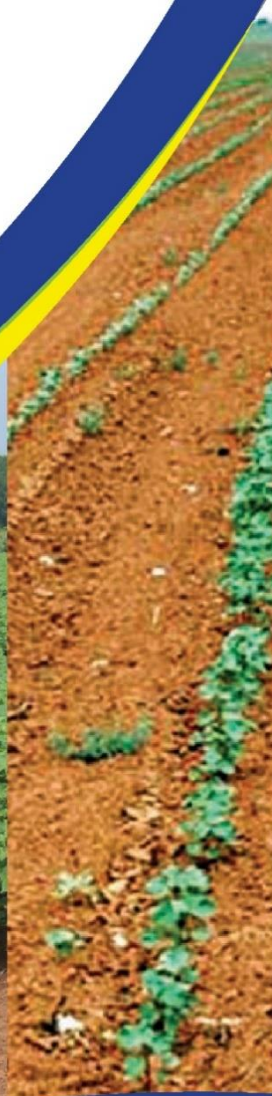

COTTON
ASSOCIATION
OF INDIA

Established 1921

ISO 9001:2015

News Relating to

Cotton and Textile Sector

Date-18-08-2026

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COTTON ASSOCIATION OF INDIA

(Regd. Office : Cotton Exchange Building, 2nd Floor, Cotton Green (E), Mumbai 400 033)
Tel. No. 022-20830685 / 8657442944-48 Email: cai@caionline.in Website: www.caionline.in

Mumbai, Tuesday 18th August 2026 at 3.00 P.M.

UPCOUNTRY SPOT RATES

Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash %	Strength / GPT	Rs. per Quintal 2025-26	Rs. per Candy 2025-26	Variation + (Plus) - (Minus)
Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length As per CAI By-laws										
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	14904	53000	(N.C.)
2	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	15%	20	13498	48000	(-200)
3	M/M(P)	ICS-104	Fine	23mm	4.5 - 7.0	4%	22	15044	53500	(N.C.)
4	P / H / R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	17772	63200	(N.C.)
5	M/M(P) /SA/TL/GUJ	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	15466	55000	(N.C.)
6	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	17631	62700	(N.C.)
7	P/ H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	18447	65600	(N.C.)
8	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	19037	67700	(-200)
9	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	18756	66700	(-200)
10	GUJ	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	18981	67500	(+100)
11	R(L)	ICS-105	Fine	28mm	3.7 – 4.9	4.0%	27	18419	65500	(N.C.)
12	R(L)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	18981	67500	(N.C.)
13	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	19375	68900	(N.C.)
14	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	19037	67700	(N.C.)
15	GUJ	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	19262	68500	(N.C.)
16	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	19656	69900	(N.C.)
17	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	19318	68700	(-200)
18	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	19909	70800	(N.C.)
19	SA/TL/K/TN/O	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	N.A.	N.A.	
20	SA/TL/K/TN/O	ICS-106	Fine	32mm	3.5 – 4.9	3%	31	N.A.	N.A.	
21	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	25477	90600	(N.C.)
22	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	25589	91000	(N.C.)
23	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	25898	92100	(N.C.)
24	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	26152	93000	(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. 4
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. 5 are for 67 Rd
10	For Northern Zone (P/H/R(U)-Sr. Nos. 4 and 7 are for 70 Rd
11	For M/M(P)/SA/TL-Sr Nos. 6, 8, 9, and GUJ-Sr No.10 are for 74 Rd
12	For R(L)-Sr. No. 11 is for 72 Rd and 12 is for 73 Rd
13	For M/M(P) and K/TN-Sr Nos. 21 to 24 are for 70-72 Rd

Secretary

ICE Cotton Futures: 17-08-2026

ICE COTTON CLOSE					17 Aug 2026	
CONTRACT MONTH	OPEN	HIGH	LOW	SETTLE	CHANGE	Op. Int.
Cotton (CT) - Quote: Cents/Pound - Contract Size: 50,000 Pounds.						
Oct-26	83.73	84.32	83.22	84.07	▲0.47	157
Dec-26	84.58	85.66	84.26	85.48	▲0.68	1,97,152
Mar-27	86.49	87.44	86.16	87.28	▲0.60	80,390
May-27	87.64	88.53	87.34	88.36	▲0.52	32,166
Jul-27	87.39	87.99	86.89	87.73	▲0.38	18,298
Oct-27	0.00	82.57	82.57	82.57	▲0.17	24
Dec-27	79.19	79.84	79.08	79.41	▲0.16	25,834

Cotlook Index: 17-08-2026

95.25 (+1.20)

ICE cotton rises further on crop concerns, weaker US dollar
Tue. 18th Aug 2026, (Source: www.fibre2fashion.com/news)

Insights
ICE cotton futures rose for a second session; December 2026 settled at 85.48 cents, a fresh 3-month high, as volume and open interest strengthened.
China's reserve sale recorded its 21st consecutive 100 per cent sold-out auction, while ICE certified stocks fell to 72,626 bales.
US crop condition fell to 38 per cent Good + Excellent, with hot, dry West Texas weather the main production risk.

ICE cotton futures increased yesterday, the second consecutive trading session. US cotton continued to see bullish trend amid crop worries and extremely positive indications from China's reserve sale. Weakening in US dollar also provided additional support as US cotton became more attractive for overseas buyers.

The most active December 2026 contract settled at 85.48 cents up 0.68 cent. The contract reached a fresh 3-month high. Other active contracts also closed higher, with gaining 16-68 points. December contract has now decisively cleared the 84-85 cents resistance zone, improving technical structure.

Volume and Open Interest also confirmed the strength. Futures volume increased to 43,938 contracts, compared with 36,423 Friday. Open Interest rose another 3,321 contracts to 354,763, marking the 11th consecutive increase. The combination of higher prices, higher OI and improving volume remains bullish, suggesting fresh participation rather than only short covering.

China Reserve Buying remained extremely strong, with the 21st consecutive 100 per cent sold-out auction. Today, China sold around 8,036 tonnes reaching 21-day cumulative total at 168,356 tonnes. However, Chinese commercial cash buying remains quiet as mills are reluctant to chase cotton at current high prices.

US Crop Progress for week ending August 16 squaring reached 97 per cent vs 97 per cent 5-year average, while bolls setting was 74 per cent vs 77 per cent average, leaving development 3 points behind normal. Balls opening was 14 per cent vs 14 per cent average. Overall development is not alarming, but boll setting is lagging. The bigger concern remains crop condition. The US Good + Excellent rating fell to 38 per cent, from 40 per cent last week and 55 per cent a year ago. Continued hot and dry conditions in West Texas remain the biggest production risk, particularly for dryland cotton. If the heat and dryness continue and crop ratings deteriorate further, the market could add additional weather premium.

ICE Certified Stocks continued to fall, reaching only 72,626 bales as of August 14, down from 75,985 bales. The steady decline in deliverable stocks remains a major supportive factor for nearby futures.

The US dollar has weakened towards a 3-month low, making US cotton relatively more competitive internationally and providing another supportive element for export demand. Lower crude oil remains a counter-factor because cheaper polyester production can reduce cotton's competitiveness against synthetic fibre.

Overall, Monday's market was strongly bullish. December broke through 85 cents with rising volume and the 11th consecutive OI increase. China continues to absorb reserve cotton at a remarkable pace, certified stocks are falling, global stocks are at their lowest level since 2011-12, consumption is running more than 5 million bales above production, and US crop conditions continue to deteriorate.

The biggest variable now is West Texas weather. If heat and dryness persist, the market can challenge 86.46 cents and potentially 87.40 cents. The key risk to the bullish view is improving US weather combined with continued weak physical buying at higher prices.

This morning (Indian Standard Time), ICE cotton for December 2026 was traded at 85.68 cents per pound (up 0.20 cent), cash cotton at 80.32 cents (up 0.47 cent), the October 2026 at 84.07 cents (up 0.47 cent), the March 2027 contract at 87.42 cents (up 0.14 cent), the May 2027 contract at 88.43 cents (up 0.07 cent), and the July 2027 contract at 87.79 cents (up 0.06 cent). A few contracts remained at their previous closing levels, with no trading recorded so far today.

Bangladesh, India discuss trade barriers during CII visit

Tue. 18th Aug 2026, (Source: www.fibre2fashion.com/news)

Insights
A CII delegation led by Chandrajit Banerjee is in Dhaka for talks on trade, investment and industrial co-operation with Bangladesh.
Meetings with ministers and FBCCI matter for apparel, jute and wider manufacturing suppliers facing tariff and non-tariff issues.
Trade data points to a large imbalance, keeping market access and Indian investment in Bangladesh on the agenda.

A Confederation of Indian Industry (CII) delegation is in Dhaka for talks on raising Bangladesh-India commerce, attracting investment and deepening industrial collaboration, with market-access barriers and manufacturing investment on the agenda for apparel, jute and wider supply-chain businesses.

The delegation is scheduled to meet Commerce Minister Khandaker Abdul Muktadir, Finance and Planning Minister Amir Khosru Mahmud Chowdhury and State Minister for Foreign Affairs Shama Obaed Islam.

It will also engage with Bangladeshi business leaders at a Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) luncheon, where Environment, Forest and Climate Change Minister Abdul Awal Mintoo is expected as chief guest.

