

Weekly Publication of



**Cotton  
Association  
of India**

# COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

2013 • No. 26 • 24th September, 2013 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

## The Cotton Corporation Of India Limited Catalyst To Cotton Trade

As a consequence of independence on 15th August, 1947 India became dependent upon import of cotton from other countries as the major cotton producing area fell under the territory of Pakistan. As a result, production of the cotton in the country was drastically reduced in early fifties to about 3 million bales out of 4 million hectares land area with a yield of about 100 kg. per hectare. The situation remained altogether same with minor improvement in area under cotton and the figures of production of cotton until 1970. In the year 1969-70 area under cotton production was 77.31 lakh hectares and with the yield of 135 kg., the total production of cotton in the country was 61.41 lakh bales.

As the number of Textile Mills were facing raw material crisis due to lesser cotton production in the country, Government of India identified the problem and incorporated Cotton Corporation of India in the year 1970. The main object of the Cotton Corporation of India was to identify the varietywise requirement of cotton of the mills, so that it could be imported from other cotton producing countries for onward supply of the same to domestic mills. Upto 1983 the role of CCI was limited to importing and distributing cotton based on the requirement to various Textile Mills. Meanwhile, Government of India, which



### GUEST COLUMN

**Shri B.K. Mishra**

Chairman and Managing Director, CCI

was in the process of framing a National Textile Policy, revised the role of CCI. As per new textile policy, the role of CCI was extended to undertake Price Support Operations to stabilize the market on one hand and to ensure remunerative price to the farmers on the other. 1984-85 was the year when cotton production in the country had first time reached to three digits landmark i.e. 100 lakh bales. With this stimulus, though the area in the year was comparatively lesser 73.82 lakh hectares, the yield has seen a remarkable increase as it jumped from 173 kg. per hectare to 247 kg. per hectare, which is more than 40% from the previous year. Thereafter in next 15 years i.e. upto 1999-2000, the yield has improved to 300 kg.

This improvement was seen due to presence of CCI in the market all the times. However, thereafter the area under cotton did not increase much due to better crop options available to farmers. The situation remained almost stagnant for next 10 years i.e. upto the year 2000. In the year 2000, Government of India announced new National Textile Policy, which replaced the previous one of 1985. The main constituents of new policy was to develop the cotton sector, were as under:-

i. Increase cotton productivity and upgrade its quality to international standards, through

effective implementation of the Technology Mission on Cotton.

- ii. Reduce the ratio between cotton to non-cotton fibres in line with international trends.
- iii. Encourage full fibre flexibility between cotton and man-made fibres.
- iv. Encourage modernization of the spinning sector.
- v. Liberalise and encourage export of cotton yarn.

In the new Textile Policy, Government of India launched two major schemes in the textile sector i.e. (1) Technology Upgradation Fund Scheme (TUFS) and (2) Technology Mission on Cotton (TMC). The former was intended to modernize the Textile Industry as a whole to sharpen its edge towards competitiveness, the later which was launched in February 2000 was targeted towards improvement in cotton production, productivity and quality of cotton in India.

The TMC had four Mini Missions (MM). For MM-I and & MM-II, Ministry of Agriculture, Department of Agriculture and Cooperation, Government of India and for Mini Mission III & IV, Ministry of Textiles, Government of India were the Nodal Agencies. The Mini Mission III relates to Development of Market Infrastructure and Mini Mission IV relates to modernization/upgradation of cotton Ginning and Pressing factories. For these two Missions, the Cotton Corporation of India Ltd., was the Implementing Agency. Under Mini Mission III against the target of development of 250 market yards, 246 market yards were developed i.e. 98.4% and the Government of India subsidy of Rs.231.42 crores was released. Under Mini Mission IV, there was a target of modernization of 1000 G&P Units and the actual achievement was of 859 G&P Units. Thus, the achievement was 85.9% and the Government of India subsidy of Rs.184.75 crores was released.

