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Cotton Statistics And News

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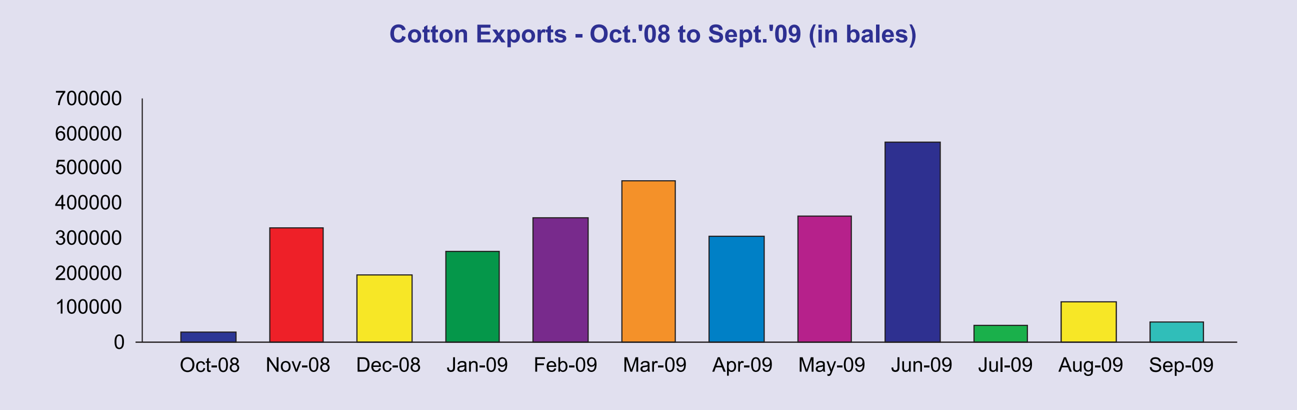
Raw Cotton Exports Come to 31 Lakh Bales in 2008-09

Raw cotton exports from the country have been just over 31 lakh bales during the Cotton Year, 2008-09 (October-September), according to the data available from the office of the Textile Commissioner. The total registrations during the year amounted to 38.1 lakh bales. The month-wise data in this regard, maintained by the Textile Commissioner's office, are given in the accompanying table:

Month	Quantity Registered	Quantity Shipped
	(in bales)	
October '08	1,76,901	29,397
November '08	3,02,888	3,30,621
December '08	1,57,061	1,92,790
January '09	2,60,172	2,60,328
February '09	4,27,888	3,57,096
March '09	5,49,287	4,65,717
April '09	3,18,610	3,05,432
May '09	5,21,993	3,64,306
June '09	3,09,878	5,72,759
July '09	1,19,456	48,212
August '09	2,41,517	1,18,115
September '09	4,24,506	56,630
Total	**38,10,157**	**31,01,403**

The actual shipments have fallen slightly short of 35 lakh bales, the lowered estimate made by the Cotton Advisory Board in August 2009. Exports during the previous year 2007-08 had zoomed to an all-time high of 88.5 lakh bales. During that year, all the conditions were favourable for exports, the country had a large exportable surplus especially in the case of cottons in demand from overseas and the prices offered by foreign buyers were attractive, compared to the domestic prices.

However, the situation changed during 2008-09 chiefly because of the high domestic prices consequent on the 40 per cent hike in the minimum support price. Indian cotton prices lost parity with international prices and foreign buyers shied away from India, and turned mostly to price-competitive US cotton. This was clearly revealed by imports by China. The share of Indian cotton plummeted to about 10 per cent of the total Chinese imports while imports from US soared to about 64 per cent of the total.



Further Improvement in Spinners Business Confidence During Q-3 - Cotton Outlook

The latest survey conducted by Cotton Outlook magazine pertaining to the third quarter of 2009, reportedly reveals further improvement in the business confidence of spinning industry, especially in the Indian sub-continent.

