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# Cotton Statistics And News

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Edited & Published by Amar Singh

## **Farmers Greatly Benefit from Projects Undertaken by COTAAP Founded by Association**

The COTAAP Research Foundation was founded by Cotton Association in 1987. Since then it has been functioning as a Research and Extension Wing of the Association. The prime objective of the several projects undertaken by COTAAP is to provide all guidance and services to farmers in the modern scientific farming of cotton and to demonstrate to them how these benefit them in improving the production, productivity and quality at optimum cost and thereby considerably enhance their net profits from cotton cultivation.

Some of the activities under the projects implemented by COTAAP over the years consisted mainly of -

- Facilitating supply of good quality genetically pure seeds to farmers.
- Undertaking Frontline Demonstrations in collaboration with the Technology Mission on Cotton sponsored by the Government of India for the benefit of farmers.



*Farmers taking self experience in farm mechanization programme*

- Providing extension services to farmers and guiding them to adopt modern agronomic practices to boost cotton production, productivity and quality.
- Setting up of model cotton development farms in various cotton growing tracts.

The technologies demonstrated in the two types of Frontline Demonstration (FLDs) viz. FLDs on Production Technology and FLDs on Integrated Pest Management included the following:-

### **A. FLDs on Production Technology**

1. Use of improved genotype seeds, resistant varieties
2. Use of proper methods of sowing and optimum spacing
3. Intercultural operations needed
4. Scientific methods of irrigation
5. Use of bio-fertilisers
6. Balanced nutrition for cotton
7. Foliar application of Macro and Micro nutrients
8. Soil and Water conservation practices
9. Proper methods of harvesting
10. Anti-contamination practices

## B. FLDs on Integrated Pest Management

1. Use of improved genotype seeds, resistant varieties
2. Use of proper methods of sowing and optimum spacing
3. Use of "Trap Crops" like maize, cowpea, jowar and sunhemp
4. Identification of beneficial and harmful insects
5. Use of bio-pesticides
6. Use of Pheromone traps
7. Use of chemical pesticides
8. Integrated methods of disease, insect and weed management
9. Proper methods of harvesting
10. Anti-contamination practices

During 2010-11, a total of 31 FLDs - 3 on IPM, 8 on production and 20 on nutrition are being conducted benefitting 1550 farmers. So far, during the last six years, a total of 125 FLDs directly benefitting 6225 farmers have been conducted under the COTAAP projects.

## CAI President Writes to PM Seeking Intervention in Cotton Export Policy

President of the Association has recently written to the Prime Minister seeking his intervention in the export policy relating to cotton. In the letter he has urged the Prime Minister to announce a free export policy for cotton without any quantitative restriction particularly as the season for cotton planting is set to commence. He highlighted that restrictions on exports and frequent changes in the policy have not only hurt cotton growers' interest but have also resulted in the country being sidelined in the international market because of risks associated with vacillating policies and unsteady supplies. The President asserted that cotton growers and exporters deserve unrestricted access to export markets when cotton imports are allowed without any restriction.

He observed that consuming industries such as yarn, fabric and garment manufacturers enjoy multiple benefits of unrestricted exports, duty-free import of cotton and access to indigenous raw material at prices 15-30 percent lower than their international competitors which was nothing but Indian cotton growers subsidising the user industry. Any restriction on cotton export would be detrimental to the India cotton economy and deprive all the cotton farmers of the legitimate price for their produce, stated the President.

A few excerpts from the President's letter are reproduced below:

"Cotton exports have not been permitted since

the end of February which has resulted in a crash of prices amounting to almost 30%. In spite of this, it is ironical that our prices remain around 15 to 20% cheaper than that of the world and farmers have been deprived of realising the international value for their cotton whilst they have been witnessing an erosion in the value of their produce day by day since the last couple of months.

Thus, the blocking of exports has adversely affected the interests of the Nation in general and that of the Indian cotton farmer in particular. While the Indian farmer has the protection of a guaranteed MSP there is no reason to prevent him from realising a value for his produce which is equal to his counterpart in USA, China, Uzbekistan and several African Countries.

Cotton acreage which has seen a rising trend in recent years will receive a setback if farmers do not receive a fair price as per international levels. Farmers will soon take a decision about which crop to sow and the restriction on exports at this time of falling prices will discourage them from planting cotton in the coming season. Over and above this, the realisation of his produce will be much lower because of the artificial build up of carry over stocks which in turn will depress prices further at the beginning of the next season.

Unfortunately exports of cotton have in any case suffered tremendously under the impact

of a vacillating policy from April last year.

We believe the restriction of exports is resulting in once again India being sidelined and the Indian farmer once again left to the mercy of the mill sector and once again losing the richly deserved opportunity to earn international prices for his produce.

The long term interest of the Indian textile industry lies in the availability of abundant cotton in their backyard. Parochial measures

if taken at the instance of certain sectors only will defeat the longer term objectives of the entire cotton value chain by reducing production in the Country.

In view of the circumstances explained above, we reiterate what we have said several times before that any restriction on the exports of cotton would be detrimental to the Indian cotton economy and deprive all the cotton farmers of the legitimate price for their produce".

## **Government Revives TUF Scheme for One Year with Modifications - Report**

It is reported that the Government has revived the Technology Upgradation Fund Scheme (TUFS) and has re-launched it for one year during 2011-12 in a restructured form. The Scheme was discontinued in June last year.

