

Weekly
Publication of



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Association
of India**

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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

2012 * No. 23 * 04/09/2012

Edited & Published by Amar Singh

September Rains to be Better, Agriculture Secretary

With chances of El nino weather pattern receding, the Agriculture Ministry hopes that rainfall in September would be better than earlier forecast, helping in bridging the shortfalls in sowing area to some extent.

Early this month, India Meteorological Department (IMD) had pegged below normal monsoon in September due to likely warming of the Pacific Ocean, popularly known as the El Nino phenomenon.

According to IMD's latest update, there will not be El nino effect on monsoon as chances of its occurrence is receding. Temperature in Pacific Ocean is okay and in September, rainfall is expected to be better than the IMD forecast, Agriculture Secretary informed.

Monsoon in the country is deficient by 14 per cent so far, which has affected sowing operations, particularly in four states -Karnataka, Maharashtra, Rajasthan and Gujarat.

Total area under kharif crops is down at 32.9 million hectare as on August 24, against 34.2 million hectare in the same period last year.

Overall, the gap in coverage is 5 per cent of the normal area. Next month's rain will help cover the gap to some extent. Monsoon has improved and sowing has picked up in some parts of the country, the Minister stated. Asked if there would be a major impact on overall foodgrains production in 2012-13 crop year (July-June), the Minister stated that total output might be slightly lower than the last year's 257.44 million tonnes.

Among cash crops, cotton acreage was slightly lower at 11.15 million hectare as on August 24, against 11.77 million hectare in the same period last year.

El nino refers to abnormal warming of surface ocean waters in Pacific that disrupts weather pattern causing drought and floods in many regions of the world.

(Source: The Economic Times - 26.08.2012)

Despite Monsoon Deficit Shrinking, Kharif Sowing Lags

Despite the monsoon gathering momentum in August, sowing of most kharif crops continued to lag with the shortfall being more pronounced in coarse cereals, oilseeds (barring soyabean) and pulses (barring urad).

According to the latest data from the India Meteorological Department, the cumulative deficit for the current season from June 1-August 30 has come down to 12 per cent against 19 per cent in July.

The monsoon turnaround in August has not fully helped make up the deficit in area under various kharif crops. Areas that have been affected by dry weather mainly cover the stretch from Rajasthan through Gujarat, Maharashtra (outside of Vidarbha) and Karnataka.

Sowing in cash crops such as groundnut and cotton, too is lower as poor rain in Gujarat played the spoilsport. Gujarat has seen a three-lakh-hectare drop in cotton acreage.

(Source: Business Line - 31.08.2012)

CAB Ups Cotton Production Estimates for 2011-12

The fourth meeting of the Cotton Advisory Board (CAB) during the current season, 2011-12, was held in Mumbai on 23rd August 2012 under the Chairmanship of Shri A.B. Joshi, Textile Commissioner. The meeting was well attended and representatives of all segments of the cotton industry participated. The Association's President attended the meeting and apprised the Board of its views on all issues discussed.

The Board has revised its earlier estimate of cotton production during 2011-12 upwards from 347 lakh bales to 353 lakh bales now. The Association had estimated the crop at 373.25 lakh bales, while the arrivals by 31st August 2012 were placed at 366.25 lakh bales. The Textile Industry's body of Confederation of Indian Textile Industry (CITI) estimated the crop to be 352 lakh bales.

The State-wise break-up of area and production, as now estimated by the CAB, is given below:

	Area in lakh hectares, Production in lakh bales of 170 kg. each			
	2010-11		2011-12	
	Area	Production	Area	Production
Punjab	5.30	16.00	5.60	18.50
Haryana	4.92	14.00	6.41	25.00
Rajasthan	3.35	9.00	4.70	17.00
North Zone	13.57	39.00	16.71	60.50
Gujarat	26.33	103.00	29.62	120.00
Maharashtra	39.32	82.00	41.25	74.00
M.P.	6.50	17.00	7.06	18.00
Central Zone	72.15	202.00	77.93	212.00
A.P.	17.84	53.00	18.79	56.00
Karnataka	5.45	10.00	5.54	14.00
Tamil Nadu	1.22	5.00	1.33	6.50
South Zone	24.51	68.00	25.66	76.50
Orissa	0.74	2.00	1.02	2.00
Others	0.45	2.00	0.46	2.00
Total	111.42	313.00	121.78	353.00
Loose	-	26.00	-	-
All-India		339.00		353.00*

