



**COTTON
ASSOCIATION
OF INDIA**

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News Relating to
**Cotton and
Textile Sector**

Date-27-10-2026

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COTTON ASSOCIATION OF INDIA
(Regd. Office : Cotton Exchange Building, 2nd Floor, Cotton Green (E), Mumbai 400 033)
Tel. No. 8657442944/45/46/47/48 Email: cai@caionline.in Website: www.caionline.in

ICE COTTON CLOSE						26 Oct 2026
CONTRACT MONTH	OPEN	HIGH	LOW	SETTLE	CHANGE	Op. Int.
Cotton (CT) - Quote: Cents/Pound - Contract Size: 50,000 Pounds.						
Dec-26	80.05	80.41	78.90	79.06	▼ 1.14	1,60,869
Mar-27	83.76	84.14	82.72	82.86	▼ 1.08	1,05,628
May-27	85.50	85.79	84.41	84.52	▼ 1.09	60,686
Jul-27	85.98	86.22	84.90	85.01	▼ 1.08	36,096
Oct-27	79.16	79.16	78.95	78.95	▼ 0.61	24
Dec-27	79.19	79.23	78.23	78.42	▼ 0.80	34,456
Mar-28	78.88	78.98	78.85	78.98	▼ 0.75	2,522

Cotlook Index: 26-10-2026

91.45 (-0.50)

ICE cotton tumbles as rising stocks and firm dollar pressure prices

Tuesday, 27th Oct 2026, (Source: www.fibre2fashion.com)

Insights

ICE cotton fell sharply as faster US harvesting, a firm dollar and rising stocks pushed December 2026 below range; it settled at 79.06 cents, down 1.42 per cent.

US harvest reached 52 per cent by October 25, above five-year average; stocks rose to 27,865 bales and volume was the highest since October 9.

Markets await the Federal Reserve, fund rolls and possible Indian duty-free import extension.



ICE cotton futures declined sharply on Monday, pressured by an accelerating US harvest, a stronger dollar and rising certificated stocks. The benchmark December 2026 contract fell below its recent trading range and settled near the 79-cent level. Heavy trading volumes and continued seasonal supply pressure weakened market sentiment ahead of the Federal Reserve meeting.

The ICE cotton December 2026 contract settled at 79.06 cents per pound, down 1.14 cents or 1.42 per cent from the previous close of 80.20 cents. Other contracts closed 59–114 points lower. The December contract broke below its 14-session trading range of 79.23–82.25 cents and touched its lowest intraday level since October 5.

Trading volume increased to 64,563 contracts from 50,661 contracts in the previous session, the highest since October 9. The previous week's daily average stood at 46,025 contracts. Open interest declined by 1,318 contracts to 400,787, marking a second consecutive reduction. ICE certificated stocks increased by 3,143 bales to 27,865 bales, with weekly additions totalling 12,747 bales.

The US cotton harvest remained a major source of pressure on futures prices. According to market analysts, harvesting was approaching its seasonal peak, increasing the availability of new-crop cotton in the market.

The USDA's crop progress report for the week ending October 25 showed US cotton harvesting at 52 per cent, compared with 41 per cent a week earlier and the five-year average of 45 per cent. Boll opening reached 89 per cent, below the five-year average of 92 per cent, while the proportion of cotton rated good to excellent declined to 33 per cent from 35 per cent.

The US dollar index strengthened by 0.2 per cent to 102.012 ahead of the Federal Reserve meeting, making US cotton more expensive for overseas buyers. Meanwhile, CBOT soybean futures declined by more than 1 per cent to a two-month low amid record US crop supplies and weaker crude oil prices.

Market participants also assessed expectations that India could extend its duty-free cotton import window by another two months until December. Such a move could support cotton shipments from the US, Brazil and Australia, although an official announcement was still awaited.

Market sentiment remained bearish as the December contract breached its recent trading range on heavy volume. Faster harvesting, increased certificated stocks and dollar strength continued to outweigh support from deteriorating crop ratings and potential Indian import demand.

The near-term direction will depend on the Federal Reserve meeting, dollar movements, harvesting progress and fund roll activity beginning October 29. The Goldman Sachs roll beginning November 6 and the December contract's first notice day on November 23 will also remain important. Indian textile mills are expected to monitor import economics and price competitiveness against Brazilian cotton before making fresh procurement decisions.

