

CAB Ups its Estimate of Both Area and Production in 2009-10

The Cotton Advisory Board (CAB) met in Mumbai on July 30, 2010, with the Textile Commissioner, Shri A.B. Joshi in the Chair. It was well attended with representatives of all the segments of the cotton industry participating and leading to lively discussion.

The Board has revised its previous estimate of both area and production of cotton during 2009-10 made in April 2010. The current estimate has placed the area at 103.29 lakh hectares (vs 101.71 lakh hectares) and production at 295 lakh bales (vs 292 lakh bales). It has also raised its estimate of exports from the previous 80 lakh bales to 83 lakh bales now, while the estimate of imports has been retained at 7 lakh bales.

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The State-wise details of the estimates of area and production are given in the accompanying table.

Area in lakh hectares, Production in lakh bales						
	200	8-09	2009-10			
State	Area	Produ- ction	Area	Produ- ction		
Punjab	5.27	17.50	5.36	14.25		
Haryana	4.56	14.00	5.07	14.75		
Rajasthan	3.02	7.50	7.50 4.44			
North Zone	12.85	39.00	14.87	40.00		
Gujarat	23.54	90.00	26.25	98.00		
Maharashtra	31.42	62.00 35.03		63.00		
M. P.	6.25	18.00 6.04		15.00		
Central Zone	61.21	170.00	67.32 176.00			
A. P.	13.99	53.00	14.83	52.00		
Karnataka	4.08	9.00	4.27	9.00		
Tamil Nadu	1.09	5.00	1.14	5.00		
South Zone	19.16	67.00	20.24	66.00		
Others	0.84	2.00	0.86	1.00		
Total	94.06	278.00	103.29	283.00		
Loose Cotton	-	12.00	-	12.00		
All India		290.00		295.00		

The increase made in production is mostly in the case of Maharashtra and Andhra Pradesh, while the production estimate has been marginally lowered in the case of Karnataka. As may be expected, there was considerable discussion on the national level of production with the representatives of different segments indicating their own estimates which ranged from 223.2 lakh bales to 307 lakh bales. The CAB finally settled on the present estimate of 295 lakh bales. In the case of area, the increase has been mostly in the case of Andhra Pradesh whose area estimate has been raised from the previous 13.19 lakh hectares to 14.83 lakh hectares now. The CAB is expected to meet again in the near future to update the estimates.

As for foreign trade, the CAB has retained the estimate at the previous figure of 7 lakh bales while exports have been estimated to go up from the previous 80 lakh bales to 83 lakh bales now. This has been done on the basis of the latest situation on the export front. The estimates of mill consumption and consumption by small scale units have been retained at 207 lakh bales and 23 lakh bales respectively. The Cotton Balance Sheet as now revised by the CAB is given in the accompanying table.

		(in lakh bales)
	2008-09	2009-10
Supply		
Opening Stock	35.50	71.50
Production	290.00	295.00
Imports	10.00	7.00
Total Supply	335.50	373.50
Demand		
Mill Consumption	190.00	207.00
SSI Consumption	20.00	23.00
Non-Mill Consumption	19.00	20.00
Exports	35.00	83.00
Total Offtake	264.00	333.00
Carry over stock	71.50	40.50

The estimated closing stock, same as the one given last time, is 31 lakh bales lower than the opening stock.

(Source : Cotton Advisory Board)

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Cotton Plantings Make Further Progress

The receipt of widespread rains has enabled farmers to continue with the planting of major kharif crops including cotton. As per information available from the Directorate of Cotton Development, Cotton Outlook has published State-wise area sown to cotton by the middle of July which is reproduced below:

(In lakh hectares)						
Cotton Area sown upto July 15 2010-11 2009-						
State	Bt. Cotton	Non-Bt. Cotton	Total	2007 20		
Punjab	5.49	0.10	5.59	5.36		
Haryana	4.13	0.31	4.44	5.07		
Rajasthan	1.60	0.65	2.25	4.00		
Gujarat	13.86	2.44	16.30	15.84		
Maharashtra	30.77	3.42	34.19	22.19		
M.P.	4.81	0.53	5.34	5.23		
A.P.	11.85	0.01	11.86	8.12		
Karnataka	1.63	0.41	2.04	2.28		
Tamil Nadu	0.03	0.04	0.07	0.09		
Other States	-	0.70	0.70	0.57		
All-India	74.17	8.61	82.78	68.75		

The total area sown to cotton by the middle of July has reached 82.8 lakh hectares, an increase of nearly 23 per cent compared to last year's sowings of 68.75 lakh hectares by the same period. The greatest jump in area has been in Maharashtra where the planted area of 34.2 lakh hectares is more than 54 per cent of last year. It may be recalled in this context that last year, cotton sowings were handicapped in the State in the initial stages for want of adequate rains. This year, however, good rains in June-July have helped cotton plantings. Farmers had also been enthusiastic to sow cotton since they have been able to realise good prices this year for kapas. The total area at the national level upto July middle is about 81 per cent of the total cotton area of 101.75 lakh hectares under the crop last year. The expectation is that the final area planted this year may exceed last year's level by a few lakh hectares. Of the total area sown so far, about 89.6 per cent is under Bt cotton.

