

Weekly  
Publication of



**Cotton  
Association  
of India**

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Regd.No.MH/MR/EAST/96/2009-11

Registered with the Registrar of Newspapers for India under R.No.18844/69

Published every Tuesday

Price: Rs.30 per copy

# Cotton Statistics And News

2009 \* No. 15 \* 14/07/2009

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## Rapid Growth in Coverage by Bt Cotton

Since its introduction in 2002-03, Bt cottons have made rapid and spectacular expansion. From just about 0.4 percent in 2002-03, Bt Cottons now cover about 73 percent of the total cotton area. The spectacular growth made by Bt cottons since their introduction can be seen from the data provided by State Agri Depts., which are given below:-

Year	Area (lakh hectares)		
	Total Cotton Area	Area under Bt.cotton	% of Bt.to Total
2002-03	73.90	0.29	0.39
2003-04	78.35	0.93	1.18
2004-05	89.70	4.98	5.55
2005-06	88.73	10.14	11.42
2006-07	91.58	34.61	37.79
2007-08	95.06	63.34	66.00
2008-09	93.73	69.00	73.00

It may be noticed that Bt cotton area registered a quantum jump in 2006-07 and 2007-08. This was mainly because of the plentiful supply of their seed by increased number of seed companies who strived their best to meet the fast rising demand in full. The State-wise coverage by Bt cottons this year has been given in the table.

As may be seen, Maharashtra has planted the largest area under Bt cottons while percentage-wise Punjab leads the other States. There have been several advantages in growing Bt cottons compared to non-Bt cottons. The former are much more productive and the production cost is lower because of their resistance to bollworms

### State-wise Bt.Cotton Area - 2008-09

State	Area (lakh hectares)		
	Total Cotton Area	Bt cotton Area	%of Bt cotton
Punjab	5.37	4.76	88
Haryana	4.55	3.80	83
Rajasthan	2.23	1.21	54
Gujarat	24.17	14.50	60
Maharashtra	31.33	25.72	82
M.P.	6.55	5.14	78
A.P.	13.45	11.43	85
Karnataka	3.90	1.72	44
Tamilnadu	1.20	0.72	60
Other State	0.98	-	-
All- India	93.73	69.00	73

for the control of which farmers have to incur considerable expenditure on chemical pesticides and their application several times. Even so, control is not total.

Farmers have been enthusiastic to bring in still higher area under Bt cotton in 2009-10 especially as they realised good prices for kapas this year. According to seed companies, the offtake of Bt cotton seed had been brisk and farmers have been making special efforts to get adequate quantity of seed well in advance. However, sowings have been hampered and also delayed in some States this year due to lack of sufficient rains. A clear picture about both the total cotton area and that under Bt cottons can be had only by September and October.

## Cotton Prices Move down in June

Cotton prices in the domestic market which had taken a sharp upturn in April and May started moving down in June. The average prices of most of the leading varieties in June were appreciably lower than the May averages. The only exception was H-4 whose average prices remained unchanged. The data on monthly average prices of some of the leading varieties since the commencement of the season are given below:

Month	Avg. Spot Rate (Rs/Candy)			
	J-34	H-4	S-6	DCH-32
October'08	22500 (17200)	23100 (19100)	23300 (19700)	31900 (29800)
November'08	20400 (18000)	21900 (19100)	22200 (19700)	30600 (28500)
December'08	20400 (18400)	21600 (18900)	21800 (19700)	29000 (28500)
January'09	21000 (19300)	21000 (19800)	21500 (20800)	28200 (29100)
February'09	20100 (19700)	20100 (20500)	20600 (21300)	26800 (30000)
March'09	20600 (20200)	20100 (21200)	20700 (22300)	26500 (31000)
April'09	22400 (20400)	21100 (21600)	22400 (22300)	32100 (31000)
May'09	23100 (22300)	21800 (22700)	23600 (23500)	32200 (31900)
June'09	22900 (25300)	21800 (24700)	23200 (25600)	32000 (32600)

