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CAB Raises Crop Estimate to 325 Lakh Bales in 2010-11

The Cotton Advisory Board (CAB) met in Mumbai on July 25, 2011, under the Chairmanship of the Textile Commissioner. This was the third meeting of the Board to be held during the current season. All the segments of the cotton industry were well represented at the meeting and there was considerable discussion on the production estimates for 2010-11, while there were preliminary discussions on the prospects for 2011-12 also.

Based on the consensus at the meeting, the CAB placed the estimated production of cotton during 2010-11 at 325 lakh bales as against 312 lakh bales estimated at its previous meeting held on February 26, 2011. The Board has also made minor changes in the area under cotton estimated at 111.42 lakh hectares. The State-wise details are given below:

CAB Estimates on 25.07.2011

State	Area (lakh ha)		Production (lakh bales)	
	2009-10	2010-11	2009-10	2010-11
Punjab	5.11	5.30	14.25	16.00
Haryana	5.07	4.92	14.75	14.00
Rajasthan	4.44	3.35	11.00	9.00
Total North Zone	14.62	13.57	40.00	39.00
Gujarat	26.25	26.33	98.00	103.00
Maharashtra	35.03	39.32	63.00	82.00
Madhya Pradesh	6.11	6.50	15.00	17.00
Total Central Zone	67.39	72.15	176.00	202.00
Andhra Pradesh	14.75	17.84	52.00	53.00
Karnataka	4.55	5.45	9.00	10.00
Tamil Nadu	1.04	1.22	5.00	5.00
Total South Zone	20.34	24.51	66.00	68.00
Other States	0.75	1.19	1.00	2.00
Loose Cotton	-	-	12.00	12.00
All-India	103.10	111.42	295.00	325.00

A scrutiny shows that the CAB has not made any significant revisions in the State-wise production estimates from those made at its previous meeting but the increase made in the All-India estimate now is because of the inclusion of loose cotton production of 12 lakh bales which was not included earlier. Mill use of cotton has now been brought down to 236 lakh bales from the earlier estimate of 258 lakh bales. Non-mill use has been retained at 17 lakh bales. Expectedly, estimated exports have been raised to 65 lakh bales taking into account the release of an additional 10 lakh bales by the Government. No change has been made in the estimate of imports which are placed at five lakh bales.

On the basis of these minor changes, the CAB has revised the cotton Balance Sheet. The Balance Sheet as drawn up now is given below:

	(in lakh bales)	
	2009-10	2010-11
Supply		
Opening Stock	71.50	40.50
Production	295.00	325.00
Imports	7.00	5.00
Total Supply	373.50	370.50
Demand		
Mill Consumption	207.00	} 236.00
SSI Consumption	23.00	
Non-mill Consumption	20.00	17.00
Exports	83.00	65.00
Total Offtake	333.00	318.00
Carryover Stock	40.50	52.50

As against the opening stock of 40.50 lakh bales, the carryover stock this year is placed 12 lakh bales

higher at 52.50 lakh bales. It is possible that this may trigger fresh demand for release of additional quantity for exports.

There were preliminary discussions at the Board meeting about the prospects and emerging scenario in the coming 2011-12 season. The general view was that there would be an increase of about 10 per cent in the total area under cotton as a result of switching over from other crops. In the north zone, where sowings were earlier delayed but had been brisk later, the area covered is placed at 16.64 lakh hectares, an increase of nearly 23 per cent from the current season's 13.59 lakh hectares. The agro-climatic conditions are stated to have been favourable so far and there have not been reports of any pest or disease.

In the central zone, while sowings of irrigated cotton have been completed, those of rainfed cotton were delayed due to the late onset of monsoon rains. However, the pace of sowings has now picked up. A 10 per cent increase in cotton area is anticipated in this zone owing to switch over from other crops. In the south zone, sowings of irrigated cotton in Andhra Pradesh have been completed while sowings in rainfed areas are in progress. Sowings are in full swing in Karnataka also while those in Tamil Nadu will commence later.

A total area of about 88 lakh hectares appear to have been covered so far in the country as against around 93 lakh hectares covered by the same period in 2010-11.