Evidence is said to have been forthcoming that confidence is rising among mills in China regarding the business outlook. As per the report in Cotton Outlook, clothing demand for the winter fashion season is strong, which is said to stimulate the textile production chain. Many mills appear to have reported that they have increased their operating capacity during September to meet the increased pace of orders. Consequently, the average capacity utilisation is said to have risen to 70 per cent during September from about 60 to 65 per cent during the previous month. There is, however, said to be some concern with regard to the possibility of further trade tension with the US following the dispute between the two countries over sales of automotive tyres.

There is reported to have been marginal improvement in the mills' confidence in India during the third quarter compared to the second. Most respondents are stated to have indicated that available spinning capacity has remained static since June, with one reply suggesting that the industry has moved into over capacity. Nevertheless, one mill seems to plan addition of spinning capacity during the next three months. In terms of output, there has been mention of a tendency to move towards spinning more yarns in the medium count range. Another development is said to be a growing focus on yarns spun from organic or "Fairtrade" cotton. Concern has also been voiced over the strength of local raw cotton prices and its impact on mills' profit margins.

A stronger improvement in business confidence among spinners in Pakistan is reported to be discernible. There are said to be signs of new investments for capacity expansion during the next couple of months. The usage of current spindleage is also being maximised with the attendant increase in cotton consumption. The consensus seems to be that local raw cotton consumption will increase this season. The mood in Bangladesh is also said to be upbeat and mills appear to be continuing to invest on new spindleage, leading to an increase in the consumption of all fibres.

While the situation in Europe seems to remain more or less unchanged with mill closure being reported in Italy, there is also indication of a mill increasing its raw cotton consumption. Responses from France are said to remain pessimistic and difficulty in obtaining sufficient credit for raw cotton purchases has also been voiced. In Belgium, mills are said to be using more polyester and synthetic fibres at the expense of cotton.

Signs of Revival in Textile Sector

According to reports, there have been signs of a revival in the textile sector which had been hit hard by the global economic and financial crisis. The official data are said to have revealed an upturn in the production of yarn and fabrics. Yarn production which had been making a negative growth appears to have shown a minor but importantly, a positive trend in July. Similarly, fabric production during April-July period is stated to have shown a 2.2 per cent growth.

Although the export scenario is yet to pick up significantly, an uptrend has been reported in July and August. Exporters are said to report an inflow of Christmas orders, particularly in the home textiles segment, while inventories have shown a significant decline, the Secretary-General of CITI is quoted to have stated. It has been heartening for the textile sector that after a disappointing 2008-09, there have been signs of recovery which has been mainly because of the uptrend in domestic demand. If the overseas demand, especially from US and Europe, also goes up, a turnaround in the textile sector can be expected, it is stated. About 40 per cent of the domestic production of textiles had been catering to the overseas markets, of which 65 per cent has been to US and European Union.

SUPPORT PRICES

Minimum Support Prices for Kapas of Fair Average Quality for the Cotton Season 2009-10 (Oct.-Sept.)

The Minimum Support Prices fixed by the Government on 30.09.2009 for the season 2009-10 along with previous seasons 2008-09 and 2007-08

(in Rs. per quintal)

