

Weekly Publication of



**Cotton  
Association  
of India**

# COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

2017-18 • No. 2 • 11<sup>th</sup> April, 2017 Published every Tuesday

Cotton Exchange Building, 2nd Floor, Cotton Green, Mumbai - 400 033  
Phone: 30063400 Fax: 2370 0337 Email: cai@caionline.in  
[www.caionline.in](http://www.caionline.in)

## Various Thoughts

*With a Ph.D. in Agricultural and Resource Economics from Oregon State University in the USA, Dr. Terry Townsend is a consultant on commodity issues. He is currently working with the African Cotton and Textile Industries Federation (ACTIF). He served as executive director of the International Cotton Advisory Committee (ICAC) and has also worked at the United States Department of Agriculture for five years, analyzing the U.S. cotton industry and editing a magazine devoted to a cross-section of agricultural issues.*

### Discover Natural Fibres Initiative

The Discover Natural Fibre Initiative (DNFI) was created in January 2010 as an outgrowth of the International Year of Natural Fibres (IYNF) 2009, declared by the United Nations General Assembly. One of the purposes of the IYNF was to foster greater cooperation, coordination and consultation among natural fibre industries. The purpose of DNFI is to advance the interests of all natural fibre industries and to encourage increased use of natural fibres in the world economy.

DNFI supports a fantastic, interactive web site loaded with information about all natural fibres, [www.DNFI.org](http://www.DNFI.org), including information about world fibre production, employment, and information specific to each natural fibre.

Membership in DNFI is open to all persons or organisations with an interest in natural fibres, and there are no dues associated with membership. The organisation holds an annual meeting in Frankfurt each January on the edges of a huge annual home textiles exhibit called Heimtextil, and members interact with each other through conference calls, e-mails, and postings on the web site. A commitment letter can be found on the web site, and all readers of this newsletter, as well as the CAI itself, are urged to join the DNFI.

### EXPERT'S Column



**Dr. Terry Townsend**

DNFI is inaugurating an annual award this year to recognise innovation in the development of products and processes using natural fibres and research involving natural fibers. Awards will be judged in three categories, products/components or applications, processes or procedures, and scientific research. The judging criteria will include outstanding scientific work or technical feasibility, level of improvement or effectiveness, degree of implementation and potential for expanding markets for natural fibres.

The closing date for applications will be July 28, 2017. Submission forms for participation in the DNFI award will be available by the end of April. Scientists, engineers and innovators working with natural fibres and processes involving

natural fibres may apply for recognition as The DNFI Innovator of the Year.

## Yield Differentiation

In this column published last month (Dead Aid: Sub-Saharan Africa, Cotton Statistics & News, No. 49, 7 March 2017). I noted that BCI and Cotton made in Africa (CmiA) together account for about one-third of cotton production in Sub-Saharan Africa. The two initiatives have received millions of dollars in government support, plus millions more in private sector donations. The initiatives report that yields rise by about 20% among participating farmers compared to control groups of non-participating farmers. And yet, despite all the spending and all the efforts, all well-conceived and executed, national yields measured in official statistics in Sub-Saharan Africa did not rise during the past decade. I concluded that the assertions by CmiA and BCI that their initiatives result in production improvements deserve rigorous scrutiny.

The fact that national yields in Africa are not rising is troubling, and I continue to call for rigorous scrutiny of claims of efficacy.

Nevertheless, I also acknowledge that there may be valid statistical reasons why yields reported by individual farmers participating in certain initiatives or projects are affected positively, while national yields are not changed.

Dr. Jason Lusk, an agricultural economist at Oklahoma State University in the United States < jayson.lusk@okstate.edu >, observed a similar effect regarding the use of biotechnology in corn and soybean yields. He reported, "We have scores of experimental studies showing GMOs (particularly the Bt varieties) increase observed yield, so why don't we see a pronounced effect on aggregate, national yield trends?"

"The most recent, 2016, National Academies report on GMOs noted the following: 'the nationwide data on maize, cotton, or soybean in the United States do not show a significant signature of genetic-engineering technology on the rate of yield increase.'"

Research reported by Lusk shows that simple analyses of national-level yield trends mask weather and soil-related factors that influence the effect of biotech crop adoption on

yields. He asserts that soil types and changes in weather disguise yield effects associated with GE adoption. Without controlling for soil types and weather variation, adoption of GE crops appears to have little impact on corn yields; however, once temperature and precipitation controls are added, and when yields are compared across regions with similar soil types, GE adoption has significant effects on corn yields.