Breeders Voice Concern About Over Dominance of Bt Cotton

Bt cotton was first introduced for commercial cultivation in India during 2002-03. Since then, it has made spectacular progress, unprecedented for any variety so far. Presently, it occupies about 98.5 lakh hectares or about 88 per cent of the total area of 111.6 lakh hectares under cotton in the country during 2010-11. There are no two opinions on the enormous contribution made by Bt cottons in the growth made by the country in both production and productivity of cotton after their introduction and phenomenal spread. In fact, India's cotton production shot up from 136 lakh bales in 2002-03 to 312 lakh bales in 2010-11, a growth of 129 per cent. Similarly, the per hectare yield rose from 302 kg in 2002-03 to 554 kg in 2007-08, although there has been some fall to 524 kg in 2008-09 and to 475 kg in 2010-11, owing to a decline in total production caused by seasonal vagaries.

This achievement seems to have now come under some sort of a cloud owing to the likely repercussion of the overdominance of Bt cotton on the future development of cotton. The fear appears to be that cultivation of Bt cotton over such a large area without the adoption of recommended practices to ward off any resistance being built up in the bollworms, may prove to be disastrous.

Recently, at a national workshop on "disappearing non-GM Cotton" held at Dharward University in Karnataka, supported by the Central Institute for Cotton Research (CICR), Nagpur, many reputed scientists, various organic cotton groups and representatives from the textile and seed industry reportedly stated that the global market for

organic cotton is threatened by the erosion of conventional varieties by GM or Bt cotton. They are also reported to have expressed that the voracious use of GM seeds amplified the risk of physical and genetic contamination of organic cotton with GM cotton. However, a contrary view that pests could also evolve whether there is GM crop or not, was also expressed by some others, it is stated. Their view was that public sector research institutions should invest more in maintaining genetic and bio-diversity as private sector does not have matching resources. Private sector is not interested in niche or speciality markets as long as the conservation of genetic resources has no direct financial benefit.

Agronomist at the International Division, Research Institute of Organic Agriculture, Switzerland, is quoted to have stated that there is need for intensive research on developing varieties for organic and low-input conditions and for combined efforts to re-establish the seed value chain for non-GM cotton.

In a report submitted last year to the Environment Ministry, Director of CICR is stated to have cautioned about the likely failure of Bt cotton. Farmers, it is stated, are not following the recommended "refuge" crops on the borders of cotton fields. With about 90 per cent of the area under Bt cotton, bollworms can develop resistance soon. This concern needs to be addressed on priority before it is too late, he has reportedly added.

(Source: Financial Express 18.07.2011)

Agenda for the 70th Plenary Meeting of the ICAC Released

The Agenda for the 70th Plenary Meeting of the ICAC scheduled to be held on September 4-10, 2011 at Argentina was released by the ICAC. With the world cotton industry having experienced record prices, high volatility and great changes in the structure of the industry, there is much for representatives from more than 40 countries and ten international organizations to discuss.

The Agenda includes six open sessions, 2 plenary sessions, two parallel sessions, five break-out sessions and numerous side meetings of panels and expert groups.

Open Sessions:

- 1 The Roles of the State and the Private Sector in Technology Change.
- 2 Farmers' Associations, Farmers' Organizations and Cooperatives: What are the Success Factors?
- 3 Organic Cotton Production: The Reality of Costs and Benefits.
- 4 Managing the Impacts of Volatile Cotton Prices.
- 5 Development of the Argentine Textile Industry: Policies for Growth.
- 6 Technical Seminar: "Technological Innovations for Sustainable Development of the Cotton Value Chain".

Plenary Sessions:

- 1 The Role of Trade in Promoting Growth and Development (Discussion of the Doha Round)
- 2 Statements from Governments and International Organizations

Parallel Sessions:

- 1 Towards a Regional Program to Fight the Boll Weevil (Regional meeting among specialists from Argentina, Bolivia, Brazil, Colombia, Mexico, Paraguay, Peru, USA and Venezuela)

- 2 Meeting of the Latin American Association for Cotton Research and Development (ALIDA).

Breakout Sessions:

- 1 Ensuring Responsible Labour Standards in the Cotton Value Chain.
- 2 Debunking the Myths: Answering the Attacks on Cotton.
- 3 Demand Enhancement: Why it is Needed When Prices Are High.
- 4 Measuring Cotton Supply and Use in the 21st Century.
- 5 Opportunities and Benefits of Producing "Branded" Cotton.