Sr. No.		Variety	Basic Staple Length in Millimeters (2.5% Span Length)	Micronaire Value	Spot Support Prices 2009-2010	2008-2009	2007-2008
(1)		(2)	(3)	(4)	(5)	(6)	(7)
1		Assam Comilla	-	7.0-8.0	2000	2000	1440
2		Bengal Deshi	-	6.8-7.2	2000	2000	1350
3	(a)	V-797	22.0 mm	4.5-5.5	-	-	1700
	(b)	V-797/G.Cot.13/G.COT.21	21.5mm to 23.5mm	4.2-6.0	2300	2300	-
4	(a)	Jayadhar	23.0 mm	4.8-5.8	-	-	1680
	(b)	Jayadhar	22.0mm to 23.0mm	4.8-5.8	-	2250	-
	(c)	Jayadhar	21.5mm to 22.5mm	4.8-5.8	2250	-	-
5	(a)	G.Cot 13/G.Cot 21	23.0 mm	4.2-5-5	-	-	1700
6	(b)	AK/Y-1	24.0 mm	4.5-5.5		-	1735
	(c)	AK/Y-1(Mah&M.P)/ MCU-7(TN)/SVPR-2(TN)/ PCO-2(AP&Kar)/K-11(TN)	23.5mm to 24.5mm	3.0-5.5	-	2350	-
	(d)	- do -	23.5mm to 24.5mm	3.4-5.5	2350	-	-
7	(a)	NHH-44 (Marathawada & Khandesh in Mahaharashtra) /MCU-7 (Tamil Nadu)	24.0 mm	3.0-3.6	-	-	1735
8	(a)	NHH-44 (Vidharbha in Maharashtra) SVPR-2 (Tamil Nadu)	25.0 mm	3.3-4.0	-	-	1760
9	(a)	PCO-2 (A.P. & Karnataka)/K-11 (T.N.)	25.0 mm	4.4-5.5	-	-	1690
10	(a)	F-414/H-777/J-34 (Rajasthan)	24.5 mm	3.8-4.8	-	-	1800
	(b)	F-414/H-777/J-34(Rajasthan)	24.5mm to 25.5mm	4.3-5.1	2500	2500	-
11	(a)	F-414/H-777/J-34 Hybrid (Rajasthan)	25.5 mm	3.8-4.8	-	-	1850
	(b)	F-414/H-777/J-34 Hybrid (Rajasthan)/ LRA-5166/KC-2 (T.N)	26.0mm to 26.5mm	3.4-4.9	2600	2600	-
	(c)	F-414/H-777/J-34 Hybrid (Haryana)	26.5 mm	3.8-4.9	-	-	1900
	(d)	F-414/H-777/J-34Hybrid(Haryana)	26.0mm to 27.0mm	3.8-4.8	-	2700	-
	(e)	F-414/H-777/J-34Hybrid(Raj.& Haryana)	26.5mm to 27.0mm	3.8-4.8	2750	-	-
12	(a)	F-414/H-777/J-34 Hybrid (Punjab)	27.5 mm	3.8-4.9	-	-	1950
	(b)	F-414/H-777/J-34Hybrid(punjab)	27.5mm to 28.5mm	4.0-4.8	2800	2800	-
13		AHH-468	25.5 mm	3.8-4.6	-	-	1845
14	(a)	DHY-286	27.0 mm	3.7-4.0	-	-	1885
15	(a)	LRA-5166/KC-2 (Tamil Nadu)	26.0 mm	3.4-4.6	-	-	1900
16		JKHY-1/MECH	28.0 mm	3.2-4.2	-	-	1935
17	(a)	Samkar-6/10	28.0 mm	3.6-4.8	-	-	2055
	(b)	Sankar-6/10	27.5mm to 29.0mm	3.6-4.8	2850	2850	-
18	(a)	H-4/H-6	28.0 mm	3.6-4.5	-	-	2030
	(b)	H-4/H-6/MECH/RCH-2	27.5mm to 28.5mm	3.5-4.7	2850	2850	-
19		RCH-2	30.0 mm	3.4-4.0	-	-	2040
20	(a)	Brahma	30.0 mm	3.4-4.7	-	-	2050
21		Bunny	31.0 mm	3.4-4.7	-	-	2070
22	(a)	Bunny/Brahma	29.5mm to 30.5mm	3.5-4.3	3000	3000	-
23	(a)	MCU-5/Surbhi	33.0 mm	3.4-4.2	-	-	2300
	(b)	MCU-5/Surabhi	32.5mm to 33.5mm	3.2-4.3	3200	3200	-
24		DCH-32 (M.P.)	34.0 mm	3.0-3.3	-	-	2600
25		DCH-32(South)	35.0 mm	3.0-3.5	-	-	2700
26		DCH-32	34.0mm to 36.0mm	3.0-3.5	3400	3400	-
27		Suvin	38.0 mm	3.2-3.6	-	-	3800
28		Suvin	37.0mm to 39.0mm	3.2-3.6	4200	4200	-

