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Cotton Statistics And News

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World Cotton Prices on the Decline - ICAC

The International Cotton Advisory Committee (ICAC), in its latest Press Release of June 1st states that world cotton prices declined noticeably in the last few weeks, due mainly to the anticipation by the industry of a second consecutive season of increase in global stocks. The ICAC Secretariat's expectation is that stocks may jump by 43 percent in 2011-12 to 13.3 million tons (mt), and then to expand by another 9 percent in 2012-13 to 14.5 mt. By the end of July 2013, global cotton stocks are likely to represent 61 percent of global consumption, the highest stocks-to-use ratio reached since 1998-99. Other factors participating in the recent price decrease are said to include the arrival of rains in Texas (USA), new uncertainties regarding the EU economy and the resulting strengthening of the U.S. dollar.

As for world cotton production, it is forecast to be down by seven percent in 2012-13 to 25.1 mt following the plunge in cotton prices in 2011-12. Global cotton mill use is projected to increase by 3 percent to 23.9 mt in 2012-13, driven by improving economic growth and lower cotton prices. Global trade in cotton is expected to decline by eight percent to 8.1 mt. It is likely that Chinese imports might fall from a record of 4.6 mt to 3.3 mt, whereas imports by the rest of the world could increase by 15 percent to 4.8 mt, boosted by lower cotton prices and increased consumption.

ICAC states that in 2011-12, three-fourths of the projected increase in global stocks is taking place in China, mostly within the national reserve. A portion of this reserve might be auctioned before the arrival of the new crop, to rotate stocks. The Chinese government is stated to have already announced a slightly higher minimum support price for 2012-13 and is expected to buy part of the new cotton crop. The influence from this may be that the size of the Chinese national cotton reserve may increase further in 2012-13. It is claimed that the projected accumulation of global cotton stocks will weigh on international cotton prices in 2012-13 and price volatility may increase due to the uncertainty related to the Chinese national reserve.

Time to Adopt Better Farm Technologies: CICR Chief

The country needs to utilise technology in every stage, from seeds to harvesting, if it wants to emerge as a global leader in agriculture in the next few years, say experts.

There is a need to adopt better farm technology to step up productivity and ensure farmers' prosperity. We are on a growth path and there is nothing like a laggard farmer; you give him the technology and he will grab it and prove it, Central Institute of Cotton Research Director Dr KKR Kranthi said on the sidelines of an event organised by commodities portal.

Dr Kranthi also said if a technology is good, then farmers will adopt it and added that it is all a question of placing right technologies at the right place. Dr.Kranthi also called for using biotechnology in various fields of agriculture to increase productivity. He further added that use of biotechnology will not only increase the productivity of various crops, it will also help bring down the intake of various pesticides and insecticides with various harmful impacts.

(Source: Tecoya Trend- 07.06.2012)

Cotton Classing at the Gin Can Save Time and Money - Report

In the 2012 first quarter edition of Cotton International, the CEO, Uster Technologies deals with the future of cotton classing. The main points made by him in his extensive interview published in the above edition are mentioned below as they may be of interest.

It is stated that there are quite a few pivotal events which had a significant impact on the application of instrument cotton classing. From the early inception of cotton fibre testing instruments until 1970s, each fibre quality was measured on a single instrument for each property such as length, strength, colour and micronaire. The technology used at the time was antiquated and test results were highly influenced by the operator. If the late 70s, a new approach for fibre testing instruments was introduced. This architecture combined instruments of multiple fibre properties. Use of state-of-the-art technologies and higher automation greatly increased accuracy of results and testing throughout. These instruments are stated to have quickly become the standard in classing programmes and textile mills around the world. In 1991, the move by US Department of Agriculture (USDA) to 100 per cent instrument classing of US cotton signalled the acceptance and transition from manual to HVI based classing. US was followed seven years later by Uzbekistan in 1998 and china in 2005 both of which implemented a cotton classing programme similar to USDA.

It is stated that the first challenge faced in this regard was accepting of, and adapting to, a big change in trade of cotton. The second was to convince the users of the value of their investment. The third was to obtain the user's trust by providing standards produced by the internationally reputable third party. The challenges are said to have been successfully met through a vast number of educational seminars and conferences. USDA is stated to have played an important role in the success of HVI testing by producing calibration mediums.

Regarding the importance of adoption of instrument classing for the world cotton trade, it is clarified that for the successful and efficient trade of cotton as well as its effective utilisation in the mills, the cotton chain worldwide must 'speak' one language which is only possible through the application of an internationally accepted and technically supported instrument with proven practices. The importance of approved testing procedures and an effective quality control programme should not, it is stressed, be underestimated. This is essential, especially one with multiple instruments. Keeping multiple instruments on the same level is of utmost importance to ensure reproducibility and repeatability of test results, so that the market can have confidence in those values.

