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News Relating to
**Cotton and
Textile Sector**

Date-13-10-2026

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ICE Cotton Futures: 12-10-2026

ICE COTTON CLOSE						12 Oct 2026
CONTRACT MONTH	OPEN	HIGH	LOW	SETTLE	CHANGE	Op. Int.
Cotton (CT) - Quote: Cents/Pound - Contract Size: 50,000 Pounds.						
Dec-26	80.58	80.97	79.38	80.60	▲ 0.06	1,70,443
Mar-27	83.59	84.10	82.61	83.81	▲ 0.22	92,475
May-27	85.47	85.78	84.31	85.48	▲ 0.18	56,642
Jul-27	85.85	86.19	84.77	85.93	▲ 0.18	34,443
Oct-27	0.00	80.00	80.00	80.00	▲ 0.19	26
Dec-27	79.04	79.15	78.19	79.05	▲ 0.33	32,438
Mar-28	0.00	79.74	79.74	79.74	▲ 0.26	2,449

Cotlook Index: 12-10-2026

91.15 (+0.50)

ICE cotton futures extend gains amid crop concerns

Tuesday, 13th Oct 2026, (Source: www.fibre2fashion.com)

Insights

ICE cotton futures rose for a second session on US crop-damage concerns and stronger crude oil, with December 2026 at 80.60 cents per pound.

Gains were capped by USDA forecasts raising 2026-27 US production by 2 per cent to 13.44 million bales and ending stocks by 6 per cent to 3.8 million bales.

A stronger dollar, subdued volume and delayed crop progress data kept traders cautious.



ICE cotton futures settled higher for the second consecutive session on Monday, supported by concerns over potential crop damage in the US and a sharp rise in crude oil prices. However, gains remained limited as higher US cotton production and ending stocks estimates, a stronger dollar and subdued trading volumes weighed on market sentiment. Traders remained cautious ahead of the delayed US Department of Agriculture (USDA) weekly crop progress report, which was expected to provide further clarity on weather-related damage.

The most active December 2026 cotton contract settled at 80.60 cents per pound (0.453 kg), up 6 points or 0.07 per cent from Friday's close of 80.54 cents. The contract recorded a cumulative gain of 66 points over two sessions. The December contract had touched its highest level since September 14 during Friday's session but failed to regain that level on Monday, suggesting continued resistance at higher prices. Other contracts closed 18–33 points higher. However, overall gains remained modest, with most contracts advancing by less than one cent over the two sessions.

The cotton market continued to recover from recent lows amid concerns over heavy rainfall in US cotton-growing regions. Hurricane Isaias had weakened, but uncertainty persisted over the extent of crop damage. The USDA's weekly crop progress report was delayed by a day due to the Columbus Day holiday.

Market sentiment was also influenced by the USDA's latest supply and demand estimates released on Friday. The agency raised its US cotton production forecast for the 2026-27 season by 2 per cent to 13.44 million bales and increased its ending stocks projection by 6 per cent to 3.8 million bales. The upward revisions suggested greater domestic supply availability and restricted further gains in cotton futures.

Meanwhile, the US dollar remained near an 18-month high, supported by safe-haven demand amid escalating attacks in the Middle East. A stronger dollar made US cotton more expensive for overseas buyers, potentially affecting export competitiveness and limiting buying interest.

Crude oil prices strengthened sharply amid concerns over supply disruptions following missile and drone attacks by Houthi forces targeting Saudi Arabia. Oil prices rose by \$1.89 to \$93.74 per barrel, marking their third consecutive session of gains. Crude had increased by a cumulative \$5.46 over the three sessions.

According to market analysts, cotton prices had established a temporary bottom over the previous five to six trading sessions. A further limited downside trend is expected. Prices may remain around 80 cents per pound, which is a potentially reasonable level for both buyers and sellers.

Trading activity remained relatively subdued. Total volume declined to 45,477 contracts from 65,390 contracts on Friday and was below the previous week's daily average of 51,382 contracts. Open interest stood at 384,955 contracts as of Friday, remaining close to the record high of 389,494 contracts registered on September 29.

The daily trading limit for cotton futures was increased from 300 points to 400 points effective October 12, potentially allowing wider price movements in response to significant market developments.

This morning (Indian Standard Time), December 2026 cotton traded at 80.26 cents per pound (down 0.34 cent). Cash cotton traded at 77.35 cents (up 0.06 cent), while the March 2027 contract traded at 83.50 cents (down 0.31 cent). The May 2027 contract traded at 85.19 cents (down 0.29 cent), the July 2027 contract at 85.64 cents (down 0.29 cent), and the October 2027 contract at 80.00 cents (up 0.19 cent). A few contracts remained at their previous closing levels, with no trading recorded so far today.

HTBt Cotton Spreads Across India

Tuesday, 13th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)

Why is unapproved HTBt cotton spreading in India?

Cultivation of unapproved herbicide-tolerant Bt (HTBt) cotton is increasing rapidly in India. According to a study by South Asia Biotechnology Center (SABC), it is estimated to be cultivated in 24-30% cotton area of the country, i.e. about 65-72 lakh acres in the Kharif season 2025-26. The main reasons for this are the increasing cost of weed control, shortage of labor and decreasing effectiveness of existing Bt cotton against pests.

What is the difference between Bt cotton and HTBt cotton?

Bt cotton was approved for commercial cultivation in India in 2002. It contains proteins obtained from bacteria called *Bacillus thuringiensis*, which protect the crop from certain pests like bollworms. Its use helped in increasing cotton production in the initial years and reducing the use of pesticides.

HTBt cotton has the additional trait of insect resistance as well as herbicide tolerance. With this, farmers can use herbicides like glyphosate without harming the crop. However, HTBt cotton has not been approved for commercial cultivation in India.

Why are farmers adopting it?

According to the SABC study, hand weeding can cost up to ₹12,000-15,000 per acre, while glyphosate-based weed control has an estimated cost of ₹750-850. However, these figures may change according to the region and farming conditions.

On the other hand, the development of resistance in pink bollworm against the Cry1Ac and Cry2Ab proteins used in the existing Bollgard-II Bt cotton is reducing its effectiveness. This has increased the demand for alternative technologies among farmers.

Reason for decline in cotton production

India's cotton production peaked at about 39.8 million bales in 2013-14, while it declined to 29.1 million bales in 2025-26, preliminary government data showed. The main reasons for this include increasing resistance to pink bollworm, adverse weather conditions, crop diseases and reduction in cotton area.

What are the concerns?

The spread of unapproved HTBt seeds through the informal market raises questions about regulatory oversight and seed quality. There is also the risk of farmers not knowing the true genetic makeup of seeds and having limited options in case of crop failure.

Thus, the increasing adoption of HTBt cotton highlights farmers' need for affordable weed control technology and the limitations of accepted agricultural techniques. The challenge is to provide effective and affordable options to farmers, while ensuring seed quality, environmental impact and bio-security.

Research is going on to remove the resistance. In July 2026, the Sugarcane Breeding Institute of the Indian Council of Agricultural Research announced a partnership with Rasi Seeds to develop a cotton hybrid with a new toxin to combat pink bollworm resistance. The institute said commercial seeds may be available around 2030, depending on further development.

Punjab Rains Damage Paddy, Cotton Crops

Tuesday, 13th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)

Punjab receives 477% more rainfall than normal in 24 hours, damaging paddy and cotton crops

Bathinda: Unseasonal rains during the harvest season in Punjab have damaged paddy and cotton crops. The rains flooded several grain markets, soaking paddy heaps, and disrupting the government procurement process. Farmer organizations have demanded an assessment of crop losses and compensation.