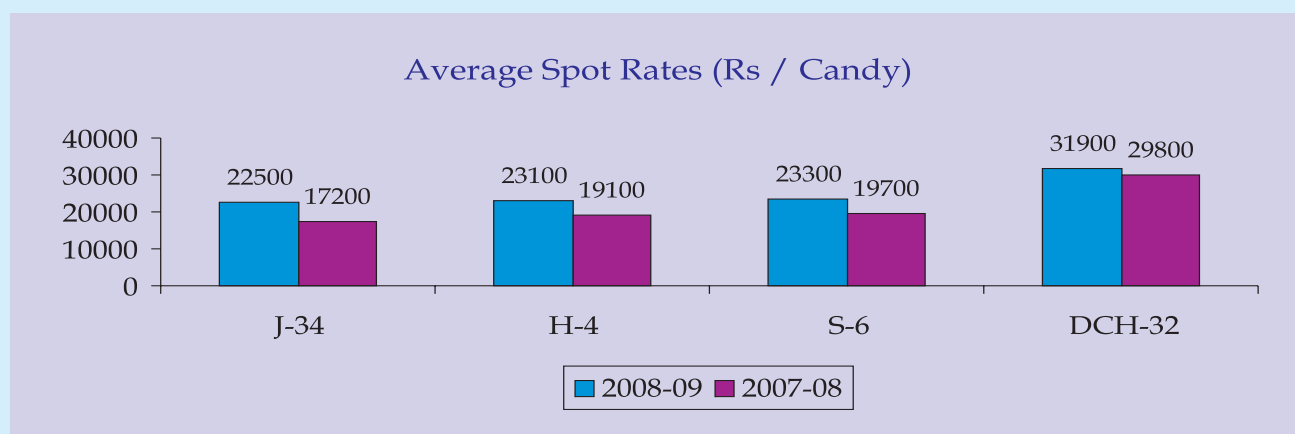
Note: Figures in brackets are prices during 2007-08

It will be seen that the decline in average prices during June have ranged from Rs 200 to Rs 400

per candy, the maximum being in the case of S-6. The price behaviour during June appears to accord with the market fundamentals. Currently, the demand-supply equation weighs in favour of the latter. With the market arrivals closing in on the production estimate of 290 lakh bales and an estimated carry over of 43 lakh bales, the supply is quite comfortable, whereas demand has not matched the same. Mills which had displayed increased interest in building up cotton inventory earlier seems to have cut down on their fresh purchases probably in the expectation of a decline in prices. Likewise, the demand from exporters seems to have waned somewhat as the domestic prices do not compare favourably with the international prices. The total export shipments up to June are now placed at around 23 lakh bales against registrations of nearly 32 lakh bales. At this rate, the consensus among exporters seems to be that the total exports this year may be around 35 lakh bales only, a far cry from last year's 85 lakh bales.

The seasonal average prices this year have continued to remain higher than last year in the case of all varieties except DCH-32. The relevant data are given below.

Variety	Seasonal Avg. Spot Rate (Oct- June)		
	(Rs. / Candy)		
	2007-08	2008-09	Difference
J-34	20100	21500	1400
H-4	20800	21400	600
S-6	21700	22100	400
DCH-32	30300	29900	(-)400



## UPCOUNTRY SPOT RATES

2008-09

JUNE 2009	BD(RG) A.Commila	BD SG	V-797	Jayadhar	Y-1	J-34	NHH-44	LRA-5166	H-4 / MECH-1	Shankar-6	Bunny/ Brahma	MCU-5 / Surabhi	DCH-32	ICC
	ICS-101 22 mm 5.0-7.0 15	ICS-201 22 mm 5.0-7.0 15	ICS-102 22mm 4.5-5.9 19	ICS-103 23 mm 4.0-5.5 19	ICS-104 24 mm 4.0-5.5 20	5CS-202 27 mm 3.3-4.9 23	IICS-105 25 mm 3.5-4.9 22	ICS-105 27 mm 3.5-4.9 24	ICS-105 28 mm 3.5-4.9 25	ICS-105 29 mm 3.5-4.9 26	ICS-105 31 mm 3.5-4.9 27	ICS-106 33 mm 3.3-4.5 28	ICS-107 35 mm 2.8-3.6 31	ICS-301 26 mm 3.7-4.3 25
1	23200	23900	17500	18200	20700	22900	20700	21200	21800	23200	23000	23700	32200	22000
2	23200	23900	17500	18200	20700	22900	20700	21200	21800	23200	23000	23700	32200	22000
3	23200	23900	17500	18200	20700	22900	20700	21400	22000	23200	23000	23700	32200	22000
4	23200	23900	17500	18200	20700	22900	20700	21400	22000	23200	23000	23700	32200	22000
5	23200	23900	17500	18200	20700	22900	20700	21400	22000	23200	23000	23700	32200	22000
6	23200	23900	17500	18200	20700	22900	20700	21400	22000	23200	23000	23700	32200	22000
8	23200	23900	17500	18200	20700	22900	20700	21400	22000	23200	23000	23700	32200	22000
9	23200	23900	17400	18200	20700	22900	20700	21200	21900	23200	23000	23700	32200	22000
10	23200	23900	17300	18200	20700	22900	20700	21200	21900	23200	23000	23700	32000	22000
11	23200	23900	17200	18200	20900	22900	20700	21200	21900	23200	23000	23700	32000	22000
12	23200	23900	17200	18200	20900	22900	20700	21100	21500	23100	23000	23700	32000	22000
13	....	....	....	....	....	....	HOLIDAY	....	....	....	....	....	....	....
15	23200	23900	18000	18200	20900	22900	20800	21300	21700	23100	23000	23700	32000	22000
16	23200	23900	18100	18200	20900	22700	20800	21300	21700	23100	23000	23700	32000	22000
17	23000	23700	17900	18000	20800	22600	20700	21200	21700	23100	22800	23500	31500	21800
18	23000	23700	17900	18000	20800	22600	20700	21200	21700	23100	22800	23500	31500	21800
19	23000	23700	17900	18000	20800	22600	20700	21200	21700	23100	22800	23500	31500	21400
20	23000	23700	17900	18000	20800	22600	20700	21200	21700	23100	22800	23500	31500	21400
22	23000	23700	17900	18000	20800	22600	20700	21200	21700	23100	22800	23500	31500	21400
23	23000	23700	17900	18000	21100	22900	20900	21200	21700	23300	23200	24000	32500	22100
24	23000	23700	17800	17900	21000	22800	20800	21100	21600	23200	23100	23900	32400	22000
25	23200	23900	17800	17900	21000	23000	20800	21100	21600	23200	23100	23900	32400	22000
26	23300	24000	17800	18200	21000	23100	21000	21300	21900	23200	23100	23900	32400	22000
27	....	....	....	....	....	....	HOLIDAY	....	....	....	....	....	....	....
29	23400	24100	17800	18200	21000	23200	21000	21300	21900	23200	23100	23900	32400	22000
30	23400	24100	17800	18200	21000	23200	21000	21300	21900	23200	23100	23900	32400	22000
H	23400	24100	18100	18200	21000	23200	21000	21400	22000	23300	23200	24000	32400	22100
L	23000	23700	17200	17900	20700	22600	20700	21100	21500	23100	22800	23500	31500	21400
A	23200	23900	17700	18100	20800	22900	20800	21300	21800	23200	23000	23700	32000	21900