An 18-member CII delegation arrived in Dhaka on Monday for a three-day visit from August 17 to 19.

The delegation is led by CII director general Chandrajit Banerjee and includes senior representatives from Indian companies in manufacturing, energy, engineering, pharmaceuticals and healthcare, as per local media reports.

Indian companies include Arvind Limited, Bharat Biotech, Infravision Foundation, Godrej Industries, LMW Global, Mahindra Group, Larsen & Toubro, Forbes Marshall, Numaligarh Refinery, Apollo Hospitals and Indian Oil Corporation.

FBCCI administrator Md Fazlul Hoque said that the discussions would cover expansion of bilateral trade and the case for Indian companies to look at Bangladesh as an investment destination.

He pointed to Bangladesh’s domestic market, manufacturing competitiveness and access to international markets, and said Indian companies could manufacture in Bangladesh for local sales as well as exports to India and other destinations.

He further added that the business engagement should be kept apart from political disputes, and that regular exchanges could help address disagreements between the two neighbours.

Hoque, who formerly led the Bangladesh Knitwear Manufacturers and Exporters Association, also said talks would cover Bangladeshi product exports to India and Indian investment through individual projects or joint ventures.

Market access is expected to remain a key issue. Hoque said that Bangladesh should seek removal of tariff and non-tariff barriers affecting its exports to India.

Trade ties had faced fresh pressure after New Delhi imposed anti-dumping duties and non-tariff barriers on some Bangladeshi exports, including jute goods, hydrogen peroxide, ready-made garments and apparel shipments through land ports.

Bilateral trade between Bangladesh and India reached approximately $12.36 billion in fiscal year 2025–26, according to the High Commission of India in Dhaka. India’s exports to Bangladesh stood at $10.56 billion, while Bangladesh’s exports to India were $1.78 billion, keeping the trade imbalance at the centre of discussions.

Bangladesh-India trade stood at $10.57 billion in fiscal 2023-24, with Bangladesh importing $9.15 billion worth of goods from India and exporting $1.56 billion to the Indian market, as per the Export Promotion Bureau data.

The same data showed India as the eighth-largest source of foreign direct investment (FDI) in Bangladesh, with investment of $887.81 million from 2001 to March 2025 and net investment of $132.83 million in fiscal 2024.

Cotton, Soybean Lead Amravati Kharif Sowing

Tue. 18th Aug 2026, Yash Chouhan (Source: www.smartinfoindia.com)

Cotton and Soybean Dominate Maharashtra's Amravati Division

Amravati (Maharashtra): Cotton and soybean continue to dominate the agricultural landscape in Maharashtra's Amravati division during this Kharif season. Soybean acreage has remained robust, while cotton sowing has also reached levels close to the average.

Soybean sowing in the division has covered 13.42 lakh hectares, representing 92% of the average acreage of 14.63 lakh hectares. In Buldhana district, soybean sowing reached 4.44 lakh hectares, which is 112% of the district's average acreage.

Cotton sowing has also remained strong. Cotton was sown across 10.80 lakh hectares against an average acreage of 10.92 lakh hectares in the division, marking a 99% achievement. Cotton acreage stood at 4.87 lakh hectares (103%) in Yavatmal and 2.67 lakh hectares (100%) in Amravati district.

The data indicates that farmers in Maharashtra's Vidarbha region continue to favor market-oriented crops. Soybean is the region's primary oilseed crop, while cotton maintains its strong position as a key cash crop. The fact that the acreage for both crops remains close to average levels reflects the farmers' continued reliance on them during the Kharif season.

New Cotton Arrivals Begin, Prices Reach ₹9,700

Tue. 18th Aug 2026, Yash Chouhan (Source: www.smartinfoindia.com)

Arrival of New Cotton Begins in Punjab, Haryana, Rajasthan, Gujarat, and Madhya Pradesh; High-Quality Cotton Fetches Up to ₹9,700

Arrivals of new cotton in the markets (mandis) of Punjab, Haryana, Rajasthan, Gujarat, and Madhya Pradesh began in the second week of August. Prices remain firm for cotton with low moisture content and high quality. High-quality cotton with a moisture content of around 12% or less is selling at rates ranging from ₹8,500 to ₹9,700 per quintal. Prices for cotton with higher moisture content are comparatively lower.

Gujarat: In the Amreli, Rajkot, and Jasdan markets, standard-quality cotton is selling between ₹8,300 and ₹9,200 per quintal, while high-quality cotton is fetching up to ₹9,800 per quintal.

Haryana: In the Sirsa and Ellenabad markets, standard cotton is priced between ₹7,900 and ₹8,500 per quintal, with high-quality cotton at around ₹8,700 per quintal.

Punjab: In the Abohar and Bathinda markets, standard cotton is priced between ₹7,300 and ₹8,000 per quintal, and high-quality cotton is at ₹8,400 per quintal.

Rajasthan: In the Sri Ganganagar and Hanumangarh markets, standard cotton is priced between ₹7,400 and ₹8,100 per quintal, with high-quality cotton at around ₹8,500 per quintal.

Madhya Pradesh: In the Nimar and Malwa regions, high-quality cotton is selling at ₹9,000 per quintal or higher. In Khargone, some traders have purchased cotton at rates up to ₹9,721 per quintal.

Currently, private traders are purchasing the new crop. Despite the good prices, the pace of arrivals remains slow, with daily sales across various markets ranging from approximately 2,000 to 5,000 quintals.

The Central Government has fixed the Minimum Support Price (MSP) at ₹8,267 per quintal for medium-staple cotton and ₹8,667 per quintal for long-staple cotton. Rising prices of cotton lint and cottonseed are also providing support to the cotton market. Meanwhile, the total area under cotton cultivation this year has declined by 0.52% compared to the previous year. However, there has been a marginal increase in acreage in Gujarat, Madhya Pradesh, Andhra Pradesh, Telangana, and Tamil Nadu.

ICAR's 97th AGM Charts the Roadmap for Transformative Agriculture

Tue. 18th Aug 2026, (Source: www.pib.gov.in)

‘Demand-Driven Research’ Must Put Farmers, Markets and Consumers at the Centre: Union Agriculture Minister

Integrated Farming Key to Diversifying Incomes of Small and Marginal Farmers: Shri Shivraj Singh Chouhan

From Laboratory to Field: Stronger ICAR–Industry Partnerships for Faster Technology Transfer: Shri Shivraj Singh Chouhan

A New Vision for ICAR: More Dialogues, Clearer Priorities, and Stronger Outcomes: Shri Chouhan

‘Ideas Are Seeds’: Shri Shivraj Singh Chouhan Calls for Turning Innovation into Action and Impact

The 97th Annual General Meeting of the Indian Council of Agricultural Research (ICAR) Society was held today at the National Agricultural Science Complex (NASC), New Delhi, under the chairmanship of Shri Shivraj Singh Chouhan, Union Minister of Agriculture & Farmers' Welfare and Rural Development.

Addressing the gathering, Shri Shivraj Singh Chouhan said, “Without developed agriculture, the dream of a developed India cannot be realised.” He emphasised that India must move beyond merely increasing production and build a strong identity “from farm to global market”. He called for a demand-driven research ecosystem aligned with farmers’ needs, market demand and consumer requirements, with research outcomes delivering direct and measurable benefits to farmers.

He stressed that the next phase of agricultural transformation must focus on improving farm incomes and strengthening the resilience of small and marginal farmers. In this context, he emphasised integrated farming systems, along with timely access to quality seeds and planting material, balanced fertiliser use, improved soil health and sustainable agricultural practices.

Shri Chouhan also underlined the importance of strengthening India’s export viability through quality, nutrition, processing, packaging, shelf life and compliance with global standards. He called for stronger ICAR–industry partnerships to ensure that technologies developed through research are transferred to farmers more rapidly and effectively.

“Research alone is not enough; the right research, at the right time, must address the right problem and reach the farmer quickly that is the true measure of success,” he said.

Emphasising the need for a more outcome-oriented research ecosystem, Shri Chouhan called for greater dialogue among scientists, policymakers, farmers, industry and other stakeholders, along with clearer prioritisation of research objectives. He stressed that innovative ideas must move beyond laboratories and be translated into practical solutions and measurable impact on the ground.

“Our hard work, our research and our efforts can transform India’s image and change the destiny of our farmers,” he added.

Shri Bhagirath Choudhary, Union Minister of State for Agriculture, said that India has made significant strides in agriculture and allied sectors since 2014, and the next priority is to achieve self-reliance in agriculture.

He emphasised the need to strengthen self-sufficiency in pulses, oilseeds, seeds, livestock and value-added processing, while promoting climate-resilient agriculture, soil health and sustainable resource management. He also stressed stronger FPOs and market linkages to enhance farmers’ incomes.

Shri Choudhary underscored the role of ICAR and KVKs in taking science, technology and innovation to farmers, and said that self-reliant agriculture is vital to realising the vision of Atmanirbhar Bharat and Viksit Bharat by 2047.

Shri S. P. Singh Baghel, Union Minister of State for Fisheries, Animal Husbandry & Dairying, highlighted India's significant progress across agriculture and allied sectors, including foodgrains, horticulture, dairy, fisheries, meat and eggs. He attributed this transformation to scientific research, technology and the collective efforts of scientists, farmers and the Central and State Governments.

