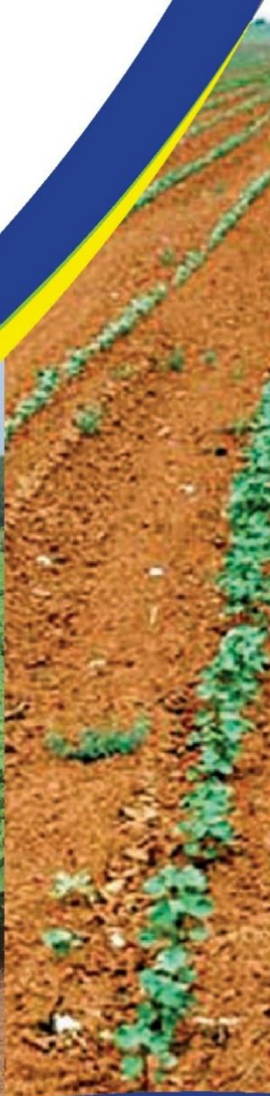
COTTON ASSOCIATION OF INDIA

Established 1921

ISO 9001:2015



News Relating to Cotton and Textile Sector

Date-02-09-2026

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News Relating to Cotton and Textile Sector		

COTTON ASSOCIATION OF INDIA

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Mumbai, Wednesday 2nd September 2026 at 3.00 P.M.

UPCOUNTRY SPOT RATES

Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length As per CAI By-laws								Rs. per Quintal	Rs. per Candy	Variation + (Plus) - (Minus)
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash %	Strength / GPT	2025-26	2025-26	
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	15044	53500	(N.C.)
2	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	15%	20	13863	49300	(-400)
3	P / H / R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	18334	65200	(-300)
4	M/M(P) /SA/TL/GUJ	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	16450	58500	(+500)
5	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	18559	66000	(N.C.)
6	P/ H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	18756	66700	(-300)
7	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	19431	69100	(-200)
8	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	19150	68100	(-500)
9	GUJ	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	19318	68700	(-500)
10	R(L)	ICS-105	Fine	28mm	3.7 – 4.9	4.0%	27	18615	66200	(-400)
11	R(L)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	19262	68500	(-400)
12	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	19740	70200	(-300)
13	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	19403	69000	(-300)
14	GUJ	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	19600	69700	(-500)
15	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	20078	71400	(-300)
16	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	19740	70200	(-500)
17	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	20218	71900	(-200)
18	SA/TL/K/TN/O	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	N.A.	N.A.	
19	SA/TL/K/TN/O	ICS-106	Fine	32mm	3.5 – 4.9	3%	31	N.A.	N.A.	
20	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	25786	91700	(N.C.)
21	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	26152	93000	(N.C.)
22	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	26517	94300	(N.C.)
23	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	26855	95500	(N.C.)

Note:1 Official spot rates are fixed and registered by CAI on the basis of average price inclusive of spot brokerage as per respective State Dharas, and for 15 days credit from the date of passing and cash discount @ 15% per annum, except for Northern area (excluding Lower Rajasthan), in which case spot rates fixed and registered are for payment terms: 7 days from the date of pressing at Upcountry Spot Markets ex-gin, excluding Tax. These rates are for domestic transaction only

2 P/H/R(U) ICS-202 (SG) rate is lower by Rs. 1000/ pc than Sr. no. 3

3 Strength:Grams per tex (HVI Mode) (Prorate basis)
a) 1 gpt pts lower Rs 500/pc
b) 2 gpt pts lower Rs 1,000/pc
c) 3 gpt pts lower Rs 2,000/pc
d) 4 gpt pts lower Rs 3,000/pc

4 Staple length : Upper Half Mean Length

5 Gravimetric Trash Percentage

6 Moisture by probe method maximum 9%

7 Base Grade 'Fine' of bulk of the cotton of the staple length range of 29mm to 32mm consists of –
(i) Colour grade 31/3 (ii) RD 75

8 In Rates acceptable up to a maximum 5.50 Micronaire with proportionate discount @ Rs.150/- per point per candy over 4.9 Micronaire

9 For M/M(P)/SA/TL/GUJ-Sr No. 4 are for 67 Rd

10 For Northern Zone (P/H/R(U)-Sr. Nos. 3 and 6 are for 70 Rd

11 For M/M(P)/SA/TL-Sr Nos. 5, 7, 8, and GUJ-Sr No.9 are for 74 Rd

12 For R(L)-Sr. No. 10 is for 72 Rd and 11 is for 73 Rd

13 For M/M(P) and K/TN-Sr Nos. 20 to 23 are for 70-72 Rd

Secretary

ICE Cotton Futures: 01-09-2026

ICE COTTON CLOSE					01 Sep 2026	
CONTRACT MONTH	OPEN	HIGH	LOW	SETTLE	CHANGE	Op. Int.
Cotton (CT) - Quote: Cents/Pound - Contract Size: 50,000 Pounds.						
Oct-26	91.34	91.44	89.76	90.01	▼1.69	194
Dec-26	92.99	93.14	90.91	91.55	▼1.59	1,98,284
Mar-27	94.81	95.13	92.95	93.68	▼1.46	90,348
May-27	96.06	96.24	94.18	94.92	▼1.33	38,848
Jul-27	95.13	95.36	93.50	94.22	▼1.15	23,576
Oct-27	0.00	84.51	84.51	84.51	▼0.19	18
Dec-27	80.24	80.41	79.46	80.22	▼0.14	29,368

Cotlook Index: 01-09-2026

102.30 (+1.00)

ICE cotton corrects sharply due to profit booking, stronger dollar

Wednesday 2nd Sep 2026, (Source: www.fibre2fashion.com/news)

Insights
ICE December 2026 cotton settled at 91.55 cents, down 1.59 cent, after gaining about 13 per cent in August. A stronger US dollar, improved rainfall and profit-taking pressured prices, while crude oil strength failed to support cotton. Open interest reached 382,071, the third-highest in cotton history; USDA rated the US crop 39 per cent Good/Excellent versus 51 per cent a year earlier.

ICE cotton futures corrected sharply yesterday after powerful rally on Monday. Stronger US dollar put additional pressure on US cotton as the currency made purchases more expensive for overseas buyers. Although, crude oil further strengthened but it failed to support cotton prices. Weather concerns were also intact which earlier fuelled price rise.

The most active December 2026 contract settled at 91.55 cents down 1.59 cent, leaving contract with 17 points net gain over the last two sessions. Other contracts settled lower with losses of 13 to 169 points, making net gains of 9 to 55 points over the two-session period.

Trada volume was 64,416 contracts, compared with 66,014 contracts on Monday. Open interest remains exceptionally strong. Monday’s OI increased 1,860 contracts to 382,071, making it the 3rd-highest open interest level in cotton history. OI has increased in 20 of the last 22 sessions, with a huge 60,343-contract increase since July 30. The persistent OI expansion indicates substantial new participation behind the rally, although Tuesday’s trading may have included some profit-taking.

The market is technically stretched after the extraordinary August advance. December 2026 gained approximately 13 per cent during August and reached its highest level in nearly two years before Tuesday’s correction. The sharp decline therefore looks more like profit-taking and technical adjustment than a clear change in the underlying trend.

