



According to first estimates of cotton crop sowing area released by Crop Reporting Service Department Punjab, the cultivated area was recorded at 1.546 million hectares which comprises 96.6% of the proposed target of 1.60 million hectares and about 18.6% less than previous year. Whereas sowing area in Sindh was registered at 0.615 million hectares which comprises 96.1% against the target and an increase of 2.7% over last year. Total sowing of cotton crop in country showed achievement 96.5% against target and 13.1% less over last year. According to available reports from cotton field areas of cotton, there is pest attack of White fly, Jassid, Thrips and Mealy Bug. Boll weight is low and size is small. Farmers are continuously spraying against the attack of White fly which is big problem and are struggling hard using more inputs to get high yield.

**Table:1 PROPOSED TARGETS OF COTTON CROP DURING 2020-21**

Province	Targets 2020-21	
	Area	Production
Punjab	1.60	6.0
Sindh	0.64	4.6
KPK	0.001	0.0065
Balochistan	0.006	0.291
<b>Total</b>	<b>2.247</b>	<b>10.89</b>

Source: Federal Committee on Agriculture.

**Table: 2 SOWING POSITION OF COTTONCROP 2020-21 SEASON** (Million Hectares)

Province	Proposed Target	Area Sown		% Change Over	
	2020-21	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
<b>Total</b>	<b>2.24</b>	<b>2.161</b>	<b>2.488</b>	<b>96.5%</b>	<b>-13.14</b>

Source: First estimates, Agriculture Crop Reporting Service, Punjab & Sindh.



**Table-3: SEED COTTON ARRIVALS AS ON 15<sup>th</sup> MARCH, 2020**
**(Bales)**

Heads	2019-20 (Season)			2018-19 (Season)		
	Punjab	Sindh	Total	Punjab	Sindh	Total
Arrivals	5,097,282	3,473,979	8,571,261	6,613,251	4,149,393	10,762,644
Sales to Exporters	0	58,666	58,666	3,300	99,030	102,330
Sales to Textile Mills	4,731,426	3,277,711	8,009,137	5,822,076	3,819,139	9,641,215
Sales to T.C.P	-	-	-	-	-	-
Unsold Stock	360,500	135,737	496,237	780,175	230,807	1,010,982
Un-ginned Stock	5,356	1,865	7,221	7,700	417	8,117

Source: Pakistan Cotton Ginners Association.

**Table-4: SEED COTTON PRICES (MONTHLY AVERAGES) 2017-18 , 2018-19& 2019-20**
**(Rs. per 40 Kg)**

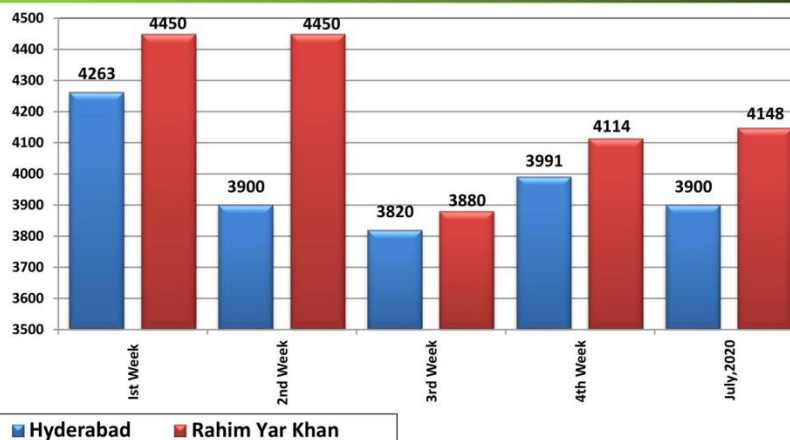
Months	Hyd	M.P. Khas	Ghotki	Khair Pur	Sukr	R.Y. Khan	Bahawal Pur	Vehari	Mian Channu	Sahiwal	Lodhran	D.G. Khan	Multan	Burewala
July, 2020	3900	3740	-	-	-	4148	-	-	-	-	-	-	-	4189
July, 2019	-	3912	-	-	-	-	-	4204	3985	4049	-	-	-	4134
August, 2019	3436	3431	-	-	-	3919	3797	3875	3787	3825	-	-	3816	3857
September, 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
Average 2017-18	2929	2905	-	3,086	3173	3037	3149	2838	3014	2906	-	-	3,020	2899

Source: Market Report.