According to Meteorological Department data, Punjab recorded 2.3 mm of rain in the last 24 hours until 8:30 am on Saturday, compared to the normal rainfall of 0.4 mm. This is 477% more than normal. Fazilka received the highest rainfall of 28 mm. Additionally, Faridkot recorded 9 mm, Muktsar 7.7 mm, and Bathinda 1.3 mm.

Waterlogging in markets, affecting paddy procurement Following a three-hour storm in Fazilka on Sunday morning, the main grain market was flooded with nearly three feet of water. This caused the paddy stacks to be washed away. Goldy Sachdeva, president of the Fazilka Arhtiya Association, estimated the losses at around ₹15 crore.

Arhtiyas and farmers alleged that the lack of adequate drainage and storage facilities contributed to the increased losses. In protest, the Arhtiya Association blocked the Fazilka-Ferozepur National Highway. Rain also caused disruptions in markets in Malout, Mansa, Barnala, and Bathinda.

Balkar Singh, a farmer from Rattakheda village in Muktsar, said he had been waiting to sell his crop for the past eight days. The rain has increased moisture in the crop, which is likely to further delay the sale.

Heavy rain and storm alert in several districts

Punjab received 40% less rainfall than normal during the southwest monsoon. Despite this, the rain at harvest time has increased farmers' concerns. By October 10, only 12% of the paddy crop had been harvested.

The State Disaster Management Authority had issued a warning of thunderstorms, lightning, strong winds of up to 50-60 kilometers per hour, hailstorms, and moderate to heavy rain in several districts over the next 24 hours.

Demand for Damage Assessment and Compensation

According to Gurjeet Singh Brar, Director of the Punjab Agriculture Department, the department is gathering information on crop damage. He warned that waterlogging in fields and further rainfall could affect cotton quality.

Meanwhile, Harchand Singh Barsaat, Chairman of the Punjab State Agricultural Marketing Board, stated that adequate arrangements have been made for paddy procurement and that deficiencies in the arrangements will be addressed. He also clarified that there is no ban on storing crops in private yards.

Farmer organizations have demanded the government immediately conduct a survey, assess crop losses, and provide compensation to affected farmers.

Cotton Prices Surge on Supply Concerns

Tuesday, 13th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)

Cotton prices surge due to fears of low production and strong demand; Shankar-6 rate hits ₹68,000 per candy

The domestic cotton market has witnessed a surge driven by slow arrivals of the new crop, concerns over reduced production due to scanty rainfall, and robust demand from spinning mills. According to

trade sources, cotton prices rose by approximately ₹3,000 to ₹4,000 per candy last week. In Gujarat, the price of Shankar-6 cotton reached around ₹68,000 per candy. The market has also found support as farmers are holding back sales in anticipation of better prices.

Domestic market sentiment has strengthened following a rally in December and March cotton futures contracts on the Intercontinental Exchange (ICE) in the international market. Meanwhile, the Cotton Corporation of India (CCI) has raised the auction prices for its cotton stock by ₹500 per candy (356 kg) for the 2025-26 season.

****New crop arrivals and price situation****

Approximately 5 lakh bales of the new cotton crop arrived across the country during the first nine days of the 2026-27 season. Reports indicate that daily arrivals totaled around 78,000 bales. This included 17,000 bales from North India, 16,000 from Madhya Pradesh, 15,000 from Gujarat, 9,000 from Karnataka, 8,000 from Andhra Pradesh, 7,000 from Maharashtra, and 6,000 from Telangana.

According to Atul S. Ganatra, CMD of Radhalakshmi Group, farmers are in no rush to sell, hoping for better prices. In Gujarat, the price of Shankar-6 cotton rose from ₹64,000 on September 30 to ₹68,000 per candy. Market supported by mill demand

According to Anand Popat of CotYarn Trade Link, prices are being supported by limited supplies and improved demand from spinning mills. However, market volatility may persist due to rising arrivals of the new crop and fluctuations in international prices.

According to Ramanuj Das Boob, a cotton sourcing agent in Raichur, demand in the local market remains strong. Cotton prices have reached ₹9,700 per quintal in Raichur and approximately ₹9,200 per quintal in Telangana.

Wet Cotton Raises CCI Procurement Concerns

Tuesday, 13th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)

Excess Moisture in Cotton Adds to Farmers' Woes: Fear of Rejection by CCI and Low Market Prices Anjad, Barwani (Madhya Pradesh). Cotton-growing farmers are facing two major challenges regarding the sale of their produce. On one hand, there is an apprehension that the Cotton Corporation of India (CCI) might reject the produce during procurement at the Minimum Support Price (MSP) due to high moisture content; on the other, there are complaints about receiving low prices from private traders.

On Monday, cotton prices at the Anjad Agricultural Produce Market ranged from ₹7,900 to ₹9,510 per quintal. The Rashtriya Kisan Mazdoor Mahasangh has demanded a price of at least ₹11,000 per quintal for farmers. Office-bearers, led by the organization's District President Anil Iske, submitted a memorandum to the market secretary.

The organization demanded open bidding among all eligible traders, timely payment to farmers, and the conduct of cotton auctions in the presence of officials at the village Bhagsur.

****Apprehension of Government Procurement Being Affected by Moisture****

According to reports, moisture content is a crucial factor in CCI procurement. A price range of ₹8,567 to ₹8,569 per quintal is indicated for cotton with approximately 8% moisture. However, if the moisture content reaches 12%, the price could drop to around ₹8,000 per quintal. Government procurement could be adversely affected if moisture levels exceed the prescribed limits.

****Procurement at Minimum Support Price Scheduled to Begin on October 15****

Reports indicate that cotton procurement at the Minimum Support Price under the CCI's Indore branch is scheduled to commence on October 15. Information has been provided that slot booking for this process will begin at 9:00 AM on October 13. Farmers will be able to book slots via the market, Common Service Centers, or the relevant mobile app.

According to District President Anil Iske, many farmers lack adequate space for drying and safely storing their cotton. Due to the risk of fire and pressing financial needs, farmers are unable to hold back their produce. The organization alleges that some traders quote prices ranging from ₹7,000 to ₹8,000 per quintal, citing moisture content.

CCI Cotton Sales Cross 97.16 Lakh Bales

Tuesday, 13th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)



State-wise CCI Cotton Sales Details – 2025-26 Season

The Cotton Corporation of India (CCI) increased its cotton candy prices by upto ₹300 per candy during this week . CCI has sold approximately 97,16,500 cotton bales for the 2025-26 season. Sales are highly concentrated in a few major cotton-producing states, Maharashtra, Telangana and Gujarat emerging as the leading contributors.

India must leverage FTAs, textiles to boost exports & jobs: Goyal

Tuesday, 13th Oct 2026, (Source: www.fibre2fashion.com)

Insights

India's Minister of Commerce Piyush Goyal said India must combine access to advanced global technologies with job creation and business growth.

Highlighting FTAs and strengths in textiles, footwear, agriculture and food processing, he stressed exports, quality standards and global partnerships to support India's ambition of becoming a developed nation by 2047.



India must combine access to the world's best technologies with a focus on sectors that can generate jobs and business opportunities, India's Commerce and Industry Minister Piyush Goyal said, highlighting the role of free trade agreements (FTAs) and India's strengths in textiles, footwear, agriculture and food processing.

Addressing the 'Dilli Dialogue: Policies for a Future-Ready India' in New Delhi, Goyal stressed the need to expand opportunities for businesses, startups and young people.

"We want to be a part of the global marketplace. Providing

opportunities for people, providing opportunities for jobs, for our startups, for our youth to come up with newer ideas," he said.

India's growing engagement with global markets through free trade agreements (FTAs) is creating opportunities for domestic businesses and young people. Partnerships with developed economies could benefit both sides, with India leveraging its strengths in textiles, footwear, agriculture and food

processing while gaining access to advanced technologies and high-quality electronic equipment, Goyal said, according to a Ministry of Commerce and Industry press release.