The stronger US dollar also pressured cotton because it makes US cotton more expensive for international buyers. Renewed Middle East tensions supported the dollar through safe-haven demand. At the same time, improved rainfall/weather in some areas has reduced part of the weather premium that had been built into prices.

US crop conditions remain a major concern. USDA’s latest report showed cotton rated Good/Excellent at 39 per cent as of August 30, compared with 37 per cent the previous week and 51 per cent a year earlier. Despite the small weekly improvement, the rating remains significantly below last year.

Weather remains a key factor, with earlier heat and adverse conditions contributing to concerns over crop development and abandonment, particularly in Texas. The market is also watching global weather developments and their potential impact on supply.

Outside markets added volatility. Crude oil moved sharply higher, reaching a five-week high, as traders worried that the Middle East conflict could expand and disrupt supplies. Chicago wheat also remained firm towards a 3 and half year high, with Black Sea and geopolitical developments providing support.

Overall, Tuesday's decline appears to be a healthy correction after an exceptional rally. The most important factors now are whether December 2026 can hold above 90 cents, whether open interest remains elevated, how US crop conditions develop, and whether export demand can keep pace with the much higher price level.

This morning (Indian Standard Time), ICE cotton for December 2026 was traded at 88.59 cents per pound (down 2.96 cent), cash cotton at 86.26 cents (down 1.69 cent), the October 2026 at 86.54 cents (down 3.47 cent), the March 2027 contract at 90.75 cents (down 2.93 cent), the May 2027 contract at 92.05 cents (down 2.87 cent), and the July 2027 contract at 91.50 cents (down 2.72 cent). A few contracts remained at their previous closing levels, with no trading recorded so far today.

India showed unexpected strength in July amid global uncertainty: Govt

Wednesday 2nd Sep 2026, (Source: www.fibre2fashion.com/news)

Insights India continued to show unexpected strength in July amid heightened global uncertainty, with strong growth in exports, the Finance Ministry's latest Monthly Economic Review said. Easing cost pressures and firm demand conditions may support activity. Efforts to strengthen R&D, skills, supply chain resilience and enabling infrastructure will be important for supporting industrial competitiveness.

India continued to demonstrate unexpected strength in July this year amid heightened global uncertainty, with total exports of merchandise and services registering strong growth, led by robust merchandise exports, according to the Finance Ministry's Monthly Economic Review for August.

Despite external risks, India's economic activity, inflation and external position have remained relatively stable, it noted.

Domestic economic activity remains steady, with resilient domestic demand providing support amid some moderation in the pace of expansion.

Easing input cost pressures provided some relief to business conditions, even as heightened external uncertainties continued to cloud the outlook, the review document noted.

While higher merchandise import growth widened the merchandise trade deficit, the composition of imports remained indicative of firm domestic demand.

Going ahead, easing cost pressures and firm demand conditions are expected to support activity, although the external environment remains a key source of uncertainty, the review said.

Overall, India's industrial sector has demonstrated resilience amid a challenging external environment, with manufacturing activity continuing to expand alongside gradual strengthening of domestic technological capabilities.

Sustained efforts to strengthen research and development, skills, supply chain resilience and enabling infrastructure will be important for supporting industrial competitiveness and strengthening the capacity to respond to global disruptions, it added.

India's DGFT automates free sale certificates for exporters

Wednesday 2nd Sep 2026, (Source: www.fibre2fashion.com/news)

Insights
India's DGFT has enabled automated issuance of Free Sale and Commerce Certificates on its portal for eligible export applications.
The change covers items outside the Drugs & Cosmetics Act, 1940, reducing manual routing for many certificate requests.
Applications needing checks will still go to regional authorities, with risk-based review retained for oversight.

India’s Directorate General of Foreign Trade (DGFT) has enabled automated issuance of Free Sale and Commerce Certificates (FSCs) on the DGFT portal, a move aimed at easing export compliance for eligible applicants.

The certificates are issued to exporters under the Foreign Trade Policy for items that are not covered under the Drugs & Cosmetics Act, 1940. Until now, such certificates have been issued by DGFT regional authorities after scrutiny and verification.

Eligible applications will now be considered for automatic issuance under the prevailing framework, without being routed for manual scrutiny. The automated mechanism is expected to cut processing time for a significant category of FSC applications and reduce the compliance burden linked to the earlier manual process.

Applications that require verification, or those that do not meet the automated processing parameters, may continue to be sent to the concerned regional authority for manual processing. Some auto-approved applications may also be subsequently flagged to the concerned regional authority for review under the system’s risk management parameters.

The measure is intended to reduce avoidable manual intervention, improve processing predictability and support faster issuance of FSCs for eligible exporters, while retaining verification and oversight for applications that require scrutiny.

By strengthening automated, rule-based processing and applying risk-based review, the initiative is expected to make FSC issuance more efficient, transparent and predictable for exporters and administering authorities.

Global cotton output to slightly exceed consumption in 2026-27

Wednesday 2nd Sep 2026, (Source: www.fibre2fashion.com/news)

Insights
Global cotton output is forecast at 26.2 million tonnes in 2026-27, just above use, though weather and pests could cut surplus.
India's crop and mill use are rising on textile export growth, while Pakistan's weaker output will deepen raw cotton import reliance.
China reserve sales aid supply, but Xinjiang risks may lift imports; US acreage and Section 301 tariffs could redirect sourcing flows.

Global cotton production is projected to reach 26.2 million tonnes in 2026-27, marginally exceeding estimated consumption of 25.9 million tonnes, according to the September 2026 issue of Cotton This Month published by the International Cotton Advisory Committee (ICAC).

However, early-season risks, including weather volatility and pest pressures, could narrow the projected surplus as the season progresses. Global production estimates historically decline by around 100,000 tonnes from initial forecasts once crop conditions become clearer.

Under normal seasonal conditions, 2026-27 output is expected to ease to 26.0–26.1 million tonnes, while major weather disruptions or pest outbreaks could result in sharper declines.

In China, state cotton reserve sales that began on July 20 have averaged around 8,000 tonnes per auction, improving near-term domestic availability. However, future reserve replenishment and potential weather risks in Xinjiang could prompt an upward revision to import demand later in the season.

In India, ICAC has raised its 2025-26 production estimate to 5.5 million tonnes, up 9 per cent, while consumption is expected to reach nearly 5.9 million tonnes, up 7 per cent. Strong domestic mill demand and textile export growth are supporting the increase.

The government's five-year Cotton Mission, the Kapas Kisan app and Kasturi Cotton Bharat's blockchain-based traceability framework are also supporting longer-term sector stability.

Pakistan's cotton production remains under pressure from climate variability, pest infestations, poor seed quality and high input costs. Output is estimated at 1.15 million tonnes in 2025-26, down 4 per cent, and is projected to decline further to 1.10 million tonnes in 2026-27, increasing the country's reliance on raw cotton imports.

In the United States, planted area has been revised upwards by 5 per cent to 3.3 million hectares, lifting projected 2026-27 production to 2.9 million tonnes. Newly implemented US Section 301 tariffs of 10 per cent to 12.5 per cent are also reshaping global trade flows, with manufacturing hubs such as Vietnam potentially facing higher costs and buyers reassessing sourcing strategies.

