

Weekly
Publication of



**Cotton
Association
of India**

Cotton Exchange Building, 2nd Floor,
Cotton Green, Mumbai - 400 033
Phone: 2370 4401/02/03
Fax: 2370 0337
Email: eica@eica.in
www.caionline.in

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

2010 * No. 14 * 06/07/2010

Edited & Published by : O. P. Agarwal

Avg. Cotton Prices Higher in June than in May

Although cotton prices had been moving both ways in June, the average for the month was higher than in May in the case of most of the varieties. The data regarding the monthly average prices since the commencement of the season in respect of a few representative varieties are given below :

Month	Avg. Spot Rate (Rs/Candy)				
	J-34	H-4	S-6	Bunny	DCH-32
Oct. '09	21,500 (22,500)	- (23,100)	23,300 (23,300)	23,200 (24,500)	- (31,900)
Nov. '09	23,500 (20,400)	23,800 (21,900)	25,000 (22,200)	24,500 (23,000)	41,000 (30,600)
Dec. '09	24,900 (20,400)	25,700 (21,600)	26,800 (21,800)	26,800 (22,300)	42,000 (29,000)
Jan. '10	25,600 (21,000)	25,600 (21,000)	26,700 (21,500)	26,800 (21,600)	40,300 (28,200)
Feb. '10	24,900 (20,100)	25,400 (20,100)	26,500 (20,600)	26,600 (20,900)	39,700 (26,800)
Mar. '10	26,100 (20,600)	26,700 (20,100)	27,900 (20,700)	28,000 (21,100)	41,900 (26,500)
Apr. '10	27,000 (22,400)	27,600 (21,100)	28,300 (22,400)	28,600 (22,700)	42,100 (32,100)
May'10	28100 (23100)	27700 (21800)	28800 (23600)	29100 (23100)	42700 (32200)
Jun.'10	28700 (22900)	28400 (21800)	29400 (23200)	30300 (23000)	41800 (32000)

Note : Figures in brackets indicate last year's prices

It will be seen that the average prices during June have been higher than in May, when prices had already escalated, in the case of all varieties except the extralong staple cotton, DCH-32. The increase has ranged from Rs. 600 to as much as Rs. 1200 per candy, the highest being in the case of Bunny. In the case of the extralong staple cotton, DCH-32, the June average price was lower by Rs. 900 per candy compared to the May average.

Quite a few factors have apparently fuelled the price rise. One is of course the limited supplies to cater to the rising demand after the new arrivals

have almost dried up. The other is that there have been reports that rains have been inadequate or delayed in some tracts of Gujarat and Maharashtra, the two leading cotton producing States. A third factor is the Government's announcement to lift the restrictions on cotton exports from October which might have added to the demand from exporters. The role of speculative elements cannot also be ruled out altogether. In the case of DCH-32, the reason for the fall in price may be that mills are using imported cotton for spinning finer counts.

The behaviour of prices of most varieties indicates that the Government's purpose in restricting exports from mid-April to cool down prices has not been achieved. In fact, a comparison of the monthly average prices shows that the prices have increased substantially between March and June. It was as much as Rs. 2600 per candy in the case of J-34, Rs. 2300 per candy in the case of Bunny and Rs. 1500 and Rs. 1700 per candy in the case of S-6 and H-4 respectively. In other words, it is not the unrestricted exports that have been solely responsible for the price escalation.

The average prices during the first nine months of the current season have been higher by huge margins compared to the corresponding period of last year. The relevant data are given below :

Variety	Seasonal (Oct-June) Avg. Prices (Rs/Candy)		
	2008-09	2009-10	Difference
J-34	21,500	25,600	4,100
H-4	21,400	26,400	5,000
S-6	22,100	27,000	4,900
Bunny	22,500	27,100	4,600
DCH-32	29,900	41,400	11,500

The increase this year has ranged from Rs. 4100 to Rs. 5000 per candy in the case of medium and long staple cottons and as much as Rs. 11,500 per candy in the case of the extralong staple cotton DCH-32.

Third Programme under 'Learn with CAI' Series for 2009-10 season Organised on 'Letter of Credit under UCP-600'

The Association has been conducting training programmes on various topical subjects under the 'Learn with CAI' series to enhance the skills and expertise of its members in various aspects of cotton business. All the programmes held under the said series have been immensely successful and evinced positive and encouraging response from the participants. The 3rd programme for the cotton season 2009-10 was organised by CAI on 'Letter of Credit under UCP-600' on Saturday, the 26th June 2010 in the Conference Room of the Association.

Shri O.P. Agarwal, Executive Director, CAI welcomed the participants and Course Faculty, Shri K. Parmeswaran. He also gave a brief introduction of Shri Parmeswaran and urged the participants to take maximum benefit from the experience and deep knowledge of the eminent speaker.