Goyal added that India was not closing its doors to the world but “opening them wider”. He also referred to the country’s trillion-dollar export ambition, expressing confidence in its ability to achieve the target and linking it to the broader vision of ‘Viksit Bharat 2047’.

India’s ambition to become a developed nation by 2047 is backed by a roadmap identifying key sectors that can drive economic growth, he said. Goyal also highlighted demand for goods and services among India’s 1.4 billion people, adding that rising imports point to opportunities for domestic industry and international investors.

On competitiveness, Goyal called for co-ordinated efforts by policymakers, industry stakeholders and institutions, including the Bureau of Indian Standards and the Food Safety and Standards Authority of India, to strengthen quality standards.

He said adopting and consistently implementing world-class quality standards would help Indian businesses compete globally, concluding that the world offers significant opportunities for India to capture.

Global cotton output raised to 117.95 mn bales for 2026-27: WASDE

Tuesday, 13th Oct 2026, (Source: www.fibre2fashion.com)

Insights

USDA's October WASDE raised 2026-27 world cotton output by 630,000 bales to 117.95 million, as larger Brazil and US crops more than offset lower Argentina production.

Global supplies, consumption, exports and ending stocks were all revised up, with stocks at 70.68 million bales and the stocks-to-use ratio at 57.4 per cent; Brazil output rose to 19 million bales and India imports to 3.30 million.

World cotton production for 2026-27 has been raised by 630,000 bales to 117.95 million bales of 480 pounds or around 218 kg each in the October estimate, from 117.32 million bales projected in September. The increase reflects larger crops in Brazil and the US, which more than offset lower production in Argentina, according to the latest World Agricultural Supply and Demand Estimates (WASDE) report of the United States Department of Agriculture (USDA).

Global cotton supplies were raised to 193.65 million bales from 192.62 million last month, as beginning stocks increased to 75.70 million bales from 75.31 million. Global consumption was revised upwards to 123.08 million bales from 122.92 million, reflecting higher demand projections for Vietnam, Malaysia, Guatemala and Nicaragua.

International cotton trade was also revised upwards, with global exports increasing to 44.71 million bales from 44.22 million in September, largely due to higher shipments from Brazil. Global ending stocks were raised by 820,000 bales to 70.68 million bales from 69.86 million, lifting the stocks-to-use ratio to approximately 57.4 per cent from 56.8 per cent.

Among major producers, Brazil's cotton production forecast was raised by 500,000 bales to 19 million bales, while exports increased by an equal amount to 16 million bales. India's production and consumption remained unchanged at 24 million and 26.50 million bales, respectively. However, India's imports were raised to 3.30 million bales from 3 million, while ending stocks increased to 10.43 million bales from 10.32 million.

China's outlook remained unchanged, with production at 33.50 million bales, imports at 7 million bales and consumption at 42 million bales. Vietnam's imports and consumption were each raised by 100,000 bales to 8.30 million bales. Bangladesh's imports remained at 7.40 million bales, while Turkiye's and Pakistan's import forecasts were maintained at 5 million and 5.10 million bales, respectively.

The US cotton outlook also reflected higher supplies. The USDA raised its 2026-27 production forecast by 2 per cent to 13.44 million bales from 13.20 million, as the national average yield increased to 790 pounds per harvested acre from 776 pounds. Larger crops across the Delta states drove the upward revision. Domestic consumption and exports remained unchanged at 1.50 million and 12.30 million bales, respectively.

Consequently, US ending stocks were raised by 6 per cent to 3.80 million bales from 3.60 million, increasing the stocks-to-use ratio to 27.5 per cent from 26.1 per cent. The projected season-average farm price for upland cotton was lowered by 1 cent to 77 cents per pound.

For 2025-26, the US cotton balance sheet remained unchanged, although the season-average farm price was revised marginally upwards to 62.2 cents per pound. Global production for the season was estimated at 122.05 million bales, consumption at 120.79 million bales and ending stocks at 75.70 million bales.



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other International Cotton Associations

Vinay Kotak calls for building a strong cotton value chain

By Our Special Correspondent

MUMBAI, OCT. 12--



Mr. Vinay N. Kotak, President, Cotton Association of India (CAI) has called for continued collective efforts to build a more productive farmer, better quality cotton, a stronger cotton value chain and a more competitive India in the global cotton economy.

Addressing the 104th Annual General Meeting of CAI, Mr. Kotak emphasised that CAI's strength lies in bringing together farmers, ginners, traders, brokers, exporters, importers, textile mills, researchers, scientists, Government institutions and other stakeholders.

Dwelling upon the current cotton season, Mr. Kotak said that the current cotton season had been positive, by and large, for stakeholders across the value chain, from farmers and ginners to traders and spinners.

CAI President expressed optimism about the future of Indian cotton, particularly in view of the new market opportunities expected from the Free Trade Agreements concluded by the Government, which could generate additional demand for Indian textiles and cotton products.

Stating that India remains an important player in the global cotton economy, being the world's second-largest cotton producer and consumer and accounting for around 20% of global fibre production, Mr. Kotak emphasised that improving cotton productivity, quality, contamination control, traceability, sustainability, price discovery and risk management would be critical to enhancing the competitiveness of Indian cotton.

Mr. Kotak informed that CAI has advocated examination of a Bhavantar-type mechanism as an alternative or complementary approach to the existing MSP framework, with the objective of providing effective price support to farmers while allowing market forces to operate more efficiently.

He further said that CAI also plans to work with the Government on a structured cotton productivity project, initially focusing on Maharashtra, with the objective of improving productivity and farmer incomes.

New ICAC Cotton Review Examines Competitiveness, Market Risk & Opportunities

From Tecoya NewsDesk

MUMBAI, OCT. 12--

From moving record volumes of Brazilian cotton to market, to managing price volatility, unlocking Ethiopia's production potential, and strengthening African textile trade, the latest edition of Cotton: Review of the World Situation examines some of the most consequential opportunities and challenges facing the global cotton industry.

The September 2026 edition features five articles spanning production, trade, logistics, market risk, and policy in Brazil, Ethiopia, Iran, Africa, and the broader global cotton market.

Brazil: Competitiveness Moves Beyond the Farm

"After the Gin: Where Brazil's Cotton Competitiveness Is Actually Decided," by Jonathan Valério

Brazil has emerged as a global cotton export leader following major advances in productivity, seed technology, crop management, and quality. But Mr Valério, Sales and Marketing Director at Magna Logistics Solutions, argues that maintaining that position increasingly depends on what happens after cotton leaves the gin.

Brazil exported 3.027 million tonnes of cotton in 2025 and is expected to reach a record 3.418 million tonnes in 2026. About 95% of the country's cotton export volume currently moves through the Port of Santos, requiring between 110,000 and 120,000 containers annually. That concentration leaves exporters exposed to competition for trucks, port capacity, container availability, vessel delays, and other logistics costs.

The article explores opportunities to reduce those risks through greater use of the Port of Salvador for cotton produced in Bahia, earlier logistics planning, and contract provisions that better allocate the costs associated with rebooking and detention. Salvador is

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ICAC Cotton Review Examines Competitiveness & Market Risk

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undergoing an expansion expected to double its container capacity.

Cotton Prices at a Crossroads

“Cotton at the Crossroads: A Broker’s Perspective on Price Risk and the 2026–27 Outlook,” by Valentin Olah

A second article examines a cotton market confronting conflicting signals: a tightening global balance sheet alongside increasingly available physical supplies from multiple origins.

Ms Olah, Senior Broker with the Global Cotton Desk at StoneX Financial Inc., notes that December 2026 cotton futures climbed from a life-of-contract low near 66 cents per pound to nearly 93 cents before retreating by roughly nine cents. USDA’s September projections put 2026/27 world production at 117.3 million bales and consumption at 122.9 million bales — a gap of 5.6 million bales.

