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Cotton Statistics And News

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Cotton Prices Move Down in June

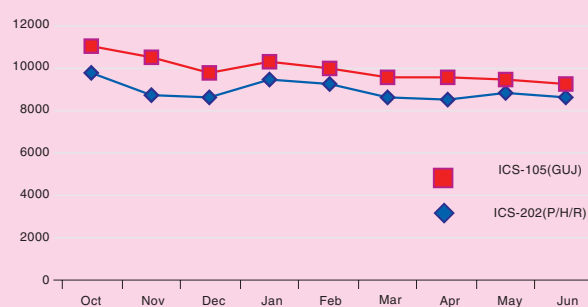
Domestic cotton prices had displayed a mixed trend in May, with prices of some growths going up and those of some moving down. The trend in June was however, distinctly downward with prices of all growths, barring extra long staple cotton, seeking lower levels. In contrast, prices of ELS cotton continued to move up. The average monthly prices of some of the representative growths since the commencement of the current season in October 2011 are given below alongwith the corresponding prices in 2010-11.

Avg. Spot Rate (Rs/Qtl.)

Month	Avg. Spot Rate (Rs/Qtl.)				
	ICS-202 (P/H/R)	ICS-105 (M/M/A)	ICS-105 (GUJ)	ICS-105 (M/M/A/ K/T/O)	ICS-107 (M(P)/K/T)
	26mm	28mm	29mm	31mm	34mm
Oct.'11	9,774 (10,236)	N.A. (11,135)	11,020 (11,389)	11,048 (11,501)	13,945 (13,301)
Nov.'11	8,687 (11,389)	9,679 (11,979)	10,558 (12,345)	10,461 (12,260)	13,567 (14,510)
Dec.'11	8,667 (11,136)	9,382 (11,220)	9,758 (11,726)	9,833 (11,670)	12,156 (14,594)
Jan.'12	9,452 (12,063)	9,915 (12,457)	10,296 (12,598)	10,317 (12,963)	12,945 (17,659)
Feb.'12	9,232 (15,297)	9,621 (15,438)	10,005 (15,663)	10,089 (16,134)	13,572 (22,890)
Mar'12	8,675 (16,702)	9,131 (16,297)	9,531 (16,790)	9,521 (17,250)	12,648 (23,328)
Apl'12	8,534 (16,073)	9,289 (15,137)	9,616 (16,128)	9,861 (16,842)	12,703 (22,405)
May'12	8,891 (12,649)	9,269 (11,401)	9,525 (12,991)	9,913 (13,455)	12,841 (20,210)
Jun'12	8,681 (11,091)	8,941 (10,481)	9,243 (11,658)	9,838 (12,197)	12,994 (18,486)

Note : Figures in brackets denote corresponding prices last year

Avg. Spot Rates (Rs/qtl) ICS-202(PHR) & ICS-105(GUJ)

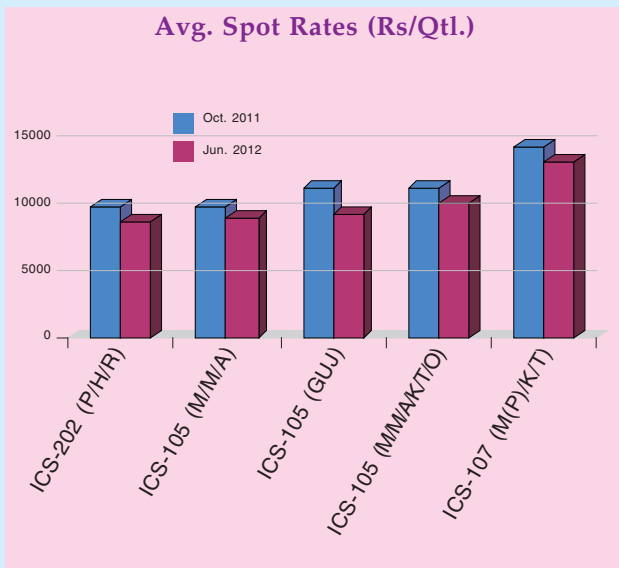


It will be seen that prices of medium and long staple cottons fell by margins ranging from Rs. 75 to Rs. 328 per quintal, the minimum being in the case of M/M/A/K/T/O growth and the maximum being in the case of M/M/A growth. On the other hand, the average price of M(P)/K/T growth continued the uptrend, moving up by Rs. 183 per quintal.