Highlighting the legacy of the Green and White Revolutions, Shri Baghel noted India's position as the world's largest milk producer and significant growth in fisheries production and exports. He stressed greater integration of agriculture, livestock, dairy, fisheries and poultry to enhance farmers' incomes and strengthen the rural economy.

The meeting brought together Union and State Ministers and other stakeholders from across the agricultural and allied sectors. Other dignitaries present included Shri Gabriel Danwang Wangsu, Minister of Agriculture, Animal Husbandry and Veterinary, Horticulture and Fisheries, Government of Arunachal Pradesh; Smt. Nilima Devi, Minister of Animal Husbandry and Veterinary and Fisheries, Government of Assam; Shri Vijay Kumar Sinha, Minister of Agriculture, Government of Bihar; Shri Shyam Singh Rana, Minister of Agriculture and Farmers' Welfare, Animal Husbandry and Dairying, Fisheries and Horticulture, Government of Haryana; Shri Javid Ahmad Dar, Minister of Agriculture Production, Government of Jammu and Kashmir; Shri Narayan Singh Kushwaha, Minister of Horticulture and Food Processing, Government of Madhya Pradesh; Shri Methuthung Yanthan, MLA and Adviser, Agriculture Department, Government of Nagaland; Shri Gurmeet Singh

Khudian, Minister of Agriculture and Farmers' Welfare, Animal Husbandry, Fisheries and Dairy Development, Government of Punjab; Shri Puran Kumar Gurung, Minister of Agriculture, Animal Husbandry and Veterinary Services, Horticulture and Fisheries, Government of Sikkim; Shri Ganesh Joshi, Minister of Agriculture and Horticulture, Government of Uttarakhand; Shri Surya Pratap Shahi, Minister of Agriculture, Agricultural Education and Agricultural Research, Government of Uttar Pradesh; Shri Dharampal Singh, Minister of Animal Husbandry and Dairy Development, Government of Uttar Pradesh; Shri Sanjay Nishad, Minister of Fisheries, Government of Uttar Pradesh; and Shri Dudh Kumar Mondal, Minister, Agriculture Department, Government of West Bengal.

Dr M.L. Jat, Secretary, DARE & Director General, ICAR, while presenting the key achievements of ICAR, highlighted the Council's accelerated progress in science-led, farmer-centric agricultural transformation over the past year.

Foodgrain production rose by around 19 million tonnes, while horticulture, milk and fisheries also recorded significant growth. A total of 386 new crop varieties were released, including 94% climate-resilient and 29 biofortified varieties, strengthening productivity, climate resilience and nutrition security.

Dr Jat highlighted major breakthroughs in genomics, genome editing, livestock health, fisheries, soil health and natural farming that have further strengthened India's agricultural resilience. The indigenous African Swine Fever vaccine emerged as a significant scientific breakthrough for pig health and farmers' livelihoods.

ICAR has also accelerated the translation of research into field applications and market opportunities. Around 805 IP applications were filed during the past year, while technology commercialisation was strengthened across 36 institutions. The National Gender Platform for Agri-Food Systems now connects 9,000+ establishments, reinforcing women's participation in agriculture.

Dr Jat also presented the ICAR Annual Report 2025–26 and read out the resolution for its adoption.

Shri Sandeep Sarkar, Additional Secretary, DARE & Financial Adviser, ICAR, presented the Annual Accounts along with the Auditor's Report for 2024–25, followed by the resolution for their adoption.

Earlier, the meeting commenced with a presentation on the research progress made by ICAR since the last Annual General Meeting, highlighting the Council's contributions to agricultural research, innovation and development.

A MoU was also signed with industry and CSR donors for CSR partnership with ICAR, further strengthening collaborative efforts and resource mobilisation for agricultural research and development.

Four ICAR publications were released during the occasion. The meeting also considered the updating/amendments in the Rules and Bye-laws of the ICAR Society, followed by the proposal for their adoption.

Members shared their suggestions regarding ICAR's achievements and expectations with respect to agricultural research, providing valuable inputs for further strengthening the Council's research and development agenda.

The participating Union and State Ministers expressed satisfaction over the growth in foodgrain production and the overall progress made in the agriculture sector. They reaffirmed their commitment to strengthening Centre–State collaboration and working collectively towards farmers' prosperity and advancement of agriculture.

The meeting concluded with a formal vote of thanks proposed by Shri Sandeep Sarkar, Additional Secretary, DARE & Financial Adviser (DARE/ICAR), followed by the National Anthem.

The Annual General Meeting reaffirmed ICAR's continued commitment to advancing agricultural research, innovation and technology-led development in close collaboration with the Union and State Governments, with a focus on farmers' welfare, food and nutritional security, and a resilient, sustainable and self-reliant agricultural sector.

India's raw silk production edges up in 2025-26

Tue. 18th Aug 2026, (Source: www.fibre2fashion.com/news)

Insights
India's raw silk production rose 2.22 per cent YoY to 42,033 tonnes in 2025–26, Central Silk Board statistics show.
Mulberry silk remained dominant at 32,250 tonnes, as higher-quality bivoltine silk increased 10.52 per cent to 11,229 tonnes.
Vanya silk declined 2.19 per cent to 9,783 tonnes, while mulberry cultivation area expanded 3.07 per cent to 269,670 hectares.

India's raw silk production increased by 2.22 per cent year on year (YoY) to 42,033 tonnes in year 2025–26 (April-March), compared with 41,121 tonnes in the previous year, according to latest statistics of Central Silk Board.

Mulberry silk remained the dominant category, with production rising by 3.63 per cent to 32,250 tonnes from 31,119 tonnes in the previous fiscal. Within the mulberry segment, production of higher-quality bivoltine silk increased by 10.52 per cent to 11,229 tonnes from 10,160 tonnes. Multivoltine silk output grew marginally to 21,021 tonnes from 20,959 tonnes.

The increase in bivoltine production indicated continuing improvement in India's capacity to manufacture better-quality silk suitable for domestic value-added products and export markets.

Vanya silk production, comprising tasar, eri and muga varieties, declined by 2.19 per cent to 9,783 tonnes from 10,002 tonnes. Tasar silk output decreased to 1,768 tonnes from 1,884 tonnes, while eri silk production fell to 7,766 tonnes from 7,886 tonnes. Muga silk was the only Vanya category to record growth, with output increasing to 249 tonnes from 232 tonnes.

The area under mulberry cultivation expanded by 3.07 per cent to 269,670 hectares in year 2025-26 from 261,633 hectares of last year.

India's raw silk production has expanded by 24.47 per cent since year 2020-21, when output stood at 33,770 tonnes. Mulberry silk production increased from 23,896 tonnes to 32,250 tonnes over the same period, while Vanya silk output remained broadly stable.

India's growth remains resilient; Q1 GDP seen at 7.3%: Report

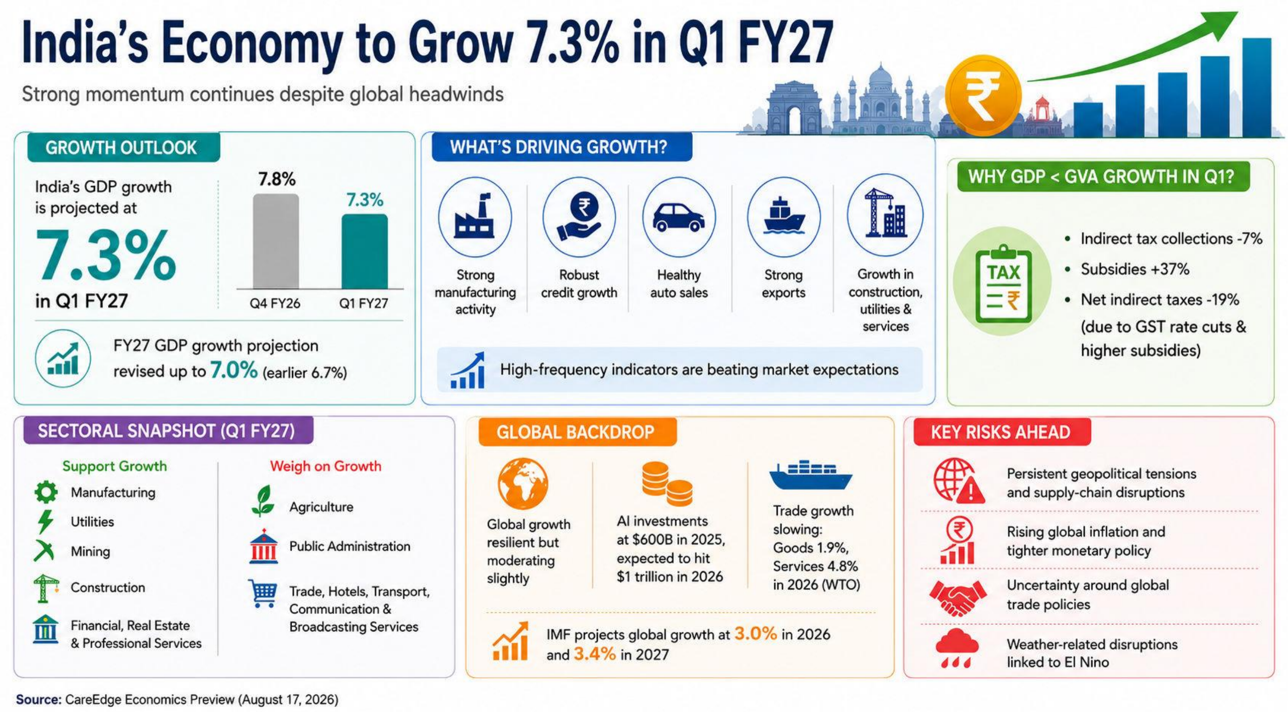
Tue. 18th Aug 2026, (Source: www.fibre2fashion.com/news)

Insights
CareEdge sees India's Q1 FY27 GDP growth at 7.3 per cent and lifts its FY27 forecast to 7 per cent.
Manufacturing growth is seen rising to 9.9 per cent, with factory output, tax collections, auto output and imports signalling stronger activity.
Supply chains face watchpoints from West Asia energy risks, slower goods trade growth, trade-policy uncertainty and El Nino.