Diversify India's import sources, fortify manufacturing: EY expert
Tuesday 1st Sep 2026, (Source: www.fibre2fashion.com/news)

Insights India needs to diversify import sources while strengthening domestic manufacturing, according to D K Srivastava, chief policy advisor of EY India. As India's non-oil imports, which accounted for 77.6 per cent of merchandise imports in FY26, remain heavily concentrated in China, there is a need for both source diversification and a targeted import substitution strategy, he said.

India needs to diversify import sources while strengthening domestic manufacturing, according to D K Srivastava, chief policy advisor of EY India.

Although the value of imports has expanded substantially over time, the import to gross domestic product (GDP) ratio has moderated from its historical peak, indicating a relative reduction in import dependence, Srivastava wrote in an opinion piece.

At the same time, the trade surplus generated by services continues to mitigate India's merchandise trade deficit, he noted.

India's merchandise imports continue to exhibit a significant degree of commodity concentration, he wrote.

As India's non-oil imports, which accounted for 77.6 per cent of merchandise imports in fiscal 2025-26 (FY26), remain heavily concentrated in China, there is a need for both source diversification and a targeted import substitution strategy, Srivastava said.

The Indian government has adopted a renewed import substitution strategy under the Aatmanirbhar Bharat framework. At the July 2026 Board of Trade meeting, import substitution was identified as a key priority to reduce import dependence, conserve foreign exchange, strengthen domestic supply chains and mitigate vulnerabilities arising from excessive reliance on foreign suppliers.

It has prepared a joint strategy with state governments to substitute imports worth nearly $189 billion through domestic manufacturing of 1,272 products across sectors, Srivastava wrote. About 26 per cent of India's FY26 import basket has been assessed as amenable to import substitution.

The strategy emphasises product-level interventions, supported by sector-specific manufacturing clusters, streamlined approvals and fiscal incentives.

As many of India's high-growth export sectors continue to depend on imported components and industrial inputs, a distinction may, therefore, be made between resource-based imports like crude oil and gold, where domestic constraints limit substitution possibilities, and manufacturing-related imports like electronics, machinery, chemicals and specialised industrial inputs, where domestic production can be expanded, Srivastava said.

Reducing dependence on electronic components, APIs for pharmaceuticals, critical minerals and advanced manufacturing inputs through greater investment, research and development, and domestic value addition should remain a policy priority, he added.

Brazil cotton body urges natural fibre focus in import debate

Tuesday 1st Sep 2026, (Source: www.fibre2fashion.com/news)

Insights Abrapa is urging Brazil's Congress to weigh natural fibres, domestic textile competitiveness and synthetic-fibre impacts as MP 1,357/2026 nears a vote. The measure keeps a zero import duty on online foreign purchases up to $50; without approval in early September, the previous 20 per cent duty returns. A proposed CIDE-Têxtil would tax imported finished textiles by synthetic-fibre content.

Brazil’s cotton producer association is urging lawmakers to treat the final debate on the provisional measure known as MP das blusinhas as more than a tax issue, calling for Congress to consider the competitiveness of the domestic textile chain, environmental impacts linked to synthetic fibres and the value of natural fibres produced in the country.

For textile and apparel sourcing teams, the outcome affects the tax treatment of low-value online cross-border imports and could also shape whether imported finished textiles face a new sustainability-linked levy based on synthetic-fibre content.

The Brazilian Cotton Growers Association (Abrapa) said MP No. 1,357/2026, issued by Brazil's federal government in May 2026, removes the 20 per cent Import Tax on international online purchases of up to $50.

The measure must be approved by the Chamber of Deputies and the Senate in early September to remain valid; otherwise, Abrapa said, the current zero rate would lapse and the previous 20 per cent tax would return.

Gustavo Piccoli, president, Brazilian Cotton Growers Association said, "We need to discuss which materials and production models we want to encourage. This is not just a tax discussion. It is a discussion about competitiveness, sustainability and the future of the Brazilian textile chain."

Abrapa said Brazil has the world's fifth-largest textile industry and the largest complete and vertically integrated textile chain in the West, spanning raw-material production through to final product commercialisation. The sector accounts for more than 1.3 million direct jobs and generates indirect economic impact for more than 8 million Brazilian families, according to the association.

The association said its position is not against imports or competition, but in favour of more balanced competitive conditions.

Piccoli said, "While imported products can reach the Brazilian market benefiting from tax relief, those who produce, invest and generate jobs in the country remain subject to the national tax burden and to a set of rules, controls and regulatory requirements. We understand that this difference in conditions should also be part of the debate in Congress."

Within the MP No. 1,357/2026 debate, Abrapa said it supports discussion of Amendment No 52, authored by Senator Carlos Fávaro (PSD-MT), which proposes creating CIDE-Têxtil. The proposal would apply progressive taxation to imported finished textile products according to the share of synthetic fibres in their composition.

Under the proposal cited by Abrapa, products with up to 20 per cent synthetic fibres would face a 2 per cent rate; those with composition between 20 per cent and 50 per cent would face 5 per cent; between 50 per cent and 80 per cent would face 8 per cent; and products with more than 80 per cent synthetic fibres would face 10 per cent.

Abrapa said the initiative seeks to use taxation as an economic instrument to encourage materials with lower environmental impact and strengthen natural fibres and the national production chain.

The proposal also provides for revenue to be directed to actions related to sustainable agriculture, circular economy, ecodesign, innovation and development of lower-impact materials.

Besides cotton, the proposal could benefit other natural-fibre chains produced in Brazil, including silk, linen, sisal and jute. The association said these chains contribute to regional bioeconomies, rural job generation and local development.

Piccoli said the debate is an opportunity to bring sustainability, competitiveness and natural-fibre value into the same agenda.

He said, “We are available to Parliament to clarify doubts, share technical information and contribute to a qualified dialogue on the sustainability of the textile chain. The Brazilian cotton sector has knowledge and experience to contribute to this debate.”

Abrapa also cited its 2025/2026 Crop Report, which says Brazil is consolidating its position as a world leader in cotton exports, while the domestic market is seeing growth in imported products made with synthetic fibres.

Piccoli said, “We are a world power in the production of a natural and renewable fibre, while we expand our dependence on imported synthetic fibres. It is a contradiction that needs to be part of this debate.”

The association also raised environmental concerns around the growing use of petroleum-derived synthetic fibres such as polyester, nylon and acrylic. Abrapa said that during the use, washing and disposal of garments made with these materials, particles known as microplastics can reach the environment and water-supply systems.

Abrapa cited scientific studies by the State University of Campinas (Unicamp) and The New England Journal of Medicine that have identified microplastics in the human body, broadening scientific concerns and debate about possible health effects. The association said it has also joined an awareness note on micro- and nanoplastics, which highlights the growing presence of these particles in daily life and stresses prevention, further scientific research and public policies to reduce population exposure.

In this context, Abrapa said the MP No 1,357/2026 debate also creates room to discuss lower-impact alternatives and the value of natural fibres.

According to the association, executive director Marcio Portocarrero said Abrapa wants to broaden the discussion beyond natural-fibre consumption to include the impacts of consumer choices on health and environmental sustainability.

Portocarrero said, “Abrapa will continue contributing technically to Congress to broaden the debate on the impacts of synthetic fibres and the economic, social and environmental importance of valuing natural fibres.”

