



MANJEET
roots to ethics

THE GLOBAL COTTON LANDSCAPE

Understanding Market Dynamics & Current Trends

Presentation by:

Sanchit Rajpal

Jt. Managing Director,
Manjeet Cotton Pvt. Ltd.

SAME STORY

**AT THE START
OF THE
NEW SEASON**





WORLD COTTON BALANCE SHEET

(IN CRS. 170 KG BALE)

	2021 - 22	2022 - 23	2023 - 24	2024 - 25 (Est of Sep)	YOY
Beginning Stock	9.25	8.99	9.63	9.68	+0.05
Production	14.64	14.91	14.55	14.92	+0.37
Import	5.49	4.82	5.56	5.51	-0.05
Consumption	14.84	14.82	14.38	14.82	+0.44
Export	5.55	4.75	5.72	5.51	-0.24
Ending Stock	8.99	9.64	9.71	9.80	+0.09

Source : USDA

WORLD COTTON PRODUCTION

(IN CRS. 170 KG BALE)



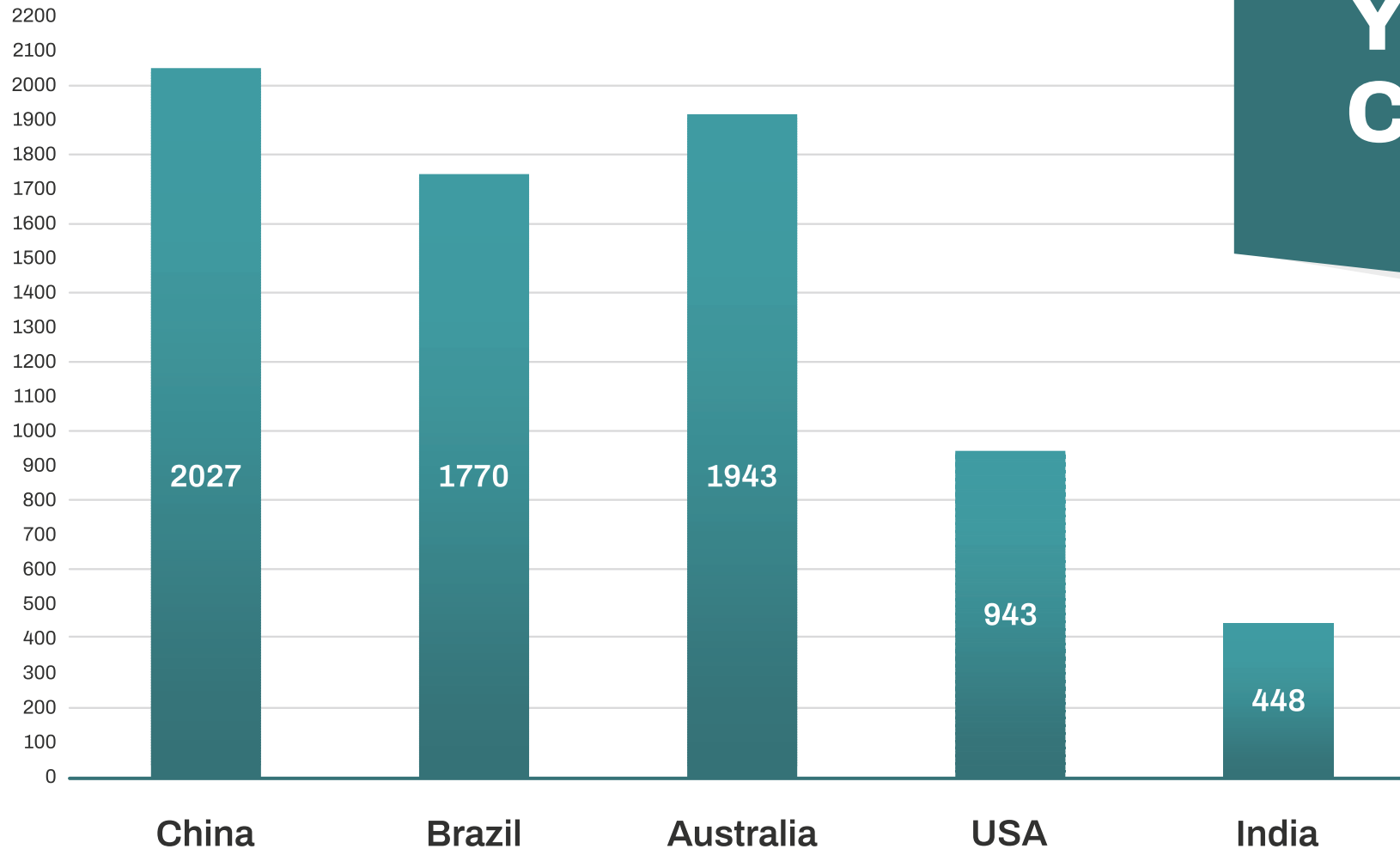
Brazil has almost doubled its production in last 6 years.