India's economy is projected to grow 7.3 per cent in the first quarter (Q1) of fiscal 2027 (FY27), moderating from 7.8 per cent in Q4 FY26 but remaining strong despite external shocks, according to an economics preview from the CareEdge Ratings.

In Q1 FY27, the West Asia crisis raised concerns over raw material availability and high energy prices, although high-frequency indicators such as the Index of Industrial Production (IIP), credit growth, auto sales and exports showed strong growth and exceeded market expectations, the report said.

On the basis of its CareEdge Economic Meter (CEM), which tracks more than 30 high-frequency indicators, the agency estimated Q1 FY27 GDP growth at 7.3 per cent and gross value added (GVA) growth at 7.4 per cent, compared with 7.8 per cent GDP growth and 7.9 per cent GVA growth in Q4 FY26.



It also revised its FY27 GDP growth projection upwards to 7 per cent from its earlier estimate of 6.7 per cent. CareEdge attributed the Q1 divergence between GDP and GVA growth to negative growth in net indirect taxes, as the Centre's indirect tax collections contracted 7 per cent, subsidies rose 37 per cent, and net indirect taxes—gross indirect tax collection minus subsidies—contracted 19 per cent in Q1 FY27.

The contraction in indirect tax collections reflected the continuing impact of goods and services tax rate cuts introduced in September 2025, along with a recent reduction in excise duties on petrol and diesel. Central subsidies increased across all major heads in Q1 FY27, led by fertiliser subsidies at 58 per cent year-on-year, followed by food subsidies at 18 per cent and fuel subsidies at 10 per cent.

Sectorally, CareEdge expects Q1 FY27 growth to be supported by utilities, manufacturing, mining, construction, and financial, real estate and professional services. Agriculture, public administration, and trade, hotels, transport, communication and services related to broadcasting services are expected to weigh on overall growth momentum.

Manufacturing growth is expected to strengthen to 9.9 per cent in Q1 FY27 from 7.3 per cent in Q4 FY26, despite global trade and weather-related headwinds. The agency said most high-frequency indicators point to improved manufacturing activity, including IIP manufacturing, goods and services tax collections, car sales, automotive production, and non-oil-non-gold imports. IIP manufacturing growth averaged 6.3 per cent in Q1 FY27, up from 4.7 per cent in Q4 FY26.

On the external front, CareEdge said geopolitical tensions in West Asia, which intensified in late Q4 FY26, carried into Q1 FY27, disrupting energy supplies and keeping Brent crude prices elevated. Although the conflict has eased from its March-April peak, risks remain high because of unresolved tensions and recurring flare-ups. About half of India's energy imports flow through the Strait of Hormuz, while disruptions around the Bab el-Mandeb Strait in the Red Sea have emerged as potential bottlenecks for global energy and trade flows, the agency said.

The global growth has remained resilient amid heightened uncertainty, moderating only marginally rather than sharply. It attributed this to more diversified global supply chains and sourcing networks, which helped reroute shocks. During this year's oil shock, additional routes enabled West Asian countries to bypass the Strait of Hormuz through alternative shipping lanes across the Red Sea, while global strategic reserve drawdowns and a reduction in China's oil imports provided further cushion.

The report said global corporate investment in artificial intelligence stood at $600 billion in 2025 and is expected to approach $1 trillion by 2026, supporting economic momentum in some economies alongside productivity gains.

Citing the World Trade Organization (WTO), CareEdge said merchandise trade volume growth is estimated to fall from 4.6 per cent in 2025 to 1.9 per cent in 2026, while services trade volume growth is projected to ease only marginally from 5.3 per cent to 4.8 per cent over the same period.

The International Monetary Fund lowered its 2026 global growth forecast to 3.0 per cent in its post-conflict July update from 3.3 per cent in its pre-conflict January update, but raised its 2027 forecast to 3.4 per cent from 3.0 per cent, the report added.

The report identifies four near-term risks for India: persistent geopolitical tensions and supply-chain disruptions; rising global inflation and tighter monetary policy by major central banks; uncertainty around global trade policies; and weather-related disruptions linked to El Nino.

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The Economic Times – 18.08.2026

Fertiliser Majors Step Up Speciality Push

Growing farmer shift to high-efficiency, crop-specific products spurs expansion in segment

Shambhavi Anand

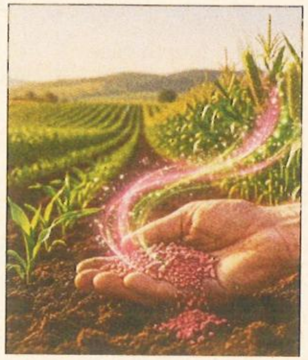
New Delhi: India's top fertiliser makers, including Coromandel, Deepak Fertilisers, ICL Group and SML, are expanding capacity to make speciality fertilisers as farmers increasingly warm up to crop-specific, water-soluble and high-efficiency products.

Speciality fertilisers, widely used in horticulture, are gaining popularity as farmers seek higher yields and more efficient use of nutrients. These products also command a significant premium over conventional fertilisers, making the segment increasingly attractive for manufacturers.

Deepak Fertilisers and Petrochemicals Corp is upgrading its manufacturing facilities and focussing on selling individual fertiliser products to offering nutrition solutions tailored to specific crops, while Coromandel International is adding capacity for speciality nutrients, including a new monoammonium phosphate (MAP) facility at Kakinada.

Companies are betting that pressure to improve yields, conserve water and manage climate-related crop stress and prospects for increasing farmers' income will increasingly accelerate adoption.

"We are in the process of upgrading our NPK plant to completely latest technology," said S C Mehta, chairman and managing director of Deepak Fertilisers. The company, which started making speciality fertilisers 5-7 years ago, has seen increased traction and is combining crop nutrition with soil enhancers and growth promoters to improve nutrient uptake, he said.



For Coromandel, speciality nutrients and organic business delivered a strong performance in Q1 of the current fiscal year, aided by higher offtake in organics and micronutrient segments.

"The increasing adoption of speciality nutrients reflects a broader shift in the way farmers are approaching crop nutrition. Products such as micronutrients, organics and water-soluble fertilisers are gaining traction as farmers look for solutions that can improve soil health and help crops withstand stress, particularly amid increasing climate variability," said S Sankarasubramanian, managing director and chief executive officer of Coromandel International.

"At Coromandel, our Speciality Nutrient business has been growing well, and we are investing in manufacturing capabilities to build a wider portfolio of such solutions and meet this evolving demand," he said, adding the company is also seeing the opportunity expand across products such as seaweed, gypsum, and other micronutrient-based solutions.

RELIABLE BET

Companies are expecting high yield pressures, water conservation and climate stress to drive adoption as farmers seek higher incomes

ICL, a global speciality minerals company, recently set up a new speciality fertiliser production facility in Maharashtra to reduce dependence on cross-border supply chains, diversify production routes, and ensure more reliable access to essential agricultural inputs. The investments are likely to increase in the coming years as more cultivators see benefits, said experts.

"Further capacity additions are expected, which could enable domestic producers to capture a significant share of India's imported market (from Egypt, Belgium, China, Taiwan) over the next two years," said Rajib Chakraborty, president of the Soluble Fertilizer Industry Association (SFIA).

About 99% of speciality fertilisers are imported, leaving supplies vulnerable to disruptions. Last year, China halted shipments of speciality fertilisers, which are used to increase the yields of fruits, vegetables and other remunerative crops to India, causing a shortage and threatening productivity.

businessline – 18.08.2026

El Nino seen deepening India's rainfall deficit through Sept

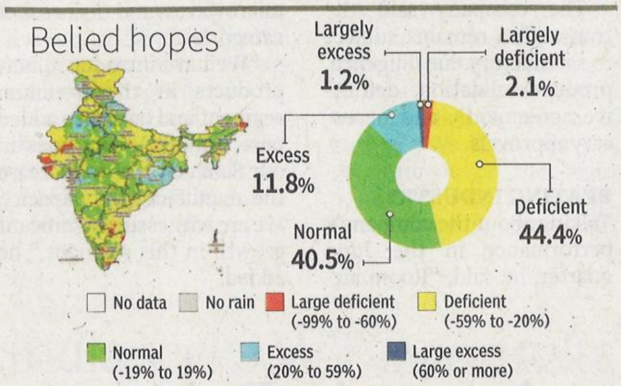
DRIER DAYS. European forecaster says best of monsoon over for India; overall shortfall at 13%

Vinson Kurian
Thiruvananthapuram

India appears to be facing a widening rainfall deficit, with the current regional wet spell likely to fade by end-August as the influence of drought-inducing El Nino strengthens, according to the European Centre for Medium-Range Weather Forecasts (ECMWF).

