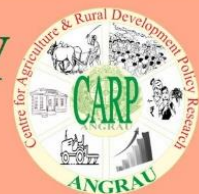




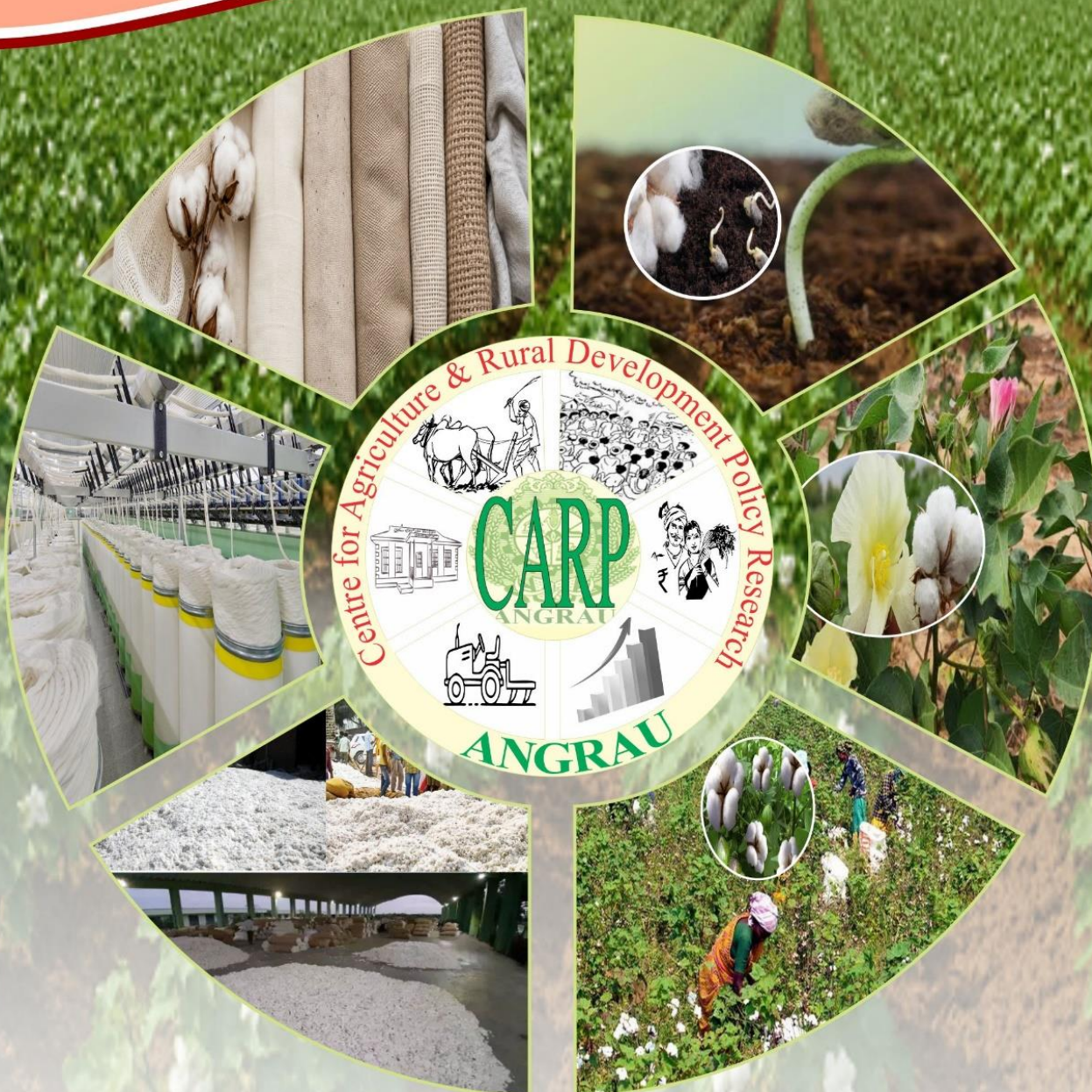
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## Crop Outlook Reports of Andhra Pradesh