**Figure-I: SEED COTTON PRICES DURING JULY, 2020**

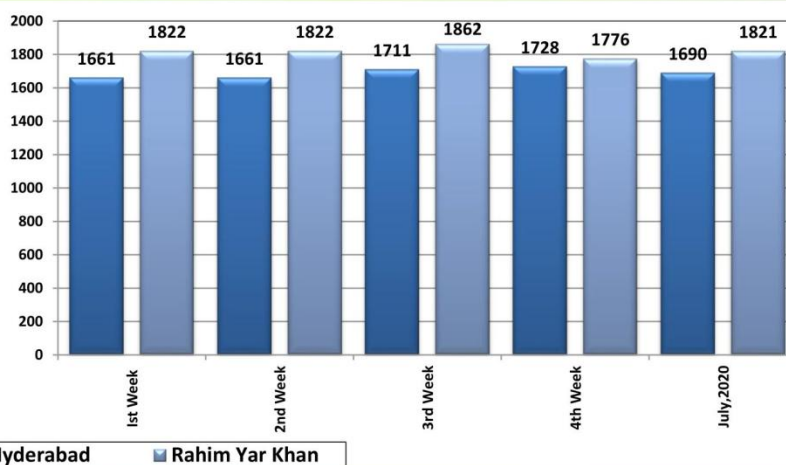
(Rs per 40 kg)



Source: Market Report .

**Figure-II: COTTON SEED PRICES DURING JULY, 2020**

(Rs per 40 kg)

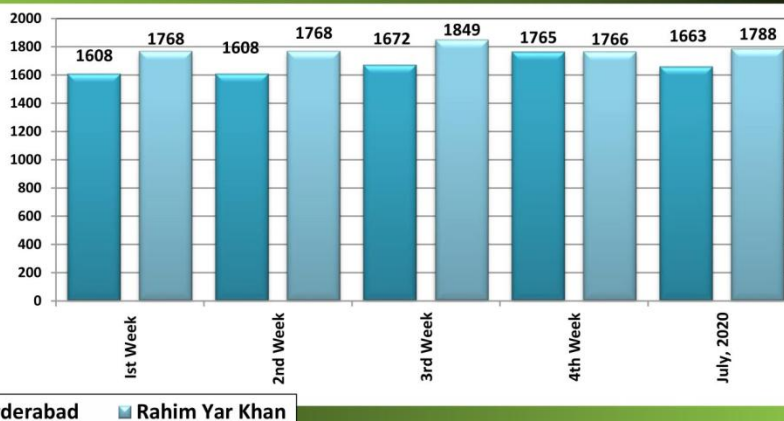


Source: Market Report



**Figure-III: COTTON SEED CAKE PRICES DURING JULY, 2020**

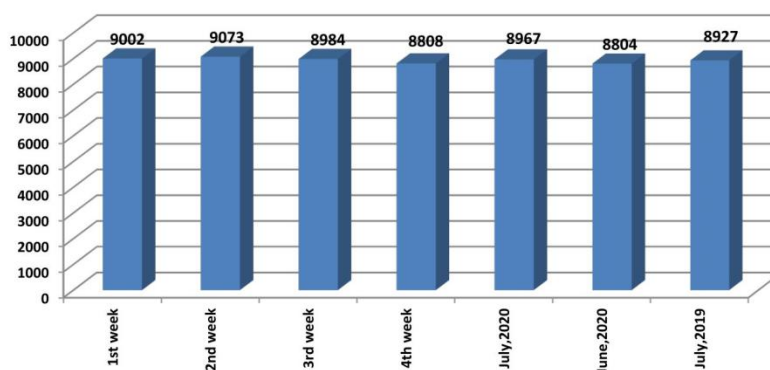
(Rs per 40 kg)



Source: Market Report

**Figure-IV: KCA SPOT RATE (EX-GIN) AT KARACHI DURING JULY, 2020**

(Rs per 40 kg)



Source: The Karachi Cotton Association.

The graph above shows that the prices of raw cotton during the month of July, 2020 depicted increasing trend and were recorded at Rs.8,967 per 40 kg as compared to Rs. 8,804 in June, 2020. Whereas, the prices in July, 2019 were registered at Rs. 8,927 per 40 kg. Month-wise details are given in table below:





**Table-5: MONTHLY AVERAGE PRICES OF RAW COTTON DURING 2019-20, 2018-19 & 2017-18** (Rs. Per 40 kg)

Month	2018-19 Ex-Gin Rate	2017-18 Ex-Gin Rate
August,2018	9171	6650
September,2018	8735	6468
October,2018	8986	6570
November,2018	9410	6945
December,2018	9403	7397
January,2019	9338	8132
February,2019	9221	7531
March,2019	9241	7920
April,2019	9420	8004
May,2019	9371	7986
June,2019	9346	8075
July,2019	8927	9213
<b>Average 2018-19</b>	<b>9214</b>	<b>7574</b>
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
<b>Average 2019-20</b>	<b>9295</b>	<b>9214</b>

Source: Karachi Cotton Association.