This morning (Indian Standard Time), December 2026 cotton traded at 78.57 cents per pound (down 0.49 cent). Cash cotton traded at 76.81 cents (down 1.14 cents), while the March 2027 contract traded at 82.46 cents (down 0.40 cent). The May 2027 contract traded at 84.04 cents (down 0.48 cent), the July 2027 contract at 84.56 cents (down 0.45 cent), and the October 2027 contract at 78.95 cents (down 0.61 cent). A few contracts remained at their previous closing levels, with no trading recorded so far today.

India's textile industry targets \$350 bn in exports by 2030: Report

Tuesday, 27th Oct 2026, (Source: www.fibre2fashion.com)

Insights

India's textile industry expanded to nearly \$190 billion in FY2026 and is targeting \$350 billion by 2030, Rubix Data Sciences said.

Textile and apparel exports fell 2.7 per cent to \$35.8 billion in FY2026, while imports rose 17.1 per cent to \$9.6 billion.

Exports including handicrafts rose 10.3 per cent year-on-year in April-August 2026, with cotton textiles up 18.0 per cent.



India's textile industry expanded to nearly \$190 billion in FY2026 and is targeting \$350 billion by 2030, supported by rising domestic demand, manufacturing investment and export opportunities, according to Rubix Data Sciences. Textile exports, including handicrafts, grew 10.3 per cent year-on-year in rupee terms in April-August 2026 after a decline in FY2026.

The industry, described in the report as one of India's major employment generators, is being tracked in the latest *Rubix Industry Insights:*

Textiles Update, October 2026, an update to a report released in November 2025.

The report was issued as the Indian government is considering a ₹400 billion (~\$4.2 billion) five-year Textile Expansion and Employment (TEEM) Scheme to modernise traditional textile clusters through machinery upgrades, advanced technology and common testing facilities, with the aim of improving productivity, global competitiveness and exports.

India's textile and apparel exports declined by 2.7 per cent to \$35.8 billion in FY2026, while imports increased by 17.1 per cent to \$9.6 billion. Readymade garments retained a 44 per cent share of textile exports in FY2026, while man-made fibre (MMF) textiles increased their share from 14 per cent in FY2025 to 15 per cent, the Rubix Data Sciences report showed.

The US remained India's largest textile and apparel export destination, accounting for 31 per cent of exports in FY2026, while the European Union (EU) contributed nearly 16 per cent.

Trade uncertainty continued to shape the outlook: in February 2026, the US-India trade framework announced a reduction in the reciprocal tariff rate to 18 per cent, compared with 20 per cent for Vietnam and 30 per cent for China. In July 2026, the US introduced a separate additional 10 per cent duty under Section 301 measures concerning forced-labour import enforcement. As of October 2026, trade negotiations seemed to have stalled, according to the report.

Exporters have been responding by diversifying markets. Exports to the US from India's textile, apparel and handicraft sector declined by approximately 7 per cent in FY2026, even as exports to major European markets rose 9 per cent year-on-year. Raymond Lifestyle plans to reduce the US share of its exports from 65 per cent to 55-60 per cent over two years, while Kitex Garments plans to cut the US share of its business from nearly 100 per cent to 30-35 per cent over the next two to three years, the report said.

India's textile exports, including handicrafts, have since rebounded. During April-August 2026, cotton textile exports grew by 18.0 per cent year-on-year, while MMF textile exports rose by 13.6 per cent.

Cotton yarn prices rose by approximately 60 per cent to ₹400 per kg (~\$4.20 per kg) in September 2026 from ₹250 per kg (~\$2.63 per kg) at the start of the year, putting pressure on margins across the textile value chain. Domestic cotton production declined to 290.91 lakh bales in the 2025-26 season from 352.48 lakh bales in 2020-21. To ease input costs, the government temporarily exempted cotton imports from the 11 per cent import duty from June 1 to October 31, 2026. The textile industry is seeking a six-month extension of the duty-free window beyond October 31, 2026, while domestic cotton farmers have raised concerns that continued duty-free imports could depress prices during the new harvest season, the report mentioned.

