

Weekly
Publication of



**Cotton
Association
of India**

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Regd.No.MH/MR/EAST/96/2009-11

Registered with the Registrar of Newspapers for India under R.No.18844/69

Published every Tuesday

Price: Rs.30 per copy

Cotton Statistics And News

2012 * No. 3 * 17/04/2012

Edited & Published by Amar Singh

PM Calls Meeting on April 23 to Discuss Shri Pawar's Objection on Cotton Export

Prime Minister Shri Manmohan Singh has called a meeting on April 23 to discuss the objections raised by Agriculture Minister Shri Sharad Pawar regarding exports of farm items such as sugar, cotton and milk, sources said.

Last week, Shri Pawar had shot off a letter to the Prime Minister stating that the government's export policies are hurting farmers who are being asked to subsidise the industry.

In the letter, Shri Pawar had strongly criticised the Food Ministry, headed by Shri K V Thomas, and the Textile Ministry under the charge of Shri Anand Sharma for the policies which are "ambivalent" and go against farmers.

According to sources, the Prime Minister has called a meeting on April 23 to discuss the issues raised by Shri Pawar. The meeting will be attended by Finance Minister Shri Pranab Mukherjee, Food Minister Shri K V Thomas and Commerce Minister Shri Anand Sharma, they added.

Describing restriction on cotton exports as "retrograde", the NCP chief had said that Indian cotton farmers should not be asked to bear the burden of subsidising the textile mills. Compromising the interest of small cotton farmers to benefit the textile magnates is indeed a travesty of justice. Moreover, it defies logic to permit the consumer of cotton (textile industry) to dictate terms to cotton producer. Similarly, Shri Pawar had said the "negative approach" of the Food Department in allowing sugar exports has led to heavy losses in export earnings which could have been used to clear cane arrears to farmers that have crossed Rs 8,000 crore.

He further stated that on numerous occasions he had discussed the need to have farmer-centric agriculture policy. On each of these occasions, he had found them in consonance with these ideas, Shri Pawar told the Prime Minister. "However, despite this the government has time and again taken decision which go against the interest of the farming community and adversely impacts its growth and stability".

(Source: PTI)

Cotton Arrivals

Cotton arrivals upto 15th of April are reported to have been 6.6 per cent lower compared to arrivals by the same period last year despite the expectation of a record crop of 345 lakh bales. The arrivals this year are placed at about 279 lakh bales as against 298 lakh bales by the same period a year ago. The Cotton Corporation has reported that the daily arrivals now are about 1.5 lakh bales.

CAB To Meet on 18th April 2012

The third meeting of the Cotton Advisory Board for the cotton season 2011-12 will be held under the Chairmanship of Shri. A.B.Joshi, Textile Commissioner at 10.30 a.m. on Wednesday, the 18th April 2012 in the Conference Hall of the Office of the Textile Commissioner, Nishtha Bhavan (New C.G.O. Building), 48, Vithaldas Thakarsee Marg, Churchgate, Mumbai - 400 020.

Slight Increase in World Cotton Contamination - ITMF Survey

According to the "Cotton Contamination Survey 2011" recently released by the International Textile Manufacturers Federation (ITMF), the general conclusion to be drawn from the survey is that after some improvements in the recent past, foreign matter, stickiness and seed-coat fragments in raw cotton pose serious challenges to the cotton spinning industry worldwide. ITMF conducts the survey every alternate year. In the current 2011 report, 119 spinning mills located in 24 countries evaluated 71 different cotton growths.

The level of cotton modestly or seriously contaminated as received by the spinning mills from around the world is stated to have risen slightly from 22 percent to 23 percent compared to the last survey in 2009. A closer look at the extent of the contamination appears to have shown that seven percent (six percent in 2009 survey) of all cottons evaluated were seriously contaminated by some sort of foreign matter whereas 16 percent (15 percent in 2009 survey) were modestly contaminated. As the summary data are arithmetic averages of the different contaminants, the extent of contamination is illustrated only by the results for the individual contaminants. They are said to range from five percent for tar (4 percent in 2009) to 51 percent of all cotton processed being moderately or seriously contaminated by "organic matter" i.e. leaves, feathers, paper, leather, etc. (42 percent in 2009). Other serious contaminants are "inorganic matter" (31 percent), fabrics made of cotton (30 percent), strings made of woven plastic (29 percent) as well as "fabric made of woven plastic" and strings made of plastic film (28 percent each). It is stated that the most contaminated cotton descriptions considered for the survey

originated in India, Nigeria, Zimbabwe, China and Turkey. In contrast, very clean raw cottons were produced in the USA, Syria, Benin, Brazil, Spain, Argentina, Greece and Australia.

