

**Weekly Cotton Review, Bullish trend witnessed in local market**

KARACHI: Under the influence of increasing trends in the rate of cotton internationally the rate of cotton increased by Rs 150 per maund in the local cotton market. Fear of damage to cotton crop due to rains. It is hinted that exports of textile products may increase. Punjab Agriculture Minister Malik Noman Ahmad Langrial announces introduction of new varieties of seeds to increase cotton production.

Bullish trend was witnessed in the local cotton market during the last week due to the increase in buying of cotton as compared to supply of Phutti. The main reason of increase in the price of cotton is increasing trend in the prices of cotton internationally. As a result of the increase in the Rate of Promise (Waday Ka Bhao) of New York Cotton an international firm increased its buying due to which the rate of cotton increased in the local market. This international firm is continuously involved in buying and up till now this firm has purchased one lac bales of cotton.

The textile and spinning sectors are also buying cotton at higher prices for their needs due to rising cotton prices. On the other hand the increasing trends in the prices of cotton were witnessed due to imitated supply of Phutti because of rains. Rains have increased the likelihood of damage to the cotton crop. The sowing was already poor as compared to the expectations because of low quality seeds. Thus, it is becoming difficult to estimate cotton production. Punjab government is claiming that 75 lac bales will be produced in the province while if 30 lac to 35 lac bales will be produced in Sindh then it is estimated that one crore 10 lac (11,000,000) bales will be produced in the country. However, according to the estimates of the private experts the cotton production will be around 87 lac bales.

The rate of cotton in Sindh is in between Rs 8275 to 8400 per maund while the rate of Phutti is in between is Rs 3600 to Rs 3900 per 40 Kg. The rate of cotton in Punjab is in between Rs 8650 to Rs 8750 while the rate of Phutti is in between Rs 3700 to Rs 4100 per 40 kg. The rate of Banola is in between Rs 1650 to Rs 1800 per maund. The rate of cotton in Balochistan is in between Rs 8350 to Rs 8450 per maund while the rate of Phutti is in between Rs 4000 to Rs 4100 per 40 kg.

The Spot Rate Committee of the Karachi Cotton Association has released the Spot Rate by Rs 150 per maund and closed it at Rs 8500 per maund.

Chairman Karachi Cotton Brokers Forum Naseem Usman told that over all bullish trends was witnessed in international cotton market especially bullish trend was witnessed in the Rate of Promise (Waday Ka Bhao) of New York Cotton which was increased by 64 American cents. The reason behind increasing prices is uncertainty regarding production of cotton in Texas which is the biggest cotton producing state of America. On the other hand according to the weekly USDA report China is the biggest importer, while during the week exports of cotton increased by 51 percent.

The rate of cotton remained stable in Brazil, China and Argentina. Overall increasing trend was witnessed in the rate of cotton in India. It is expected that besides other crops the production of cotton will increase as a result of sufficient rains in Indian province of Gujrat which is the biggest producer of cotton in India. On the other hand Cotton Corporation of India is selling cotton from the stock to the local mills as well as Bangladeshi mills due to which there is uncertainty among the local Indian ginnerers.

Moreover, there are reports of an increase in demand for textile products internationally. The rate and demand of cotton yarn is increasing however, difficulties were faced in payments. The government is giving concessions to the exporters however there is uncertainty among the exporters especially textile sector regarding Supreme Court's decision on GIDC.

Punjab Agriculture Department (PAD) will soon submit new cotton varieties to the Punjab Seed Council (PSC) for approval; developed by the private and public agriculture sector scientists, having resistance against pink bollworm and white fly and potential to increase the production and reducing input cost by 40 percent. This was disclosed at a meeting of the stakeholders of research and development in cotton's latest technology held at the Agriculture House on Friday with Minister Agriculture Punjab Malik Noman Ahmad Langrial in the chair.

The meeting discussed the research being carried out by the private and public sector organizations and observed that achieving latest technology is necessary to support the cotton crop in Pakistan. The Minister expressed his happiness that researchers are getting extra-ordinary success in cotton crop. He said that new varieties of cotton will soon be available to farmers after completing all the formalities and analysis of data.

Director General Agriculture (Extension) Dr. Anjum Ali Buttar, DG (Research) Dr. Abid Mahmood, Director Cotton Research Institute Multan Dr. Sagheer Ahmad, and other officials were also present on this occasion.

Companies on this occasion briefed the meeting about some new varieties having resistance against diseases, especially pink bollworm and white fly. The Minister stressed upon the researchers to come up with new seed which could face the wrath of climate change as old cotton seeds are unable to face the changes. He hoped that new seed will see less attack by pests thus reducing the input cost.