

Weekly Publication of



**Cotton
Association
of India**

COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

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Sustainable Agriculture for Benefitting Environment, Economy and Industry

Popularly known as "COTTONGURU", Shri Manish Daga is 4th generation from COTTONGURU® Group which has been in the cotton business since the last 115 years. He is the one and only registered "Chartered Cotton Valuer" in India. Shri. Daga has been a Speaker in more than 25 International and Domestic Textile Conferences across five countries. He is an expert advisor and trainer for farmers, ginners and mills for marketing of Indian cotton. He has organised



GUEST COLUMN

Shri. Manish Daga
Managing Director, COTTONGURU

over 40 farmer training workshops, visiting more than 600 villages and personally meeting more than 20,000 cotton farmers. Shri. Daga is the promoter of "Swachha Cotton Abhiyan (Clean Cotton Mission)" and has created many "Pradarshan Khet (evidence-demonstration farm)" projects with the aim of doubling farmers' income and ensuring uninterrupted supply of contamination free cotton for the textile industry. He is also a prolific writer. He is currently a Director of CAI.

Organic Cotton: Golden opportunity for India

Would you believe if I said, "There is shortage of cotton in India?" You would immediately retort back with a curt reply, "You must be kidding". You will most certainly corroborate your response with logical facts like

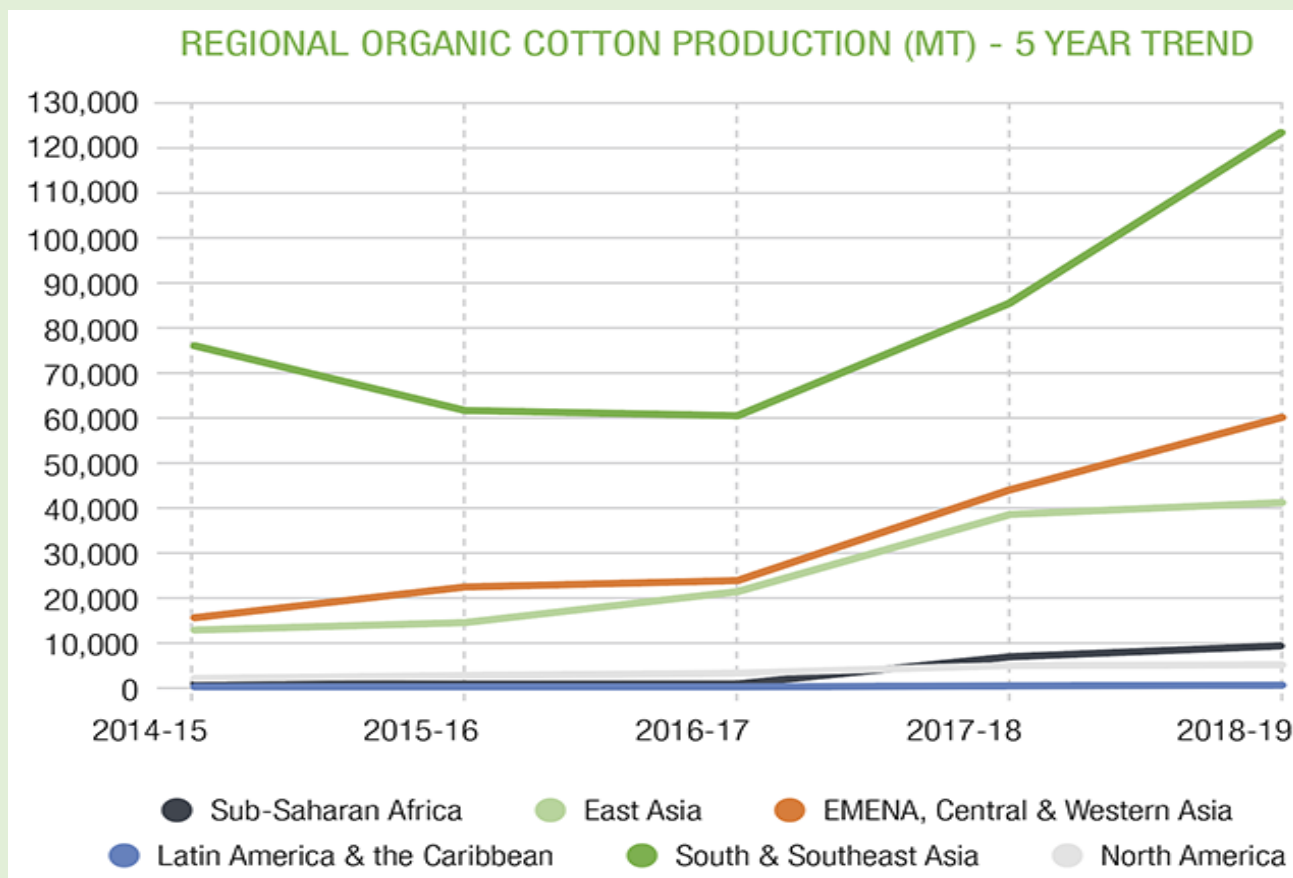
- India is the largest producer of cotton
- India is amongst top three exporter of cotton
- Since last many years, India has remained a 'Cotton surplus' top consumer of cotton
- India is most likely to have its highest carry over stock this year

