

PUNJAB COTTON BULLETIN

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India's CCI boosts cotton purchase as prices dip below MSP

Insights

In the current season starting October 2024, the Cotton Corporation of India has procured 30.98 lakh bales of cotton due to lower market prices than the minimum support price.

With over two-thirds sourced from Telangana, the procurement efforts have increased significantly, especially as farmers opt to sell at government rates, facing a notable price gap.

India has procured 30.98 lakh bales of 170 kg cotton in the two and a half months since the current season began in October 2024. After a gap of three years, the Indian nodal agency for government procurement, the Cotton Corporation of India (CCI), has procured a large amount of the natural fibre, as cotton prices are lower in the open market compared to the minimum support price (MSP).

Industry sources estimated that the CCI had procured 30.98 lakh bales of cotton by December 14 this year. Of the total procurement, CCI has purchased over two-thirds of the cotton from Telangana alone, amounting to 19.94 lakh bales. From Maharashtra, CCI has procured 5.42 lakh bales of cotton, 1.80 lakh bales from Andhra Pradesh, and 1.66 lakh bales from Karnataka. Additionally, Gujarat contributed 88,000 bales, Madhya Pradesh 87,000 bales, north India (including cotton-producing states upper Rajasthan, lower Rajasthan, Punjab, and Haryana) 20,000 bales, and Odisha 21,000 bales to CCI's cotton procurement in the current season.

India's cotton marketing season begins on October 1, but cotton procurement starts a little later, depending on market conditions. CCI is mandated to intervene in market operations if cotton prices fall below the prescribed MSP. The Indian government had fixed the MSP at ₹7,121 per quintal for medium staple and ₹7,521 per quintal for long staple seed cotton (Kapas) for the current season 2024-25.

Lower prices of seed cotton in the open market in most cotton-producing states have driven farmers to sell their produce at CCI's procurement centres. As Telangana has witnessed a significant gap between market price and MSP, farmers queue up to sell their produce. Trade sources said that lower market prices would boost CCI's cotton procurement further in the current season. It is difficult to estimate total procurement in the current season, but some trade sources projected total procurement to be between 60 lakh to 100 lakh bales.

CCI did not procure cotton in significant quantities in the last two seasons. It had purchased 214,313 bales in the year 2023-24. Its procurement was negligible in the years 2022-23 and 2021-22. However, CCI had procured 91.89 lakh bales in 2020-21 and 105.14 lakh bales of cotton in 2019-20.

(Source : Fibre2Fashion Dt. 23-12-2024)

<https://www.fibre2fashion.com/news/cotton-news/india-s-cci-boosts-cotton-purchase-as-prices-dip-below-msp-299817-newsdetails.htm>

COTTON BUSINESS: The following business was transacted on dt. 21st Dec. after 4.00pm & 22nd Dec 2024.

No Bargain Reported Today Bargains upto 4.00 PM

J-34 R/G (Maund)

150	Srikaranpur	5520.-	Millwala
150	Ramsinghpur	5520.-	--do--
100	Sriganganagar	5530.-	Cnaeon
100	Pilod	5560.-	Millwala

Quotation	Punjab	Haryana	Sri Ganganagar Circle	Bikaner & Pilani	Khairthal Belt (Candy)	Marwar/Mewar Belt - (Candy)
Today J-34 R/G Ready Delivery	5530/5540	5500/5540	5520/5550	5520/5570	53400/53500	52800/53600
Same Date Last Year	5425/5525	5400/5525	4950/5400	5400/5600	53600/53800	49500/54000
Bengal Deshi	5250/5350			Same Date Last Year	4900/5000	
Kapas Rate P.Qtl New Crop	7100/7400				6400/7100	

TODAY'S KAPAS ARRIVALS NEW CROP - (in bales)				Total Arrival (in Bales)
Punjab	Haryana	Upper Rajasthan + Pilani Area	Khairthal Belt & Marwar/Mewar belt	
600	2000	4000	7000	13600
KAPAS ARRIVALS SAME DATE LAST YEAR				
3000	6000	8500	10000	27500

Quotation Cotton Seed (Per Qtl)	Punjab	Haryana	Rajasthan
Today's New Cotton Seed	3400/3500	3400/3500	3400/3600
Same Date Last Year	2400/2600	2400/2700	2500/2800

Although the above details have been obtained through reliable sources, yet their complete correctness is not guaranteed

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