Weekly Publication of

Cotton Association of India

COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

2016-17 • No. 24 • 13th September, 2016 Published every Tuesday

Cotton Exchange Building, 2nd Floor, Cotton Green, Mumbai - 400 033
Phone: 30063400 Fax: 2370 0337 Email: cai@caionline.in
www.caionline.in

German Partnership for Sustainable Textiles: A Threat to Cotton, and A Violation of German WTO Obligations

With a Ph.D. in Agricultural and Resource Economics from Oregon State University in the USA, Dr. Terry Townsend is a consultant on commodity issues. He is currently working with the African Cotton and Textile Industries Federation (ACTIF). He served as executive director of the International Cotton Advisory Committee (ICAC) and has also worked at the United States Department of Agriculture for five years, analyzing the U.S. cotton industry and editing a magazine devoted to a cross-section of agricultural issues.

EXPERT's Column

Dr. Terry Townsend

The Partnership for Sustainable Textiles <https://www.textilbuendnis.com/en/> is an initiative of Dr. Gerd Müller, Federal Minister for Economic Cooperation and Development, Government of Germany.

The stated objective of the Textile Partnership is to "improve social, economic and environmental conditions along the entire supply chain in the textile and apparel sector."The Textile Partnership was created in response to the collapse of Rana Plaza in Bangladesh in 2013. The underlying premise of the Partnership is that the world textile and apparel supply chain is inherently environmentally destructive and socially exploitative and that these deficiencies can be correctedby restricting the retail sale of products in Germany to only those that are "sustainably" sourced.

According to Partnership documents, "Planned social, environmental and economic partnership standards for the entire value chain of raw material production and textile and clothing production have already been drawn up jointly. Partnership members have undertaken to comply with a mandatory process to realise these joint measures, and thus achieve the objectives and standards of the Partnership."

Within the structure of the Partnership, a Working Group on Natural Fibres has been created. Some persons knowledgeable about cotton production practices are members of the Working Group. However, persons with knowledge of the cotton industry are heavily outnumbered on the Working Group by persons without such knowledge. Furthermore, representatives of cotton identity programmes, including organic, Fair Trade, Cotton made in Africa (CmiA), and the Better Cotton Initiative (BCI) are drawn to participation in the Working Group on Natural Fibres because they sense an opportunity to gain advantage for their programmes at the expense of tens of millions of other cotton producers.

The Working Group on Natural Fibres has developed a preliminary set of recommendations for adoption by the Partnership that would pressure German retailers to avoid sourcing consumer textile and apparel products made from cotton that is not produced under an identity program such as organic, Fair Trade, Cotton made in Africa and the Better Cotton Initiative. Cotton grown outside these programs, including almost all cotton produced in India, would face discrimination in international trade by retailers sourcing products for sale in Germany, and eventually the entire European Union. Under the preliminary recommendations developed by the Working Group on Natural

Fibres, even cotton grown in Greece, Spain and Turkey (Turkey is a member of the EU customs union) would face discrimination in Germany. If these recommendations are implemented, it would represent a clear violation of Germany's obligations as a member of the World Trade Organization (WTO).

Rana Plaza in Perspective

The first sentence of the Preamble to the Plan of Action for the Partnership for Sustainable Textiles states that tragedies such as the April 2013 Rana Plaza collapse "have brought the issue of social and ecological standards in global textile production to the forefront of our consciousness." The implication is that Rana Plaza is representative of the global fibre-to-apparel value chain in Bangladesh and worldwide.

Conditions at Rana Plaza are not commonplace. Rana Plaza was the worst tragedy in the garment industry since WW II. There are approximately 40 million workers in the garment industry worldwide, including 4 million working in about 5,000 factories in Bangladesh alone. In any industry of that size, there are bound to be accidents and even criminal behavior, but that does not mean that conditions in one building in Bangladesh typify conditions in the world cotton industry. Worldwide, the norm for conditions under which employees in textile and clothing industries work are safe and healthy, with wages and benefits substantially above prevailing wages in each economy.

Textiles and clothing are produced in developing countries because those are the highest value economic activities their locations, infrastructure and skill levels enable them to produce. In many regions, cotton, textiles and apparel are the only viable economic activities available, and they provide incomes to millions. For all the criticisms leveled against the clothing value chain by those who wish to demonise, the industrial revolution and the spread of clothing production around the world has led to the greatest upsurge in wealth and income in the history of mankind, and those benefits continue to accrue around the world today.

Sustainability of Cotton Production

Cotton has been produced intensively in some areas for about 200 years, and it has been produced with high-yielding intensive agronomic practices for over 50 years. If widespread damage to the environment, or persistent and systematic harm to workers were resulting from cotton production, it would be apparent by now.