The fall in June when compared to the prices prevalent at the commencement of the current season in October 2011 has been much more substantial as may be seen from following figures.

Avg. Spot Rates (Rs/Qtl.)

Growths	Oct.'11	June 12	Decline
ICS-202 (P/H/R)	9,774	8,681	1,093
ICS-105 (M/M/A)	9,679	8,941	738
ICS-105 (GUJ)	11,020	9,243	1,777
ICS-105 (M/M/A/K/T/O)	11,048	9,838	1,210
ICS-107 (M(P)/K/T)	13,945	12,994	951



The fall from the prices during October 2011 to those during June 2012 has ranged from Rs. 738 to Rs. 1777 per quintal, the minimum in the case of M/M/A growth and the maximum in the case of GUJ growth.

The main reason for the downtrend in prices was the lack of demand. Spinning mills were not inclined to build up raw material inventory since the offtake of yarn by the weaving sector was waning, presumably due to the impending rainy season when the weaving activity is usually down. Demand from raw cotton exporters was also negligible as importers were not active in the market, and China, the main buyer of Indian

cotton, has stopped fresh imports after the country reached the planned level of the national cotton reserve.

The average prices in the case of all the growths were lower in all the months in 2011-12 compared to the corresponding month in 2010-11, when the prices had soared to record levels due to various reasons. Thus, the seasonal average prices this year upto June were substantially lower than last year. The comparative data in this regard are presented below:

Seasonal (Oct-Jun) Avg. Spot Rates (Rs/Qtl.)			
Growths	2010-11	2011-12	Decline
ICS-202 (P/H/R)	12,952	8,955	3,997
ICS-105 (M/M/A)	12,838	9,403	3,435
ICS-105 (GUJ)	13,476	9,950	3,526
ICS-105 (M/M/A/K/T/O)	13,808	10,098	3,710
ICS-107 (M(P)/K/T)	18,598	13,041	5,557

The decline in seasonal average prices in 2011-12 has ranged from a low of Rs. 3435 in the case of M/M/A growth to a high of Rs. 5557 per quintal in the case of M(P)/K/T growth.

Textile Industry to Tap New Markets for Export Growth

The textile industry has enhanced export target by tapping into new markets and is hopeful of meeting the revised target. The export target includes apparel, handicraft and carpets.

Despite demand slowdown, the Government had fixed textile export target at \$40.5 billion (about Rs 222,750 crore) for this fiscal against \$33 billion (Rs 180,000 crore) achieved last year.

While inaugurating the National Garment Fair in Mumbai, Ms Kiran Dhingra, Textiles Secretary, stated that the Textile Ministry is concerned over the demand slowdown in major western countries such as the US and Europe and new markets like Latin America, Africa and West Asia have good potential.

After sops were announced in the FTP, exporters have responded positively and based on it the

Ministry has revised this year's textiles exports target upwards from \$ 38 billion to \$ 40.5 billion, she said. The government has also announced debt restructuring of Rs 35,000 crore in order to bailout the cash-starved textile mills.

A meeting of a Group of Officers will be held to formulate the debt restructuring proposals on a case-by-case basis, Ms Dhingra informed.

About 40 textile parks were commissioned in the 11th Plan, while another 21 parks will come up during the 12th Plan, she said.

Stating that the area under cotton cultivation may fall in 2012-13 due to farmers' preference for remunerative crops such as soybean, Shri A.B. Joshi, Textile Commissioner, said the sowing of cotton has been affected due to poor rainfall.