Yarn Prices Raise Tiruppur Knitwear Costs
Wednesday, 2nd Sep 2026, Yash Chouhan (Source: www.smartinfoindia.com)

Rising Yarn Prices Push Up Tiruppur Knitwear Production Costs by 15%

Tiruppur: The continuously rising prices of cotton yarn have raised concerns within Tiruppur's knitwear industry. According to exporters, knitwear production costs have increased by approximately 15% this year due to the steady rise in yarn prices. However, overseas buyers are unwilling to accept these higher prices, forcing exporters to absorb the additional costs themselves.

On Tuesday, prices for various types of cotton yarn rose by up to ₹5 per kilogram, with some spinning mills hiking rates by as much as ₹7 per kilogram. Industry data indicates that since the beginning of the year, the price of certain yarn varieties has increased by more than ₹80 per kilogram.

K.M. Subramanian, President of the Tiruppur Exporters Association, stated that rising cotton prices are the primary reason for the hike in yarn costs. He noted that the price of a 'candy' of cotton (356 kg) has risen from ₹58,000 at the start of the year to ₹74,000 now. He added that despite the Central Government temporarily waiving import duties on cotton from June to October, prices did not see the expected decline.

S. Shanmugasundaram, President of SIHMA, stated that prices for some cotton yarn varieties have surged by up to ₹110 per kilogram this year. He urged the Centre to intervene immediately and regulate yarn exports.

Industry bodies have warned that if the price surge continues, it could have an adverse impact on Tiruppur's knitwear sector and employment.

Karimnagar Cotton Faces Drought Stress
Wednesday, 2nd Sep 2026, Yash Chouhan (Source: www.smartinfoindia.com)

Drought Affects Cotton Crop in Karimnagar; Production Likely to Drop by Up to 50%

Karimnagar: The growth of the cotton crop in Karimnagar district is being hampered by a lack of rainfall and persistent drought conditions. Farmers fear that if adequate rain does not fall within the next ten days, yields could plummet by as much as 50 percent.

Anticipating low rainfall due to the El Niño effect, the state government and the Agriculture Department had urged farmers to avoid paddy cultivation this season and instead opt for Irrigated Dry (ID) crops. However, despite these appeals, paddy was cultivated on a large scale. Farmers with access to water sources cultivated paddy, while others grew cotton and other ID crops. This year, cotton has been sown across approximately 46,000 acres in the district.

According to farmers, the lack of rain delayed cotton seed germination, and subsequent plant growth has also been stunted. Misala Lachaiah, a farmer from Vedira village in Ramadugu Mandal, stated that he sowed cotton in the second week of June, but germination did not occur until late July. He noted that under normal conditions, the plants' branches should have grown much longer by this stage. The stunted growth raises concerns that the number of flowers—and ultimately the yield—will be adversely affected.

An infestation of leafhoppers has also been observed in Lachaiah's two-acre crop.

Nugonda Mallesham, a farmer from Goliramayahpally, said that the next ten days are crucial for the crop.

Dr. N. Venkateshwar Rao, Head and Senior Scientist at the Krishi Vigyan Kendra (KVK), Jammikunta, explained that plants are unable to absorb sufficient nutrients during drought conditions. Prolonged moisture stress can lead to reduced yields. Furthermore, weak plants are at a higher risk of pest attacks.

Maharashtra's Yawal Faces Kharif Crisis as Crops Wither Without Rain
Wednesday, 2nd Sep 2026, Yash Chouhan (Source: www.smartinfoindia.com)

Crops in Dahigaon and surrounding areas of Maharashtra are at risk due to a month-long lack of rain. Efforts are underway to save cotton, soybean, and maize crops by providing water.

Maharashtra: The Kharif season has been completely threatened by the lack of significant rainfall in Dahigaon, the entire Yawal taluka, and surrounding areas for a month. The persistent drought-like conditions have left farmers worried, and soybean, urad, mung, maize, sorghum, and cotton crops are failing. Many farmers, distressed by the drying up of their crops, have uprooted their standing crops, while others have begun preparing for the next sowing season by using rotavators with tractors.

The lack of significant rainfall over the past month has stunted crop growth. Horticultural farmers with access to irrigation have begun trying to save their cotton, soybean, and maize crops by watering them with wells and borewells. However, the Kharif crops of farmers with dry land are on the verge of being completely destroyed. In the Satpura foothills, the fields of Dahigaon, Sawkheda Sim, Haripura, and Mohrala have light soil and low water-holding capacity. Lack of rain has caused crops in these areas to wither. Many farmers have uprooted their standing crops of soybean, black gram, green gram, and rice.

Farmers were already facing financial constraints due to expensive seeds, fertilizers, and increased labor costs. Farmers who were hoping for a profitable Kharif season have been disappointed. Poor and tribal farmers in this region are particularly in dire financial straits, having suffered significant losses due to the ruthless nature.

Karnataka Plans Two Textile Export Centers
Wednesday, 2nd Sep 2026, Yash Chouhan (Source: www.smartinfoindia.com)
Two Textile Export Centers Proposed in Karnataka, Focus on Global Marke

Bengaluru: The Karnataka government has proposed to establish two Textile Export Facilitation Centers to connect the state's handloom and textile sector with the global market. One of these centers is proposed to be located in North Karnataka and the other in Doddaballapur near Bengaluru. The state's Chief Secretary has submitted this proposal to the central government.

On Saturday, during the National Handloom Expo 2026 held in Bengaluru, Rohini Sindhuri, Secretary of the MSME, Mines and Textiles Department, stated that the proposed centers will help provide various export-related services on a single platform.

She said that these centers will provide guidance on export procedures, documentation, international quality standards, global market opportunities, and connecting with foreign buyers.

Sinduri said that Karnataka's handloom and textile products have great potential in the global market. However, to compete in the international market, not only product quality but also facilities like market intelligence, certification, documentation, and buyer linkages are essential. The proposed Export Facilitation Center will work towards meeting these needs in one place.

The proposed center in North Karnataka is expected to provide export-related assistance to weavers, textile producers, and entrepreneurs in the region. The proposed center in Doddaballapur will focus on supporting the textile and garment industry in Bengaluru and surrounding areas.

The state government is also emphasizing infrastructure development, adoption of new technologies, skill development, market linkages, and export promotion to increase textile exports in the coming years.

Focus on the Domestic Market

Meanwhile, the government is also planning to expand the domestic market for handloom products. Textile Development Commissioner and Director of the Handloom and Textiles Department, A.B. Basavaraju stated that the 14-day National Handloom Expo held in Bengaluru received a good response.

He stated that plans are underway to organize larger handloom exhibitions and sales expos in Bidar and Devanahalli to reach more customers with handloom products.
The government has identified Bengaluru Rural, Bengaluru Urban, Mysore, and Hassan as "Champion Districts." Ballari, Gadag, Haveri, and Bagalkot have been classified as "Aspirational Districts" under central government guidelines.According to Basavaraju, special training workshops are being organized for officials and entrepreneurs in these districts to educate them on export procedures and opportunities available in the global market.