An objective, statistically valid, metric-driven evaluation of cotton production practices would find that nearly all is fully environmentally and socially sustainable. In the history of the world cotton industry, there have been only two regions where cotton has been planted on a significant scale and collapsed because of environmental pressures: Central America in the 1970s during the dictatorships where misuse of insecticides resulted in industry collapse, and Central Asia today where salinisation of soil is resulting in reduced area. In no other region over the long history of cotton production have farmers exited the industry because of environmental degradation. In all cases other than Central America and Central Asia, farmers cease cotton production because of economic pressures, not environmental destruction or social injustice.

Technology Denial

Prior to the invention of manmade fibers, of course all fibres were natural. However, with the development of nylon, rayon, polyester, and other manmade fibres, natural fibre's share has fallen. In the 1960s, cotton still accounted for two-thirds of all apparel fibre use.

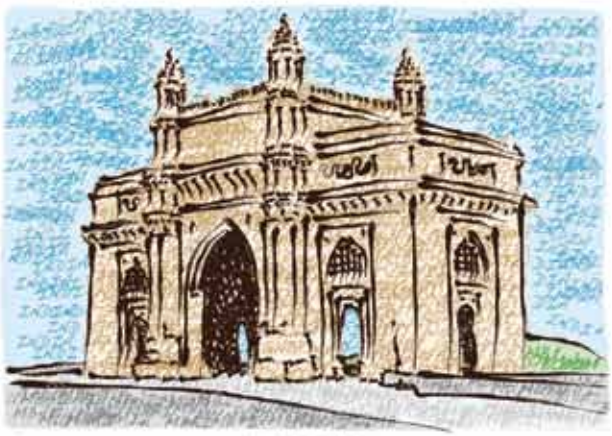
By the 1980s, cotton's share had fallen to half, and today, cotton's share of world apparel fibre consumption is less than 30%, and falling. World cotton consumption reached 26.6 million tons in 2007, but nine years later in 2016, despite population growth of 11% or 760 million, and cumulative world real GDP growth of 10% or US$3.1 trillion, world cotton consumption has still not recovered from the recession and is approximately 3 million tons, or 10%, less than it was at its peak. The world may realise years from now that Peak Cotton has passed.

The denial of technology by NGOs and government agencies is contributing to the strangulation of the world cotton industry and the loss of competitiveness to polyester. In order to compete with polyester, cotton yields have to rise and the cost of production must fall; this is a fundamental reality in a competitive world economy in which consumers exercise choice based on fashion, fit, colour, feel, price, availability and other factors. If cotton cannot supply market demands at prices consumers will pay, cotton will go the way of wool, linen, silk, ramie, hemp, sisal and other fibres whose markets were once measured in millions of tons and are now niche fibres.

It is technology that will enable yields to rise. It is technology that will enable farmers to produce more cotton with less resource use, thus lowering real costs and environmental impacts, and it is technology that will enable an improvement in intrinsic fiber quality parameters to meet consumer preferences. But, it is technology that the Partnership for Sustainable Textiles is denying.

Just as conservative politicians in the United States reject the science underlying global warming,

COTTON
ASSOCIATION
OF INDIA
Established 1921



presents

Cotton India
2016-17

WEAVING THE WORLD OF COTTON TOGETHER

IN MUMBAI (INDIA) ON
05TH - 07TH DECEMBER, 2016

VENUE: J W MARRIOTT HOTEL, MUMBAI, SAHAR.

SAVE THE DATES
REGISTRATION OPENING SOON

so NGOs, thought leaders and regulators in Europe reject the science underlying modern agricultural production technologies. Members of the Textile Partnership label biotechnology (GMOs) as controversial, they conflate fertilizers, which are natural elements, with pesticides, which are chemicals. In documents prepared for the Textile Partnership, there are recommendations to require reductions in fertilizer use in cotton production, even though farmers across Africa and other regions desperately need to increase fertilizer use to raise yields. It is an indication of the level of bias among Partnership members that such a proposal could even be proffered.

Need for Intervention by the Government of India

Great harm to the cotton value chain in India, and around the world, could come from publication of the recommendations of the Working Group on Natural Fibres and adoption of these recommendations by the Government of Germany. Once any government adopts a policy and moves toward implementation, it is very difficult to get ministers to admit error and change direction.

Since the Textile Partnership in Germany is an initiative of government, the Government of India needs to become involved. The Cotton Association of India, together with other partners in the cotton value chain, should communicate to Indian government officials the need to intervene with the Government of Germany, both through multilateral forums such as the ICAC and the WTO, and bilaterally, to communicate great "concern" over the work of the Partnership for Sustainable Textiles.