The presence of sticky cotton as perceived by the spinning mills increased significantly from the record low of 16 percent in 2009 to 20 percent in 2011. While this level is still lower than the long-term average, the level of stickiness is still considerably high, and remains a major challenge to the global cotton spinning industry. Descriptions that were affected by stickiness were those from India (DCH, MCU-5, others), Syria, USA (California, Pima), Spain, Mali and Uzbekistan (medium staple). On the other end of the range, it is stated that cottons from Argentina, Turkey (Izmir), USA (Arizona), Egypt (Giza), India (J-34) and USA (Texas High Plains) were not or hardly affected by stickiness.

With regard to seed-coat fragments among the cotton contaminants, it is stated that the 2011 survey shows that their appearance in cotton growth remains an issue for spinners around the world. Thirty eight percent of spinners are said to claim that they have encountered seed-coat fragments in the cotton growths consumed. This means that there is a jump of seven percentage points, up from only 31 percent in 2009, the lowest level since the inclusion of measuring the level of seed-coat fragments in the survey in 2011. The origins affected most of seed-coat fragments are said to be those from Nigeria, India, USA, Ivory Coast and Turkey. Cotton descriptions for which the existence of seed-coat fragments are negligible (less than 20 percent), are stated to have included those from Australia, Benin, India (others), Pakistan (others) and the US (California, Texas High Plains).

Cotton Trade Hit By India, China Policies

Policies adopted by India and China, the world's top two biggest cotton producers, have affected global cotton trade and prices this year, according to the International Cotton Advisory Committee (ICAC).

China imported in a big way to build reserve, while India has stopped further cotton exports, it said. China accumulated over 3 million tonnes of domestic cotton and at least one million tonnes of foreign cotton in its national reserve during the first eight months of 2011-12, the ICAC said. The global body has pegged China's cotton imports at 4.2 million tonnes or up by 61 per cent from 2010-11.

While the purchases supported both domestic and international prices so far, sales from the reserve

could reduce Chinese imports and depress world cotton prices in the future, the ICAC said. That apart, the impact of India's export ban on international cotton prices was limited in March. However, the longer the ban remains in place, the greater its upward impact on world cotton prices could be, the ICAC noted. India had banned cotton exports on March 5 briefly for a week. Currently, the government is not allowing fresh exports. According to ICAC, world cotton trade is expected to rise by 9 per cent to 8.4 million tonnes in 2011-12, driven by near record imports from China.

The world cotton production is pegged at 26.96 million tonnes in 2011-12, higher than the global consumption of 23.13 million tonnes.

Source: financial express

CAI Demands Free Cotton Exports

The Cotton Association of India demands free cotton exports immediately. In a press release issued on 7th April 2012, the CAI has urged the Hon'ble Prime Minister of India Dr. Manmohan Singh to free cotton exports immediately without any quantitative and other restrictions. It stated that the removal of the ban will benefit the farmers the most as a sizeable quantity of cotton is still in the farmers hands and yet to arrive in the market. Due to fall in prices as a result of this ban, the farmers are losing heavily.

It further stated that in case of need later on in the season, the spinning mills have the option of importing duty free cotton. It has happened in the past not several years ago when almost 15% of the total cotton production of the country was imported by the mills for several years in

succession. It is extremely unlikely that even half of such an import figure will be required to be reached this season. Australian, Brazilian and East African cotton is expected to be available in abundance.

Even during the years when India was a net cotton deficit country, cotton exports were always kept under OGL. However, it is ironical that in the years of surplus availability of cotton, export is meted out with restrictive policies now.

Despite being a net cotton deficit economy, our neighbouring country Pakistan always follows the practice of maintaining free exports of cotton to ensure optimum return to the farmers and there is no logic why India which is a surplus cotton economy now can not follow suit.

New Pests Pulling Down Bt Cotton Yield ?

After the initial gains, Bt cottons in India are said to be facing staggering challenges now which may undo the earlier gains. In a paper presented by the Director of Central Institute for Cotton Research (CICR) is reported to have indicated that although GM or Bt cotton varieties introduced for commercial cultivation is 2002-03 sharply raised yields initially, productivity is now projected to decline amid signs of diminishing returns.

New pests are claimed to have emerged while repeated farming the Bt varieties has harmed the soils. Further, farmers are said to be unable to choose the right variety from among about 780 Bt cotton hybrids. The main issue currently is stated to be stagnation of productivity at an average of 500 kg lint per hectare over the past seven years. Yields see to have levelled off despite the coverage by Bt. cottons expanding from 5.6 percent in 2004 to about 85 percent in 2010. The average yield was 463 kg per hectare when the Bt cotton area was 5.6 percent of the total in 2004 and reached only 506 kg per hectare when the coverage reached 94 lakh hectares touching 85 percent of the total cotton area of 111 lakh hectares in 2010.

