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Cotton Statistics And News

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Partial Recovery Expected in World Cotton Trade during 2009-10 - ICAC

A 3 percent decline in world cotton area to 30 million hectares is projected by the International Cotton Advisory Committee (ICAC) during the ensuing season, 2009-10. In its latest release of June 1, ICAC states that decreasing return from cotton, more attractive prices for competing crops and expected difficulties in financing inputs are discouraging farmers from planting cotton, leading to a fall in cotton area.

World cotton production during 2009-10 is projected to decline for the third consecutive season to 23.4 million tonnes (mt), a fall of 1 percent from the estimated production of 23.6 mt in 2008-09. Some of the countries which are expected to harvest smaller crops are said to be China, Uabekistan, Brazil and CFA zone. However, production is expected to be 9 percent higher at 5.4 mt in India and 4 percent higher at 2.9 mt in US while Pakistan crop may remain unchanged at 2 mt.

ICAC expects a 2 percent increase to 23.3 mt in mill use next year as against an estimated 22.9 mt this year. This projection is based on a modest recovery in world economic growth in 2010. Cotton mill use is expected to increase in China, India, Pakistan, Bangla Desh, Indonesia and Vietnam in 2009-10. China's consumption going up by 3 percent to 9.3 mt next year may account for 40 percent of the world total. Mill use in India is projected to rise by 5 percent to almost 4 mt. Pakistan industry is also expected to consume 4 percent more to touch 2.5 mt. In fact, cotton mill use in China, Indian and Pakistan is projected to account for as much as 68 percent of the world total. The downtrend in mill use is expected to continue in US as also in many smaller consuming countries in Asia, N. America and Europe.

ICAC has forecast a partial recovery in world cotton

trade during 2009-10. After a steep drop of 27 percent to 6 mt in 2008-09, compared to 8.4 mt in 2007-08, caused by a decline in demand from importing countries, world cotton imports are projected 8 percent higher at 6.5 mt in 2009-10. Despite an increase in cotton mill use in China in 2009-10, Chinese imports are projected to rise only slightly to 1.45 mt since the Chinese government has been selling cotton from the national reserve to domestic textile mills from the end of May. Imports by Pakistan, Bangla Desh and Turkey are also forecast to increase either due to increased mill use or fall in production.

India is expected to account for most of the projected increase in world exports in 2009-10 so as to touch 1.1 mt with its share in world total rebounding to 16 percent. Exports from US are expected to decline by 11 percent to 2.3 mt with its share in world total dropping to 36 percent as against a high of 43 percent reached in 2008-09.

World ending stock of cotton is projected to go up marginally to 13.2 mt in 2009-10 from an estimated 13.1 mt this year. Based on a price forecast of 60 US cents per pound during the current season, ICAC has forecast a 10 percent decline in Cotlook A Index to 54 USC per pound in 2009-10. The world cotton balance sheet as drawn up by the ICAC is given below:

	(in million tonnes)	
	2008-09	2009-10
Opening Stock	12.38	13.10
Production	23.62	23.44
Consumption	22.87	23.33
Import/Exports	6.03	6.47
Ending Stock (after adjustments)	13.10	13.22

Down Memory Lane in the Cotton World

The International Cotton Advisory Committee (ICAC) has recently given an exhaustive list of Memorable Dates in the history of cotton, in one of its publications. Some of these dates are given below since it may be of interest to readers.