	2020 - 21	2021 - 22	2022 - 23	2023 - 24	2024 - 25 (Est of Sep)	YOY
USA	1.87	2.24	1.85	1.55	1.86	+0.31
Brazil	1.39	1.50	1.50	1.87	2.14	+0.27
Australia	0.36	0.75	0.74	0.64	0.64	0
China	3.79	3.34	3.93	3.50	3.56	+0.06
India	3.53	3.12	3.37	3.30	3.07	-0.23
Pakistan	0.58	0.77	0.50	0.90	0.73	-0.17
Waf	0.61	0.78	0.51	0.64	0.63	-0.01
Turkey	0.37	0.49	0.63	0.39	0.51	+0.21
Others	1.77	1.74	1.87	1.74	1.78	+0.04
Total	14.28	14.82	14.91	14.55	14.91	+0.36

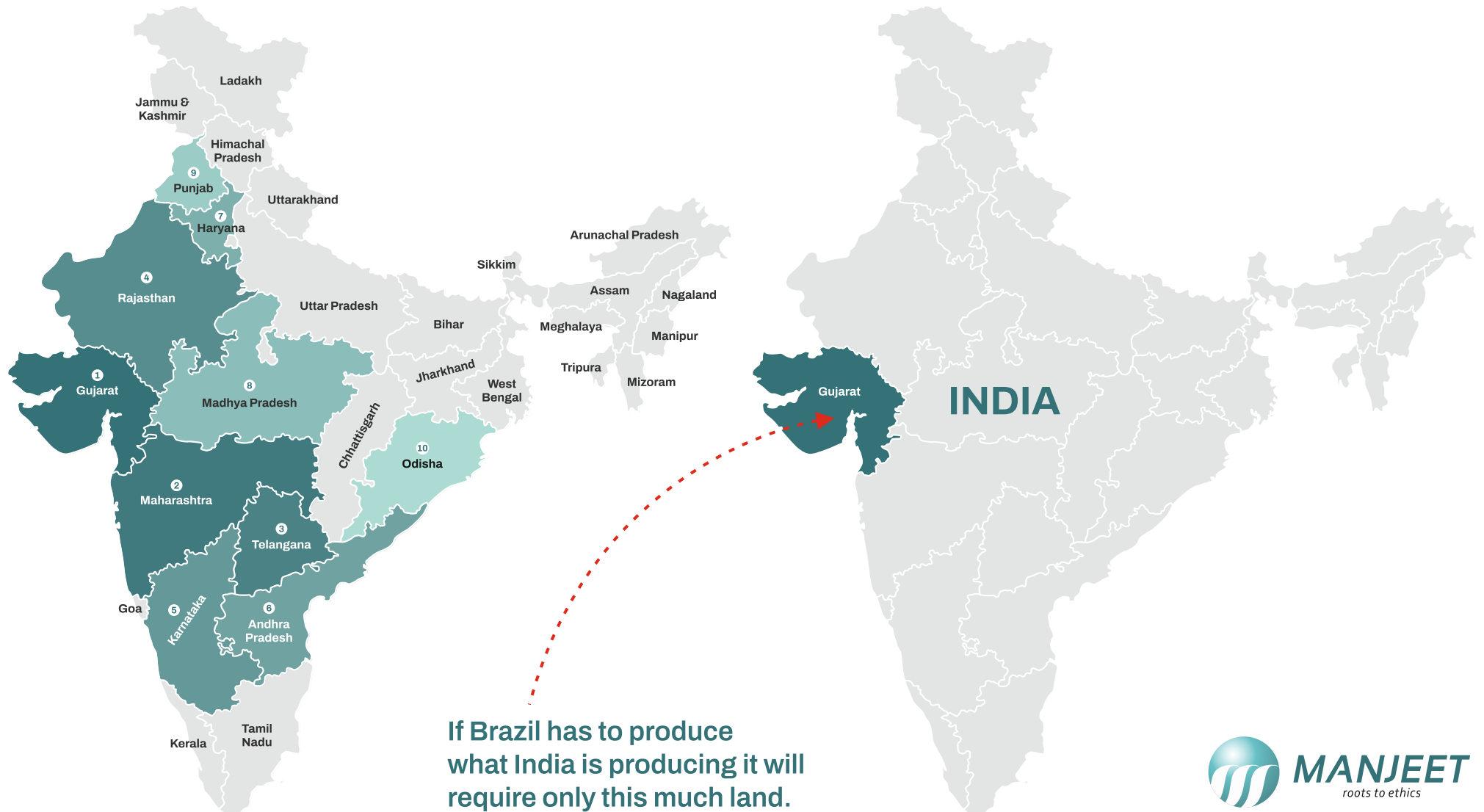
Source : USDA

WORLD COTTON YIELD COMPARISON

LINT YIELDS IN KG PER HECTARE



COMPARISON ON SCALE OF HOW MUCH AREA USES FOR COTTON INDIA VS BRAZIL



Source : USDA

IS BRAZIL GOING TO BE THE COTTON KING OF THE WORLD ?



