

SEA – AICOSCA

# Cotton Seed, Oil & Meal Conclave

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# Cotton Crop Scenario – Industry Concerns

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# Status of Cotton Cultivation in India

- Has most suitable agro-climatic conditions for cotton cultivation
- One of the chief cotton growing countries
- A major cotton exporter, till recently
- A constant decline in cotton production since 2014
- Farmers inclined to go for pulses and grains due to unreliable yields of cotton

# Cotton Crop in India

- 60 lakh Cotton farmers
- 5 Crore people engaged in cotton related activity
- Produces 23% of Global Cotton
- Consumes 23% of Global Cotton - 2<sup>nd</sup> Largest Consumer (311 lakh bales)
- Has 40% of world acreage - 130.6 lakh hectares
- Stands at 39<sup>th</sup> Rank in the yield - (447 kgs/hectare)
- One of the major Foreign Exchange earners – (White Gold)

# Cotton Crop

- Considered as a fiber crop ignoring its oil content and other by-products
- Out of ignorance a lot of protein and oil content from cotton seed remains wasted



# Cotton Seed - Byproducts

**Linters 5-6%**



**Hulls 26-28%**



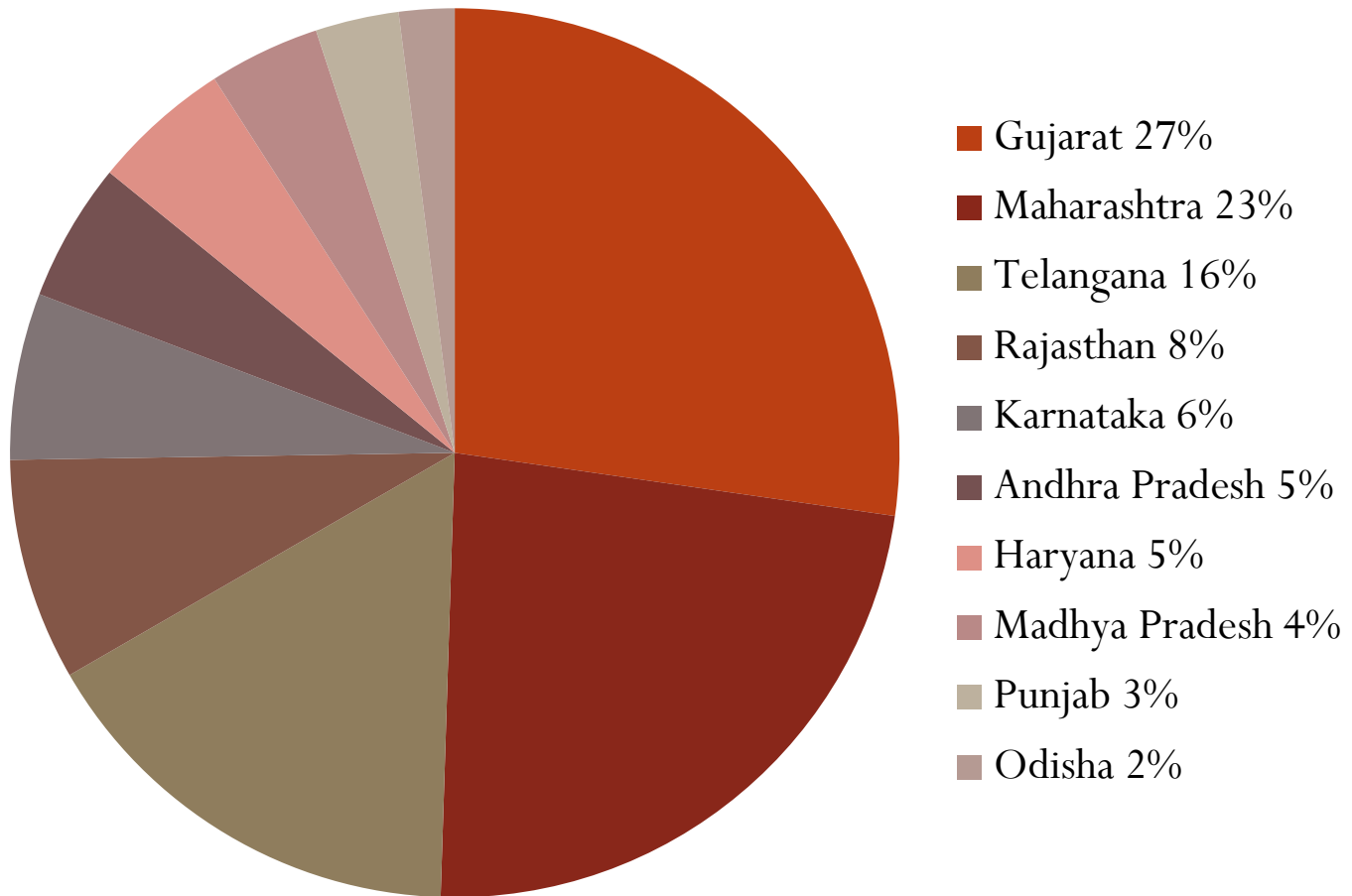
**Meal 46-48%**



**Oil 13-14%**



# Top 10 Cotton Producing Indian States 2024 - Their Share



# Cotton Production-Outlook & Actuals

Central Institute of Cotton Research, Nagpur

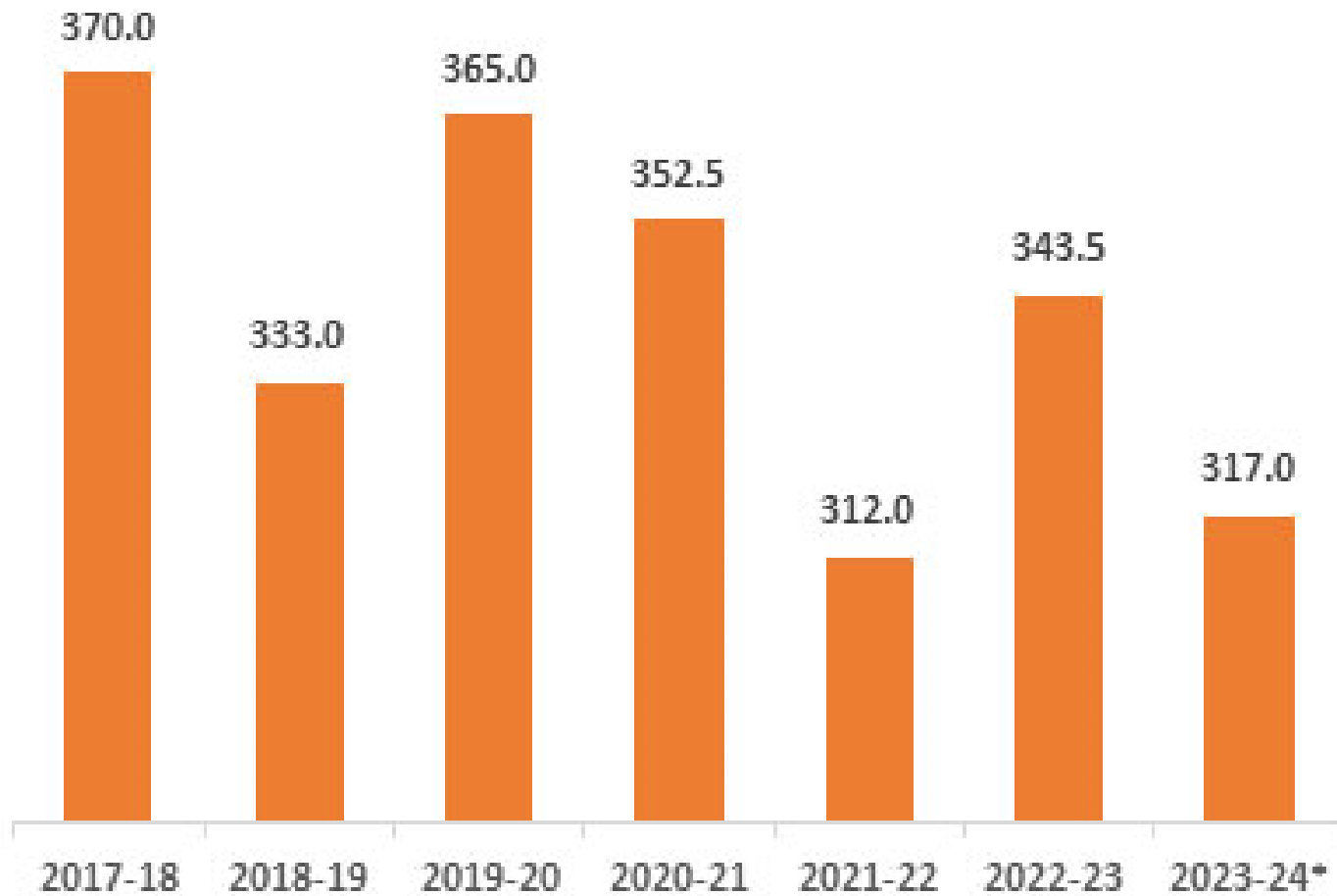
Year	Outlook (lakh bales)	Actuals* (lakh bales)
2020	368.21	365.00
2021	374.49	354.00
2022	381.37	313.00
2023	388.38	340.00
2024	395.51	317.00
2025	402.70	N.A.