(Source: Business Line dated July 11, 2012)

UPCOUNTRY SPOT RATES

June 2012

2011-12 Crop

Growth C. Standard Grade Staple Micronaire Strength/GPT	(Rs. \ Quintal)																	
	P/H/R ICS-101 Fine 22 mm 5.0-7.0 15	P/H/R ICS-201 Fine 22 mm 5.0-7.0 15	GUJ ICS-102 Fine 22 mm 4.0-6.0 20	KAR ICS-103 Fine 23 mm 4.0-5.5 21	M/M ICS-104 Fine 24 mm 4.0-5.5 23	P/H/R ICS-202 Fine 26 mm 3.5-4.9 26	M/M/A ICS-105 Fine 26 mm 3.0-3.4 25	M/M/A ICS-105 Fine 27 mm 3.0-3.4 26	P/H/R ICS-105 Fine 27 mm 3.5-4.9 26	M/M/A ICS-105 Fine 27 mm 3.5-4.9 26	M/M/A ICS-105 Fine 28 mm 3.5-4.9 27	M/M/A ICS-105 Fine 28 mm 3.5-4.9 27	GUJ ICS-105 Fine 28 mm 3.5-4.9 27	M/M/A/K ICS-105 Fine 29 mm 3.5-4.9 28	GUJ ICS-105 Fine 29 mm 3.5-4.9 28	M/M/A/K ICS-105 Fine 30 mm 3.5-4.9 29	M/M/A/K ICS-105 Fine 31 mm 3.5-4.9 30	K/A/T/O ICS-106 Fine 32 mm 3.5-4.9 31
1	9673	9983	6889	7845	N.Q.	8520	7789	8042	N.Q.	9251	8970	8970	9364	9223	9476	9870	10123	13216
2	9617	9954	6833	7789	N.Q.	8352	7733	7930	N.Q.	8998	8830	8830	9139	8998	9420	9701	9983	13076
4	9533	9870	6749	7733	N.Q.	8267	7649	7845	N.Q.	8942	8577	8577	8998	8717	9139	9561	9842	12935
5	9533	9870	6749	7733	N.Q.	8267	7649	7845	N.Q.	8942	8577	8577	8998	8717	9139	9561	9842	12935
6	9617	9954	6749	7733	N.Q.	8323	7649	7845	N.Q.	8998	8717	8717	8998	8558	9223	9701	9983	12935
7	9701	10039	6889	7733	N.Q.	8577	7874	8070	N.Q.	9280	8858	8858	9139	9139	9364	9842	10123	13076
8	9786	10123	6889	7733	N.Q.	8633	7874	8070	N.Q.	9336	8858	8858	9139	9139	9364	9842	10123	13076
9	9729	10067	6889	7733	N.Q.	8548	7874	8070	N.Q.	9195	8858	8858	9139	9139	9364	9842	10123	13076
11	9729	10067	6889	7733	N.Q.	8548	7874	8070	N.Q.	9111	8802	8802	9083	9083	9308	9786	10123	13076
12	9786	10123	6946	7789	N.Q.	8633	7874	8127	N.Q.	9195	8745	8745	8998	9026	9308	9673	10067	12935
13	9786	10123	6946	7930	N.Q.	8633	7874	8127	N.Q.	9139	8689	8689	8998	9026	9308	9673	9983	12935
14	9842	10179	6946	7930	N.Q.	8661	7874	8127	N.Q.	9195	8689	8689	8998	9026	9308	9673	9983	12795
15	9954	10292	7086	7930	N.Q.	8773	7930	8183	N.Q.	9280	8802	8802	9111	9167	9308	9673	9983	12795
16	9954	10292	7227	7930	N.Q.	8773	8070	8239	N.Q.	9308	8858	8858	9167	9223	9364	9729	10039	12935
18	9954	10292	7283	7930	N.Q.	8773	8070	8239	N.Q.	9308	8858	8858	9167	9280	9420	9814	10095	12935
19	9898	10236	7283	7930	N.Q.	8717	8070	8239	N.Q.	9251	8858	8858	9167	9280	9420	9814	10095	12935
20	10011	10348	7339	7986	N.Q.	8802	8155	8323	N.Q.	9280	8998	8998	9280	9420	9561	9983	10264	12935
21	10011	10348	7283	7986	N.Q.	8661	8099	8239	N.Q.	9139	8998	8998	9280	9364	9505	9898	10264	12795
22	10011	10348	7283	7930	N.Q.	8605	8099	8239	N.Q.	9111	8998	8998	9280	9364	9505	9898	10264	12795
23	10011	10348	7339	7930	N.Q.	8689	8155	8295	N.Q.	9167	9055	9055	9336	9505	9561	9954	10348	12935
25	10095	10489	7339	7986	N.Q.	8830	8155	8295	N.Q.	9251	9139	9139	9392	9505	9561	9954	10348	12935
26	10123	10545	7396	8014	N.Q.	8942	8211	8352	N.Q.	9280	9195	9195	9448	9505	9617	10011	10404	13076
27	10264	10629	7396	8014	N.Q.	8942	8211	8352	N.Q.	9223	9280	9280	9505	9561	9617	10011	10404	13076
28	10404	10770	7396	8014	N.Q.	8998	8295	8436	N.Q.	9223	9364	9364	9505	9561	9617	10011	10404	13076
29	10601	10967	7480	8099	N.Q.	9055	8436	8577	N.Q.	9280	9476	9476	9617	9701	9729	10151	10545	13273
30	10939	11304	7564	8183	N.Q.	9195	8520	8661	N.Q.	9420	9420	9420	9561	9645	9729	10151	10545	13273
H	10939	11304	7564	8183	-	9195	8520	8661	-	9420	9476	9476	9617	9701	9729	10151	10545	13273
L	9533	9870	6749	7733	-	8267	7649	7845	-	8942	8577	8577	8998	8717	9139	9561	9842	12994
A	9945	10291	7118	7895	-	8681	8002	8186	-	9193	8941	8941	9223	9243	9432	9838	10165	13024