WORLD COTTON CONSUMPTION

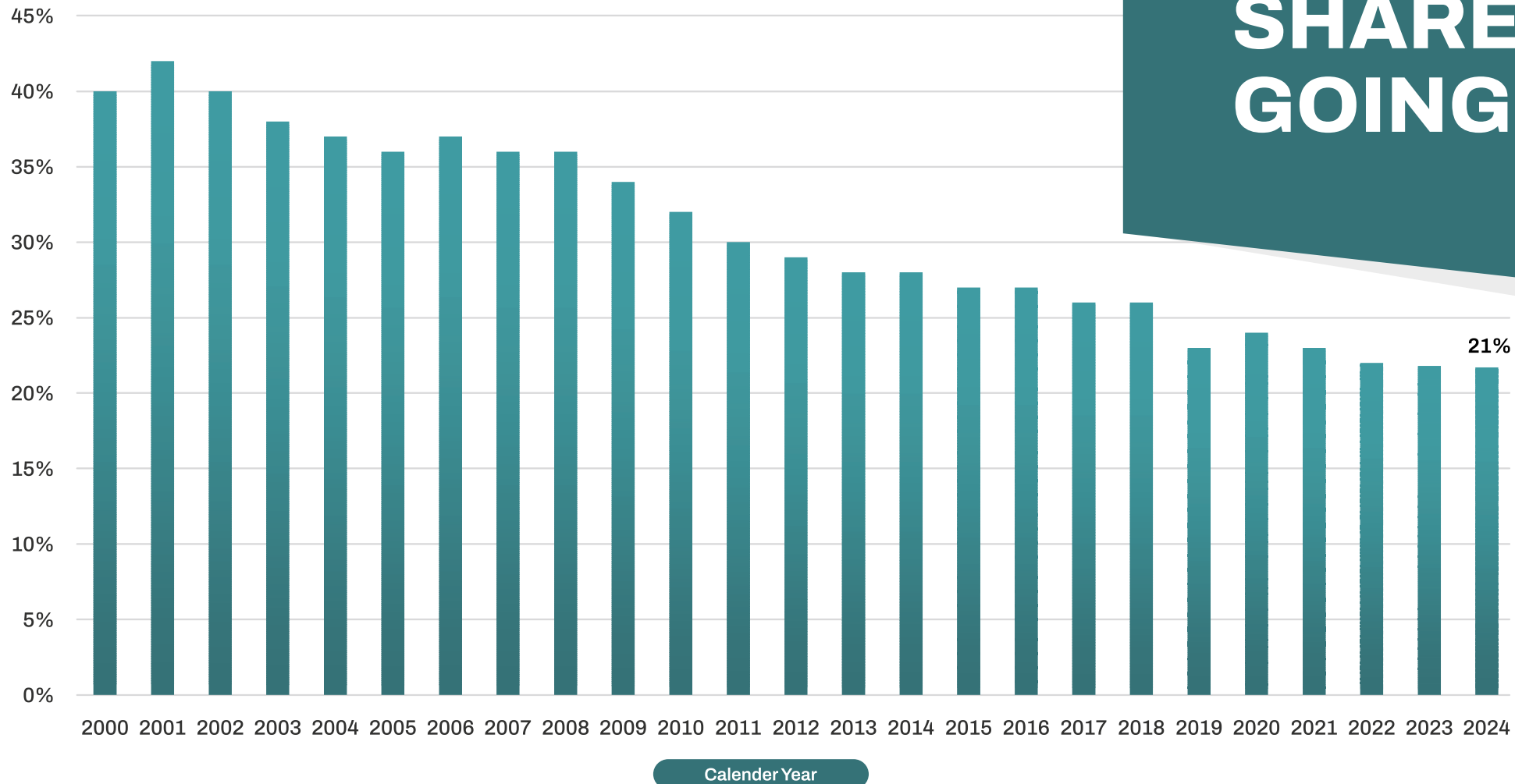
(IN CRS. 170 KG BALE)



	2020 - 21	2021 - 22	2022 - 23	2023 - 24	2024 - 25 (Est of Sep)	YOY
Central Asia	0.49	0.62	0.45	0.49	0.52	+0.03
India	3.33	3.20	3.07	3.20	3.27	+0.07
China	5.12	4.32	4.80	4.87	4.87	0.00
Bangladesh	1.09	1.09	0.99	0.97	0.99	+0.02
Pakistan	1.37	1.37	1.11	1.24	1.23	-0.01
Vietnam	0.93	0.86	0.83	0.85	0.88	+0.03
Indonesia	0.31	0.33	0.22	0.23	0.26	+0.03
Turkey	0.99	1.10	0.96	0.85	1.23	+0.38
Others	1.95	2.03	1.87	1.79	1.64	-0.15
Total	15.59	14.85	14.31	14.49	14.88	+0.39

Source : USDA

COTTON SHARE



**WORLD
COTTON
SHARE
GOING DOWN**

IS COTTON GOING TO BE KNOCKED OFF BY MAN-MADE FIBERS ?



WORLD COTTON EXPORTS

(IN CRS. 170 KG BALE)

	2021 - 22	2022 - 23	2023 - 24	2024 - 25 (Est of Sep)	YOY
USA	2.10	1.85	1.63	1.50	1.51
Brazil	1.41	0.99	0.85	1.58	1.60
Australia	0.20	0.46	0.79	0.74	0.69
India	0.79	0.48	0.14	0.30	0.17
WAF	0.68	0.82	0.51	0.59	0.60
Turkey	0.08	0.077	0.11	0.18	0.10
Central Asia	0.25	0.19	0.14	0.21	0.18
Others	0.71	0.66	0.57	0.63	0.73
Total	6.21	5.53	4.75	5.73	5.58