The result of both the aforesaid schemes started appearing from the year 2004-05, as the production of cotton which was still below 200 lakh bales had crossed 200 lakh bales limit in the year 2004-05. The yield which had never touched 400 kg. per hectare had also increased to 470 kg. in the year 2004-05 that too without any material increase in the area as it was 87.86 lakh hectares. With the introduction of Hybrid variety i.e. BT Cotton in the year 2002, the productivity started improving by the use of genetically modified seed. In the next 3 years i.e. upto 2007-08, the area increased to 94.14 lakh hectares and the production crossed 300 lakh bales. This year the yield was maximum i.e. 554 kg. per hectare. The yield in the year had

touched the new height, which is still a record. In the year 2011-12 cotton production was 355 lakh bales, thereafter there was reduction in the area in 2012-13, thus the production of cotton was relatively lesser to 340 lakh bales. In the ensuing cotton season 2013-14 with good rains, we expect the cotton production will improve though the area appears to be almost same as was in 2012-13.

In the last about more than 40 years of journey of CCI, it has come up as a most dependable supplier of cotton to the textile industry not only in the years when Minimum Support Price Operations was undertaken but in other years also when it had purchased cotton under Commercial Operations under its own risk. During this period, various other Government Agencies, State level Cotton Marketing Federations have been established as an endeavour to promote cotton production at regional level but their presence have been for shorter span only. With the efflux of time most of them have either closed down or have been out from the cotton scene. Whereas CCI proved its strength as a dependable cotton supplier in the country having presence in every State on pervasive basis. It has fulfilled the expectation of the farmers by successfully undertaking MSP operations and implementing the TMC Schemes in the country. Under TMC, CCI has upgraded 246 market yards under Mini Mission-III and modernized 859 Ginning & Pressing factories under Mini Mission-IV all around the country. As on date, CCI cotton has become a brand and the prices quoted by the CCI on its website has become bench mark for the cotton trade fraternity. Apart from above, CCI has always been farmers friendly because in addition to implementing Minimum Support Operations, it has been conducting other schemes also to promote improved practice in cotton trade starting from seed sowing to storage of cotton. This was done by CCI to improve the quality as well as yield of cotton on perpetual basis. For improving the quality and yield of cotton, various programmes like contract farming, adoption of village, etc. are being undertaken by CCI as continued programme under Corporate Social Responsibility.

Here I don't want to mention negative aspect of the trade but it would be injustice with CCI in case I do not take the liberty to touch the issue related to unforeseen volatility which the CCI and the entire cotton value chain have seen in the year 2010-11. Coincidentally, I joined CCI at the time when cotton price at domestic and global both the levels were at peak. This is the time when



the prices of cotton have seen a biggest leap and subsequently nosedived to the level which was less than its initial prices of the season. For example, the international prices which had started from 80+ cents in the month of October 2010 had almost tripled in less than 5 months period i.e. by 8th/9th March and reached at 243 cents per pound. The domestic prices also which were at the start of the season Rs.28000/- per candy had reached to Rs.62000/- per candy at the end of March 2011. Such price rise at the peak of the season was never seen before in the history of cotton trade. Unfortunately, CCI which had very enthusiastically purchased about 13 lakh bales by April 2011 and sold the same quantity simultaneously, had faced severe hit as the mills which had purchased cotton from the CCI were unable to perform their contractual obligations. As a fait accompli CCI was left with only option to resale all such cotton in market at almost half of the price than the price at which it was originally sold. The reason for such contractual defaults was the price crash and the mills have lost their money overnight due to erosion of their working capital because of devaluation of their stocks. Effect of such volatility passed on to CCI in the form of

contractual default was around Rs.200/- crores. However, CCI has not opted 'give up' mode and consistently stood in support of the trade and remained always in the readiness to accept any challenge in the prevalent market conditions on perennial basis.

Recently in the cotton season 2012-13 procurement done by CCI was 3rd highest in its history which has been managed by its team in most efficient manner. It has also shown its commitments towards e-governance and became pioneer in the industry for introduction of sale of cotton through e-auction which is an electronic mode of cotton sale i.e. e-sale. As per feedback I got, this new system of sale is getting overwhelming popularity in the trade. As the prices of yarn are also matching the mills and the traders are now comfortable with the cotton prices. With this I congratulate the sector hoping another good crop in the ensuing season 2013-14. In my opinion it will not only ensure the availability of cotton for mills but also provide rather more space for better cotton exports. At the end I hope that the new cotton season will be the best one for all the constituents of the cotton textile value chain.

