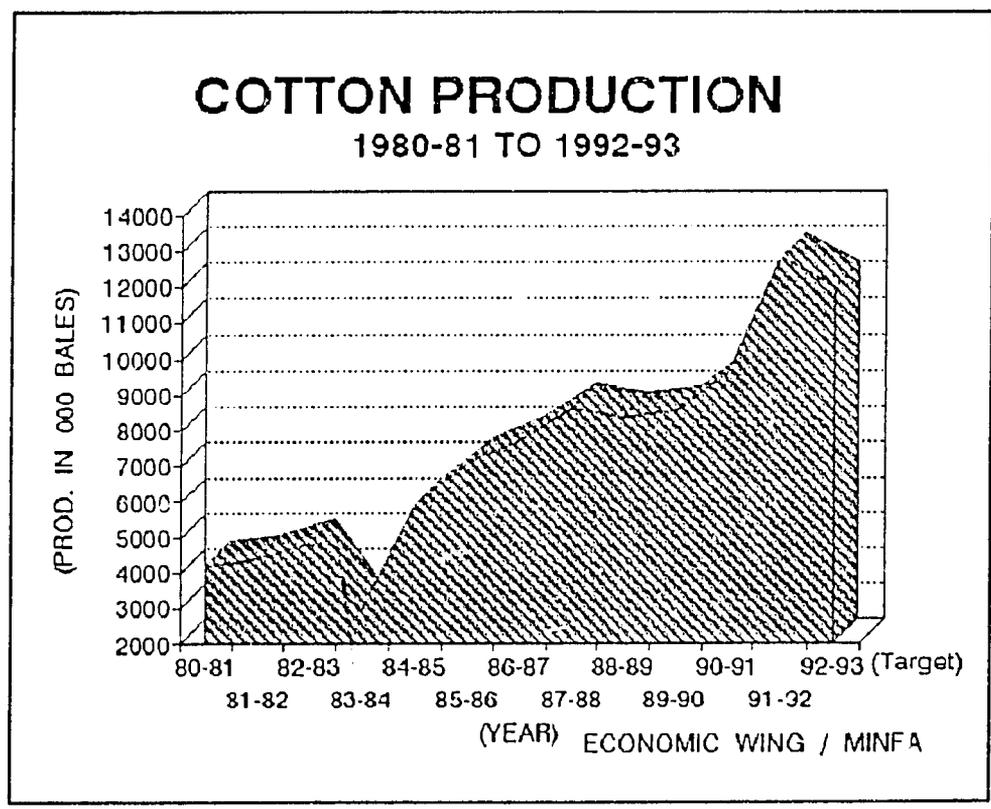


# COTTON 1992-93

## SITUATION AND OUTLOOK REPORT FOR PAKISTAN



**GOVERNMENT OF PAKISTAN  
ISLAMABAD, PAKISTAN**

**MINISTRY OF FOOD, AGRICULTURE  
AND COOPERATIVE**

NOVEMBER 1992

**GOVERNMENT OF PAKISTAN  
MINISTRY OF FOOD, AGRICULTURE  
AND COOPERATIVES**

**NOVEMBER 1992**

# **ECONOMIC WING**

*(COMMODITY SITUATION SECTION)*

**PREPARED BY**

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## 1992-93 PAKISTAN COTTON SITUATION

According to all sources, cotton production in Pakistan was reduced by 8-12 percent because of earlier floods during the growing season. The 1992-93 crop is now placed at 2.04 mmt second only to last year's record harvest. The lower production level is expected to reduce cotton exports by 25 percent and carryout stocks by 20 percent. Forecast of mill consumption is reduced less than expected due to some temporary mill closures during the period of flooding. Continued high returns to farmers and adequate inputs had the production targeted to a record crop before the floods. Planted area in the Punjab is expanding further and yields were expected to be above average. The 1990-91 crop reached 1.64 mmt, the highest level since 1987-88, and up more than 0.18 mmt. from the 1989-90 crop. The 1992-93 cotton yields are now expected to be lower than last year because of the floods.

