

The Outlook for LS and ELS Cotton Production and Consumption in India

A recent issue of the international weekly, Cotton Outlook, was exclusively devoted to the World Long Staple Cotton Market. In an article published in this issue, the situation in India pertaining to the production and consumption of long and extralong staple cotton has been presented. Some of the details given in this article are mentioned below for information:

Taking LS cotton to mean a staple length of 31 to 32 mm and ELS cotton as 32 mm and above, it is stated that India's output of LS cotton has grown in recent times while that of ELS and short staple groups has declined. India's production of LS cotton during 2009-10 is placed at four million bales making it perhaps the largest producer in the world in this staple group. By growing high yielding long staple Bt cottons, not only the production in this group has soared but farmers have also benefited immensely reaping some of the highest returns ever from cotton.

The State-wise production of LS cotton during 2009-10 is stated to have been as under:

	(in million bales)					
State	Bunny/Brahma (31 mm)	MCU-5 (32 mm)				
A.P. / Orissa	1.40	1.40				
Tamil Nadu	0.10	0.05				
Karnataka	0.40	0.05				
Maharashtra / M.P	. 0.60	-				
Total	2.50	1.50				

MCU-5 is said to be the second most popular export brand, behind Shankar-6. It is liked by

spinners because of its silky touch and creamy look. It is claimed to be ideal for 60s Ne counts of yarn, providing Indian spinners a competitive edge in that construction on international markets.

In the case of ELS cotton, three varieties now in cultivation are said to be Suvin, DCH-32 and MCU-5. Suvin, introduced in 1974, typically has a staple length of 36 to 40 mm, fibre strength of 34 to 36 GPT and a Micronaire range of 2.9 to 3.3. This is the finest cotton produced in India and can be a substitute for Giza 45 in that it can produce 120s counts of yarn. However, its production has declined and was only 1000 bales, all in Tamil Nadu, during 2009-10.

DCH-32 is the other important ELS cotton in the country. It generally has a staple length of 34 to 36 mm, fibre strength of 34 to 35 GPT and a Micronaire range of 2.8 to 3.3. It can be spun up to 100s count and the production in 2009-10 was about two lakh bales, half in M.P. (34 to 35 mm) and half in Karnataka (35 to 36 mm). The other variety that also falls in the ELS bracket is MCU-5. It has a staple length of over 33 mm, GPT of over 32 and Micronaire range of 3.4 to 4.2 and is said to be usually used in mix for spinning 80s counts. Its production during 2009-10 was three lakh bales in Andhra Pradesh. Thus, the total supply of ELS cotton during 2009-10 was around five lakh bales.

As for international trade, India is stated to be a significant importer of US Pima and Egyptian varieties which together, at 54.5 thousand tonnes, constituted 80 to 85 per cent of the country's total ELS imports during 2009-10.

The balance sheet for domestic ELS cotton has been worked out as under:

	(in 000 tonnes)					
	2008-09	2009-10				
Opening Stock	23	25				
Production	77	77				
Import	50	70				
Total Supply	150	172				
Consumption	125	145				
Closing Stock	25	27				

A rising economic growth and an expanding middle class with increasing purchasing power should stimulate the domestic demand for finished products from ELS cotton. ELS varieties have, therefore, considerable economic significance, it is stated. Currently, around 7.77 million spindles (28.5 per cent of the total working capacity) are utilised to produce fine and superfine counts. The requirement of ELS cotton in India is estimated to grow to around two million bales by 2015.

Alongwith development, research for further improvement of ELS cottons is also in progress. The research being undertaken at different research centres is broadly aimed at ways to overcome or minimise the following shortfalls in growing ELS cotton:

- To enhance the ginning outturn and micronaire values of the existing varieties which are low.
- To improve the density of fibres on seeds which is now low compared to foreign varieties.
- Reduce the cost of cultivation so as to enhance profits per hectare.
- To shorten the life span of ELS cotton varieties which is now long, leading to quality problems.

Presently, India's share in the world supply of LS and ELS cotton is placed at 20 per cent and the share in world demand at 26 per cent.

(Source: Cotton Outlook)

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Growth of Indian Textile Industry

With the expanding population, the demand for textiles has also been growing steadily over the years. In order to cater to this rising domestic demand, the Indian textile industry has been expanding for the last several years. The growth has been particularly fast during the last three-four years, fuelled by the Government's Technology Upgradation Fund Scheme (TUFS) for the industry. The growth made by the industry can be observed from the following data:

Year	N	o. of Mil	ls	Capacity				
	Spg.	Comp.	Total	Spindles (Mill.)	Rotors (000)	Looms (000)		
2000	1565	285	1850	35.10	392	123		
2006	1570	210	1780	34.14	305	73		
2007	1608	200	1808	35.61	448	69		
2008	1597	176	1773	35.01	461	56		
2009	1653	177	1830	37.03	485	57		
2010	1673	180	1853	37.68	494	57		

