

## **Weekly Cotton Review, Market witnesses bullish trend**

KARACHI: Rains can affect the cotton crop. Price of cotton increased Rs. 200 per maund. Fluctuations in international cotton markets witnessed. Incentives for the textile sector announced and recommendations for a five-year textile policy are being formulated. According to Chief Minister Punjab Sardar Usman Buzdar government of Punjab is in the process of signing JV with Monsanto for BT cotton seed.

The prices of cotton witnessed an increase of Rs 200 to Rs 250 per maund as the local cotton market during the last week witnessed an overall bullish trend because the textile and spinning sector took interest in buying. On the other hand increasing trend was witnessed in the supply of Phutti day by day. New ginning factories are starting their operations. In Punjab ginning factories has started their operations in many areas. The demand of Phutti as well as trading volume is increasing.

Due to the starting of spell of rains in many areas of Punjab and Sindh the supply of Phutti will be decreased as well as the quality of Phutti will also be effected. It is feared that production of cotton crop will be effected in the cotton producing areas of Sindh because of rains. If rainwater collects in the field, it will damage the crops. Rains also increase the risk of attack of viruses and insects on the crop. Farmers need to be careful.

According to cotton market sources, an international commodity company has started buying cotton since the beginning of the season. One of the reasons for the stability in the price of cotton is that the company has so far procured most of the cotton bales and is continuously buying. However, the prices of cotton in Sindh are in between Rs 8200 to Rs 8300 per maund. The rate of Phutti is in between Rs 3300 to Rs 3700 per 40 kg. The rate of Banola is in between Rs 1450 to Rs 1500 per maund.

The rate of cotton in Punjab is in between Rs 8450 to Rs 8550 per maund. The rate of Phutti is in between Rs 3600 to Rs 4000 per 40 kg while the rate of Banola is in between Rs 1500 to Rs 1550 per maund.

The rate of cotton in Balochistan is in between Rs 8250 to Rs 8300 per maund. The rate of Phutti is in between Rs 3900 to Rs 4000 per 40 kg.

The Spot Rate Committee of Karachi Cotton Association has stabled the rate at Rs 8250 per maund.

Chairman Karachi Cotton Brokers Forum Naseem Usman told that over all mixed trend was seen in the international cotton market. New York Cotton prices have risen by three cent because of Hurricane in USA's cotton producing state Texas and decrease in the rate of dollar as well as according to the weekly USDA export report China was the biggest importer. The Rate of Promise (Waday Ka Bhao) of New York Cotton reached as high as 65 cent per pound. After the news of rising tension between China and America the rate of New York cotton decreased by three American cents.

The rate of cotton remained stable in Brazil and Argentina while the increasing trend was seen in the rate of cotton in China while the rate of cotton remained stable in India.

The Cotton Cooperation of India is supplying cotton to the local mills from their bought stock as well as exporting cotton to Bangladesh due to which the local ginners were facing difficulties in selling their cotton.

Contradictory estimates of cotton production are being made in the country. Agriculture Minister Punjab Malik Noman Ahmad Langrial claimed that 75 lac bales will be produced in the province however no estimates were being made regarding cotton production in the provinces of Sindh, Balochistan and Khyber Pakhtunkhwa.

According to media reports paddy was cultivated in the cotton belt of South Punjab. The cotton sowing decreased in Punjab during the year 2020-21. The textile industry is facing severe financial crisis because of the decrease in domestic cotton production year by year while mill owners were not properly paying to their employees because they have to bear the cost of the imported cotton.

Cotton cultivation area witnessed a decrease of 18 percent while the situation regarding the quality of cotton is also not satisfactory. The division of South Punjab Multan, Bahawalpur and DG Khan which were famous for cotton production but now Multan district is no longer a part of cotton growing belt but it is now turned in to a paddy growing area which is also a question mark on the performance of both provincial agriculture department as well as both federal and provincial departments working to increase the production of cotton.

According to the information, cotton cultivation area decreased by 18.16 percent in Punjab. According to the sources during the last season of 2019-20 cotton was cultivated on forty six lac and forty nine thousand acres but during the current season it was cultivated on thirty eight lac and twenty one thousand acres. The cotton was not cultivated on eight lac forty eight thousand acres due to negligence of the government but no clarification was issued from Punjab government regarding this.

Regional President International Apparel Federation, Chief Coordinator PRGMEA Ijaz. A. Khokhar said that in order to achieve milestone to enhance exports, it is crucial for government to facilitate the export sector and revise its policies which were creating hurdles in the promotion of exports.

Pakistan Hosiery Manufacturers Association has presented his proposals regarding preparation of five year textile policy 2020-2025 to Trade Development Authority of Pakistan.

Yesterday, President Pakistan Federation of Chambers of Commerce and Industry Mian Anjum Nisar met with Prime Minister Imran Khan, federal minister for industries Mian Hammad Azhar and Chief Minister Punjab Sardar Usman Buzdar and discussed with them the problems faced by the industry and gradual decline in cotton production. In 2011 the cotton production in the country was one crore forty five lac bales which was eighty five lac bales last year. Responding to that Chief Minister Punjab Sardar Usman Buzdar said that government of Punjab is in the process of signing JV with Monsanto for BT cotton seed.