### Cotton- 2025-26



Compiled and Edited

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***In Nutshell.....***

- Cotton is the world's leading natural fibre crop and a critical economic driver supporting over 100 million rural families and 24 million smallholders.
- During 2025-26 globally, it is cultivated in 30 million hectares (Mha) and produce 121.95 million tonnes (Mt) with an average yield of 0.80 tons per hectare (t/ha).
- India ranks first in cultivated area with 11.50 Mha, whereas, the China is the leading producer with 35.80 Mt and also recorded highest yield 2.55 (t/ha).
- It is one of the most important commercial crop cultivated in India and accounts for around 20 percent of the total global cotton production.
- The major growing states are Maharashtra, Gujarat, Telangana, Karnataka and Rajasthan which accounted 83 percent share in total area.
- During 2025-26, India exported 346 Thousand tons (Tt) valued at ₹ 4,951 crores. Major destinations were Bangladesh (219.61 Tt), Vietnam (72.51 Tt) and China (15.22 Tt).
- In 2025-26, the balance sheet of Cotton shows total supply increased to 434 Lakh bales (L bales) from 397.49 L bales due to higher opening stocks and increased imports.
- Domestic cotton demand is dominated by non-MSME mills (88–90%), followed by MSME/small spinning mills (7–9%) and non-textile/extra-factory uses (2–3%).
- In Andhra Pradesh, Kurnool occupied the first position with area of 220.40 Tha, production of 365.60 Thousand bales (T bales) and yield of 2.82 q/ha followed by Palnadu (74.59 Tha) and NTR (32.16 Tha).
- Categorization of districts based on cross tabulation of growth and instability of area shows that 66 per cent area is under *Stagnation scenario* followed by 33 percent area under *vulnerability zone*.
- During 2025-26 the total Cost of cultivation (₹/ha) for the cotton was ₹1,60,343; the gross returns were ₹1,75,308. The benefit–cost ratio (BC ratio) was 1.48 based on VC and 1.09 based on TC.
- The seasonal indices for cotton in Andhra Pradesh during 2025–26 indicate a clear inverse relationship between market arrivals and prices over the marketing season.
- Agricultural Market Intelligence Centre (AMIC), ANGRAU forecasts the price (₹/q) range of 6,580 – 8,660 for kharif 2026 marketing season.

## Global Scenario

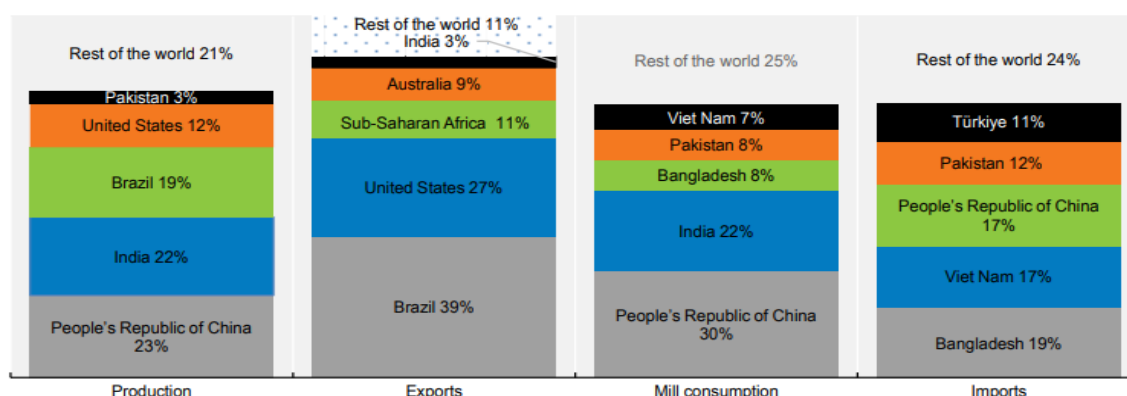
Cotton is grown in subtropical and seasonally dry tropical areas in the northern and southern hemispheres, although most of the world's production takes place north of the equator. Cotton is one of the most important fibre and cash crop, it has an important role in the industrial and agricultural economy of the globe. Cotton is cultivated in about 60 countries of the world but 10 countries viz., Russia, USA, China, India, Brazil, Pakistan, Turkey, Egypt, Mexico and Sudan account for about 85 % of the total production. During 2025-26, cultivated in 30 Million hectares (Mha) with 122 Million bales (M bales) (Table 1). India ranks first in cotton area with 11.50 Mha followed by the USA (3.20 Mha), China (3.10 Mha), Brazil (2.10 Mha) and Pakistan (2.00 Mha). In terms of production, China ranks first with 35.80 M bales followed by India (23.80 M bales) and Brazil (18.75 M bales). For yield, China ranks first at 2.55 t/ha followed by Australia (2.08 t/ha), Brazil (1.95 t/ha), Israel (1.76 t/ha), and Turkey (1.68 t/ha). India's cotton yield is 0.45 t/ha, ranking 36th globally, which is nearly half of then the global average of 0.80 t/ha, indicating significant scope for improving yield through technological and management interventions.