Source : USDA

THE BATTLE FOR MARKET SHARE IS REAL (IN CRS. 170 KG BALE)

Brazil beat US to become the largest exporter in 2023 - 24 & is expected to repeat the same in 2024 - 25

% Share of World Exports	2019 - 20	2020 - 21	2021 - 22	2022 - 23	2023 - 24	2024 - 25 (Est of Sep)
USA	38%	33%	33%	34%	26%	28%
Brazil	22%	22%	18%	18%	28%	29%
Australia	3%	3%	8%	17%	13%	12%
WAF	11%	12%	15%	11%	10%	11%
India	8%	13%	9%	3%	5%	3%
Central Asia	4%	4%	4%	3%	4%	3%
Total	86%	87%	87%	86%	86%	86%

US vs BRAZIL

THE ULTIMATE
SHOWDOWN FOR
COTTON EXPORT
DOMINANCE



ARE THESE 3 BEARS RESPONSIBLE FOR PUTTING ICE UNDER PRESSURE ?



WORLD COTTON IMPORTS

(IN CRS. 170 KG BALE)

	2020 - 21	2021 - 22	2022 - 23	2023 - 24	2024 - 25 (Est of Sep)
China	1.65	1.00	0.80	1.92	1.22
Bangladesh	1.12	1.05	0.90	0.93	0.99
Vietnam	0.94	0.85	0.83	0.84	0.88
Indonesia	0.30	0.33	0.21	0.23	0.26
Turkey	0.68	0.71	0.54	0.46	0.60
India	0.11	0.13	0.22	0.11	0.29
Pakistan	0.68	0.58	0.58	0.41	0.51
Mexico	0.12	0.12	0.09	0.09	0.12
Others	0.69	0.69	0.65	0.61	0.72
Total	6.29	5.46	4.82	5.60	5.59



MSP COMPARISON ON ICE

In 2024-25 MSP Kapas price is Rs. 7,521 per Quintal which turns out to be 94 USC ex gin
(With 33% GOT & Rs. 3,000 seed price)

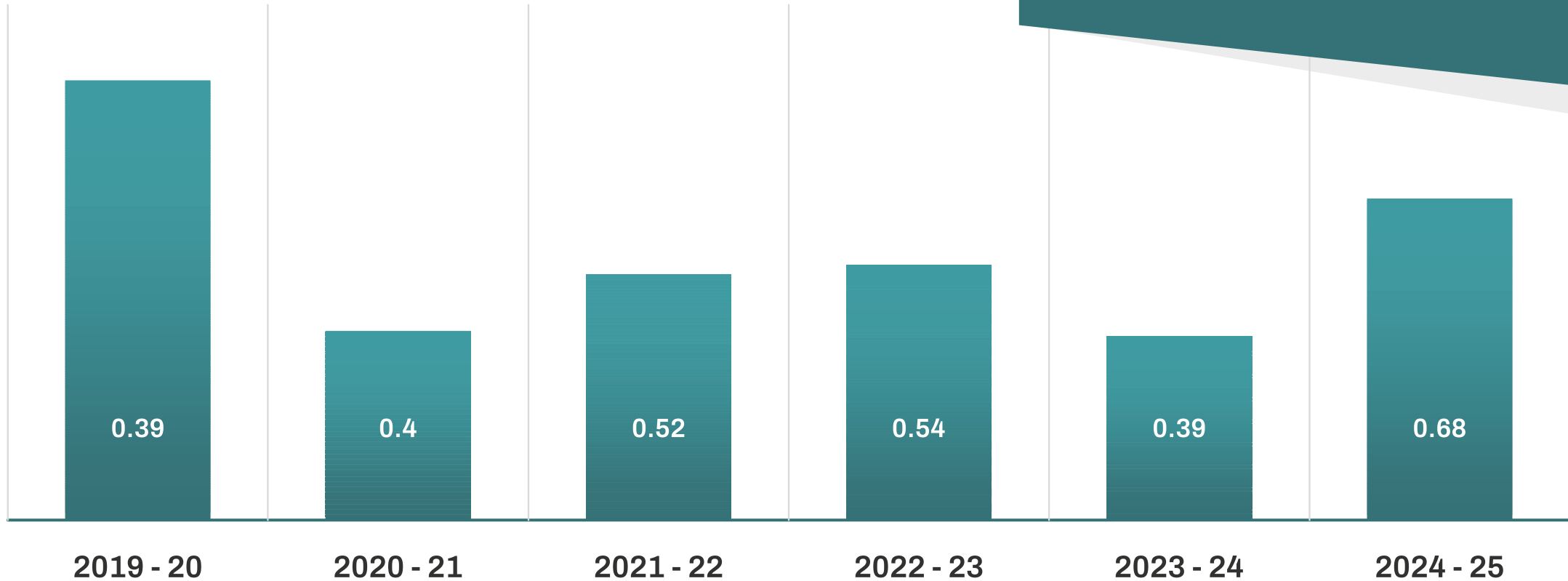
Possible Change in MSP	2025 - 26 MSP Break Even	MSP Basis at 72 Cents Z25
At 3% Increase	97 USC / LBS	2500 on
At 4% Increase	97.75 USC/ LBS	2575 on
At 5% Increase	98.7 USC/ LBS	2670 on
At 7% Increase	100.60 USC/ LBS	2858 on