N.A. = Not Available H = Highest L = Lowest A = Average * = Nominal

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 July 2012					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	9th	10th	11th	12th	13th	14th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	11529 (41000)	11726 (41700)	11726 (41700)	11726 (41700)	11782 (41900)	11782 (41900)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	11895 (42300)	12092 (43000)	12092 (43000)	12092 (43000)	12148 (43200)	12148 (43200)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	7649 (27200)	7705 (27400)	7705 (27400)	7761 (27600)	7761 (27600)	7874 (28000)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	8492 (30200)	8492 (30200)	8492 (30200)	8492 (30200)	8492 (30200)	8492 (30200)
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	9251 (32900)	9280 (33000)	9336 (33200)	9392 (33400)	9476 (33700)	9476 (33700)
7	M/M/A	ICS-105	Fine	26mm	3.0 – 3.4	25	8914 (31700)	8998 (32000)	8998 (32000)	9083 (32300)	9167 (32600)	9167 (32600)
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	9505 (33800)	9561 (34000)	9617 (34200)	9673 (34400)	9758 (34700)	9758 (34700)
10	M/M/A	ICS-105	Fine	27mm	3.0 – 3.4	26	9055 (32200)	9139 (32500)	9139 (32500)	9195 (32700)	9336 (33200)	9420 (33500)
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	9561 (34000)	9617 (34200)	9786 (34800)	9786 (34800)	9870 (35100)	9758 (34700)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	9729 (34600)	9786 (34800)	9786 (34800)	9786 (34800)	9870 (35100)	9954 (35400)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	9645 (34300)	9701 (34500)	9701 (34500)	9758 (34700)	9842 (35000)	9926 (35300)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	9870 (35100)	9926 (35300)	9926 (35300)	9983 (35500)	10067 (35800)	10151 (36100)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	9758 (34700)	9814 (34900)	9814 (34900)	9870 (35100)	9954 (35400)	10039 (35700)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	10011 (35600)	10067 (35800)	10067 (35800)	10123 (36000)	10264 (36500)	10348 (36800)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	10601 (37700)	10657 (37900)	10657 (37900)	10714 (38100)	10798 (38400)	10854 (38600)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 – 4.9	31	10939 (38900)	10995 (39100)	10995 (39100)	11051 (39300)	11051 (39300)	11051 (39300)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0 - 3.8	33	14341 (51000)	14426 (51300)	14426 (51300)	14482 (51500)	14482 (51500)	14482 (51500)

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