One of the participant welcoming Shri K. Parmeswaran with a Bouquet of Flowers



A cross section of participants

Shri Parmeswaran, an eminent personality in the field of International Trade and Foreign Exchange Management made a detailed presentation on various aspects of Letters of Credit.

In his presentation, he dealt with variety of topics such as International trade settlements, features of Documentary Credit/Letter of Credit, UCP 600, check list for importers/exporters, note on ISBP 681, FEDAI guidelines on standby LC and LC swift format.

The programme concluded with a question and answer session where the participants were asked to answer the question related to the topics.

All the participants highly appreciated the programme.

Ban on Cotton Exports to be Lifted from October

The Commerce Secretary, Government of India, is quoted to have stated that raw cotton exports will be on Open General Licence without any restrictions from October 1. It will be recalled that the Directorate General of Foreign Trade (DGFT) had on May 21 moved cotton exports from "free" to the "restricted" list with shipments being permitted only against licence. Even prior to that, on July 22, 2008, the DGFT had stipulated that all export contracts be registered with the Textile Commissioner prior to shipment. On April 19 2010, the Textile Commissioner announced a suspension of registration of all export contracts "till further orders".

The virtual ban on exports has been provoking vehement protests as it is considered to be against the interests of cotton growers. It has been claimed that with the ban on exports and freezing of

minimum support prices at the current year's level during next year also, the farmers are finding cotton growing unremunerative. This would have cast its shadow on sowings of cotton during the current kharif season which have been gathering pace.

Cotton exports had been quite attractive following a spurt in world cotton prices. It is stated that the benchmark Cotlook A Index for the Far East is currently quoting at around 95 US Cents per pound as against 63 Cents a year ago. During 2008-09 season cotton shipments amounted to 35.14 lakh bales valued at Rs. 3,838.85 crore. In the current season, exports so far have been around 73.76 lakh bales. The surge in exports led the textile industry to clamour for a ban on exports following which the Government clamped the restrictions on shipments.

(Source : Business Line 19.06.2010)

UPCOUNTRY SPOT RATES

(Rs.\Candy)

June 2010	2009-10 Crop													
	BD(RG) A. Commila	BD SG	V-797	Jayadhar	Y-1	J-34	NHH-44	LRA-5166	H-4/ MECH-1	Shankar-6	Bunny/ Brahma	MCU-5/ Surabhi	DCH-32	ICC
	ICS-101	ICS-201	ICS-102	ICS-103	ICS-104	ICS-202	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-106	ICS-107	ICS-301
	22 mm	22 mm	22 mm	23 mm	24 mm	25 mm	25 mm	27 mm	28 mm	29 mm	31 mm	33 mm	35 mm	26 mm
	5.0-7.0	5.0-7.0	4.5-5.9	4.0-5.5	4.0-5.5	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.3-4.5	2.8-3.6	3.7-4.3
15	15	19	19	20	23	22	24	25	26	27	28	31	25	
1	23900	24300	21000	22200	25000	29100	N.A	27500	28200	29500	30300	N.A	42500	N.A.
2	24100	24500	21000	22200	24900	28900	N.A.	27300	28200	29500	30300	N.A.	42500	N.A.
3	24100	24500	21000	22200	24900	29100	N.A.	27500	28400	29600	30500	N.A.	42500	N.A.
4	24400	24700	21000	22200	24900	28900	N.A.	27500	28400	29600	30500	N.A.	42500	N.A.
5	24400	24700	20800	22200	24900	28900	N.A.	27500	28400	29500	30400	N.A.	42500	N.A.
7	24400	24700	20800	22200	24900	28900	N.A.	27500	28400	29300	30400	N.A.	42000	N.A.
8	24300	24600	20800	22200	24900	28800	N.A.	27500	28300	29000	30400	N.A.	41700	N.A.
9	24100	24400	20600	22000	24700	28600	N.A.	27300	28100	28800	30200	N.A.	41500	N.A.
10	23800	24100	20400	21500	24700	28400	N.A.	27000	28100	28800	30200	N.A.	41500	N.A.
11	24000	24300	20600	21700	24900	28600	N.A.	27200	28400	29000	30400	N.A.	41700	N.A.
12	...	...	...	H	O	L	I	D	A	Y	...	...	...	...
14	23600	23900	20600	21700	24900	28600	N.A.	27200	28400	29200	30200	N.A.	41700	N.A.
15	23300	23600	20600	21700	24900	28400	N.A.	27200	28400	29300	30200	N.A.	41700	N.A.
16	23300	23600	20600	21700	24900	28400	N.A.	27400	28600	29600	30200	N.A.	41700	N.A.
17	23300	23600	20600	21700	24900	28400	N.A.	27400	28600	29600	30200	N.A.	41700	N.A.
18	23300	23600	20600	21700	24900	28400	N.A.	27400	28600	29600	30200	N.A.	41700	N.A.
19	23300	23600	20600	21700	24900	28400	N.A.	27400	28600	29600	30200	N.A.	41700	N.A.
21	23300	23600	20600	21700	24900	28400	N.A.	27400	28600	29600	30200	N.A.	41700	N.A.
22	23300	23600	20600	21700	24900	28400	N.A.	27400	28400	29400	30000	N.A.	41700	N.A.
23	23300	23600	20700	21700	24900	28400	N.A.	27400	28400	29600	30000	N.A.	41700	N.A.
24	23300	23600	20700	21700	24900	28600	N.A.	27400	28400	29600	30000	N.A.	41700	N.A.
25	23300	23600	20700	21700	24900	28600	N.A.	27400	28400	29600	30000	N.A.	41700	N.A.
26	...	...	...	H	O	L	I	D	A	Y	...	...	...	...
28	23400	23600	20900	21900	25000	28800	N.A.	27400	28400	29600	30500	N.A.	41700	N.A.
29	23400	23600	20900	21900	25000	28800	N.A.	27400	28500	29700	30700	N.A.	41200	N.A.
30	23400	23600	20900	21900	25000	28800	N.A.	27400	28500	29700	30700	N.A.	41000	N.A.
H	24400	24700	21000	22200	25000	29100	-	27500	28600	29700	30700	-	42500	-
L	23300	23600	20400	21500	24700	28400	-	27000	28100	28800	30000	-	41000	-
A	23700	24000	20700	21900	24900	28700	-	27400	28400	29400	30300	-	41800	-