The analysis also examines the increasingly complex relationship between cotton and polyester. Higher oil and synthetic-fiber feedstock costs could provide relative support for cotton, but higher prices throughout the textile supply chain also can restrain demand. Meanwhile, Brazil’s emergence as a major supplier has increased year-round cotton availability and reduced some of the traditional seasonal scarcity associated with US cotton.

The result is a market in which tighter fundamentals may support prices, but crop conditions, export demand, mill purchasing, speculative positioning, and competition from alternative fibers will determine how that potential translates into the futures market.

Ethiopia Looks to Turn Cotton Potential into Production

“Ethiopia’s Cotton Sector: Weaving a Future from Vast Potential,” by Tsegaye Abebe

Ethiopia possesses an estimated 3 million hectares of land suitable for cotton production, but only a fraction of that potential has historically been cultivated. An article by Mr Abebe, Executive Director of the Ethiopian Cotton Association, examines efforts to expand production while building stronger connections between growers, ginneries, and the domestic textile industry.

The country faces a substantial productivity gap. Ethiopian researchers have released 45 cotton varieties over the past 30 years,

with experimental seed cotton yields reaching as high as 5,433 kg/ha. Commercial smallholder productivity, however, averages approximately 726 kg/ha.

Closing that gap will require improvements in irrigation, certified seed availability, extension services, quality management, and processing infrastructure. Ethiopia’s domestic textile mills already consume an estimated 55,000 tonnes of lint annually, providing a potential market for increased domestic production and value addition.

AGOA Extended, but Questions Remain

“AGOA to 2028: Extension Without Full Reform,” by Lorena Ruiz

ICAC Economist Lorena Ruiz examines the latest extension of the African Growth and Opportunity Act (AGOA), which would continue duty-free access to the U.S. market through December 31, 2028. The legislation received overwhelming bipartisan support in both chambers of Congress and, as described in the article, awaits the President’s signature.

The article looks beyond the extension itself to unresolved questions surrounding the program, including eligibility requirements, rules of origin, and the relationship between US trade policy and efforts to build stronger textile and apparel industries in Africa. AGOA currently provides eligible sub-Saharan African countries with duty-free access for more than 1,800 tariff lines beyond those covered by the Generalized System of Preferences, with apparel among its most significant benefits.

Iran Confronts Production Challenges While Pursuing Innovation

“Challenges, Opportunities and Innovations of Cotton Cultivation and Production in Iran,” by Mohammadreza Ramazani Moghaddam

The issue concludes with an article from by Mohammadreza Ramazani Moghaddam, examining cotton cultivation and production in Iran, exploring the challenges facing the sector as well as opportunities to strengthen productivity and sustainability through improved technologies and production practices.

Integration Can Unlock India's Next Growth Phase in Polyester Textiles: Makarand Kulkarni

By Our Special Correspondent

MUMBAI, OCT. 12—

India's polyester textile industry has the scale and manufacturing capabilities to win a larger share of global business, but closer integration between raw materials, weaving and processing will be important in converting this strength into consistent, higher-value production, according to Mr. Makarand Kulkarni, CEO, Revalyu Recycling (India).

Speaking during the panel discussion on "Farm to Fashion: Stronger & Sustainable Value Chain" at TAG 2026, FICCI's 17th Annual Conference on Textile & Apparel Industry, held recently in the city, Mr. Kulkarni said India has built substantial capacities across polyester textiles. Better coordination across the chain, supported by stronger processing and more efficient logistics, could improve its ability to meet the requirements of international customers.

Surat is a good example. The textile centre continues to add large numbers of new looms, but weaving, processing and raw-



material operations remain spread across different parts of the industry. Bringing these operations into closer alignment, Mr. Kulkarni said, would make it easier to develop and consistently manufacture products to the quality required by global markets.

He pointed to Vietnam's growth in sportswear manufacturing, particularly after China, as an example of the advantage that comes from a closely connected supply chain. "Why are we not able to become a Vietnam? Why is Vietnam doing better than us? Because they have an integrated supply chain, and we do not have that structure," he said.

For international customers, the issue goes beyond producing a fabric or yarn to the required specification. The same quality has to be maintained across volumes and repeated orders, requiring communication between each stage of manufacturing.

"When we go to a customer and discuss what kind of product is required, then to deliver those kind of products, we need that seamless communication," Mr. Kulkarni said. It covers how the product is made, how it is delivered and how consistently it can be produced "day in, day out."

Polyester processing, he said, is one area that requires greater

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Integration Can Unlock India's Next Growth Phase in Polyester Textiles

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attention in India. Stronger processing capabilities would complement the country's large raw-material and weaving base, while lower logistics costs would make the overall textile chain more competitive.

Mr. Kulkarni also drew on his company's experience to show how an early investment in sustainability translated into international business. When operations began in 2012, sustainability was still far from being a mainstream consideration in the textile industry. The company nevertheless decided to undertake a Life Cycle Assessment (LCA).

The study helped identify gaps and areas for improvement. The results eventually went beyond environmental performance and began to show up in the order book.

From a facility then producing around 40 to 50 tonnes a day, the company went on to supply more than 25 global brands. Its polyester yarn also found customers in major Asian textile markets

including Vietnam, Taiwan, Korea and China.

"We ended up supplying polyester yarn from India to Vietnam, Taiwan and Korea, as well as China. That's the reward of sustainability," Mr. Kulkarni said.

Certification has been another part of this journey. The company was among the early adopters of the Global Recycled Standard (GRS) and has worked with the certification for around 15 years. Mr. Kulkarni said certification has supported business, but its usefulness extends to the improvements it can bring within a company. "If you truly try to understand the logic and implement those things, then it also provides the opportunity to you," he said.

For India, the opportunity is to get more from the textile capacities it has already built. Closer links between raw materials, weaving and processing, together with improvements in logistics and a stronger focus on sustainable production, could help the polyester industry move further into value-added products and build a larger presence in international markets.

US Macroeconomic Indicators and the Cotton Supply Chain

Macroeconomic Overview: Consumer spending continues to support U.S. GDP growth. In August, the latest month with government data available, real consumer spending was 2.6% higher year-over-year. This is above the longer-term average (2.2% since 2008) and above the average in 2026 (2.3%). Above-average growth is notable given that consumer confidence has fallen to the lowest level in more than a decade, consumers are grappling with inflation, and real wage growth is under pressure.

With these challenges, several explanations have been suggested for why consumer spending has remained robust. One of them is the wealth effect. The median home price and the stock market continue to hover near record highs. For consumers who own these assets, wealth has risen, and that can create comfort around spending.

Another development that may be enabling spending is a decline in the savings rate. Since early 2024, the personal savings rate has fallen from a recent peak of 7.2% (January 2024) to 4.1% (August). In 2022, when inflation surged after COVID-related stimulus, the savings rate dipped below 4.0% for several months. Excluding 2022, the current level for the savings rate is the lowest since the period that preceded the financial crisis (2006-08).

Not all U.S. households own homes or stocks and there is a limit to how low savings rates can go. This may raise concerns about the ability of consumers to maintain above-average spending growth. Nonetheless, spending growth for clothing has been stronger than the overall rate. Even though apparel can include discretionary items, the annual rate of spending growth on clothing has outpaced the rate of overall spending.

Employment: The U.S. economy is estimated to have added 29,000 jobs in September. This was significantly lower than the 162,000 job gain initially reported for August. Revisions for the previous two months were negative. The figure for July decreased 31,000, bringing the current estimate to a loss of 10,000 jobs. The figure for August decreased 29,000, from 162,000 to 133,000. The current 12-month average for job gains is near 41,000 (October 2025-September 2026).

