

Weekly
Publication of



**Cotton
Association
of India**

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Regd.No.MH/MR/EAST/96/2009-11

Registered with the Registrar of Newspapers for India under R.No.18844/69

Published every Tuesday

Price: Rs.30 per copy

Cotton Statistics And News

2012 * No. 10 * 05/06/2012

Edited & Published by Amar Singh

CICR to Reorient Research to Tackle Fall in Yield

The country's cotton yield is far lower than global average despite its emergence as a major cotton producing nation. The per hectare productivity is as low as 475 kg compared with Brazil's 2,027 kg, China's 1,311 kg, the US' 945 kg, Uzbekistan's 859 kg and Pakistan's 684 kg. It started to slide gradually from 566 kg/hect in 2007-08 to 522kg/hect the following year and further to 486 kg/hect in 2009, falling to 475 kg/hect in 2010-11.

The Project Coordinator and Head of the Central Institute for Cotton Research in Coimbatore is reported to have stated that the institute is in the process of reorienting its research programmes to address the emerging challenges.

After the introduction of Bt hybrids in 2002, India's contribution to global cotton production increased from 14 per cent to over 20 per cent in 2007. For five consecutive years after 2005, India harvested a record average of 300 lakh bales, beating the till then record of 165 lakh bales before the introduction of Bt. Quality profile.

The enhancement in yields has been primarily due to several technological changes since 2002, significantly related to the introduction of Bt hybrid, seed treatment and process, the feasible research outcome of the National Agricultural Technology Programme, the Technology Mission on Cotton, integrated pest and nutrient management techniques, and so on.

The factors responsible for the decline in yield levels included erratic rainfall and emerging

biotic and abiotic stress. The quality profile of Indian cotton has also changed. Long staple cotton, which constituted a mere 20 per cent of the total production in 2000, increased to 74 per cent of the total cotton produced in 2010 because of Bt hybrids. The total area under *G.barbadense*, *G.arboreum* and *G.herbaceum* declined to 7 per cent in 2010. In the mid-1990s, the area under such cotton accounted for 6 per cent, 25 per cent and 13 per cent respectively of the total area.

Besides protecting desi cotton varieties, there is also an urgent need to improve the fibre quality parameters through identification of newer genotypes, developing genotypes for various staple qualities — both extra long staple and short-staple cottons and development of best crop management practices, it is reported.

The CICR head also pointed out that cotton farmers in Tamil Nadu are shifting to maize, as it was found to be more remunerative, apart from it being a crop of shorter duration than cotton. The area under maize has increased from 95,000 hectares to around 1.02 lakh hectares in the State; but the shift is happening in the area under cotton in and around Coimbatore.

Elaborating the plans to enhance productivity, he stated that CICR is propagating high-density planting using desi varieties by which farmers can improve the yield. He further added that CICR is working on different transgenic (cotton) plants, pyramiding of genes such as tolerance to

drought, inter-specific hybrids, hybrids equal to and even superior to Suvin. These efforts are underway, and at different evaluation levels at the All-India Coordinated Cotton Improvement Project (AICCIP).

The CICR is also taking up a project called 'National Challenge Cotton Programme'. Through this programme, cotton researchers will disseminate to farmers how desi varieties can beat the Bt hybrid in yields. Because of Bt, there is a glut of the long-staple cotton varieties in the market, forcing the mill sector to import short-staple and medium-staple cotton.

Cotton scientists, who hitherto used to stress on

plant spacing, are now propagating high density planting to improve the yield per hectare. The cotton scenario has changed in the last decade which has compelled CICR also to incorporate some change in the cultivation practice, modifying the plant architecture, Project Coordinator and Head at the Central Institute for Cotton Research in Coimbatore has stated. The institute had field tested the high density planting strategy at its fields in Coimbatore, Nagpur and Sirsa and have further plan to take up high density planting on a large scale this year, basically in rainfed areas and in Maharashtra, it is reported.

(Source: Business Line - May 25,2012)

Vietnam Reviews Measures to Boost Cotton Output

In spite of favourable soil and weather conditions available for growing cotton, Vietnam's cotton output meets just 1.5 percent of the local textile and garment industry's demand, Deputy Minister of Industry and Trade has said.