**Table 6: COTTON BALANCE SHEET DURING 2015-16, 2016-17, 2017-18 AND 2018-19** (Bale= 170kg)

Sr. No.	Position	2015-16		2016-17		2017-18		2018-19*	
		'000' Bales	'000'M/Tons	'000' Bales	'000' M/Tons	'000' Bales	'000'M/Tons	'000' Bales	'000'M/Tons
1.	Carryover	550	93	0	0	439	75	949	162
2.	Production	9917	1686	10670	1814	11945	2031	9,860	1676
3.	Imports	2453	417	2976	506	3521	599	2439	415
	<b>Total</b>	<b>12920</b>	<b>2196</b>	<b>13646</b>	<b>2320</b>	<b>15905</b>	<b>2705</b>	<b>13248</b>	<b>2253</b>
4.	Mill Consumption	12633	2147	13060	2220	14749	2508	12085	2055
5.	Exports	287	49	147	25	207	35	75	13
6.	End Season Stocks	0	0	439	75	949	162	1088	185
	<b>Total</b>	<b>12920</b>	<b>2196</b>	<b>13646</b>	<b>2320</b>	<b>15905</b>	<b>2705</b>	<b>13248</b>	<b>2253</b>

Source: i) Textile Commissioners Organization (Mill Consumption for 2017-18(August to June) and for 2018- 2019 (August to April,2019).

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

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

\*Provisional.



## COTTON YARN PRICES:

The Cotton Yarn prices of 21's and 30's count in July, 2020 remained stable at previous month's level of Rs. 1,536 and Rs. 1,725 per bundle of 4.5 kg respectively. However, the same counts in the corresponding month of last year were recorded higher at Rs. 1,680 and Rs. 1,878 per bundle respectively. Details are given as below:

**Table-7: DOMESTIC COTTON YARN PRICES DURING JULY, 2020**

(Rs. per bundle of 4.54 kg)

Count/ Week	W E E K				July 2020	June 2020	July 2019
	I	II	III	IV			
10/1	1370	1370	1370	1370	1370	1370	1465
16/1	1447	1483	1483	1487	1475	1455	1604
21/1	1536	1536	1536	1536	1536	1536	1680
22/1	1560	1560	1560	1560	1560	1560	1725
26/1	1633	1633	1633	1633	1633	1633	1813
28/1	1650	1650	1650	1650	1650	1750	1800
30/1	1725	1725	1725	1725	1725	1725	1878
32/1	1720	1720	1720	1720	1720	1720	1880
40/1	2180	2180	2180	2180	2180	2180	2350
52/1	2450	2450	2450	2450	2450	2450	2650
60/1	2550	2550	2550	2550	2550	2550	2700
70/1	2600	2600	2600	2600	2600	2600	2800
20/2	1648	1648	1648	1648	1648	1648	1800

Source: Pakistan Yarn Merchants Association, Karachi.

**Table-8: EXPORTS OF TEXTILE GROUP COMMODITIES DURING JUNE, 2020**

(Value = Rs. In Millions)

Commodities	Unit	June 2020		May 2020		June 2019		% Change Over May 2020		July - June 2019-2020		July - June 2018-2019		% Change	
		Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val
Raw Cotton	M.T	-	-	-	-	1,202	235	0.00	0.00	12,776	2,669	12,992	2,709	-1.66	-1.48
Cotton Yarn	M.T	35,984	12,271	23,349	8,324	30,397	12,006	54.11	47.42	412,553	155,159	433,978	152,726	-4.94	1.59
Bed Wear	M.T	27,740	27,462	24,562	23,380	36,434	26,995	12.94	17.46	405,244	338,750	414,845	307,197	-2.31	10.27
Towels	M.T	13,965	9,727	10,047	6,668	12,335	8,506	39.00	45.88	172,937	111,963	190,855	107,043	-9.39	4.60
Cotton Cloth	Th.SQ	143,300	21,495	108,490	15,731	201,793	24,773	32.09	36.64	2,327,808	287,876	2,827,064	258,619	-17.66	0.79
Synthetic Fiber	Th.SQ	30,500	4,003	22,500	2,818	38,253	3,754	35.56	42.05	448,714	49,548	385,710	40,433	16.33	22.54
Knitwear	Th.DoZ	8,029	36,549	6,548	28,962	8,536	35,741	22.62	26.20	105,777	440,079	117,673	394,742	-10.11	11.49
Readymade Garments	Th.DoZ	3,511	30,542	2,309	21,708	4,809	33,235	52.06	40.69	50,058	401,309	55,665	362,267	-10.07	10.78

Source: Pakistan Bureau of Statistics, Karachi.