Favorable investment policies and an abundance of cotton at prices well below the world market continued to spur expansion in Pakistan's spinning industry. Yarn production increased from a monthly average of 61 mil. kgs in August 1988 to 98 mil. kgs in months just before the floods this year.

### Cotton Supply and Disappearance

Balance Sheet(000,MT)

	1990-91	1991-92	Alternative Availability in 1992-93	
			Official Target (FCA ) Prod.	World Cotton Report Sep.92 Prod.
<b>YEAR</b>				
Beginning stock	256.0a/	392.5	689.2	689.2
Production	1637.6	2180.9	2041.1	2133.6
Import	0.4b/	3.0b/	3.0	3.0
<b>TOTAL SUPPLY</b>	<b>1894.0</b>	<b>2576.4</b>	<b>2733.3</b>	<b>2825.8</b>
<b>DISAPPEARANCE</b>				
Export	282.0c/	455.2b/	510.3b/	510.3
Raw cotton				
A) Pak. Textile	1197.5c/	1410.0a/	1624.3d/	1624.3
B) Export(Yarn etc)				
Loss	22.0a/	22.0a/	22.0	22.0
<b>TOTAL DISAPPEARANCE</b>	<b>1501.5/</b>	<b>1887.2</b>	<b>2156.6</b>	<b>2156.6</b>
<b>ENDING STOCK</b>	<b>392.5.</b>	<b>689.2</b>	<b>576.7</b>	<b>669.2</b>

a/ World Cotton Situation Report sep.92

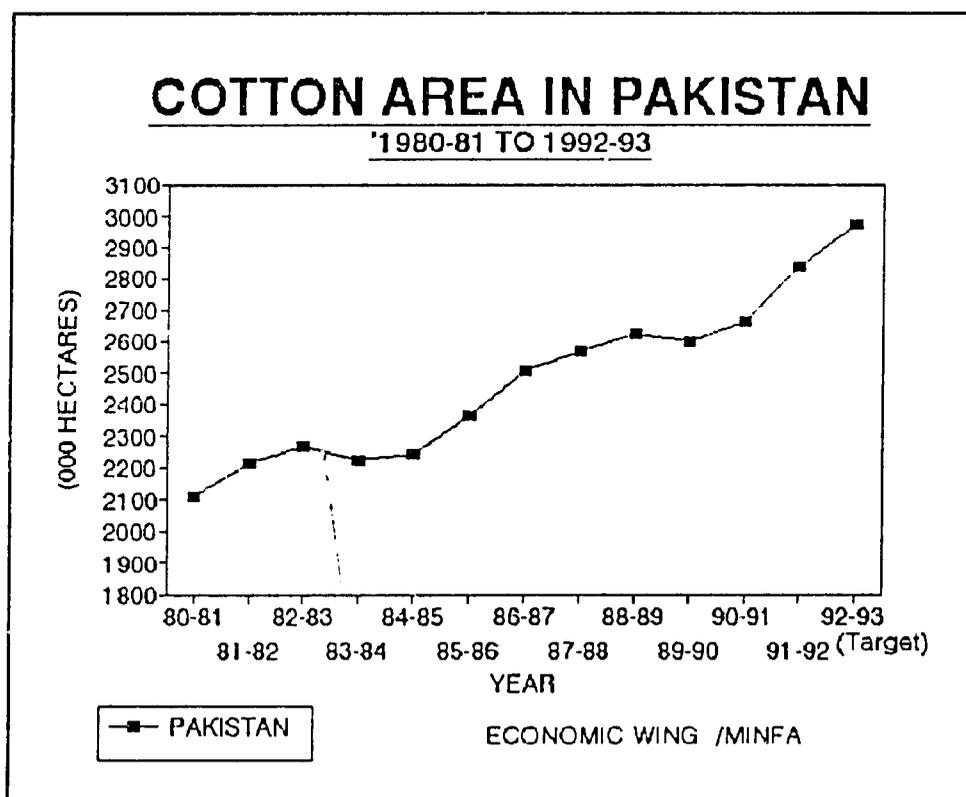
b/ M/o Commerce.