Vietnam's domestic textile and apparel industry requires around 400,000 tons of cotton per year, against which the country produces a meagre 5,000 tons of cotton on 12,000 ha of land.

In 2010, Vietnamese Government devised measures to boost cotton farming in the country through cotton production development programme over the next five years, with goals until 2020.

The programme aimed at raising country's cotton cultivation acreage to 30,000 ha to achieve an output of 20,000 tons by 2015, and 76,000 ha producing 60,000 tons by 2020. It also sought to enhance cotton cultivation areas irrigated by stable water supplies rather than having total dependence on rain water.

However, during the meeting to take a review of the decision after a two-year gap, the Ministry stated that it is difficult to meet the goals outlined in 2010 as most of the decisions are still awaiting implementation. Moreover, legal set-backs also causing hurdles for farmers

in obtaining preferential bank loans, resulting in inadequate funds for cotton cultivation.

The Vietnam National Textile and Garment Group (VINATEX) has said that provinces like Quang Binh, Binh Thuan and Dak Lak devised a cotton development plan, but due to complex administrative procedures people there are still not clear about the position of cotton production.

It was suggested that the region should first set up a sample high-yield cotton field to assess its viability, and then expand the model. Also, it sought regulation allowing conversion of exhausted forests into cotton cultivation areas. Even after two years of programme implementation, the country has only two cotton farms employing modern irrigation systems in central Binh Thuan and Ninh Thuan provinces.

Low cotton prices and rising cost of fertilizers prevent poor farmers from undertaking cotton cultivation, it is stated. It was suggested that establishment of a cotton price stabilisation fund with textile and garment producers contributing two percent of their production costs to the fund, to aid farmers at least recover their production cost in the event of a major fall in prices. It was further stated that expanded cotton acreage and productivity would boost competitiveness of the country's cotton sector.

(Source: Fibre2fashion News Desk - 22.05.2012)

Government Allows Restructuring of Rs 35,000-crore Loans.

A massive restructuring of debt in India's ailing textile sector provide relief to thousands of mills struggling with losses and revive demand for cotton in the world's second-largest producer, industry officials said.

The government has asked state-run banks to restructure 350 billion rupees (\$6.29 billion) worth of debt on the books of textile companies and also asked the central bank in consultation with the finance ministry to consider a two-year moratorium on term loans and other measures to help cash-strapped companies improve their working capital positions. This way, they would avoid the need for immediate repayment and would also likely get more time to repay their debts under the measures that banks would consider.

The decision provides hope to local cotton producers for a pick-up in demand in the coming months, as it will likely inject greater liquidity into cash-strapped mills just when overseas demand has dried up from major buyers such as China, Pakistan and Bangladesh. This will help mills pull through the crisis they are going through because of lack of working capital to buy raw material.

Mills incurred huge losses after buying cotton when prices had hit record highs in March-April last year and subsequently collapsed globally in the next two to three months as output in countries such as Pakistan picked up.

Since then, mills in India, the world's second-largest producer of cotton yarn have found it difficult to offload their products and repay debts.

India's textile industry contributes about 11 percent to industrial production, 14 percent to the manufacturing sector, 4 percent to GDP and 12 percent to the country's total export earnings, it is reported.

India ships cotton yarn to key garment exporters such as China, Pakistan and Bangladesh. The mills' capacity utilization should improve to 90-95 percent from 70-80 percent in the next three to nine months following easier capital availability. Which means a minimum 10 percent improvement in the production of cotton yarn, and to that extent, demand for cotton, it is stated.

Faced with slow buying by mills, the government had lifted all restrictions on export volumes last August to enable farmers to sell their cotton.

Mills are currently buying between 1.7 million and 1.8 million bales monthly, according to industry officials. Farmers and traders are estimated to be saddled with around 4 million to 5 million bales of cotton stocks from the current season's crop due to low overseas demand and a lack of domestic buying. This will get absorbed very fast because of the government's decision and the bulk of the demand pick-up would become evident when the new season crop arrives in October, the source added.