The table above indicates that raw cotton was not exported in the month of June, 2020 but it's related produce witnessed increasing tendency. However, the raw cotton exports in June, 2019 were recorded at 1,202 metric tons amounting to Rs. 235 million.



**Table-9: IMPORTS OF TEXTILE GROUP COMMODITIES DURING JUNE,2020.** (Value = Rs. In Millions)

Commodities	Unit	June 2020		May 2020		June 2019		% Change Over May 2020		July-June 2019-2020		July- June 2018-2019		% Change	
		Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val	Qty	Val
Raw Cotton	M.T	64,690	17,001	62,235	16,535	44,924	12,657	3.94	2.82	536,231	139,628	415,027	107,874	29.20	29.44
Synthetic Fiber	M.T	20,104	4,217	16,117	3,714	30,784	8,476	24.74	13.54	291,172	67,465	304,317	79,866	-4.32	-15.53
Synthetic & Artificial Silk Yarn	M.T	15,128	4,675	9,130	3,038	30,411	11,121	65.70	53.88	248,455	79,125	308,277	94,611	-19.41	-16.37
Worn Clothing	M.T	19,494	1,460	23,830	1,679	37,377	2,458	18.20	-13.04	384,846	26,572	464,267	24,750	-17.11	7.36
Other Textile Items	-	-	4,996	-	4,667	-	11,657	-	7.05	-	86,473	-	135,049	-	-35.97

Source: Pakistan Bureau of Statistics, Karachi.

The table above shows that the imports of raw cotton during June,2020 posted gain to 64,690 metric tons amounting to Rs.17,001 million as compared to 62,235 metric tons valuing Rs.16,535 million in May,2020. Whereas the imports in June, 2019 recorded lower at 44,924 metric tons amounting to Rs. 12,657 million, showing an increase of 3.94 percent in quantity and 2.82 percent in value over May, 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 2016-17 year. The summary of various indicators for Punjab and Sindh are presented in table as under:

**Table-10: 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
		Ratio	Rupees		
1		2	3	4	5
<b>PUNJAB</b>					
1.	Seed Cotton	1.09	3.37	246	2680
2.	Basmati Paddy	0.99	2.21	243	755
3.	IRRI Paddy	0.79	1.89	173	502
4.	Cotton + Wheat	1.10	3.63	245	3030
5.	Cotton + Sunflower	1.13	3.36	258	2459
6.	Sugarcane	1.16	4.55	237	1943
<b>SINDH</b>					
1.	Seed Cotton	1.11	3.94	232	3087
2.	IRRI Paddy	1.19	3.58	240	773
3.	Cotton + Wheat	1.11	3.86	231	3231
4.	Cotton + Sunflower	1.16	4.17	249	2618
5.	Sugarcane	1.25	4.28	232	1597

Source: API's Seed Cotton Policy Analysis Report 2017-18 Crop.





**Table-11: EXPORT PARITY PRICE OF SEED COTTON ON THE BASIS OF ACTUAL AVERAGE EXPORT PRICE OF PAKISTANI COTTON**

Sr. No.	Item	March, 2020
01.	Actual average export price per 40 Kgs	8,516 (Rupees) or 60.81 (US Cents per Lb)
02.	Marketing expenses (export & purchase incidentals, insurance & financial expenses) per 40 kgs	455
03.	Ex-gin price of lint per 40 kgs (item 1-item 2)	8061
04.	Value of 80 Kgs of cotton seed (b)	3644
05.	Ginning charges for 120 Kgs of seed cotton	600
06.	Value of 120 Kgs of seed cotton ( c ) (item 3+4 -item 5)	11,105
07.	Seed cotton price per 40 Kgs (item 6/3)	3,702

**Notes:**

- One US\$ = 158.81 Pak rupees.
- Average price of cotton seed for March, 2020 in Rahim Yar Khan market was Rs. 1822 per 40 Kg.
- 120 Kg of seed cotton = 80 kg of cotton seed + 40 Kg of lint.