c/ Economic Survey 91-92

d/ 15.2 % Increase on last 5 year average

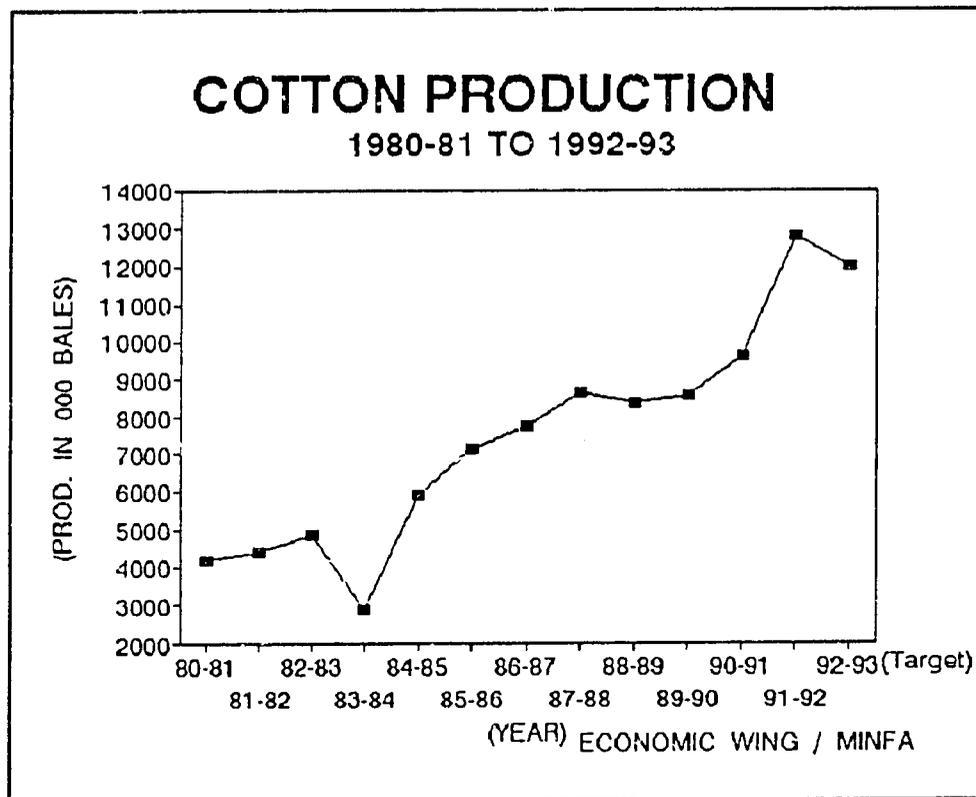
## CROP AREA AND PRODUCTION

Because of good returns to farmers, during 1991-92 cotton area in the punjab continued to expand. In 1991-92 Punjab increased the cotton area by ten percent. In the districts of Jhang, T.T. Singh, Faisalabad and Sargodha farmers significantly reduced sugarcane production in favor of cotton. This year Punjab will account for eighty percent of the cotton planted.