There was a marginal month-over-month increase in the unemployment rate, which rose from 4.1% to 4.2%. Despite the slowdown in hiring, the unemployment rate remains at historically low levels. Excluding the volatile period around COVID, the rate has been below five percent since 2016, representing the longest stretch below 5% since records began in the late 1940s.

Wages increased 3.0% year-over-year in September. The latest

reading extended the downtrend that has been in place since early 2022. Excluding the volatile period around COVID, wage growth in September was the lowest since December 2019. In every month since April, the inflation rate has been higher than wage growth. This suggests persistent pressure on real earnings that could eventually affect consumer spending.

Consumer Confidence & Spending: After a series of minor monthly changes, the Conference Board's Index of Consumer Confidence® posted its largest move in 16 months in September (-6.7 points to 81.9). This is the lowest reading since 2014. One reason consumer confidence is tracked is its potential association with consumer spending. Index values have followed a general downtrend since 2018. Over the same period, there have been sustained increases in spending, but lower confidence and pressure on real earnings have raised concerns about consumers' willingness and ability to maintain spending growth.

After relatively flat growth in July (+0.1%), overall consumer spending, adjusted for inflation, increased 0.6% month-over-month in August. Year-over-year, overall spending was up 2.6%, which is above the average over the past twelve months (2.3%).

Inflation-adjusted spending on garments was up 1.3% month-over-month in August. This is the strongest rate of monthly growth in two and a half years (since December 2023). Year-over-year, apparel spending was 3.9% higher. This growth rate is nearly double the multi-decade average and builds on the strong growth posted a year ago. In August 2025, the year-over-year rate of growth in apparel spending was 8.7%.

Consumer Prices & Import Data: After two months of decreases (-0.6% in June and a marginal -0.03% in July), the CPI for apparel increased slightly month-over-month in August (0.1%). Year-over-year, it was up 3.7%, a strong rate of change relative to the average over the past couple of decades. Recent levels for the CPI are the highest since 1999. From early 2024 through the third quarter of 2025, year-over-year increases in retail clothing prices averaged 0.8%. Since February, the average annual rate of increase has risen to 3.9%.

The average cost per square meter equivalent (SME) of cotton-dominant apparel increased month-over-month in August (from \$3.71/SME to \$3.77/SME, seasonally-adjusted). In seasonally-adjusted terms, prices have generally remained near these levels since late 2023. However, these import costs do not include tariffs. For most locations, tariffs are 10-12.5 percentage points higher than they were in 2024.

Rupee perks up 96 paise on RBI's weekend measures to curb speculation

OPENING HIGH. The last time the currency unit had a better opening than Monday's was on February 3

Our Bureau
Mumbai

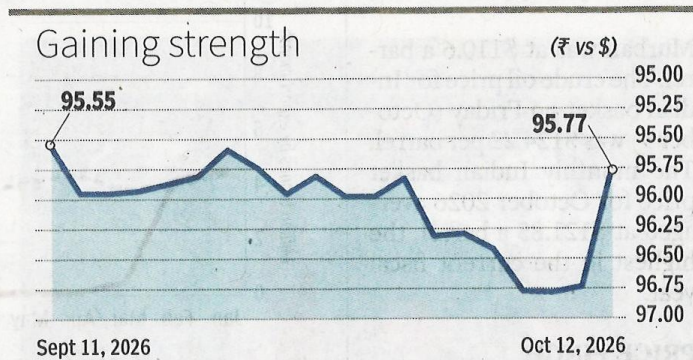
The RBI's weekend measures to curb speculation and contain volatility in the forex market had the desired effect, with the rupee appreciating about 1 per cent, even as yields of government securities (G-Secs) jumped on expectations that the RBI may quicken rate hikes on inflation worries.

The Indian currency (INR) opened 97 paise stronger at 95.76 per US dollar (USD) against the previous close of 96.73. However, it closed almost flat at 95.77, erasing two weeks of losses.

The last time the INR had a better opening than Monday's was on February 3, when it opened 111 paise stronger at 90.40 per USD against previous close of 91.51.

TARGETED MEASURES

The Central bank, on Octo-



ber 10, announced a series of restrictions on forex derivatives contracts and opened a special window to meet the daily dollar requirement of three public sector oil marketing companies (OMCs) — Indian Oil Corporation, Hindustan Petroleum Corporation and Bharat Petroleum Corporation — in view of the evolving market conditions and the need to ensure orderly functioning of the forex market.

The RBI announced restrictions on rebooking of cancelled foreign exchange

derivative contracts; reduced the threshold for undertaking foreign exchange derivative transactions without establishing underlying exposure from \$100 million to \$5 million; introduced foreign exchange risk reserve (FERR) for banks; and prescribed additional documentation for verification of underlying exposures.

V Rama Chandra Reddy, Head - Treasury, Karur Vysya Bank, said such measures are intended to be temporary to curb currency volatility, ease market

The central bank, on October 10, opened a special window to meet the daily dollar requirement of three public sector oil marketing companies

panic and quell one-sided expectations. They will ensure that the currency would not breach the 97-per-dollar level in the near term.

Madan Sabnavis, Chief Economist, Bank of Baroda, noted that if the current USD/INR level remains steady, then it can be surmised that the speculative forces had a role to play in the rupee decline.

"A pullback in crude oil prices, driven by expectations of improving supply conditions, further aided sentiment. However, gains

were limited after the higher open as weaker domestic equities and continued foreign fund outflows weighed on the currency," Dilip Parmar, Senior Research Analyst, HDFC Securities, said.

In the near term, spot USD/INR may drift towards the 95.30 levels, though the broader medium-to-long-term trend will hinge on dollar flows, the trade balance, interest rate differentials and evolving geopolitical developments, per his assessment.

Meanwhile, G-Secs yields jumped on fears that the RBI may further up interest rates, including via an off-cycle meeting, and conduct open market operation sales of G-Secs.

Yield of the 10-year benchmark jumped about 8 basis points to close at 7.3850 per cent against the previous close of 7.30 per cent.

The last time the 10-year G-Sec was around these levels was in October 2023.

Retail inflation hits 21-month high in Sept on higher food prices

WORRISOME. Low base, costlier fuel push inflation to 5.54% — close to the RBI's 6% ceiling

Shishir Sinha
New Delhi

Retail inflation rose to a 21-month high of 5.54 per cent in September, as a low base a year ago amplified the impact of rising food prices, signalling that price pressures are strengthening beyond a statistical rebound.

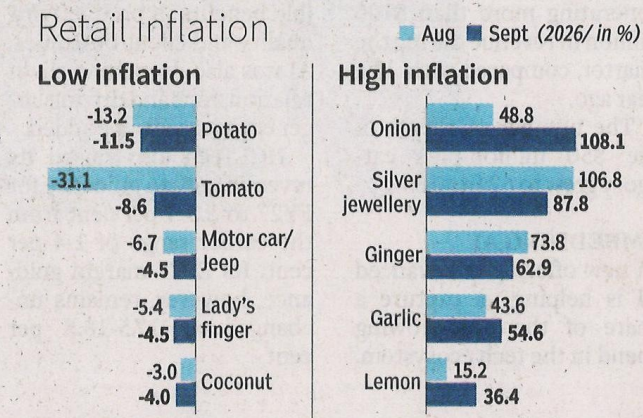
Inflation, measured by the Consumer Price Index (CPI), rose from 4.83 per cent in August and 1.54 per cent in September 2025, bringing it close to the upper end of the Reserve Bank of India's 2-6 per cent target band.

Economists warn that rising food prices and broader price pressures could push inflation closer to, or above, the 6 per cent ceiling in the coming months, raising the prospect of further repo rate hikes by the Monetary Policy Committee (MPC).

PRICE PRESSURES

The increase extended beyond food, with price pressures broadening across consumption categories.