It is stated that today more than 50 per cent of world's cotton is classed by instruments. This includes all the testing that takes place in classing offices, merchants and textile mill laboratories. Instrument manufacturers are claimed to have conducted educational seminars worldwide and continue to do so. The efforts of independent organisations like ICAC, CSITC and others have resulted in significant progress as well. In fact, USDA's pioneering role in instrument classing is stated to have been a great model for establishing and running a cotton classing programme. The expectation is that within the next 10 to 15 years, about 90 per cent of world's cotton will be classed by instruments. It is claimed that on-line testing instruments are making their way into the gins. Performing a full cotton classing operation in the gins is said to be the next logical step, saving money and time by indentifying a bale's fibre qualities at the production point.

Indian Govt. Mulls Brazil Method to Boost Cotton Yield

The Government of India is considering implementation of the Brazilian pattern of growing cotton in some of the cotton growing areas in the country to boost production of cotton. At present, the average world cotton yield is around 750 kg per hectare, whereas cotton yield is less than 500 kg per hectare in Maharashtra, a major cotton growing state in India.

In comparison, Brazil's cotton yield is almost double the global average at nearly 1,500 kg per hectare. The Latin American country cultivates cotton only on about 1.4 million hectares of rain-fed area.

The Commissioner of Agriculture, Department of Agriculture, Government of Maharashtra, stated that a delegation of the Government of India had visited Brazil and now the Central Government is in the process of formulating a policy based on the report submitted by the delegation. The Government is planning to adopt some of the components of Brazilian farming that may be suitable to Indian agricultural conditions. But, it will take some time as the details about the project are presently being documented, it is reported.

(Source: Fibre2fashion - 01.06.2012)

Cotton Output Rises by Over 9 Percent Due to Bt Seeds : Study

Cotton production has increased by over 9 per cent with the use of hybrid Bt cotton seeds, helping the country become net exporter of the cash-rich crop, a field study has found. The study on 'socioeconomic impact assessment of Bt cotton in India' has highlighted that area under cotton has grown by 4.91 per cent in the last 10 years.

The survey was done in nine-cotton growing states of Maharashtra, Punjab, Haryana, Rajasthan, Madhya Pradesh, Andhra Pradesh, Karnataka, Tamil Nadu and Gujarat.

The study was jointly conducted by a research institute 'Council for Social Development' and 'Bharat Krishak Samaj', a farmers organisation. While launching the report, Shri Ajay Jakhar, Chairman, Bharat Krishak Samaj, said the report highlights that high yielding hybrid Bt cotton seeds, lower pesticide use and better prices have helped cotton farmers get better productivity and in turn higher returns.

Shri Jakhar dismissed that use of hybrid cotton seeds have lowered productivity of the cash crop triggering farmer suicides and said the incident was due to lack of irrigation facilities, non-availability of timely credit and fluctuating cotton prices over the years. Shri Jakhar said the study pointed out that cotton export trend has increased significantly to above 75 per cent between 2002-2009 due to use of hybrid Bt cotton seeds. The advent of Bt cotton has changed India from a net importer of the crop into a net export of cotton, he added.

While sharing the findings of the study, a source from Council for Social Development has said that hybrid cotton technology is scale-neutral and it has also come to light that expenditure on pesticides on hybrid Bt cotton had reduced over the years.

(Source: Tecoya Trend - 07.06.2012)

World Cotton Production & Consumption

(Millions of 480 lb. bales)

