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Cotton Statistics And News

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Next ICAC Plenary Meeting from September 7 to 11 in Cape Town, S.Africa

The next (68th) Plenary Meeting of the International Cotton Advisory Committee (ICAC) is scheduled to be held in Cape Town, South Africa, from September 7-11, 2009. The theme of the Meet will be " The role of Cotton in Economic Development and Ensuring Food Security During a Period of Global Economic Crisis". The main topics slated for discussions at the Meet will include -

- ◆ Positioning Cotton as a Solution to Global Problems
- ◆ Policies to Enhance Food Security
- ◆ The Role of Biotech Cotton
- ◆ Government Responses When Agricultural Prices are Below the Cost of Production
- ◆ Facilitating Small Holder Cotton Production
- ◆ Stakeholder Relations to Move Cotton Forward
- ◆ Government Policies to Ensure that Cotton Production is Viable
- ◆ Cottonseed and Value Addition
- ◆ Outlook for Supply-Demand and Prices of Cotton and Inputs
- ◆ Overcoming Impediments to Progress in Multilateral Trade Negotiations
- ◆ Technical Seminar : "Biosafety Regulations, Implementation and Consumer Acceptance"
- ◆ The Impacts of Social and Environmental Standards and Demand for Cotton and Textiles

The following topics are scheduled to be discussed during Break-out and Roundtable discussions:

- The Role of Organic Cotton in the Cotton Industry
- Best Practices in Instrument Testing
- Progress Towards Harmonisation of Trade Rules
- The impact of Carbon Trading on Cotton Industry
- Enhancing Demand for Cotton Products
- Best Practices in Cotton Ginning
- The Role of Organisations in the Cotton Economy

A few meetings will also be taking place on the margins of the Plenary meeting. The format of each session is designed to optimise time for discussion.

Seven Percent Increase in Cotton Sowings in North Zone

Preliminary reports indicate that there has been a seven percent increase in cotton sowings in the north zone with the planting so far touching 13 lakh hectares against 12.2 lakh hectares sown by this period last year. Sowings are nearly over in Punjab and Haryana while about three-fourth sowings have been completed in Rajasthan. Area in Punjab is stated to have been maintained at about the 2008-09 level but there has been a 15 percent increase in Haryana, according to the State authorities.

Down Memory Lane in the Cotton World

(continued from last week...)

1813	Power loom is invented in the U.K.	1921	East India Cotton Association is established (Its name was changed to the Cotton Association of India in 2007)
1818	East India Company makes great efforts to introduce American cotton in India	1923	Indian Central Cotton Committee is established (It was abolished in 1965)
1820	Jumel, a French merchant, discovers a cotton tree growing in a garden in Cairo, Egypt	1924	The American Cotton Shippers Association is formally organised
1840	McCarthy's Roller gin patented in the USA	1924	First Universal Cotton Standards Agreement is signed
1840	American Upland cotton is introduced in the Punjab in the Indian subcontinent, now in Pakistan	1932	Alexandra Cotton Exporters Association is formed in Egypt
1841	Liverpool Cotton Association is formed. Its name was changed to International Cotton Association in December 2005.	1933	Karachi Cotton Association is established in Pakistan
1850	First cotton mill established in Bombay (now Mumbai), India	1935	Gdynia Cotton Association is founded in Egypt
1853	New York cotton brokers adopt standards	1938	National Cotton Council of America is organised
1870	The New York Cotton Exchange is founded by a group of cotton brokers and merchants. Cotton futures trading starts in New York	1939	The International Cotton Advisory Committee (ICAC) is established
1872	Bremen Cotton Exchange is founded in Germany	1946	Micromaire is introduced as a measure of rapid determination of fibre fineness
1889	India exports textiles to Japan	1950	Fibrograph is introduced
1909	USDA establishes standards for grades of American Upland cotton	1966	The Cotlook A index is introduced
1914	First Upland variety of cotton is grown on a commercial scale in India	1970	First intra-hirsutum commercial cotton hybrid is introduced in India
1919	The Shirey Institute is established as British cotton Industry Research Association (BCIRA)	1974	Multi-Fibre Agreement is introduced as a short term measure intended to allow developed countries to adjust to imports from the developing world

(continued at the next page....)

1974	The Commodity Futures Trading Commission is created in USA	2003	Bt cotton with Bollgard II gene is grown on a commercial scale for the first time
1983	The cotton plant is genetically altered with a gene from a soil bacterium, <i>Bacillus thuringiensis</i> (Bt)	2005	The Multi-Fibre Agreement (also known as Agreement on Textiles and Clothing) expires on January 1, 2005
1984	Options on cotton futures are introduced on the New York Board of Trade (NYBOT)	2005	Fair trade cotton is produced for the first in 2004-05 (in West Africa)
1990	Commercial production of organic cotton started in the world (in Egypt, Turkey and USA)	2007	Acquisition of New York Board of Trade (NYBOT) by Inter Continental Exchange (ICE) in January
1992	All cotton produced in USA is classed based on High Volume Instrument (HVI) data	2009	International Year of Natural Fibres
1996	Bt cotton with the Bollgard gene is planted on a commercial scale in the world (in Australia, Mexico and USA)	2009	Largest contraction in global economic output since World War II. World cotton mill use is declining by 10 percent in 2008- 09, the strongest decline since World War II
2000	Electronic trading of cotton starts at the New York Board of Trade		
2002	The African Cotton Association is formed		<i>(concluded)</i>

Spinning Industry Registers Significant Expansion in 2008-09

After a slight contraction during 2007-08, the spinning sector of the Indian textile industry registered a significant capacity expansion during 2008-09. The number of installed spinning mills and their capacity during the last two years were as under .