"About 11 to 12 sub-



Sources: MoSPI

groups recorded higher inflation in September, indicating generalisation of inflation," said Devendra Pant, Chief Economist at India Ratings & Research.

Pant noted that inflation had been rising since November 2025, with September marking the fourth consecutive month of inflation above 4 per cent.

Sujan Hajra, Chief Economist at Anand Rath Group, said the low base had amplified headline inflation, but the sequential rise in food prices suggested that the increase was not entirely base-driven.

FUEL IMPACT

"Food inflation continued to quicken, driven by a broader set of sub-segments amid below-normal rainfall, imported price pressures and derivative fuel impacts," said Radhika Rao, Senior Economist at DBS Bank.

She expects the combination of a low base and higher food, fuel and services inflation to push headline inflation closer to 6 per cent in the fourth quarter of 2026.

FURTHER RATE HIKES

With inflation nearing the upper end of the RBI's tar-

get band, economists expect the central bank to remain alert to the risk of a further breach.

Upasna Bhardwaj, Chief Economist at Kotak Mahindra Bank, expects inflation to exceed 6 per cent in the coming months as adverse base effects and food-price shocks play out.

She considers the RBI's revised inflation estimates realistic.

"We expect an additional 50 bps repo rate hike, with upside risks likely if geopolitical risks do not subside," she said.

Rajeev Sharan, Head of Research at Brickwork Ratings, said the September reading reinforced the RBI's hawkish turn following its 25-basis-point rate hike in October.

Markets, he added, were pricing in another increase in December.

HOUSEHOLD BUDGETS

"Sticky food inflation alongside rising rates could strain household budgets and retail-loan servicing," Sharan said, adding that contained core inflation would moderate the broader risks.

September clocks second-highest global temperature as El Nino gains strength

Srikrishnan PC

Chennai

September 2026 was the second hottest month on record globally, with temperatures 1.63°C above pre-industrial levels.

Strengthening El Nino conditions pushed sea surface temperatures (SST) to record levels.

The latest data from Copernicus Climate Change Services, implemented by the European Centre for Medium Range Weather Forecasts (ECMWF), show intensifying climate extremes, with global temperatures forecast to remain above the 1.5°C threshold into 2027.

Carlo Buontempo, Director of the Copernicus Climate Change Service, said, "September was the second warmest on record globally, with exceptionally high temperatures experienced across parts of Europe after an extreme summer. We are



in a new run of months above 1.5°C , and with a strong El Nino still intensifying, it is likely to last into 2027. Crossing the Paris Agreement's long-term limit is only a matter of time. How far we overshoot and for how long is still up to us."

The global-average surface air temperature for September 2026 was 16.27°C , which was 0.82°C above the 1991–2020 average and makes it the second-warmest September globally in the ERA5 dataset, 0.11°C cooler than September 2023.

It was 1.63°C above the estimated pre-industrial average of 1850–1900, marking the first time since Novem-

ber 2025 that two consecutive months have been above 1.5°C .

BOILING OCEANS

The average SST for the extra-polar oceans (60°S – 60°N) during September 2026 was the warmest on record for the month at 21.05°C , exceeding the previous September record of 20.92°C set in 2023.

Exceptionally high SSTs persisted over much of the tropical Pacific, where El Nino conditions are strengthening and are expected to intensify further in the coming months.

The monthly SST in the Nino 3.4 region (the ocean area used to monitor El Nino conditions) for September was 29.70°C , the highest on record and above the peak values of the previous very strong El Nino events of 1982/1983, 1997/1998 and 2015/2016, demonstrating the exceptional strength of the current El Nino.

As N-E monsoon nears, heavy rains set to lash TN, Kerala, Karnataka, coastal AP

Vinson Kurian

Thiruvananthapuram

Conditions are turning favourable for the South-West monsoon to retreat from remaining parts of the country and the North-East monsoon to set in over the South Peninsula in the next 2-3 days. Rainfall is expected to gather pace towards the weekend and around October 15, setting the stage for the seasonal transition.

With the onset of the North-East monsoon, the South Peninsula is likely to see a wet spell over the next 5-6 days, India Meteorological Department (IMD) said. Isolated heavy rainfall is expected over Kerala and Mahe, Coastal and South Interior Karnataka, Tamil Nadu, Puducherry and Karaikal, and Coastal Andhra Pradesh.

The performance of the North-East monsoon will be closely watched against the backdrop of a super El Nino.



Thunderstorms bloom along the periphery of a circulation that would set up the low-pressure area

Historical studies suggest that North-East monsoon rainfall during El Nino years after 1976 was, on average, considerably higher than during the 1950-1976 period.

Scientists have pointed to changes in atmospheric circulation during El Nino that can strengthen easterly flows, transport more moisture towards the subcontinent. For now, the retreating South-West monsoon, the emerging Bay of Bengal low-pressure area, and the pro-

spect of intensifying rainfall across the South Peninsula make the next few days a critical watch period.

HEAVY RAIN FORECAST

The IMD sees isolated heavy rainfall for Tamil Nadu, Puducherry and Karaikal, Kerala, Mahe and South Interior Karnataka for four days from Thursday. Coastal Karnataka is likely to receive heavy rain on Saturday and Sunday, while North Interior Karnataka faces rain for three days from Friday. Coastal Andhra Pradesh and Yanam are in for four days of heavy rain from Wednesday, with Rayalaseema likely to see similar conditions.

Two cyclonic circulations are shaping the evolving weather: one over the Gulf of Mannar and adjoining south Tamil Nadu, and another over the south Andaman Sea. The latter is expected to trigger a low-pressure area over the south-east Bay on Tuesday.

FPOs' prospects linked to expertise of third parties: Study

Our Bureau

New Delhi

In their current form, most farmer producer organisations (FPOs) are likely to be constrained by their capabilities, processes and resources in connecting effectively with markets, says a report on the FPO sector released on Monday.

It is suggested that third-party organisations should step in to bridge the gap and empower FPOs.

The National Association of Farmer Producer Organisations (NAFPO) released the study, in which experts examine specific aspects of the FPO sector.

SCALING CHALLENGES

Although FPOs were being promoted before the launch of the "Formation and Promotion of 10,000 FPOs Scheme" helped achieve the target by February 2025.

The study concurred with

The NAFPO study concurred with critics that many FPOs exist only on paper, lack the capacity to conduct business

critics that many FPOs exist only on paper, lack the capacity to conduct business or struggle to provide even basic services to member farmers.

But it says, "That is exactly the contribution of the scheme: to understand issues arising in a farmer collectivisation movement at scale."

In a chapter on market linkages authored by Aashish Argade and Aneesha Bali, three case studies illustrate the responsibility for marketing currently rests with agencies and actors outside FPOs. They possess the marketing knowledge and capab-

ilities needed to understand buyer requirements and supply goods that meet those requirements.

Typically, FPOs lack this knowledge for various reasons, a gap that is bridged by the expertise of external agents, the report said.

RETAIL REACH

"The three case studies described above adopt different approaches to connecting FPOs to markets. Arya.ag and Bayer's Farmrise One follow a Business-to-Business (B2B) approach, enabling FPOs to engage with structured markets or institutional buyers in the organised sector. KisaanSay, a start-up, specialises in Business-to-Consumer (B2C) connections helps FPOs with branding activities," the report said.

According to co-founder Nitin Puri, consumer food needs are as diverse as geographical, climatic and demographic conditions.

Arya.ag helps guide FPOs on when and whom to sell to. Production, aggregation and market access are treated as parts of an integrated operating model.

Aggregation is strengthened through execution led by Community Value Chain Resource Persons (CVRPs) and digital tools, while warehousing, working capital and structured buyer linkages support market participation.