**Sources:**

- PBS for export prices.
- KCA, Karachi for marketing expenses.
- Pakistan Cotton Ginners Association, Karachi for ginning charges.
- Directorate of Agriculture (E&M), Punjab, Lahore.
- API's Seed Cotton Policy Analysis Report for 2017-18 Crop.

**Table-12: IMPORT PARITY PRICE OF SEED COTTON ON THE BASIS OF ACTUAL AVERAGE CIF (KARACHI) PRICE OF IMPORTED COTTON**

Sr. No.	Item	June, 2020
01.	Actual average cif (Karachi) Price, per 40 kgs	Rs.10,512 (Rupees) or 71.99 (US Cent per Lb)
02.	Handling charges at port and transport cost from port to textile mill at Karachi @ 5% of cif price	367
03.	Ex-gin price of cotton lint (item 1+ item 2)	10,879
04.	Value of 80 Kgs of cotton seed (a)	3738
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	14,017
07.	Seed cotton price (item 6/3)	4,672

**Note:**

- One US\$ = 165.60 Pak rupees.
- Average price of cotton seed for June, 2020 in Rahim Yar Khan market was Rs. 1869 per 40 Kg.
- 120 kg of seed cotton = 80 kg of cotton seed + 40 kg of lint.

**Sources:**

- PBS, for cif (Karachi price).
- KCA, for incidental charges.
- Pakistan Cotton Ginners Association, Karachi for ginning charges.
- Directorate of Agriculture (E&M), Punjab, Lahore.
- API's Seed Cotton Policy Analysis Report for 2017-18 Crop.





## REGIONAL COTTON SITUATION

**1. CHINA**

Cotton area in China is estimated to decline by 2.7% to 3.2 million hectares in 2020-21 as compared to 3.3 million hectares in 2019-20. The production in china also is projected to decrease by 2.07% to 5.680 million tons owing to reduction in area in 2020-21. On the contrary, consumption is expected to rise by 7.6% to 7.800 million tons in 2020-21. Imports by China are estimated at 1.900 million tons, indicating an increase of 4.7% over previous season. Stock level in China is projected to decline by 2.9% to 8.929 million tons in 2020-21 as compared to previous year.

**Table-13: 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	9.20
Production	4.90	5.89	6.04	5.80	5.68
Consumption	8.28	8.50	8.25	7.25	7.80
Import	1.10	1.32	2.10	1.81	1.90
Ending Stock	10.35	9.03	8.88	9.20	8.93

Source: Cotton this month August 03, 2020.

**2. INDIA**

Cotton area in India is expected to decrease by 5.0% to 12.6 million hectares in 2020-21 as compared to 13.3 million hectares in 2019-20. While production in India is estimated to be strong in 2020-21 from timely planting and abundant moisture. Whereas mill consumption is expected to rise by 3.5% to 4.751 million tons in 2020-21. Indian exports have seen a decline in 2019-20 from the previous season with a reduction in trade from all typical export destinations.

**3. INTERNATIONAL COTTON SITUATION 2020-21**

World cotton area is expected to decline by 5.7% to 32.337 million hectares in 2020-21 as compared to 34.303 million hectares in 2019-20. Global cotton production also is estimated to decrease by 5.3% to 24.769 million tons in 2020-21 as compared to 26.154 million tons in 2019-20. While consumption is estimated to increase by 4.0% to 23.850 million tons in 2020-21. Global trade i.e imports and exports are estimated to increase by 4.0% to 9.070 million tons in 2020-21. World ending stocks are currently estimated to increase by 17.0% to 21.960 million tons in 2019-20 season.

**Table-14: 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	20.31	18.48	18.82	18.76	21.96	+17.06
Production	23.08	26.71	25.72	26.15	24.77	-5.28
Consumption	24.79	26.35	26.01	22.95	23.85	+3.92
Exports	8.19	9.02	9.04	8.65	9.07	+4.86
Imports	8.09	8.99	9.27	8.65	9.07	+4.86
Ending Stock	18.48	18.82	18.76	21.96	22.88	+4.19

Source: Cotton This Month August 03, 2020.