WHAT ALL IMPORT OPTION DO INDIAN MILL HAVE ?

Growth	Delivery	Basis CIF Main Ports India
Brazil Mid 36	Nov-Dec24 / Jan-Feb-Mar 2025	1100– 1200 on Covers
Mali Juli/s 1-1/8	Jan-Feb-March 2025	1200-1300 on H25
IVC Manbo/s 1-1/8	Jan-Feb-March 2025	1100-1200 on H25
USA Green Card 31336	Jan-Feb-March 2025	1300-1400 on H25

CARRY OUT STOCK IN CRS 170 KG BALE



**IS USA'S
CARRY OUT
STOCK A CAUSE
FOR CONCERN ?**

INDIAN COTTON BALANCE SHEET

(IN CR 170 KG BALE AS PER COCPC)

This has happened only once in 10 years that India has a Deficit in production & Consumption & that was in 2021-22

COCPC	2019 - 20	2020 - 21	2021 - 22	2022 - 23	2023 - 24	2024 - 25 (Est of Sep)
Carry In	0.56	1.20	0.72	0.39	0.61	0.30
Production	3.65	3.52	3.11	3.36	3.25	3.10
Imports	0.15	0.11	0.21	0.14	0.12	0.30
Consumption	2.69	3.34	3.22	3.13	3.23	3.30
Exports	0.47	0.77	0.43	0.15	0.28	0.18
Carry Out	1.20	0.72	0.39	0.61	0.47	0.22
Difference between Prod-Cons	0.96	0.18	-0.11	0.13	0.02	-0.20