Mathura Mant Mustard Producer Company in Uttar Pradesh is among the FPOs supported by Arya.ag, with its revenue rising from ₹50 lakh to ₹1.2 crore.

Bayer deploys dedicated personnel at FPOs to train member farmers in crop cultivation and post-harvest practices. Farmrise One supports FPOs in establishing forward linkages by identifying reliable corporate buyers. It also assists with price negotiations, payment coordination and logistics.

Cotton rebounds on fears of yield drop, offtake

Vishwanath Kulkarni
Bengaluru

Cotton prices rebounded by around ₹3,000-4,000 per candy last week to around ₹68,000 amid slow arrivals of the new crop and fears of yield losses due to deficient rainfall. This comes even as farmers have begun holding back their crop, anticipating higher prices in the days ahead, according to trade sources.

The rebound also mirrors the recovery in Intercontinental Exchange (ICE) cotton futures for the December and March contracts during the week. Meanwhile, the Cotton Corporation of India (CCI) raised its auction prices for the 2025-26 crop by ₹500 per candy (356 kg) across all states.

New crop arrivals have begun, with cumulative arrivals reaching around 5 lakh bales in the first nine days of the current 2026-27 season. On Monday, arrivals stood at around 78,000 bales, including approximately 17,000 bales in North India, 16,000 in Madhya Pradesh, 15,000 in Gujarat, 9,000 in Karnataka, 8,000 in Andhra Pradesh, 7,000 in Maharashtra and 6,000 in Telangana.

NO HURRY TO SELL

"Farmers are not in a hurry to sell kapas at the MSP of ₹8,650, as yields are low and they have less kapas to sell," said Atul S Ganatra, CMD of Radhalakshmi Group. The price of Gujarat S6 cotton rose by ₹4,000 per candy to ₹68,000 on Monday from ₹64,000 on September 30, amid fears that the crop would be significantly lower than last year's. "Demand for cotton from mills is good at these levels," he said.

"Indian cotton prices strengthened significantly during the week, supported by limited immediate availability and expectations of higher mill demand. Despite increasing new-season ar-



Due to low yields and a smaller crop, farmers are holding back their produce ANI

rivals, October supplies may remain insufficient to meet domestic consumption requirements. Low inventories at many spinning mills and substantial import requirements are expected to support cotton demand," said Anand Popat of CotYarn Trade Link in his weekly newsletter.

"Considering the supply-demand situation, the Indian cotton market appears fundamentally supportive, although increasing arrivals and international price movements may cause short-term fluctuations. The outlook for the Indian cotton market remains firm to cautiously bullish," Popat said.

INCREASE IN DEMAND

Ramanuj Das Boob, a sourcing agent in Raichur, said there was good demand for local cotton as arrivals were low. "Overall, it looks like demand has improved, and there is good buying interest," he said.

Cotton prices have risen by ₹3,000 per candy over the past 10 days. In Raichur, prices rose to ₹9,700 per quintal on Monday from ₹9,500. In Telangana, prices have also increased to around ₹9,200 per quintal.

"Due to low yields and a smaller crop, farmers are holding back their cotton. They are not bringing it to the market because yields have been poor this year. Instead, they are holding on to their produce, anticipating higher prices, and are not rushing to sell," Das Boob said.

'Focus on outcomes in agriculture prosperity scheme'

Our Bureau
New Delhi

Reviewing the one-year performance of the Prime Minister Dhan-Dhaanya Krishi Yojana (PMDDKY), Union agriculture minister Shivraj Singh Chouhan on Monday said that the first year had focused on establishing strong foundations, while the coming year must be dedicated to delivering visible and measurable outcomes on the ground.

The scheme is meant to rejuvenate agriculture in 100 selected low-performing districts and augment farmers' income.

He highlighted the importance of improving agricultural productivity, increasing cropping intensity, strengthening irrigation and water management, facilitating access to agricultural credit, promoting high-value agriculture, improving post-harvest infrastructure and enhancing farmers' incomes.

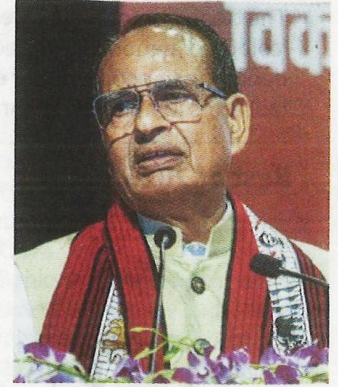
The government aims to increase agricultural productivity, crop diversification, post-harvest storage, irrigation and credit disbursement.

The prioritises implementation of 36 existing schemes across 11 departments in these districts. The Centre has also appointed one senior nodal officer for each district.

MONTHLY RANKINGS

However, experts said that due to poor implementation and non-fixing of accountability of nodal officers, there are several districts reporting very low score on the official dash board.

The scheme monitors district performance against 121 indicators with monthly rankings.



Union Agriculture Minister Shivraj Singh Chouhan

The bottom 10 districts according to performance are - Mamit (Mizoram), South Goa (Goa), Sribhum (Assam), Kandhamal (Odisha), Tamenglong (Manipur), Nuapada (Odisha), Chitradurga (Karnataka), Kozhikode (Kerala), Dima Hasao (Assam) and Mon (Nagaland). As many as 62 districts have less than 50 score.

On the other hand the top 10 performers are - Gaya (Bihar), Nagaur (Rajasthan), Umari (Madhya Pradesh), Dindori (Madhya Pradesh), Sidhi (Madhya Pradesh), Dantewada (Chhattisgarh), Chitrakoot (Uttar Pradesh), Chamoli (Uttarakhand), Alirajpur (Madhya Pradesh) and Chhatrapati Sambhajinagar (Maharashtra) in August ranking.

FARM INCOMES

The ultimate measure of PMDDKY's success would be the meaningful difference it makes to the lives of farmers, the agriculture ministry said in a statement.

The Minister called upon all stakeholders to strengthen coordination, accelerate implementation and focus on measurable improvements in agricultural outcomes and sustainable farm incomes.

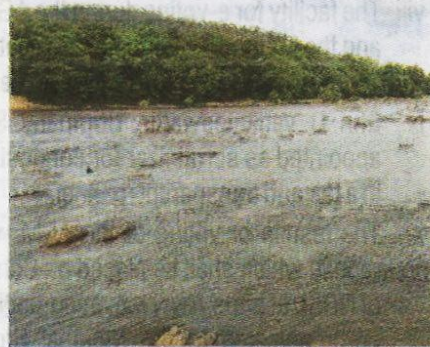
How can Karnataka clear Cauvery backlog amid drought conditions, SC asks TN

Aaratrika Bhaumik
New Delhi

The Supreme Court on Monday questioned Tamil Nadu on how Karnataka could be expected to make good the backlog in the release of Cauvery water even when it is grappling with water scarcity and drought conditions.

“A backlog can be covered only when there is excess water. If there is less rainfall and there is scarcity, how do you expect them to fulfil the backlog? They are also reeling from water scarcity,” a Division Bench headed by Justice Vikram Nath observed.

The Bench reserved its order on Tamil Nadu’s application in the decades-old Cauvery water-sharing dis-



pute. Tamil Nadu has contended that there is a shortfall of 11.719 thousand million cubic feet (tmcft) in the flows due to it at Billigundulu, the inter-State border measuring point, up to October 6.

Senior advocate Mukul Rohatgi, appearing for Tamil Nadu, contended that one State alone should bear the brunt of the water shortage. He pointed out that in a distress year, the available water must be shared propor-

tionately among the States and that, even on such a reduced *pro rata* entitlement, Tamil Nadu was facing a shortfall of 11.719 tmcft.

‘11 TMCFT SHORTFALL’

The court was also told that the continuing shortfall was severely affecting Samba cultivation and the livelihoods of farmers in the Cauvery Delta. “11 tmcft is my shortfall. A shortfall is not a shortfall of money that you can make up after one year or six months. I need water today for my crops...They should make up the shortfall,” Rohatgi said.