**Your Partner...**

... For Cotton  
... For Quality  
... For Life

**C. A. GALIAKOTWALA & CO. PVT. LTD.**  
ESTD. 1953

66, Maker Chambers III, 223, Jammalal Bajaj Road, Nariman Point, Mumbai - 400 021  
Tel: 91 22 2284 3758 Fax: 91 22 2204 8801  
E-mail: trading@galiakotwala.com

**OFFICES:**

Adilabad	Beawar	Guntur	Kochi	Rajkot
Ahmedabad	Bhatinda	Hissar	Kolkata	Sri Ganganagar
Akola	Bhavnagar	HUBLI	Madurai	Vadodra
Aurangabad	Chennai	Indore	Mundra	Warangal
Bangalore	Coimbatore	Jalgaon	Parbhani	Wardha

**WAKEFIELD**  
INSPECTION SERVICES



*Navigating your cargo to market through our globally seamless partnership.*

<p><b>Wakefield Inspection Services Ltd.</b> 2nd Floor, Moffat House 14-20 Pall Mall, Liverpool L3 6AL UK Tel: +44 (0)151 236 0752 Fax: +44 (0)151 236 0144 e-mail: info@wiscontrol.com</p>	<p><b>Wakefield Inspection Services Inc.</b> 800 E. Campbell Rd. Suite 337 Richardson, TX 75081 USA Tel: +1 972 690 9015 Fax: +1 972 690 7042 e-mail: info@wiscontrol.com</p>
<p><b>Wakefield Inspection Services (Asia) Ltd.</b> Greenwich Village, Room 601 129 Yan'an West Road, Shanghai 200040, China. Tel/Fax: +86 21 6229 2632 Mobile: +86 135 2420 8118 e-mail: info@wiscontrol.com</p>	<p><b>Wakefield Inspection Services (India) Pvt Ltd.</b> Plot - 3, Colaba, Fortmanga Building Cotton Green (East), Mumbai 400033 Tel: - 0091 22 2372 7700 / 0091 22 65207265 Fax: - 0091 22 2373 2569 e-mail: ind-ops@wiscontrol.com</p>
<p><b>伟得检验服务(上海)有限公司</b> 中国上海市静安区延安西路129号华侨大厦1801室 邮编: 200040 电话: +86 21 3214 1236 传真: +86 21 6248 8235 电邮: chn-info@wiscontrol.com</p>	<p><b>Wakefield Inspection Services (India) Pvt Ltd.</b> 2nd Floor, Jeel Complex, Vijay plot no 16 Gondal Road, Rajkot 360001 Email: ind-ops@wiscontrol.com</p>

[www.wiscontrol.com](http://www.wiscontrol.com)

## Update on Cotton Acreage (as on 18th September 2013))

Sl. No	States	Normal of Year*	Normal on Week**	Area Sown (During the corresponding week in)	
				2013	2012
1	2	3	4	5	6
1	Andhra Pradesh	20.09	19.03	21.13	21.68
2	Gujarat	26.97	26.44	26.88	23.63
3	Haryana	5.82	5.51	5.57	6.03
4	Karnataka	5.28	4.29	5.29	4.16
5	Madhya Pradesh	6.55	6.51	6.21	6.08
6	Maharashtra	40.71	40.72	38.68	41.45
7	Orissa	0.98	1.00	1.24	1.19
8	Punjab	5.24	5.35	5.05	5.16
9	Rajasthan	4.18	4.24	3.03	4.50
10	Tamil Nadu	1.28	0.26	0.19	0.26
11	Uttar Pradesh	0.00	0.28	0.23	0.30
12	West Bengal	0.00	0.00	0.00	0.00
13	Others	0.43	0.06	0.10	0.00
	<b>Total</b>	<b>117.53</b>	<b>113.69</b>	<b>113.60</b>	<b>114.44</b>

\* Normal area mentioned above is average of last three years (Source: Directorate of Cotton Development, Mumbai) \*\* It is average of last three years

**BHAIDAS CURSONDAS & CO**  
Established

**19 06**

Cotton Merchants  
Importers & Exporters  
Post Harvest Processors  
Suppliers of Quality Cotton of all Growths

Sister Concern :  
PURMAN COTTON CO. PVT. LTD.