Source: Office of the Textile Commissioner's Press Note 1/20/2007-08/MSP/Cotton/36 dated 06/08/2007, 1/20/2008-09/MSP/Cotton/127 dated 24.09.2008 and 1/20/2009-10/Cotton/MSP/336 dated 30/09/2009

SNIPPETS

Arrivals in the new cotton crop are slowly picking up in different States, especially in Punjab, Haryana, Gujarat and Madhya Pradesh. Arrivals in Maharashtra are expected to be late this year because of the delay in sowings due to the late receipt of monsoon rains. As per reports, the total arrivals have crossed 3.5 lakh bales so far, somewhat lower than last year. This year's crop has been estimated to be over 305 lakh bales.

India's industrial growth is reported to have bounced back to an impressive 10.4 percent in August as against 7.2 percent in July, 7.8 percent in June and just 2.7 percent in May. The growth registered by the three segments of manufacturing, mining and power production was particularly notable at 10.2 percent, 12.9 percent and 10.6 percent respectively. Of the 17 industry groups, 14 are stated to have shown positive growth in August.

A report quoting Jt. Secretary, Textiles, of the Govt. of India, states that the Centre's burden on subsidy to compensate the losses in the sale of cotton procured at the higher support price is likely to rise in 2009-10 as the crop is expected to be higher than in 2008-09. Textile Ministry reportedly paid Rs.3500 crore as subsidy during 2008-09 when CCI procured a record 89.4 lakh bales and NAFED about 37 lakh bales.

UPCOUNTRY SPOT RATES

(Rs./Candy)

Official quotations for standard descriptions with basic grade and staple in Millimetres based on Upper Half mean Length under By-law 66 (A)(a)(4)						SPOT RATES (UPCOUNTRY) 2008-09 CROP October 2009					
						17th	19th	20th	21st	22nd	23rd
01.	ICS-101	Below 22mm	Bengal Deshi(RG)	5.0-7.0	15			-	-	-	-
02.	ICS-201	Below 22mm	Bengal Deshi(SG)	5.0-7.0	15	H	H	-	-	-	-
03.	ICS-102	22mm	V-797	4.5-5.9	19			18100	18100	18100	18100
04.	ICS-103	23mm	Jayadhar	4.0-5.5	19			18100	18100	18100	18100
05.	ICS-104	24mm	Y-1	4.0-5.5	20	O	O	21300	21300	21300	21300
06.	ICS-202	25mm	J-34 (SG)	3.5-4.9	23			-	-	-	-
07.	ICS-105	25mm	NHH-44	3.5-4.9	22			21000	21000	21000	21000
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24			21200	21200	21200	21200
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	L	L	21800	21800	21800	21800
10.	ICS-105	29mm	S-6	3.5-4.9	26			-	-	-	-
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	I	I	-	-	-	-
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28			23700	23700	23700	23700
13.	ICS-107	35mm	DCH-32	2.8-3 .6	31			32900	32900	32900	32900
14.	ICS-301	26mm	ICC	3.7-4.3	25	D	D	22300	22300	22300	22300
2009-10 CROP											
01.	ICS-101	Below 22mm	Bengal Deshi(RG)	5.0-7.0	15			22800	22800	23000	23000
02.	ICS-201	Below 22mm	Bengal Deshi(SG)	5.0-7.0	15	A	A	23200	23200	23400	23400
06.	ICS-202	25mm	J-34 (SG)	3.5-4.9	23			21600	21600	21800	21800
10.	ICS-105	29mm	S-6	3.5-4.9	26			23300	23300	23400	23400
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	Y	Y	23000	23000	23500	23500