Likewise, it may be that national cotton yield trends in Africa mask the impacts of BCI and CmiA on the results obtained by individual farmers, and that it is necessary to control for soil types and weather patterns in evaluating program impacts. Lusk specifically notes that political boundaries (such as national borders) do not provide a statistically valid representation of differential GE effects. Similarly, national data on the impacts of initiatives in the cotton sector may be statistically irrelevant. Rather, we may have to look at cotton production within soil and weather zones, regardless of political boundaries, to judge the impacts of initiatives on yields. It may be that farmers participating in BCI and CmiA are still too scattered across too many agronomic zones and experiencing too much weather variation for changes in yields to be measurable at the national level. As both initiatives continue to expand, we will have to see whether yield data at the national level finally begin to register improvements.

## Integrity (Not)

The web site of the Textile Exchange <http://textileexchange.org/integrity/> includes a module on "Integrity." According to the Textile Exchange, "We believe that integrity is the foundation of sustainability."

"The purpose of the Integrity Platform at TE is to ensure that all of the work that is done towards sustainability in the textile industry is genuine and leads to real and meaningful change."

I wrote in this space two months ago, that on page 7 of its Annual Report 2015, issued in late 2016, The Textile Exchange (TE) claims, "25% of all pesticides used worldwide are used on conventional cotton," and organic cotton uses "zero toxic pesticides."

I noted that the allegation that cotton accounts for 25% of all pesticides used in the world has been so thoroughly debunked, so often disproved

and so repeatedly corrected, that its continued circulation by a supposedly reputable agency like the TE can only be attributed to willful fraud combined with self-delusion in defense of self-interest.

The claim that no toxic pesticides are used in organic production systems is an alternative fact if ever there was one. Many pesticides certified in organic agricultural production systems are highly toxic (<https://www.ocf.berkeley.edu/~lhom/organictext.html>); if you believe otherwise, try exposing yourself to a bit of Copper sulfate, maybe with a side helping of Peracetic acid or a dollop of a Chlorine dioxide. If pesticides, organic or otherwise, were not toxic they would not be effective; to claim that no toxic pesticides are used in organic production systems is stupid.

Officers of the Textile Exchange understand their reports contain objective falsehoods, and yet, as of this writing, those falsehoods continue to be promulgated on the TE web site.

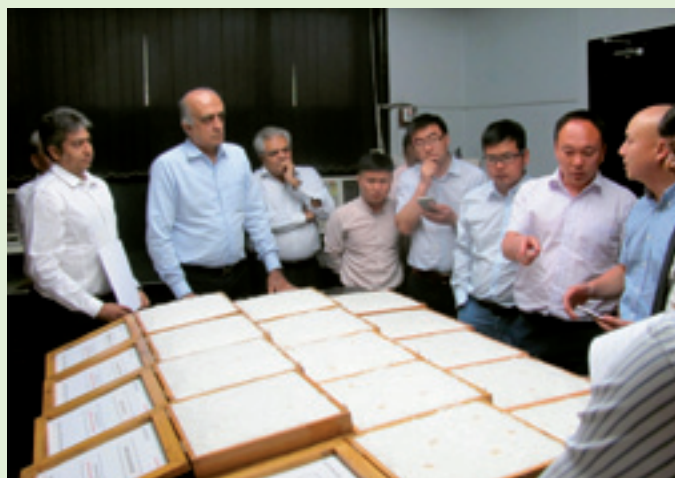
Any common-English understanding of “integrity” includes honesty, accuracy and commitment to truth. If the Textile Exchange, and the people who support organic cotton, really believed in “integrity” as they claim, the false facts included in the annual report would never have been published and would certainly have been corrected by now. The fact that the TE has made no effort in two months to correct inaccuracies is proof of the duplicity, inherent dishonesty, and self-serving objectives of promoters of organic cotton.

*(The views expressed in this column are of the author and not that of Cotton Association of India)*

## Visit of Chinese Delegation

On 14th March 2017, a Chinese delegation visited the CAI. The delegates included Mr. Yang Zhijiang - China Merchants Futures CO. Ltd., Mr. Han Sinan - TianLun Investment Research, Mr. Zhou Wenke - Dadi Futures Co. Ltd., Mr. Wu Yunfeng - China SDIC International Trade Nanjing Co. Ltd., Mr. Qi Lei - CCS Supply Chain Management Co. Ltd., Mr. Zhu Gensheng and Mr. Zhu Yanglin - Shanghai Cheers Cotton Trade Co. Ltd. The delegates were accompanied by Mr. Sandip Jain - Dharmdeep Commodities Pvt. Ltd.

The delegation had a fruitful discussion with the CAI team led by CAI President, Mr. Nayan Mirani.