**Table 1. Global statistics of area, production and yield of Cotton for the 2025-26**

| Area     |       |      | Production |                 |      | Yield     |        |      |
|----------|-------|------|------------|-----------------|------|-----------|--------|------|
| Country  | Mha   | Rank | Country    | M bales (480lb) | Rank | Country   | (t/ha) | Rank |
| India    | 11.50 | 1    | China      | 35.80           | 1    | China     | 2.55   | 1    |
| USA      | 3.20  | 2    | India      | 23.80           | 2    | Australia | 2.08   | 2    |
| China    | 3.10  | 3    | Brazil     | 18.75           | 3    | Brazil    | 1.95   | 3    |
| Brazil   | 2.10  | 4    | USA        | 13.90           | 4    | Israel    | 1.76   | 4    |
| Pakistan | 2.00  | 5    | Pakistan   | 5.30            | 5    | Turkey    | 1.68   | 5    |
| World    | 30.00 |      | World      | 122.00          |      | World     | 0.80   |      |
|          |       |      |            |                 |      | India     | 0.45   | 36   |

Source: USDA estimates

**Fig 1. Global players in cotton markets in 2035**



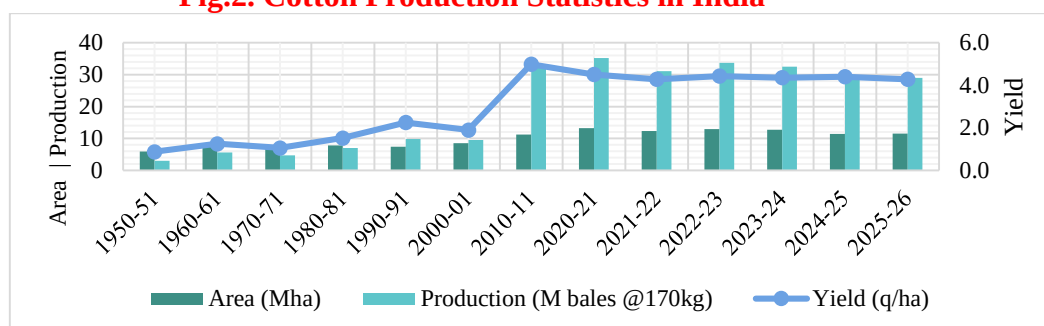
Note: Presented numbers refer to shares in world totals of the respective variable.

Source: OECD-FAO Agricultural Outlook 2026-2035

As per estimates of OECD-FAO, by 2035, India's share in production, exports and mill consumption are going to be 22, 3 and 22 per cents respectively (Figure 1). The leading producing countries Viz., China, India, Brazil and the United States. Jointly, these countries are expected to account for around 76% of global output by 2035.

## National Scenario:

In India, during 1950–51 to 2025–26, production increased (855%) from 3.04 M bales to 29.02 M bales, yield increased (386%) from 0.88 q/ha to 4.28 q/ha while cultivated area increased (96%) from 5.88 Mha to 11.5 Mha (Fig.2). Growth in production was led by yield's growth than area's expansion.

**Fig.2. Cotton Production Statistics in India**

Source: MoA&FW, GOI

During 2025–26, Cotton cultivation was concentrated in a few states Viz., Maharashtra occupied the largest share with 38.55 Lakh hectares (Lha) (33.45 %), followed by Gujarat (18.19%), Telangana (17.81%) and Karnataka (7.61%). In terms of production, Maharashtra contributed 77.55 Lakh bales (L bales) (26.72 %) followed by Gujarat (23.40%) and Telangana (19.14%). Odisha recorded the highest yield of 6.20 q/ha followed by Gujarat at 5.51 q/ha. While Andhra Pradesh contributed 4.81 percent in area and 5.56 percent of national production, with a yield of 4.95 q/ha. Overall Maharashtra, Gujarat and Telangana dominance in India's cotton economy, while states such as Andhra Pradesh and Odisha exhibited relatively higher productivity. The wide interstate variation in yield indicates scope for improvement through improved technologies, efficient input management in low yielding states results in substantial increase national average production without strain on area expansion.