Participants in the 70th Plenary Meeting of the ICAC will have a unique opportunity to view the cotton value chain and links between research and production. The Government of Argentina, in cooperation with the provincial government of Chaco, is arranging complimentary travel from Buenos Aires to the cities of Sáenz Peña and Resistencia on Friday, September 9 and Saturday, September 10. Return flights to Buenos Aires will be provided on Saturday morning September 10 and Sunday morning September 11. The portion of the plenary meeting in Sáenz Peña constitutes an extension of the official agenda of the plenary meeting. The technical tours on Saturday are integral to the subject matter of the plenary meeting.

Registration for the plenary meeting and hotel reservations can be made through the ICAC website ICAC.org. When registering, participants need to indicate whether they will be travelling to Sáenz Peña and Resistencia on September 9 and 10.

The full agenda with speakers and chairpersons, along with registration information, is available on the web at www.icac.org.

(Source: ICAC Press Release July 25, 2011)

Union Minister of Commerce & Industry and Textiles Restores DEPB Benefits for Cotton and Cotton Yarn

The Union Minister of Commerce, Industry and Textiles Shri Anand Sharma has restored the DEPB benefits for cotton yarn from 1st April, 2011 and on Cotton from 1st October, 2010. The Minister stated that he had taken a composite review of the cotton and cotton yarn industry over the last few days. Both of these segments have faced huge fluctuation in the international and domestic prices.

Explaining further, Shri Sharma said the policy of the Government has been calibrated over the last one year and cotton yarn has been placed on OGL for exports w.e.f. 1st April 2011. Therefore,

a conscious decision to restore the DEPB benefits for cotton yarn w.e.f. 1st April 2011 has been taken.

On the issue of DEPB benefits for cotton, Shri Sharma said "in the last cotton year, cotton exports were dis-incentivised by virtue of export tax which was in place, which has since been dismantled w.e.f. 1st October 2010. Clearly, the policy intention of the Government was not to dis-incentivise exports after that cut-off date and he had now taken a view to restore DEPB benefit on cotton w.e.f. 1st October 2010."

(Source: Press Release - Ministry of Commerce)

UPCOUNTRY SPOT RATES

(Rs./Qtl)

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) 2010-11 CROP						
					July 2011						
					23 rd	25 th	26 th	27 th	28 th	29 th	
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15	H	11895N (42300)	11895N (42300)	11895N (42300)	11895N (42300)	11895N (42300)
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15		12035N (42800)	12035N (42800)	12035N (42800)	12035N (42800)	12035N (42800)
03.	ICS-102	22mm	V-797	4.5-5.9	19	O	5343 (19000)	5343 (19000)	5343 (19000)	5343 (19000)	5343 (19000)
04.	ICS-103	23mm	Jayadhar	4.0-5	19		6468 (23000)	6468 (23000)	6468 (23000)	6468 (23000)	6468 (23000)
05.	ICS-104	24mm	Y-1	4.0-5.5	20	L	N.A.	N.A.	N.A.	N.A.	N.A.
06.	ICS-202	25mm	J-34	3.5-4.9	23		8577 (30500)	8577 (30500)	8577 (30500)	8577 (30500)	8577 (30500)
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	I	7114 (25300)	7114 (25300)	7114 (25300)	7255 (25800)	7339 (26100)
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24		7311 (26000)	7396 (26300)	7452 (26500)	7536 (26800)	7620 (27100)
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	D	7874 (28000)	7874 (28000)	7874 (28000)	7958 (28300)	8042 (28600)
10.	ICS-105	29mm	S-6	3.5-4.9	26		8436 (30000)	8436 (30000)	8436 (30000)	8520 (30300)	8661 (30800)
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	A	8858 (31500)	8858 (31500)	8858 (31500)	8858 (31500)	8998 (32000)
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28		12092 (43000)	12092 (43000)	12092 (43000)	12092 (43000)	12092 (43000)
13.	ICS-107	35mm	DCH-32	2.8-3.6	31	Y	15888 (56500)	15888 (56500)	15888 (56500)	15325 (54500)	15325 (54500)

Note: Figures in bracket indicate prices in Rs./candy N - Nominal