\*CAI

Source: Organization for Economic Cooperation & Development –Food & Agriculture Organization Outlook 2019-20



## Cotton Production in India (lakh bales of 170 kg)



Note: \* until November 2023

Source: The Cotton Corporation of India Limited

# Projections

- Govt. of India targets to achieve **US\$ 100 billion** worth exports by 2025-'26
- Production target for 2025-'26 is **800-900 kgs/ ha** (against the present **450 kgs/ha**)

## Cotton Cop Production vs. MSP

Crop Year	Production in Lakh Bales*	Acreage in Lakh Hectares	Lint Yield in Kgs per Hectare	MSP in INR/ Quintal (Long Staple Cotton)
2014-15	386	128	462	4050
2015-16	300	123	415	4100
2016-17	345	108	512	4160
2017-18	370	126	443	4320
2018-19	333	126	378	5450
2019-20	365	135	455	5550
2020-21	354	133	451	5825
2021-22	313	119	445	6025
2022-23	340	130	469	6380
2023-24	317	123	449	7020
2024-25				7521

\*One Bale is equal to 170 Kilograms

Source: Statista 2024©

# Average Prices of Cotton Seed , Washed Oil , Meal, Hulls and Linters

Prices in INR

Year	Seed/ Quintal	Washed Oil/ 10 kgs	Meal / Tonne	Hulls/ Tonne	Linters/ Tonne
2014-15	1,722.300	529.66	18,550.00	7,150.00	20,690.00
2015-16	2,187.413	605.28	22,400.00	11,500.00	23,600.00
2016-17	1,914.767	573.22	21,700.00	16,300.00	39,600.00
2017-18	1,736.700	672.45	18,400.00	5,900.00	36,270.00
2018-19	2,222.900	666.56	20,700.00	9,200.00	14,600.00
2019-20	2,222.900	768.12	23,400.00	11,900.00	13,925.00
2020-21	2,850.700	1297.40	24,500.00	9,500.00	13,250.00
2021-22	3,229.100	1303.56	32,900.00	15,600.00	31,200.00
2022-23	2,858.400	982.54	29,500.00	17,800.00	23,680.00
2023-24	2,753.310	856.93	31,100.00	14,200.00	26,130.00
<b>Average Hike</b>	↑ 43%	↑ 56%	↑ 31%	↑ 33%	↑ 22%

Processing cost/Quintal has gone up from INR160 to 360 in the same period i.e. 125%