	2007-08	2008-09
No of Spinning Mills	1597	1653
Installed Capacity	-	-
a) No of Spindles (million)	35.01	37.03
b) No of Rotors (000)	461	485

It will be seen that 56 new spinning mills came up during 2008-09 adding a capacity of 2.02 million spindles and 24,000 open-end rotors. The creation of new capacity during 2008-09 was the result of a slightly boom period for the industry during 2006-07. The fortunes of the industry had taken a turn for the better during that year owing to a rise in domestic and overseas demand for textile products

and the prevalence of reasonable prices for cotton. This favourable situation which led to better returns encouraged the industry to embark on expansion and modernisation projects taking advantage of the 5 percent interest incentive available under the Technology Upgradation Fund Scheme. These projects were completed mostly by 2008-09 leading to capacity growth.

The industry, however, received a serious setback since September 2008 owing to slowdown in the growth of domestic economy and the global economic melt-down.

The capacity expansion was mostly confined to the spinning segment while the composite mills in the organised sector remained more or less unchanged with just one mill added in 2008-09 raising the total number to 177. As is well known, all the capacity expansion in weaving has taken place in the decentralised powerloom and knitting sectors in recent years.

S N I P P E T S

The Commission for Agricultural Costs and Prices (CACP) has reportedly recommended a freeze at this year's level on the minimum support price (MSP) for cotton in 2009-10. Thus, the MSP for next year has been proposed at Rs 2,500 per quintal in the case of medium staple cottons F414/H-777/J-34 and Rs 3,000 per quintal in the case of H-4 grades of long staple cotton.



A report quoting the CMD of the Cotton Corporation of India (CCI) stated that so far CCI has taken a loan of Rs 8000 crore from banks of which Rs 4000 crore has been repaid. Repayments are made as and when funds are provided by the government and also from the sale of cotton stocks. The government is stated to have provided Rs 650 crore to the CCI so far.



Signalling a certain amount of recovery in economy, industrial production in April is

reported to have posted a positive growth of 1.4 percent, after several months of contraction. The growth in April has come on the back of a pick-up in domestic demand consequent on the stimulus packages provided and a good agricultural production. Concerns, however, still persist since crucial sectors like consumer durables including processed food production as also capital goods posting negative growth.



The National Multi Commodity Exchange (NMCE) has initiated a dialogue with Agricultural Produce Marketing Committees (APMCs) seeking their support to launch a commodity spot exchange, to be known as National APMC, says a report. If all goes well, NMCE proposes to start the proposed spot exchange in the next couple of months, it is stated.



UPCOUNTRY SPOT RATES

(Rs./Candy)

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) 2008-09 CROP					
					June 2009					
					20th	22nd	23rd	24th	25th	26th
01.	ICS-101	Below 22mm	Bengal Deshi(RG)	5.0-7.0 15	23000	23000	23000	23000	23200	23300
02.	ICS-201	Below 22mm	Bengal Deshi(SG)	5.0-7.0 15	23700	23700	23700	23700	23900	24000
03.	ICS-102	22mm	V-797	4.5-5.9 19	17900	17900	17900	17800	17800	17800
04.	ICS-103	23mm	Jayadhar	4.0-5.5 19	18000	18000	18000	17900	17900	18200
05.	ICS-104	24mm	Y-1	4.0-5.5 20	20800	20800	21100	21000	21000	21000
06.	ICS-202	25mm	J-34 (SG)	3.5-4.9 23	22600	22600	22900	22800	23000	23100
07.	ICS-105	25mm	NHH-44	3.5-4.9 22	20700	20700	20900	20800	20800	21000
08.	ICS-105	27mm	LRA-5166	3.5-4.9 24	21200	21200	21200	21100	21100	21400
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9 25	21700	21700	21700	21600	21600	21900
10.	ICS-105	29mm	S-6	3.5-4.9 26	23100	23100	23300	23200	23200	23200
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9 27	22800	22800	23200	23100	23100	23100
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5 28	23500	23500	24000	23900	23900	23900
13.	ICS-107	35mm	DCH-32	2.8-3 .6 31	31500	31500	32500	32400	32400	32400
14.	ICS-301	26mm	ICC	3.7-4.3 25	21400	21400	22100	22000	22000	22000