While all of these is true, we fail to realise "What does India's Textile Industry actually need?" The fact remains that India is facing acute shortage of two types of cotton

1. Organic cotton
2. ELS cotton

Your obvious argument will be that India is the world's largest supplier of organic cotton in the world. Close to 240,000 metric tons of global organic cotton were produced in 2019 and out of this India holds a 51% share. The second position is occupied by China with a distant 17%, followed by Kyrgyzstan and Turkey at 10% each.

Growing Demand



-Source Textile Exchange

Data shows that the demand for organic cotton has seen exponential growth over the years. According to the Organic Trade Association, there has been 31% growth in the organic cotton industry in the past one year and it is expected to see a rise of 10% during 2021. The whole world is witnessing the remarkable benefits of the production of organic cotton, be it clothing demand or employment opportunities. Pre-COVID estimates showed that global organic cotton production will grow by a further 10% by 2020-21. But things have changed drastically in 2020.

Shrinking Supply

Most of the countries were struggling to increase their market share in Organic cotton. The world started depending on India for sourcing Organic cotton. Till 2019-20, India 'used to' grow about 5-6 million bales of Organic cotton. 50% of this was exported and the rest 50% was converted in value added products such as yarn and garments which were majorly exported. Both India and the world were comfortable with this arrangement till a tsunami in the form of

decertification by the Global Organic Textile Standard (GOTS) hit the textile industry last year.

Decision by GOTS Hits the Organic Cotton Industry

An investigation by the Global Organic Textile Standard (GOTS) identified 20,000 metric tonnes of cotton that was wrongly certified as organic. GOTS has since instructed its approved bodies to cancel all upstream transactions certificates based on these wrongly issued documents in order to prevent affected goods being sold with the GOTS label.

Effects of This Decision

The effect was drastic and dramatic. Shipped/ unshipped cotton was under scrutiny hampering the supply chain, supply was choked, contracts were either cancelled or unhonoured, there was uncertainty and extraordinary delay in transaction certificates. In short, there was complete chaos amongst the stake holders. As a result, the premium of Organic certified cotton in India sky-rocketed by about 20%.



After Effects of This Decision

Most of the organic supply chains stand fractured and fragile following scrutiny and decertification. There will remain an element of doubt for all suppliers of cotton and value-added products till they provide fool-proof documents and certificates.

Solution

We need to build a robust and traceable supply chain for organic cotton. This in fact, is an opportunity in disguise for stake holders to build their “very own Organic cotton supply chain”.

We at Cottonguru®, assist many such textile corporates and brands to build robust, sustainable, traceable, and profitable supply chains. We also undertake projects for Organic, BCI and conventional cotton and contamination-controlled cotton for customers based on professional turnkey basis backed by our expertise and experience of over 100 years.

Cottonguru’s inherent strength lies in its strong network of over 100,000 cotton farmers across India. With the ‘trust relationship’ built over years of association, training and handholding, it organises the farmers into clusters as per the need of the project.

Three-Way Benefit of Organic Projects:

1. Textile Industry: Projects undertaken by us have immensely benefitted our customers in sourcing cotton of their choice with increase in productivity and profits. These projects have also been useful in reducing carbon footprint and capturing the huge space

in “genuinely certified Organic product’ marketing segment.

2. Farmers: These projects have helped in increasing employment, decreasing the cost and improving the income of farmers.
3. Environment: We all know that organic cotton is non-genetically engineered cotton grown without using hazardous chemicals like pesticides and fertilizers. Increase in organic production is directly proportional to the reduction of carbon emission in the atmosphere. Thus, it is obvious that cultivation of organic cotton can help mitigate climate change.

