

Weekly Publication of



Cotton  
Association  
of India

# COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

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## History is Made as CAI Signs MoU with BSE

CAI President Shri. Atul Ganatra's Speech on the Signing of MoU  
between CAI and BSE on 5<sup>th</sup> September 2018, at BSE, Mumbai

Respected Shri. Pashabhai Patel, Chairman State Agriculture Price Commission, and Shri. Ashish Kumar Chauhan, CEO of BSE, Shri. Samirbhai, BSE and other dignitaries from Bombay Stock Exchange, my fellow colleagues of CAI Board, CAI members and cotton friends, ladies and gentlemen.

It gives me immense pleasure to welcome you all on this momentous occasion of agreement signing ceremony. For futures trading, cotton in India has a very long and rich history. In fact, it will be of interest to you all that many of the modern day concepts prevailing in the commodity futures world-over owe their origin to cotton futures trading in India.



Shri. Atul Ganatra, President CAI signs MoU with Shri. Neeraj Kulshrestha, Chief of Business Operations, BSE.



Shri. Atul Ganatra, President CAI.

Once upon a time CAI (earlier called East India Cotton Association) had a thriving futures contract. CAI was having a trading ring at Kalbadevi Cotton Exchange and it was a hub of cotton futures activity, where even in those days arbitrage used to take place with the New York Cotton Exchange.

Our forefathers had perfected and mastered the art of using the futures trading platform efficiently to cater to the twin objectives that is price discovery and managing risk. In fact, the CAI's Cotton Exchange was the largest in Asia and third largest in the world. Sadly, it died down because people thought this is just a satta.

I am indeed happy to state that the situation today has undergone a sea-change for the better.



From l to r- Shri. Atul Ganatra, President CAI; Shri. Ashishkumar Chauhan, MD & CEO BSE; Shri. Pasha Patel, Chairman State Agriculture Price Commission and Shri. Neeraj Kulshrestha, Chief of Business Operations, BSE.

There are user-friendly policies in place and I believe there will be no better times than now to embark on this new endeavour of promoting cotton futures.

It is really heartening to see that the BSE, which is India's number 1 and the world's 10th largest stock exchange has realised this and taken upon itself the mantle of providing an ideal futures trading platform to the cotton community.

I sincerely believe that this is a landmark development and it will add a new chapter in the history of cotton futures in India and the entire cotton sector will benefit greatly from this platform.

This Bombay Stock Exchange all India futures contract will specially help Indian cotton growing farmers to get the best rate for their production of cotton. For Indian exporters and Indian spinning mills, this platform will provide huge hedging facilities which is now lacking in Indian cotton futures market.

On behalf of the CAI, we are happy to associate ourselves with this huge initiative of BSE and our endeavour will be to push BSE in developing



From l to r - Shri. Tanaji Murkule, MLA from Hingole, Maharashtra; Shri. Sameer Patil, Head Business Development, BSE; Shri. Atul Ganatra, President CAI; Shri. Ashishkumar Chauhan, MD & CEO BSE; Shri. Pasha Patel, Chairman, State Agriculture Price Commission, and Shri. Neeraj Kulshrestha, Chief of Business Operations, BSE.

an efficient, user-friendly and economical cotton trading platform which is within the reach of a common cotton trader.

Friends, as you all are aware, CAI is the parent body of 17 regional associations representing all cotton growing regions of the country. As an apex cotton body, it represents the interests of the entire cotton value chain in India namely growers, ginners, traders, exporters, importers, brokers, mills and service providers.

It is affiliated with various national as well as international cotton bodies. It has its own building



Shri. Pasha Patel, Chairman State Agriculture Price Commission.



A great turnout to witness the historic occasion.



on 4 acres of land at Cotton Green, wherein over 220 office rooms are allotted to its members to provide them a market-place for conducting their cotton trading activity.

CAI has 12 Cotton Testing Laboratories across all major cotton growing states of the country. CAI verifies and records daily spot rates of different growths of Indian cotton through expert committees, for the benefit of the trade.

CAI maintains cotton grade standards which are universally acclaimed. CAI also provides a platform for dispute resolution. The CAI maintains monthly crop estimates and arrives at supply demand numbers of cotton on monthly basis.

Recently, CAI has decided to set up a farmers training centre at its historical Cotton Exchange Building at Cotton Green and allotted a budget of Rs.1.25 crores to be spent for the purpose within the next 5 years.

As a representative body of the entire cotton trade, CAI is interested in promoting futures trading in cotton for the benefit of the cotton sector. It has therefore decided to supplement the efforts of the BSE in setting up of an ideal futures trading platform and decided to enter into a MoU. With its long and rich experience and long reach, the CAI will strive to serve the interests of each and every segment in the cotton value chain.



A view of the audience.

CAI will also extend its full cooperation to BSE by making available its infrastructure for use thereof by the market participants. I am indeed thankful to each one of you for accepting my request and remaining present here today at such a short notice to witness history in the making.

I complement the Team BSE and their CEO Shri. Ashish Kumar ji Chauhan for their wonderful initiative. On behalf of all my colleagues on the CAI Board, all our members and on my own behalf, I wish the Team BSE all the best and assure them of our fullest cooperation.

