

Cotton gains as ginning operations restart

KARACHI: Cotton prices increased Rs200-250 per maund (40kg), owing to renewed demand from ginners as they go back into production amid an easing lockdown, The News learnt on Saturday.

Cotton arrivals also increased in the market as more ginning factories in Sindh and Punjab have started their operations.

A broker said one international commodity company was buying lint from the local market, which stabilised the prices in the local market.

However, price of cotton in Sindh is Rs8,200 to Rs8,300 per maund, Punjab Rs8,450 to Rs8,550 per maund, and Balochistan cotton was being sold for Rs8,250 to Rs8,300 per maund.

Karachi Cotton Association kept the spot rate fixed at Rs8,250 per maund.

Chairman Karachi Cotton Brokers Association Naseem Usman said international markets remained mixed during the week. "Due to hurricane in cotton growing state of Texas and more purchasing from China, rate increased by three cents per pound in the New York Cotton Futures Market, which reached at a higher level of 65 cents per pound," Usman said. "However, it decreased by three cents Friday after reports of tension between the US and China."

Usman said cotton rates remained stable in Brazil and Argentina, while Cotton Corporation of India sold the commodity to local mills and exported to Bangladesh, which disturbed the local ginning factories over there.

On the other hand, he said, different controversial estimates were given for cotton production in the country.

According to Usman, Punjab's agriculture minister gave an estimate of around 7.5 million bales of cotton in the province, whereas no estimates have so far been provided by Sindh, Balochistan, and KPK governments.

Another stakeholder said paddy was cultivated in various parts of Southern Punjab's cotton belt, thus there would be lower cotton output in 2020-21. "Paddy is being sown in place of cotton in DG Khan, Bahawalpur, and Multan districts," he said.

Due to a decline in production, textile industry is suffering in the country while textile mills are importing cotton.

According to reports, cotton sowing in the country has declined 18 percent in the country this year. In Punjab only, cotton sowing has decreased 18.16 percent. In 2019-20, cotton was cultivated over 4.64 million acres in Punjab, while it has been sown over around 3.82 million acres now. Thus, cultivation has decreased by around 0.84 million acres.