

RECORDER REPORT

Cotton spot rate down by Rs100 to Rs8200

KARACHI: The Spot Rate Committee of Karachi Cotton Association on Monday has decreased the spot rate by Rs100 per maund and closed it as Rs8200 per maund.

Market sources told that no significant trading activity was observed in the market. The business community is not happy with the federal budget as government had not announced any incentives for the textile and export oriented sector. The government had assured the textile sector that sales tax will be abolished but no such announcement was come from the government.

Cotton Analyst Naseem Usman told that the future of the cotton and ginning industry is at stake as government had not accepted the demands of the ginning industry. He also said that it is expected that FBR is going to serve notices to the ginneries to pay billions as sales tax. He said that meeting of ginneries is going to be held in Multan in which if they decided to close the factories it will be a big loss for the economy of the country.

The new season 2020-21 cotton were sold between Rs7900 to Rs8000 per maund.

Naseem said that according to international news channel attack of locust is the biggest threat than coronavirus. He told that according to the sources a joint meeting between Pakistan and India on the issue of Locust attack is scheduled to be held on June 18 in the Indian city of Munabao. He said that it is expected that six meetings will be held between the two countries regarding evolving a joint strategy on saving the crops from Locust attack.

Sources said in this regard a joint wireless system will be established in the Indian city of Jodhpur and Karachi (Pakistan) for exchanging the information on locust between the two countries.

Amid the rising locust threat in Pakistan, he said that Prime Minister Imran Khan backed an idea for dealing with the locust threat in the country under which the government would provide financial incentives to the people for catching locusts and then selling these insects to poultry farmers who could use them as poultry feed. The prime minister endorsed the proposal while chairing a meeting of the federal cabinet two days back.

He warned that if we didn't control locusts properly this year the country could suffer about US\$3 billion loss due to locust attacks, and a reduced harvest could increase inflation in the country.

Currently the entire country was under the threat of an attack by desert locusts but around 37 percent area of Pakistan was more vulnerable to such attacks.

Meanwhile, National Agromet Centre has warned that around 10 percent higher rains, expected in the upcoming monsoon season, are going to provide a perfect environment for the locusts to thrive, which in the absence of drastic countermeasures could prove disastrous for the country's agriculture production.

This above average amount of rainfall and resultant extensive growth of vegetation would be ideal for new invading swarms in June and July from Africa and other south and south-western breeding areas.

According to Food and Agriculture Organization (FAO) of the United Nations, the number of locusts is feared to grow 400 times by June onward and is likely to cause a crisis if left unchecked.

According to the latest assessment of National Agromet Center, locust has been confirmed in 53 districts of Pakistan. Balochistan is leading with 33, followed by Khyber Pakhtunkhwa with 10, Sindh 08 and Punjab with 02 districts at present. Early migration of spring-bred swarms from southwest Pakistan to Rajasthan, India occurred in May before the monsoon. Control operations are underway by using insecticides.

As precautionary measures, widespread and appropriate insecticides spray using aeroplanes/helicopters or special vehicles in the affected areas, is the only solution to control the spread of locust. Otherwise, an environment conducive to locust breeding during monsoon season would multiply the insects massively.

Naseem said that both federal and provincial governments along with Pakistan Army had taken steps on war footings to control the attack.

He also said that there is uncertainty regarding the exact estimates of cotton production in the country. The situation of cotton crop in lower Sindh is satisfactory. Sowing is still going on in Punjab.

Naseem Usman also said that it is first time in the history of Pakistan that seed companies are buying Banola between Rs2500 to Rs2600 per maund for using it as seed. The seed of good quality is not available in the market.

Naseem Usman told that Phutti of Sindh was sold in between Rs3800 to Rs4000 per 40 kg.

He also said aid that Spot Rate Committee decreased the spot rate by Rs100 per maund and closed it at Rs8200 per maund. The rate of cotton in Sindh and Punjab is in between Rs6500 to Rs8400 per maund. The polyester fiber was available at Rs155 per kg.

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The KCA Official Spot Rate for Local Dealings in Pakistan Rupees

FOR BASE GRADE 3 STAPLE LENGTH 1-1/16"

MICRONAIRE VALUE BETWEEN 3.8 TO 4.9 NCL

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Rate Ex-Gin Upcountry Spot Rate Spot Rate Difference

For Price Ex-Karachi Ex. KHI. As Ex-Karachi

on 13-06-2020

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37.324 kg 8,200 160 8,375 8,475 - 100/-

Equivalent

40 kgs 8,788 171 8,976 9,083 - 107/-

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