H = Highest L = Lowest A = Average

SNIPPETS

Merchandise exports from the country reportedly clocked a robust growth of 35.1 per cent in May. This was the seventh month in a row that exports recorded growth, after more than a year's decline, indicating a complete turnaround in export market. In April-May, exports stood at \$ 33 billion, an increase of 35.7 per cent year on year. During the same period imports surged 29.1 per cent to \$ 54.7 billion.



The Textiles Ministry has informed a parliamentary panel that it proposes to allocate Rs. 3,600 crore for modernisation of the industry, which has been hit by the global slump in demand. 'The proposed amount would be adequate enough to settle all the claims likely to be received under the scheme (TUFS) during the current financial year, a parliamentary Standing Committee report said. There was backlog of Rs. 1,884 crore industry claims under the Technology Upgradation Fund Scheme (TUFS) during 2008-09.



Advertisement in Weekly Bulletin

We accept advertisements for insertion in our publication "Cotton Statistics and News" to enable the advertisers to benefit from reaching the subscribers of the publication who represent all the segments of domestic and global cotton interests.

The Advertisement Tariff is as follows. The material for the advertisement such as the names of the company, telephone numbers, fax numbers and some important features of the company can be included in the advertisement.

Full Page - Rs.7,500/- per insertion
Half Page - Rs.4,500/- per insertion
Quarter Page - Rs.2,500/- per insertion

Kindly send your cheque drawn in favour of Cotton Association of India with the advertisement material of your company.

For further details, please contact on
 Tel. No.2370 4401/2/3 or E-mail to eica@eica.in

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) 2009-10 CROP					
						June-July 2010					
						26 th	28 th	29 th	30 th	1 st	2 nd
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15	H	23400	23400	23400	23400	23400
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15	O	23600	23600	23600	23600	23600
03.	ICS-102	22mm	V-797	4.5-5.9	19		20900	20900	20900	20900	20800
04.	ICS-103	23mm	Jayadhar	4.0-5	19		21900	21900	21900	21900	21900
05.	ICS-104	24mm	Y-1	4.0-5.5	20	L	25000	25000	25000	25000	25000
06.	ICS-202	25mm	J-34	3.5-4.9	23		28800	28800	28800	28800	28800
07.	ICS-105	25mm	NHH-44	3.5-4.9	22		N.A.	N.A.	N.A.	N.A.	N.A.
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24	I	27400	27400	27400	27400	27400
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25		28400	28500	28500	28500	28300
10.	ICS-105	29mm	S-6	3.5-4.9	26	D	29600	29700	29700	29700	29500
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27		30500	30700	30700	30700	30600
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28	A	N.A.	N.A.	N.A.	N.A.	N.A.
13.	ICS-107	35mm	DCH-32	2.8-3.6	31		41700	41200	41000	41000	41000
14.	ICS-301	26mm	ICC	3.7-4.3	25	Y	N.A.	N.A.	N.A.	N.A.	N.A.