Weekly Publication of

Cotton Association of India

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Cotton Statistics And News

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Organic Textile Exports to Touch Rs 1,500 cr in FY 13

India's organic textile exports are expected to rise by 50 percent to about Rs 1,500 crore in 2012-13 with the introduction of a new national certification standard, according to Agricultural and Processed Foods Export Development Authority (APEDA).

During 2011-12, these exports were Rs 1,027 crore, according to the data provided by the APEDA.

The certification standard called National Organic Textile Standards (NOTS), which would be introduced on Monday, would help boost demand for organic textiles products as well as benefit local producers and the environment, APEDA Chairman Shri Asit Tripathy said.

This aims at having uniform standards which are recognised overseas mainly in major markets such as Europe, Germany and Japan, APEDA Chairman informed.

The move would result in greater acceptance for Indian organic products in these markets, he added.

The NOTS would be included under the National Programme for Organic Productions (NPOP) which is a legal regime administered by the Ministry of Commerce.

The launch of the NOTS takes over the long-standing position of the Global Organic Textiles Standards (GOTS) which is a voluntary global standard for the entire post-harvest processing of apparel and home textiles made with organic fibre such as organic cotton and organic wool, Shri Tripathy added.

APEDA said the introduction of NOTS makes India the only country in the world to have introduced organic textile standards at the national level.

At present, there are private standards prevailing in the country for organic textiles which are not in conformity with the international standards.

Further, the council said, India's total organic products have been growing at an average of 30 percent over the past five years.

During 2011-12, India exported certified organic products like food, cotton and textiles to various countries in Europe, Asia and the US to the tune of Rs 1,866 crore with an increase of 167 percent in value terms.

APEDA was established by the government under the Agricultural and Processed Food Products Export Development Authority Act passed by the Parliament in December, 1985.

(Source: Business Standard - 28.07.2012)

CAB to Meet on 9th August 2012

The fourth meeting of the Cotton Advisory Board for the cotton season 2011-12 will be held under the Chairmanship of Shri A.B. Joshi, Textile Commissioner at 10.30 a.m. on Thursday, the 9th August, 2012 in the Conference Hall of the Office of the Textile Commissioner, Nishta Bhavan (New C.G.O.Building), 48, Vithaldas Thakarsee Marg, Churchgate, Mumbai – 400 020.

Drought Looms at Large in Six Cotton Growing States in India

According to a latest press release from India Meteorological Department, India's rainfall during this monsoon season (June-September) so far is 22 percent below long period average.

Northwest and Central India, which are important cotton growing regions have registered 39 percent and 26 percent deficient rainfall this monsoon season so far compared to long period average.

Government of India is alarmed about the lack of rainfall in 6 States that grow cotton that include, Gujarat, Maharashtra, Rajasthan, Punjab, Haryana and Karnataka.

According to reports, Gujarat, the number one cotton producing State, only 35 percent of land has been sown till date and if monsoon fails in August, crop production condition will be severe.
Indian agriculture depends heavily on monsoon and cotton is planted as a Kharif crop (June-July sowing) in Northern States such as Gujarat, Maharashtra, Punjab and Haryana.

As per report, Union Agriculture Minister stated that India will take a look at unrestricted export of cotton, wheat and other crops in August if monsoon fails.

(Source: Business Line - 22.07.2012)

Cottonseed Supply Adequate to Meet Kharif Season Demand - NSAI

With several States blaming the seed companies for shortage in supply of Bt cottonseeds, the National Seeds Association of India (NSAI) has asserted that the total availability of Bt cotton hybrid seeds is more than adequate to meet the demand in this kharif season.

It is stated that some of the hybrid brands may be in greater demand than others, but it would be incorrect to conclude that any such shortage is deliberate on the part of seed producers. The association represents about 250 small and big seed companies in the country.

Hybrid seeds are produced through contract farmers. The production system is similar to any other agricultural crop production and is hence dependent on several variables such as rain, soil health, diseases and farming practices. These variables often create a gap between potential output and actual output. A seed is a biological product with long production cycle and making a particular brand of hybrid seeds available at a short time owing to a sudden spurt in demand becomes impossible, it is stated.

Andhra Pradesh and Maharashtra have accused the cottonseed firms of supplying far lesser quantity of seeds than the farmers needed.

(Business Line- 25.07.2012)

World Cotton Prices

Monthly average Cotlook A Index (FE) from 2006-07 onwards
(Cotlook Index in US Cents per lb.)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
August	59.88	66.62	78.04	64.14	90.35	114.10
September	58.82	68.12	77.09	63.99	104.73	116.90
October	57.03	68.93	62.30	66.82	126.55	110.61
November	57.39	69.68	54.96	71.78	155.47	104.75
December	59.43	69.52	55.47	76.78	168.22	95.45
January	59.06	73.21	57.71	77.39	178.93	101.11
February	57.86	75.05	55.21	80.05	213.18	100.75
March	58.42	80.18	51.50	85.80	229.67	99.50
April	57.13	75.44	56.78	88.08	216.52	99.94
May	55.57	74.12	61.95	90.07	165.52	88.53
June	60.61	77.04	61.39	93.04	167.16	82.18
July	67.84	77.29	64.80	--	--	

Source: CCI

Cotton v/s Man-made Fibres
Current Global Scenario and Future Perspectives According to Experts

The April - May 2012 issue of ATA Journal for Asia on Textile and Apparel, carries an article on "spotting the demand trends of cotton and man-made fibres" which contains interesting facts about the current global scenario of cotton v/s man-made fibres. Some of the highlights presented in this article, which may be of interest, are mentioned below:

It is stated that the latest estimate about the 2011 world fibre usage places the quantity at more than 51 million tonnes (mt) of man-made fibres and almost 30 mt of natural fibres, representing a new record high of roughly 81 mt equal to one percent increase over 2010. Thus the average per capita consumption accounts for nearly 12 kg. According to the experts' report, it is claimed that cotton use is expected to decline by 1.9 per cent in two years. The report is also stated to indicate that cotton use is expected to decrease despite significantly higher production spurred by drastic price increase since August 2010, and in contrast, use of synthetic fibres rose by 2.8 per cent and cellulosic fibres by 4.2 per cent to a new all-time high.

