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Thanks to good rains, cotton output seen rising 4% to 34.5 m bales



The acreage under cotton crop is expected to bounce back to touch 11.9 million hectares and cotton output is set to register double digit growth

Cotton output is expected to increase 4 per cent to 34.5 million bales (of 170 kg each) in the cotton year ending September on the back of sharp rise in yield.

However, the acreage under cotton has dropped 11 per cent to 10.84 million hectares (12.29 million hectares). The yield per hectare is expected to increase to 541 kg from 459 kg, according to the second advanced estimate released after the Cotton Advisory Board met here on Friday.

Export to decline

Kavita Gupta, Textile Commissioner and Chairperson of CAB, said cotton export is expected to decline to 6 million bales this year from 6.9 million bales last year with concern over availability of cotton in domestic markets.

Exports to Pakistan have fallen drastically while Bangladesh accounted for 40 per cent of total exports from India till May.

“There are reports of pink bollworm attacks in Gujarat, Maharashtra, and Madhya Pradesh, and whitefly attack in Punjab and Haryana. But better crop management and efficient protection mechanism would reduce the impact on the productivity in the coming season,” she added.

Next Season

The area under cotton crop is expected to bounce back to 11.9 million hectares the next season and the output is set to grow in double digits, Gupta said.

“We are expecting the area under cotton to increase as the monsoon was on time and farmers got a better price for their crop. So, some area under pulses was diverted to cotton,” she added.

Data compiled by the Ministry of Agriculture till mid-August show 18 per cent increase in cotton acreage for the crop year 2017-18 (October–September).

The use of home-grown cotton variety developed by the Central Institute for Cotton Research, Nagpur, has increased this year as there were reports of pest attack in Bt cotton variety, Gupta said.

The Indian Council of Agricultural Research has also come up with more native varieties, which are good in yield. Once they are commercialised in 2017-18, the area under the indigenous variety will increase further," she added.

(This article was published on August 20, 2017)

Business Standard

Soybean price gloom for farmers to continue

Despite a marked fall in sowing in Madhya Pradesh due to the slump, there's a lot of carryover stock

Farmers in Madhya Pradesh (MP) have planted less of soybean due to falling return. The prices aren't expected to show a big rise even in 2017-18, with strong carryover stock and weak global edible oil markets.

Sowing in MP, the country's biggest producer, has fallen to 4.8 million hectares in 2017-18, from 5.3 million hectare (mn ha) in 2016-17. More farmers in the central parts — around Hoshangabad, Harda, Sehore, Nasrullaganj, etc — opted for pulses and other crops instead.

The Centre's recent move to raise the import duty on crude edible oils to 15 per cent from 7.5 per cent, and on refined oils to 25 per cent from 15 per cent, will only have a temporary impact on prices, traders said. Carryover soybean stock from last year's crop is estimated at two to three million tonnes.

The critical differentiator in this could be the weather over western MP and parts of Maharashtra over the next few weeks. If the dry spell continues, it might have an adverse impact on final output, pushing up prices.

However, weather department officials said the dry spell over parts of MP, Marathwada and Vidarbha, and parts of Chhattisgarh, could be broken in the next few days. A cyclonic circulation over the Bay of Bengal will help in reviving the monsoon in these parts.



Falling soybean rates and diminishing returns from one of the main crops grown in the western parts of MP are being blamed for the widespread farmers' agitation in the state that claimed six lives in police firing in June. The open market price in Indore and adjoining wholesale markets had dropped closer to its Minimum Support Price (MSP) of Rs 3,050 a quintal (qtl) and even lower in some places. This Thursday, it was Rs 2,900-3,000 a qtl. Prices have remained around Rs 3,000 a qtl since 2015, a blow to the economy of Malwa-Nimar where this crop is majorly grown.

"I don't anticipate any big change in soybean prices this season. Any possible shortfall in production could be compensated by good carryover stock but only if the weather does not turn adverse in the coming weeks," says Rajesh Agarwal, a former chairman of the Indore-based Soybean Processors Association of India and an old industry hand.

He said the processing industry was also not expected to benefit from the falling prices, as they have been functioning at less than 50 per cent capacity for several years. "Even if total availability of soybean falls by 10 per cent as compared to last year, there shouldn't be any problem and prices might not rise by much," another trader said. Global soy oil and palm oil prices have dropped sharply in recent months due to bumper palm production in Malaysia, which has also dragged down soy oil prices.

In such a scenario, unless the Indian bean crop suffers big damage, retail prices aren't expected to see much change, once again making the crop non-remunerative for farmers in MP and Maharashtra – the two states which have seen the largest incidence of farmer agitation this year.

SOYBEAN PRODUCTION

(million tonne)

