

FARMERS CAN WAIT FOR DISPOSING COTTON

Cotton production for the year 2015-16 season is estimated to be 365 lakhs bales, which is about 15 lakhs bales less than the previous season. The area under the crop has come down in states such as Karnataka and Maharashtra and production is expected to be lower in some states. According to the provisional estimate of the Cotton Advisory Board, the opening stock for the current season is estimated to be 52 lakhs bales and imports to 12 lakhs bales. Consumption by textile mills is expected to be 312 lakhs bales. During the previous season Consumption by mills was 305 lakh bales. Exports this year are likely to be higher at 68 lakhs bales. It was 57.72 lakhs bales last season. According to the Southern India Mills Association cotton Consumption by domestic mills was stagnant at about 25 lakh bales for the last 7 to 8 months because of the drops in demand for yarn. However, there are indications of improvement in yarn import by China. Export of yarn and fabric is expected to pick up in the coming months. The demand and competition by mills will go up in the coming months. But there are apprehensions regarding price rise in the coming months. Given the last year's stocks, current production, domestic mill's demand and China's demand for Indian cotton yarn.

United States Department of Agriculture (USDA) estimated the global cotton production during 2015-16 at 23.68 million tonnes 8.6 per cent lower than previous season production of 25.90 million tonnes. Cotton production in China and US has been estimated to be lower by 13.3 and 17.7 percent respectively, than that in the previous year's production. Though USDA anticipated a marginal reduction in Indian's production, trade estimates suggested that the production would be around 400 lakhs bales of 170kg each, taking India to the first position.

Agricultural Market Intelligence Centre (AMIC), of S.V Agricultural College, Tirupati has forecasted the prices in the coming months, taking the modal prices of Warangal market for 14 years using econometric models.

Right now the price per quintal is around Rs.4300-4400. Farmers can observe the market for about a month or two before disposing the stocks. The increasing trend in cotton prices in February and March, 2016 is confirmed through Futures Prices also.

FARMERS CAN WAIT FOR DISPOSAL OF REDGRAM

Production of pulses for 2014-15 was estimated at 17.2 million tonnes, a drop of 2.1 million tonnes from the previous year, according to the fourth estimate by the ministry of agriculture. Deficient monsoon for two consecutive years has curbed the area under pulses cultivation, which affected the output, sending prices higher. Pulses have been sown on 28.7 lakh ha this year compared with 27.7 lakh hectares in 2014-15.

Karnataka accounts for about a fifth of the redgram produced in the country. According to dal millers redgram stocks arrive from Tandur and Vikarabad in Ranag Reddy district, Sangareddy, Zaheerabad and Sadasivapeta in Medak district, and Suryapet in Nalgonda district. Fresh stocks from Krishna and Guntur district enter the market between February and March and thereafter arrivals from Maharashtra, Uttara Pradesh, and Karnataka reach the market.

To arrive at the prices during harvest time, the Agricultural Market Intelligence Centre (AMIC) functioning in the Dept. of Agricultural Economics, S.V.Agricultural College, Tirupati analysed the modal prices of Redgram for 15 years from Tandur market. The results of the analysis, market survey and present market sentiments indicated that, the farmers can watch the market for two to three months (up to march 2016) to take selling decisions. At present the price are around Rs.8500/- qtl.