It is self-evident that the Government of Germany does not intend to harm millions of cotton producing households around the world, nor does the Government of Germany intend to discriminate against its EU partners and trade partners in other countries. Nevertheless, the individuals and organizations that have been drawn to participation in the Partnership for Sustainable Textiles, and particularly those participating in the Working Group on Natural Fibres, are seizing upon this opportunity to promote an ideology of "sustainable" agriculture that is not consistent with sound science. A pernicious impact of the work of the Textile Partnership is that inaccurate, negative information about cotton is being advanced, ultimately to the benefit of producers of polyester.

(The views expressed in this column are of the author and not that of Cotton Association of India)

Rainfall Distribution (01.06.2016 to 09.09.2016)

Sr. No.	State	Day 09.09.2016				Period 01.06.2016 to 09.09.2016			
		Actul (mm)	Normal (mm)	% Dep.	Cat.	Actul (mm)	Normal (mm)	% Dep.	Cat.
1	Punjab	0.6	4.9	-89%	S	343.4	437.6	-22%	D
2	Haryana	0.0	4.1	-99%	S	329.6	415.3	-21%	D
3	West Rajasthan	0.0	3.0	-100%	NR	313.3	245.5	28%	E
	East Rajasthan	0.2	4.0	-95%	S	800.8	570.8	40%	E
4	Gujarat	2.8	7.3	-62%	S	618.2	833.9	-26%	D
	Saurashtra & Kutch	0.1	3.1	-96%	S	363.1	433.0	-16%	N
5	Maharashtra	1.2	5.6	-78%	S	923.6	893.4	3%	N
	Madhya Maharashtra	1.5	4.1	-62%	S	657.5	620.7	6%	N
	Marathwada	0.7	5.8	-88%	S	549.0	575.3	-5%	N
	Vidarbha	0.1	5.6	-98%	S	837.9	859.1	-2%	N
6	West Madhya Pradesh	0.0	7.3	-99%	S	970.2	782.0	24%	E
	East Madhya Pradesh	1.1	9.5	-89%	S	1132.9	938.8	21%	E
7	Telangana	0.1	6.0	-98%	S	595.9	645.7	-8%	N
8	Coastal Andhra Pradesh	0.3	4.9	-95%	S	472.4	465.0	2%	N
	Rayalseema	0.0	3.1	-100%	NR	309.8	294.1	5%	N
9	Coastal Karnataka	3.4	10.1	-67%	S	2268.0	2889.9	-22%	D
	N.I. Karnataka	0.1	3.7	-98%	S	380.7	390.5	-3%	N
	S.I. Karnataka	0.7	2.5	-72%	S	474.1	547.7	-13%	N
10	Tamil Nadu & Pondichery	0.0	3.1	-99%	S	225.7	226.2	0%	N
11	Orissa	6.3	10.0	-37%	D	879.7	998.8	-12%	N

Source : India Meteorological Department, Hydromet Division, New Delhi

2016/17 will be Second Consecutive Season of Consumption Exceeding Production

Better prices for competing crops, the late arrival of the monsoon and yield losses from pest pressure last season discouraged farmers in India, the world's largest producer of cotton, from planting cotton in 2016/17. The planted area is projected to fall to 11.2 million hectares, down by 6% from 2015/16. In most areas, rains have been above or near the long-term average, which should boost the national average yield by 8% to 521 kg/ha. As a result, production is forecast to increase by 2% to 5.8 million tons. The area under cotton in China is projected to contract by 7% to 2.9 million hectares in 2016/17, which is the fifth consecutive season of decrease. Production costs for cotton are greater than those of competing crops and the government reduced the cotton subsidy in 2016. However, the national average yield is expected to improve by 4% to 1,623 kg/ha due to generally favorable weather during the growing season, partially offsetting the loss in production volume, which is forecast to fall by 3% to 4.7 million tons. The cotton area in the United States is expected to rebound by 10% to 3.6 million hectares, as farmers were encouraged by attractive prices for cotton compared to competing crops at planting. The average yield is anticipated to increase by 8% to 929 kg/ha due to beneficial weather and plentiful rainfall. As a result, production is forecast to grow by 19% to 3.3 million tons. Losses from poor yields in 2015/16 and weak prices discouraged farmers in Pakistan from planting cotton in 2016/17, and area under cotton is projected to decrease by 5% to 2.7 million hectares. However, the national average yield is expected to rebound by 27% to 669 kg/ha due to better crop management against the pink bollworm. Production could increase by 20% to 1.8 million tons. Improved weather this summer and better prices in several countries encouraged farmers in Francophone Africa to expand cotton plantings by 10% to 2.9 million hectares, and the average yield is forecast to increase by 4% to 385 kg/ha. As a result, production in Francophone Africa is projected to grow by 14% to 1.1 million tons.

