

Weekly
Publication of



**Cotton
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Cotton Statistics And News

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Edited & Published by Amar Singh

Cotton Planting Picks Up in North India

Planting of cotton has picked up in Punjab and Haryana where farmers, so far, seem to have planted more area than the corresponding period last year.

Punjab has reported higher cotton acreage of five lakh hectares despite a delayed start to planting, as the wheat harvest was slightly delayed.

In the same period last year, Punjab farmers had planted the fibre crop in about 3.91 lakh ha. Last year, the total crop under cotton in Punjab stood at 5.34 lakh ha. Similarly, in Haryana, cotton acreage has seen a marginal increase to 3.22 lakh ha. against last year's three lakh ha.

However, in Rajasthan, cotton planting is down by half to about one lakh ha. so far, against last year's two lakh ha.

With the recent resumption of futures trade in guarseed and guar gum, cotton may face stiff competition in parts of Rajasthan, Haryana and Punjab, where farmers may plant more of guar, as the returns seem to be relatively higher than the fibre crop. Cotton planting in the North is in advanced stages, while in other growing regions in Central, West and South India it will take off with the arrival of monsoon.

Kharif planting

Kharif planting in the Southern States will start in the next few days as the onset of monsoon has been slightly advanced.

The Indian Meteorological Department has predicted that the monsoon this year is most likely to be normal.

(Source: Business Line - 25.05.2013)

Growers Up Bt Cotton Sales Target

The Maharashtra State Cotton Growers Marketing Federation has set a target of selling about three lakh packets of Bt cotton seeds, a huge increase against 11,000 packets sold last year. Response and results of modified Bt cotton seed Mahacot are reported to be extremely encouraging. Federation was selling the seed through its own employees, reaching the farmers directly. The yield in the dry land is about nine quintals a hectare and in irrigated fields upto 28 quintals, it is reported. The three major cotton producing countries - the US, China and India are likely to witness dip in the production this year. As per ICAC, cotton cultivation area has shrunk five percent globally. In 2011-12, the total area under cotton was 34.1 million hectares, which has shrunk to 32.5 million hectares this year. Cotton production, which was 27.8 million tonnes in the year 2011-12 globally, came down to 26.3 million tonnes in the year 2012-13 and was expected to be 24.6 million tonnes in 2013-14.

(Source: Business Line - 22.05.2013)

To Our Members...

We are happy to inform our members that from June 2013 onwards, this weekly bulletin will come out with new colour and design and with 8 pages containing periodical interviews, reviews, etc, experts columns dealing with range of topics of interest to the cotton sector, trade based data relating to arrival, consumption and weather report which will make the contents of the bulletin more reader friendly and interactive.

The CAI welcomes your views and ideas to make this publication an interesting reading.

Make Bt Cotton Tech Available to Small Seed Firms - Seedsmen Assn. Urge AP Govt.

Small and medium seed companies in Andhra Pradesh are up in arms. About 500 such companies feel that they are losing out the cottonseed business to the big players. Unlike in the traditional business in varieties and hybrids, the small companies feel that dominance of multi-national companies will hurt their business interests.

The domestic seed industry has grown on indigenous technology and benefitted by the public sector research system and agricultural universities by accessing technologies developed by them. In the subsequent period private companies have heavily invested in the seed research, while the contribution from public agencies has come down drastically. This has weakened the small companies, threatening their very existence, a source from Seedsmen Association reported.




The Government was asked to start with BG-II technology and obtain it for domestic seed industry and they will pay accordingly, it is stated. The source cited the example of Gujarat cottonseed wherein the seed companies are made to pay a huge fee of up to Rs 50 lakhs to get access to the technology.

Mahyco-Monsanto sub-licences the Bt technology to seed companies after charging them a fee (Top seed companies paid some Rs 50 lakh as a one-time fee). Besides, the firms will have to pay royalty (or trait value) to the technology provider on each packet (of 450 gm) they sell. The Andhra Pradesh Government was asked to emulate the Gujarat example to make the technology available for small firms as they can't afford the huge fee to get access to the technology and if they don't have technology, they are not in the seed business, the source added.

The association represents about 500 companies in the State that is considered to be the seed capital of the country.

The State produced 50.50 lakh quintals of seed, including 41,200 quintals of cottonseed, in 2011-12 as against 45.19 lakh quintals in the previous year. (Source: Business Line - 23.05.2013)

Jai Shree Krishna



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Global Apparel Market will Cross US \$ 2 Trillion Mark

The current global market is estimated at US \$ 1.1 trillion which forms nearly 1.8 percent of the world GDP. Almost 75 percent of this market is concentrated in EU-27, USA, China and Japan. In terms of population, these regions are home to only one-third of the global population, signifying high per capita spend on apparel in these developed markets. The next largest markets are Brazil, India, Russia, Canada and Australia, in descending order. The rest of the world with a population share of 44 percent has a miniscule share of <7 percent in the global apparel market.

Present Scenario

An analysis of “per capita spend on apparel” (PCA) reveals a clear demarcation between the developed and developing economies. The PCA of India is the lowest among these developing markets – only 3 percent of the highest one viz. Australia. Very often, comparisons are drawn between the markets of China and India; but it is interesting to note that PCA of India is only one-third of that of China. The gigantic population base of China and India has led to their inclusion among the top apparel markets, even ahead of several developed economies.

Emerging Trends and Projections for 2025

There is a positive correlation between consumer’s spending on various categories and the economic stature of each country. In lesser developed economies, consumer’s spending is highest on food followed by clothing, housing and other items. In developed economies, as the consumer’s disposable income increases, the share of basic categories such as apparel reduces, whereas the share of new categories like entertainment, recreation, consumer durables, travel, etc. increase. Though in absolute value terms, the spend on clothing will not go

down, but the increase will be slower than the overall increase in disposable income.