While many see these as a disadvantage, Cottonguru® utilises the following factors of Indian agriculture as an asset in Organic cotton projects with complete focus on the challenges of retention and sustainability:

1. Small holder farmers
2. Rainfed agriculture
3. Availability of land
4. Minimum use of pesticide (simply because many farmers cannot afford it)
5. Climate change

Organic agriculture has the potential to help reduce carbon emissions, enhance soil fertility and improve climate resilience. Government can successfully promote sustainable agriculture only by creating policies that integrate social, environmental, and economic interests of all stake holders.

Therefore, we strongly recommend to the Government that:

1. Organic agriculture must be declared as an effective strategy to reduce greenhouse gases and carbon emission.
2. Establishing a National Mission on Organic Agriculture with research and extension services specific to organic production for climate resilient agriculture.

3. Special MSP for Organic cotton. This is most important to retain and encourage farmers into continuing with organic cotton production.

Sustainable agriculture, management of natural resources and building robust supply chains, is the key to prosperity for all stakeholders of cotton textile industry.



About the organisation (Cottonguru®)

Cottonguru® is the leader in agriculture and textile advisory services across the country. It has strived hard to reach this leading position. It has vast experience of working with the smallest of farmers and topmost consumers. Its DNA of technical and marketing expertise and impeccable brand image has given it a clear edge in the market place. Cottonguru® wishes to and will continue to contribute to the value addition of cotton and agriculture in every possible manner.

Change is the only thing that is constant in the world. Cottonguru® Group has survived for over 100 years uninterrupted by overcoming all challenges, mainly because of deep rooted ethical values and ability to adapt to the changes. With a unique blend of tradition and technology, we have reached

the coveted stage of "Think Cotton - Think Cottonguru®"

Core Purpose and Mission

The company runs on a clear mission to assist farmers in improving yield and quality. It strives to help cotton users in locating regular sources of sustainable and contamination-free cotton at nominal prices. It aims to prevent the arbitrary use of plastic and paper objects and replace it with cotton-based products which are 'natural, eco-friendly renewable resource' (E. g. cotton handkerchief v/s tissue paper, cotton bags v/s plastic or paper bags) thereby helping save the environment.

Vision

Unlocking the socio-economic potential of agriculture for global prosperity.

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

COTTON WEBINAR : LEARN TO IDENTIFY TRENDS, TOPS & BOTTOMS

**COTTON PRICE FORECASTING SUCCESSFULLY USING
TECHNICAL & FUNDAMENTAL ANALYSIS & MARKET PSYCHOLOGY
CONDUCTED BY THE MOST SUCCESSFUL TRADING MINDS & PIONEERS IN
COMMODITY TRADING USING FUNDAMENTAL & TECHNICAL ANALYSIS**



Mr. Gnanasekar Thiagarajan
Formerly a Trader with Bank of Nova Scotia

- * 20 YEARS TRADING EXPERIENCE
- * COMMODITY COLUMNIST, WEEKLY TECHNICAL ANALYSIS ON ICE COTTON FOR THE HINDU BUSINESS LINE
- * HE WRITES AND HAS BEEN WRITING A MONTHLY COLUMN IN THE COTTON ASSOCIATION OF INDIA WEEKLY NEWSLETTER FOR THE PAST 5 YEARS EXTENSIVELY READ AND APPRECIATED BY ALL PARTICIPANTS IN THE COTTON INDUSTRY
- * HE WORKS WITH CORPORATES AND INDUSTRY HELPING THEM MANAGE THE VOLATILE PRICE MOVEMENTS THROUGH HEDGING & OTHER INSTRUMENTS



Mr. G Chandrashekhar
Formerly Commodities Editor
The Hindu Business Line

- * POLICY COMMENTATOR TO THE GOVT. OF INDIA THROUGH HIS COLUMNS IN THE HINDU BUSINESS LINE
- * HE'S CURRENTLY THE ECONOMIC ADVISOR, IMC CHAMBER OF COMMERCE AND INDUSTRY, MUMBAI
- * HE'S A REGULAR SPEAKER AT ALL COTTON EVENTS BOTH IN INDIA AND OVERSEAS WHERE HE OPINES ON COTTON MARKET SUPPLY, DEMAND & HIS FUNDAMENTAL PRICE OUTLOOK
- * HE'S ALSO A MEMBER, SEBI COMMODITY DERIVATIVES ADVISORY COMMITTEE & CONSULTANT UNITED NATIONS INTERNATIONAL TRADE CENTRE, GENEVA



Mr. Yeshwant Rao
Formerly Head of Treasury - Currency & Cotton Trading for Arvind Mills Ltd.