## COTTON PRODUCTION

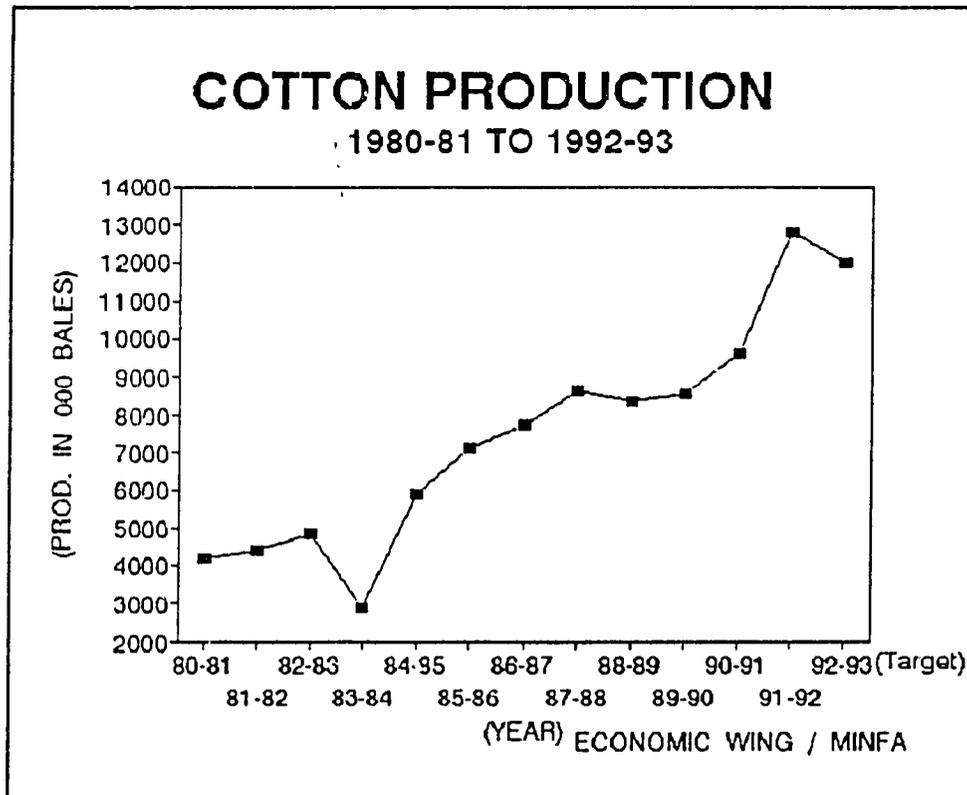
Total cotton production in all Pakistan was reduced 8-12 percent or more because of earlier floods during the growing season. Crop area was up some 10 percent and yields were predicted to be above average with plentiful inputs and good growing conditions. The 1992-93 crop estimate is now placed at 2.04 mmt second only to last year's record harvest. The lower production level is expected to lower raw cotton exports as much as 25 percent and carryout stocks by 20 percent.



## YIELD

Yield improved in 1991-92 to a national average of 770 kg/hectare compared to a national average of 615 kg/hectare in 1990-91. The 1992-93 may well have been above last year if it had not been for the floods. The Punjabi yield was 849 kg/ha last year, one of the highest yields in the world.

Several factors attributed to the increases in output in recent years. (1) More small farmers (which produce 70 percent of the cotton production) are adopting better cultural practices, using better seeds and varieties. The S-12 variety yields a higher percent of lint and appears to have a greater number of bolls per plant. Researchers feel that the expanded planting of S-12, CIM-109 and CIM-70 may have alone raised production by ten percent.



## CURRENT COTTON POLICY

The new Cotton Export Policy for 1992-93 cotton season has been announced and contains the following features:

--no export duty on raw cotton sold at the Minimum Export Price(MEP) OF US\$ 0.45 per pound or below.

--Export duty will be charged on raw cotton sold at the MEP of US\$0.45 and above at the rate of 2 percent for every US\$ 0.01 above the MEP.

--The export duty of Rs1 per kg on cotton yarn has been terminated.

--The shipping period until January, 1993 has been allowed to be free of carrying charges.

## WEATHER

The overall temperatures during the 1991-92 growing season were higher than normal. The temperatures in June 1991, the hottest month of the year, were about 5 degrees centigrade higher than normal. The high temperatures hampered flowering, but also reduced infestations of insects. In late January and early February heavy rains lasted for three weeks that stopped picking and the flow of cotton to the ginneries. The January rains reduced the Presley value or strength of the cotton and damaged the seed cotton still in the fields or outside storage. Some reduction in lint and seed quality was experienced.

SOURCE: *Monthly Agromet Bulletin of Pakistan, National Agrometa Centre, Islamabad.*

## INPUTS

Cotton farmers are finding that total revenue is exceeding total costs and in this situation are increasing their total cost with the increased purchases of yield increasing inputs. Very few problems in supply or timing of delivery of insecticides or fertilizer were experienced by farmers in 1991-92 crop season.