Cotton textiles account for around 30 per cent of India's textile exports and grew by 18.0 per cent between April and August 2026. In May 2026, the Union Cabinet approved an outlay of ₹56.59 billion (~\$595 million) for the Mission for Cotton Productivity for 2026-27 to 2030-31, aimed at improving cotton yields, quality and India's self-sufficiency in cotton, according to Rubix Data Sciences.

MMF textiles are also gaining ground in exports. In October 2025, the government revised the Production Linked Incentive Scheme for MMF apparel, MMF fabrics and technical textiles, adding 17 MMF product codes, halving minimum investment thresholds for new applicants, and reducing the incremental turnover requirement from 25 per cent to 10 per cent. In April 2026, 52 new applications were approved under Round III of the Production Linked Incentive Scheme for Textiles, with committed investments of ₹67.08 billion (~\$705 million), the report observed.

Import dependence in synthetics persists. The share of man-made textiles in India's textile imports rose from 39 per cent in FY2025 to 41 per cent in FY2026, underlining the gap between policy ambitions and domestic supply, according to the report.

Investment momentum has continued through large textile infrastructure and capacity projects. The government has approved seven PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks, and the first, in Warangal, Telangana, was inaugurated in May 2026. Each park is expected to generate approximately 3 lakh jobs once fully developed, comprising 1 lakh direct and 2 lakh indirect opportunities. Investment interests amounting to ₹685.9 billion (~\$7.21 billion) had been received by the PM MITRA states till August 11, 2026.

Among major players, Grasim Industries announced an investment of ₹30.94 billion (~\$325 million) for phase II Lyocell capacity in June 2026, and Vardhman Textiles announced a broader ₹36.6 billion (~\$385 million) capital expenditure programme in July 2026, according to Rubix Data Sciences.

Tushar Bhaskar, president of Rubix Data Sciences, said the April-August 2026 export growth showed resilience after a 2.7 per cent decline in dollar terms in FY2026. He also cited trade uncertainty in the US market, an approximately 60 per cent rise in cotton yarn prices and freight disruptions as pressures, reinforcing the importance of diversifying India's export destinations and improving cost competitiveness.

India extends 95% RELIEF export risk cover to March 31, 2027

Monday, 26th Oct 2026, (Source: www.fibre2fashion.com)

Insights

India's Department of Commerce has extended RELIEF Component II until March 31, 2027, citing West Asia maritime disruption.

The measure offers 95 per cent ECGC risk coverage for eligible Standalone and Whole Turnover Policies obtained on or after March 16, 2026.

It covers FCL, LCL and reefer containers, excluding energy shipments; claims are filed through ECGC's customer portal.

India's Department of Commerce has extended the timeline for Component II of RELIEF, or Resilience and Logistics Intervention for Export Facilitation, under the Export Promotion Mission until March 31, 2027.

The extension was notified in view of continuing geopolitical disruptions in West Asia and their impact on maritime logistics across the Gulf and adjoining regions, according to the Department of Commerce, Ministry of Commerce and Industry.

Component II is intended to encourage exporters to obtain Export Credit Guarantee Corporation of India (ECGC) cover for upcoming shipments to specified regions by providing 95 per cent risk coverage.

The benefit is available for Standalone Policies and Whole Turnover Policies obtained on or after March 16, 2026. Under the component, the premium payable by eligible exporters is protected against increases beyond pre-disruption levels during the eligible period. Covered cargo categories include Full Container Load (FCL), Less than Container Load (LCL) and refrigerated, or reefer, containers, while energy shipments are excluded, the Ministry of Commerce and Industry said in a press release.

Exporters seeking coverage under RELIEF must submit claims and supporting documents through the ECGC customer portal. Guidance on generating user IDs and passwords, completing exporter registration and filing claims under the initiative is available through dedicated video tutorials on ECGC's official YouTube channel.

RELIEF was launched on March 19, 2026 as a time-bound, targeted intervention to support Indian exporters facing extraordinary freight cost escalation, higher insurance premia and war-related export risks arising from disruptions in the Gulf and the wider West Asian maritime corridor. The department said the extension underscores the government's commitment to strengthening export resilience, sustaining trade flows and supporting Indian exporters amid continuing geopolitical and maritime logistics uncertainties.

India & Mexico to launch PTA talks to counter tariffs of up to 50%

Tuesday, 27th Oct 2026, (Source: www.fibre2fashion.com)

Insights

India and Mexico will launch PTA negotiations this week to secure preferential market access for Indian exporters facing Mexican tariffs of up to 50 per cent on 1,463 product categories.