A leaner rainfall trend could persist through September due to El Nino's influence on the South-West monsoon. In effect, India may already have seen the best of this year's monsoon, with withdrawal expected to begin from North-West India around mid-September, the European weather agency's outlook said.

India's private weather forecaster Skymet has downgraded its outlook for the South-West monsoon to 85 per cent of the long-period average. On Monday, it predicted a 70 per cent chance of drought. The all-India monsoon deficit stood at 13 per cent as of August 16 and is expected to widen through September.



Source: Drought Monitoring Portal   Cumulative (June 1 - Aug 16)

EAST, N-E WORST HIT

East and North-East India, the worst-hit, have a 27 per cent deficit, followed by the South Peninsula at 21 per cent. North-West India has a 12 per cent deficit, while Central India remains relatively comfortable down just 1 per cent, according to the India Meteorological Department data.

Among individual meteorological subdivisions, Arunachal Pradesh's deficit is the highest at 39 per cent, closely followed by Assam and Meghalaya at 38 per cent each.

Punjab and coastal Andhra Pradesh are both 36 per cent below normal, while Rayalaseema is at 35 per cent.

The government's drought monitoring portal showed that more than 45 per cent of the 6,363 *tehsils* in the country are rain deficient so far this monsoon.

OTHER AGENCIES

Last week, the Climate Prediction Center of the US, an arm of the National Oceanic and Atmospheric Administration, said El Nino was strengthening, with a more than 90 per cent chance of a very strong event during the Northern Hemisphere autumn and winter of 2026-27.

The rainfall projections come despite the IMD locating a low-pressure area near Kolkata on Monday, with the monsoon holding firm over East and North-East India.

The IMD said the best prospects for meaningful additional rain through the rest of August remain concentrated over East and North-East India.

For much of the country, the monsoon may now be entering its leaner final stretch. However, the Bay of Bengal may witness the formation of at least one more low-pressure system before August ends.

KHARIF SOWING

Despite deficient rainfall, the kharif sowing deficit has narrowed to less than 1 per cent in the week ended August 14 from 21 per cent as of July 5.

Paddy and nutri-cereals are witnessing acreage deficits of 3.7 per cent and 2.4 per cent, respectively. Overall, kharif sowing has crossed 1,000 lakh hectares.

businessline – 18.08.2026

Kharif crop area 21 lakh hectares lower than a year ago as pace of sowing slows

GROUND REALITY. Crop acreage hits 92% of normal as deficit narrows below 1%; paddy trails by 3%

Our Bureau
New Delhi

Sowing area under all kharif crops reached 92 per cent of the season's normal area of 1104.46 lakh hectares (lh), while the deficit from the year-ago level has narrowed to less than 1 per cent as of August 14.

However, the pace of sowing has slowed down during August 8-14 as the monsoon turned out to be 22 per cent deficient.

Farmers planted kharif crops on over 48 lh during August 8-14, compared to nearly 52 lh a year ago.

Despite the lower sowing in the past week, the overall deficit in sowing area further narrowed to less than 1 per cent from 1.8 per cent until August 7.

The sowing area in the ongoing kharif season has reached 1,016.57 lh as of August 14 compared with 1,037.52 lh in the year-ago period, the Agriculture Ministry said in its weekly update on Monday.

TRANSPLANTING PROGRESS

Paddy, the main cereal for the kharif season, is down by 3.7 per cent at 379.07 lakh hectares, compared to 393.44 lakh hectares a year ago. The deficit was 4.4 per cent until August 7, and narrowing of the gap indicates progress in transplanting during the past week.

The government has set a production target of 123.15 million tonnes (mt) of rice for kharif 2026, and there may not be any significant shortfall due to higher area coverage in major growing States.

PADDY SPREAD

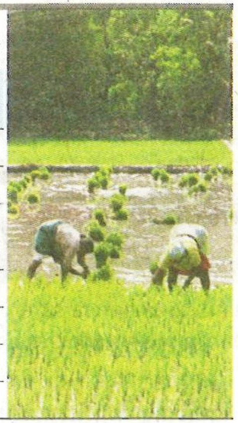
Higher area coverage under paddy has been reported in Assam (3.93 lh), Uttarakhand (0.35 lh) and Chhattisgarh (0.09 lh).

But a major decrease in area has been reported from Karnataka (by 2.86 lh), Jharkhand (2.26 lh), Maharashtra (2.25 lh), Odisha (2.09 lh), Madhya Pradesh (1.64 lh), Telangana (1.49 lh), Tamil Nadu (1.17 lakh ha), Andhra Pradesh (1.14 lh), West Bengal (0.87 lh), Uttar Pradesh (0.58 lh) and Bihar (0.52 lh). The area under all pulses reached 108.14 lakh hectares (lh) compared to 108.49 lakh hectares, while the area for oilseeds was 184.46 lakh hectares against 185.36 lakh hectares.

Kharif sowing* (lakh hectare)

	2025	2026	% change
Paddy	393.44	379.07	-3.7
Pulses	108.49	108.14	-0.3
Shri Anna cum Coarse cereals	177.13	172.96	-2.4
Oilseeds	185.36	184.46	-0.5
Sugarcane	58.62	58.31	-0.9
Cotton	108.27	107.30	-0.5
All Crops	**1,037.52**	**1,016.57**	**-0.9**

*As of Aug 14; Source: Agriculture Ministry



NUTRI-CEREALS DOWN

Among pulses, arhar sowing reached 40.31 lh, down 4 per cent from 42.01 lh and moong (green gram) at 32.05 lh from 33.42 lh. But urad (black gram) rose to 23.52 lh from 20.79 lh.

In oilseeds, soybean dropped to 120.84 lh from 122.61 lh, but groundnut continued its lead at 48.03 lh from 47.01 lh.

Cotton acreage is now a notch lower at 107.30 lh from 108.27 lh, while Jute and mesta coverage was higher at 6.34 lh from 6.23 lh year-ago, data show.

The coverage of nutri/coarse cereals has been reported to be 2.4 per cent lower at 172.96 lh compared to 177.13 lh last year.

The area under jowar reached 13.30 lh, up from 12.61 lh a year ago, while bajra increased to 63.98 lh from 63.29 lh.

However, ragi decreased to 3.46 lh from 5.26 lakh hectares lh, and maize fell to 88.39 lh from 92.06 lakh hectares lh.

businessline – 18.08.2026

Sunkind in talks with farmers and developers to set up agrivoltaic projects

Our Bureau
Chennai

Integrated solar power solutions provider Sunkind India Ltd is in talks with farmers and developers to set up agrivoltaic projects in three States, founder and MD Hanish Gupta said. "Current agrivoltaic projects and discussions are concentrated in Rajasthan, Odisha and Uttar Pradesh with the company supplying structures and seeking full project partnerships," he told *businessline* in an online interaction.

Till now, engagements have been mainly for the supply of structures rather than direct farmer deals. "Currently, projects with farmers are in discussion but not fully closed," he said.

The benefit of agrivoltaics is that solar panels are installed over crops to generate clean energy, reduce water use, improve microclimate and provide farmers income via electricity sales or land lease. Agrivoltaic systems enable dual land use and sustain crop growth under panels.

Hanish Gupta, Founder and MD, Sunkind India

"Agriculture is evolving from energy consumer to energy producer, providing farmers with new income streams through solar energy integration," said Gupta. The cooler microclimate under solar panels benefits crops. Water used for washing solar panels is reused for irrigation, reducing input costs.

AWARENESS NEEDED

"Farmers can earn income by leasing land, investing in solar plants or using government schemes like PM Kusum that provide fixed, long-term payments," he said. However, more awareness and trust-building are needed to shift from structured supply to full projects.

This results in predictable income streams independent of agricultural market volatility. The PM Kusum scheme reduces diesel dependency and unreliable grid power, lowering farm input costs, Gupta said.

businessline – 18.08.2026

Govt to form 'Banking for Viksit Bharat' panel soon: FM

REFORM PUSH. Nirmala Sitharaman asks public sector banks to leverage strong balance sheets for the next phase of growth

Shishir Sinha
New Delhi

GROWTH ASPIRATIONS. Finance Minister Nirmala Sitharaman with SBI Chairman Challa Sreenivasulu Setty (centre) and RBI Executive Director R Lakshmi Kanth Rao at the PSB Confluence 2026 in New Delhi on Monday ANI

Finance Minister Nirmala Sitharaman on Monday called on public sector banks (PSBs) to capitalise on their historically low non-performing assets (NPAs) and robust balance sheets to drive economic expansion and propel structural reforms.

Speaking at a two-day conclave of PSB and financial institution chiefs, Sitharaman announced that the high-level committee on 'Banking for Viksit Bharat', proposed in the Union Budget, will be constituted shortly.

SCOPE FOR REFORMS

Emphasising the urgency of the 2047 target, the Finance Minister said that Indian banking is positioned at an unprecedented point of financial resilience after years of balance sheet cleanup.