## Production of Fibres

(In Mn. Kg)

As on	Raw Cotton (Oct.-Sept.)	Synthetic			Cellulosic	Sub Total
		PSF	ASF	PPSF	VSF	
2005-06	4097	628.15	107.81	3.08	228.98	968.02
2006-07	4760	791.99	97.13	3.52	246.83	1139.47
2007-08	5219	879.61	81.23	3.43	279.90	1244.17
2008-09	4930	750.12	79.50	3.44	232.75	1065.81
2009-10	5185	872.13	90.45	3.38	302.09	1268.05
2010-11	5765	896.33	79.48	3.74	305.10	1284.65
2011-12	6239	829.74	77.71	4.08	322.64	1234.17
2012-13	6290	848.05	73.59	4.26	337.49	1263.39
2013-14	6766	845.95	96.12	3.71	361.02	1306.80
2014-15	6562	881.56	92.54	4.62	365.17	1343.89
2015-16 (P)	5746	893.95	106.81	4.70	341.91	1347.37
2016-17 (P) (Apr.-Jan.)	--	759.19	81.73	3.02	305.26	1149.20
2015-16						
April	--	73.62	9.45	0.35	28.62	112.03
May	--	75.55	9.50	0.30	18.42	103.77
June	--	67.17	7.88	0.31	19.50	94.86
July	--	70.75	9.15	0.40	29.70	110.00
August	--	74.07	9.35	0.47	30.63	114.52
September	--	74.24	7.95	0.46	30.42	113.07
October	--	76.66	9.23	0.38	31.34	117.61
November	--	74.98	8.15	0.30	30.72	114.15
December	--	76.65	9.36	0.45	31.49	117.95
January	--	79.10	9.40	0.46	31.33	120.29
February	--	73.52	8.58	0.42	28.07	110.59
March	--	77.64	8.81	0.41	31.67	118.53
2016-17 (P)						
April	--	73.56	8.86	0.37	30.32	113.11
May	--	77.07	9.39	0.44	31.72	118.62
June	--	77.46	9.28	0.45	21.87	109.06
July	--	79.32	8.07	0.30	30.41	118.10
August	--	79.92	8.20	0.35	31.96	120.43
September	--	76.96	9.02	0.22	31.14	117.34
October	--	79.51	6.75	0.16	32.46	118.88
November	--	71.06	7.10	0.24	31.18	109.58
December	--	71.65	7.28	0.29	32.09	111.31
January	--	72.68	7.78	0.20	32.11	112.77

(P)= Provisional

Source : Office of the Textile Commissioner



## Since 1921, we are dedicated to the cause of Indian cotton.

Just one of the reasons, you should use our Laboratory Testing Services.

The Cotton Association of India (CAI) is respected as the chief trade body in the hierarchy of the Indian cotton economy. Since its origin in 1921, CAI's contribution has been unparalleled in the development of cotton across India.

The CAI is setting benchmarks across a wide spectrum of services targeting the entire cotton value chain. These range from research and development at the grass root level to education, providing an arbitration mechanism, maintaining Indian cotton grade standards, issuing Certificates of Origin to collecting and disseminating statistics and information. Moreover, CAI is an autonomous organization portraying professionalism and reliability in cotton testing.

The CAI's network of independent cotton testing & research is strategically spread across major cotton centres in India and is equipped with:

- State-of-the-art technology & world-class Premier testing machines
- HVI test mode with trash % tested gravimetrically

### LABORATORY LOCATIONS

**Current locations** • Mumbai (Maharashtra) • Akola (Maharashtra) • Aurangabad (Maharashtra) • Rajkot (Gujarat) • Warangal (Andhra Pradesh) • Indore (Madhya Pradesh) • Hubli (Karnataka) • Bathinda (Punjab) • Mundra (Gujarat) • Ahmedabad (Gujarat)

**Upcoming locations** • Guntur (Andhra Pradesh) • Adilabad (Telangana)



### COTTON ASSOCIATION OF INDIA

Cotton Exchange Building, 2nd Floor, Opposite Cotton Green Station, Cotton Green (East), Mumbai 400 033, Maharashtra, INDIA.  
Tel.: +91 22-3006 3400 • Fax: +91 22-2370 0337 • E-mail: cai@caionline.in • www.caionline.in

## China Refines its Cotton Policy

The Chinese government announced a new target price for cotton grown in Xinjiang last month as the trial period expired in 2016. The new target price is 18,600 yuan per ton (approximately U.S. 122 cts/lb using current exchange rates), unchanged from 2016, and will be in effect through the 2019 planting season. In order to maintain a stable supply of cotton, the subsidy will also only apply to output less than 85% of the average annual production grown from 2012-2014 (around 7 million tons). The level of subsidy for extralong staple cotton will remain unchanged at 1.3 times the price of upland cotton.