World cotton consumption is forecast to remain stable at 23.8 million tons, which is nearly 3 million tons less than the record volume of 26.7 million tons consumed in 2007/08. China will be the largest consumer in 2016/17 despite an expected decrease in mill use of 3% to 7.1 million tons, which would be the seventh consecutive season of contraction. India is the world's second largest consumer and its mill use is expected to remain stable at 5.3 million tons due to strong domestic cotton prices and competition from competing fibers. After declining by 9% in 2015/16, cotton mill use in Pakistan could recover by 1% to 2.3 million tons due to improved access to uninterrupted energy supplies. Turkey's consumption is forecast to remain stable at 1.45 million tons, while Bangladesh's mill use is projected to rise by 12% to 1.2 million tons.

Stable demand and larger crops in many of the top exporting countries are expected to lead to an increase in world trade volume of 3% to 7.5 million tons. Imports by Bangladesh are projected to increase by 12% to 1.2 million tons, making it the world's largest importer. Vietnam's imports are forecast to grow by 12% to 1.1 million tons. After four seasons of contraction, imports by China could increase by 20,000 tons to 980,000 tons in 2016/17 as consumption remains much larger than production. Exports from the United States are anticipated to rise by 27% to 2.5 million tons. Meanwhile, stable mill use and a smaller crop are likely to lead to a 32% decrease in Indian exports, which are expected to reach 846,000 tons. Exports from Francophone Africa are forecast to increase by 10% to 1.1 million tons.

World ending stocks are estimated to have fallen by 13% to 19.5 million tons in 2015/16 as global demand outpaced production. In 2016/17, world cotton consumption is expected to exceed world cotton production by 1.4 million tons, which would bring ending stocks to 18.1 million tons, down 7% from 2015/16. Unlike in 2015/16, when an 11% decrease occurred, ending stocks outside of China are forecast to increase by 1% to 8.3 million tons, though the stock-to-use ratio would remain unchanged. However, ending stocks in China are expected to decrease by 13% to 9.9 million tons in 2016/17 as the government continues to dispose of its reserves. By the end of August, the Chinese government sold 2 million tons from its national reserve, bringing the volume held by the government down to a little over 9 million tons. In early August, the government extended the auction through the end of September in order to meet demand from the textile industry as a result of expected delays in harvesting the crop.

Source: ICAC Cotton This Month, 1st September 2016.

