

Weekly
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Cotton Statistics And News

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Last Five Years See Boost in Cotton Production/Productivity

Cotton production and productivity in the Country have received a boost during the last five years. The production went up by 27 per cent from 241 lakh bales in 2005-06 to a peak of 307 lakh bales in 2007-08 although in subsequent years there was a slight fall to 290 and 292 lakh bales. Significantly, productivity also soared from 472 kg in 2005-06 to 554 kg in 2007-08, an increase of 17 per cent. The main contributory factors for these remarkable increases were the rapid spread of the area under the high yielding, bollworm resistant Bt Cottons and the accelerated spread in the adoption of improved production technology among farmers owing to the implementation of the Technology Mission on Cotton and the intensified efforts of the State Agriculture Departments. Bt cottons are estimated to have covered about 80 per cent of the total cotton area in the country during 2009-10.

The major cotton producing States in India are nine, out of which the leading ones are five, viz. Gujarat, Maharashtra, Andhra Pradesh, Madhya Pradesh and Punjab. These five States contribute about 75-85 per cent of the total cotton production in the country. It will thus be of interest to examine the progress made by cotton in these States, in respect of both production and productivity. The following table gives data on production in 2005-06 and the highest level reached since then.

State	Production (lakh bales)		
	2005-06	Highest level reached	% increase
Gujarat	89.00	110.00	24
Maharashtra	35.00	62.00	77
Andhra Pradesh	33.00	53.00	61
Madhya Pradesh	19.00	20.00	5
Punjab	20.00	24.00	20

It will be seen that Maharashtra has recorded the highest increase in production. However, the increase was over a low base. Andhra Pradesh recorded the second highest increase over a reasonably high base level. Gujarat recorded the third highest increase but it was over a high base level. In 2007-08 when it recorded the highest production, its share in the national kitty, was more than one-third at 36 per cent.

Similar data pertaining to productivity are given below :

State	Productivity (Kg Lint/ha)		
	2005-06	Highest level reached	% increase
Gujarat	794	794	-
Maharashtra	207	335	62
Andhra Pradesh	543	690	29
Madhya Pradesh	521	540	4
Punjab	610	672	10

Maharashtra has apparently recorded the highest increase of 62 per cent in productivity. Andhra Pradesh comes next with 29 per cent increase. Incidentally, both these States have a high coverage under Bt cottons. Gujarat did not witness any increase in productivity but its yield level has been one of the highest in the country even five years ago.

It is also noteworthy that the last five years have seen not only a boost in production but also relatively better stability at high level, whereas there were wide fluctuations in the previous five years going up from 140 lakh bales in 2000-01 to 158 lakh bales in 2001-02 but dropping to 136 lakh bales during next year, and then climbing to 179 lakh bales in 2003-04.

Cotton Area in Punjab and Haryana May Go Up in 2010-11 - Report

A report quoting senior officials of the Agriculture Departments states that the area under cotton in Punjab and Haryana may go up by 10-15 per cent during the ensuing season 2010-11 for which sowings commence in April-May. The appreciable increase in cotton prices during this season is said to be the main reason for the expected increase in cotton area. Also, the high production cost of paddy during the current season due to the droughty conditions seems to have prompted farmers to switch over to cotton to some extent.

Cotton area in Punjab is projected to increase to 5.30 lakh hectares next year from this year's 4.96 lakh hectares. In Haryana, the expected area next year is six lakh hectares against this year's 5.07 lakh hectares. Normally, cotton sowings commence in April-May in these States, depending on canal water availability.

As per reports, cotton farmers could realise better prices in 2009-10 with the spot rates being about 20 per cent higher than in the previous year. Apart from farmers' inclination to shift from paddy to cotton, the State authorities are also said to be encouraging farmers to take to crops like cotton and maize which require less water to grow instead of paddy whose water requirements are quite high depleting the water table. The States are also stated to have retained the selling rate of Bt cotton seed at the same level as last year without any increase to boost the sales i.e. Rs. 750 per packet for Bt-1 and Rs. 925 per packet for Bt-2.