**Table 2. Major Cotton producing States during 2025-26**  
(Area - Lha, Production – Lakh bales @170kg, Yield - q/ha)

| State                 | Area       | Share (%)<br>in India | Production | Share (%)<br>in India | Yield       |
|-----------------------|------------|-----------------------|------------|-----------------------|-------------|
| <b>Maharashtra</b>    | 38.55      | 33.45                 | 77.55      | 26.72                 | 3.42        |
| <b>Gujarat</b>        | 20.96      | 18.19                 | 67.93      | 23.40                 | 5.51        |
| <b>Telangana</b>      | 20.53      | 17.81                 | 55.54      | 19.14                 | 4.60        |
| <b>Karnataka</b>      | 8.77       | 7.61                  | 21.20      | 7.30                  | 4.11        |
| <b>Rajasthan</b>      | 6.44       | 5.59                  | 17.04      | 5.87                  | 4.50        |
| <b>Madhya Pradesh</b> | 5.59       | 4.85                  | 11.64      | 4.01                  | 3.54        |
| <b>Andhra Pradesh</b> | 5.54       | 4.81                  | 16.13      | 5.56                  | 4.95        |
| <b>Haryana</b>        | 4.01       | 3.48                  | 8.80       | 3.03                  | 3.73        |
| <b>Odisha</b>         | 2.39       | 2.07                  | 8.73       | 3.01                  | 6.20        |
| <b>Punjab</b>         | 1.42       | 1.23                  | 3.35       | 1.15                  | 4.02        |
| <b>All India</b>      | <b>115</b> | <b>100</b>            | <b>290</b> | <b>100</b>            | <b>4.28</b> |

Source: UPAG (3<sup>rd</sup> advance estimates)

Note: States have been arranged in descending order of percentage share of area

India exported 3.46 lakh tonnes (Lt) of raw cotton, valued at ₹4,951 crore, to the global market during 2025–26 (Table 3). Bangladesh is leading export destination with quantity of 219.61 thousand tonnes (Tt) valued at ₹3,489 crore, followed by Vietnam with 72.51 Tt valued at ₹765 crore. Together, Bangladesh and Vietnam accounted for about 84.5 per cent of India's total cotton export volume, indicating a high degree of market concentration. Other major destinations included China (15.22 Tt), Taiwan (10.92 Tt) and Indonesia (8.03 Tt). Exports to Belgium, Thailand, Germany, Japan and the USA were comparatively lower. While the presence of Asian textile-producing countries such as Vietnam, China, Taiwan and Indonesia reflects the strong linkage between India's cotton exports and the regional textile industry.

**Table 3. Indian Raw Cotton exports (Top 10 countries) during 2025-26.**

| Country      | Quantity (000't) | Value (₹crore) |
|--------------|------------------|----------------|
| Bangladesh   | 219.61           | 3,489          |
| Vietnam      | 72.51            | 765            |
| China        | 15.22            | 225            |
| Taiwan       | 10.92            | 119            |
| Indonesia    | 8.03             | 104            |
| Belgium      | 4.95             | 71             |
| Thailand     | 3.74             | 40             |
| Germany      | 1.81             | 21             |
| Japan        | 1.08             | 20             |
| USA          | 0.77             | 12             |
| <b>World</b> | <b>346</b>       | <b>4,951</b>   |

Source: APEDA

**Table 4. Balance sheet of Cotton for India**

| Particulars (lakh bales) | 2024-25       | 2025-26*      |
|--------------------------|---------------|---------------|
| Opening stocks           | 48.40         | 64.60         |
| Cotton production        | 307.70        | 310.33        |
| Imports                  | 41.40         | 60.00         |
| <b>Total supply</b>      | <b>397.49</b> | <b>434.93</b> |
| Domestic consumption     | 314.80        | 316.49        |
| Exports                  | 18.10         | 14.00         |
| <b>Total Demand</b>      | <b>332.89</b> | <b>330.49</b> |
| Ending Stock             | 64.60         | 104.44        |
| <b>Stock Use Ratio</b>   | <b>0.19</b>   | <b>0.31</b>   |