"The NPAs are at the lowest ever Indian banking has seen and, therefore, there cannot be a better position of strength from which to drive reforms," she stated, urging lenders to take the lead in financing the nation's long-term growth agenda.

Further, she said the government would soon constitute a high-level panel on 'Banking for Viksit Bharat'.

In this year's Budget, the Finance Minister had proposed a high-level committee on 'Banking for Viksit Bharat' to comprehensively review the sector and align it with India's next phase of growth. "We expect the announcement of the high-powered committee to look into the banking sector," she said, adding that the committee would give its thoughts and recommendations to the government.

"The ideas are going to be from the field, from the executioners, as it were and once the high-level committee on banking for Viksit Bharat forms its views and recommendations, we'll be ready to rev up the Indian economy," she said.

FOCUS ON YOUTH

Sitharaman stressed the need for banks to focus particularly on the country's young population, noting that 29 per cent of Indians were in the 15-29 age group. Banks need to expand access to financial services for young people, including education loans, entrepreneurship finance and investment products.

She also called on the banking sector to generate practical, implementable ideas to meet emerging financing needs, saying the sector should be ready to "press the button or pedal to rev up the Indian economy" once the banking committee issues its recommendations.

Addressing the conference, Sanjay Lohiya, Financial Services Secretary, said the asset quality of PSBs had improved sharply, with gross NPAs declining from a peak of 14.6 per cent in March 2018 to a record low of 1.93 per cent in March 2026. Net NPAs fell from 8 per cent to 2.39 per cent during the same period.

The improvement has strengthened PSB balance sheets and enhanced their capacity to support growth, Lohiya said.

However, he said banks would need to sharpen their competitiveness as technology reshapes business models, customer expectations evolve and new areas of economic activity emerge. "The next imperative is to sustain this momentum and leverage the financial strength achieved for quality business growth," he said.

DEPOSIT MOBILISATION

Lohiya identified deposit mobilisation as a key priority, amid changing household savings preferences. Banks would need to strengthen their deposit base through better service, convenience, product innovation and sustained customer relationships.

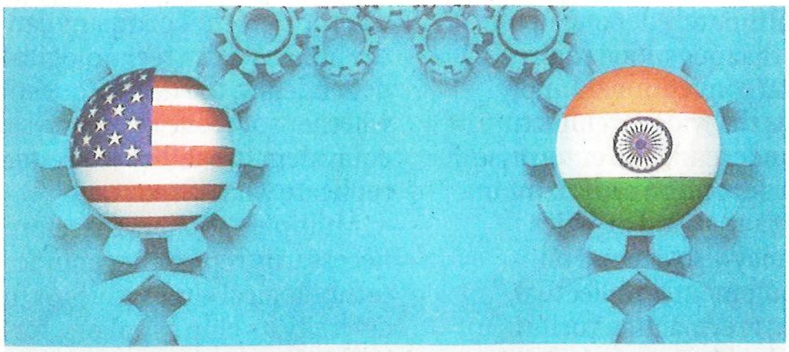
He also highlighted opportunities in financing global capability centres, agriculture and horticulture value chains, and priority-sector lending.

Banks should move beyond conventional farm credit to finance storage, cold chains, processing, logistics, packaging and marketing linkages.

businessline – 18.08.2026

India seeks WTO consultations with US over 4-year quartz surface tariff quota

Amiti Sen
New Delhi



SAFEGUARD MEASURE

- The US has imposed a four-year tariff-rate quota on imports of quartz surface products, effective August 15
- The measure covers quartz slabs and other fabricated quartz surface products
- India is among the largest exporters of quartz surface products to the US

India has sought consultations at the World Trade Organization (WTO) with the US over Washington's new safeguard measure on imports of quartz surface products, a move that could hit Indian exporters who have emerged as one of the largest suppliers to the US market.

The US has imposed a four-year tariff-rate quota (TRQ) on imports of quartz surface products, effective August 15, after the US International Trade Commission (USITC) found that increased imports were causing serious injury to American industry. The measure covers quartz slabs and other fabricated quartz surface products.

"Having a substantial interest, India requests consultations with USA under Article 12.3, AoS (agreement on safeguards), with a view to reviewing the information provided under Article 12.1, AoS and exchanging views on the proposed measure. India would like to propose that the consultations mentioned above take place virtually as per mutual convenience of both sides," according to a submission made by India at the WTO.

25% TARIFFS

As per the USITC's recommendations, imports of items within the quota will incur a 25 per cent tariff in the first year, while shipments exceeding the quota will face 40 per cent duty. Both rates will decline by one percentage point each year over four years, reaching 22 per cent and 37 per cent, respectively, in the fourth year.

"During the period of investigation, India, Vietnam, Spain and Thailand were major exporting countries," the US notification to the WTO on August 4 noted.

INDIAN QUARTZ

The safeguard is particularly significant for India because the US is a major destination for its quartz surface products.

The Federation of Quartz Surface Manufacturers of India had earlier stated that about 95 per cent of India's quartz surface production is exported to the US, with 2024-25 exports valued at about $700 million.

The quartz surface products covered under the safeguard duty include slabs and other surfaces created from a mixture of materials that includes predominantly silica (such as quartz, quartz powder, cristobalite and glass powder) as well as a resin binder (such as an unsaturated polyester), according to the US.

WTO DISPUTE BODY

The US is required to respond to the request within 10 days and enter into consultations within 30 days, unless the two sides agree otherwise.

The consultations will be confidential and are intended to find a mutually satisfactory solution.

If the consultations fail to resolve the dispute within 60 days from India's request, the government can ask the WTO's Dispute Settlement Body to establish a panel and fight it out legally.

businessline – 18.08.2026

Rupee declines to a two-week low on early closure of swap facility

Our Bureau
Mumbai

The rupee on Monday declined and closed at a two-week low, with the trading sentiment in the forex market being weighed down by the early closure of the RBI's concessional swap facility for attracting fresh Foreign Currency Non-Resident-Bank (FCNR-B) deposits and importer demand for dollars.

The rupee closed at 95.60 per dollar, down 18 paise over the previous close of 95.42. Intra-day, the rupee tested a high/low of 95.48/95.62. Traders indicated that the RBI was present in the market, stabilising the rupee through dollar sales.

The RBI said the concessional swap facility will now be available only for FCNR-B deposits of three-five years maturity mobilised till August 31, 2026, against the earlier deadline of September 30. Correspondingly, the swaps under this facility may be availed by banks with the RBI till September 11, against October 16 earlier.

EARLY CLOSURE

Soumya Kanti Ghosh, Group Chief Economic Advisor, SBI, said while there may be valid reasons to justify an early closure, the most likely reason could be that the target for FCNR(B) mobilisation had already been achieved, with inflows at $57 billion.

"We don't believe that the cost of swap could have been a constraining factor. Our estimates show that the cumulative cost would amount to around 15 per cent of the corpus, or $10.5 billion."

He added that while this appears sizeable in absolute terms, "it needs to be viewed against the scale of India's foreign-exchange reserves rather than the FCNR(B) corpus alone."

SBI's Economic Research Department estimated that with current forex reserves of around $700 billion and incremental reserve accumulation assumed at roughly $20 billion annually, the five-year cumulative hedging cost of $10.5 billion would amount to only 1.45 per cent of the current reserve stock and around 1.27 per cent of the projected reserve stock.

businessline – 18.08.2026

CP CHANDRASHEKHAR, JAYATI GHOSH

PTI

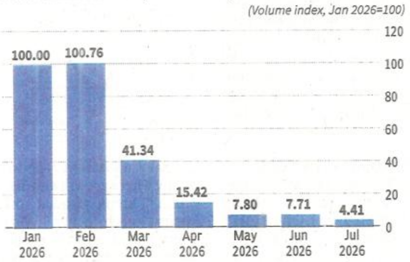
The curious case of global fertilizer prices

Fertilizer prices and use of fertilizer have responded in unexpected ways to the closure of the Strait of Hormuz

CHART 1

Shipments plummet

Fertilizer outbound shipments through Strait of Hormuz

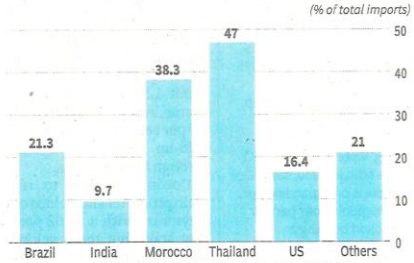


Calculated from https://datalab.wto.org/Strait-of-Hormuz-Trade-Tracker

CHART 2

Fertilizer reliance

Dependence on nitrogenous fertilizer imports from Gulf countries

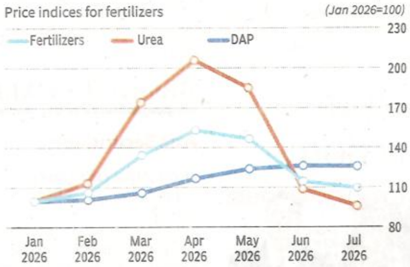


https://www.wto.org/english/blogs_e/data_blog_e/blog_dta_10jul26_451_e.htm

CHART 3

Price path

Price indices for fertilizers



Calculated from World Bank Commodity Price Database

CHART 4

US factor

Fertilizer prices in world trade and in the US

Fed Reserve of St Louis https://fred.stlouisfed.org/series/PCU325311325311A

When the US and Israel launched the ongoing war on Iran, and Iran responded by effectively closing the Strait of Hormuz, concerns in the rest of the global economy focused on two major product categories: oil and gas; and nitrogenous and phosphatic fertilizers. Both matter greatly for farmers and agricultural production: high energy costs add to the costs of transport and irrigation for cultivators, while high fertilizer costs not only add to costs, but can also lead to lower crop yields if farmers reduce fertilizer application as a result.