Sir Vithaldas Chambers, 4th Floor, 16 Mumbai Samachar Marg, Mumbai - 400 001.  
Tel: 2204 1267 Fax: 2204 1368 E-mail: bhaidas@vanti.com



**COTTON ASSOCIATION OF INDIA**

LEARN WITH CAI

PROGRAMME NO. 2013-14/3

ON

**LETTER OF CREDIT**

Faculty: **Shri K. Parameshwaran**

Saturday, September 28, 2013  
at 8.30 A.M. to 6.00 P.M.

Venue: Conference Room of CAI,  
Cotton Exchange Bldg., 2nd floor,  
Cotton Green, Mumbai-400 033

For registration please contact CAI Office  
Tel: (022) 30063400  
Email : cai@caionline.in



**UDAY B. THAKKAR**  
MANAGING DIRECTOR

**KUNAL U. THAKKAR**  
EXECUTIVE



## **U.B.COTTON PVT.LTD**

A GOVERNMENT RECOGNIZED  
STAR EXPORT HOUSE

**Exporters, Importers,  
Agents For All Growths  
& Suppliers  
To Domestic Mills**

**Head Office :**

7th Floor, Indian Globe Chambers,  
142, W.H.Marg, Mumbai - 400 001 (India)  
Tel : + 91 (22) 403 22 555 (Board), Fax : + 91 (22) 403 22 599  
E-mail : [ubc@ubcotton.com](mailto:ubc@ubcotton.com) Website : [www.ubcotton.com](http://www.ubcotton.com)

**Regd. Office :**

301-A, Ganesh Plaza, 3rd floor, PO. Navarangpura,  
Ahmedabad – 380 009, Gujarat, India  
Tel / Fax : +91-79-26562382 Email : [ubc.ahm@ubcotton.com](mailto:ubc.ahm@ubcotton.com)

**Offices :** Aurangabad, Guntur, Rajkot, Sirsa

## Glimpses of "Shravan Mass Utsav"



"Shravan Mass Utsav" was celebrated at Bhid Bhanjan Mahadev Mandir situated at Colaba on 5th September 2013.



## Weekly Percent Departures of Rainfall - Monsoon 2013

LEG                      EXCESS                      NORMAL                      DEFICIENT                      SCANTY                      NO RAIN

S. No.	WEEKS ENDING ON ---> MET. SUBDIVISIONS	21 AUG 2013	28 AUG 2013	4 SEPT 2013	11 SEPT 2013	18 SEPT 2013
1.	ORISSA	21%	-69%	-46%	-49%	-48%
2.	HAR. CHD & DELHI	68%	-71%	-79%	-90%	-96%
3.	PUNJAB	202%	-78%	-65%	-69%	-71%
4.	WEST RAJASTHAN	170%	-89%	-100%	-99%	-68%
	EAST RAJASTHAN	22%	-29%	-96%	-99%	-54%
5.	WEST MADHYA PRADESH	4%	128%	-80%	-95%	-69%
	EAST MADHYA PRADESH	62%	65%	-39%	-94%	-73%
6.	GUJARAT REGION	-47%	-51%	-94%	-79%	6%
7.	MADHYA MAHARASHTRA	-53%	-35%	-91%	31%	193%
	MARATHWADA	-50%	-64%	-95%	-19%	132%
	VIDARBHA	14%	-17%	-92%	-61%	13%
8.	COASTAL ANDHRA PRADESH	69%	-87%	-26%	13%	34%
	TELANGANA	91%	-72%	-48%	19%	37%
	RAYALASEEMA	51%	-85%	164%	169%	77%
9.	TAMILNADU & PONDICHERRY	25%	-75%	125%	131%	6%
10.	COASTAL KARNATAKA	30%	-34%	-75%	-1%	67%
	N. I. KARNATAKA	8%	-73%	-4%	176%	117%
	S. I. KARNATAKA	-10%	-46%	77%	180%	130%