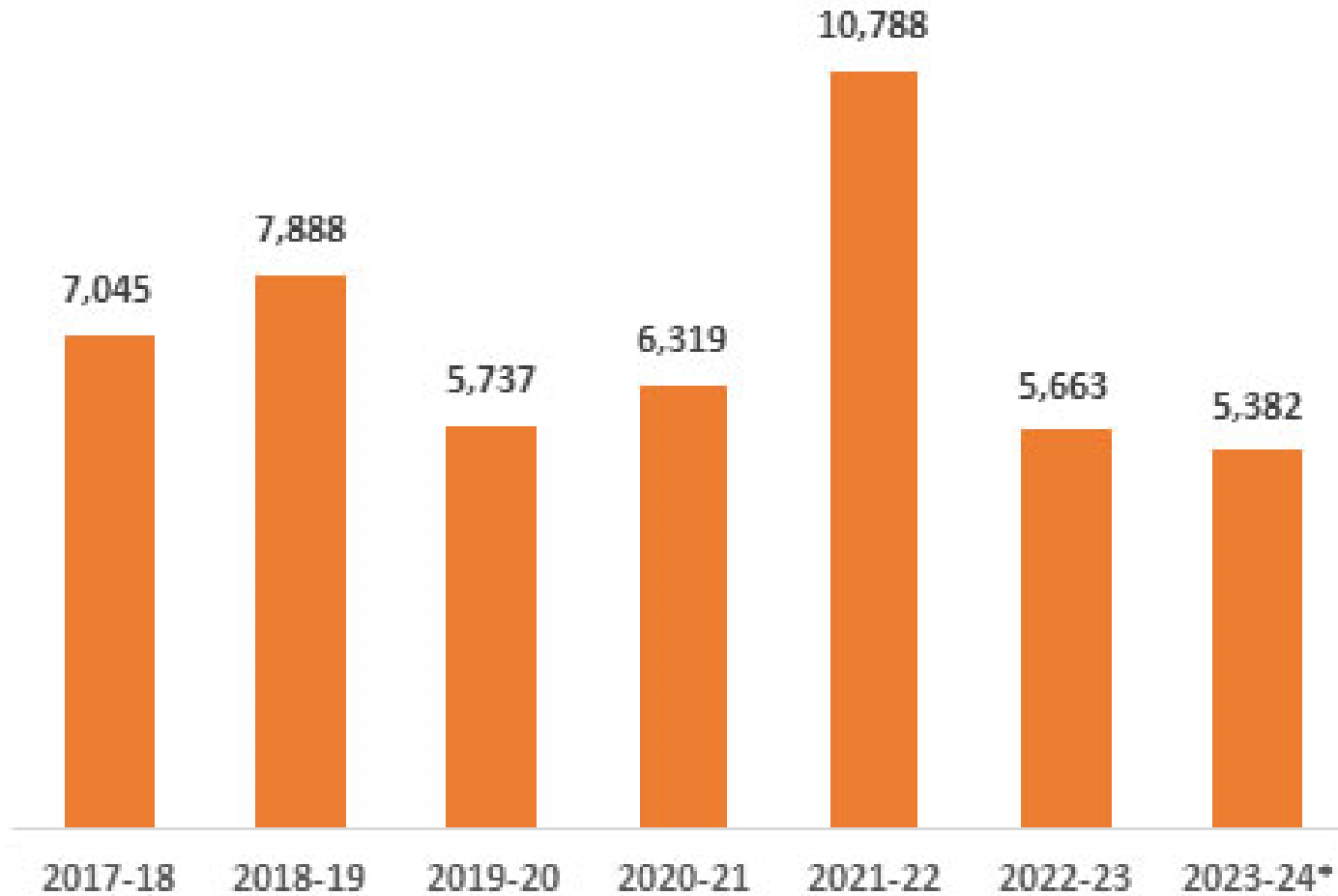
# Export trends of Cotton

Crop Year	Quantity in Lakh Bales	Value in INR Bn*
2013-14	116.96	525.44
2014-15	57.72	659.11
2015-16	69.07	662.20
2016-17	58.21	661.60
2017-18	67.59	661.40
2018-19	43.54	783.71
2019-20	47.04	710.54
2020-21	77.59	726.56
2021-22	42.25	1,140.30
2022-23	22.00	877.54
2023-24	28.00 (Estimated)	N. A.