Such concerns have increased over the past few months, as the Trump administration has been unable (despite all the bluster) either to reach an effective peace agreement with Iran or force a re-opening of the Strait. Figure 1 shows how the volume of fertilizer exports from the Gulf countries (including Iran) through that route has been affected: fertilizer freight volumes fell by more than 60 per cent in March compared to February, then collapsed even further in April, and continued falling thereafter. In July, average freight volumes were less than 5 per cent of those at the start of the year.

This is clearly bad news, but the impact is not uniform across the world: it depends on aggregate import dependence in different countries, and specifically their reliance on imports from Gulf countries. Figure 2 identifies the countries heavily dependent on nitrogenous fertilizer imports from the Gulf. The WTO has identified 18 economies that are particularly exposed, because they combine high import dependence with strong reliance on Gulf suppliers. This group includes countries in Africa like Kenya, Malawi, Mozambique, Rwanda, South Africa, Tanzania, Uganda and Zimbabwe; as well as Brazil, Nepal and Sri Lanka.

SMALLER IMPACT

However, two relatively unexpected developments have marked the past few months. First, the impacts on fertilizer usage and therefore likely crop yields for the current sowing season is likely to much less dire than was widely projected. Why is this the case? A study by the Agricultural Marketing Information Service (AMIS) of the FAO has noted that planting decisions and fertilizer purchases for the current production cycle had for the most part already been made before the price increases from late February onwards. This meant that in most countries, supplies of fertilizer for the current sowing season were already in place or had been procured.

Several countries also moved to mitigate the impact on cultivators in various ways. In India, which offers a subsidized price to farmers, the estimated fertilizer subsidy is expected to double in the current fiscal year, from the budgeted ₹1.71 lakh crore to around ₹3.4 lakh crore. As a result, significant impacts on the current season's production are less likely, which is clearly good news. However, the adverse weather events associated with the super El Nino and other climate-related changes could still impact crop yields.

The second surprise is that global fertilizer prices themselves have moved differently from what was expected. While they increased sharply until April, they actually declined thereafter, even though Gulf supplies became even more restricted over time (Figure 3). The case of urea is particularly sharp: by April, the price had more than doubled over its January level, but by July it had fallen to the point that it was even lower than it had been in January.

Such price volatility — with the decline in fertilizer prices flying in the face of supply shortages — clearly requires further examination. Two factors, in particular, deserve to be probed, although we cannot delve more deeply into these here. The first is the role of futures markets in amplifying the volatility, in much the same way that they have operated in agricultural commodity markets. Indeed, there is evidence that futures market prices for urea moved even more drastically and were more volatile over the period than spot prices, and may even have led the pattern in spot prices.

FOOD SECURITY

The other factor may be a more worrying one: a decline in demand. There is a real possibility of reduced fertilizer application, particularly for nutrient-intensive crops. For example, there are already reports of maize, wheat and other foodgrains with high fertilizer needs being substituted for soyabeans that require less of such nutrients. This is a concern because soyabean is not a substitute for foodgrain in the consumption basket, and declining supply can lead to food insecurity.

In addition, there could simply be lower application of fertilizer over time, beyond the current season, which would affect all crop yields. For overall nutrition, there is another concern emanating from the Strait of Hormuz closure: higher energy prices have also increased demand for biofuels, raising feedstock prices and therefore affecting the supply of livestock and meat products.

The behaviour of fertilizer prices in individual countries reflects domestic policy decisions as well, and this is clear from the case of the US, where the fall in producer prices of fertilizer after April has been much smaller than the global price decline (Figure 4). This could reflect both less public intervention and greater concentration in the fertilizer industry in the US. Since the US is a "large economy" in the trade sense of being able to influence global prices, this unfortunately matters for the rest of the world as well.

All this suggests that the real problems for global cultivation and food security that have been created by the Hormuz closure are yet to fully play out. The concerns remain and are likely to intensify in the near future. Higher fertilizer prices will influence farmers' choices about fertilizer use and cropping patterns; these will impact crop yields and food supply; agricultural prices will also be affected by rising cultivation and transport costs because of the rise in fuel prices.

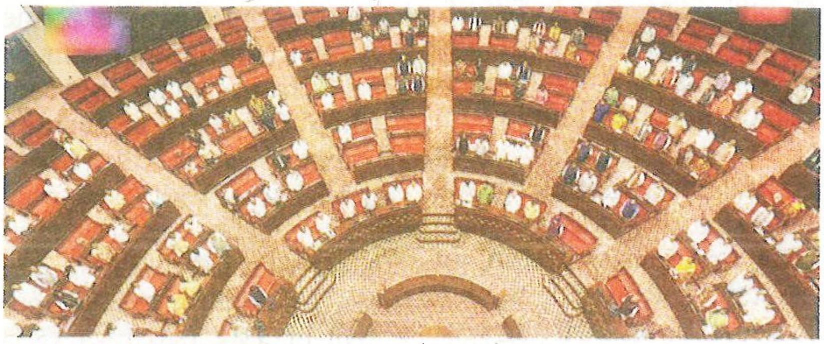
For low and middle income countries, the necessary policy response is evident: it is essential to shift away from an import-dependent, heavily globalized agricultural system to one that emphasizes regional production, supply chain resilience and self-sufficiency.

The role of futures markets in amplifying the volatility and the decline in demand for fertilizers are two factors that need to be probed further. There are reports of crops with high fertilizer use being substituted with crops that need less fertilizers

businessline – 18.08.2026

'MSME Development (Amendment) Bill can be an IBC moment for MSMEs'

Our Bureau
Mumbai



BILLS OF CHANGE. Beyond timelines, the Bill seeks to strengthen the dispute-resolution ecosystem by giving the States greater flexibility ANI

The Micro, Small and Medium Enterprises Development (Amendment) Bill, 2026, if executed well, can be an IBC (Insolvency and Bankruptcy Code) moment for MSMEs, bringing similar discipline to one of the most persistent challenges facing them — delayed payments, according to a Crisil Intelligence (CI) report.

As of August 14, data from MSME Samadhaan show micro and small enterprises filed 2,56,892 applications involving delayed payments worth ₹55,244 crore, of which claims amounting to ₹20,979 crore remain pending, the report said.

Further, around 40,580 applications (16 per cent) have remained unresolved for over a year, highlighting the scale of working capital locked in delayed or disputed receivables. CI officials emphasised that given many MSMEs do not formally report payment delays, the actual figure could be significantly higher.

CI noted that under the existing framework (Micro, Small and Medium Enterprises Development/ MSMED Act), dispute resolution through Micro and Small Enterprises Facilitation Councils (MSEFCs) lacked clearly-defined timelines for individual stages of the process.

It added that the proposed bill seeks to address this by requiring mediation to conclude within 90 days from the date fixed for first appearance. If mediation fails, disputes must be referred to arbitration within 30 days, with awards to be issued within 90 days of the completion of pleadings.

THE IBC IMPACT

"Much like the IBC improved credit discipline, this framework has the potential to create a stronger culture of timely payments. Its success, however, will depend on effective implementation and institutional capacity," said Pushan Sharma, Director, Crisil Intelligence.

The report said IBC demonstrated how time-bound resolution, backed by stronger creditor rights and credible enforcement, could improve recoveries and reshape payment behaviour.

Beyond timelines, the Bill seeks to strengthen the dispute-resolution ecosystem by giving the States greater flexibility in determining the composition of facilitation councils.

CI officials suggested that continued investment in council infrastructure, trained mediators and arbitrators and robust digital systems will be essential to ensure adherence to the prescribed timelines.

The Bill also enhances protection for MSMEs when buyers challenge MSEFC awards.

The report observed that the need for stronger institutional capacity is evident from the uneven caseload across the States.

Referring to MSME Samadhaan data, CI said Karnataka's 35 MSEFCs handle an average of 397 applications each, compared with 1,767 for Rajasthan's nine councils and 1,095 for Uttar Pradesh's 19 councils.

Tecoya Trend – 18.08.2026

Textile embroidery sector workers protest in Surat for weekly off

SURAT, AUG. 17—

Around 500 workers from textile embroidery units protested in Amroli area of Surat in Gujarat, demanding a weekly off, preferably on Sunday, prompting police to disperse them.

Police said the incident didn't involve any major stone-pelting, although one or two stones were thrown, causing a minor injury.

The workers, mostly employed in embroidery units in and around Amroli, gathered at the intersection and raised slogans demanding that they be given at least one weekly holiday," said DCP (Zone 5) L A Zala.

The intersection is a common meeting point for labourers dotted with several tea and snack stalls.

"To prevent further escalation, local police rushed to the spot. Adequate police personnel were deployed, and the crowd was dispersed after the situation was explained to them. There was no need to use tear gas or carry out a lathi charge," Zala told reporters.