* Inclusive of Loose cotton

As may be noticed, production during 2011-12 is estimated to be significantly higher than during 2010-11, the total increase being 14 lakh bales. For last year, loose cotton estimated at 26 lakh bales was separately accounted for in the all-India crop, while for 2011-12, this has been accounted for in the estimates made for individual States. Of the total increase of 34 lakh

bales in 2011-12, including the estimated quantity of 26 lakh bales of loose cotton, the maximum increase of 21.5 lakh bales is in the North Zone, followed by the Central Zone with an increase of 10 lakh bales. The increase in the South Zone is placed at 8.5 lakh bales. Among the individual States, the maximum increase of 17 lakh bales is estimated to be in Gujarat, followed by Haryana with 11 lakh bales. Madhya Pradesh brings up the rear with an estimated increase of mere one lakh bales. In contrast, the crop in Maharashtra is placed lower by eight lakh bales at 74 lakh bales. The main reason for this is apparently the erratic behaviour of SW monsoon.

CAB has raised the estimates of both imports and exports. Imports in 2011-12 are now expected to be as high as 12 lakh bales as against only five lakh bales in 2010-11. Presently, domestic production of cottons quality need by the mills is falling short. Imports have been hovering around five to six lakh bales in recent years. As in the case of imports, exports are also expected to get a boost in 2011-12 to touch an unprecedented 127 lakh bales. Exports during 2010-11 were only 76.50 lakh bales. While China has been importing large quantities of cotton to build up its national reserve of the commodity, price-wise also Indian cotton has been quite competitive. China has the added advantage of proximity to India which leads to considerable saving on shipment cost. CAB expects a slight fall in mill consumption from 221.77 lakh bales in 2010-11 to 217.68 lakh bales. Consumption by Small Scale units is also expected to be marginally lower in 2011-12 at 21.63 lakh bales against 24.46 lakh bales in 2010-11. No change is anticipated in non-mill consumption which remains at 16 lakh bales. The cotton balance sheet has accordingly been revised by CAB as under:

	<i>(in lakh bales)</i>	
	2010-11	2011-12
Opening Stock	40.50	45.77
Production	339.00	353.00
Imports	5.00	12.00
Total Supply	384.50	410.77
Mill Consumption	221.77	217.68
Consumption by SSUs	24.46	21.63
Non-mill use	16.00	16.00
Exports	76.50	127.00
Total Offtake	338.73	382.31
Carryover Stock	45.77	28.46

The carryover stock at the end of the current season is now placed at 16.8 lakh bales lower than the opening stock. This is likely to give an upward push to domestic cotton prices.

Waterproof Cotton will Soon be a Reality: Scientist

Australian scientists are finally going to achieve success in their quest for developing a new breed of waterproof or water-efficient cotton variety.

At the recent Australian Cotton Conference held in Queensland, a research scientist at the Commonwealth Scientific and Industrial Research Organisation (CSIRO), said the agricultural scientists are continuously looking for ways to engineer cotton genomes that can provide better yield stability and quality. It is added that within a span of few months the scientists will be in a position to map the cotton genomes and then the possibilities of breeding water-efficient cotton crops will be enormous.

The scientist explained that the new advanced and improved genetic marker and DNA sequencing technologies will also help in quickening the process of breeding.

The genetically engineered plants have brought a revolution in the agricultural industry and ninety per cent of Australia's cotton crops are of genetically modified (GM) variety. Most cotton growers these days are cultivating GM cotton because it needs a very limited use of chemicals. Though the need for spraying pesticides in these crops has drastically reduced, some experts feel that the secondary pests have become more of a nuisance in recent times.

Another plant research scientist at CSIRO said that some new varieties of pests have surfaced after the introduction of GM cotton and due to the reduction in spraying these pests have multiplied in large numbers and hence have emerged as a new problem.