Note: Rainfall Statistics given above is based on real time data receipt and is subject to be updated  
(Source: India Meteorological Department)

## President's Communique

As you all are aware, a natural calamity has struck in the State of Uttarakhand recently. Cloudbursts and floods in the State have devastated the lives and properties of a large number of our fellow countrymen. In order to tide over the calamity that has befallen on them, the affected people need our help and support.

In keeping with the tradition of contributing its mite to alleviate the sufferings of the affected people on calamitous occasions like this, cotton trade responded to my ardent appeal and contributed generously to the Prime Minister's National Relief Fund.

The Association has received contributions from the parties by way of Demand Drafts/Cheques drawn in favour of the Prime Minister's National Relief Fund:-

Sr. No.	Names of the Donors	Amount of Contributions (Rs.)
1	Cotton Association of India	1100000
2	ABC Cotspin Pvt. Ltd.	101000
3	Agrimanage India P. Ltd.	25000
4	Aim Worldwide Pvt. Ltd.	11000
5	Altamount Capital Management P. Ltd.	100000
6	Ashok D. Patel	2500
7	Asian Cotton Co.	25000
8	Atlantic Projects Ltd.	25000
9	B. Shripatlal Bangdiwala & Co.	21000
10	Bajaj Steels Industries Ltd.	100000
11	BDB Exports Pvt. Ltd.	100000
12	Bhadresh Trading Corporation Ltd.	500000
13	Bhaidas Cursondas & Co.	100000
14	C.A. Galiakotwala & Co. Pvt. Ltd.	300000
15	Calcutta Overseas	51000
16	Chemjutex Exporters	11000
17	Chhotelal Devisahai Parmarthik Charity & Trust	11000
18	Chirag Cotton Co.	2500
19	Dhancot Fibre Pvt. Ltd.	100000
20	Din Dayal Purshottam Lal	51000
21	DML Exim Pvt. Ltd.	250000
22	Falguni Agro Cotton Fibre Co.	5000
23	Four Star International	50000
24	Gill & Co. Pvt. Ltd.	200000
25	India Gelatine & Chemicals Ltd.	100000

26	JKG Eximcon Pvt. Ltd.	25000
27	Kirankumar Dhanji Bheda	2500
28	Kotak Commodity Services Ltd.	200000
29	Lajja Pankaj Lakdawala	2500
30	LGW Limited	100000
31	Narsey Family Charitable Trust	25000
32	Odhavjee Veljee & Co.	5000
33	P.K. Udyog	11000
34	Pan Agri Export	150000
35	Panasian Impex Pvt. Ltd.	100000
36	Pankaj Hiralal Lakdawala	5000
37	Pankaj Narshi & Co.	2500
38	Pankaj Shantilal Kotak	51000
39	PCK Cotton Private Ltd.	51000
40	Pinki Traders	100000
41	Pradeep Fibers Pvt. Ltd.	11000
42	Pravinkumar Ramdas & Co.	15000
43	Pushpa Enterprise	5000
44	Radhamohan B. Chokhani	11000
45	Ramesh & Co.	2500
46	Reliance Inspection Services	21000
47	Riddhi Siddhi Developers Pvt. Ltd.	100000
48	Ruchi Cotton Company	5000
49	Sagar Agencies Pvt. Ltd.	25001
50	Saurashtra Cotton & Agro Products Pvt. Ltd.	100000
51	Scil Capital India Pvt. Ltd.	100000
52	Shree Radhalaxmi Cotton Pvt. Ltd.	101000
53	Shree Sanjay Trading Co.	100000
54	Shree Siddhivinayak Cotspin Pvt. Ltd.	51000
55	Shrigopal Rameshkumar Sales (P) Ltd.	100000
56	Shyam Mahaveerprasad Makharia	51000
57	Sunny Trexim Pvt. Ltd.	100000
58	U.B. Cotton Pvt. Ltd.	200000
<b>Total</b>		<b>5271001</b>

I, on behalf of all my colleagues on the Board of Directors of the Cotton Association of India and on my own behalf, express our sincere thanks and gratitude to the contributors. These invaluable contributions will go a long way in strengthening the hands of the Government in tiding over this devastating calamity and rehabilitating the affected people.

