing to decreases coming from several producers like United States, Barazil, Pakistan, Turkey, Uzbekistan and West Africa. Consumption currently is estimated at 24.1 million tons and global trade is projected at 9.3 million tons for 2020-21. World ending stocks are currently estimated at 21.183 million tons reducing pressure on prices.

Table-15: WORLD COTTON BALANCE SHEET

(Million Metric Tons)

Heads	2016-17	2017-18 Estimated.	2018-19 Estimated.	2019-20 Projected	2020-21 Projected	% Change in 2020-21 over 2019-20
Beginning stock	20.47	18.68	18.78	18.51	21.18	+14.42
Production	23.20	26.80	25.92	26.21	24.10	-8.05
Consumption	24.85	26.44	25.98	22.77	24.10	+5.84
Exports	8.31	9.26	9.26	9.02	9.33	+3.44
Imports	8.10	9.00	9.05	8.26	9.33	+12.95
Ending Stock	18.68	18.78	18.51	21.18	21.18	0.00

Source: Cotton This Month February 01, 2021.

Table-16: COTTON PRODUCTION AND CONSUMPTION IN MAJOR COTTON GROWING COUNTRIES DURING LAST 5 YEARS

(Million Tons)

Countries	2016-17	2017-18 Estimated.	2018-19 Estimated.	2019-20 Projected	2020-21 Projected
Production					
India	5.87	6.35	5.61	6.07	6.20
China	4.90	5.89	6.04	5.80	5.91
USA	3.74	4.56	4.00	4.34	3.26
Pakistan	1.53	2.01	2.78	3.00	2.65
Brazil	1.66	1.80	1.67	1.32	0.89*
Uzbekistan	0.79	0.80	0.64	0.72	0.55
Others	4.71	5.40	5.18	4.97	4.64
World Total	23.20	26.80	25.92	26.21	24.10
Consumption					
China	8.28	8.50	8.25	7.25	8.00
India	5.15	5.42	5.40	4.45	5.13
Pakistan	2.22	2.35	2.36*	2.20*	1.94
Europe & Turkey	1.61	1.80	1.70	1.60	1.65
Vietnam	1.17	1.51	1.51	1.45	1.48
Bangladesh	1.41	1.66	1.58	1.37	1.40
USA	0.71	0.70	0.63	0.47	0.52
Brazil	0.69	0.68	0.73	0.61	0.61
Others	3.62	3.82	3.83	3.36	3.36
World Total	24.85	26.44	25.98	22.77	24.10

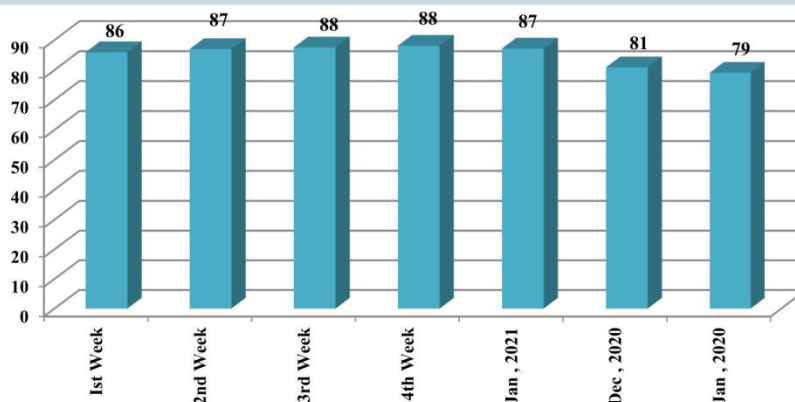
Source: i) Cotton This Month February 01, 2021.

ii) Provincial Agriculture Crop Reporting Departments of Pakistan for Production and Textile Commissioner's Organization for Consumption.

*Provisional.

Figure-V: COTLOOK 'A' INDEX DURING JANUARY, 2021

(US Cents per Pound)



Source: Cotton Outlook

The graph above shows that 'A' index prices during January, 2021 posted gains to 87.00 cents per pound as compared to 81.00 cents per pound in December, 2020. While, the prices in January, 2020 were recorded at 79.00 cents per pound. Month-wise details are given as below:

Table-17: MONTHLY AVERAGE PRICES OF "A" INDEX DURING 2020-21, 2019-20 & 2018-19

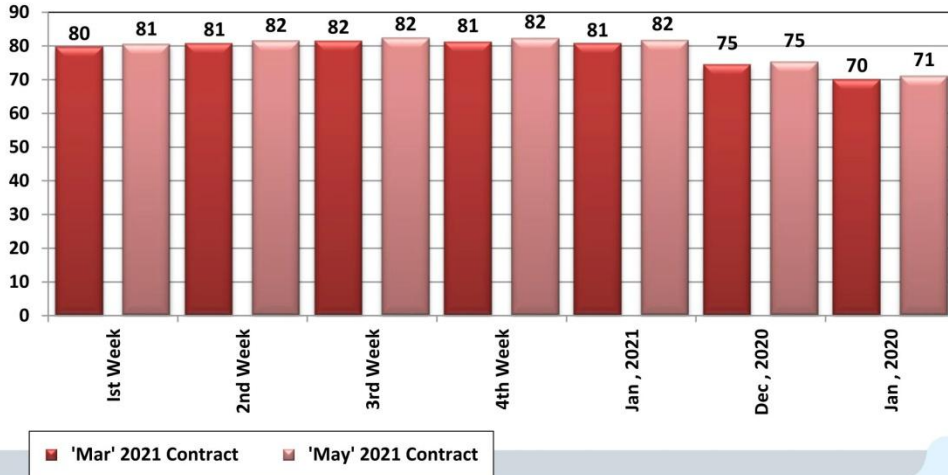
(US Cents Per Pound)