Gujarat Monsoon Deficit Threatens Cotton
Wednesday, 2nd Sep 2026, Yash Chouhan (Source: www.smartinfoindia.com)

Gujarat's Monsoon Divide Puts Kharif Cotton Crops at Risk

Gujarat's uneven monsoon is emerging as a serious threat to kharif crops, with a sharp regional rainfall divide being masked by the state's overall average. Data from the State Emergency Operation Centre shows that Gujarat has received 684.43 mm of rainfall, or 75.31% of its normal seasonal rainfall of 909 mm.

However, heavy rains in South Gujarat are significantly lifting the state average. The region has received 1,597 mm, or 103.56% of its normal rainfall, while large parts of Saurashtra, Kutch and North Gujarat continue to face severe deficits.

The extent of the shortfall is reflected in the national rainfall-deficit rankings, with 12 Gujarat districts featuring among India's 25 most rain-deficient districts.

Devbhumi Dwarka has recorded the country's highest rainfall deficit at 93.59%, receiving just 6.41% of its normal rainfall. Porbandar ranks second with an 81.88% deficit, having received 18.12% of normal rainfall, while Jamnagar ranks third with a 71.12% deficit and 28.88% of normal rainfall.

Kachchh ranks fourth nationally, with a 70.57% deficit and only 29.43% of normal rainfall. Other Gujarat districts in the top 25 include Aravalli, ranked 11th with a 53.77% deficit; Gir Somnath and Sabarkantha, both with deficits of 53.38%; and Rajkot, with a 52.89% deficit.

Chhota Udepur has recorded a 49.26% deficit, Banaskantha 48.75%, Dahod 47.67% and Junagadh 44.36%.

The prolonged moisture shortage is raising concerns over crop yields across the affected regions. Groundnut, a major kharif crop, is particularly vulnerable as it enters the pod-filling stage in Rajkot, Jamnagar, Junagadh and Gir Somnath. Cotton crops are at risk of flower and boll shedding, while castor and sesame are facing poor establishment and moisture stress in Kutch and North Gujarat.

With more than 92% of kharif sowing already completed, the coming rainfall spell will be crucial. Timely and adequate rains could help ease moisture stress and protect crop yields, while a continued dry spell could further intensify the risk of production losses.

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The Economic Times – 2nd Sep. 2026

WARM EXCHANGE, BRIEF TALKS COME AHEAD OF XI'S INDIA VISIT FOR BRICS SUMMIT

Modi, Putin and Xi Huddle at Bishkek, Discuss Trade

Putin praises Modi for his 'personal attention' to India-Russia ties

Dipanjan Roy Chaudhury

New Delhi: The leaders of Russia, India and China (RIC) held a brief, warm huddle in Bishkek on Tuesday before the pre-summit leaders' photo session, mirroring their previous interaction at the Tianjin Shanghai Cooperation Organisation (SCO) summit hosted by China last year.

Russian President Vladimir Putin and Chinese President Xi Jinping were seen walking towards Prime Minister Narendra Modi, who warmly greeted both the leaders.

Modi and Xi engaged in a brief conversation at the SCO summit venue ahead of the Chinese President's India trip for the BRICS summit on September 12-13. The two leaders are expected to hold a substantive meeting on the sidelines of the BRICS summit in Delhi, according to people familiar with the matter.

The Modi-Xi meeting here may result in certain concrete outcomes as the two sides seek to rebuild economic partnership and keep Line of Actual Control (LAC) stable, said one of the persons, who did not wish to be identified.

On the agenda are easing the process of approvals for Chinese investments in non-strategic sectors, ET had reported last week. Xi last visited India in 2019 for the second informal summit, but ties plummeted in less than a year following the clashes between Indian and Chinese forces in Galwan in eastern Ladakh. India's national security advisor Ajit Doval recently visited Beijing to help shape LAC management plans crucial for improving wider bilateral ties.

India and China have agreed to two additional meeting points for holding the General-Level Mechanism or the Senior Highest Military-Commander meeting with the objective of improving border management measures.

Two additional channels of border military hotline in the eastern and middle sectors were also agreed as part of the "eight points of outcomes and consensus" reached during the 25th round of talks between the special representatives of India and China on the boundary issue.

Meanwhile, on Monday night, Russian President Vladimir Putin, during his meeting with Modi, heaped praises on the PM. Putin said that Russia-India relations are growing stronger, largely thanks to the Indian PM's close attention to their development.

"I would also like to note with satisfaction that Russian-Indian relations continue strengthening on the principles of especially privileged strategic partnership. This is facilitated by your personal attention to the development of Russian-Indian relations as well as our relationship, which is not just business, but also very warm and friendly," Putin said. "And I am very thankful to you for that."

Modi, Aliyev Meet for First Time as India, Azerbaijan Seek to Reset Ties

Dipanjan Roy Chaudhury

New Delhi: Prime Minister Narendra Modi on Tuesday met Azerbaijan President Ilham Aliyev on the margins of the SCO Summit, in what was the first-ever meeting between the two leaders, signalling nascent steps towards improving political ties against the backdrop of lukewarm relations that were further adversely impacted following the Pakistan-sponsored Pahalgam terror attacks.

Aliyev, who was in Bishkek to participate in the SCO Plus Format meeting, met Modi on the margins of the gathering. The two were seen seated on a sofa exchanging views in what can be described as an ice-breaker in political ties. Earlier, Modi, Aliyev and the Russian President were seen walking together at the SCO Summit venue. Later, Modi wrote on X, along with a picture, that he had interacted with the President of Azerbaijan.

Earlier this year, New Delhi and Baku held foreign office consultations after almost four years.

The attempt to build confidence comes against the backdrop of a peace deal between India's strategic partner Armenia and Azerbaijan, and Armenia's decision to establish diplomatic ties with Pakistan.

Amid contest with Tajikistan for UNSC seat, PM engages President Rahmon

Modi also met Tajikistan President Emomali Rahmon on the margins of the Summit as part of efforts to engage the country, which is locked in a contest with India for the UNSC non-permanent seat for 2028-29.

The Economic Times – 2nd Sep. 2026

FTAs WILL BENEFIT GUJARAT: PATEL

US Tariffs, Supply Chain Disruptions Have Opened New Markets: Gujarat CM

Rakesh Mohan Chaturvedi

New Delhi: Gujarat chief minister Bhupendra Patel views the slew of free trade agreements (FTAs) signed by India with the UK, European Union and several other countries as a "positive development" that will benefit his state enormously. He is unfazed by the disruption in global supply chains caused by the US-Iran war and the Russia-Ukraine conflict, seeing the situation as an opportunity to explore new markets for trade and an indicator of the need to move towards green energy.