Sincerely,  
**Dhiren N. Sheth**



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) 2012-13 Crop AUGUST 2013					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	16th	17th	18th	19th	20th	21st
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 - 7.0	15	11079 (39400)	11079 (39400)		10826 (38500)	10826 (38500)	10686 (38000)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 - 7.0	15	11360 (40400)	11360 (40400)		11107 (39500)	11107 (39500)	10967 (39000)
3	GUJ	ICS-102	Fine	22mm	4.0 - 6.0	20	8295 (29500)	8295 (29500)		8295 (29500)	8295 (29500)	8295 (29500)
4	KAR	ICS-103	Fine	23mm	4.0 - 5.5	21	9448 (33600)	9448 (33600)	H	9448 (33600)	9448 (33600)	9448 (33600)
5	M/M	ICS-104	Fine	24mm	4.0 - 5.5	23	10967 (39000)	10967 (39000)		10967 (39000)	10967 (39000)	10967 (39000)
6	P/H/R	ICS-202	Fine	26mm	3.5 - 4.9	26	12317 (43800)	12232 (43500)	O	11923 (42400)	11782 (41900)	11642 (41400)
7	M/M/A	ICS-105	Fine	26mm	3.0 - 3.4	25	12373 (44000)	12373 (44000)		12232 (43500)	12232 (43500)	12148 (43200)
8	M/M/A	ICS-105	Fine	26mm	3.5 - 4.9	25	12513 (44500)	12513 (44500)	L	12513 (44500)	12513 (44500)	12429 (44200)
9	P/H/R	ICS-105	Fine	27mm	3.5 - 4.9	26	12626 (44900)	12541 (44600)		12176 (43300)	12035 (42800)	11923 (42400)
10	M/M/A	ICS-105	Fine	27mm	3.0 - 3.4	26	12654 (45000)	12654 (45000)	I	12654 (45000)	12654 (45000)	12570 (44700)
11	M/M/A	ICS-105	Fine	27mm	3.5 - 4.9	26	12823 (45600)	12823 (45600)		12823 (45600)	12823 (45600)	12738 (45300)
12	P/H/R	ICS-105	Fine	28mm	3.5 - 4.9	27	12795 (45500)	12654 (45000)	D	12317 (43800)	12204 (43400)	12092 (43000)
13	M/M/A	ICS-105	Fine	28mm	3.5 - 4.9	27	13188 (46900)	13188 (46900)		13048 (46400)	13048 (46400)	12963 (46100)
14	GUJ	ICS-105	Fine	28mm	3.5 - 4.9	27	13188 (46900)	13188 (46900)	A	13104 (46600)	13104 (46600)	13020 (46300)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 - 4.9	28	13329 (47400)	13329 (47400)		13160 (46800)	13160 (46800)	13076 (46500)
16	GUJ	ICS-105	Fine	29mm	3.5 - 4.9	28	13273 (47200)	13273 (47200)	Y	13188 (46900)	13188 (46900)	13104 (46600)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 - 4.9	29	13385 (47600)	13385 (47600)		13301 (47300)	13301 (47300)	13216 (47000)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 - 4.9	30	13441 (47800)	13441 (47800)		13357 (47500)	13357 (47500)	13273 (47200)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 - 4.9	31	13723 (48800)	13723 (48800)		13638 (48500)	13638 (48500)	13554 (48200)
20	M(P)/ K/T	ICS-107	Fine	34mm	3.0 - 3.8	33	16113 (57300)	16113 (57300)		16113 (57300)	16113 (57300)	16113 (57300)

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