The Scheme was originally launched in April 1999 with the main objective of helping the modernisation of the textile industry which had been suffering for quite some time from technological obsolescence, rendering it less and less competitive with the world textile industry. Since the inception of the scheme, nearly Rs.11,200 crore of subsidy has been released of which a major portion of Rs.8,883 crore was disbursed during the last three years. It is claimed by the Textile Ministry that TUFS catalysed investments of Rs.2.08 lakh crore in the textile industry during the 11 years of its existence.

The Scheme was discontinued in June 2010 and the Government appointed Crisil to study the outcome from it. According to this study, TUFS facilitated an increase in productivity, reduction in cost and waste and had brought about an improvement in quality across the value chain. However, the gains varied across the segments with the processing and powerloom sectors continuing to remain as major areas of concern. The Scheme has now been reintroduced so as to ensure optimum value addition across the chain and channelise investments towards hitherto low focus areas, it is stated.

The revised scheme has several new features.

For instance, sectoral allocations and the loan period are shorter and interest reimbursement for the spinning segment is lower. The overall subsidy for 2011-12 has been capped at Rs.1,972 crore.

The revised scheme has been notified on April 28 and is to remain open till March 31, 2012. It would be on till the funding is exhausted while applications would be taken up on a first-cum-first-served basis. It has been pointed out by the industry circles that the revised scheme has quite a few drawbacks, the major one being the curtailment of the maximum repayment tenure of loans to seven years from the earlier ten years. Although the moratorium period remains as two years, the subsequent period has been shortened to five years from 8 years. It is also pointed out that the tenure of the Scheme should have been longer than just one year.

There is, however, some advantage for the weaving sector as it is now granted a ten percent capital subsidy for the new shuttleless loom. This has apparently been done to do away with the use of second hand looms and would be beneficial. The spinning sector has, however, been disappointed that its interest reimbursement has been reduced to four percent from the earlier five percent.

Greater control on monitoring would be exercised in the revised scheme with pre-authorisation of all eligible claims by the Textile Commissioner before approval and more monitoring by the Inter-Ministerial Steering Committee chaired by the Secretary, Textiles.

## SNIPPETS

Following 40 percent decline in cotton prices during the past one-and-a-half month, industry body Assocham called for lifting the ban on raw cotton exports to protect the interests of farmers across the country.



India's industrial output bounced back in March posting a growth of 7.3 percent from the previous month's 3.7 percent. The overall industrial growth during 2010-11 stood at 7.8 percent compared to 10.5 percent in the previous year. The manufacturing sector, which accounts for nearly 80 percent of industrial output, rose 7.9 percent in March as against February's 3.6 percent growth. The

mining sector appears to have recorded the lowest growth at 0.2 percent compared to 12.3 percent in the same year ago period.



The new financial year appears to have started on a strong note for India's merchandise exports which reportedly grew 34.4 percent in April to \$ 23.9 billion. Imports reportedly rose by 14.1 percent to \$ 32.8 billion. Exports have been growing at a fast pace during the last few months pushing the Country's exports during 2010-11 to a record \$ 246 billion, a growth rate of another record 37.55 percent. The trade deficit in April is placed at \$ 8.9 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) 2010-11 CROP					
						May 2011					
						21 <sup>st</sup>	23 <sup>rd</sup>	24 <sup>th</sup>	25 <sup>th</sup>	26 <sup>th</sup>	27 <sup>th</sup>
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15	12429 (44200)	12513 (44500)	12570 (44700)	12626 (44900)	12654 (45000)	12654 (45000)
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15	12570 (44700)	12654 (45000)	12710 (45200)	12766 (45400)	12795 (45500)	12795 (45500)
03.	ICS-102	22mm	V-797	4.5-5.9	19	7311 (26000)	7311 (26000)	7592 (27000)	7733 (27500)	7874 (28000)	7874 (28000)
04.	ICS-103	23mm	Jayadhar	4.0-5	19	8998 (32000)	8998 (32000)	9083 (32300)	9364 (33300)	9561 (34000)	9561 (34000)
05.	ICS-104	24mm	Y-1	4.0-5.5	20	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
06.	ICS-202	25mm	J-34	3.5-4.9	23	12176 (43300)	12317 (43800)	12457 (44300)	12513 (44500)	12654 (45000)	12654 (45000)
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	8858 (31500)	8858 (31500)	8858 (31500)	8858 (31500)	8858 (31500)	8858 (31500)
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24	9280 (33000)	9842 (35000)	10123 (36000)	10123 (36000)	10123 (36000)	10123 (36000)
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	11389 (40500)	11670 (41500)	11670 (41500)	11810 (42000)	11810 (42000)	11810 (42000)
10.	ICS-105	29mm	S-6	3.5-4.9	26	13076 (46500)	13076 (46500)	13216 (47000)	13216 (47000)	13273 (47200)	13273 (47200)
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	13216 (47000)	13357 (47500)	13498 (48000)	13638 (48500)	13638 (48500)	13638 (48500)
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28	15607 (55500)	15607 (55500)	15607 (55500)	15607 (55500)	15607 (55500)	15607 (55500)
13.	ICS-107	35mm	DCH-32	2.8-3.6	31	20246 (72000)	20246 (72000)	20246 (72000)	20246 (72000)	20246 (72000)	20246 (72000)

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