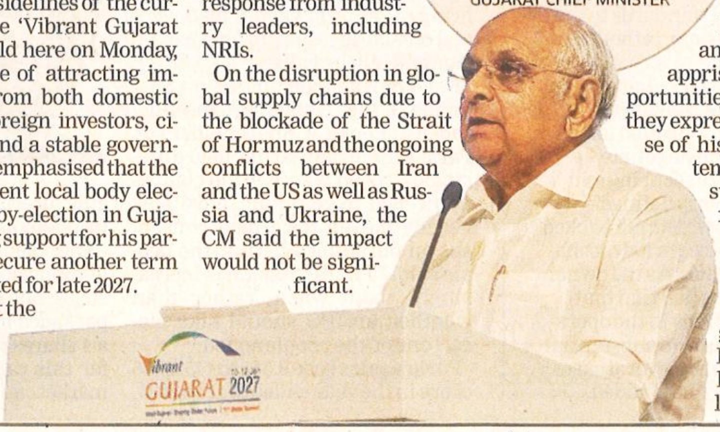
Speaking to ET on the sidelines of the curtain-raiser event for the 'Vibrant Gujarat Global Summit-2027' held here on Monday, Patel exuded confidence of attracting impressive investments from both domestic industry leaders and foreign investors, citing policy continuity and a stable government over the years. He emphasised that the BJP's victory in the recent local body elections and the assembly by-election in Gujarat confirmed the strong support for his party, which he feels will secure another term in the state elections slated for late 2027.

Asked how he looked at the FTAs signed by India and their likely impact on Gujarat, the CM said his visit to the US and Canada in August had yielded positive results, with industry leaders there viewing India as a country with high potential for business in semiconductors, artificial intelligence and data centres, along with continued growth in traditional trade relations.

Patel said the FTAs with the UK and EU would benefit Gujarat and maintained that there had been a positive response from industry leaders, including NRIs.

On the disruption in global supply chains due to the blockade of the Strait of Hormuz and the ongoing conflicts between Iran and the US as well as Russia and Ukraine, the CM said the impact would not be significant.

> **The MSME sector has grown exponentially in Gujarat. There are 27.9 lakh units in the state, a significant jump from around 1.5 lakh in 2003**
>
> Bhupendra Patel
> GUJARAT CHIEF MINISTER



"Gujarat has been moving towards more usage of EVs, renewable energy, cow-dung gas.... We are working on green growth and more use of electricity," Patel said.

Even on the high tariffs imposed on India by US President Donald Trump, the Gujarat CM sees a silver lining. "I feel in the long run, it will benefit India as it has led us to explore markets and trade with other countries," he said.

The Gujarat CM held an interaction with industry leaders on Monday to discuss investment potential in the state. He also met scores of diplomats and heads of missions in India to apprise them of foreign investment opportunities in Gujarat. He maintained that they expressed satisfaction with the response of his administration to their past attempts at setting up projects in the state. Speedy, glitch-free approvals for projects and strong road infrastructure, rail and air connectivity are among the USPs of the state, he underlined.

The MSME sector has also grown exponentially in Gujarat, Patel said, claiming there are 27.9 lakh units, a jump from around 1.5 lakh in 2003.

India, US Pledge to Deepen Ties in Critical Minerals, Other Areas

Our Bureau

New Delhi: India and the US have committed to deepen cooperation in areas including critical minerals, the government said Tuesday, following finance minister Nirmala Sitharaman's meeting with US treasury secretary Scott Bessent.

"FM Smt. @nsitharaman and Mr. @SecScottBessent acknowledged the long-standing relationship between India and US and committed to deepening this relationship in various areas including critical minerals," finance ministry said in a social media post.

They met in Asheville, North Carolina, on the sidelines of the G20 Finance Ministers and Central Bank Governors (FMCBG) Meeting on Monday.

"Mr. @SecScottBessent appreciated India's role in G7 plus, and appreciated India's participation in the G7-led critical mineral dialogues to secure supply chains, share research technology," the ministry said.

The US is holding the G20 presidency this year. "The union finance minister invited Mr Bessent for the Economic & Financial Partnership to New Delhi later this year," it added.

US President Donald Trump will host the G20 Leaders' Summit on December 14-15 at Trump National Doral in Miami, Florida, as the US marks the 250th anniversary of its independence.

FM Nirmala Sitharaman with US Treasury Secretary Scott Bessent. PTI

The Economic Times – 2nd Sep. 2026

AHEAD OF GOYAL'S VISIT...

Product Info Sought from Exporters for Greater US Access

Our Bureau

New Delhi: The commerce department has sought information from exporters on products that the US does not produce but imports from India, as New Delhi looks to identify areas where it could push for greater market access.

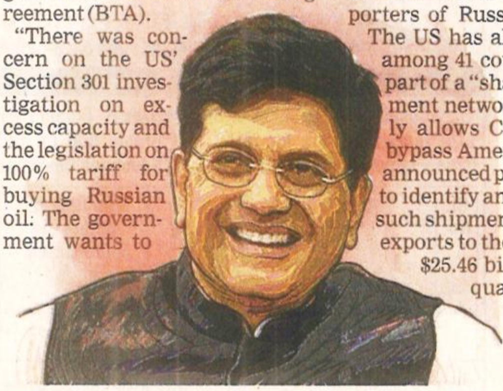
At a meeting on India-US trade performance on Tuesday, exporters and industry flagged concerns including lower order volumes from American customers and US customs seeking details from importers on products made using forced labour.

The meeting comes ahead of commerce and industry minister Piyush Goyal's visit to the US later this month to attend the G20 Trade Ministers' Meeting.

The meeting will be held from September 30 to October 1 under the US presidency of the G20. Goyal's visit assumes significance as India and the US continue negotiations on a bilateral trade agreement (BTA).

"There was concern on the US' Section 301 investigation on excess capacity and the legislation on 100% tariff for buying Russian oil. The government wants to know which sectors are impacted by American actions," said an industry representative who participated in the meeting, adding that there is some impact on leather and footwear, textiles, marine and polished diamonds.

An exporter said American buyers were not placing big orders but were diversifying their sources of imports due to prevailing tariff uncertainties. Industry also flagged concerns over safeguard measures imposed by the US on quartz surface products and urged the commerce and industry ministry to take up the matter with American authorities. Earlier, Goyal said the first tranche of the BTA would come into force as soon as Washington ensured that India secured a comparative advantage over its competitors. The US imposed a 10% tariff on India under a Section 301 probe on forced labour and is also in the process of enacting legislation that would see tariffs of up to 100% imposed on India among five countries for being the top importers of Russian oil and gas.



The US has also named India among 41 countries as being part of a "shadow trans-shipment network" that allegedly allows Chinese goods to bypass American tariffs and announced plans to deploy AI to identify and crack down on such shipments. India's goods exports to the US fell 0.06% to $25.46 billion in the first quarter of FY27 while imports rose 23.82% to $16.6 billion.

India is Best Location For Data Centres: Goyal

New Delhi: India is the world's best location to set up data centres and a $200 billion opportunity is waiting to be unlocked, commerce and industry minister Piyush Goyal said on Tuesday after chairing a roundtable on ease of doing business (EoDB) to scale India's data centre ecosystem.

"India is the world's best location to set up data centres... nothing less than $200 billion can be seen coming into the data centre industry," he said.

Goyal said data centres, the semiconductor industry, artificial intelligence and the expanding manufacturing base will power India's growth in the years to come, helping it achieve a $30 trillion economy by 2047.

"Had excellent discussions on streamlining regulations and strengthening digital infrastructure with key stakeholders, including Data Centres & Hyperscalers, Cloud Providers, Power Producers & Equipment Suppliers, Real Estate & Construction Companies, Global Investors & PE Partners, State & Central Govt Representatives," Goyal said in a social media post.