Source: Agriwatch.com, \* estimates

The balance sheet of cotton shows that total cotton supply is expected to expand from 397.49 Lakh bales (L bales) to 434.93 L bales, driven by higher opening stocks (rising from 48.40 L bales to 64.60 L bales) a slight increase in domestic production from 307.70 L bales to 310.33 L bales and a substantial surge in imports from 41.40 L bales to 60.00 L bales. Conversely, total demand is forecasted to down slightly from 332.89 L bales to 330.49 L bales. While slight increase in domestic consumption from 314.80 L bales to 316.49 L bales was offset by drops in exports from 18.10 L bales to 14.00 L bales so that total demand was reduced to 330.49 L bales. Ending stocks are anticipated to surge significantly from 64.60 L bales to 104.44 L bales bringing the stock-to-use ratio up from 0.19 to 0.31 and indicating a comfortable domestic supply cushion.

The Ministry of Textiles and the Committee on Cotton Production and Consumption (COCPC) classify domestic cotton consumption (Table 5) and composition (Table 6).

**Table 5. India's Domestic Cotton Consumption Structure**

| Consumer Segment                         | Estimated Share of Total Domestic Consumption | Key Role                                                                                      |
|------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------|
| Mill Consumption – Non-MSME Sector       | 88–90%                                        | Principal consumer of raw cotton; mainly supports large-scale spinning and textile production |
| Small Spinning Mills / MSME (SSI) Sector | 7–9%                                          | Supports smaller-scale and decentralized spinning activity                                    |
| Non-Textile / Extra-Factory Consumption  | 2–3%                                          | Covers cotton used outside conventional textile mill operations                               |

The consumption profile indicates that textile mills remain the primary driver of domestic cotton demand, the non-MSME mill sector accounts for 88–90% of total domestic cotton consumption, making it the principal source of demand for raw cotton. Small spinning mills/MSMEs account for 7–9%, while non-textile and extra-factory uses contribute around 2–3%.

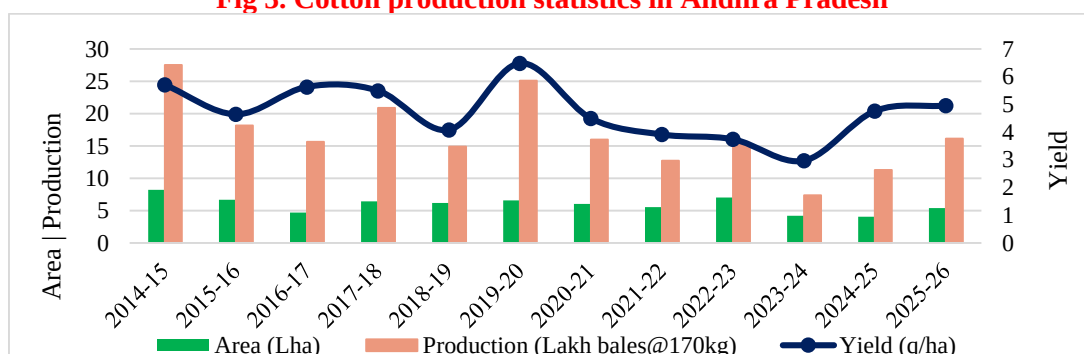
**Table 6. Cotton Crop Composition and By-Product Utilization**

| Cotton Component | Approx. Share of Crop Weight | Principal Products / Uses      |
|------------------|------------------------------|--------------------------------|
| Lint Cotton      | ~33–35%                      | Cotton fibre                   |
| Cottonseed       | ~60–65%                      | Cottonseed oil; oilcake/meal   |
| Linters          | Small fraction               | Short cellulose fibres         |
| Stalks           | Not specified                | Biomass / bio-energy feedstock |

While cotton lint remains the primary driver of the textile value chain and the core source of fibre demand, cottonseed supplies a vital secondary revenue stream. Through its processing into edible oil and protein-rich meal, cottonseed bridges the cotton market with the broader edible-oil and livestock-feed sectors. Additional processing of linters and stalks further extends the crop's utility into industrial and energy applications. Consequently, evaluating the domestic cotton outlook requires looking beyond textile activity and mill consumption to account for trends in cottonseed oil and feed markets, which heavily shape the overall economic value and utilization of the crop.