World cotton production is forecast to grow by 1% to 23.1 million tons in 2017/18 as high prices in 2016/17 encourage farmers to plant cotton. However, the average yield is expected to decline by 2% to 761 kg/ha, similar to the 4-year average. Firm prices this season are likely to encourage farmers in India to return to cotton, and cotton production in India is projected to grow by 2% to 5.9 million tons. Due to high prices in 2016/17 and a stable subsidy for the next three years, China's cotton area is projected to expand by 3% to 3 million hectares after five seasons of contraction. Assuming an average yield of 1,640 kg/ha, China's production could reach 4.8 million tons in 2017/18. The average yield for the United States increased by 13% to 973 kg/ha in 2016/17, which, coupled with firm prices, will encourage farmers to expand cotton area in 2017/18. However, production is expected to remain unchanged from 2016/17 at 3.7 million tons as the average yield is assumed to be closer to the 5-year average.

World cotton mill use in 2016/17 is expected to remain unchanged at 24.1 million tons due largely to weak global economic growth and competition from polyester, which has significantly lower prices than cotton this season. Global consumption may recover by 1% in 2017/18 to 24.4 million tons as cotton prices decrease, making cotton more competitive, and growth in the global economy is expected to be much stronger in 2017 and 2018. After several seasons of decline, China's mill use is projected to rise by 2% to 7.6 million tons in 2016/17 and by 1% to 7.7 million tons in 2017/18. The gap between China's domestic cotton prices and international cotton prices has decreased, making yarn imports less attractive than in recent seasons. In addition, mill use in Xinjiang, where the bulk of China's domestic crop is grown, has expanded and the proximity to the higher quality cotton grown

in this region offers cost advantages over yarn imports. After declining by 3% to 5.1 million tons in 2016/17 due to high domestic and international cotton prices, India's mill use is projected to recover by 1% to 5.2 million tons in 2017/18. Meanwhile, consumption in Pakistan is forecast to decline by 1% to 2.2 million tons and remain at that level in 2017/18.

During the first seven months of 2016/17, China has imported over 600,000 tons of cotton, up by 6% from the same period last season. Its main suppliers this season are the United States (38%), India (20%), and Australia (18%). Limited by import restrictions, China's total volume of imports is expected to rise by 2% to 983,000 tons in 2016/17. Imports by Bangladesh are expected to rise by 6% to 1.4 million tons, making it the world's largest importer, and in 2017/18 they may increase by 3% to 1.5 million tons. Vietnam's imports are projected to grow by 17% to 1.17 million tons in 2016/17 and by 6% to 1.24 million tons in 2017/18. Given its large exportable surplus and the high quality of its crop this year, the United States is expected to export 2.9 million tons of cotton in 2016/17, accounting for 37% of global exports. India's exports are projected to decline by 23% to 960,000 tons in 2016/17, partially due to the delay in harvesting earlier this season, while Australia's exports could increase by 30% to 800,000 tons due a significantly larger crop.

China began selling cotton from its national reserve last month as part of its efforts to reduce its large cotton stockpile. The total volume sold reached 450,000 tons as at the time of writing, which reduces the total volume in China's reserve to just under 8 million tons. Sales started strong during the first week with nearly all cotton on offer being purchased, but have lost steam since then. Last year, sales made from May through September 2016 reached over 2.6 million tons. While the pace of sales this year is slower, the auction period started two months earlier. If the level of sales that occurred last month is maintained, a similar volume of cotton may be sold this year as well, lowering the total volume held by the government to around 6 million tons at the end of August 2017. At the end of 2016/17, China's stocks are projected to fall by 17% to 9.3 million tons. World ending stocks in 2016/17 are expected to decline by 7% to 19.1 million tons.

