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# Cotton Statistics And News

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## ***Cotton Area Sown this Kharif Exceeds that of Last Kharif - Report***

Reports quoting Government and trade sources, state that area planted to cotton during the current kharif season has exceeded that during the last kharif. The area sown by the second week of June has been placed by the Union Ministry of Agriculture at 11.2 lakh hectares, nearly 6 per cent higher than the 10.6 lakh hectares planted by the same period last year.

The main factors that aided higher plantings this kharif are stated to be the favourable turn of the weather and the removal of ban on cotton exports which infused hopes in farmers' perception that prices may remain attractive this year also as in last year.

The rise in area appears to have been driven by Gujarat, the highest cotton producing State in the country. Pre-monsoon showers in the State triggered by the cyclone aided cotton sowing and plantings by the second week of June are reported to have been 35 per cent more than in the previous year. The showers apparently raised the soil moisture to plant cotton in the rainfed areas while they also helped farmers in the irrigated area to save irrigation water.

In the northern zone also, adequate showers boosted cotton sowings in the three States of Punjab, Haryana and Rajasthan. Earlier, reports had indicated that the scorching heat had impeded seed germination and damaged the sprouting seeds. The showers since then which have also cooled down the temperature have virtually saved the crop enabling better germination and seedling establishment.

The high cotton prices during 2009-10 which were fuelled by large scale exports were of course a major factor enthusing farmers to bring more land under cotton. With the removal of the ban, which was recently imposed by Government on exports with a view to bring down prices and ensure adequate carry over stock, the farmers expect the prices to rule high during 2010-11 also. As per reports, prices moved up by about 10 per cent in the north after the removal of the ban.

Although it is too early to forecast the final cotton area, this year, it is tentatively placed at about 110 lakh hectares by some circles as compared to 101.7 lakh hectares in 2009-10.

### **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.

## Association Ups the Cotton Production Estimate

In its May estimates (as of 31st May 2010), the Association has made a slight increase in the current year's crop to 305.5 lakh bales from the April estimate of 304 lakh bales. The production was estimated at 292 lakh bales by the Cotton Advisory Board at its meeting held in April 2010. The State-wise details of the latest estimates of the Association for 2009-10 are given below :

State	Estimated Production	Arrivals (lakh bales)
Punjab	14.50	13.75
Haryana	16.00	15.25
Rajasthan	12.00	11.50
Gujarat	102.00	98.00
Maharashtra	64.50	62.75
Madhya Pradesh	14.50	14.00
Andhra Pradesh	53.50	52.25
Karnataka	10.00	8.75
Tamil Nadu	4.50	3.50
Other States	2.00	2.00
Loose Cotton	12.00	12.00
All-India	305.50	293.75

The Cotton Balance Sheet as drawn up by the Association is as under :

(in lakh bales)

	2008-09	2009-10
Opening Stock	43.00	71.50
Production	290.75	305.50
Imports	10.00	10.00
<b>Total Supply</b>	<b>343.75</b>	<b>387.00</b>
Mill Consumption	200.00	207.00
Consumption by SSUs	20.00	23.00
Non-Mill Consumption	15.00	20.00
Exports	40.00	82.00
<b>Total Demand</b>	<b>275.00</b>	<b>332.00</b>
Carryover Stock	68.75	55.00
<b>Stock-to-mill use Ratio</b>	<b>0.29</b>	<b>0.22</b>

## MSP for Cotton Retained at this Year's Level for 2010-11

The Government is reported to have retained the minimum support price (MSP) for cotton at the same level for 2010-11 as during 2009-10. The MSP for the last few years has been as under :

MSP (Rs./Qtl. of Kapas)		
Year	Medium Staple	Long Staple
2007-08	1800	2030
2008-09	2500	3000
2009-10	2500	3000
2010-11	2500	3000

It was in 2008-09 that the Government, deviating from the usual practice, effected a hefty hike of over 40 per cent in the MSP. Although this reportedly benefited the producers, it led to some serious repercussions on the economics of a few other segments like processing and yarn and textile manufacturing which voiced protests against such a rise. The Government had also to direct the State agencies to procure large quantities of cotton from farmers since normal channels of trade found it difficult to operate since buyers shied away due to the high price. For disposing of the lots procured by State agencies later on, Government had to shell out sizeable amounts to compensate the loss sustained by them. The steep rise in domestic prices that resulted from the hike in MSP also impeded exports adversely affecting the exporters.