Source: DGCIS, Kolkata

\*Source: Statista2024

## Total Exports (US\$ million)



Note: P-Provisional, \*Until January 2024  
Source: Ministry of Commerce & Industry

# Indian Cotton MSP vs ICE Prices *(in INR)*

Year	MSP	Candy Price as per		ICE Price per Candy
		MSP	Market	
2013-14	4,000.00	36,820.00	38,842.00	36,998.00
2014-15	4,050.00	37,218.00	36,097.00	37,108.00
2015-16	4,100.00	37,616.00	33,722.00	31,233.00
2016-17	4,160.00	38,093.00	41,890.00	34,107.00
2017-18	4,320.00	39,366.00	38,757.00	38,874.00
2018-19	5,450.00	48,355.00	45,165.00	45,018.00
2019-20	5,550.00	49,150.00	42,523.00	37,115.00
2020-21	5,825.00	51,338.00	39,176.00	38,422.00
2021-22	6,025.00	52,929.00	60,104.00	54,371.00
2022-23	6,380.00	55,753.00	68,403.00	54,477.00

# Viability of Cotton Industry

- Cotton seed average price this year (2024) is INR 3,000 per quintal
- The by products like cotton seed meal is costing around INR28,000 to 32,000
- Due to this high cost there is a resistance to use the cotton seed meal, which is a very important ingredient for protein, by the cattle feed plants
- Processing capacity and production of cotton are not matching
- Owing to the high cost of cotton and cotton seed the industry capacity is very much underutilized (only 40%)



# Processing Industry Perception

- Exports of Cotton related products are progressively declining
- India is not competitive globally in cotton by-products market like Meal, Linters, Hulls, Yarn, Cloth and Garments owing to the high cost of cultivation of the crop
- Unless the cost of cultivation comes down drastically to 50% of its present state, we can not achieve the export target set by the GoI by 2025-26

# Concerns

- **AICOSCA propagates scientific processing of cotton seed**
- **However, progress in this respect continues to be disheartening**
- **Hardly 6-7% of the cotton seed is being processed scientifically, loosing 7-8 lakh tons of precious cotton seed oil, due to the ignorance of cattle feeders**
- **Cottonseed didn't find any place in research programmes**
- **Edible Oil deficit is around 140 lakh tons = INR1.2 lakh crores**

# Concerns

- **Small land-holdings**
- **Rain fed cultivation**
- **Poor irrigation**
- **Improper pest management**
- **Progressively increasing cost of cultivation**
- **Contamination of produce**

# Concerns

- ▶ **Inadequate input subsidy**
- ▶ **Spurious seed material**
- ▶ **Lack of up-gradation in seed technology**
- ▶ **Poor awareness programmes**
- ▶ **Indiscriminate use of pesticides etc**

# Concerns

- **Picking in humid weather**
- **Untimely picking**
- **Picking in PP cloth**
- **Spraying of water on cotton for undue advantage**
- **Transport in PP bags**
- **Transport without proper coverage exposing to the dirt and dust**

# Where are we missing?

- **MSP increased by 90%** (from INR4,000 to 7,521) approximately in a span of a decade
- **Even then it is not attracting the farmers**
- **The solution lies in reducing the cost of cultivation**

- **Increasing cotton productivity will increase cotton seed oil production in the country thereby can reduce edible oil import and save a lot of foreign exchange**
- **A mere enhancement of MSP will not resolve the crisis; better, cut-down cost of cultivation**

# Recommendations

## At Farmers' level

- **Group farming**
- **High density planting**
- **Enhanced irrigation facilities**
- **Pest-resistant seed material**
- **Use of drones for pest management**
- **Mechanization practices**