**Table -15: 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
<b>Production</b>					
India	5.87	6.35	5.35	6.20	6.20
China	4.90	5.89	6.04	5.80	5.68
USA	3.74	4.56	4.00	4.34	3.81
Pakistan	1.53	2.01	2.78	2.89	2.45
Brazil	1.66	1.80	1.67	1.32	1.19
Uzbekistan	0.79	0.80	0.64	0.64	0.64
Others	4.59	5.32	5.24	4.97	4.80
World Total	23.08	26.71	25.72	26.15	24.77
<b>Consumption</b>					
China	8.28	8.50	8.25	7.25	7.80
India	5.15	5.42	5.40	4.59	4.75
Pakistan	2.15	2.35*	2.36*	2.20*	2.16
Europe & Turkey	1.61	1.64	1.70	1.62	1.64
Vietnam	1.17	1.51	1.51	1.40	1.44
Bangladesh	1.41	1.66	1.58	1.22	1.25
USA	0.71	0.77	0.64	0.58	0.61
Brazil	0.69	0.68	0.73	0.65	0.65
Others	3.64	3.82	3.84	3.49	3.55
World Total	24.79	26.35	26.01	22.95	23.85

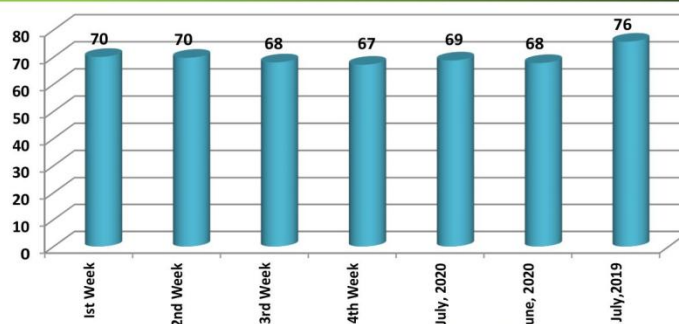
Source: Cotton This Month August 03, 2020

\*Provisional.



**Figure-V: COTLOOK 'A' INDEX DURING JULY, 20220**

(US Cents per Pound)



Source: Cotton Outlook

The graph above shows that 'A' index prices during July, 2020 posted gains to 69.00 cents per pound as compared to 68.00 cents per pound in June, 2020. However, the prices in July, 2019 were recorded higher at 76.00 cents per pound. Month-wise details are given as below:

**Table-16: MONTHLY AVERAGE PRICES OF "A" INDEX DURING 2019-20, 2018-19 & 2017-18**

(US Cents Per Pound)

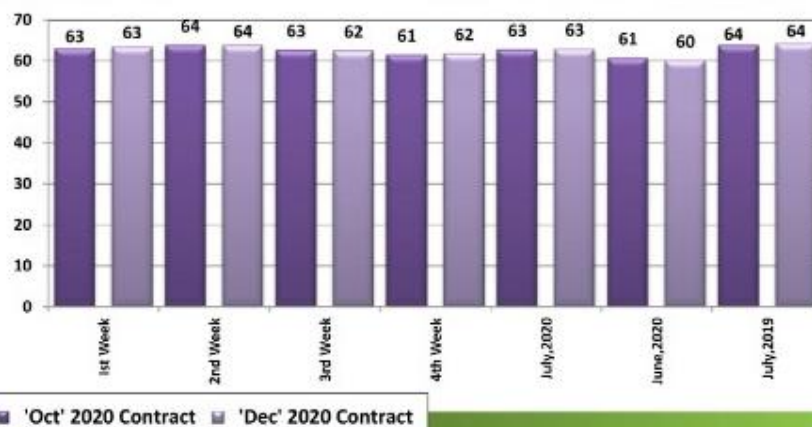
Month/Season	2018-19	2017-18
August,2018	94.73	79.27
September,2018	90.54	80.85
October,2018	86.72	78.52
November,2018	86.58	80.16
December,2018	85.75	85.18
January,2019	82.19	90.95
February,2019	81.18	88.25
March,2019	83.64	92.15
April,2019	87.28	92.09
May,2019	80.49	93.97
June,2019	77.58	97.69
July,2019	75.66	96.04
<b>Average 2018-19</b>	<b>84.36</b>	<b>87.93</b>
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
<b>Average 2019-20</b>	<b>71.33</b>	<b>84.36</b>

Source: Cotton Outlook.



Figure-VI: NEW YORK COTTON FUTURES VALUES DURING JULY, 2020

(US Cents Per Pound)



Source: Cotton Outlook

The graph above shows that the nearby October, 2020 contract during July, 2020 increased to 63.00 cents per pound as compared to 61.00 cents in previous month. However, the prices of same contract in the corresponding month of last year recorded high at 64.00 cents per pound.