- * 30 YEARS TRADING EXPERIENCE IN COMMODITIES
- * FORMERLY HEAD OF TRADING STRATEGIES, RELIANCE INDUSTRIES (PETROLEUM BUSINESS)
- * HE WAS INSTRUMENTAL IN DESIGNING AND SETTING UP OF THE HEDGING DESK FOR ARAVIND MILLS LTD.
- * A VETERAN IN THE CREATION OF MECHANICAL TRADING SYSTEMS INCORPORATING TECHNICAL ANALYSIS & MARKET PSYCHOLOGY



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for more details



[Limited Seats Available]



PROGRAM HIGHLIGHTS

TWO DAY PROGRAM
(14/5/21 - 10 am - 5 pm)
(15/5/21 - 10 am - 1 pm)

CHARGES :
NON - CAI MEMBERS - 16,900 + GST (Rs 3402) - 19,942
CAI MEMBERS - 13,900 + GST (Rs 2502) - 16,402
OVERSEAS PARTICIPANTS - US \$245

ENABLES DECISION MAKING FOR PHYSICAL TRADERS AND FUTURES TRADERS

DYNAMIC IMPLEMENTATION OF TECHNICAL & FUNDAMENTAL ANALYSIS FOR COTTON TRADING

REAL TIME COTTON TRADING WITH SIMPLE STRATEGIES

LEARNING OUTCOMES

LEARN HOW TO APPLY CONCEPTS TO HELP IN TIMING COTTON PURCHASES

UNDERSTAND TO CRUNCH SUPPLY DEMAND NUMBERS FOR COTTON

NUANCES OF SHORT, MEDIUM AND LONG-TERM TRADING SHALL BE CLARIFIED

PROPER METHODOLOGY FOR COMBINING FUNDAMENTAL, TECHNICAL & MARKET PSYCHOLOGY TO FORECAST COTTON PRICES SUCCESSFULLY

SUPPORT WEBINARS ONCE EVERY QUARTER TO HELP BEGINNERS RESOLVE THEIR DOUBTS

RETAKES OF SESSIONS MISSED/NOT UNDERSTOOD SUBJECT TO SEAT AVAILABILITY

GUIDANCE AND SUPPORT FOR DOUBTS/QUERIES

WHAT'S COVERED



COTTON

KEY TAKEAWAYS

MASTER THE PSYCHOLOGY OF COTTON TRADING

ANALYSIS USING DIFFERENT TECHNICAL TRADE SETUPS

FINE TUNE YOUR APPROACH TO COTTON TRADING USING MANY ANALYSIS TOOLS

READING MARKET TRENDS FOR CONSISTENT PROFITS

REGISTER AT THE EARLIEST VISIT www.commtrendz.com FOR MORE DETAILS [LIMITED SEATS AVAILABLE]

FOR ANY OTHER DETAILS CALL +91 9820548092



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 laboratories are strategically spread across major cotton centres in India and are equipped with:

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

LABORATORY LOCATIONS

Current locations : • **Maharashtra :** Mumbai; Yavatmal; Aurangabad; Jalgaon • **Gujarat :** Rajkot; Ahmedabad • **Andhra Pradesh :** Adoni
• **Madhya Pradesh :** Kargone • **Karnataka :** Hubli • **Punjab :** Bathinda • **Telangana:** Warangal, Adilabad



COTTON ASSOCIATION OF INDIA

Cotton Exchange Building, 2nd Floor, Opposite Cotton Green Railway Station, Cotton Green (East), Mumbai - 400 033, Maharashtra, INDIA
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Revision in Testing Charges at CAI Laboratories

The following are the charges for cotton testing in the laboratories of the Cotton Association of India with effect from 1st October 2020.

Particulars	Per Sample Testing Fees in Rs.		
	Testing Fees	GST	Total
HVI Test	145	26	171
Micronaire Test	85	15	100
Colour Grade on HVI	85	15	100
Gravimetric Trash Test on HVI	85	15	100
Moisture	85	15	100
Grading (Manual Classing)	235	42	277

VOLUME BASED DISCOUNTS

Particulars	Per Sample Testing Fees in Rs.		
	Testing Fees	GST	Total
For 250 samples and above but less than 500 samples	140	25	165
For 500 samples and above but less than 750 samples	135	24	159
For 750 samples and above but less than 1000 samples	130	23	153
For 1000 samples and above but less than 2000 samples	125	23	148
For 2000 samples and above but less than 5000 samples	120	22	142
For 5000 samples and above but less than 10,000 samples	115	21	136
For 10,000 samples and above	100	18	118

The fees under the above volume based discount scheme is payable within 15 days from the receipt of the invoices to be raised on monthly basis.