Source : ICAC Cotton This Month, April 3, 2017



ICAC

## Supply and Distribution of Cotton

April 3, 2017

Seasons begin on August 1

Million Metric Tons

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
		Est.	Est.	Est.	Proj.	Proj.
<b>BEGINNING STOCKS</b>						
<b>WORLD TOTAL</b>	<b>15.594</b>	<b>18.567</b>	<b>20.581</b>	<b>22.359</b>	<b>19.17</b>	<b>17.85</b>
China	6.181	9.607	12.109	12.917	11.16	9.27
USA	0.729	0.827	0.512	0.795	0.83	0.98
<b>PRODUCTION</b>						
<b>WORLD TOTAL</b>	<b>26.776</b>	<b>26.172</b>	<b>26.188</b>	<b>21.040</b>	<b>22.78</b>	<b>23.12</b>
India	6.290	6.766	6.562	5.746	5.80	5.93
China	7.300	6.950	6.500	4.753	4.74	4.81
USA	3.770	2.811	3.553	2.806	3.75	3.74
Pakistan	2.002	2.076	2.305	1.514	1.68	1.87
Brazil	1.310	1.734	1.563	1.289	1.44	1.36
Uzbekistan	1.000	0.910	0.885	0.832	0.79	0.77
Others	5.104	4.926	4.820	4.100	4.58	4.64
<b>CONSUMPTION</b>						
<b>WORLD TOTAL</b>	<b>23.782</b>	<b>24.002</b>	<b>24.440</b>	<b>24.133</b>	<b>24.10</b>	<b>24.42</b>
China	8.290	7.517	7.479	7.442	7.59	7.67
India	4.731	5.057	5.261	5.277	5.12	5.17
Pakistan	2.216	2.470	2.492	2.256	2.23	2.24
Europe & Turkey	1.560	1.611	1.692	1.687	1.63	1.61
Bangladesh	1.023	1.146	1.204	1.324	1.40	1.47
Vietnam	0.492	0.673	0.875	1.007	1.14	1.22
USA	0.762	0.773	0.778	0.751	0.72	0.75
Brazil	0.910	0.862	0.797	0.733	0.72	0.70
Others	3.798	3.893	3.861	3.657	3.54	3.59
<b>EXPORTS</b>						
<b>WORLD TOTAL</b>	<b>10.046</b>	<b>9.027</b>	<b>7.703</b>	<b>7.587</b>	<b>7.85</b>	<b>8.06</b>
USA	2.836	2.293	2.449	1.993	2.87	2.88
India	1.685	2.014	0.914	1.255	0.96	0.99
CFA Zone	0.825	0.973	0.893	0.962	0.98	1.08
Brazil	0.938	0.485	0.851	0.939	0.61	0.71
Uzbekistan	0.690	0.615	0.550	0.543	0.45	0.45
Australia	1.343	1.057	0.520	0.616	0.80	0.81
<b>IMPORTS</b>						
<b>WORLD TOTAL</b>	<b>10.201</b>	<b>8.934</b>	<b>7.781</b>	<b>7.537</b>	<b>7.85</b>	<b>8.06</b>
Bangladesh	1.044	1.190	1.177	1.355	1.43	1.47
Vietnam	0.517	0.687	0.934	1.001	1.17	1.24
China	4.426	3.075	1.804	0.959	0.98	1.09
Turkey	0.803	0.924	0.800	0.918	0.83	0.87
Indonesia	0.686	0.651	0.728	0.640	0.69	0.66
<b>TRADE IMBALANCE 1/</b>	<b>0.155</b>	<b>-0.093</b>	<b>0.078</b>	<b>-0.050</b>	<b>0.00</b>	<b>0.00</b>
<b>STOCKS ADJUSTMENT 2/</b>	<b>-0.075</b>	<b>-0.063</b>	<b>-0.047</b>	<b>-0.042</b>	<b>-0.01</b>	<b>0.00</b>
<b>ENDING STOCKS</b>						
<b>WORLD TOTAL</b>	<b>18.567</b>	<b>20.581</b>	<b>22.359</b>	<b>19.174</b>	<b>17.85</b>	<b>16.55</b>
China	9.607	12.109	12.917	11.160	9.27	7.47
USA	0.827	0.512	0.795	0.827	0.98	1.09
<b>ENDING STOCKS/MILL USE (%)</b>						
<b>WORLD-LESS-CHINA 3/</b>	<b>58</b>	<b>51</b>	<b>56</b>	<b>48</b>	<b>52</b>	<b>54</b>
<b>CHINA 4/</b>	<b>116</b>	<b>161</b>	<b>173</b>	<b>150</b>	<b>122</b>	<b>97</b>
<b>COTLOOK A INDEX 5/</b>	<b>88</b>	<b>91</b>	<b>71</b>	<b>70</b>		

1/ The inclusion of linters and waste, changes in weight during transit, differences in reporting periods and measurement error account for differences between world imports and exports.

2/ Difference between calculated stocks and actual; amounts for forward seasons are anticipated.

3/ World-less-China's ending stocks divided by World-less-China's mill use, multiplied by 100.

4/ China's ending stocks divided by China's mill use, multiplied by 100.

5/ U.S. Cents per pound

(Source : ICAC Cotton This Month, April 3, 2017)

# COTTON EXCHANGE MARCHES AHEAD

Madhoo Pavaskar, Rama Pavaskar

## Chapter 5 March To Freedom - I

(Contd. from Issue No.52)

Notwithstanding such a strong case for the abolition of stock limits, in a mild but persuasive letter dated February 14, 1995 addressed to the then Prime Minister, Mr. P.V. Narasimha Rao, Mr. Mirani brought to his notice the hardships faced mainly by the ginning and pressing factories, following the stock restrictions on both kapas and cotton. He pointed out that "the situation at various cotton centres has reached such a grave stage that it has become virtually impossible for the small factory owners, including those at the village levels, to carry on with their business operations". Even the bigger units holding ginned cotton upto the prescribed stock limits could not make fresh purchases of kapas and were compelled to stop all their operations. Overall, the ginning and pressing operations became uneconomic, impairing in the process the efforts at improving the quality of cotton.