Cotton Exports Close to 73 Lakh Bales by April

According to the data available from the office of the Textile Commissioner, registrations for export of raw cotton from the country exceeded 85 lakh bales by the end of April. The actual shipments amounted to 72.8 lakh bales. The month-wise data on registrations and shipments are reproduced below :

Month	(In lakh bales)	
	Quantity Registered	Quantity Shipped
October 2009	7.41	5.56
November 2009	18.69	11.68
December 2009	7.98	15.50
January 2010	9.92	10.26
February 2010	12.74	9.70
March 2010	18.80	14.62
April 2010	9.82	5.51
	85.36	72.83

The conditions prevailing during this year had been quite conducive for exports with India having large exportable surplus and the world cotton prices ruling high. Also, countries like US which had been the traditional cotton exporters had lower quantities to offer due to lower domestic production and hence there was stronger demand for Indian cotton.

Prospects for further exports from India are, however, bleak since the Government has suspended registration and imposed restrictions on shipments in order to cool down the rising domestic cotton prices. While the earlier expectation was that exports can touch 85 lakh bales, it is now felt that shipments may be much less.

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

The members of the Association are not required to pay any subscription amount as they are entitled to a complimentary copy of this publication.

We solicit your co-operation.

Merchandise Exports Up by 50 pc in March

The Country's merchandise exports were reportedly up by 50 per cent at \$19.9 billion during March 2010 compared to exports during the same month last year. Exports were continuously up during the last 5 months. However, the value of exports during the whole year 2009-10 was lower by 4.7 per cent at \$176.5 billion since demand from the traditional markets in the West had almost dried up during the global economic slowdown. The Government has set an export target of \$200 billion for 2010-11.

Imports were also reportedly lower by 8.2 per cent at \$278.7 billion during 2009-10 compared to \$303.7

billion in the previous year. As a result, the trade deficit shrunk to \$102 billion from \$118 billion during last year.

Although exports during 2009-10 fell short of the target, they have been near to the value of \$185.3 billion in 2008-09, a normal year before the global economic melt-down. The outlook for exports is still considered to be hazy mainly because of the looming Eurozone economic crisis although there has been economic recovery in other leading industrial countries. Readymade garments had been one of the major items in the export basket which has been declining during 2009-10.

CAI VALUE DIFFERENCE CIRCULAR DATED 20TH MAY 2010

(Figures in Rs/Candy)

Parameters	Grade			Micronaire Off Allowance
	On Allowance		Off Allowance	
	Extra Super Fine	Super Fine	Fully Good	
ICS-101 (Bengal Deshi RG) (Staple length: Below 22 mm Micronaire : 5.0-7.0 Grade: Fine)	+400	+200	-100	Nil
ICS-201 (Bengal Deshi SG) (Staple length: Below 22 mm Micronaire : 5.0-7.0 Grade: Fine)	+400	+200	-100	Nil
ICS-102 (V-797) (Staple length: 22 mm Micronaire : 4.5-5.9 Grade: Fine)	N.A.	+500	-200	N.A.
ICS-103 (Jayadhar) (Staple length: 23mm Micronaire : 4.0-5.5 Grade: Fine)	N.A.	+200	-100	N.A.
ICS-104 (Y-1) (Staple length: 24mm Micronaire : 4.0-5.5 Grade: Fine)	+500	+200	-200	N.A.
ICS-202 (J-34) (Staple length: 25mm Micronaire : 3.5-4.9 Grade: Fine)	+400	+200	-100	N.A.
ICS-105 (NHH-44, LRA-5166, H-4/ MECH-1/Shankar-6/Bunny/Brahma) (Staple length: 25mm-31mm) (Micronaire : 3.5-4.9 Grade: Fine)	+400	+200	-200	-300 (Low Mic)
ICS-106 (MCU-5/Surabhi) (Staple length: 33 mm Micronaire : 3.3-4.5 Grade: Fine)	N.A.	N.A.	N.A.	N.A.
ICS-107 (DCH-32) (Staple length: 35 mm Micronaire : 2.8-3.6 Grade: Fine)	+1000	+500	-400	-300 (Low Mic)
ICS-301 (ICC)# (Staple length: 26 mm Micronaire : 3.7-4.3 Grade: Fine)	+400	+200	-100	N.A.
# Haryana Roller Gin				