The view is that the trend of shifting from cotton to man-made fibres started as a temporary solution, but has changed into a permanent one. This is believed to be due to the economic situation in both the US and European markets which put tremendous pressure on garment pricing. By shifting to man-made fibres, the garment supply chain can ease the pressure of pricing right from the cost of material to processing, especially in dying and finishing. The expert opinion is stated to be that the demand for man-made fibre would grow steadily in the next two years but companies in countries with good cotton crop like India and Pakistan are expected to stick to cotton.

It is stated that the world is at the starting point of long term upward development in the man-made cellulose fibre industry which is based on a structural transformation of the global demand for fibres. Cotton, the most important cellulose fibre, can meet the rising demand only to a limited extent. Some market analysts are claimed to have predicted a shortage of cellulosic fibres of around five million tonnes in the next decade.

Evidence of cotton losing some of the market share to competing fibres after last year's steep rise in cotton prices can also be observed from the figures of import by US, it is stated. While the majority of apparel sold in US was imported, the import volume of cotton-dominant apparel was 11.8 percent lower in 2011 compared to 2010. But import volume of man-made-dominant apparel rose 8.3 percent.

However, it is pointed out that lately, there has been increase in the prices of other fibres along with the collapse in cotton prices, making cotton products more competitive than they were a year ago. Further, more than 80 percent of the consumers surveyed in China and US are said to have indicated that they preferred their clothing to be made of cotton and cotton blends. It is expected that these preference with more competitive prices could eventually bring some market share back to cotton.

Comparing the pros and cons of cotton and man-made fibre, it is brought out that as a cellulose based fibre, cotton is easy to handle, has a broad range of uses, and more importantly, it is an absorbent fibre. On the other hand, cotton has a number of disadvantages. As a natural product, its quality and cleanliness differs. Dyeing and finishing sometimes is more expensive than by the use of man-made fibres. In contrast, man-made cellulose fibres combine the absorbency of all cellulose fibres with technical advantages of industrial man-made fibres. Constant fibre properties allow a higher spinning speed with viscose than with cotton. Besides, man-made fibres can be produced for customer's special requirements, with constant quality.

Cotton Imports to Treble in 2011-12

Tight cotton supplies in the local market and lower prices overseas have prompted Indian textile mills to ramp up imports, which are likely to treble in the year ending Sept. 30, 2012, industry officials informed.

Mills in the world's second biggest cotton producer have already imported 500,000 bales and have signed contracts for around 1 million bales.

Indian textile companies are importing cotton, taking advantage of cheaper prices in the international market. Cotton imports may touch 1.5 million bales, it is reported.

India has exported 11.5 million cotton bales of 170 kg each so far in the 2011/12 season that began on Oct. 1. The country's cotton exports in 2012/13 are likely to be hit as poor rainfall in top producing Gujarat state is set to trim production, a source added.

(Source: Economic Times - 26.07.2012)

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	23rd	24th	25th	26th	27th	28th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	12176 (43300)	12176 (43300)	12176 (43300)	12176 (43300)	12176 (43300)	12120 (43100)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	12513 (44500)	12513 (44500)	12513 (44500)	12513 (44500)	12513 (44500)	12401 (44100)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	8380 (29800)	8380 (29800)	8380 (29800)	8380 (29800)	8380 (29800)	8380 (29800)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	8998 (32000)	8998 (32000)	8998 (32000)	8998 (32000)	8998 (32000)	8998 (32000)
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	10039 (35700)	9898 (35200)	9898 (35200)	9898 (35200)	9898 (35200)	9898 (35200)
7	M/M/A	ICS-105	Fine	26mm	3.0 – 3.4	25	9729 (34600)	9673 (34400)	9673 (34400)	9617 (34200)	9617 (34200)	9561 (34000)
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	10292 (36600)	10208 (36300)	10208 (36300)	10179 (36200)	10179 (36200)	10179 (36200)
10	M/M/A	ICS-105	Fine	27mm	3.0 – 3.4	26	9954 (35400)	9898 (35200)	9898 (35200)	9842 (35000)	9842 (35000)	9786 (34800)
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	10376 (36900)	10292 (36600)	10292 (36600)	10264 (36500)	10264 (36500)	10264 (36500)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	10461 (37200)	10404 (37000)	10404 (37000)	10348 (36800)	10348 (36800)	10292 (36600)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	10461 (37200)	10461 (37200)	10461 (37200)	10404 (37000)	10404 (37000)	10348 (36800)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	10657 (37900)	10601 (37700)	10601 (37700)	10545 (37500)	10545 (37500)	10489 (37300)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	10545 (37500)	10545 (37500)	10545 (37500)	10489 (37300)	10489 (37300)	10432 (37100)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	10854 (38600)	10798 (38400)	10798 (38400)	10770 (38300)	10770 (38300)	10742 (38200)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	11417 (40600)	11417 (40600)	11417 (40600)	11276 (40100)	11276 (40100)	11192 (39800)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 – 4.9	31	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
20	M(P)/K/T	ICS-107	Fine	34mm	3.0 - 3.8	33	15185 (54000)	15185 (54000)	15185 (54000)	15185 (54000)	15185 (54000)	15185 (54000)

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