The cotton farmer was the worst sufferer. As nearly half the crop was to be marketed by the growers, while the other half was awaiting ginning, bale packing and transportation to the consuming mills, Mr. Mirani requested the Prime Minister that the Textile Commissioner's notification dated December 8, 1994 be at least kept in abeyance till the end of the cotton season on August 31, 1995 for the expeditious processing of kapas and marketing of cotton lint before the onset of the monsoon, which was then only 110 days away.

### Partial Victory

Although Mr. Mirani's request was not fully acceded to, on February 22, 1995 the ginning and pressing factories were exempted from the stock limits to enable them to absorb and process seed cotton. It was a partial victory to the Cotton Exchange. Subsequently, on June 7, 1995 the Textile Commissioner removed the stock limits on yarn manufacturers. Only the private cotton trade was left high and dry.

Since nearly 75 per cent of the cotton production is marketed by cotton merchants, the stock restrictions on them was a grave injustice and an obvious anomaly. Bringing this to the notice of the then

Union Minister of State for Textiles, Mr. Kamal Nath, Mr. Mirani explained in his letter dated October 7, 1995 the important utilitarian economic role played by the cotton merchants in the orderly and smooth marketing of cotton in the interest of both the producers and the consumers. He pointed out that the "limits on stocks is a retrograde step under the present liberalized economic policy pursued by the Government", and urged that the stock limits on the private trade need to be removed immediately.

### Major Milestone

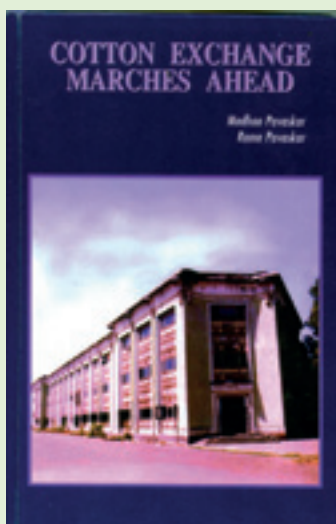
Mr. Mirani's Passionate plea had a tonic effect, and on December 15, 1995 the Textile Commissioner rescinded his order of December 8, 1994, and removed all the stock restrictions on cotton. Mr. Mirani's painstaking efforts had at last yielded the desired result. This impressive achievement of the Cotton Exchange was one of the major milestones in the king cotton's march towards freedom.

Nevertheless, seed cotton and cotton lint continue to be listed as essential commodities under the Essential Commodities Act, 1955. A lurking fear, of the Textile Commissioner invoking the powers under the Act, therefore persists in the minds of the cotton trade and the ginning and pressing industry. The Cotton Exchange, no doubt, won the battle; but it has yet to win the war to free King Cotton from the shackles of the dreaded Essential Commodities Act.

### B. Towards Export Liberalization

#### Trend in Exports

India was a major exporter of cotton to the world markets for nearly two centuries before the Second World War. After the partition of the country on Independence in 1947, when India lost its fertile cotton tracts to Pakistan, exports came to a halt and were restricted to a few short and non-staple varieties like Bengal Deshi, Assam Comilla, Yellow Pickings and soft cotton waste. Only in the late seventies of the last century, as the country regained self-sufficiency in cotton were the exports of staple







**COTTON  
ASSOCIATION  
OF INDIA**

*Established 1921*

# COTTON STATISTICS & NEWS

## SUBSCRIPTION RATES

Effective from 1st April 2014

### FOR NON-MEMBERS

<b>ANNUAL SUBSCRIPTION</b>	<b>Rs.4,000/-</b>
(for 52 issues)	(inclusive of Rs.1,000/- courier cost)

### FOR MEMBERS

<b>ANNUAL SUBSCRIPTION</b>	<b>FREE</b>
	Rs.1,000/- for courier cost



**Subscription for three years      Rs.7,500/-\***

\* Courier Charges Rs.1000/- per year extra

To subscribe, please contact:

**Ms. Sudha B. Padia**

Cotton Association of India,

Cotton Exchange Building, 2nd Floor, Cotton Green (East), Mumbai – 400 033

Telephone No.: 3006 3405 Fax No.: 2370 0337 Email: [publications@caionline.in](mailto:publications@caionline.in)

varieties resumed. But, for lack of stable export policy, the trend in India's exports of raw cotton has been quite erratic, with wide year to year variations. Thus, during the two decades from 1979-80 (when exports of staple cotton were allowed for the first time since Independence) to 1999-2000, cotton exports ranged from as low as 44,000 bales in 1987-88 to as high as 16.82 lakh bales in 1996-97, but averaged around barely 6 lakh a year.

