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. 21 * 24/08/2010

Edited & Published by : O. P. Agarwal

High Prices and Good Rains Swell Cotton Area in 2010-11

Thanks to the high prices realised by farmers for their kapas/cotton this season and the favourable rains received in several States, cotton plantings have made rapid progress during the ongoing kharif season. Press reports state that according to the Union Agriculture Ministry's latest sowing figures, cotton area so far has touched 103.37 lakh hectares, marginally higher than the estimated area of 103.29 lakh hectares during 2009-10. The expectation is that when the plantings are finally over by September-October, the total area may be around 105 lakh hectares which would be an all time record.

The two States that have crossed last year's area appreciably are Maharashtra and Andhra Pradesh. Against 33.30 lakh hectares sown by this time last year and the final planted area of 35.03 lakh hectares, the coverage in Maharashtra has reportedly reached 39.22 lakh hectares already. Similarly, the area in Andhra Pradesh is stated to have reached 15.96 lakh hectares as against 10.26 lakh hectares sown by this time and the final area of 14.83 lakh hectares during 2009-10. The progressive area sown in Punjab has also been higher at 5.59 lakh hectares against 5.36 lakh hectares last year. Similar is said to be the case in Karnataka where the planted area so far is placed at 3.25 lakh hectares as against 2.68 lakh hectares covered by the same time last year. The States where the area this year is yet to catch up with last year's coverage are Gujarat, Madhya Pradesh, Haryana and Rajasthan.

Meanwhile, data gathered from the Directorate of Cotton Development about sowings upto July 29 support the same uptrend in the area under cotton. The State-wise details and break up between Bt. and non-Bt. Cottons are given below:

Area (lakh hectares)				
State	Bt. Cotton	Non-Bt. Cotton	Total	Area by same date in 2009-10
Punjab	5.49	0.10	5.59	5.36
Haryana	4.13	0.31	4.44	5.07
Rajasthan	1.76	0.65	2.41	4.44
North Zone	**11.38**	**1.06**	**12.44**	**14.87**
Gujarat	18.30	5.40	23.70	23.65
Maharashtra	34.59	3.85	38.44	32.42
M.P.	5.40	0.69	6.09	6.45
Central Zone	**58.29**	**9.94**	**68.23**	**62.52**
A.P.	15.16	0.01	15.17	9.80
Karnataka	2.69	0.30	2.99	2.89
Tamil Nadu	0.05	0.04	0.09	0.09
South Zone	**17.90**	**0.35**	**18.25**	**12.78**
Other States	-	0.93	0.93	0.70
All-India	**87.57**	**12.28**	**99.85**	**90.87**

It will be noticed that the share of Bt. Cotton in the total cotton area is as high as 87.7 percent in 2010-11. This larger coverage by high yielding, pest resistant Bt. Cottons and about 10 percent increase in the total cotton area may be expected to boost cotton production well beyond 295 lakh bales in 2009-10.

(Source: Directorate of Cotton Development and Business Line dated 07.08.2010)

World Cotton Production, Consumption and Trade to be Higher in 2010-11 - ICAC

According to the latest release of the International Cotton Advisory Committee (ICAC), world cotton production is expected to make a strong rebound in 2010-11. The production next year is forecast to be 25.2 million tonnes (mt), up by 15 percent from the estimated 21.9 mt in 2009-10. The increase will be mainly due to a rise in cotton area as farmers have realised good returns from the crop this year. A slight improvement in average yield to 766 kg. per hectare is also expected in 2010-11.

The maximum increase in production is forecast in the United States where it is expected to be higher by 50 percent at 4.1 mt. Several other countries like India, China, Pakistan, Brazil, Uzbekistan, Turkey, Australia and CFA Zone are also expected to have larger crops next year.

Alongwith world cotton output, mill use is also projected to continue to recover in 2010-11, growing by nearly 2 percent to 24.9 mt from 24.5 mt this year. The recovery is expected to be propelled by the improvement in global economic growth. Bulk of the increase in consumption at about 80 percent is expected to be accounted for by China and India.

World cotton trade is forecast higher in 2010-11. Global imports are expected to continue to recover, rising by 4 percent to 8 mt. The increase is expected to be driven by Chinese imports, forecast 22 percent higher at 2.9 mt. A sizable increase of 19 percent in exports to 3.2 mt is forecast in the case of US in 2010-11. On the other hand, exports from India are projected to show a decline to 1.2 mt next year, presumably due to a reduced exportable surplus, according to the ICAC. It may be stated in this connection that the Indian crop in 2010-11 is expected to be appreciably higher compared to 2009-10 and indications are that there would be sizable exportable surplus. In that case, there is no reason why exports would go down, provided world cotton prices remain attractive.