Jai Hind, Jai Maharashtra.



CAI and BSE members share the stage with Shri. Pasha Patel.

## Crop Analyst from USDA visits CAI

Ms. Arnella Trent, Crop Analyst, International Production Assessment Division (IPAD), USDA Washington, paid a visit to CAI on 7<sup>th</sup> September 2018. A crop analyst with the International Production Assessment Division (IPAD), U.S. Department of Agriculture/ Foreign Agricultural Service, she is covering India as part of the production analysis for cotton and oilseeds.

Ms Trent was accompanied by Mr. Dhruv Sood, Agricultural Specialist, USDA, Mumbai. They were received by CAI President Mr. Atul Ganatra, Additional Vice President Mr. Vinay Kotak and other Board members.

They held a fruitful discussion about assessment of the cotton crop, planting area and reconciliation of the closing stock of USDA for 2017-18 with CAI.





## Glimpses of Shravan Mass Utsav

Shravan Mass Utsav was celebrated at Bhid Bhanjan Mahadev Mandir, Colaba, on Sunday 9<sup>th</sup> September 2018.



## CAI Maintains its Cotton Crop Estimate for 2017-18 Crop Year at 365 Lakh Bales

Cotton Association of India (CAI) has released its August estimate of the cotton crop for the season 2017-18 beginning from 1st October 2017. The CAI has retained its cotton crop estimate for the ongoing crop year 2017-18 at 365 lakh bales of 170 kgs. each i.e. at the same level as in its estimate made in the previous month. Statements containing the state-wise estimate of the cotton crop and the Balance Sheet for the crop year 2017-18 with the corresponding data for the previous year are given below.

The CAI has projected total cotton supply upto 31st August 2018 at 407.50 lakh bales which consists the arrival of 358.00 lakh bales upto 31st August 2018, imports the Committee has estimated at 13.50 lakh bales and the opening stock at the beginning of the season as on 1st October 2017 which the Committee has estimated at 36 lakh bales. Further, the Committee has estimated cotton consumption for 11 months i.e. from October 2017 to August 2018 at 297 lakh bales @ 27 lakh bales per month while the shipment of cotton till 31st August 2018 has been estimated at 69 lakh bales. The stock at the end of August 2018 is estimated at 41.50 lakh bales including 30.40 lakh bales with textile mills while the remaining 11.10 lakh bales are estimated to be held by CCI and others (MNCs, traders, ginners, etc.).

The projected yearly Balance Sheet for the Season 2017-18 drawn by the CAI has estimated total cotton supply till end of the season i.e. upto 30th September 2018 at 416 lakh bales of 170 kgs. each which includes opening stock of 36 lakh bales at the beginning of the season. The CAI has estimated domestic consumption for the season at 324 lakh bales while the exports are estimated to be 70 lakh bales. The carry-over stock at the end of the 2017-18 season is estimated by the CAI at 22 lakh bales.

### CAI's Estimates of Cotton Crop as on 31st August 2018 for the Seasons 2017-18 and 2016-17

(in lakh bales of 170 kg)

State	Production *		Arrivals as on 31st Aug. 2018 (2017-18)
	2017-18	2016-17	
Punjab	9.00	8.75	8.75
Haryana	23.50	20.50	22.50
Upper Rajasthan	11.00	7.25	10.90

Lower Rajasthan	12.50	9.25	12.10
<b>Total North Zone</b>	<b>56.00</b>	<b>45.75</b>	<b>54.25</b>
Gujarat	108.00	89.00	104.00
Maharashtra	82.00	88.00	82.25
Madhya Pradesh	21.25	20.50	20.75
<b>Total Central Zone</b>	<b>211.25</b>	<b>197.50</b>	<b>207.00</b>
Telangana	51.50	48.00	51.00
Andhra Pradesh	18.50	18.50	18.50
Karnataka	18.50	17.00	18.25
Tamil Nadu	5.25	5.50	5.00
<b>Total South Zone</b>	<b>93.75</b>	<b>89.00</b>	<b>92.75</b>
Orissa	3.40	3.00	3.40
Others	0.60	2.00	0.60
<b>Total</b>	<b>365.00</b>	<b>337.25</b>	<b>358.00</b>

\* Including loose

The Balance Sheet drawn by the Association for 2017-18 and 2016-17 is reproduced below:-

(in lakh bales of 170 kg)

Details	2017-18	2016-17
Opening Stock	36.00	36.50
Production	365.00	337.25
Imports	15.00	30.94
<b>Total Supply</b>	<b>416.00</b>	<b>404.69</b>
Mill Consumption	280.00	262.70
Consumption by SSI Units	29.00	26.21
Non-Mill Use	15.00	21.50
<b>Total Domestic Demand</b>	<b>324.00</b>	<b>310.41</b>
<b>Available Surplus</b>	<b>92.00</b>	<b>94.28</b>
Exports	70.00	58.21
<b>Closing Stock</b>	<b>22.00</b>	<b>36.07</b>