### State Scenario:

Cotton is grown in Kharif season. During 2014-15 to 2025-26, the compound growth rate (CGR) of cotton area was -3.38%, while production declined at a faster rate of -6.04% (Figure 3). This disproportionate drop in production was compounded by a declining yield (-2.83%), indicating that both shrinking acreage and reduction yield drove the overall decline. These challenges highlight growing constraints in cotton farming, which could weaken state contribution to national cotton supplies.

**Fig 3. Cotton production statistics in Andhra Pradesh**

**Source:** DES.AP

During 2025–26 the cotton area was 420 thousand hectares (Tha), with production estimated at 1,104.35 thousand bales (T bales) (170 kg/bale) and an average yield of 4.47 q/ha (Table 7). Cotton production remains concentrated in a few districts like Kurnool, Palnadu, NTR, Ananthapuram and Guntur emerging as the principal production centres. Among the major producing districts, Kurnool accounts for the largest area and production, with 220.4 Tha and 365.60 T bales, respectively followed by Palnadu (74.59 Tha) with 232.98 T bales and NTR 122.78 T bales from 32.16 Tha. Despite having a relatively smaller area in Guntur (21.2 Tha), it contributes 77.69 T bales, supported by a yield of 6.23 q/ha. NTR records the highest yield at 6.49 q/ha followed by Guntur at 6.23 q/ha and Palnadu at 5.31 q/ha. In contrast Kurnool's yield stands at 2.82 q/ha indicating a substantial difference in yield across major cotton-growing regions. Over all, Kurnool has the largest acreage and production base, while NTR and Guntur achieve substantially higher yields. This indicates that improvements in yield in larger cotton-growing districts could have an impact on overall production, even without a corresponding expansion in cultivated area.

**Table 7: Major Cotton producing Districts during 2025-26**  
(Area – 000\* ha, Production- 000\* bales @170kg, Yield - q/ha)

| S.No | District              | Area @     | Production*  | Yield#      |
|------|-----------------------|------------|--------------|-------------|
| 1    | Kurnool               | 220.4      | 365.60       | 2.82        |
| 2    | Palnadu               | 74.59      | 232.98       | 5.31        |
| 3    | NTR                   | 32.16      | 122.78       | 6.49        |
| 4    | Ananthapuramu         | 25.20      | 21.47        | 1.46        |
| 5    | Guntur                | 21.2       | 77.69        | 6.23        |
|      | <b>Andhra Pradesh</b> | <b>420</b> | <b>1,104</b> | <b>4.47</b> |

Source: DES, A.P. @3<sup>rd</sup> advance estimates; up to (30/09/25) \*Estimated by CARP;  
# yield averages TE 2024-25

Note: Districts have been arranged in descending order based on area.

During 2020–21 to 2025–26, Growth–Instability Matrix (GIM) (refer paddy Outlook Report- June to May 2025-26) analysis revealed that Vizianagaram, Kurnool, Eluru, N.T.R, Guntur with 66 per cent area comes under *stagnation scenario* (Table 8). While, Srikakulam, Parvathipuram, Alluri Sitharama Raju, Kakinada, Bapatla, Palnadu, Prakasam, S.P.S. Nellore, Nandyal, Ananthapuram, Y.S.R. Kadapa with 33.21 percent area is under *vulnerable category*. Sri Sathyasai with 0.78 percent area under the *risky expansion zone*. The findings emphasize the need for differentiated, region-specific policy interventions rather than uniform developmental strategies across the state.

**Table 8: Categorisation of districts based on growth and instability of area during 2020-21 to 2025-26**

|    |              | CGR                                                                                                                                                     |                       |
|----|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
|    |              | < 4% (Low)                                                                                                                                              | > 4% (High)           |
| CV | < 20% (Low)  | Vizianagaram, Kurnool, Eluru, N.T.R, Guntur (66%)                                                                                                       | -                     |
|    | > 20% (High) | Srikakulam, Parvathipuram<br>Alluri Sitharama Raju, Kakinada, Bapatla, Palnadu, Prakasam, S.P.S. Nellore, Nandyal, Ananthapuram, Y.S.R. Kadapa (33.21%) | Sri Sathyasai (0.78%) |