Bilateral trade reached \$7.83 billion in FY26.

The proposed pact will focus on selected goods, while India advances trade talks with other partners, including Chile, Canada, the US and Mercosur.

India and Mexico are set to formally launch negotiations for a preferential trade agreement (PTA) this week to help Indian exporters mitigate the impact of Mexico's import tariffs of up to 50 per cent on 1,463 product categories, which took effect on January 1, 2026, for countries without trade agreements with Mexico.

Commerce Secretary Rajesh Agrawal is visiting Mexico City for two days to sign the Terms of Reference (ToR), establishing the framework for negotiations. His visit is part of a week-long trade mission that also includes Brussels. The proposed agreement is expected to focus on selected goods and provide preferential market access to Indian exporters, particularly in sectors affected by the higher duties.

“Arrived in Mexico City for a two-day visit to advance India-Mexico trade and economic ties,” Agrawal said in a post on X, adding that the visit would include the launch of PTA negotiations and discussions with the Mexican government and business community to deepen bilateral co-operation.

The tariff increases cover a broad range of products, including textiles and apparel, chemicals, footwear, automobiles and auto components, plastics, steel, household appliances, aluminium, toys, furniture, leather goods, paper and cardboard, motorcycles, trailers, glass and engineering goods, according to media reports.

India’s merchandise exports to Mexico reached \$5.73 billion in fiscal year 2025-26 (FY26), while imports stood at approximately \$2.1 billion, taking bilateral merchandise trade to around \$7.83 billion.

Mexico’s tariff increases are linked to the Mexico Plan, launched in January 2025, which aims to increase domestic content in production chains by 15 per cent by 2030, revive local industries, create 1.5 million jobs and position the country among the world’s 10 largest economies by 2030.

Ahead of the negotiations, the Embassy of India in Mexico and the Indmex Council brought Indian and Mexican businesses together to discuss opportunities for trade, investment and commercial partnerships. Agrawal highlighted complementarities between the two economies, India’s growth of around 7 per cent and the potential to expand bilateral business ties.

Separately, Commerce and Industry Minister Piyush Goyal said Mexico was keen on an early harvest trade agreement. Speaking during a visit to the Netherlands, Goyal said India’s trade negotiations with Chile were nearing conclusion and discussions with Canada were making good progress. Talks with the South Africa-led Southern African Customs Union (SACU) had also begun after the two sides signed ToR in August. SACU comprises Botswana, Eswatini, Lesotho, Namibia and South Africa.

The proposed India-Mexico PTA is expected to establish a framework for improving market access for selected products and strengthening economic co-operation. Its eventual impact will depend on the products covered, the tariff concessions secured and the implementation of the agreement.

India Faces Cotton Shortage Risk as FTA Deals Boost Export Demand

Tuesday, 27th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)



Concerns Grow Over Potential Cotton Shortage in India; FTAs Signal Surge in Export Demand

Pune: There are growing concerns that the cotton shortage in India could intensify. The expansion of textile and apparel exports, facilitated by new Free Trade Agreements (FTAs), is expected to drive up demand for cotton in the domestic market. Simultaneously, the potential impact of El Niño and drought conditions

threatens to reduce production, which could widen the gap between supply and demand in the upcoming season.

Industry estimates suggest that India's cotton production for the 2026-27 cotton year—ending in September 2027—could decline by 3.4% compared to the previous year. Due to adverse weather conditions, there are projections that production might fall below 28 million bales.

In 2025-26, India's cotton imports reached a record high of an estimated 7.1 million bales, up from 5.74 million bales the previous year. Given that one bale weighs 170 kilograms, this volume of imports is equivalent to approximately 1.207 million tonnes. Meanwhile, domestic cotton prices have reportedly risen by more than 7% over the past month.

The current exemption from the 11% import duty on cotton is set to expire on October 31, 2026. The government had granted this relief on raw cotton imports for the period from June 1 to October 31, 2026. A similar exemption had previously been provided between August 19 and December 31, 2025. Uncertainty regarding a potential extension of this exemption has placed upward pressure on prices in the domestic market.

