

Traders reject proposal of buying cotton through TCP

KARACHI: Cotton Traders has termed the decision of Economic Coordination Committee of rejecting the proposal of buying of cotton at Rs 4200 per maund through Trading Corporation of Pakistan as win of investors and defeat of farmers.

Cotton analyst Naseem Usman told that after the decision forward trading was also stopped in the market. He also said that there was already no business in the market for the last one and a half months because of the lockdown due to the coronavirus.

He said if the ECC approved the summary of support price of cotton this will prove to be helpful in increasing production of cotton in the country. He expressed his concern that this decision may affect the cotton production in the country as the farmers will lose their interest in cotton sowing.

He also said that sources had already expressed their concerns that this summary might be rejected by the ECC because ministry of National Food Security and Research and ministry of commerce are not on the same page regarding the announcement of support price of Phutti.

Naseem said that ministry of National Food Security had proposed the price in order to encourage the farmers and to increase the production of cotton. However, ministry of commerce had opposed it on the ground that if the local prices are more than international market then it will be difficult for the textile value chain to compete it with international market.

He also said that government is rejecting the long standing demand of cotton farmers of announcing the support price of cotton for the last three years. He said Prime Minister Imran Khan had also promised that government will take all measures of achieving the production target of 15 million bales. The Prime Minister Imran Khan while chairing the meetings of committees said several times that government will buy cotton through TCP.

He also said that spot rate remained unchanged at Rs 8700 per maund. The rate of cotton in Sindh and Punjab is in between Rs 7000 to Rs 8800 per maund. The polyester fiber was available at Rs 160 per kg.