Note: Values in parentheses represent percentage of in state total area, 2025-26

Primary data from farmers was collected for estimation of costs and returns (₹/ha) in cotton cultivation during 2025–26 indicated that the Variable Cost (VC) was ₹1,18,486, accounting for 73.89 per cent of the Total Cost (TC) of ₹1,60,345.56, while fixed costs amounted to ₹41,857.96, constituting 26.10 per cent. (Table 9). Within the VC, labour cost was the major component at ₹80,279.50 per ha (67.76%) followed by material cost of ₹25,419.79 (21.46%). The average yield (kapas) was 22.83 q/ha with an average farm-gate price of ₹7,692/q generating gross returns of ₹1,75,608. The crop generated positive net returns of ₹15,625. The benefit–cost ratio (BC ratio) was 1.48 on VC and 1.09 on TC.

**Table 9: Cost-return structure of Cotton in Andhra Pradesh 2025-26 (₹/ha)**

| S.No | Particulars          | Kharif   |
|------|----------------------|----------|
| 1    | Labour cost          | 80,279   |
| 2    | Material cost        | 25,419   |
| 3    | Miscellaneous        | 12,788   |
| 4    | Variable cost (VC)   | 1,18,486 |
| 5    | Fixed Costs (FC)     | 41,857   |
| 6    | Total Cost (Cost C2) | 1,60,343 |
| 7    | Yield (Kapas) (q/ha) | 22.83    |
| 9    | Price (Kapas) (₹/q)  | 7,692    |
| 10   | Gross Returns (GR)   | 1,75,608 |
| 11   | Net Returns (NR)     | 15265    |
| 12   | BCR on VC            | 1.48     |
| 13   | BCR on TC            | 1.09     |

Source: Survey Data (2025-26)

**Price outlook:**

The seasonal indices for cotton in Andhra Pradesh during 2025–26 indicate a clear inverse relationship between market arrivals and prices over the marketing season. Cotton arrivals remained relatively low during the initial months of the season *i.e.*, June–August 2025 remained subdued, with seasonal indices of 10.65, 7.33 and 4.35 respectively, increased sharply from September (196.20) and reached their peak in November (345.26). Thereafter, arrivals declined steadily. while prices strengthened toward the end of the marketing year. The price movement broadly followed the opposite seasonal pattern. Price seasonal indices declined from June to a seasonal low of 91.78 in November, coinciding with the peak arrival period. As arrivals declined after the peak marketing months, prices gradually recovered, reaching a season-high of 120.69 in May 2026.

**Table 9: Seasonal Indices of Cotton in Andhra Pradesh (2025-26)**

| Months                | Arrivals      |                | Price        |                |
|-----------------------|---------------|----------------|--------------|----------------|
|                       | Tons          | Seasonal Index | ₹/q          | Seasonal Index |
| Jun-25                | 4,426         | 10.65          | 7,708        | 98.01          |
| Jul-25                | 3,045         | 7.33           | 7,946        | 101.03         |
| Aug-25                | 1,810         | 4.35           | 7,764        | 98.72          |
| Sep-25                | 81,538        | 196.20         | 7,366        | 93.66          |
| Oct-25                | 71,974        | 173.18         | 7,302        | 92.84          |
| Nov-25                | 1,43,487      | 345.26         | 7,218        | 91.78          |
| Dec-25                | 95,519        | 229.84         | 7,288        | 92.66          |
| Jan-26                | 36,089        | 86.84          | 7,859        | 99.92          |
| Feb-26                | 15,632        | 37.61          | 7,826        | 99.51          |
| Mar-26                | 20,716        | 49.85          | 7,841        | 99.70          |
| Apr-26                | 15,660        | 37.68          | 8,768        | 111.49         |
| May-26                | 8,814         | 21.21          | 9,492        | 120.69         |
| <b>Yearly average</b> | <b>41,559</b> | <b>100</b>     | <b>7,865</b> | <b>100</b>     |

Source: Agmark net

As per the estimates given by Agricultural Market Intelligence Centre (AMIC), ANGRAU, for marketing season of Kharif '2026, the forecast prices (₹/q) are 6,580 to 8,660. While, Minimum Support Price (MSP (₹/q)) was 7,710 for medium staple and 8,110 for long staple.

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