(Source: Fibre2fashion News – 18.08.2012)

CAI Bids Farewell to Shri C.S. Teotia Outgoing Director (Marketing), CCI

The Cotton Association of India hosted a farewell party to Shri C.S. Teotia, Director (Marketing), Cotton Corporation of India on his retirement from CCI from 31.08.2012.

In his address on the occasion, Shri Dhiren N. Sheth, President, CAI appreciated the valuable services rendered by Shri C.S. Teotia to the cotton trade. Several other guests also joined Shri Sheth in wishing Shri C.S. Teotia a happy, peaceful and healthy retired life.



Chinese Firms Evince Interest in Australian Cotton Farms

Chinese textile companies are vying for Australia's biggest and best cotton farming properties.

Known for their abundant water irrigation facilities, good cotton growing conditions and high-quality crops, the farming units in Australia are being eyed as lucrative investment by the Chinese companies told on the sidelines of the Australian Cotton Conference.

Besides, the Chinese textile firms believe that Australia could be a good choice for entire textile value chain manufacturing processes, because of the cheaper cotton cultivation costs and the huge size of farms where the production is centralised.

Additionally, the Australian crop quality is considered to be better quality since it is machine-picked and hence non-contaminated.

A good example of the growing trend of Chinese

textile companies buying Australian cotton farming assets is the application submitted by one of Chinese textiles giant with the Foreign Investment Review Board (FIRB) to buy Cubbie Station, which went into voluntary administration in 2009.

Located in the southeast Queensland, Cubbie Station is the biggest privately-owned farm in Australia that spreads over an area of nearly 93,000 hectares. The farm holds 51 water licences and possesses massive water storage dams with capacities of 539-billion-litres. The water units stretch up to a length of 28 kilometres along with a river that is a part of the Murray-Darling system.

Meanwhile, Australian cotton farmers are about to grow a bumper crop for the third time in a row this year on the back of abundant water resources and increasing demand from China, which imports nearly 60 per cent of Australia's total production of cotton.

(Source: Fibre2fashion News – 17.08.2012)

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
August - September 2012

Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	27th	28th	29th	30th	31st	1st
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	11838 (42100)	11810 (42000)	11810 (42000)	11782 (41900)	11642 (41400)	11501 (40900)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	12035 (42800)	11979 (42600)	11979 (42600)	11951 (42500)	11810 (42000)	11670 (41500)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	8577 (30500)	8577 (30500)	8577 (30500)	8577 (30500)	8577 (30500)	8436 (30000)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	9280 (33000)	9280 (33000)	9280 (33000)	9280 (33000)	9280 (33000)	9139 (32500)
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	10151 (36100)	10095 (35900)	10095 (35900)	10011 (35600)	9898 (35200)	9758 (34700)
7	M/M/A	ICS-105	Fine	26mm	3.0 – 3.4	25	9842 (35000)	9814 (34900)	9814 (34900)	9814 (34900)	9729 (34600)	9645 (34300)
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	10489 (37300)	10461 (37200)	10461 (37200)	10404 (37000)	10348 (36800)	10236 (36400)
10	M/M/A	ICS-105	Fine	27mm	3.0 – 3.4	26	9983 (35500)	9954 (35400)	9954 (35400)	9954 (35400)	9870 (35100)	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	10601 (37700)	10545 (37500)	10545 (37500)	10517 (37400)	10432 (37100)	10292 (36600)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	10517 (37400)	10489 (37300)	10489 (37300)	10489 (37300)	10432 (37100)	10348 (36800)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	10545 (37500)	10517 (37400)	10517 (37400)	10517 (37400)	10432 (37100)	10348 (36800)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	10742 (38200)	10714 (38100)	10714 (38100)	10714 (38100)	10629 (37800)	10545 (37500)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	10742 (38200)	10714 (38100)	10714 (38100)	10686 (38000)	10629 (37800)	10545 (37500)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	11107 (39500)	11079 (39400)	11079 (39400)	11079 (39400)	11023 (39200)	10967 (39000)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	11389 (40500)	11360 (40400)	11360 (40400)	11360 (40400)	11304 (40200)	11220 (39900)
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	15044 (53500)	15044 (53500)	15044 (53500)	15044 (53500)	15044 (53500)	15044 (53500)

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