We would also like to inform that the parties can avail the benefit of testing of cotton at multiple laboratories of the Associations against the CAI Credits made by them.

We earnestly request you to avail the facility of testing at the Association's laboratories.



**COTTON
ASSOCIATION
OF INDIA**
Established 1921
ISO 9001:2015

Cotton Association of India

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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) 2020-21 Crop May 2021					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	3rd	4th	5th	6th	7th	8th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 - 7.0	4%	15	10854 (38600)	10826 (38500)	10826 (38500)	10826 (38500)	10826 (38500)	10826 (38500)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 - 7.0	4.5%	15	10995 (39100)	10967 (39000)	10967 (39000)	10967 (39000)	10967 (39000)	10967 (39000)
3	GUJ	ICS-102	Fine	22mm	4.0 - 6.0	13%	20	8295 (29500)	8239 (29300)	8155 (29000)	8211 (29200)	8239 (29300)	8267 (29400)
4	KAR	ICS-103	Fine	23mm	4.0 - 5.5	4.5%	21	9420 (33500)	9336 (33200)	9280 (33000)	9336 (33200)	9364 (33300)	9392 (33400)
5	M/M (P)	ICS-104	Fine	24mm	4.0 - 5.5	4%	23	10686 (38000)	10629 (37800)	10629 (37800)	10686 (38000)	10742 (38200)	10770 (38300)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 - 4.9	4.5%	26	11726 (41700)	11726 (41700)	11726 (41700)	11810 (42000)	11923 (42400)	11951 (42500)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 - 3.4	4%	25	10798 (38400)	10742 (38200)	10686 (38000)	10686 (38000)	10742 (38200)	10742 (38200)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 - 4.9	4%	26	11867 (42200)	11867 (42200)	11867 (42200)	11951 (42500)	12063 (42900)	12092 (43000)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 - 3.4	4%	25	11107 (39500)	11051 (39300)	10995 (39100)	10995 (39100)	11051 (39300)	11051 (39300)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 - 4.9	3.5%	26	11614 (41300)	11614 (41300)	11585 (41200)	11614 (41300)	11670 (41500)	11726 (41700)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 - 4.9	4%	27	12063 (42900)	12063 (42900)	12063 (42900)	12120 (43100)	12232 (43500)	12288 (43700)
12	M/M(P)	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	12373 (44000)	12401 (44100)	12401 (44100)	12485 (44400)	12570 (44700)	12570 (44700)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	12401 (44100)	12429 (44200)	12429 (44200)	12513 (44500)	12598 (44800)	12598 (44800)
14	GUJ	ICS-105	Fine	28mm	3.7 - 4.5	3%	27	12457 (44300)	12485 (44400)	12485 (44400)	12541 (44600)	12598 (44800)	12598 (44800)
15	R(L)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	12373 (44000)	12373 (44000)	12373 (44000)	12429 (44200)	12485 (44400)	12513 (44500)
16	M/M(P)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	12795 (45500)	12766 (45400)	12766 (45400)	12851 (45700)	12935 (46000)	12935 (46000)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	12823 (45600)	12795 (45500)	12795 (45500)	12879 (45800)	12963 (46100)	12963 (46100)
18	GUJ	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	12823 (45600)	12823 (45600)	12823 (45600)	12879 (45800)	12935 (46000)	12935 (46000)
19	M/M(P)	ICS-105	Fine	30mm	3.7 - 4.5	3.5%	29	13441 (47800)	13441 (47800)	13441 (47800)	13498 (48000)	13498 (48000)	13498 (48000)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 - 4.5	3%	29	13469 (47900)	13469 (47900)	13469 (47900)	13526 (48100)	13526 (48100)	13526 (48100)
21	M/M(P)	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	13638 (48500)	13638 (48500)	13638 (48500)	13638 (48500)	13638 (48500)	13638 (48500)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	13666 (48600)	13666 (48600)	13666 (48600)	13666 (48600)	13666 (48600)	13666 (48600)
23	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 - 4.2	3%	31	13779 (49000)	13779 (49000)	13779 (49000)	13779 (49000)	13779 (49000)	13779 (49000)
24	M/M(P)	ICS-107	Fine	34mm	3.0 - 3.8	4%	33	21090 (75000)	21090 (75000)	21090 (75000)	21090 (75000)	21090 (75000)	21090 (75000)
25	K/TN	ICS-107	Fine	34mm	3.0 - 3.8	3.5%	34	21652 (77000)	21652 (77000)	21652 (77000)	21652 (77000)	21652 (77000)	21652 (77000)

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