GERMAN COLLABORATION

Goyal met Carsten Schneider, German federal minister for environment, climate action, nature conservation and nuclear safety, and discussed collaboration in the circular economy, waste management, renewable energy, clean technologies and sustainable solutions. —**Our Bureau**

The Economic Times – 2nd Sep. 2026

ET GRAPHICS

India's FY27 Growth Outlook Gets a Boost

A stronger-than-expected 7.8% gross domestic product (GDP) growth in Q1FY27 has led economists to raise full-year growth forecasts, with the median estimate rising to 7.3% from 6.7%, according to ET Poll. Robust consumption, investment, services activity and exports drove Q1 growth. While economists expect growth to moderate in the coming quarters due to a high base, resilient consumption is likely to keep the economy growing above 7% in FY27. **Anoushka Sawhney** and **Kirtika Suneja** take a look:

ECONOMISTS RAISE FY27 GROWTH FORECAST

FY27 growth estimate (year-on-year, %)

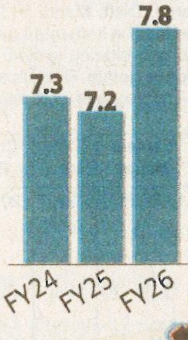
	Old	New
IDFC First Bank	6.8	7.5
SBI	6.6	7.3
HDFC Bank	6.8	7.1
CareEdge Ratings	7.0	7.3
ICRA	6.7	7.1
Morgan Stanley	6.7	7.3
Crisil	6.6	7.0
QuantEco Research	6.4	6.9
DBS Bank	6.9	7.3
Kotak Mahindra Bank	6.6	7.2

KEY DRIVERS OF GROWTH

- **High frequency indcators** show strong domestic demand, services activity
- **Exports driven by** trade deals
- **Industrial production:** Turnaround in electronics, manufacturing
- **Investment,** robust bank credit growth

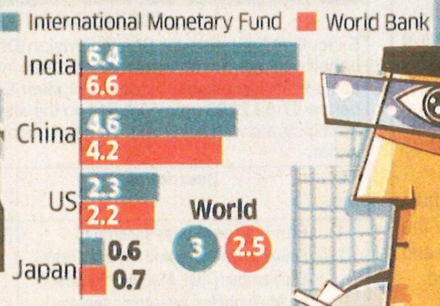
GROWTH SET TO STAY ABOVE 7% FOR FOURTH YEAR

GDP growth (year-on-year, %)



INDIA TO REMAIN AMONG THE FASTEST GROWING ECONOMY

Growth projections (year-on-year, %)



Note: Figures for 2026, except for India for FY27

HOWEVER, RISKS REMAIN

- High oil prices
- El Nino seen till March'27, to impact rainfall, crop outcomes, food inflation
- Rupee weakness amid geopolitical uncertainty

Source: ET Poll, IMF, World Bank

ZAHID

businessline - 2nd Sep. 2026

GST collections surge 15% to touch ₹2 lakh crore in August

GOING STRONG. This reaffirms economic momentum has remained resilient despite global woes, say experts

Shishir Sinha
New Delhi

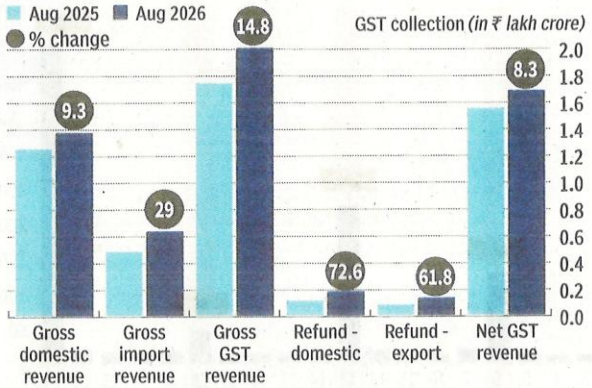
Goods & Services Tax (GST) collections in August showed a strong growth of around 15 per cent, according to data available on the GST portal. However, the collection saw moderation when compared to July.

Collection in August is related to goods consumed and services availed in July. According to data, collections were around ₹2 lakh crore, a rise of 15 per cent, compared to the ₹1.74 lakh crore mopped up in August 2025.

However, it is lower than the ₹2.11 lakh crore collected in July. Meanwhile, in August, revenue from domestic transactions rose 9.3 per cent to over ₹1.37 lakh crore, while revenue from imports increased 29 per cent to ₹62,604 crore. The gross Central GST collection was ₹38,413 crore, State GST at ₹46,316 crore and Integrated GST at over ₹1.15 lakh crore in August.

Refunds jumped 68 per cent to ₹31,795 crore in August. Net GST collection during the month was at ₹1.68 lakh crore, a 8.3 per cent year-on-year growth.

Momentum intact



Source: GST Portal

GLOBAL CHALLENGES

Collections in August reaffirms that "economic momentum has remained resilient despite global uncertainties. The near ₹2 lakh crore gross GST collection reflects the continued strength of manufacturing, investment-led activity and the formal economy, complementing the robust GDP performance driven by higher capital formation and industrial expansion," said Manoj Mishra, Partner with Grant Thornton Bharat.

Echoing the sentiment, Vivek Jalan, Partner with Tax Connect, said that while India's GST buoyancy for FY27 year-to-date (April-August) remains below unity at around 0.7, with net GST revenue growth of 9 per cent trailing real GDP growth of 7.8 per cent and nominal GDP growth of 10.3 per cent, even as inflation averaged 4.4-5.1 per cent. He added that GST buoyancy is expected to move towards unity in the ensuing festival season.

"The statutory time-barring deadline of August 31 further strengthened compliance, adding to revenue inflows. Yet, the sharp 72.6 per cent surge in domestic refunds — driven by inverted duty structures — signals a structural imbalance that warrants urgent redressal," he said, while adding that this issue could be taken up at the GST Council meeting on September 12.

At the same time, noting positive developments, experts also called for immediate policy response.

"The uptick in exports across electronics, mobile phones and automotives is a positive validation of the government's manufacturing-focused policy interventions, signalling that India's positioning in global value chains is strengthening," said Saurabh Agarwal, Tax Partner at EY India.

businessline - 2nd Sep. 2026

Rupee touches 2-month high on robust FCNR (B) deposits, RBI intervention

Our Bureau
Mumbai

The rupee closed below 95 on Tuesday, a two-month high of 94.95 per US dollar, buoyed by robust FCNR (B) deposit inflows under the RBI's concessional swap facility and apparent RBI intervention amid fresh tensions in West Asia that sent crude oil prices higher.

INTEREST RATES

In the process, the Indian currency (INR) ended at almost the same level as on June 5 when the RBI announced measures to attract foreign capital.

With the concessional swap facility available only for FNCR (B) deposits mobilised by banks up to August 31, the interest rates on these deposits will get normalised to about 3-4 per cent from the 6-7.5 per cent offered when the 85-day period the facility was open.

Market players estimate that during the period the concessional swap facility was available for banks, they would have mobilised FCNR (B) deposits of 3-5 year tenor aggregating to $80 billion and swapped them with the RBI.

When the RBI announced measures such as providing limited period facility of concessional forex swap to incentivise ECBs by PSUs and a similar facility to bear the full hedging cost to banks for raising fresh 3-5-year FCNR (B) deposits on June 5, the rupee had perked up 85 paise to close at 94.94/dollar.