In a subsequent report in the press, the total sown area has been placed at 95 lakh hectares by the third week of July. State-wise details, are, however, not available.

> (Source : Cotton Outlook, 23.07.2010 and Business Line, 24.07.2010)

for the period from 1991-92 season onwards Cotton Consumption Cotton in lakh bales Production Area in Cotton yield prodn. In in 000's of 170 kg. **Cotton Year** Lakh in kg/ lakh bales of each (mill + tones Hectares Hectare 170 kgs each (mn.kg.) non-Mill +small spinning) 76.01 1991-1992 119.00 2023.00 266.14 111.09 1992-1993 75.41 138.00 2346.00 311.00 125.01 1993-1994 74.40 121.50 2065.00 278.00 127.00 1994-1995 78.61 138.50 2354.50 300.00 135.00 1995-1996 90.63 154.29 170.70 2901.90 320.00 1996-1997 91.66 177.90 3004.30 330.00 170.16 1997-1998 88.29 158.00 2686.00 307.00 159.01 92.87 1998-1999 165.00 2805.00 302.00 165.36 1999-2000 87.31 156.00 2652.00 304.00 173.36 2000-2001 173.03 85.76 140.00 2380.00 277.52 2001-2002 87.30 158.00 2686.00 307.67 171.76 2002-2003 76.67 136.00 2312.00 301.55 168.83 2003-2004 76.30 179.00 3043.00 398.82 177.10 2004-2005 87.86 243.00 4131.00 470.11 195.03 2005-2006 86.77 241.00 4097.00 472.17 217.00 2006-2007 91.44 280.00 4760.00 520.56 232.03 2007-08 94.14 307.00 5219.00 554.39 236.88 2008-09 (as per CAB 30.07.2010) 94.06 290.00 4930.00 524.13 229.00

Data on Area, Production, Yield and Consumption of Cotton for the period from 1991-92 season onwards

Source: Office of the Textile Commissioner, Mumbai

103.29

295.00

5015.00

485.53

250.00

2009-10 (as per CAB 30.07.2010)

<u>SNIPPETS</u>

The Haryana Agriculture Department is reported to have launched an insurance plan for cotton, as also bajra. Farmers growing these crops can avail the benefit of this scheme, a spokesman of the Department is quoted to have stated. While crop insurance was necessary for those farmers who had availed loans from banks/financial institutions, even those farmers who have not availed of loans can also voluntarily opt for the crop insurance scheme, it is stated. Government also provides 10 per cent rebate on the insurance premium for small and medium farmers. After the rebate, farmers have to pay Rs. 1416 per hectare for cotton.

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Cotton farmers growing Bt cotton are said to be preferring to shift from single gene first generation hybrids (Bollguard I) to more advanced double gene versions (Bollguard II). The latter confers not only greater protection from bollworms but also to all other bollworms. Last year, the area under BG II is placed at 45.6 lakh hectares and it is expected to expand to 64.8 lakh hectares this year, states a report.

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UPCOUNTRY SPOT RATES (Rs./Candy)											
Official quotations for standard descriptions with basic grade and staple in Millimetres based on Upper				SPOT RATES (UPCOUNTRY) 2009-10 CROP July-August 2010							
Half mean Length under By-law 66 (A)(a)(4)			31 st	2 nd	3 rd	4^{th}	5^{th}	6 th			
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15	23600	23600	23700	23800	23800	24000
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15	23800	23800	23900	24000	24000	24200
03.	ICS-102	22mm	V-797	4.5-5.9	19	20000	20000	20200	20400	20400	20600
04.	ICS-103	23mm	Jayadhar	4.0-5	19	21700	21700	21800	21900	21900	22100
05.	ICS-104	24mm	Y-1	4.0-5.5	20	25000	25000	25000	25100	25100	25300
06.	ICS-202	25mm	J-34	3.5-4.9	23	29100	29100	29200	29300	29300	29500
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24	27300	27300	27500	27600	27600	27800
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	28500	28500	28600	28800	28800	29000
10.	ICS-105	29mm	S-6	3.5-4.9	26	29800	29800	29900	30100	30100	30300
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	30900	30900	30900	31000	31000	31200
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
13.	ICS-107	35mm	DCH-32	2.8-3.6	31	41500	41500	41600	41800	41800	42000
14.	ICS-301	26mm	ICC	3.7-4.3	25	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.