Supply and Distribution of Cotton

September 01, 2016

Seasons begin on August 1 — Million Metric Tons

	2011/12	2012/13	2013/14 Est.	2014/15 Est.	2015/16 Est.	2016/17 Proj.
BEGINNING STOCKS						
WORLD TOTAL	**10.337**	**15.354**	**18.346**	**20.480**	**22.32**	**19.50**
China (Mainland)	2.087	6.181	9.607	12.109	12.92	11.34
USA	0.566	0.729	0.903	0.651	0.98	1.03
PRODUCTION						
WORLD TOTAL	**27.848**	**26.785**	**26.169**	**26.190**	**21.19**	**22.45**
India	6.239	6.290	6.766	6.562	5.75	5.83
China (Mainland)	7.400	7.300	6.950	6.500	4.82	4.68
USA	3.391	3.770	2.811	3.553	2.81	3.34
Pakistan	2.311	2.002	2.076	2.305	1.51	1.82
Brazil	1.877	1.310	1.734	1.563	1.35	1.46
Uzbekistan	0.880	1.000	0.910	0.885	0.83	0.82
Others	5.750	5.113	4.923	4.823	4.12	4.49
CONSUMPTION						
WORLD TOTAL	**22.788**	**23.521**	**23.737**	**24.199**	**23.85**	**23.81**
China (Mainland)	8.635	8.290	7.517	7.479	7.33	7.11
India	4.231	4.731	5.057	5.261	5.24	5.26
Pakistan	2.121	2.216	2.470	2.492	2.27	2.29
Europe & Turkey	1.498	1.560	1.611	1.692	1.64	1.64
Vietnam	0.410	0.492	0.673	0.875	1.01	1.14
Bangladesh	0.700	0.765	0.880	0.937	1.08	1.21
USA	0.718	0.762	0.773	0.778	0.77	0.78
Brazil	0.897	0.910	0.862	0.797	0.76	0.70
Others	3.578	3.796	3.894	3.887	3.76	3.69
EXPORTS						
WORLD TOTAL	**9.846**	**10.061**	**9.010**	**7.721**	**7.36**	**7.49**
USA	2.526	2.836	2.293	2.449	1.99	2.52
India	2.159	1.685	2.014	0.914	1.25	0.85
CFA Zone	0.597	0.828	0.973	0.893	0.98	1.08
Brazil	1.043	0.938	0.485	0.851	0.94	0.79
Uzbekistan	0.550	0.690	0.615	0.550	0.54	0.46
Australia	1.010	1.343	1.057	0.520	0.52	0.63
IMPORTS						
WORLD TOTAL	**9.786**	**9.787**	**8.712**	**7.568**	**7.21**	**7.49**
China	5.342	4.426	3.075	1.804	0.96	0.98
Vietnam	0.379	0.517	0.687	0.934	1.00	1.14
Bangladesh	0.680	0.631	0.967	0.964	1.11	1.22
Indonesia	0.540	0.686	0.651	0.728	0.64	0.65
Turkey	0.519	0.803	0.924	0.800	0.88	0.86
TRADE IMBALANCE 1/	-0.060	-0.274	-0.297	-0.153	-0.16	0.00
STOCKS ADJUSTMENT 2/	0.018	0.001	0.000	0.000	0.00	0.00
ENDING STOCKS						
WORLD TOTAL	**15.354**	**18.346**	**20.480**	**22.318**	**19.50**	**18.14**
China (Mainland)	6.181	9.607	12.109	12.917	11.34	9.86
USA	0.729	0.903	0.651	0.980	1.03	1.08
ENDING STOCKS/MILL USE (%)						
WORLD-LESS-CHINA (M) 3/	**65**	**57**	**52**	**56**	**49**	**49**
CHINA (MAINLAND) 4/	**72**	**116**	**161**	**173**	**155**	**139**
COTLOOK A INDEX 5/	**100**	**88**	**91**	**71**	**70**	

1/ The inclusion of linters and waste, changes in weight during transit, differences in reporting periods and measurement error account for differences between world imports and exports.
2/ Difference between calculated stocks and actual; amounts for forward seasons are anticipated.
3/ World-less-China's ending stocks divided by World-less-China's mill use, multiplied by 100.
4/ China's ending stocks divided by China's mill use, multiplied by 100.
5/ U.S. Cents per pound

(Source : ICAC Cotton This Month, September 2016)

Production & Stock of Spun Yarn (SSI & Non-SSI)

(In Mn. Kgs.)

MONTH / YEAR	PRODUCTION				STOCK			
	COTTON	BLENDED	100% N.C.	G. TOTAL	COTTON	BLENDED	100% N.C.	G. TOTAL
2011-12	3126.34	789.29	457.08	4372.72	110.87	42.20	20.44	173.51
2012-13	3582.68	828.19	456.75	4867.61	107.92	40.37	21.38	169.67
2013-14	3928.26	896.19	484.99	5309.45	133.80	51.33	23.40	208.53
2014-15	4054.51	920.20	512.92	5487.64	140.60	48.30	22.48	211.38
2015-16 (P)	4137.83	972.50	554.79	5664.93	140.68	49.46	22.99	213.13
2016-17 (P) June	683.23	163.89	93.97	941.09	128.46	50.88	21.29	200.63
2014-15 (P)								
April-14	328.68	73.84	41.41	443.93	142.80	50.06	21.20	214.06
May-14	332.92	74.77	42.71	450.40	139.60	46.20	20.80	206.61
June-14	330.69	74.03	42.95	447.67	151.05	47.99	22.56	221.60
July-14	340.00	78.51	44.85	463.36	160.20	51.30	24.18	235.67
August-14	338.09	76.66	44.23	458.98	166.64	53.21	24.87	244.72
Sept-14	334.03	77.91	42.55	454.49	167.53	51.73	24.02	243.28
Oct.14	323.53	74.51	40.96	439.00	178.62	56.85	25.89	261.36
Nov.14	335.66	71.42	41.50	448.58	171.13	55.01	25.21	251.36
Dec.14	353.96	76.54	42.01	472.51	160.58	56.06	26.47	243.11
Jan.-15	349.83	80.16	43.25	473.23	161.61	55.80	24.17	241.57
Feb.-15	330.35	81.26	41.88	453.49	149.92	50.83	22.47	223.22
Mar.-15	356.79	80.59	44.62	481.99	140.60	48.30	22.48	211.38
2015-16 (P)								
April-15	349.38	77.11	44.07	472.51	141.19	51.45	21.33	213.98
May-15	348.14	80.02	44.74	472.90	153.07	52.34	23.79	229.21
Jun-15	346.72	79.68	45.27	471.66	158.57	55.72	23.93	238.22
Jul-15	356.36	82.15	47.48	485.98	160.33	61.25	26.62	248.20
Aug-15	354.67	82.24	49.97	486.88	166.34	63.73	27.88	257.95
Sept.-15	338.53	79.51	45.41	463.45	165.96	62.33	26.16	254.46
Oct.-15	342.12	83.61	47.35	473.08	170.07	64.46	25.69	260.23
Nov.-15	320.06	77.67	43.27	441.01	173.96	61.59	24.17	259.72
Dec.-15	353.31	81.30	49.86	484.31	158.66	58.22	25.34	242.22
Jan.-16	343.98	83.34	46.84	474.26	158.52	57.55	25.10	241.18
Feb.-16	336.55	80.94	43.12	460.60	155.36	52.18	22.81	230.35
Mar.-16	348.01	83.87	46.35	477.03	140.68	49.46	22.99	213.13
2016-17 (P)								
April-16	334.07	80.39	46.44	460.91	128.29	49.10	24.27	201.66
May-16	348.68	84.82	48.95	482.45	130.78	55.05	25.65	211.49
June-16	339.01	87.65	47.43	474.09	128.46	50.88	21.29	200.63