Since 1979-80, exports of cotton lint exceeded a million bales in only five years, namely, 1986-87, 1989-90, 1990-91, 1992-93 and 1996-97. In value terms, exports crossed the Rs. 1000 crore mark and reached an all-time record of Rs. 1655 crore in 1996-97, compared to the previous highest of Rs. 961 crore a year before. Still, there appears no cause for jubilation. For, through the subsequent three years, cotton lint exports declined rapidly and were barely 60,000 bales in 1999-2000. In 2000-01 too, they aggregated only about 75,000 bales and fetched not more than Rs. 75 crore in export earnings.

The wide swings in cotton exports from year to year were essentially the result of the export policy of the government, which set quotas annually. In 1988-89 the Government of India had announced a long term export policy for cotton, under which a minimum quantity of 500,000 bales of staple cotton was decided to be allowed for export every year, irrespective of the size of the crop. It was also then proposed that exports beyond 500,000 bales upto 20 lakh bales could be announced in any year, depending upon the demand-supply position in that year. The Empowered Committee of Secretaries on Exports in its meeting held on July 10, 1990 had even agreed that "any domestic shortage of cotton due to export should be compensated by imports, so long as imports do not exceed 50 per cent of the level of exports of cotton". Clearly, the cotton export policy then intended to give a primacy to exports over imports.

Unfortunately, good intentions always remain in the air. In 1994, imports of cotton were freed from all restrictions and were placed on Open General Licence (OGL) without any import duty, though a small duty of 5.5% was imposed at the dawn of the new Millennium. This was raised to 10% in April 2002. Exports, however, continued to remain subject to varying annual quotas, based on the government's judgement on the domestic supply and demand situation in cotton. Consequently, even after the declaration of the long-term export policy in 1988-89 giving primacy to cotton exports over imports, not only did the exports fall short of the minimum of 500,000 bales in quite a few years like 1991-92, 1993-

94, 1994-95 and from 1997-98 onwards, but even imports exceeded exports in most of these years.

### Discrimination Against Private Trade

To be sure, neither did the new export policy of 1988-89 liberalize exports of cotton, nor did it allow the private trade to export staple cotton regularly. The Cotton Corporation of India and the State co-operative federations monopolised most of the exports, since all the staple cotton quotas were allocated among them to the exclusion of the private trade. Only in very rare instances when the CCI and the State agencies failed to exhaust their quotas, the government would turn to the private trade to ship the left overs.

As early as on February 20, 1979, while welcoming the government decision to allow the CCI and the Gujarat State Co-operative Cotton Marketing Federation to export one lakh bales each of staple cotton from their old stocks, late Mr. Rajnikant Purshotamdas, the then President of the East India Cotton Association, in his speech at the 57th Annual General Meeting wondered "why the government should discriminate and not allow the trade to export its old stocks". He argued that when exports were being allowed to give a boost to the domestic prices, the government should realise that the old stocks lying with the trade "would continue to act as a drag on the already depressed cotton market". But this eloquent argument did not cut any ice with the socialist mindset of the then government.

### Export Promotion

Yet keeping the national interest in view, from the 1982-83 cotton season the Cotton Exchange suo moto embarked on an export promotion campaign to develop exports of Bengal Deshi and staple cotton. It started sending regularly samples of major varieties of Indian cotton of different staple lengths to the cotton associations in importing centres like Bremen (Germany), Liverpool (England), Gdynia (Poland), Osaka (Japan), Barcelona (Spain), Brussels (Belgium) and Hong Kong to enable them to exhibit the samples among their members who may be enthused to buy Indian cotton. Along with the samples, the Exchange sent pamphlets providing details on various fibre properties of different cotton varieties. These export promotion efforts of the Cotton Exchange were widely welcomed by the overseas associations and received fairly good response from their members, though the quota restrictions and the bar on the private trade from participating in the export of staple cotton prevented the growth in India's aggregate exports.