Month/Season	2019-20	2018-19
August,2019	70.89	94.73
September,2019	71.26	90.54
October,2019	73.62	86.72
November,2019	74.89	86.58
December,2019	75.83	85.75
January,2020	79.08	82.19
February,2020	76.57	81.18
March,2020	68.21	83.64
April,2020	63.43	87.28
May,2020	65.72	80.49
June,2020	67.77	77.58
July,2020	68.73	75.66
Average 2019-20	71.33	84.36
August,2020	69.95	70.89
September,2020	70.81	71.26
October,2020	74.55	73.62
November,2020	77.64	74.89
December,2020	80.86	75.83
January,2021	87.13	79.08
Average 2020-21	76.82	74.26

Source: Cotton Outlook.

Figure-VI: NEW YORK COTTON FUTURES VALUES DURING JANUARY, 2021

(US Cents Per Pound)



Source: Cotton Outlook

The graph above shows that the nearby March, 2021 contract during January, 2021 gained ground to 81.00 cents per pound as compared to 75.00 cents in previous month. However, the prices of same contract in the corresponding month of last year recorded lower at 70.00 cents per pound.



COTTON REVIEW



DOMESTIC COTTON CROP SCENARIO

According to the report released by Pakistan Cotton Ginner's Association as on 1st February, 2021 the arrivals of seed cotton into ginning factories witnessed decline of 34.35% to 5.572 million bales as compared to 8.487 million bales recorded in the corresponding period last year. The arrivals in Punjab decline by 31.5 percent to 3.437 million bales as compared to 5.014 million bales in the last year.

Similarly, the arrivals in Sindh also remained decreased by 38.5% to 2.135 million bales as compared to 3.473 million bales in the same period last year. This decline in production has been occurred due to poor quality of seeds, record breaking rains in Sindh and pest attack both in Punjab and Sindh. Detail of seed cotton arrivals in to ginneries is given in table No.4. The assessment of cotton production is given in table as below:

Table: 1 COTTON CROP ASSESSMENT FOR 2020-21 SEASON

(Bales = 170 Kg)

Province	Expected Production (million bales)	
	First Cotton Crop Assessment (02.10.2020)	Second Cotton Crop Assessment (14.12.2020)
Punjab	5.30	4.900
Sindh	3.000	2.500
Khyber PakhtunKhwa	0.0065	0.0065
Balochistan	0.291	0.291
Pakistan	8.597	7.70

Source: Cotton Crop Assessment Committee Meeting.

Table:2 PROPOSED TARGETS OF COTTON CROP DURING 2020-21

Province	Targets 2020-21	
	Area (Million Hectares)	Production (Million Bales)
Punjab	1.60	6.0
Sindh	0.64	4.6
KPK	0.01	0.0065
Balochistan	0.06	0.291
Total	2.31	10.89

Source: Federal Committee on Agriculture.

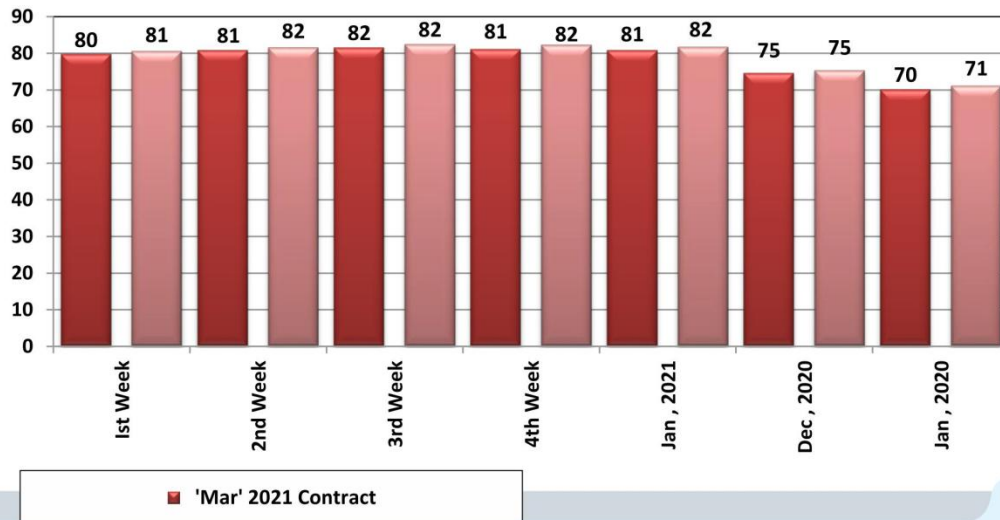
Table:3 SOWING POSITION OF COTTON CROP 2020-21 SEASON

(Million Hectares)

Province	Proposed Target 2020-21	Area Sown		% Change over	
		2020-21	2019-20	Target	Last Year
Punjab	1.60	1.546	1.889	96.6%	-18.16

Figure-VI: NEW YORK COTTON FUTURES VALUES DURING JANUARY, 2021

(US Cents Per Pound)



Source: Cotton Outlook

The graph above shows that the nearby March, 2021 contract during January, 2021 gained ground to 81.00 cents per pound as compared to 75.00 cents in previous month. However, the prices of same contract in the corresponding month of last year recorded lower at 70.00 cents per pound.