### Balance Sheet of 11 months i.e. from 1.10.2017 to 31.08.2018 for the season 2017-18

Details	(in lakh b/s of 170 kg)	(in '000 Tons)
Opening Stock as on 01.10.2017	36.00	612.00
Arrivals upto 31.08.2018	358.00	6086.00



Imports upto 31.08.2018	13.50	229.50
<b>Total Available</b>	<b>407.50</b>	<b>6927.50</b>
Consumption (27 Lakhs X 11 months)	297.00	5049.00
Export Shipment upto 31.08.2018	69.00	1173.00
Stock with Mills	30.40	516.80
Stock with CCI, MNCs, MCX & Ginners	11.10	188.70
<b>Total</b>	<b>407.50</b>	<b>6927.50</b>

## As per Cotton Association Of India

Stock as on 31.08.2018

(Figures in lakh bales of 170 kg.)

State	Ginners	MNC	CCI	Total
NORTH	0.20	1.10	NIL	1.30
GUJARAT	1.00	0.60	0.10	1.70
MAHARASHTRA	1.20	1.75	0.05	3.00
ANDHRA PRADESH	0.10	0.50	0.10	0.70
TELANGANA	0.45	2.00	0.55	3.00
MADHYA PRADESH	0.50	0.10	NIL	0.60
ORISSA	0.10	0.10	0.10	0.30
KARNATAKA	0.10	0.30	0.10	0.50
<b>TOTAL</b>	<b>3.65</b>	<b>6.45</b>	<b>1.00</b>	<b>11.10</b>



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**05<sup>th</sup> & 06<sup>th</sup> October, 2018**

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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) 2017-18 Crop SEPTEMBER 2018					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	3rd	4th	5th	6th	7th	8th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0-7.0	15		12288 (43700)	12288 (43700)	12288 (43700)	12288 (43700)	12288 (43700)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0-7.0	15	H	12429 (44200)	12429 (44200)	12429 (44200)	12429 (44200)	12429 (44200)
3	GUJ	ICS-102	Fine	22mm	4.0-6.0	20		9280 (33000)	9280 (33000)	9280 (33000)	9280 (33000)	9280 (33000)
4	KAR	ICS-103	Fine	23mm	4.0-5.5	21	O	10179 (36200)	10179 (36200)	10179 (36200)	10179 (36200)	10179 (36200)
5	M/M	ICS-104	Fine	24mm	4.0-5.0	23		11023 (39200)	11023 (39200)	10939 (38900)	10939 (38900)	10939 (38900)
6	P/H/R	ICS-202	Fine	26mm	3.5-4.9	26		12738 (45300)	12738 (45300)	12738 (45300)	12738 (45300)	12738 (45300)
7	M/M/A	ICS-105	Fine	26mm	3.0-3.4	25	L	11135 (39600)	11079 (39400)	10995 (39100)	10939 (38900)	10939 (38900)
8	M/M/A	ICS-105	Fine	26mm	3.5-4.9	25		11501 (40900)	11445 (40700)	11360 (40400)	11360 (40400)	11360 (40400)
9	P/H/R	ICS-105	Fine	27mm	3.5-4.9	26	I	12795 (45500)	12795 (45500)	12795 (45500)	12795 (45500)	12795 (45500)
10	M/M/A	ICS-105	Fine	27mm	3.0-3.4	26		11614 (41300)	11614 (41300)	11529 (41000)	11473 (40800)	11473 (40800)
11	M/M/A	ICS-105	Fine	27mm	3.5-4.9	26	D	12063 (42900)	12063 (42900)	11979 (42600)	11979 (42600)	11979 (42600)
12	P/H/R	ICS-105	Fine	28mm	3.5-4.9	27		12851 (45700)	12851 (45700)	12851 (45700)	12851 (45700)	12851 (45700)
13	M/M/A	ICS-105	Fine	28mm	3.5-4.9	27		12879 (45800)	12823 (45600)	12738 (45300)	12738 (45300)	12738 (45300)
14	GUJ	ICS-105	Fine	28mm	3.5-4.9	27	A	13020 (46300)	13020 (46300)	12963 (46100)	12963 (46100)	12963 (46100)
15	M/M/A/K	ICS-105	Fine	29mm	3.5-4.9	28		13216 (47000)	13132 (46700)	13048 (46400)	13048 (46400)	13048 (46400)
16	GUJ	ICS-105	Fine	29mm	3.5-4.9	28	Y	13357 (47500)	13357 (47500)	13301 (47300)	13301 (47300)	13301 (47300)
17	M/M/A/K	ICS-105	Fine	30mm	3.5-4.9	29		13301 (47300)	13301 (47300)	13216 (47000)	13216 (47000)	13216 (47000)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5-4.9	30		13610 (48400)	13610 (48400)	13526 (48100)	13526 (48100)	13526 (48100)
19	A/K/T/O	ICS-106	Fine	32mm	3.5-4.9	31		14201 (50500)	14201 (50500)	14116 (50200)	14116 (50200)	14116 (50200)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0-3.8	33		16591 (59000)	16591 (59000)	16591 (59000)	16591 (59000)	16591 (59000)

(Note: Figures in bracket indicate prices in Rs./Candy)