The rupee on Tuesday closed up about 21 paise despite crude oil price hardening to about $91 per barrel as the RBI is believed to have intervened in the non-deliverable forward market before the Indian forex market opened.

Dilip Parmar, Senior Research Analyst, HDFC Securities, observed that the rupee is on a winning streak, locking in its third straight day of gains, thanks to stellar domestic growth numbers despite simmering geopolitical tensions and the central bank stepping in with dollar supplies. "On the technical front, spot USDINR is facing a tough resistance at 95.30 resistance, while a firm support has been seen around 94.50. However, traders should buckle up for a bumpy ride ahead as geopolitical news and surging crude oil prices are locked and loaded to trigger some serious volatility," he said.

With banks attracting inflows of $65.397 billion under FCNR (B) deposits, India's forex reserves soared to an all-time high of $729.328 billion in the week ended August 21. In the reporting week, reserves jumped by $12.422 billion.

MATEXIL seeks five-year extension of RoSCTL and RoDTEP Schemes; calls for long-term policy certainty

By Our Special Correspondent

MUMBAI, SPET. 01—

With the current validity of the RoSCTL and RoDTEP schemes set to expire on September 30, 2026, the Manmade and Technical Textiles Export Promotion Council (MATEXIL) has called for their extension for at least five years, warning that repeated short-term extensions are creating uncertainty for exporters negotiating long-term contracts with overseas buyers.

In a representation to the Department of Commerce, Mr. Shaleen Toshniwal, MATEXIL Chairman has said that the two export remission schemes should ideally be continued on a perpetual or ongoing basis, instead of being subjected to recurring short-term sunset dates. He has also sought an early and clear policy announcement well ahead of the September 30 deadline so that exporters can confidently negotiate and commit export orders.

Both the Rebate of State and Central Taxes and Levies (RoSCTL) and Remission of Duties and Taxes on Exported Products (RoDTEP) schemes are presently valid only up to September 30, 2026. Their validity had earlier been extended from March 31, 2026, but MATEXIL pointed out that there is currently no clarity on their continuation beyond the end of September.

According to the Council, this uncertainty is particularly problematic as textile exporters negotiate and quote prices to overseas buyers several months in advance. Without clarity on whether remission benefits will continue, exporters are finding it difficult to offer firm and commercially viable quotations or enter into long-term export contracts.

MATEXIL stressed that international textile and clothing trade is highly competitive and based on long-term commitments to overseas buyers. Indian exporters compete with suppliers from countries where export incentive and tax remission policies are stable and predictable.

The Council said frequent uncertainty over the continuation of remission schemes directly affects the ability of Indian exporters to quote competitive prices and secure long-term orders. Exporters cannot reasonably absorb the risk of an uncertain remission benefit while negotiating contracts that may involve deliveries over several months.

Mr. Toshniwal further maintained that policy stability is essential to enable exporters to take a long-term view while negotiating export orders and making investments in capacity, technology and market development.

The Council has suggested that the schemes be periodically reviewed and rates rationalised wherever necessary, while retaining continuity of the overall remission framework.

Calling for urgent action from the Department of Commerce, MATEXIL said a stable, predictable and adequately calibrated remission framework would help improve the international competitiveness of Indian textile exports and support the Government's objective of substantially increasing textile and apparel exports.

DGFT Enables Automated Issuance of Free Sale and Commerce Certificates to Promote Ease of Doing Business

NEW DELHI, SPET. 01—

In continuation with the initiatives taken by the Government from time to time to promote Ease of Doing Business for the exporting community, the Directorate General of Foreign Trade (DGFT) has enabled automated issuance of Free Sale and Commerce Certificates (FSC) on the DGFT portal. These Certificates are issued to exporters, under Foreign Trade Policy, for items which are not covered under the Drugs & Cosmetics Act, 1940. At present, such certificates are issued by Regional Authorities (RAs) of DGFT after scrutiny and verification.

Eligible applications will now be considered for automatic issuance in accordance with the prevailing framework, without being routed for manual scrutiny. The automated mechanism is expected to reduce processing time for a significant category of FSC applications and lower the compliance burden associated with the earlier manual process.

Applications requiring verification, or those not meeting the automated processing parameters, may continue to be routed to the concerned RA for manual processing.

Certain auto-approved applications may also be subsequently flagged to the concerned RA for review under the system's risk management parameters.

The measure is expected to reduce avoidable manual intervention, improve the predictability of processing and facilitate faster issuance of FSCs for eligible exporters, while retaining appropriate verification and oversight for applications requiring scrutiny. By strengthening automated, rule-based processing and applying risk-based review, the initiative is expected to make the issuance of Free Sale and Commerce Certificates more efficient, transparent and predictable for exporters and administering authorities.

Tecoya Trend - 2nd Sep. 2026

Better Cotton Initiative partners with Avalo in AI plant breeding for climate-resilient cotton

MUMBAI, SEPT. 01—

The Better Cotton Initiative (BCI) has partnered with agriculture solutions company Avalo, whose platform accelerates the speed at which plants with key resiliency traits may be developed.

Informed by nature and powered by AI, Avalo's platform revolutionises plant breeding for climate-resilient crops, including cotton, by identifying key plant traits to develop seeds requiring less water and fertiliser. In creating their own genetics, the company is able to shorten the time it takes to develop new and more locally-adapted varieties, which would enable producers to more quickly adapt to climatic issues.

Avalo has worked with BCI in enrolling a significant number of new producers for the 2026 season, testing an online platform intended for use among multiple programmes to collect and report data.

Ashley Barrington, BCI Senior Country Manager – US said: "Serving as both a BCI Member and local partner, Avalo is supporting the growers we work with by streamlining data collection and compliance processes across certifications while providing technical assistance in the field."

The company's developments in cotton would also mean fewer inputs needed at a time when prices are low and production costs have been mounting, signifying environmental as well as financial impacts. Avalo reported that roughly two-thirds of their cotton sold was based on brand demand from those committed to regenerative farming. Brands were interested in the programme not only for its advancement in regenerative agriculture, but also the data and farmer equity aspects. BCI-Certified farms in the Texas High Plains have already begun contracting with Avalo to grow its cotton varieties. The company is working with BCI's longtime US Programme Partner, Quarterway Cotton Growers, who were eager to get involved.

Quarterway CEO, BCI Group Manager and cotton farmer Todd Straley said: "If this works, it will save us. With limited water and more intense heat on the Texas High Plains, breeding for more extreme conditions is the only way growing cotton in our region will remain viable for farming families. By partnering with Avalo and BCI, our organisations work toward a common goal of ensuring the resilience of Texas High Plains cotton."

Avalo was represented at BCI's NYC Member & US Programme Partner Meeting this past June and will be participating in the organisation's upcoming US field event Cotton & Beyond: Regenerative Agriculture in the Texas High Plains, in September. BCI's Ashley Barrington will also take part in the region's Avalo Farm Days later that month. Tricia Carey, Avalo's Chief Commercial Officer, said: "At Avalo, we work across data, agronomy and genetics to help farmers grow cotton that's better for their land and their livelihoods, and partnering with the Better Cotton Initiative lets us bring that work directly to more growers, at scale. Together, we can lower the impact of cotton production while strengthening the resilience and profitability of the farmers at the heart of it."