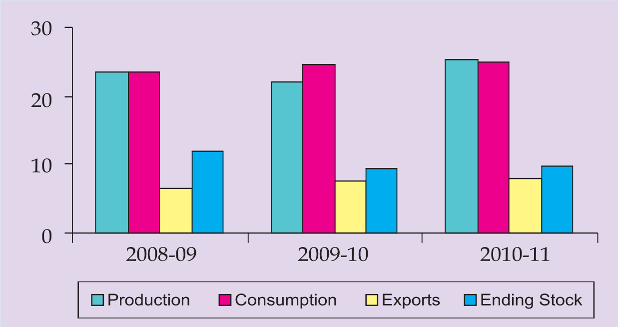
As world cotton production is expected to surpass world cotton mill use in 2010-11, world ending stocks are expected to show a rise of 3 percent to 9.8 mt in 2010-11. The global stock-to-use ratio is expected to remain stable at 39 percent, much lower than the five year average of 49 percent from 2004-05 to 2008-09, states the ICAC.

The ICAC Price Model has forecast a season-average Cotlook A Index of 85 US Cent per pound in 2010-11, the 95 percent confidence interval extending from 71 to 102 USC per pound. This forecast would imply a 9 percent increase in the Index compared to 2009-10.

World Cotton Balance Sheet

(Mill. tonnes)

	2008-09	2009-10	2010-11
Production	23.35	21.90	25.20
Consumption	23.39	24.50	24.90
Exports	6.63	7.70	8.00
Ending Stock	12.01	9.40	9.80
Cotlook A Index	61.20	78	85
(US cents per pound)			



(Source: ICAC Monthly Report)

Renewal of Subscription of Cotton Weekly for April 2010-March 2011

Your subscription for this publication expired in March 2010. To ensure uninterrupted and continuous supply of this publication to you during the current period from April 2010 to March 2011, we request you to please send your renewal subscription amount of Rs.1,500/- immediately.

Payment is to be made in the name of Cotton Association of India payable at par in Mumbai.

The members of the Association are not required to pay any subscription amount as they are entitled to a complimentary copy of this publication.

We solicit your co-operation.

CAB to Meet on 27th August 2010

The fifth meeting of the Cotton Advisory Board for the cotton season 2009-10 is scheduled to be held on Friday, the 27th August 2010 at 3.00 p.m. in the Conferance Hall of the Office of the Textile Commissioner, Nishta Bhavan (New C.G.O. Building, Churchgate, Mumbai-400 020.

Glimspes of Independence Day Celebration at CAI


CAI President addressing the members present at the celebration


A cross section of members and their families


Screening of small patriotic film


Senior members of the cotton trade present on the occasion of the Flag Hoisting Ceremony


Shri Hiralal Lakdawala sharing his views with the members


Shri Sanjay V. Udeshi, Addl.Vice-President proposes vote of thanks


Flag Hoisting Ceremony performed by Shri Hiralal Lakdawala

SNIPPETS

It is reported that the recent heavy floods in Pakistan, said to be the worst in over eight decades have damaged cotton crop over about 5.6 lakh hectares in the Punjab Province. The total area planted in the province is stated to have been about 24.8 lakh hectares.

As per the trade statistics available for the period, January-May 2010, India's textile and garment exports to US and EU countries have increased by 11.66 percent compared to the corresponding period in 2009. This information is reported to have been given by the Minister of State for Textiles in a written reply in the Lok Sabha recently. The State Minister is further quoted to have stated that the Government has already initiated action in cooperation with the Textile Export Promotion Council to increase market share in Japan, West Asia, Africa and Australia through holding of Brand India Textiles Mega Shows, Buyer Seller Meets and participation in high profile textile fairs and exhibitions in these countries.

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 August 2010					
						14th	16th	17th	18th	19th	20th
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15	H	25200	25200	25200		25200
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15	O	25400	25400	25400	M A	25400
03.	ICS-102	22mm	V-797	4.5-5.9	19		21700	21900	22100	R	23000
04.	ICS-103	23mm	Jayadhar	4.0-5	19		22600	22600	22600	K	23000
05.	ICS-104	24mm	Y-1	4.0-5.5	20	L	26700	26700	26700	E	26700
06.	ICS-202	25mm	J-34	3.5-4.9	23		30500	30500	30700	T	31100
07.	ICS-105	25mm	NHH-44	3.5-4.9	22		N.A.	N.A.	N.A.		N.A.
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24	I	28600	28600	29000	C	29500
09.	ICS-105	28mm	H-4 / MECH-1	3.5-4.9	25		30000	30200	30700	L O	31200
10.	ICS-105	29mm	S-6	3.5-4.9	26	D	31700	31700	31900	S	32700
11.	ICS-105	31mm	Bunny / Brahma	3.5-4.9	27		32200	32200	32200	E D	32900
12.	ICS-106	33mm	MCU-5 / Surabhi	3.3-4.5	28	A	N.A.	N.A.	N.A.		N.A.
13.	ICS-107	35mm	DCH-32	2.8-3.6	31		42000	42000	42000		42000
14.	ICS-301	26mm	ICC	3.7-4.3	25	Y	N.A.	N.A.	N.A.		N.A.