## At Govt. level

- **Recognize cotton as an oil seed crop**
- **Increase input subsidy**
- **Emphasize more on R & D for quality seed**
- **Extensive awareness programmes**



**Conduct Awareness meetings**

**Release Timely Advisories**

**Transfer technology form lab to field**

**Introduce Mechanized harvesting**

**Create awareness on prevention of contamination of produce**

# All India Cotton Sowing Report

 INDIAN COMMODITIES 20-10-2023

States	(Area in Lakh Hectare )			Changes in %	
	2023-24	2022-23	Changes(+/-)		
Punjab	1.850	2.500	-0.650	↓	-26.00%
Haryana	6.650	6.450	0.200	↑	3.10%
Rajasthan	8.950	8.150	0.800	↑	9.82%
<b>North Zone</b>	<b>17.450</b>	<b>17.100</b>	<b>0.350</b>	↑	2.05%
Gujarat	26.824	25.489	1.335	↑	5.24%
Maharashtra	42.345	42.292	0.053	↑	0.13%
Madhya Pradesh	6.500	6.250	0.250	↑	4.00%
<b>Central Zone</b>	<b>75.669</b>	<b>74.031</b>	<b>1.638</b>	↑	2.21%
Telangana	18.122	20.236	-2.114	↓	-10.45%
Andhra Pradesh	3.983	6.472	-2.489	↓	-38.46%
Karnataka	6.970	8.250	-1.280	↓	-15.52%
Tamil Nadu	0.351	0.510	-0.159	↓	-31.18%
<b>South Zone</b>	<b>29.426</b>	<b>35.468</b>	<b>-6.042</b>	↓	-17.04%
Orissa	2.358	2.163	0.195	↑	9.02%
Others	0.173	0.260	-0.087	↓	-33.46%
<b>All India</b>	<b>125.076</b>	<b>129.022</b>	<b>-3.946</b>	↓	-3.06%

## ALL INDIA COTTON SOWING (Area in Lakh Hectare)

DATE:-05/07/24 STATE	2024-25	2023-24	YEARLY Change	Change %
Punjab	0.97	1.75	-0.78	<b>-44.6</b>
Haryana	4.75	6.65	-1.9	<b>-28.6</b>
Rajasthan	4.45	7.91	-3.46	<b>-43.7</b>
<b><i>North Total</i></b>	<b>10.17</b>	<b>16.31</b>	<b>-6.14</b>	<b>-37.6</b>
Gujarat	12.72	26.82	-14.1	<b>-52.6</b>
Maharashtra	27.69	42.22	-14.53	<b>-34.4</b>
Madhya Pradesh	0	6.5	-6.5	<b>-100.0</b>
<b><i>Central Total</i></b>	<b>40.41</b>	<b>75.54</b>	<b>-35.13</b>	<b>-46.51</b>
Telangana	13.52	18.22	-4.7	<b>-25.8</b>
Andhara Pradesh	0.75	3.88	-3.13	<b>-80.7</b>
Karanataka	3.84	6.73	-2.89	<b>-42.9</b>
Tamilnadu	0	0.27	-0.27	<b>-100.0</b>
Orissa	0	2.35	-2.35	<b>-100.0</b>
<b><i>South Total</i></b>	<b>18.11</b>	<b>31.45</b>	<b>-13.34</b>	<b>-42.42</b>
Others	0	0.17	-0.17	<b>-100.0</b>
<b><i>TOTAL</i></b>	<b>68.69</b>	<b>123.3</b>	<b>-54.61</b>	<b>-44.29</b>

# India at a disadvantage

- **Almost 60% of processing industry capacity remains unutilized due to non-workability of cotton seed prices**
- **Market price was 20% higher than the MSP last year**
- **For the last few years, cotton market prices are higher than the ICE prices**
- **Due to the recent global socio-political environment, our cotton related products export demand is sluggish**
- **High industrial power tariff in India rings a warning bell to the already overburdened industry**

THANK YOU



नमो भगवते

JAI HIND