This consumption behavior in an aggregate form, at country level causes the spend on clothing to initially rise at a faster rate than the economic growth of the country. In developed economies, the growth of PCA slows down or stagnates, while in value terms the spending on apparel continues to grow. In line with this, it is expected that by 2025, the PCA will grow at a faster rate than the economy in Brazil, Russia, India and China whereas it will be slower or at par with the economic growth in developed markets.

Despite having the highest expected PCA growth, the actual PCA in India will remain at less than 40 percent of China and only 8 percent of Australia (having the highest PCA). The projected growth in PCA and population will cause the world apparel market to grow at a CAGR of -5 percent during 2012 to 2025 to attain a size of – US \$ 2.1 trillion by 2025.

Global Apparel Market Size 2012 (in US \$ bn.)		
Sr. No.	Region	Apparel Market Size
1.	EU-27	350
2.	United States	225
3.	China	150
4.	Japan	110
5.	Brazil	55
6.	India	45
7.	Russia	40
8.	Canada	30
9.	Australia	25
10.	Rest of the world	75
Total		1,105

(Source: Textile and Apparel Sector Trends)

Brazil, FAO Experts Promote Cotton Growing in Peru

Experts from Brazil and representatives of Food and Agriculture Organisation (FAO) are currently visiting Peru to promote the development of small-scale farming for cotton production. The visit is a part of the Brazil-FAO International Cooperation Program. Its purpose is to help increase productivity, improve income, to contribute to poverty reduction and eradication of hunger in Peru.

The team of experts includes representatives of Embrapa or Brazil’s Agricultural Research Corporation, ABC or Brazilian Cooperation Agency of the Ministry of Foreign Affairs of Brazil, FAO’s

Regional Office for Latin America and the Caribbean and a FAO technical group in Peru.

The program will focus on Lambayeque, Ica and San Martin areas of Peru and suggest enhanced methods of production, processing and transformation of cotton fibre to the local cotton farmers. According to Peru’s Ministry of Foreign Trade and Tourism, the agriculture and textile sector employs 350,000 people in Peru, contributing 1.6 percent to the nation’s Gross Domestic Product (GDP).

Source: Cotton 24/7 - May 9, 2013)

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) 2012-13 Crop May 2013					
Sr. No.	Growth Standard	Grade /GPT	Grade	Staple	Micronaire	Strength	20th	21st	22nd	23rd	24th	25th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	9476 (33700)	9476 (33700)	9617 (34200)	9729 (34600)	9729 (34600)	9729 (34600)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	9729 (34600)	9758 (34700)	9898 (35200)	10011 (35600)	10011 (35600)	10011 (35600)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	7396 (26300)	7396 (26300)	7396 (26300)	7424 (26400)	7452 (26500)	7396 (26300)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	8577 (30500)	8577 (30500)	8577 (30500)	8577 (30500)	8605 (30600)	8577 (30500)
5	M/M	ICS-104	Fine	24mm	4.0 – 5.5	23	9561 (34000)	9561 (34000)	9561 (34000)	9589 (34100)	9617 (34200)	9589 (34100)
6	P/H/R	ICS-202	Fine	26mm	3.5 – 4.9	26	10151 (36100)	10236 (36400)	10208 (36300)	10320 (36700)	10404 (37000)	10432 (37100)
7	M/M/A	ICS-105	Fine	26mm	3.0 – 3.4	25	9392 (33400)	9448 (33600)	9476 (33700)	9505 (33800)	9561 (34000)	9533 (33900)
8	M/M/A	ICS-105	Fine	26mm	3.5 – 4.9	25	9701 (34500)	9786 (34800)	9814 (34900)	9842 (35000)	9898 (35200)	9870 (35100)
9	P/H/R	ICS-105	Fine	27mm	3.5 – 4.9	26	10264 (36500)	10376 (36900)	10404 (37000)	10489 (37300)	10573 (37600)	10601 (37700)
10	M/M/A	ICS-105	Fine	27mm	3.0 – 3.4	26	9589 (34100)	9617 (34200)	9645 (34300)	9673 (34400)	9729 (34600)	9701 (34500)
11	M/M/A	ICS-105	Fine	27mm	3.5 – 4.9	26	9954 (35400)	10011 (35600)	10039 (35700)	10067 (35800)	10123 (36000)	10095 (35900)
12	P/H/R	ICS-105	Fine	28mm	3.5 – 4.9	27	10404 (37000)	10489 (37300)	10517 (37400)	10601 (37700)	10686 (38000)	10714 (38100)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	10320 (36700)	10348 (36800)	10376 (36900)	10404 (37000)	10461 (37200)	10432 (37100)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	10404 (37000)	10461 (37200)	10489 (37300)	10517 (37400)	10573 (37600)	10545 (37500)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	10489 (37300)	10517 (37400)	10545 (37500)	10573 (37600)	10629 (37800)	10601 (37700)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	10545 (37500)	10601 (37700)	10629 (37800)	10657 (37900)	10714 (38100)	10686 (38000)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	10686 (38000)	10742 (38200)	10770 (38300)	10798 (38400)	10854 (38600)	10826 (38500)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	10967 (39000)	11023 (39200)	11051 (39300)	11079 (39400)	11135 (39600)	11107 (39500)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 – 4.9	31	11304 (40200)	11332 (40300)	11360 (40400)	11389 (40500)	11445 (40700)	11417 (40600)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0 - 3.8	33	13638 (48500)	13638 (48500)	13638 (48500)	13638 (48500)	13638 (48500)	13638 (48500)

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