## UTILIZATION

Little change is occurring in the type of cotton yarns produced. Production is dominated by coarse count yarns make up over 80 percent of total yarn output. Production is dominated by coarse count yarns. Cotton yarn production dominates the cotton consumed. It should be noted that Japan imports seventy percent of its yarn needs from Pakistan.

**TABLE:3 Spinning and Weaving Capacity and Production**

Pakistan	1988/89	1989/90	1990/91	1991/92 Jul-Mar
Working spindles(1,000)	3,966	4,416	4,827	5,465
Working looms(1,000)	9	8	8	8
Cotton Consum.(000 KG)	871,978	1,054,144	1,197,451	334,884
Yarn production(000 KG)	757,903	911,588	1,041,248	861.815
Cloth Production (1,000 sq.mtr)	269.862	294,839	292,911	233'997

Source: Government Pakistan Economic Survey 1991-92

## PRODUCTION POLICY

Cotton production policy is highlighted by support prices set for seed and lint cotton. The Agricultural Price Commission (APC) calculates costs of production for the basis for the support prices, and then they are announced. The support price is a floor price and with current international market prices have little impact on production. The announced price is made in August.

### SUPPORT PRICE OF COTTON

(Rs. per 40 Kg)

DESI		A.C134N.T.Bs-1		
Year	Seed Cotton	Lint Cotton	Seed Cotton	Lint Cotton
1987-88	173.50	428.00	185.00	480.00
1988-88	176.50	431.00	188.00	483.00
1989-90	191.50	463.00	203.00	515.00
1990-91	220.00	550.00	235.00	615.00
1991-92	255.00	662.00	270.00	685.00

B-557,F-149 & NIAB-78		SARMAST,DELTA & MS-30		
Year	Seed Cotton	Lint Cotton	Seed Cotton	Lint Cotton
1987-88	193.00	504.00	207.00	546.00
1988-89	196.00	507.00	210.00	549.00
1989-90	211.00	539.00	225.00	581.00
1990-91	245.00	645.00	260.00	690.00
1991-92	280.00	715.00	290.00	745.00

## TRADE TRENDS

### POSITION BY MONTH OF RAW COTTON EXPORTS

MONTH	1990-91		1991-92		Inc/Dec % Over 90-91 (in M.Tons)
	Bales= 170 Kg	"000" M.Tons	Bales= 170 Kg	"000" M.Tons	
Sep.	12,984	2.2	87,403	14.9	573.2
Oct.	27,566	4.7	28,623	3.8	3.8
Nov.	47,426	8.1	54,863	9.3	15.7
Dec.	47,096	8.0	89,911	15.3	90.9
Jan.	34,038	5.8	195,780	33.3	475.2
Feb.	30,562	5.2	111,415	18.9	264.6
Mar.	79,284	13.5	206,626	35.1	160.6
Apr.	297,891	50.6	303,485	51.6	1.9
May	302,964	51.5	188,881*	32.1	- 37.7
Total	879,811	149.6	1,266,988	215.4	44.0

\*Mid-May, 1992

Source: Monthly Cotton Review May, 1992

Pakistan Central Committee, Karachi

## EXPORT OF MAJOR TEXTILE PRODUCTION

	Quantity		
	89/90	90/91	91/92
1.Export of Raw Cotton(000 M.T)	295.0	282.0	195.0
2.export of cotton West(Ml.Kg)	43.8	79.1	67.0
3.Export of Cotton Yarn(Ml.Kg)	374.4	503.0	332.1
4.Export of Cotton Cloth(Ml.Sq Mt)	1018.0	1063.3	860.2
5.Export of Synthetic Textile(" )	338.0	504.0	370.0
6.Export of Carpet & Rugs( " )	3.0	3.5	2.9
7.Export of Cotton Thread(M.Kg)	0.8	0.9	0.6
8.Export of Readymade Garments			