India is estimated to have produced a record 34.7 million bales of cotton of 170 kgs each, during the marketing year ending Sept. 30.

(Source: Economic Times - 30.05.2012)

GM Seed Paves the Way for Record Australian Crop

The investments Australian cotton growers have been making in technology over the last few decades are paying dividends now in the form of record production. With about half of the crop harvested, it looks as though the totals could exceed 4.7 million bales, according to the report.

Much of the credit for the bumper crop should go to the increasing use of genetically modified (GM) cotton seed, which is a very positive experience and one of the things that helped transform the industry.

Just a few months ago, it appeared that heavy rains and flooding would severely downgrade this season's overall production figures – perhaps by as much as 500,000 bales, a financial loss of about \$250 million. But drier weather has prevailed since then, resulting in the 4.7 million bale estimate, up from 4.4 million bales predicted when the flooding took place.

If the numbers prove true, it will mark the second consecutive year that Australian production has hit an all-time high, breaking the record of 4.1 million bales set last year. The future looks bright as well, with excess soil moisture and healthy water supplies pointing toward a positive outlook for the next two years.

(Source: Cotton International – 24.05.2012)

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) 2011-12 Crop May-June 2012					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	28th	29th	30th	31st	1st	2nd
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	9476 (33700)	9533 (33900)	9673 (34400)	9673 (34400)	9673 (34400)	9617 (34200)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	9758 (34700)	9814 (34900)	9954 (35400)	9983 (35500)	9983 (35500)	9954 (35400)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	6889 (24500)	6889 (24500)	6889 (24500)	6889 (24500)	6889 (24500)	6833 (24300)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	7958 (28300)	7958 (28300)	7958 (28300)	7874 (28000)	7845 (27900)	7789 (27700)
5	M/M	ICS-104	Fine	24mm	4.0 – 5.5	23	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
6	P/H/R	ICS-202	Fine	26mm	3.5 – 4.9	26	8464 (30100)	8492 (30200)	8492 (30200)	8520 (30300)	8520 (30300)	8352 (29700)
7	M/M/A	ICS-105	Fine	26mm	3.0 – 3.4	25	7902 (28100)	7902 (28100)	7902 (28100)	7845 (27900)	7789 (27700)	7733 (27500)
8	M/M/A	ICS-105	Fine	26mm	3.5 – 4.9	25	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
9	P/H/R	ICS-105	Fine	27mm	3.5 – 4.9	26	9195 (32700)	9195 (32700)	9195 (32700)	9223 (32800)	9167 (32600)	8998 (32000)
10	M/M/A	ICS-105	Fine	27mm	3.0 – 3.4	26	8127 (28900)	8155 (29000)	8155 (29000)	8099 (28800)	8042 (28600)	7930 (28200)
11	M/M/A	ICS-105	Fine	27mm	3.5 – 4.9	26	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
12	P/H/R	ICS-105	Fine	28mm	3.5 – 4.9	27	9308 (33100)	9308 (33100)	9308 (33100)	9336 (33200)	9251 (32900)	8998 (32000)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	9026 (32100)	9026 (32100)	9026 (32100)	8970 (31900)	8970 (31900)	8830 (31400)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	8998 (32000)	9083 (32300)	9083 (32300)	9026 (32100)	8970 (31900)	8745 (31100)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	9336 (33200)	9420 (33500)	9420 (33500)	9364 (33300)	9364 (33300)	9139 (32500)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	9251 (32900)	9336 (33200)	9336 (33200)	9280 (33000)	9223 (32800)	8998 (32000)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	9589 (34100)	9589 (34100)	9589 (34100)	9533 (33900)	9476 (33700)	9420 (33500)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	9842 (35000)	9926 (35300)	9926 (35300)	9870 (35100)	9870 (35100)	9701 (34500)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 – 4.9	31	10123 (36000)	10151 (36100)	10151 (36100)	10123 (36000)	10123 (36000)	9983 (35500)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0 – 3.8	33	13076 (46500)	13132 (46700)	13132 (46700)	13216 (47000)	13216 (47000)	13076 (46500)

(Note: Figures in bracket indicate prices in Rs./Candy) N.Q. = Not Quoted