

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Cotton and Products Update October 2024

**Country:** India

**Post:** Mumbai

**Report Category:** Cotton and Products

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**Report Highlights:**

FAS Mumbai forecasts MY 2024/25 Indian raw cotton exports at 1.2 million 480 lb. bales, 55 percent lower than previous estimate, due to India lint prices trading four percent higher than global prices, prompting buyers to prefer finer quality machine-picked cotton from foreign origins. While India prices remain above international prices, mills are likely to import higher volumes of cotton to cover export commitments for high value textile products. Consequently, FAS Mumbai forecasts MY 2024/25 imports at 2 million 480 lb. bales, 67 percent higher than previous estimate.

### India, Commodity, Cotton - Production, Supply and Distribution

Cotton Market Year Begins	2022/2023		2023/2024		2024/2025	
	Aug 2022		Aug 2023		Aug 2024	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	12,927	12,927	12,700	12,700	11,800	11,800
Beginning Stocks 1000 480 lb. Bales	8,396	8,396	10,824	10,824	10,199	10,599
Production 1000 480 lb. Bales	26,300	26,300	25,800	26,000	24,000	25,000
Imports 1000 480 lb. Bales	1,727	1,727	885	885	2,300	2,000
<b>Total Supply</b> 1000 480 lb. Bales	<b>36,423</b>	<b>36,423</b>	<b>37,509</b>	<b>37,709</b>	<b>36,499</b>	<b>38,199</b>
Exports 1000 480 lb. Bales	1,099	1,099	2,310	2,310	1,300	1,200
Domestic Use 1000 480 lb. Bales	24,500	24,500	25,000	24,800	25,500	25,500
Loss 1000 480 lb. Bales	-	-	-	-	-	-
<b>Domestic Use and Loss</b> 1000 480 lb. Bales	<b>24,500</b>	<b>24,500</b>	<b>25,000</b>	<b>24,800</b>	<b>25,500</b>	<b>25,500</b>
Ending Stocks 1000 480 lb. Bales	10,824	10,824	10,199	10,599	9,699	10,899
<b>Total Distribution</b> 1000 480 lb. Bales	<b>36,423</b>	<b>36,423</b>	<b>37,509</b>	<b>37,709</b>	<b>36,499</b>	<b>38,199</b>
Stock to Use % (PERCENT)	42	42	37	39	36	41
Yield (KG/HA)	443	443	442	446	443	461
(1000 HA),1000 480 lb. Bales, (PERCENT), (KG/HA)						

#### Area and Production

FAS Mumbai forecasts MY 2024/25 planted area to remain at 11.8 million hectares, as farmers have shifted cotton acreage to higher return crops such as paddy, and pulses. Unforeseen heavy rains in southern India damaged standing crops of maize, cereals and horticultural crops forcing farmers to replant cotton. In southern India, the major portion of the irrigated and rain fed crop is planted in September-October, whereas the sowing of the rainfed crop in the southern districts is extended up to November. In parts of Karnataka and Andhra Pradesh, the desi (local varieties) cotton is usually sown in August-September. The sowings of cotton in the rice fallows of Andhra Pradesh and Tamil Nadu extend from the second half of December to the middle of January.

According to the [September 27 sowing progress report](#) published by the Ministry of Agriculture and Farmer Welfare, sowing has reached 11.3 million hectares, nine percent lower than this time last year, and ten percent lower than the five-year average (refer table 1). FAS Mumbai forecasts MY 2024/25 India cotton production at 25 million 480 lb. bales (32 million 170-kilogram bales/5.4 million metric tons), unchanged from the previous forecast. The national yield forecast remains at 461 kilograms per hectare, as lower yields in north and central India will be offset by higher yields in south India.

**Table 1. Kharif 2024 Cotton Sowing Progress (in million hectares)**

State	2024/25 as of Sep 27, 2024	2023/24 as of Sep 27, 2023	Normal Area as on date	Y-o-Y Change	Change from Normal	Absolute Change
Andhra Pradesh	0.389	0.398	0.551	-2%	-29%	(2.49)
Telangana	1.771	1.802	2.035	-2%	-13%	(2.11)
Gujarat	2.367	2.682	2.486	-12%	-5%	1.33
Haryana	0.476	0.665	0.688	-28%	-31%	0.16
Karnataka	0.684	0.697	0.695	-2%	-2%	(1.28)
Madhya Pradesh	0.615	0.650	0.626	-5%	-2%	0.25
Maharashtra	4.086	4.222	4.216	-3%	-3%	0.01
Odisha	0.238	0.222	0.195	7%	22%	0.19
Punjab	0.100	0.200	0.251	-50%	-60%	(0.80)
Rajasthan	0.520	0.780	0.687	-33%	-24%	1.08
Tamil Nadu	0.026	0.035	0.050	-26%	-48%	(0.16)
Others	0.024	0.017	0.027	39%	-9%	(0.03)
<b>All India</b>	<b>11.295</b>	<b>12.371</b>	<b>12.506</b>	<b>-9%</b>	<b>-10%</b>	<b>(3.86)</b>