H = Highest L = Lowest A = Average

## Budget Highlights

The Union Budget 2009-10 was presented by the Finance Minister on July 6, 2009. The budget estimates provide for a total expenditure of Rs 10,20,838 crore, out of which Rs 6,95,689 crore will be non-Plan expenditure and Rs.3,25,149 crore will be Plan expenditure. The total expenditure estimated for 2009-10 is 36 percent over that of 2008-09. The increase in non-Plan expenditure comes to 37 percent and that in Plan expenditure 34 percent. Some of the highlights in the Budget which are likely to be of interest are mentioned below.

- The Commodities Transaction Tax has been abolished.
- The two percent incentive subvention on the shipment credit to the employment oriented export sector has been extended till March 2010.
- The Budget provides for a special fund of Rs 4000 crore to support the Micro, Small and Medium Enterprises. This Fund will incentivise banks and State Finance Corporations to lend to micro and small enterprises by refinancing 50 percent of incremental lending to them. The allocation for the Market Development Assistance Scheme, which provides support to exporters in developing new markets has been enhanced by 148 percent.
- The allocation for Technology Upgradation Fund Scheme (TUFs) has been increased from Rs 1090 crore last year to Rs 3140 crore this year.
- The exercise duty on cotton textile products has been kept at 4 percent while that on man-made fibre and yarn has been increased from 4 to 8 percent.
- In the sphere of agriculture, the target for agriculture credit flow has been increased from Rs 2,87,000 crore last year to 3,25,000 crore this year.

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						
					July 2009						
					4th	6th	7th	8th	9th	10th	
01.	ICS-101	Below 22mm	Bengal Deshi(RG)	5.0-7.0	15	23200	23200	23200	23200	23200	23200
02.	ICS-201	Below 22mm	Bengal Deshi(SG)	5.0-7.0	15	23900	23900	23900	23900	23900	23900
03.	ICS-102	22mm	V-797	4.5-5.9	19	18000	18000	18000	18000	18000	18000
04.	ICS-103	23mm	Jayadhar	4.0-5.5	19	18200	18200	18200	18200	18200	18200
05.	ICS-104	24mm	Y-1	4.0-5.5	20	21000	21000	21200	21200	21200	21200
06.	ICS-202	25mm	J-34 (SG)	3.5-4.9	23	23000	23000	23000	23000	23000	23000
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	21200	21200	21200	21200	21200	21200
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24	21500	21500	21700	21700	21700	21700
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	22200	22200	22400	22400	22500	22500
10.	ICS-105	29mm	S-6	3.5-4.9	26	23400	23400	23800	23800	23900	23900
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	23200	23200	23200	23200	23500	23500
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28	23900	23900	23900	23900	24000	24000
13.	ICS-107	35mm	DCH-32	2.8-3 .6	31	32900	32900	32900	32900	32900	32900
14.	ICS-301	26mm	ICC	3.7-4.3	25	22200	22200	22400	22400	22500	22500