According to spot market data, in the new cotton year that began on October 1, 2026, the price of 29-millimeter cotton from Gujarat has increased by ₹4,500 per candy, reaching ₹68,500 per candy. In a letter to Finance Minister Nirmala Sitharaman, The Southern India Mills' Association (SIMA) stated that the country's cotton consumption in 2025-26 stood at approximately 34 million bales, with imports reaching around 7 million bales. According to the association, price volatility persists due to uncertainty regarding the availability of raw materials.

K. Selvaraju, Secretary General of SIMA, noted that there are signs of growing export demand from new markets, including the United Kingdom (UK). Cotton demand in the upcoming season could exceed 36 million bales. He expressed concern that production might fall below 28 million bales due

to the impact of El Niño and drought conditions. Furthermore, the implementation of a Free Trade Agreement (FTA) with the European Union (EU)—potentially by 2027—could open up additional opportunities for Indian textile and apparel exports.

Pradeep Jain, President of the Khandesh Ginners Association, pointed out that yarn prices have not risen in proportion to the increase in cotton prices, which is negatively affecting the profitability of the ginning industry. Meanwhile, some farmers are holding back their produce in anticipation of higher prices.

Additionally, due to a lack of moisture, many farmers harvested their cotton only once this year before clearing their fields for other crops. This is expected to impact both total cotton yield and the availability of high-quality raw material. If a decline in production coincides with an increase in export demand, ensuring an adequate supply of cotton for the Indian textile industry in the coming season could prove challenging.

Pink Bollworm Threatens Haryana Cotton Crop; 40–50% Green Bolls Reportedly Affected in Sirsa

Tuesday, 27th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)



Threat of Pink Bollworm to Cotton in Hisar and Sirsa, Haryana; 40–50% of Green Bolls Reported Affected in Sirsa

Sirsa, Haryana, October 27, 2026: Concerns have been raised regarding the infestation of pink bollworm and other pests in cotton crops across the Hisar and Sirsa districts of Haryana. According to a report published on October 27, the weekly advisory (covering the period from October 15

to 21) issued by the Central Institute for Cotton Research (CICR), Nagpur, indicates that approximately 40–50% of green cotton bolls in Sirsa have been affected. However, this figure could not be independently verified against the original official advisory.

The pink bollworm penetrates the cotton bolls, damaging the seeds and fibers, which can negatively impact both crop yield and quality. As per the guidelines provided by ICAR-CICR, farmers should conduct regular inspections by collecting 20 green bolls from various plants during the boll-formation stage. Decisions regarding pest control measures should be based on official advisories, the specific growth stage of the crop, and the level of infestation observed in the field.

Monitoring in Rajasthan and Madhya Pradesh

The report also mentions pest monitoring in the Sri Ganganagar-Hanumangarh and Banswara regions of Rajasthan. In Banswara, issues with sap-sucking pests—such as whiteflies, jassids, and thrips—have been noted. Conversely, the report states that no pink bollworm infestation was detected during monitoring in the Khandwa region of Madhya Pradesh. These regional details should be cross-verified with the original advisory.

Essential Precautions for Farmers

Farmers are advised to conduct regular field inspections and utilize pheromone traps to monitor for the presence of the pink bollworm. Examining green bolls can facilitate the timely detection of an infestation. It is crucial to consult with a local agricultural expert before implementing any pest control measures. Use pesticides only in accordance with the label instructions for products approved for cotton and the specific pest in question. Do not apply chemical treatments without first verifying the correct dosage, the required interval between repeat applications, and the mandatory waiting period before harvest. Removing old cotton stalks and fallen, infested bolls—along with seeking guidance from the local Department of Agriculture or a Krishi Vigyan Kendra (Agricultural Science Centre)—can also be beneficial.

Timely monitoring and scientific management can help limit crop damage.

India Targets \$350 Billion Textile Industry by 2030

Tuesday, 27th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)



Indian Textile Industry Targets \$350 Billion by 2030; Rising Costs Pose a Challenge

India's textile industry reached a valuation of approximately \$190 billion in the 2025-26 fiscal year. According to an October 2026 report by Rubix Data Sciences, the industry aims to reach \$350 billion by 2030. This target refers to the total size of the industry, not just exports.