	Value(Rs in Million)		
	89/90	90/91	91/92
1.Export of Raw Cotton(000 M.T)	9950	9553	5916
2.export of cotton West(Ml.Kg)	597	1255	1100
3.Export of Cotton Yarn(Ml.Kg)	17917	26675	19462
4.Export of Cotton Cloth(Ml.Sq Mt)	12000	15199	14542
5.Export of Synthetic Textile(" )	4556	7807	7410
6.Export of Carpet & Rugs( " )	4923	4999	4163
7.Export of Cotton Thread(M.Kg)	65	76	62
8.Export of Readymade Garments	14341	18666	18475

\* July-March 1991-92

Source: Pakistan Economic Survey 1991-92

## DEFINITIONS OF TERMS FOR SITUATION REPORTS

AREA HARVESTED-a measure of the land surface, delineated in hectares, from which all types of cotton are gathered.

BEGINNING STOCKS- period which normally corresponds to a crop/marketing year.

PRODUCTION-The amount of cotton in bales or metric tons grown and harvested in the crop year.

IMPORTS-The amount of cotton brought in from outside of Pakistan in a crop year.

TOTAL SUPPLY-Total Supply=Beginning stocks+Production+Total Imports

EXPORTS-Cotton exported outside of Pakistan.

DOMESTIC CONSUMPTION-The amount of cotton in bales or metric tons used in making cloth and the waste that is associated with all the manufacturing processing.

# APPENDIX I

## TABLE 1

AREA UNDER COTTON '1980-81 TO 1991-92 PAKISTAN  
(000 HECTARES)

YEAR	AREA	% AGE INC/DEC.
80-81	2108.5	-
81-82	2214.1	5.0
82-83	2262.9	2.2
83-84	2220.7	- 1.9
84-85	2241.6	0.9
85-86	2364.1	5.5
86-87	2505.2	6.0
87-88	2567.8	2.5
88-89	2619.4	2.0
89-90	2598.5	- 0.8
90-91	2662.2	2.5
91-92	2835.5	6.5

## TABLE 2

PRODUCTION UNDER COTTON '1980-81 TO 1991-92 PAKISTAN  
(000 BALES, 375 LBS EACH)

YEAR	PRODUCTION	% AGE INC./DEC
80-81	4201.0	-
81-82	4398.3	4.7
82-83	4843.9	10.1
83-84	2907.7	-40.0
84-85	5930.4	104.0
85-86	7154.5	20.6
86-87	7759.7	8.5
87-88	8632.9	11.3
88-89	8385.1	-2.9
89-90	8559.8	2.1
90-91	9627.7	12.5
91-92	12822.2	33.2

### TABLE 3

YIELD OF COTTON '1980-81 TO 1991-92 PAKISTAN

YEAR (000 HEC.)	AREA (000 BALES)	PRODUCTION PER/HEC INC./DEC	YIELD KG	% AGE
80-81	2108.5	4201.0	339	-
81-82	2214.1	4398.3	338	-0.3
82-83	2262.9	4843.9	364	7.8
83-84	2220.7	2907.7	223	-38.8
84-85	2241.6	5930.4	450	102.1
85-86	2364.1	7154.5	515	14.4
86-87	2505.2	7759.7	527	2.4
87-88	2567.8	8632.9	572	8.5
88-89	2619.4	8385.1	544	-4.8
89-90	2598.6	8559.8	560	2.9
90-91	2662.2	9627.7	615	9.7
91-92	2835.5	12822.2	769	25.0