Source: Ministry of Agriculture and Farmers Welfare

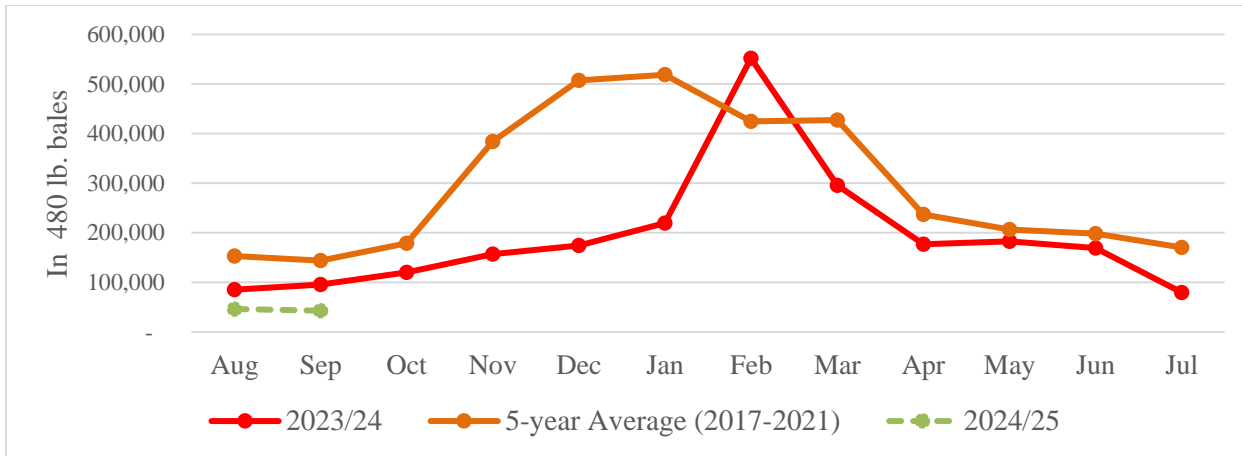
## Consumption

Post forecasts MY 2024/25 mill consumption to remain at 25.5 million 480 lb. bales (32.6 million 170-kilogram bales/5.6 million metric tons), as domestic mill demand remains strong. Preliminary [export data published](#) by the Ministry of Commerce and Industry shows cotton yarn shipments by value rose nearly four percent in September as compared to the same period last year, while readymade garment shipments are up by 17 percent. Bangladesh remains the top export market for cotton yarn, followed by China and Vietnam. Production of both textiles and apparel was up two and 14 percent respectively based on the [Index of Industrial Production - Quick Forecasts of IIP August 2024](#), as compared to the same period last year.

## Exports

Post forecasts MY 2024/25 raw cotton exports at 1.2 million 480-lb. bales (1.5 million 170-kilogram bales/262,000 metric tons), 40 percent lower than previous forecast as improved mill demand will likely push a higher percentage of raw cotton into the domestic market for value addition, leaving lower exportable surplus than anticipated. Indian cotton lint prices are trading three to four cents higher than the Cotlook A-Index prompting larger mills to import cotton till new arrivals begin in October. Preliminary export data for September indicates 55 percent fall in shipments from corresponding period last year.

**Figure 1: Cotton Exports by Month**

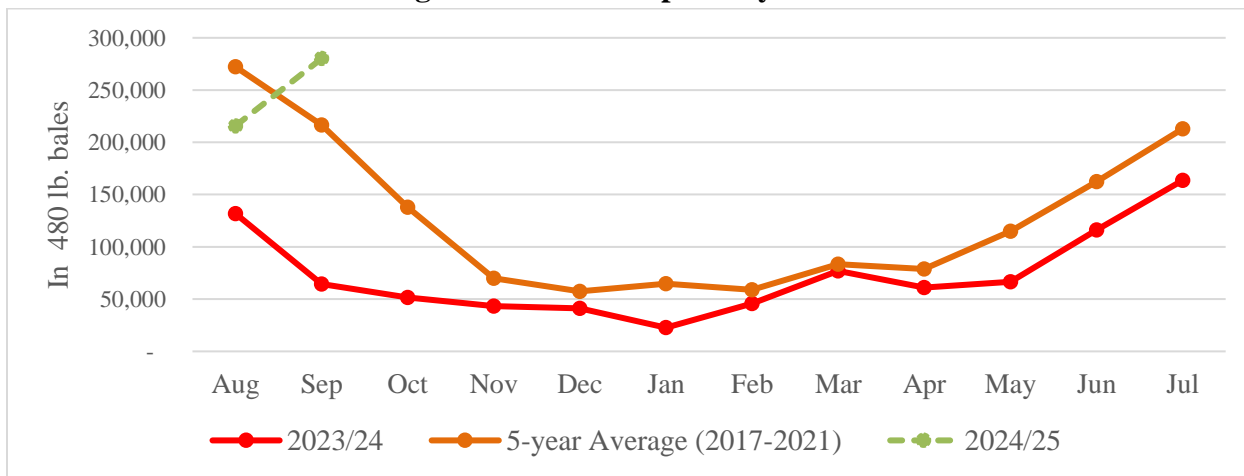


Source: Directorate General of Foreign Trade, Ministry of Commerce, and Industry

**Imports**

Post forecasts MY 2024/25 cotton imports at two million (480-lb.) bales (2.6 million 170-kilogram bales/436,000 metric tons), 67 percent higher from the previous forecast due to relative affordability of higher quality imported cotton over domestically produced supplies. Preliminary [import data published](#) by the Ministry of Commerce and Industry indicates raw cotton and cotton waste shipments by value in September 2024 are up 240 percent from last year with supplies dominated Australia (38 percent share), the United States and Mali (16 percent share each).

**Figure 2: Cotton Imports by Month**



Source: Directorate General of Foreign Trade, Ministry of Commerce, and Industry

\*\*FAS estimate

**Attachments:**

No Attachments.