Improvement in Exports

In the 2025-26 fiscal year, India's textile and apparel exports declined by 2.7% to \$35.8 billion, while imports rose by 17.1% to \$9.6 billion. Subsequently, during the April–August 2026 period, textile

exports—including handicrafts—grew by 10.3% compared to the same period in the previous year. This growth was recorded in rupee terms.

In the 2025-26 fiscal year, ready-made garments accounted for 44% of textile exports, while man-made fiber (MMF) textiles reached a 15% share. The United States remained India's largest export market, with a 31% share, followed by the European Union with approximately 16%.

Pressure from Cotton Yarn Prices

According to the report, the price of cotton yarn reached approximately ₹400 per kilogram in September 2026, up from about ₹250 per kilogram at the beginning of the year. This represents an increase of nearly 60%, which has driven up production costs for textile manufacturers.

India's cotton production declined from 352.48 lakh bales in 2020-21 to 290.91 lakh bales in 2025-26. The figures for 2025-26 are provisional. The standard weight for each bale is 170 kilograms.

The central government had granted an exemption from the 11% customs duty on raw cotton imports for the period from June 1 to October 31, 2026. There were reports suggesting that this exemption might be extended until December; however, in the absence of an official order, this should not be considered a final decision.

Investment and Modernization

The government is considering a five-year 'Textile Expansion and Employment' (TEEM) scheme, with an outlay of ₹40,000 crore. Its objective is to modernize machinery and enhance technology and productivity within traditional textile clusters.

Investment proposals for PM MITRA parks had reached ₹68,590 crore by August 2026.

Conclusion: While the Indian textile industry holds growth potential, it continues to face significant challenges, including high raw material costs, global trade uncertainties, and issues related to cost competitiveness. Diversifying export markets and pursuing technological modernization will be crucial for future growth.

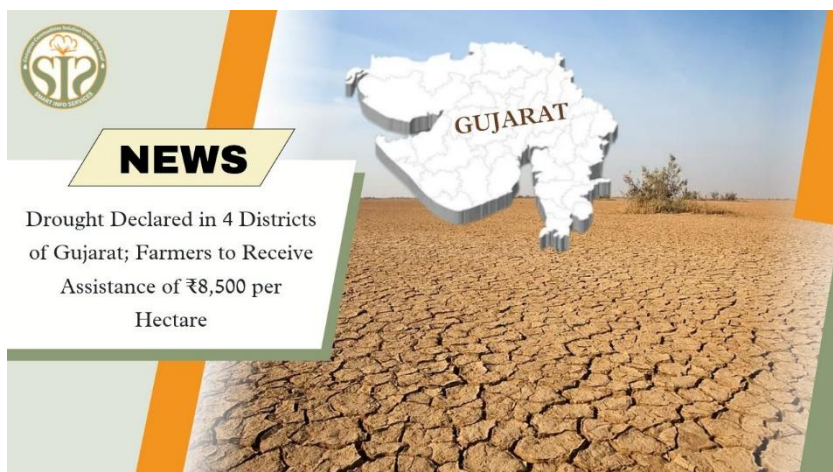
Gujarat Announces Drought Relief for Farmers

Monday, 26th Oct 2026,, Yash Chouhan, (Source: www.smartinfoindia.com)

Drought Declared in 4 Districts of Gujarat; Farmers to Receive Assistance of ₹8,500 per Hectare

The Gujarat government has announced financial assistance for farmers affected by drought in the districts of Dwarka, Porbandar, Jamnagar, and Kutch. According to available information, eligible farmers will receive assistance at a rate of ₹8,500 per hectare, in accordance with the guidelines of the State Disaster Response Fund (SDRF). This benefit will be limited to a maximum of 2 hectares of cropped area. It has been stated that the distribution of relief will commence on November 1, 2026.

Maximum Assistance of ₹17,000 for Farmers



Based on the prescribed rate, eligible farmers can receive a total assistance of up to ₹17,000 for a maximum of 2 hectares of cropped area. Farmers owning more than 2 hectares of land will also be eligible for assistance, but only for a maximum of 2 hectares under this provision. The actual disbursement will be made in accordance with government guidelines and eligibility criteria.

Provisions for relief have also been outlined for livestock owners in the drought-affected areas. It is reported that assistance of ₹80 per animal, per day, will be provided for a period of two months to facilitate the procurement of animal fodder. Furthermore, it is mentioned that payments at a rate of ₹150 will be made under the 'VB-G Ramji' scheme to provide employment in rural areas. Official confirmation of these provisions is required.