He said the situation is completely normal now. We have informed the Labour Department about the incident so that the demands of the workers can be addressed as per the applicable rules and policy," the DCP said.

A worker, who identified himself as Anand Pal, said employees of embroidery units were not being given even a single weekly holiday despite working throughout the week.

"All workers of this area have gone on a strike and staged protests demanding a weekly off, at least on Sunday. There must be one holiday a week for these workers. Our demand is legitimate," Pal told reporters.

He claimed that thousands of workers are employed in nearly 2,000 embroidery units in the Amroli area alone.

The protest comes amid demands by embroidery sector workers in Surat's rural and adjoining areas for a designated Sunday holiday. (PTI)

Cotton Market Fundamentals & Price Outlook

RECENT PRICE MOVEMENT

Most cotton benchmarks increased over the past month.

* Prices for the December NY/ICE futures contract increased from 81 to 84 cents/lb over the past month.

* The A Index climbed from 90 cents/lb to 95 cents/lb.

* Gains for the CC (China Cotton) Index 3128B were from 118 to 121 cents/lb or from 17,700 to 17,900 RMB/ton. The RMB strengthened from 6.80 to 6.75 RMB/USD.

* Indian prices rose from 86 to 91 cents/lb or from 64,400 to 68,100 INR/candy. The INR consistently traded around 95 INR/USD.

* Pakistani cotton prices increased from 78 to 80 cents/lb or from 17,800 to 18,300 PKR/maund. The PKR held near 278 PKR/USD.

SUPPLY, DEMAND, & TRADE

The latest USDA report included relatively little change to global production numbers (+373,000 bales to 117.6 million for 2026/27), but it boosted estimates for world mill-use in both 2025/26 and 2026/27 (+935,000 bales to 120.9 million for 2025/26 and +965,000 bales to 122.9 million for 2026/27).

The net effect of this month's updates was a -1.5 million bale reduction to the forecast for 2026/27 world ending stocks (to 69.7 million bales). If realized, this would be the lowest level of global warehoused supply at the end of a crop year since 2011/12, when ending stocks were 66.7 million bales. The global stocks-to-use ratio is projected to be 56.7% in 2026/27, which would be the lowest since 2010/11.

The role of China's reserve system can complicate interpretations of global stock numbers. For the world-less-China, 2026/27 ending stocks are forecast to be 34.7 million bales. If realized, this would be near the volume from 2024/25 (34.8 million bales) but would be the lowest level since 2022/23 (33.4 million). The 2026/27 world-less-China stocks-to-use ratio is projected to be 39.8%, which would be near the levels from 2020/21 and 2021/22 (40.6% and 41.0%) but would be the lowest level since 2016/17 (38.4%).

At the country-level, Brazil (+250,000 bales to 18.3 million) and the U.S. (-92,000 bales to 13.6 million) had the largest changes to 2026/27 production estimates.

For mill-use, there were a series of updates for 2025/26 and 2026/27. All figures in parentheses below are current estimates for those crop years in million bales.

* China +500,000 bales for 2025/26 (41.5) and +500,000 bales 2026/27 (42.0)

* India +500,000 for 2025/26 (26.0) and +500,000 for 2026/27 (26.5)

* Indonesia +150,000 for 2025/26 (2.1) and +100,000 for 2026/27 (2.0)

* Vietnam +150,000 for 2025/26 (8.2) and +200,000 for 2026/27 (8.2)

* Bangladesh -200,000 for 2025/26 (7.4) and -200,000 for 2026/27 (7.6)

* Egypt -100,000 for 2025/26 (1.3) and -100,000 for 2026/27 (1.3)

The global trade projection for 2026/27 increased slightly (+456,000 bales to 43.8 million).

For imports, the largest changes were for

* Bang. -200,000 bales for 25/26 (7.2) and -200,000 bales for 26/27 (7.4)

* China +200,000 for 2025/26 (7.2)

* Egypt -100,000 for 2025/26 (1.0) and -100,000 for 2026/27 (1.1)

* India +200,000 for 2025/26 (4.8) and +500,000 for 2026/27 (3.0)

* Vietnam +155,000 for 2025/26 (8.2) and +200,000 for 2026/27 (8.2)

* Indonesia +150,000 for 2025/26 (2.1) and +100,000 for 2026/27 (2.0)

* Turkey +100,000 for 2025/26 (4.6)

For exports, the largest changes were for

* Brazil +197,000 bales for 2025/26 (15.5) and +300,000 for 26/27 (15.3)

* Azerbaijan +120,000 for 2025/26 (0.6)

* Greece +100,000 for 2025/26 (1.1)

* India +100,000 for 2025/26 (1.1)

* Turkey +100,000 for 2025/26 (1.1)

PRICE OUTLOOK

Several possible factors could have supported price increases over the past month. One of them may be heightened expectations for tightening supply in the new crop year. This would have been emphasized in the latest set of USDA estimates, which indicate multi-year lows in both global and world-less-China stocks.

Another could be renewed hostilities around the Persian Gulf. The previous rally in NY/ICE futures that brought values near 85 cents/lb began in early March, soon after the start of the conflict (February 28). Around the time of the ceasefire and the memorandum of understanding that paused fighting, the market eased back to levels as low as 75 cents/lb. Following renewed attacks, prices have again started to approach 85 cents/lb.

Crop conditions could be another factor supporting prices. In the U.S., USDA crop condition ratings have been slipping. In China, it has been hot and dry in Xinjiang province and the weather has been cited as a reason for some of the recent strength in Chinese prices. Simultaneously, additional supply is being made available to the market through another round of selling from the Chinese reserve system. This selling started on July 20, and in the few weeks since sales began, all of the lots on offer were sold. The broader market may take this as a signal of solid Chinese mill demand, but commentary from the trade community suggests that mills more globally have been hesitant to purchase at current prices.

For prices to continue to climb, demand may need to follow the market higher. That demand could come from the world's mills if downstream buyers are willing to maintain or build orders despite higher costs. Demand could also come from Chinese officials if they decide to replenish the supplies being sold from reserves.

A headwind for demand could come from higher energy prices, which have given rise to another bout of global inflation. How consumers adjust spending on finished textile goods as budget pressures increase is another question for the demand side of the market.

Tecoya Trend – 18.08.2026

NABARD brings in focus the Handloom weavers of Delhi

NEW DELHI, AUG. 17—

NABARD, New Delhi Regional Office, organized an Exhibition-cum-Sale and Seminar last week to commemorate National Handloom Day. The seminar deliberated on key challenges being faced by handloom sector such as sustainable development, enhancing competitiveness, and strategies for market expansion.

As a key note speaker , Dr. K. Mahesh, IAS, Secretary , Culture , GNCTD & MD Delhi Khadi & Village Industries Board emphasized the need for coordinated efforts among government agencies, financial institutions, artisans, and other stakeholders for the holistic development of the handloom sector.

Mr. Nabin Kumar Roy, Chief General Manager, NABARD, New Delhi Regional Office, highlighted the role of ecosystem enablers such as NABARD, the Government of India, NHDC, and other institutions in the sustainable development of the handloom and handicrafts sectors. He elaborated on NABARD's support through financial and developmental interventions, including capacity building, technology upgradation, and market access initiatives, and called for collective efforts to develop the handloom identity for Delhi.

Mr. Chandan Kumar, CGM, RBI pointed that access to credit, adoption of technology, and skill development are essential for improving the competitiveness of the sector.

Mr. Rajeev Ashok, MD, NHDC highlighted NHDC's initiatives for promoting Geographical Indication (GI) products and improving the working conditions of weavers, while Mr. T.D. Shivakumar, CGM Exim Bank underscored the crucial role of financial institutions in expanding the global market reach of Indian handloom products.

Other speakers including weavers hoped for a coordinated approach by all the stakeholders and expressed hope that a beginning is being made by NABARD.

The seminar chaired by Dr. K. Mahesh, IAS, Managing Director, Delhi Khadi and Village Industries Board and Secretary, GNCTD was also attended by several distinguished dignitaries viz. Mr. Chandan Kumar, Chief General Manager, Reserve Bank of India, Mr. Nabin Kumar Roy, Chief General Manager, NABARD, Mr. Pushpas Pandey, Managing Director, NABCONS, Commodore Rajeev Ashok (Retd.), Managing Director, NHDC, Mr. T.D. Shivakumar, Chief General Manager, EXIM Bank,, Dr. Shinju Mahajan, Director, NIFT Delhi,, and Mr. Vishesh Nautiyal, Director, Weavers' Service Centre. In addition, all Lead District Managers of Delhi State, weavers' cooperatives, artisan groups, and NABARD senior officers also actively participated in the programme.

As part of the Handloom Day , 7 stalls were put up for Exhibition cum Sale of Handloom products showcasing products from various states, including Uttar Pradesh, Madhya

Pradesh, Haryana, and Delhi. The exhibition featured Kanchipuram sarees, batik prints, dohars, dhotis, ready-made garments, table mats, durries, and other handcrafted products, attracting significant attention from visitors. The exhibition effectively showcased the richness, diversity, and exceptional craftsmanship of India's handloom tradition.

The seven-stall exhibition recorded sales amounting to over three lakhs of rupees.