

Cotton spot rate further up by Rs100 to Rs8800

KARACHI: The Spot Rate Committee of the Karachi Cotton Association on Wednesday has increased the spot rate by Rs 100 per maund and closed it at Rs 8800 per maund.

Trading activity remained low in the local cotton market after the rains as millers are not taking interest in the buying because of the low quality of cotton due to rains in Sindh and Punjab. The millers started imported cotton from abroad because of the high prices of the local cotton.

Market sources told that market remained bullish. Picking was also affected due to rains.

Cotton Analyst Naseem Usman told that as per media reports rain received in the city and suburbs on Monday would be beneficial for crops including maize, fodder, vegetables and rice but experts fear it would damage cotton crop.

Assistant director agriculture information Naveed Asmat Kahlon advised cotton farmers to immediately drain out water from their fields stating that keeping water stagnant in a field for 48 hours would cause plant wilting. The plant would dry up in case water remained there for 72 hours.

He asked farmers to drain out water in nearby rice or sugarcane fields, or dump it in some ditches, or if no field nearby was available then dump water in one cotton field to save their other fields.

Moreover, Adviser to Prime Minister on Commerce and Investment Abdul Razak Dawood announced on Tuesday that zero-rated industries will be supplied gas and electricity at discounted rates.

Taking to Twitter, he said a meeting of officials of the ministries of commerce, finance, and energy took place wherein it was agreed that "erstwhile 5 zero-rated industries will be given a rate of 7.5 ¢/kWh for July & August and 9 ¢/kWh thereafter". For gas, the rate will be \$6.5/MMBtu throughout.

Dawood said he felt that the Ministry of Commerce has obtained a very good rate in the wake of the situation created by the coronavirus pandemic and asked exporters to concentrate on increasing exports.

He thanked the ministries of energy and finance for their continued support.

Meanwhile, ICE cotton futures rose to an one-week peak on Tuesday, as data showed a decline in the natural fibre's crop condition and on optimism over a rebound in demand as economies recover from the pandemic.

Cotton contracts for December rose 0.19 cent, or 0.3%, at 65.35 cents per lb by 2:15 p.m. EDT (1815 GMT). Prices had earlier risen to their highest since August 25 at 66.44 cents per lb.

Cotton is being supported by a slight deterioration in the crop progress, some crop loss in Louisiana from Hurricane Laura and technical buying from speculators, said Keith Brown, principal at cotton brokers Keith Brown and Co in Georgia.

The US Department of Agriculture's (USDA) weekly crop progress report on Monday showed 44% of the crop was in good/excellent condition, down from last week's 46% and last year's 48%.

Cotton Analyst Naseem Usman further told that already feeling the pinch of food insecurity due to COVID-19, the agricultural economy of Sindh is additionally suffering from flood which has damaged standing crops in most parts of the province, especially, Thatta, Sujawal, Badin, Mirpurkhas, Thar, Umarkot, Sanghar, Tando Allahyar, Tando Muhammad Khan, Matiari, Dadu, Hyderabad, Jamshoro and Larkana.

Representatives of various farmers said that the recent monsoon spell had caused huge loss to the Kharif crops, especially cotton, chilli, onions and some other vegetables.

Almost 80 to 90 percent of the cotton crop and 90 to 95 percent of vegetable crops, i.e. chilli and onions, have been destroyed completely.

Naseem also told that as per media reports Sindh farmers have lost nearly half-a-million bales of cotton ever since the monsoon season began and pest attacks intensified following the humid weather.

"Growers in Mirpurkhas, Sanghar, Umerkot, Khipro etc have lost nearly 400,000-500,000 bales of cotton in the ongoing month, and whatever crop has survived the downpour is of low quality and will sell at below market rates," said Pakistan Cotton Ginners Association's former chairman Dr Jessu Mal Leemani.

"Rains have caused enormous losses to farmers in these districts as there is no concept of crop insurance and the government has yet not announced any financial help for them," he deplored.

Naseem Usman told that 1000 bales of Shahdadpur were sold at Rs 8750 to Rs 8800, 200 bales of Moro were sold at Rs 8800 per maund, 600 bales of Tando Adam, 400 bales of Saeedabad, 200 bales of Nauabad, 200 bales of Sanghar were sold at Rs 8750, 400 bales of Chichawatni, 200 bales of Pir Mahal, 200 bales of Bahwalnagar were sold at Rs 9100 and 800 bales of Vehari were sold at Rs 8800 to Rs 8875.

He also told that rate of cotton in Sindh was in between Rs 8700 to Rs 8800. The rate of cotton in Punjab is in between Rs 9200 to Rs 9300. He also told that Phutti of Sindh was sold in between Rs 3700 to Rs 4100 per 40 kg. The rate of Phutti in Punjab is in between Rs 3800 to Rs 4200 per 40 kg.

The rate of Banola in Sindh was in between Rs 1600 to Rs 1650 while the price of Banola in Punjab was in between Rs 1750 to Rs 1800.

The rate of cotton in Balochistan is in between Rs 8750 to Rs 8800. The rate of Phutti in Balochistan is in between Rs 4000 to Rs 4600.

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