305 Talukas in Maharashtra Declared Drought-Affected

In Maharashtra, the agricultural sector is facing a deepening crisis due to deficient rainfall. According to available reports, the state government declared 265 talukas as drought-affected in September 2026. With the addition of 40 more talukas in October, this figure has risen to 305. This accounts for approximately 85.2% of the state's total 358 talukas.

The affected regions encompass several agricultural areas, including Marathwada, Vidarbha, and Nashik. The situation in the Chhatrapati Sambhajinagar division is also reported to be critical due to a lack of rainfall.

Relief Measures for Farmers in Maharashtra

According to reports, the Maharashtra government had announced an advance payment of ₹5,000 to be credited to the bank accounts of drought-affected farmers before Diwali. Furthermore, several relief measures have been outlined, including waivers on land revenue, restructuring of crop loans, a moratorium on the recovery of agricultural loans, concessions on electricity bills for agricultural water pumps, waivers of examination fees for students, and the provision of water tankers and fodder for livestock.

The final compensation to be received by farmers will be determined based on an assessment of the

losses and established eligibility criteria. Details regarding relief amounts, the list of affected areas, and the status of payments in Gujarat and Maharashtra should be verified through official notifications issued by the respective state governments.

India expected to extend duty-free cotton imports through December, sources say

Monday, 26th Oct 2026, by Manoj Kumar & Rajendra Jadhav, (Source: www.reuters.com)

Summary

- Textile industry seeks relief from high prices, tight supplies
- Poor rains, pests and outdated GM seed technology cut output
- Imports could benefit suppliers in the US, Brazil, Australia

NEW DELHI/MUMBAI, Oct 26 (Reuters) - India is expected to extend duty-free cotton imports for another two months through December, three government and industry sources said, in a move that could cut costs for textile mills, curb domestic prices and boost imports from the US, Brazil and Australia.

India, the world's biggest cotton producer after China, waived the 11% customs duty on cotton imports for five months from June 1 through October 31 to boost supplies during the lean season.

Domestic prices usually ease when new-season arrivals begin in October, but have remained firm this year amid lower output prospects, prompting mills to seek a longer duty-free import window.



After the completion of inter-ministerial consultations, the government is expected to issue an order soon extending the duty exemption at least until December end, said the sources familiar with the matter.

The finance, commerce and textile ministries did not immediately respond to emailed requests for comment.

Analysts said additional imports could support global cotton prices and help curb domestic rates, which have risen after patchy monsoon rains cut crop prospects.

Domestic cotton prices are above 9,000 rupees (\$94.80) per 100 kg, higher than the government-set floor price of 8,717 rupees for the new season.

Lower domestic output, a tight stock-to-use ratio of about 31% — its lowest level in five years — and strong textile demand supported the case for extending the duty exemption, said Dipanshi Agarwal, principal analyst at S&P Global.

However, it could weigh on domestic prices, she said.

India's cotton output is likely to fall below 29 million bales in 2026-27, against demand of more than 34 million bales, according to trade estimates.

In the absence of newer upgrades, farmers use outdated genetically modified cotton seeds, leaving the crop vulnerable to pest attacks and lower yields.

Higher benchmark US cotton futures, trading above 83 cents per pound, elevated freight costs and a [weaker rupee](#) could limit large imports even if the duty-free window is extended, said a dealer with a global trading house.

India's cotton imports rose 63% year-on-year to \$1.1 billion during the first six months of the current fiscal year from April, trade ministry data showed.

India should remove the import tax for an extended period, which has only raised manufacturers' production costs, to help the textile industry compete with Vietnam and Bangladesh, said Chandrima Chatterjee, secretary-general of the Confederation of Indian Textile Industry.

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**COTTON
ASSOCIATION
OF INDIA**

Established 1921

ISO 9001:2015

Cotton Exchange Building, 2nd Floor,
Opp. Cotton Green Railway Station,
Cotton Green (East), Mumbai 400033,
Maharashtra, INDIA

Tel.: +91 8657442944/45/46/47/48

E-mail: cai@caionline.in

www.caionline.in

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Publications

Represented on various International Cotton Fora
i.e. ICAC, ICA, CICC, ACSA, ITMF and several
other International Cotton Associations