*(To be continued .....)*



**COTTON  
ASSOCIATION  
OF INDIA**

*Established 1921*

# COTTON STATISTICS & NEWS

## ADVERTISEMENT RATES

effective from April 2015

### RATES PER INSERTION

	For CAI Members	For Non-Members
Full Page	5,000	5,500
Half Page	3,000	3,300

### RATES FOR FOREIGN ADVERTISERS

Full Page	US \$ 100
Half Page	US \$ 60



Pay for	For CAI Members	For Non-Members
8 Insertions, get 12 (Full Page)	40,000	45,000
8 Insertions, get 12 (Half Page)	24,000	26,000
3 Insertions, get 4 (Full Page)	15,000	18,000
3 Insertions, get 4 (Half Page)	9,000	10,000

#### Mechanical Data:

**Full page print area:** 172x250 mm (Non Bleed Ad)  
210x297 mm (+ Bleed)

**Half page print area :** 172x125 mm (Non Bleed Ad)  
148x210 mm (+ Bleed)

#### To advertise, please contact:

**Shri Divyesh Thanawala**, Assistant Manager  
Cotton Association of India,  
Cotton Exchange Building, 2nd Floor,  
Cotton Green (East), Mumbai – 400 033  
Telephone No.: 3006 3404 Fax No.: 2370 0337  
Email: publications@caionline.in

UPCOUNTRY SPOT RATES							(Rs./Qtl)					
Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length [ By law 66 (A) (a) (4) ]							Spot Rate (Upcountry) 2016-17 Crop APRIL 2017					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	3rd	4th	5th	6th	7th	8th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0-7.0	15	9758 (34700)		9729 (34600)	9729 (34600)	9701 (34500)	9589 (34100)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0-7.0	15	10039 (35700)	H	10011 (35600)	10011 (35600)	9983 (35500)	9870 (35100)
3	GUJ	ICS-102	Fine	22mm	4.0-6.0	20	8380 (29800)		8380 (29800)	8380 (29800)	8239 (29300)	8183 (29100)
4	KAR	ICS-103	Fine	23mm	4.0-5.5	21	9617 (34200)	O	9617 (34200)	9617 (34200)	9476 (33700)	9420 (33500)
5	M/M	ICS-104	Fine	24mm	4.0-5.0	23	10911 (38800)		10911 (38800)	10911 (38800)	10770 (38300)	10629 (37800)
6	P/H/R	ICS-202	Fine	26mm	3.5-4.9	26	12626 (44900)		12485 (44400)	12457 (44300)	12373 (44000)	12232 (43500)
7	M/M/A	ICS-105	Fine	26mm	3.0-3.4	25	10770 (38300)	L	10770 (38300)	10770 (38300)	10601 (37700)	10461 (37200)
8	M/M/A	ICS-105	Fine	26mm	3.5-4.9	25	10995 (39100)		10995 (39100)	10995 (39100)	10826 (38500)	10686 (38000)
9	P/H/R	ICS-105	Fine	27mm	3.5-4.9	26	12795 (45500)	I	12654 (45000)	12626 (44900)	12541 (44600)	12401 (44100)
10	M/M/A	ICS-105	Fine	27mm	3.0-3.4	26	10967 (39000)		10967 (39000)	10967 (39000)	10798 (38400)	10657 (37900)
11	M/M/A	ICS-105	Fine	27mm	3.5-4.9	26	11332 (40300)		11332 (40300)	11332 (40300)	11164 (39700)	11023 (39200)
12	P/H/R	ICS-105	Fine	28mm	3.5-4.9	27	12851 (45700)	D	12710 (45200)	12682 (45100)	12598 (44800)	12457 (44300)
13	M/M/A	ICS-105	Fine	28mm	3.5-4.9	27	12007 (42700)		12007 (42700)	12007 (42700)	11838 (42100)	11670 (41500)
14	GUJ	ICS-105	Fine	28mm	3.5-4.9	27	12120 (43100)	A	12120 (43100)	12120 (43100)	11951 (42500)	11782 (41900)
15	M/M/A/K	ICS-105	Fine	29mm	3.5-4.9	28	12232 (43500)		12232 (43500)	12232 (43500)	12063 (42900)	11895 (42300)
16	GUJ	ICS-105	Fine	29mm	3.5-4.9	28	12373 (44000)		12373 (44000)	12373 (44000)	12204 (43400)	12035 (42800)
17	M/M/A/K	ICS-105	Fine	30mm	3.5-4.9	29	12485 (44400)	Y	12485 (44400)	12485 (44400)	12317 (43800)	12148 (43200)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5-4.9	30	12823 (45600)		12823 (45600)	12823 (45600)	12766 (45400)	12710 (45200)
19	A/K/T/O	ICS-106	Fine	32mm	3.5-4.9	31	13104 (46600)		13104 (46600)	13104 (46600)	13048 (46400)	12991 (46200)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0-3.8	33	16310 (58000)		16310 (58000)	16310 (58000)	16310 (58000)	16310 (58000)

(Note: Figures in bracket indicate prices in Rs./Candy)