The Government retained the MSP for 2009-10 at the same level as in 2008-09 without any further hike. As per reports, Government has now retained the MSP at the same level for the second year in succession in 2010-11 also.



## Organic Cotton Market Grows by 35 p.c. in 2009 - Report

The Organic Cotton Market Report 2009, released recently by the Organic Exchange, is quoted to have stated that the year 2009 was a dynamic one for organic cotton despite the recession. Global retail sales of organic cotton apparel and home textile products are stated to have reached an estimated \$ 4.3 billion in 2009, representing a 35 per cent increase from \$ 3.2 billion market in 2008. This is said to be in line with the annual growth rate of 40 per cent experienced by the organic cotton market from 2001. This is quite significant also because the growth has been recorded at a time when the overall global apparel and household textiles market decreased almost 7 per cent from 2008.

The Organic Exchange appears to have projected the organic cotton market to grow 20 to 40 per cent in both 2010 and 2011, resulting in an estimated \$ 5.1 billion market in 2010 and \$ 6.0 billion market in 2011. The continued rapid expansion of the global organic cotton market is stated to have been driven in large measure by consumer interest in "green" products, significant expansion of the existing organic cotton programmes by brands and retailers as well as the launch of organic cotton programmes by new entrants in the market. Of the 12 leading organic cotton using brands and retailers globally in 2009, 8 were in USA and one each in Belgium, Sweden, Germany and Switzerland.

### CONSUMPTION OF COTTON BY TEXTILE MILLS (COTTON YEAR – WISE)

Months	(lakh bales)									
	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09 (P)	2009-10 (P)
<b>NON SSI</b>										
October	12.00	11.83	12.45	10.92	12.97	13.97	15.74	16.40	14.93	16.58
November	12.45	11.48	11.69	11.90	12.49	13.60	16.15	15.20	15.26	16.78
December	12.93	12.54	12.62	12.97	13.83	14.75	16.74	16.91	16.23	17.65
January	12.58	12.54	12.38	12.95	13.16	14.84	16.52	16.69	15.43	17.60
February	11.74	11.71	11.41	12.44	12.77	13.80	15.41	16.33	14.66	
March	12.90	12.37	12.21	13.04	13.75	15.49	16.56	16.59	15.74	
April	12.41	12.25	11.71	12.52	13.60	14.87	16.29	16.18	15.45	
May	12.64	12.32	12.37	12.75	14.05	15.30	16.08	17.05	16.12	
June	12.50	12.16	11.40	12.61	13.89	15.17	16.07	16.66	16.27	
July	12.76	12.76	11.80	12.94	14.04	15.78	16.52	16.63	17.26	
August	12.40	12.65	11.31	12.86	15.73	16.30	16.70	15.88	16.91	
September	12.05	12.39	11.07	12.49	13.70	16.23	16.13	15.15	16.64	
<b>TOTAL</b>										
<b>(Oct-Sept)</b>	<b>149.36</b>	<b>147.00</b>	<b>142.42</b>	<b>150.39</b>	<b>163.98</b>	<b>180.10</b>	<b>194.91</b>	<b>195.67</b>	<b>190.90</b>	<b>68.61</b> <b>(61.85)</b>
SSI Units	10.97	11.70	11.63	12.99	16.57	18.85	21.27	22.08	20.21	
Non - SSI										
Mill Cons.	12.70	13.06	14.78	10.00	14.00@	15.00@				
<b>Total Cons.</b>	<b>173.03</b>	<b>171.76</b>	<b>168.83</b>	<b>173.38</b>	<b>194.44</b>					
Cotton										
Production	140.00	158.00	136.00	179.00	243.00	241.00	280.00	315.00	290.00	295

Note : Figures in the bracket indicate the corresponding figure of the previous year  
P = Provisional @ - as per CAB

Source: Office of the Textile Commissioner -January 2010