P - Provisional

Source : Office of the Textile Commissioner

SAGA OF THE COTTON EXCHANGE

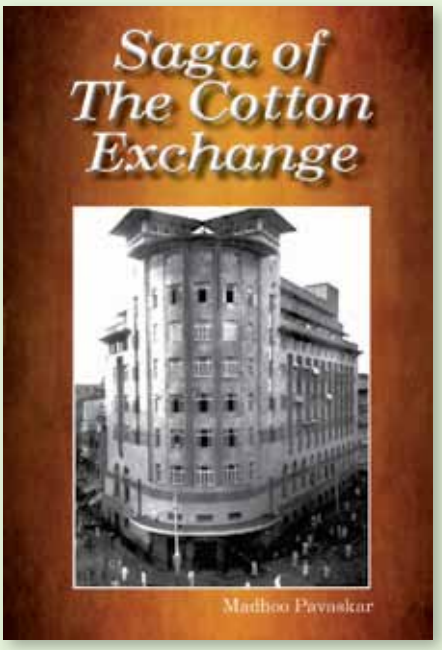
By Madhoo Pavaskar

Chapter 12

The Crystal Ball

Looking Back

The East India Cotton Association has traversed a long way since its birth in 1922. During the last over six decades, it has seen many ups and downs. Millowners have, time and again, cried hoarse against it for raising cotton prices. Farmers have frowned upon it during periods of both recession and inflation for depressing cotton prices. Small speculators have all along lamented that it virtually debarred them from trading in its ring. Rulers have treated it conveniently as a whipping boy for all the ills in the cotton economy. And, being ignorant of its working, the lay and learned outside the cotton world have never looked upon it as anything but a gambling den.



After Independence, as the populist plans and policies failed, the attacks against the Cotton Exchange mounted up in both volume and frequency. The battle for survival began. The Exchange lost its 'futures' wing. Its 'spot' wing too was clipped short. That the Cotton Exchange survived these deadly attacks is remarkable enough it itself. That its members now handle more cotton than what they did before Independence is even more astounding. Miracle as it may seen, the cotton merchants have belied their own fears.

Prof. Dantwala was quite right about the future of cotton merchants when he wrote nearly four decades ago: "The future is thus imponderable and full of riddles. But the cotton merchants, we believe, will face it with courage and confidence. During the past 100 years they have weathered many storms. Fortunes have been made and fortunes have been lost, but the marketing of cotton has not been the poorer for that. Its technique has been continuously refined under the impact of the challenge of science, and hitherto science has not been able to baffle it. The trans-Atlantic cable, the steamship, the wireless and the tele-printer created difficult problems for the trade. And on each occasion they have been solved by introducing some new kind of trading technique."

"True, the challenge of the socialist thought is something altogether different from that of science. It may strike at the very existence of the mercantile community. This premonition is unfounded. Whatever be the economic system — socialistic or capitalistic — the economic gap between the centres of production and the centres of consumption has to be filled up. We may do away with unconscionable profits, we cannot do away with economic and technical functions; and men will be needed to perform these functions. You may banish the speculator, you cannot wipe out the merchant, for the simple reason that you cannot eliminate economic process involved in merchandising; the processes of buying, ginning, pressing, transporting, storing, etc. You may redefine the merchants' status and privileges, bringing them in tune with a social purpose. If all that our merchants want is honest work and honest bread, no economic system dare refuse these to them. And we have reasons to believe that a vast majority of the mercantile community desires no more."

