

Weekly  
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Cotton Exchange Building, 2nd Floor,  
Cotton Green, Mumbai - 400 033  
Phone: 2370 4401/02/03  
Fax: 2370 0337  
Email: eica@eica.in  
[www.caionline.in](http://www.caionline.in)

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# Cotton Statistics And News

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Edited & Published by : O. P. Agarwal

## ***A Delegation from Zimbabwe Visits CAI***

A 5-member delegation from Zimbabwe visited CAI on 24th April 2010. They were given a warm welcome by the CAI team led by the President, Shri Dhiren N. Sheth.



*CAI President, Shri Dhiren N. Sheth welcoming the leader of the Zimbabwean Delegation*

The purpose of visit of the delegation was to study the infrastructure and the facilities available at CAI and the developmental activities being carried out by the Association in the country.

Shri Sheth made a presentation to the delegates highlighting the role and activities of CAI. They were also apprised of the Cotton Promotion plans of CAI and the initiatives being taken in this regard.

An interactive session between the delegates and the members of the Association was also held where several issues of mutual interest were discussed.



*Discussion between Zimbabwean Delegation and the CAI Team in progress*

A luncheon meeting with the delegation was also organised by CAI and the Directors and Members of the Association joined the delegates and exchanged views with them on various issues related to cotton.

The visiting guests were taken around the Cotton Exchange Building. They also visited CAI Cotton Testing Laboratory and Standard Room.



*The delegates keenly observing the system of preparing Grade Standard Boxes prevailing at CAI*



*The delegates were briefed about the Laboratory operations*



*The Zimbabwean Delegation and the CAI Team*

## Cotlook A Index Goes Up By 28 p.c. During Last 6 Months

Owing to a disparity between production and consumption, world cotton prices have been ruling firm this year. This is reflected in the Cotlook A Index which has risen by as much as 28 per cent during the last six months. The monthly average Cotlook A Index since October 2009 are given below :

Month	Cotlook A Index (US Cents per pound)
October '09	66.80
November '09	71.80
December '09	76.00
January '10	77.40
February '10	80.05
March '10	85.80

The world cotton prices have been exerting considerable influence on domestic cotton during the last few years especially after India emerged as a major exporter of raw cotton. Prices especially of export varieties can thus be expected to be influenced by world prices also apart from various domestic factors like demand and supply. For instance, during the current season, the monthly average price of S-6, the leading export variety, has spurred by 20 per cent between October and March although production has been quite good. Perhaps the influence of world prices cannot be ruled out as one of the factors for this rise.

## Cotton Outlook Survey Reveals Improved Sentiment Among Spinners

The latest Survey conducted by Cotton Outlook towards the end of March is stated to bear testimony to the improved sentiment prevailing in spinning circles of late. Raw cotton consumption appears to have picked up in a number of countries and little switching to polyester was reported. The increased confidence, however, does not seem to have stimulated any significant investment in additional capacity.

As has been the case during the last couple of years, the mill sentiment in India is stated to have been as optimistic as anywhere. There was a marginal improvement in the level of confidence in the latest Survey compared to the previous one conducted at the end of last year. Negative factors to the brighter picture seem to have been few although power shortages are mentioned, with disruptions to production schedules continuing. Some signs of increases in spindlease are said to be discernible.

A similar improvement in sentiment, it is stated, has been noted among replies from Pakistan. An increase in raw cotton use is stated to have been noticed, but consumption of other fibres is reckoned to have remained stable. In the case of South East Asia, although confidence is retaining in some of the markets in the region, the picture is said to be much more mixed than in the Indian Sub-continent.

Although marginally higher than the level of confidence revealed in the previous survey, it is still a neutral view of prospects in China, the latest survey is stated to have revealed. The respondents are stated to recognise that yarn prices have risen sharply during the past three months, influenced by tighter raw material costs and an increase in yarn demand, both from domestic and foreign buyers.

Having brought down operations last year, mills are stated to be focused on bringing existing capacity back on line, so as to meet the upturn in offtake. However, a shortage of labour in the short-term is said to be hindering this process. While many mills have increased the quantum of cotton processed, noticeably the use of polyester has not accelerated to the same degree despite the apparent price advantage of the latter. Yarn demand, it is stated, is primarily directed to pure cotton constructions. Survey returns are said to suggest that mills have committed the bulk of their yarn production through to June.

A noteworthy feature of replies from the United States is said to be the plans to expand capacity during the next three months. The Survey seems to have detected a buoyant mood among the participants with reduction in yarn stocks and the nearby supply being tight.

## Second Programme under 'Learn with CAI' Series Organised on 'Basics of Spinning'

The Association has taken the initiative through training programmes on various topical subjects under the 'Learn with CAI' series to enhance the skills and expertise of its members in various aspects of cotton business. Accordingly, the 2nd programme for the season 2009-10 was organised by CAI on 'Basics of Spinning' on Saturday, the 24th April 2010 in the Conference Room of the Association.