As may be seen, 108 new spinning mills have been installed during the last decade raising their number from 1565 to 1673. However, some 95

composite mills have been closed lowering the total number of such mills from 285 to 180. Thus, there is not much difference in the total number of mills in the country. The main reason for the closure of such large number of mills is that they find it difficult to compete cost-wise with the powerlooms whose number has been fast increasing. Currently, there are stated to be slightly over five lakh powerloom units in the country now as against 3.67 lakh units in 2000. Of the total 1673 mills in the organised sector now, 1457 are in the private sector, 148 in the co-operative sector and 68 in the public sector. The maximum concentration of spinning mills with a total of 908 is in Tamil Nadu, Maharashtra being a distant second having 133 spinning mills. In the case of composite mills, Gujarat leads with 44 mills closed followed by Maharashtra with 43. Alongwith spinning mills in the organised sector, such mills in the small scale sector have also gone up to 1260 now. Of these, about 1004 are in Tamil Nadu.

With the expansion of the textile industry over the years, its consumption of cotton has also gone up from about 149 bales in 2000-01 to 207 lakh bales now. Similarly, cotton consumption by the small scale units has also been rising steadily from about 11 lakh bales in 2000-01 to 20 lakh bales now.

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Glimpses of

CAI In-door Games Tournament 2009-10

For the first time in the history of CAI, an In-door games tournament was organised in the premises of the Association in July-August 2010. Large number of CAI members participated in the tournament with great spirit and enthusiasum.

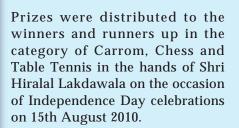














Winner : Shri Prakash Gawde

1st Runner-up : Shri Dhiren N. Sheth

2nd Runner-up: Shri Chetan K. Mehta

Carrom Singles

: Shri Mahesh More Winner

1st Runner-up : Shri Satish Shirke

2nd Runner-up: (Not played)

Carrom Doubles

Winner : Shri Mahesh More and

Shri Sameer Lodaya

1st Runner-up : Shri Dhiren N. Sheth and

Shri Pankaj Kotak

2nd Runner-up : Shri Dinesh Lodaya and

Shri Mahesh Daga

Table Tennis Singles

: Shri Uday B. Thakkar Winner

1st Runner-up : Shri Pankaj Kotak

2nd Runner-up : Shri Kunal Thakkar

Table Tennis Doubles

: Shri Amit Thakkar and Winner

Shri Manish Daga

1st Runner-up : Shri Pankaj Kotak and

Shri Rishit Dholakia

2nd Runner-up: Shri Dhiren N. Sheth and

Shri Uday B. Thakkar



(continued from page No.2)

Although consumption of non-cotton fibres by the industry has been rising, cotton continues to be its mainstay. The production of total yarn by the industry rose from 3046 million kg in 1999-2000 to 4188 million kg in 2009-10. The increase in production of cotton yarn was from 2204 million kg to 3073 million kg during the same period. Currently, the share of cotton yarn in the total yarn production is around 73.4 per cent. The share was marginally lower at 72.4 per cent in 1999-2000.

The Government has always been supportive of the growth of the textile industry. In recent years, the industry has been finding it increasingly difficult to compete in the world textile market because of technological obsolescence. In order to overcome this problem, Government launched a Technological Upgradation Fund Scheme in April 1999. The Scheme provides for subsidy on the interest to be paid on the loans raised by the mills for modernisation and expansion. Up to the end of 2009, the total number of applications disbursed under the Scheme aggregated to 17,477 and the total amount released to `73,168 crore. India now plays a significant role in the supply of textiles and fabrics to the world market and is constantly striving to expand its share.

(Source : Office of the Textile Commissioner)

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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 August 2010						
Half mean Len				per	21st	23^{rd}	24 th	25 th	$26^{\rm th}$	$27^{\rm th}$
01. ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15	25200	25800	25800	25800	26000	26200
02. ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15	25400	26000	26000	26000	26200	26500
03. ICS-102	22mm	V-797	4.5-5.9	19	23000	23000	23200	23200	23400	23500
04. ICS-103	23mm	Jayadhar	4.0-5	19	23000	23300	23300	23300	23500	23700
05. ICS-104	24mm	Y-1	4.0-5.5	20	26700	26700	26700	26700	26900	27000
06. ICS-202	25mm	J-34	3.5-4.9	23	31100	31800	31800	32100	32200	32400
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	29500	29800	29800	30100	30400	30500
09. ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	31200	31500	31500	31700	32000	32200
10. ICS-105	29mm	S-6	3.5-4.9	26	32700	33200	33200	33200	33400	33500
11. ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	32900	33500	33500	33500	33800	34000
12. ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28	N.A.	35000	35000	35000	35300	35500
13. ICS-107	35mm	DCH-32	2.8-3.6	31	42000	42200	42200	42200	42700	43000
14. ICS-301	26mm	ICC	3.7-4.3	25	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.