## APPENDIX 2

### TABLE 1

**Area, Yield and Production of Cotton (Varieties-Wise)  
Punjab Province, 1980-81 to 1991-92**

YEAR	(AREA '000' HEC.)			(YIELD KG/HEC.)			(PROD. '000' BALES.)		
	UP-LAND	DESI	TOTAL	UP-LAND	DESI	TOTAL	UP-LAND	DESI	TOTAL
80-81	1377.1	129.1	1506.2	330	154	315	2672.4	116.9	2789.3
81-82	1446.0	127.1	1573.1	321	152	308	2730.4	113.8	2844.2
82-83	1489.3	123.4	1612.7	358	163	343	3137.0	118.2	3255.2
83-84	1460.9	101.6	1562.5	189	125	184	1619.5	74.7	1694.2
84-85	1482.3	85.4	1567.7	501	174	483	4363.5	87.4	4450.9
85-86	1664.9	80.9	1745.8	574	165	555	5622.9	78.3	5701.2
86-87	1788.3	75.7	1864.0	605	175	589	6364.0	87.0	6451.0
87-88	1866.8	68.8	1935.6	654	184	638	7181.0	74.4	7255.4
88-89	1987.0	66.8	2053.8	617	170	602	7207.9	66.9	7274.8
89-90	1978.9	57.0	2035.9	635	190	623	7390.6	63.6	7454.2
90-91	2067.1	57.1	2124.6	694	193	681	8435.9	65.4	8501.3
91-92	2222.1	64.8	2286.9	867	224	849	11331.1	85.7	11416.8

### TABLE 2

**Area, Yield and Production of Cotton (Varieties-Wise)  
Sindh Province, 1980-81 to 1991-92**

YEAR	(AREA '000' HEC.)			(YIELD KG/HEC.)			(PROD. '000' BALES.)		
	UP-LAND	DESI	TOTAL	UP-LAND	DESI	TOTAL	UP-LAND	DESI	TOTAL
80-81	563.2	35.8	599.0	408	267	399	1350.8	56.1	1406.9
81-82	599.8	38.1	637.9	421	290	413	1485.2	65.0	1550.2
82-83	611.9	35.1	647.0	423	307	417	1521.1	63.4	1584.5
83-84	617.5	38.2	655.5	319	232	314	1157.8	52.2	1210.0
84-85	631.7	39.4	671.1	380	270	374	1413.0	62.6	1475.6
85-86	581.7	33.7	615.4	407	289	401	1392.0	57.2	1449.2
86-87	603.0	35.3	638.3	357	186	348	1265.5	39.1	1304.6
87-88	596.2	33.4	629.6	376	280	371	1318.7	55.1	1373.7
88-89	532.6	31.4	564.0	340	238	334	1064.0	44.1	1108.0
89-90	528.8	32.5	561.3	342	213	334	1062.7	44.1	1103.4
90-91	507.6	29.0	536.6	366	198	356	1090.8	43.8	1124.6
91-92	520.9	26.7	547.6	447	226	436	1367.8	35.4	1403.2

TABLE 3

Area, Yield and Production of Cotton (Varieties-Wise)  
NWFP Province, 1980-81 to 1991-92

YEAR	(AREA '000' HEC.)			(YIELD KG/HEC.)			(PROD. '000' BALES.)		
	UP-LAND	DESI	TOTAL	UP-LAND	DESI	TOTAL	UP-LAND	DESI	TOTAL
80-81	0.0	2.3	2.3	0	207	207	0.0	2.8	2.8
81-82	0.0	2.8	2.8	0	207	207	0.0	3.4	3.4
82-83	0.0	2.7	2.7	0	208	208	0.0	3.3	3.3
83-84	0.0	2.5	2.5	0	204	204	0.0	3.0	3.0
84-85	0.0	2.4	2.4	0	213	213	0.0	3.0	3.0
85-86	0.0	2.3	2.3	0	214	214	0.0	2.9	2.9
86-87	0.0	2.2	2.2	0	216	216	0.0	2.8	2.8
87-88	0.0	2.1	2.1	0	219	219	0.0	2.7	2.7
88-89	0.0	1.4	1.4	0	219	219	0.0	1.8	1.8
89-90	0.0	1.1	1.1	0	263	263	0.0	1.7	1.7
90-91	0.0	0.8	0.8	0	276	276	0.0	1.3	1.3
91-92	0.0	0.8	0.8	0	361	361	0.0	1.7	1.7