The programme was divided into six Technical Sessions comprising (i) Raw Cotton and Blow Room; (ii) Principles of Carding, Drawing and Combing; (iii) Glimpses of Modernisation in Carding, Drawing and Combing; (iv) Principles of Fly frame and Ring frame; (v) Glimpses of Modernisation in Fly frame and Ring frame and (vi) Testing of fibre and yarn. A group of seven faculty members from VJTI Institute gave their presentations on various subjects.



*A cross section of participants*

The programme concluded with a quiz session where the participants were asked to answer the question related to the topics.

The faculty members and participants were then taken around the Grading Room and Cotton Testing Laboratory.



*Dr. A.R. Khare was welcomed with a Bouquet of Flowers by one of participant*

The presentation covered different technical aspects of Spinning and other related issues. Each session was followed by interaction with the participants and question and answer session where the faculty member responded to several queries raised by the participants.

### Renewal of Subscription of Cotton Weekly for April 2010-March 2011

Dear Subscribers,

Your subscription for this publication expired in March 2010. To ensure uninterrupted and continuous supply of this publication to you during the current period from April 2010 to March 2011, we request you to please send your renewal subscription amount of Rs,1,500/- immediately.

Payment to be made in the name of Cotton Association of India payable at par in Mumbai.

We solicit your co-operation.

### Pakistan to Develop Bt Cotton - Report

It is reported that in order to sharply increase its cotton production, Pakistan has decided to introduce and develop Bt cotton. Towards this end, it is stated to have signed a Memorandum of Understanding (MOU) with the private biotech firm that is the leading one handling genetically modified Bt cotton. The MOU is claimed to provide for a framework to continue discussions focused on introducing Bt cotton in Pakistan. The intention is to introduce Bollgard II Cotton technology which is the most studied cotton technology globally.

According to reports, Pakistan aims to boost production to reach a level of over 20 million bales by 2015 under the "Cotton Vision 2015 Targets". The Cotton Vision suggest various options including the development of transgenic cotton and expansion of cotton area by adding 10,000 hectares annually, besides a five per cent annual growth in productivity. Higher productivity, it is stated, will help Pakistan to enter the international market in a few years' time. Presently, Pakistan is said to import about two million bales to meet the domestic demand.

## SNIPPETS

In its latest annual policy review, the Reserve Bank of India (RBI) has hiked the Cash Reserve Ratio (CRR) which denotes the share of customer deposits that banks must park with the RBI, by 25 basis points (or 0.25 percentage point) effective from April 24. This is expected to take off Rs. 12,500 from the monetary system. RBI has also hiked the Repo and Reverse Repo rates by 25 basis points to 5.25 per cent and 3.75 per cent respectively with immediate effect. The measures taken by RBI now are intended to squeeze the cash in the system so as to check inflation.



The country's industrial growth as measured by the Index of Industrial Production (IIP) is reported to have been over 15 per cent in February. This is the third month in a row that there has been positive growth in the industrial output. The high growth in February is stated to have been primarily due to a strong 16 per cent growth in manufacturing.



## Advertisement in Weekly Bulletin

We accept advertisements for insertion in our publication "Cotton Statistics and News" to enable the advertisers to benefit from reaching the subscribers of the publication who represent all the segments of domestic and global cotton interests.

The Advertisement Tariff is as follows. The material for the advertisement such as the names of the company, telephone numbers, fax numbers and some important features of the company can be included in the advertisement.

**Full Page - Rs.7,500/- per insertion**  
**Half Page - Rs.4,500/- per insertion**  
**Quarter Page - Rs.2,500/- per insertion**

Kindly send your cheque drawn in favour of Cotton Association of India with the advertisement material of your company.

For further details, please contact on  
 Tel. No.23704401/2/3 or E-mail to eica@eica.com

## UPCOUNTRY SPOT RATES

(Rs./Candy)

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) 2009-10 CROP April 2010					
					24th	26th	27th	28th	29th	30th
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0 15	H	21400	21400	21400	21400	21400
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0 15	O	21800	21800	21800	21800	21800
03.	ICS-102	22mm	V-797	4.5-5.9 19		20300	20200	20200	20100	20100
04.	ICS-103	23mm	Jayadhar	4.0-5 19		22600	22600	22600	22500	22500
05.	ICS-104	24mm	Y-1	4.0-5.5 20	L	24000	24000	24000	24200	24200
06.	ICS-202	25mm	J-34	3.5-4.9 23		27200	27200	27200	27200	27200
07.	ICS-105	25mm	NHH-44	3.5-4.9 22		N.A.	N.A.	N.A.	N.A.	N.A.
08.	ICS-105	27mm	LRA-5166	3.5-4.9 24	I	27000	26800	26700	26500	26500
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9 25		27300	27300	27200	27000	27000
10.	ICS-105	29mm	S-6	3.5-4.9 26	D	27800	27900	27700	27700	27700
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9 27		28300	28500	28500	28500	28500
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5 28	A	N.A.	N.A.	N.A.	N.A.	N.A.
13.	ICS-107	35mm	DCH-32	2.8-3.6 31		42000	42000	42000	43000	43500
14.	ICS-301	26mm	ICC	3.7-4.3 25	Y	N.A.	N.A.	N.A.	N.A.	N.A.