VANAKALAM (KHARIF) 2025-26 PRE-SOWING PRICE FORECAST OF COTTON

Cotton Price per Quintal will be around Rs. 6800 - 7200 at the Time of Harvesting (November 2025 to February 2026)

Global Cotton production is expected to drop by 3.3 million bales to 117.8 million because China and Australia will produce less, but Brazil will produce more. Many countries like the U.S. and Australia are planting less Cotton because prices are lower. Cotton trade is expected to go up to 44.8 million bales, with Bangladesh and Vietnam buying the most ever. China will buy more Cotton but less than last year, while Pakistan will buy less because it is growing more Cotton itself. Brazil and the U.S. will keep being the biggest sellers. Cotton use around the world is expected to reach a five-year high of 118.1 million bales, and the amount of Cotton left in stock will stay the same at 78.4 million.

According to the second advance estimates for 2024-25, the Cotton crop is estimated at 294.25 lakh bales, compared to 325.22 lakh bales in 2023-24. Among the states, Maharashtra leads in Cotton production with 89.09 lakh bales, followed by Gujarat (71.34 lakh bales), Telangana (49.86 lakh bales), Karnataka (19.15 lakh bales), and Rajasthan (18.45 lakh bales).

According to the latest data from DGFT, India imported 16.57 lakh bales of Cotton up to January 2024. This is a huge increase of 715% compared to the same time last year. The rise in imports may help support global Cotton prices, which have dropped to their lowest in several years. For the 2024-25 season, Cotton imports are expected to be around 25-28 lakh bales because domestic production is not enough to meet demand.

On the other hand, India's Cotton exports dropped by about 17% from October to January compared to last year. This happened because Indian Cotton prices are less competitive in the global market, with a high basis making exports less attractive. However, Cotton yarn exports increased by 16% in January 2025 compared to the previous year, though they were down 1% from the previous month, totaling 95,252 lakh tonnes. The biggest buyers of Indian Cotton yarn were Bangladesh, followed by China, Egypt, Peru, and Vietnam.

Cotton (Kapas) prices typically exhibit a clear seasonal pattern. Prices tend to be higher during the early marketing months, particularly in October and November, driven by limited supply and strong demand anticipation. As the peak harvest season commences, increased arrivals in the market lead to a noticeable price decline. Towards the end of the marketing season, prices generally stabilize or show a modest recovery, supported by reduced supply levels and market expectations for the forthcoming crop. Year-on-year price fluctuations reflect underlying changes in production volumes, domestic demand, and global market dynamics, including shifts in international Cotton prices and trade policies.

According to the latest estimate by the Cotton Association of India (CAI), the Cotton supply for the year 2024-25 is projected at 354.49 lakh bales, each weighing 170 Kg. Domestic consumption is estimated at 315 lakh bales of 170 Kg each, leaving a surplus of 39.49 lakh bales.

In India, area under Cotton during 2024-25 was 112.94 lakh ha as against 123.70 lakh ha in 2023-24 as compared to the previous year. Among the states, Maharashtra is leading in Cotton acreage with 40.86 lakh ha followed by Gujarat (23.66 lakh ha), Telangana (17.70 lakh ha), Karnataka (6.84 lakh ha) and Madhya Pradesh (6.14 lakh ha).

In Telangana state during 2024-25 area under Cotton was 43,76,043 acres as against 44,52,411 acres during 2023-24. Among the districts, Nalgonda stood first with 5,40,022 acres followed by Adilabad (4,34,993 acres), Sangareddy (3,56,619 acres), Asifabad

(3,26,318 acres) and Vikarabad (2,41,592 acres). According to the 2nd advance estimates, Telangana Cotton production estimate was 48.12 lakh bales for 2023-24 as against 57.45 lakh bales in 2022-23.

In recent years, Telangana has seen a steady decline in the area used for Cotton cultivation, possibly due to changing crop preferences or farming practices. However, Cotton production has remained fairly stable, showing only slight ups and downs. This is mainly because yield per hectare has improved, likely due to better farming methods, improved seeds, or favorable weather. Overall, Cotton farming in the state has become more efficient and productive, even with less land under cultivation.

The Agricultural Market Intelligence Centre established under a research project for development of price forecasting mechanism in the Department of Agricultural Economics, College of Agriculture, Professor Jayashankar Telangana Agricultural University, Rajendranagar, Hyderabad with the financial support of Agricultural Marketing Department, Telangana State has assessed pre-sowing price forecast of Cotton for the year 2025-26. Under expected normal rainfall and crop coverage, it is predicted that the Cotton price per quintal will be around **Rs. 6800 - 7200** at the time of harvesting (November 2025 to February 2026). This price forecast is based on the monthly modal price of Cotton obtained for 23 years from Warangal regulated market using econometric models like ARIMA, SARIMA, ARIMAX, ARCH and GARCH and also the market survey. Adilabad, Warangal, Bainsa, Khammam, Jammikunta and Peddapalli are the major Cotton markets in Telangana.

Note: There may be any possible deviation of the actual prices from the predicted prices in light of tentative developments in the commodity markets such as change in international prices, export or import restrictions, etc. And these price forecasts are based on past market price data & different econometric models and that actual market price may not turn out to be the same as forecasted.