After Prof. Dantwala wrote, it took almost two decades before the challenge of the socialist thought as he had visualised became a stark reality to the cotton merchants all over the country. And although by their honest toil and sweat, the cotton merchants have as yet survived the threat of total take-over of their trade by the State, the battle is far from over. But while the freedom of King Cotton is still in peril, yet another menacing challenge threatens to usurp his Kingdom altogether. After the announcement of the New Textile Policy in

1977, Prince Charming of man-made fibres has launched a virulent attack against King Cotton. Slowly but surely, the growing army of man-made fibres has been making deep inroads into the realm of King Cotton. Hence, not only his freedom, but the very existence of King Cotton seems to be at stake. Even if the cotton merchants win their battle against the State, their survival in the years to come depends upon the future of King Cotton.

Till the end of 1960s, cotton contributed nearly ninety per cent to the total production of all types of fabrics in the country. Surprisingly, within about a dozen years since then, this proportion has shrunk to seventy per cent, or even less. The share of man-made fibres has, in the meanwhile, risen sharply to a little over 20 per cent, silk and wool accounting for the rest. Clearly, if this trend continues, it would not be long before King Cotton loses his pride of place in the world of fabrics.

But before we look into the crystal ball to read the future of King Cotton and all his men, it should be recognised that the success of Prince Charming in recent years has mainly been due to the failure of King Cotton to raise the size of his army. As it is, the man-made fibres stormed the cotton textile industry, the bastion of King Cotton, only after the two successive severe shortfalls in cotton production during 1975-76 and 1976-77, which led to the New Textile Policy enjoining all cotton mills to increase the use of man-made fibres to at least 10 per cent of their aggregate fibre consumption.

Though the statutory minimum level for man-made fibre usage (which was raised for a short time to even 20 per cent) was later removed, man-made fibres did not stage any significant retreat from the cotton textile industry. True, cotton production recovered to 7.24 million bales in 1977-78 from 5.95 and 5.84 million bales in the immediately preceding two years respectively. But it has stagnated around 7.5 million bales for the last seven years. This has enabled Prince Charming to hold steadfastly to his position in the cotton textile industry.

Looking Ahead

It is a sad but cruel fact that the per caput availability of cloth (excluding that of wool and silk) in India has remained virtually unchanged around 15 metres a year since Independence. It is true that the data on aggregate per caput availability do not disclose the change in the composition of cloth output, which has moved, albeit slightly, in favour of more durable man-made fibre fabrics in recent years. Therefore, had appropriate durability indices been applied to fabrics of different fibres, the cloth availability would have shown some increase. But even after allowing for any such increase, it seem unlikely that the per caput consumption of cloth had risen by more than 25 per cent over the past 35 years.

Such a miserable growth is essentially a reflection of the growing skewness in income distribution (loud socialist pretension notwithstanding) in the country. The only solace is that the production of cloth has kept pace with the growth in population. Yet, one cannot hide the naked truth that India has remained a country of half-naked people even after 35 years of independence.

Be that as it may, India's population in 1981 was 684 million by the Census data, which revealed as high a rate of growth as 2.2 per cent per annum for the previous decade. Even if we assume hopefully that the population growth will slump to 1.5 per cent in stages at the end of this century, it is crystal clear that the total population of the country will not be less than 1000 million by A.D. 2000.

The per caput availability of cotton cloth has declined during the last 30 years from 14 metres a year to 10 metres at present. Although several production constraints may have contributed to this decline, there is no gainsaying that this fall also reflects a shift in consumer preference. Even assuming that such a shift continues in future, it seems improbable that the per caput demand for cotton cloth will shrink to less than 8 metres in A.D. 2000. On this basis, at the turn of the present century, the total requirement of cotton cloth will rise to 8000 million metres from 7000 million metres in the early eighties.

Moreover, the requirement of cotton for use in blended fabrics will also increase significantly, if the demand for man-made fibre (including blended) fabrics were to rise from 4 metres per caput per annum at present to at least 6 metres by A.D. 2000 so as to maintain the aggregate per caput availability of cloth (excluding that of wool and silk) at the current level of 15 metres.

(To be Continued….)