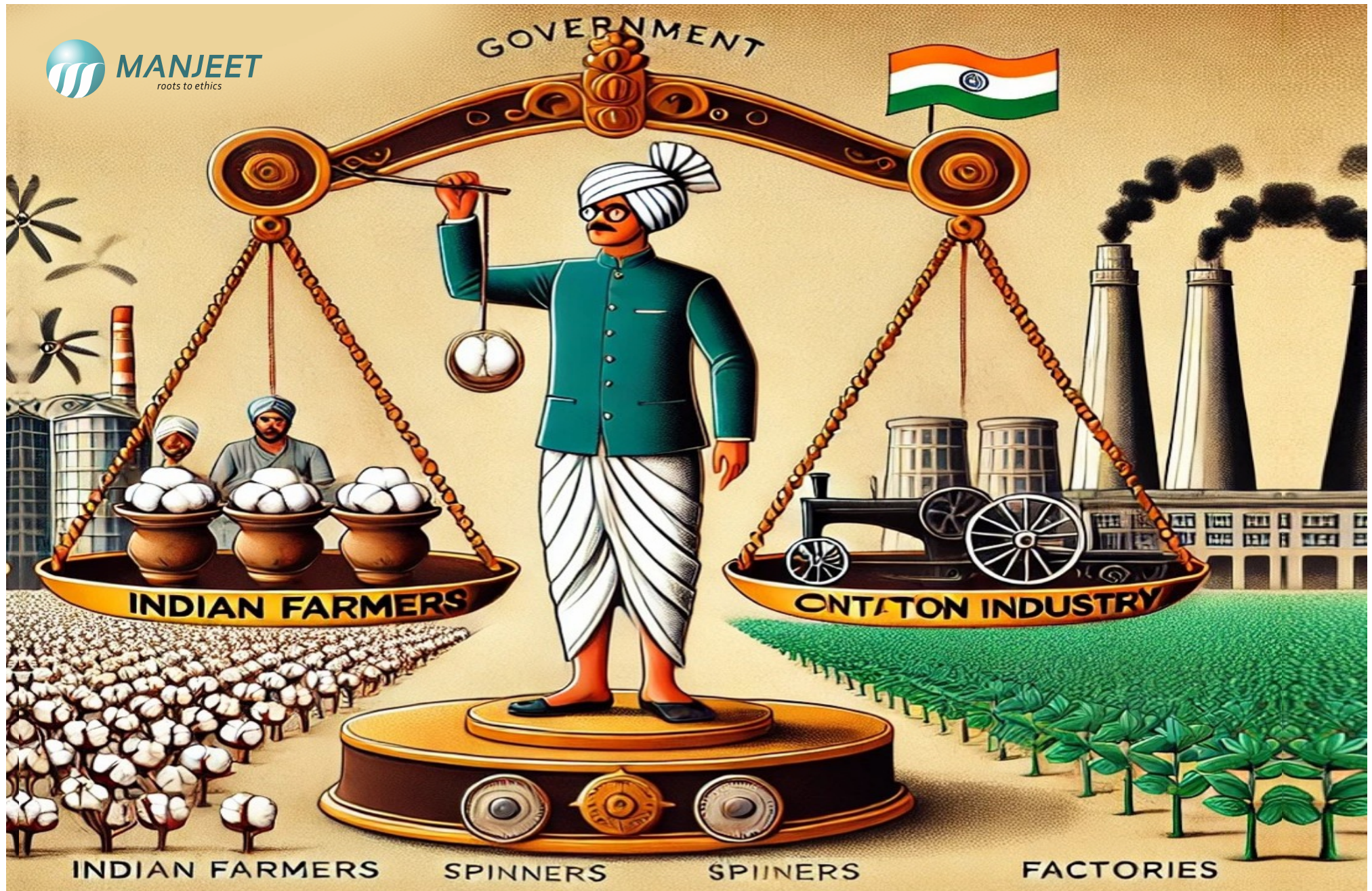
**INDIAN
SPINNER**
IS STUCK
BETWEEN
HIGHER MSP &
IMPORT ON
COTTON DUTY.





FINAL THOUGHTS & KEY TAKEAWAYS

- Global consumption must rise, or some countries need to reduce cotton production.
- With China's macro-economic situation slowing down and demand weakening, can Bangladesh, Pakistan, and India step in to replace China in global imports? As per some estimates there can be a reduction of 25% in demand from China.
- India must reform its MSP policy- continuously raising MSP while maintaining the import duty will cripple the spinning industry.
- The world has moved on to 7th Generation of BT seeds but we are still on the 3rd generation. Given the significant depletion of our closing stocks, an increased cotton supply will be essential in coming days.
- Even with 11% duty on Imports we have seen a good imports in last few months ? If ICE futures remain range bound and with CCI in procurement can we see more imports happening ?
- It's crucial for our industry to take serious steps in gathering accurate crop data, including production and consumption. In these challenging times, having precise data will help us stay prepared for any unexpected situations.



THANK YOU !