TABLE 4

Area, Yield and Production of Cotton (Varieties-Wise)  
Baluchistan Province, 1980-81 to 1990-91

YEAR	(AREA '000' HEC.)			(YIELD KG/HEC.)			(PROD. '000' BALES.)		
	UP-LAND	DESI	TOTAL	UP-LAND	DESI	TOTAL	UP-LAND	DESI	TOTAL
80-81	0.0	1.0	1.0	0	340	340	0.0	2.0	2.0
81-82	0.0	0.3	0.3	0	283	283	0.0	0.5	0.5
82-83	0.0	0.5	0.5	0	306	306	0.0	0.9	0.9
83-84	0.0	0.2	0.2	0	425	425	0.0	0.5	0.5
84-85	0.0	0.4	0.4	0	383	383	0.0	0.9	0.9
85-86	0.0	0.6	0.6	0	340	340	0.0	1.2	1.2
86-87	0.0	0.7	0.7	0	316	316	0.0	1.3	1.3
87-88	0.0	0.5	0.5	0	374	374	0.0	1.1	1.1
88-89	0.0	0.2	0.2	0	425	425	0.0	0.5	0.5
89-90	0.0	0.2	0.2	0	425	425	0.0	0.5	0.5
90-91	0.0	0.2	0.2	0	425	425	0.0	0.5	0.5
91-92	0.0	0.2	0.2	0	425	425	0.0	0.5	0.5

**TABLE 5**  
**Area, Yield and Production of Cotton (Varieties-Wise)**  
**Pakistan, 1980-81 to 1991-92**

YEAR	(AREA '000' HEC.)			(YIELD KG/HEC.)			(PROD. '000' BALES.)		
	UP-LAND	DESI	TOTAL	UP-LAND	DESI	TOTAL	UP-LAND	DESI	TOTAL
80-81	1940.3	168.2	2108.5	353	180	339	4023.2	177.8	4201.0
81-82	2045.8	168.3	2214.1	350	185	338	4215.6	182.7	4398.3
82-83	2101.2	161.7	2262.9	377	195	364	4658.1	185.8	4843.9
83-84	2078.2	142.5	2220.7	227	156	223	2777.3	130.4	2907.7
84-85	2114.0	127.6	2241.6	465	205	450	5776.5	153.9	5930.4
85-86	2246.6	117.5	2364.1	531	202	515	7014.9	139.6	7154.5
86-87	2391.3	113.9	2505.2	543	194	527	7629.5	130.2	7759.7
87-88	2463.0	104.8	2567.8	587	216	572	8499.7	133.2	8632.9
88-89	2519.6	99.8	2619.4	558	193	544	8271.9	113.2	8385.1
89-90	2507.7	90.8	2598.5	573	199	560	8453.3	106.5	8559.8
90-91	2574.7	87.5	2662.2	629	196	615	9526.7	101.0	9627.7
91-92	2743.0	92.5	2835.5	787	226	769	12698.9	123.3	12822.2

SCHEDULE OF COMMODITY SITUATION REPORT RELEASES  
 BY THE COMMODITY SITUATION SECTION  
 ECONOMIC WING\MINFA

COMMODITY REPORT	RELEASE DATES	COMMENTS	EW\MINFA SITUATION REPORTS CONTACT PERSON TELEPHONE NUMBER
WHEAT	NOVEMBER MAY	POLICY ANNOUNCEMENT DATE 10 SEPT. SOWING DATES OCT.-NOV.	S.NATIQ HUSSAIN NAQVI TEL.813019
COTTON	JUNE NOVEMBER	POLICY ANNOUNCEMENT DATE 01 APRIL SOWING DATES APRIL-JUNE	BASHIR AHMED BHATTI TEL.813019
RICE	JUNE NOVEMBER	POLICY ANNOUNCEMENT DATE 15 MAY FOR BOTH IRRI AND BASMATI SOWING DATES JUNE-JULY	MUBASHIR AHMAD TEL.813019
SPECIAL REPORTS	BY REQUEST		EW STAFF SPECIALISTS AS ASSIGNED