7000 BC	Oldest cotton seed found in Mehargarh in the Indian Subcontinent (now in Pakistan)	1742	The first cotton mill is set up in Birmingham, England.
5000 BC	Cotton is cultivated and used in the Tehaucan Valley of Mexico.	1765	James Hargreaves invents the "Spinning Jenny" the first practical 'spinning frame capable of spinning from 8 to 11 threads at a time.
3000 BC	Cotton is being grown, spun and woven into cloth in the Indus River Valley in Mohenjodaro in the Indian Sub-continent (now in Pakistan).	1769	Richard Arkwright, the father of modern spinning industry, receives a patent for roller spinning. Water power is used for running the machine.
1000 BC	Cotton mentioned in the Rigveda.	1785	Edmund Cartwright patents the first practical powerloom, the basis of the modern loom with its multiplicity of automatic devices.
700 BC	Cotton grown in China as a decorative plant.	1788	Bissel invents the roller gin.
327 BC	Alexander the Great invaded India and returned with robes of printed cotton fabrics.	1789	Steam power is used, instead of water, in roller spinning.
1328	King Edward III of England entices a family of Flenish weavers to settle in Manchester; they initiated the cotton spinning and weaving industry of Lanacashire.	1793	Eli Whitney invents the cotton sawgin, constructing his first model in 10 days.
1492	Columbus finds cotton growing in the Bahamas.	1795	Sea Island cotton is introduced in the USA from the West Indies.
1556	Cotton planted in Florida, USA.	1796	Hodgan Homes improves Eli Whitney's gin by replacing spikes with circular saws.
1575	Pile weaving introduced in Moghal India under Emperor Akbar's patronage.	Early 19th	Dhaka muslim, the finest Century fabric of the time, is woven in Dhaka formerly in the Indian sub-cintinent and now in Dhaka, Bangladesh.
1500 to 1600	Portuguese introduce New World cottons in India.	1804	Joseph Marie Jacquard (France) invents the loom, called a jacquard Loom, for mechanically weaving figured patterns.
1700	Britain prohibits the import of cotton prints from India.		
1730	The first cotton yarn is spun by machine in England.		
1733	John Kay invents the automatic fly shuttle.		

(to be continued....)

Medium Staple Bt.Cotton to be Grown Commercially during Current Kharif

Bt. cottons made their entry in commercial cultivation in India seven years ago in 2002-03. Since then, a large number of Bt types have been approved and introduced for commercial cultivation. They are now grown extensively in all the major cotton growing States and are estimated to have covered about 75-80 percent of the total cotton area in 2008-09. They have no doubt, made a major contribution in boosting the production and productivity of cotton in India as never before.

However, they have led to an imbalance in the staple-wise production pattern. All the existing Bt cottons are hybrids and possess long or superior long staple. Because of their adaptability and high yield potential without need for plant protection measures against the most pernicious cotton pest, viz, bollworms, they have spread extensively in several tracts displacing the traditionally grown short and medium staple cottons. Thus, while the production of long and superior long staple cotton has gone up considerably, that of short and medium staple cotton has declined sharply, creating a shortage in this group. One of the consequences of this has been the steep rise in their domestic prices, and mills are obliged to import equivalent quality foreign cotton.

The Indian Council of Agricultural Research (ICAR) has therefore, been concentrating on developing

indigenous high yielding Bt type possessing medium staple. The Council has been successful in this research and two such Bt cottons viz, Bikaneri Narma Bt and NHH 44 Bt have been developed. It is now reported that they would be commercially grown over an area of about 5000 hectares during the current Kharif season. A total of 13,000 packets of Bikaneri Narma-Bt and 2,000 packets of NHH--44 Bt cotton seed are being made available by the ICAR for this Kharif, it is stated. The price per packet of 2 kg of seed of Bikaneri Bt has been fixed at Rs.200 and that of NHH--44 Bt at Rs.400. In both cases, 200 gm of pigeon pea (arhar) seeds are also being supplied free for being raised around the cotton crop as refugee rows to divert bollworm activity and prevent their developing resistance to the toxins produced by Bt genes.

A major advantage in the case of Bikaneri Narma Bt is that not being a hybrid, its seed can be used by farmers for planting the next year's crop without going in for fresh seed from suppliers every year. It is also claimed that these new Bt cottons are more effective against both pink and spotted bollworms and require only one spray to check the sucking pests like aphids whereas the existing Bt hybrids need 3-4 sprays. It is expected that once these new indigenous Bt types spread over large areas, the shortage in the production of medium staple cotton can be made good.

Exports Plunge 33 p.c in April

Under the impact of the worst global financial crisis in the last several decades, merchandise exports from India plunged by 33.2 percent in April, it is reported. In March too, exports were down by 33.3 percent, making the performance in these two months the worst in 14 years.

Exports in April are stated to have dipped for the seventh month in a row to \$10.7 billion as compared to \$ 16.1 billion in April 2008. Shrinking world demand is said to have severely affected exports from several sectors including the textiles.