COTTON ASSOCIATION OF INDIA
Established 1921

COTTON STATISTICS & NEWS

ADVERTISEMENT RATES

effective from April 2015

RATES PER INSERTION

	For CAI Members	For Non-Members
Full Page	5,000	5,500
Half Page	3,000	3,300

RATES FOR FOREIGN ADVERTISERS

Full Page	US $ 100
Half Page	US $ 60

Special Offer

Pay for	For CAI Members	For Non-Members
8 Insertions, get 12 (Full Page)	40,000	45,000
8 Insertions, get 12 (Half Page)	24,000	26,000
3 Insertions, get 4 (Full Page)	15,000	18,000
3 Insertions, get 4 (Half Page)	9,000	10,000

Mechanical Data:

Full page print area: 172x250 mm (Non Bleed Ad)
210x297 mm (+ Bleed)

Half page print area : 172x125 mm (Non Bleed Ad)
148x210 mm (+ Bleed)

To advertise, please contact:

Shri Divyesh Thanawala, Assistant Manager
Cotton Association of India,
Cotton Exchange Building, 2nd Floor,
Cotton Green (East), Mumbai – 400 033
Telephone No.: 3006 3404 Fax No.: 2370 0337
Email: publications@caionline.in

UPCOUNTRY SPOT RATES

(Rs./Qtl)

Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	5th	6th	7th	8th	9th	10th
	Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length [By law 66 (A) (a) (4)]						Spot Rate (Upcountry) 2015-16 Crop SEPTEMBER 2016					
1	P/H/R	ICS-101	Fine	Below 22mm	5.0-7.0	15		8661 (30800)	8380 (29800)	8380 (29800)	8380 (29800)	8380 (29800)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0-7.0	15	H	8802 (31300)	8520 (30300)	8520 (30300)	8520 (30300)	8520 (30300)
3	GUJ	ICS-102	Fine	22mm	4.0-6.0	20		7199 (25600)	7199 (25600)	7199 (25600)	7283 (25900)	7339 (26100)
4	KAR	ICS-103	Fine	23mm	4.0-5.5	21	O	9026 (32100)	9026 (32100)	9026 (32100)	9026 (32100)	9083 (32300)
5	M/M	ICS-104	Fine	24mm	4.0-5.0	23		10292 (36600)	10292 (36600)	10292 (36600)	10292 (36600)	10348 (36800)
6	P/H/R	ICS-202	Fine	26mm	3.5-4.9	26		11951 (42500)	11670 (41500)	11473 (40800)	11614 (41300)	11670 (41500)
7	M/M/A	ICS-105	Fine	26mm	3.0-3.4	25	L	10854 (38600)	10686 (38000)	10686 (38000)	10686 (38000)	10742 (38200)
8	M/M/A	ICS-105	Fine	26mm	3.5-4.9	25		11276 (40100)	11107 (39500)	11107 (39500)	11107 (39500)	11164 (39700)
9	P/H/R	ICS-105	Fine	27mm	3.5.4.9	26	I	12148 (43200)	11867 (42200)	11642 (41400)	11782 (41900)	11838 (42100)
10	M/M/A	ICS-105	Fine	27mm	3.0-3.4	26		11079 (39400)	10911 (38800)	10911 (38800)	10911 (38800)	10967 (39000)
11	M/M/A	ICS-105	Fine	27mm	3.5-4.9	26		11642 (41400)	11473 (40800)	11473 (40800)	11473 (40800)	11529 (41000)
12	P/H/R	ICS-105	Fine	28mm	3.5-4.9	27	D	12260 (43600)	11979 (42600)	11782 (41900)	11923 (42400)	11979 (42600)
13	M/M/A	ICS-105	Fine	28mm	3.5-4.9	27		11895 (42300)	11810 (42000)	11810 (42000)	11867 (42200)	11923 (42400)
14	GUJ	ICS-105	Fine	28mm	3.5-4.9	27	A	11867 (42200)	11810 (42000)	11810 (42000)	11867 (42200)	11923 (42400)
15	M/M/A/K	ICS-105	Fine	29mm	3.5-4.9	28		12148 (43200)	12063 (42900)	12063 (42900)	12120 (43100)	12176 (43300)
16	GUJ	ICS-105	Fine	29mm	3.5-4.9	28		12148 (43200)	12092 (43000)	12092 (43000)	12148 (43200)	12204 (43400)
17	M/M/A/K	ICS-105	Fine	30mm	3.5-4.9	29	Y	12373 (44000)	12288 (43700)	12288 (43700)	12288 (43700)	12345 (43900)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5-4.9	30		12766 (45400)	12682 (45100)	12682 (45100)	12682 (45100)	12738 (45300)
19	A/K/T/O	ICS-106	Fine	32mm	3.5-4.9	31		13076 (46500)	12991 (46200)	12991 (46200)	12991 (46200)	13048 (46400)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0-3.8	33		15185 (54000)	15185 (54000)	15185 (54000)	15185 (54000)	15185 (54000)

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