	2007/08		2008/09		2009/10		2010/11		2011/12 May		2011/12 June	
	Prod.	Cons.	Prod.	Cons.	Prod.	Cons.	Prod.	Cons.	Prod.	Cons.	Prod.	Cons.
China	37.0	51.0	36.7	44.0	32.0	50.0	30.5	46.5	33.0	48.0	33.0	47.5
India	**24.0**	**18.6**	**22.6**	**17.8**	**23.0**	**19.5**	**24.0**	**20.5**	**27.0**	**21.5**	**27.0**	**21.5**
United States	19.2	4.6	12.8	3.6	12.2	3.5	18.1	3.8	18.0	3.8	17.0	3.8
Pakistan	8.6	12.0	8.7	11.3	9.6	10.8	8.8	10.3	10.3	10.8	10.3	10.8
Brazil	7.4	4.6	5.5	4.2	5.5	4.4	9.3	4.4	9.3	4.6	9.3	4.6
Uzbekistan	5.4	1.0	4.6	1.0	3.9	1.1	4.2	1.3	4.7	1.3	4.5	1.3
Turkey	3.1	6.2	1.9	5.1	1.8	5.8	2.1	5.9	2.8	6.1	2.9	6.1
Argentina	0.7	0.8	0.6	0.8	1.0	0.8	1.3	0.8	1.4	0.9	1.4	0.9
Mexico	0.6	2.0	0.6	1.9	0.4	1.9	0.7	1.9	1.0	2.0	1.1	2.0
Australia	0.6	-	1.5	-	1.8	-	4.4	-	4.3	-	4.3	-
AF Zone	2.3	-	2.2	-	2.1	-	2.2	-	1.8	-	1.8	-
EU-27	1.7	-	1.2	-	1.1	-	1.1	-	1.6	-	1.6	-
Turkmenistan	1.3	-	1.4	-	1.3	-	1.6	-	1.6	-	1.6	-
Greece	1.6	-	1.2	-	0.9	-	0.9	-	1.4	-	1.4	-
Burkina	0.7	-	0.9	-	0.7	-	0.7	-	0.9	-	0.9	-
Bangladesh	-	3.5	-	3.8	-	3.8	-	3.9	-	4.0	-	4.0
Indonesia	-	2.2	-	2.0	-	2.1	-	1.8	-	1.9	-	1.9
Vietnam	-	1.2	-	1.3	-	1.6	-	1.7	-	1.8	-	1.8
Thailand	-	2.0	-	1.6	-	1.8	-	1.6	-	1.7	-	1.7
South Korea	-	1.0	-	1.0	-	1.0	-	1.1	-	1.1	-	1.1
Taiwan	-	1.0	-	0.8	-	1.0	-	0.9	-	1.0	-	0.9
Rest of World	7.8	11.6	6.8	10.1	5.9	9.5	6.1	9.2	7.1	9.2	7.1	9.3
World Total	**119.7**	**123.3**	**107.1**	**110.1**	**101.4**	**118.4**	**114.3**	**115.5**	**124.7**	**119.5**	**123.8**	**119.0**

Source: USDA

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 June 2012

Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	11th	12th	13th	14th	15th	16th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	9729 (34600)	9786 (34800)	9786 (34800)	9842 (35000)	9954 (35400)	9954 (35400)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	10067 (35800)	10123 (36000)	10123 (36000)	10179 (36200)	10292 (36600)	10292 (36600)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	6889 (24500)	6946 (24700)	6946 (24700)	6946 (24700)	7086 (25200)	7227 (25700)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	7733 (27500)	7789 (27700)	7930 (28200)	7930 (28200)	7930 (28200)	7930 (28200)
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	8548 (30400)	8633 (30700)	8633 (30700)	8661 (30800)	8773 (31200)	8773 (31200)
7	M/M/A	ICS-105	Fine	26mm	3.0 – 3.4	25	7874 (28000)	7874 (28000)	7874 (28000)	7874 (28000)	7930 (28200)	8070 (28700)
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	9111 (32400)	9195 (32700)	9139 (32500)	9195 (32700)	9280 (33000)	9308 (33100)
10	M/M/A	ICS-105	Fine	27mm	3.0 – 3.4	26	8070 (28700)	8127 (28900)	8127 (28900)	8127 (28900)	8183 (29100)	8239 (29300)
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	9195 (32700)	9280 (33000)	9223 (32800)	9280 (33000)	9364 (33300)	9392 (33400)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	8802 (31300)	8745 (31100)	8689 (30900)	8689 (30900)	8802 (31300)	8858 (31500)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	8802 (31300)	8745 (31100)	8745 (31100)	8745 (33100)	8858 (31500)	8914 (31700)
15	M/M/ A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	9083 (32300)	8998 (32000)	8998 (32000)	8998 (32000)	9111 (32400)	9167 (32600)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	9083 (32300)	9026 (32100)	9026 (32100)	9026 (32100)	9167 (32600)	9223 (32800)
17	M/M/ A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	9308 (33100)	9308 (33100)	9308 (33100)	9308 (33100)	9308 (33100)	9364 (33300)
18	M/M/A/ K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	9786 (34800)	9673 (34400)	9673 (34400)	9673 (34400)	9673 (34400)	9729 (34600)
19	K/A/ T/O	ICS-106	Fine	32mm	3.5 – 4.9	31	10123 (36000)	10067 (35800)	9983 (35500)	9983 (35500)	9983 (35500)	10039 (35700)
20	M(P)/ K/T	ICS-107	Fine	34mm	3.0 - 3.8	33	13076 (46500)	12935 (46000)	12935 (46000)	12795 (45500)	12795 (45500)	12935 (46000)

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