Karnataka, represented by senior advocate Shyam Divan, however, sought to distinguish its position from that of Tamil Nadu. He submitted that while both States were grappling with water

scarcity, Tamil Nadu had the advantage of the impending north-east monsoon, which was expected to replenish its reservoirs in the Cauvery basin.

Divan further contended that Karnataka was itself facing an acute drought, with several districts notified as drought-affected. The prevailing conditions, he said, had forced the State to curtail irrigation releases and conserve its limited water reserves to safeguard drinking water requirements.

Karnataka also submitted that it was complying with the direction of the Cauvery Water Management Authority to ensure a daily average flow of 3,000 cusecs at Billigundulu for Tamil Nadu.

The Bench said it would pass its order on Tamil Nadu’s application shortly.

UK Announces £1 bn in Deals With India

Our Bureau

New Delhi: Commerce and industry minister Piyush Goyal and UK secretary of state for business & trade Jonathan Reynolds co-chaired the Joint Economic and Trade Committee meeting (JETCO) on Monday, the first after the implementation of the India-UK Comprehensive Economic and Trade Agreement (CETA). The meeting coincided with Britain announcing more than £1 billion in new commercial deals.

The two sides also agreed to exchange data annually on the use of CETA, which came into effect on July 15. The data will cover businesses' claims for lower tariffs and feedback on implementation, beginning a year after the pact comes into force. "Communities across the UK and India are set to benefit from over £1 billion in new deals.

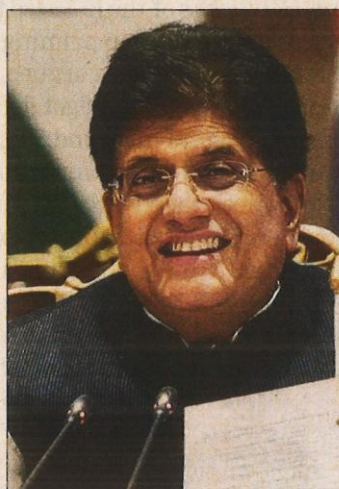
The announcement comes as a major UK delegation arrives in India with a mission to maximise business benefit from the CETA," the British High Commission in India said in a statement. Focus sectors include aviation services, artificial intelligence, healthcare, advanced communications and engineering.

More than 100 businesses from various sectors arrived in India as part of the UK trade mission, alongside the UK business secretary, Scotland secretary, environment, food and rural affairs secretary, and seven mayors from northern England. Deals announced on Monday include a £50 million investment from Meta for Data Technologies to fund AI research in the UK. Menzies Aviation, a leading UK aviation services company, is seeking to generate more than £600 million in revenue through an expanded presence in India.

At a separate event, Goyal said the UK has opened 99.99% of their market. "Except rice, poultry and chicken, possibly eggs, part of poultry, other than that, everything is open in UK for us at zero duty," he said. He said all European carmakers would prefer to manufacture in India, as producing vehicles there would be uncompetitive due to the region's regulations. "All the European manufacturers will come to India...Tatas had so much trouble after they bought Jaguar. Tata Motors itself was going to collapse, and then they put in a lot of re-engineering and shifted some models to India and what not, and finally they are able to make money after years," he said.

Referring to the UK seeking market access for their cars in the trade deal with India, Goyal said: "I said I

will accept the very expensive cars, £80,000 and above, which we don't make in India. And what is the number? 100, 200, 500. And the moment it reaches a reasonable scale, then I will have to make it in India because it is unviable to import a finished plant". "Mercedes, BMW...why do they bring a finished plant from there to test the market? If the model works, then I want to manufacture it in India. If you recall, at one point of time, we did ha-



TRADE BOOST



"Our shared ambition is to double bilateral trade by 2030, that is barely four and a half years away"

ve a BMW plant. Once they got a little scale, they set up a plant."

Goyal called on businesses to capitalise on the opportunities created by the pact to achieve the shared target of doubling bilateral trade by 2030, adding that "it is a piece of paper until you make the best of it". "It is time to convert the CETA from an acronym to an instruction manual... CETA is the floor, not the ceiling," Goyal said at the JETCO meet.

"Trade agreements cannot simply be legal texts. They have to live in the real world," Reynolds said, stressing the need to turn commitments under the deal into commercial outcomes. To accelerate implementation, Goyal proposed continuous engagement through sectoral meetings every 15 days, business delegations and greater participation in exhibitions as partner countries. "Our shared ambition is to double bilateral trade by 2030, that is barely 4.5 years away," Goyal said.

FTAs can add \$170 bn to India's GDP by 2035, cushion US tariffs: *Bloomberg* Economics

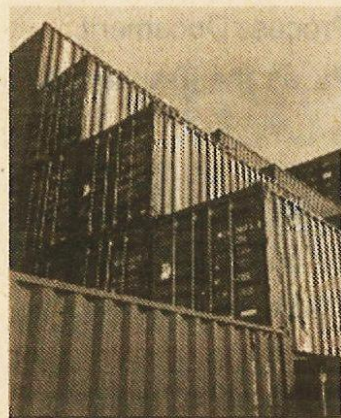
SHUBHAM KUMAR

New Delhi, 12 October

India's expanding network of free trade agreements (FTAs) could add \$140-170 billion to its gross domestic product (GDP) by 2035, according to a report released by *Bloomberg* Economics released on Monday.

"Our analysis suggests FTAs already in force should raise India's GDP by 1.2 per cent by 2035 relative to baseline, rising to 1.7 per cent if the EU (European Union) and New Zealand agreements are implemented from 2027, a gain of about \$140 billion at constant 2025 US dollars," the report said.

Bloomberg Economics further said a US deal would add 0.2 percentage points and if negotiations with the Eurasian Economic Union (EAEU), Gulf Cooperation Council (GCC) and Israel conclude over the next few years,



Expanding network

- Trade volumes could rise around 10% by 2035 on implementation of FTAs
- Tariff on Indian goods sold to the US has risen to 11.6%, from 2.4 per cent in 2024
- India's growth rate for 2026 and 2027 projected at 6.9% and 7.4%, respectively

the gain could rise by another 0.2 percentage points, leaving GDP 2.1 per cent higher (about \$170 billion) by 2035.

The report said the Indian economy is well-placed to absorb disruptions from American tariff imposition, as expanding free trade partnerships aid new market discovery, foreign direct investment and productivity lifting, while global capital flows become more concentrated.

The *Bloomberg* Economics estimated the average tariff on

Indian goods sold to the US has risen to 11.6 per cent, from 2.4 per cent in 2024. "By 2035, we estimate the tariffs will cut Indian goods exports to the US by about one-fifth. But the hit to India's economy should be limited. Less than 2 per cent of its output relies on US markets, and stronger exports elsewhere should cushion the blow. We estimate the effect on gross domestic product will be negligible," the report said.

Facing such uncertainty in its single largest export destina-

tion amid supply chain disruptions from the West Asian conflict, India is in negotiations with at least 8-9 more groups of countries and individual nations that together account for another \$15 trillion of GDP, according to the Commerce and Industry Minister Piyush Goyal. India had concluded nine FTAs with 38 developed countries in the past four and a half years. These nine agreements cover economies with a combined GDP of \$60 trillion and 38 developed countries, Goyal said earlier.

The report projected India's growth rate for calendar years 2026 and 2027 at 6.9 per cent and 7.4 per cent, respectively. Inflation is projected to rise from 2.2 per cent in 2025 to 4.5 per cent in 2026 and 5.3 in 2027. The central bank's repo rate is forecast at 5.50 per cent for 2026 and 5.75 in 2027 from 5.25 per cent in 2025.