As per reports, imports during April also fell and the decline was steeper at 36.6 percent as compared to \$24.8 billion in April 2008, imports in April this year are placed at \$15.7 billion. The main factor for the fall in imports is attributed to

the over 58 percent decline in oil import bill. Owing to the steeper fall in imports, the trade deficit is stated to have gone down to \$5 billion in April 2009 as against \$ 8.7 billion in April 2008.

After an impressive growth of over 30 percent in the first six months of 2008-09, exports are stated to have started to decline since October as the world economy faced the severity of financial crunch. This brought down the overall export growth figure to 3.4 percent in 2008-09, at \$ 168.7 billion. Meanwhile, it appears that there is some hope of revival in exports. The Federation of Indian Export Organisations (FIEO) is quoted to have stated that as inventories with foreign buyers get exhausted, exporters have begun getting orders. Demand for low price articles is said to be increasing although there are still constraints in the middle and high priced segments.

S N I P P E T S

In a clear sign of economic recovery, the growth rate of six core sector industries, viz, crude oil, petroleum refinery, coal, electricity, cement and finished steel, is reported to have almost doubled to 4.3 percent during April 2009 as against 2.3 percent during April 2008 when the economy was booming and was not affected by the global economic melt-down. The output of the six core industries has over 26 percent weight in the Index of Industrial Production.



According to the new Minister for Textiles, Shri Dayanidhi Maran, creating one crore jobs in the next five years, building world-class manufacturing facility and assuring a dominant global standing in the manufacture and export of textiles and clothing would be the agenda and priorities for the Textiles Ministry. He added that the government will impart momentum to the \$52 billion industry of \$ 21 billion exports and \$ 31 billion domestic markets by striving to achieve a growth rate of 8-10 percent per annum.



In the pre-Budget discussions with the Finance Minister, exporters are reported to have claimed that exports from India could reach the \$200 billion mark in 2010, if a stimulus package is provided. The package should include exemption from fringe benefit tax, faster refunds of service tax, a lower interest rate of 7 percent for export related credit and creation of a Rs.5000 crore fund to be used to market Indian products in emerging foreign markets like East Europe, Latin America and Africa. Exporters' demands also included income tax exemption from profits for a period of 5 years.



Exports of cotton yarn and fabrics from India declined by over 45 percent to \$237 million in March this year compared to \$435 million in March 2008. The total overseas shipments of cotton yarn and fabrics posted an 11.8 percent decline to \$4.10 billion in 2008-09 as against \$4.65 billion in 2007-08, due to the global slump in demand, according to the Ministry of Commerce.



UPCOUNTRY SPOT RATES

(Rs./Candy)

Official quotations for standard descriptions with basic grade and staple in Millimetres based on Upper Half mean Length under By-law 66 (A)(a)(4)					SPOT RATES (UPCOUNTRY) 2008-09 CROP					
					June 2009					
					13th	15th	16th	17th	18th	19th
01.	ICS-101	Below 22mm	Bengal Deshi(RG)	5.0-7.0 15	H	23200	23200	23000	23000	23000
02.	ICS-201	Below 22mm	Bengal Deshi(SG)	5.0-7.0 15		23900	23900	23700	23700	23700
03.	ICS-102	22mm	V-797	4.5-5.9 19	O	18000	18100	17900	17900	17900
04.	ICS-103	23mm	Jayadhar	4.0-5.5 19		18200	18200	18000	18000	18000
05.	ICS-104	24mm	Y-1	4.0-5.5 20	L	20900	20900	20800	20800	20800
06.	ICS-202	25mm	J-34 (SG)	3.5-4.9 23		22900	22700	22600	22600	22600
07.	ICS-105	25mm	NHH-44	3.5-4.9 22	I	20800	20800	20700	20700	20700
08.	ICS-105	27mm	LRA-5166	3.5-4.9 24		21300	21300	21200	21200	21200
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9 25	D	21700	21700	21700	21700	21700
10.	ICS-105	29mm	S-6	3.5-4.9 26	A	23100	23100	23100	23100	23100
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9 27	Y	23000	23000	22800	22800	22800
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5 28		23700	23700	23500	23500	23500
13.	ICS-107	35mm	DCH-32	2.8-3 .6 31		32000	32000	31500	31500	31500
14.	ICS-301	26mm	ICC	3.7-4.3 25		22000	22000	21800	21800	21400