The Director, CICR is reported to have attributed part of the problem to a surfeit of Bt hybrid

variants which are showing new signs of vulnerability to pests and diseases. The leaf curl disease is stated to have started to resurface as a major problem in north zone, primarily due to the introduction of more than 270 Bt. hybrids.

Cotton Imports by China

Indian Cotton continues to take the leading rank among the countries from which China has been importing the commodity. A breakdown of country-wise cotton imports by China in February is reported to have shown that Indian cotton accounted for 54 per cent of the total in February, at 3.3 lakh tonnes out of the total 6.16 lakh tonnes. During the seven-month period from August 2011 to February 2012, the total imports by China amounted to 28.2 lakh tonnes of which 41 per cent or 11.6 lakh tonnes were from India, relegating Australia to the second position with 4.38 lakh tonnes and US to the third position with a share of 4.06 lakh tonnes.

SNIPPETS

According to reports, industrial growth remained sluggish in February this year. Data released by the Central Statistical Office appear to have shown that the growth of industrial production slowed to 4.1 per cent in February compared to an expansion of 6.7 per cent in February last year. While the Government had earlier estimated industrial production growth in January at a robust 6.8 per cent, it has now corrected it to 1.1 per cent attributing the earlier high figure to incorrect reporting. Manufacturing sector appears to show subdued growth of 4.0 per cent compared to 7.5 per cent in the year ago period.



Merchandise exports from India reportedly managed to cross the target of \$ 300 billion set for 2011-12 despite the global economic slowdown. This was largely because of the penetration made into new export markets. Experts are said to have cautioned that exports will find resistance in the current fiscal as the key markets for shipments such as US and Europe still sluggish. Interestingly, textiles were among the sectors that posted robust growth in 2011-12. Imports during the year are placed at \$ 485 billion largely due to high global oil prices, with they accounting \$ 150 billion of the total. Consequent to the higher import bill, trade deficit in 2011-12 widened to \$ 185 billion.



UPCOUNTRY SPOT RATES

(Rs./Qtl)

Official quotations for standard descriptions with basic grade and staple in Millimetres based on Upper Half mean Length under By-law 66 (A)(a)(4)

SPOT RATES (UPCOUNTRY) 2011-12 CROP
April 2012

Sr. No.	Grade Standard	Staple	Micronaire	Strength/GPT	Trade Name	7 th	9 th	10 th	11 th	12 th	13 th
01.	ICS-101	Below 22mm	5.0-7.0	15	Bengal Deshi (RG)	9448 (33600)	9448 (33600)	9364 (33300)	9364 (33300)	9364 (33300)	9364 (33300)
02.	ICS-201	Below 22mm	5.0-7.0	15	Bengal Deshi (SG)	9729 (34600)	9729 (34600)	9645 (34300)	9645 (34300)	9645 (34300)	9645 (34300)
03.	ICS-102	22mm	4.5-5.9	19	V-797	7030 (25000)	7030 (25000)	7030 (25000)	7030 (25000)	7030 (25000)	7030 (25000)
04.	ICS-103	23mm	4.0-5.5	19	Jayadhar	8155 (29000)	8155 (29000)	8155 (29000)	8155 (29000)	8155 (29000)	8155 (29000)
05.	ICS-104	24mm	4.0-5.5	20	Y-1	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
06.	ICS-202	25mm	3.5-4.9	23	J-34	8548 (30400)	8492 (30200)	8408 (29900)	8267 (29400)	8267 (29400)	8352 (29700)
07.	ICS-105	25mm	3.5-4.9	22	NHH-44	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
08.	ICS-105	27mm	3.5-4.9	24	LRA-5166	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
09.	ICS-105	28mm	3.5-4.9	25	H-4/ MECH-1	9167 (32600)	9223 (32800)	9223 (32800)	9167 (32600)	9111 (32400)	9111 (32400)
10.	ICS-105	29mm	3.5-4.9	26	Shankar-6	9617 (34200)	9561 (34000)	9561 (34000)	9505 (33800)	9448 (33600)	9448 (33600)
11.	ICS-105	31mm	3.5-4.9	27	Bunny/ Brahma	9842 (35000)	9842 (35000)	9842 (35000)	9842 (35000)	9758 (34700)	9758 (34700)
12.	ICS-106	33mm	3.3-4.5	28	MCU-5/ Surabhi	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
13.	ICS-107	35mm	2.8-3.6	31	DCH-32	12654 (45000)	12738 (45300)	12738 (45300)	12738 (45300)	12654 (45000)	12654 (45000)

Note: Figures in bracket indicate prices in Rs./candy