

Weekly
Publication of



**Cotton
Association
of India**

Cotton Exchange Building, 2nd Floor,
Cotton Green, Mumbai - 400 033
Phone: 3006 3400
Fax: 2370 0337
Email: cai@caionline.in
www.caionline.in

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

2011-12 * No. 31 * 01/11/2011

Edited & Published by Amar Singh

Cotton Season 2010-11 - A Brief Review

Cotton season 2010-11 (October 2010 to September 2011) was unique in that it set new records in both area and production. Ironically, cotton prices were also quite high notwithstanding a bumper crop during the year. Following is a brief review of the season.

Seasonal Conditions

Barring a few aberrations in some States, seasonal conditions during 2010-11 were, by and large, favourable for the growth and development of cotton leading to good productivity. They also enthused farmers to boost the area under cotton. In the Central and Southern States, where rainfed cotton predominates, the quantum and distribution of rainfall were helpful for sowings almost in time and for subsequent crop growth. In the three northern States of Punjab, Haryana and Rajasthan, the canal water supply was adequate and timely in the first two States but in Rajasthan there was some shortage which caused a dent in the total area planted.

Area

Cotton area had surged in 2009-10 when it crossed the 100 lakh hectare mark for the first time to touch 103.1 lakh hectares. In 2010-11, the area left behind this record and rose by a further eight lakh hectares and reached 111.4 lakh hectares. Cotton farmers largely benefited from the high prices that prevailed in 2009-10. Besides this, the farmers could boost their net returns per hectare due to high per hectare productivity also which crossed the 500 kg mark to touch 504 kg per hectare, an all-time record. Since cotton fetched them higher net returns compared to the competing crops, they brought additional area under cotton by switching over to it from other crops to some extent. In fact, cotton farmers could, besides higher yields, reap benefit from the reduction in production cost owing to the

advantage derived from the cultivation of bollworm-resistant Bt cotton which now covers about 90 per cent of the country's total area under the crop. Bt cotton, as is well known, save a very high share of total production cost as they need just two or three sprays to control pests other than bollworms, whereas other cottons need about five or six sprays to control bollworms alone. In the past,

Cotton Yield Continues to Decline in India

The cotton yield in India is expected to reach a five-year low this season, possibly dropping below 475 kg per hectare (ha) despite the fact that 93 percent of the planted area is Bt cotton. Adverse weather in the north and central regions of the country are playing a factor in the yield decline, sources say.

In the 2007/08 season, India reached a high yield of 554 kg/ha but has seen consistent declines in the seasons since then, dropping to 524 kg/ha in 2008/09, 496 kg/ha in 2009/10, and 475 kg/ha last year. The world average yield for the 2010/11 season is about 774 kg/ha, according to the U.S. Department of Agriculture.

Initially, production estimates for the 12 million ha of planted area were 35.5 million bales (170 kg), but that number has been revised to 35 million bales, and could be revised downward again after unusually hot and wet weather struck in September and October. A more reliable estimate of total production is expected by the end of November.

(Source: Cotton International News - 26.10.2011)

non-availability of adequate pure planting seed in time had hampered the progress of cotton sowings. This constraint no longer exists now as a number of private companies supply seed well in time.

The State-wise coverage of cotton during the last two years is given below:

State	Area (lakh hectares)	
	2009-10	2010-11
Punjab	5.11	5.30
Haryana	5.07	4.92
Rajasthan	4.44	3.35
Total North Zone	14.62	13.57
Gujarat	26.25	26.33
Maharashtra	35.03	39.32
Madhya Pradesh	6.11	6.50
Total Central Zone	67.39	72.15
Andhra Pradesh	14.75	17.84
Karnataka	4.55	5.45
Tamil Nadu	1.04	1.22
Total South Zone	20.34	24.51
Other States	0.75	1.05
All-India	103.10	111.42

While there was a minor drop in area in the north zone, the area was up in both Central and Southern States. Individually, the maximum increase of 4.29 lakh hectares was in Maharashtra, closely followed by Andhra Pradesh with a rise of 3.09 lakh hectares.

Besides the spurt in total cotton area, the coverage by the higher yielding, bollworm resistant Bt cottons was also higher in 2010-11. The estimates of area in different States are as under:

State	2009-10			2010-11		
	Total	Under	% of	Total	Under	% of
	(lakh ha)			(lakh ha)		
Punjab	5.11	5.10	94	5.30	5.10	96
Haryana	5.07	4.90	94	4.92	4.70	95
Rajasthan	4.44	2.80	64	3.35	2.75	82
Gujarat	26.25	15.40	59	26.33	21.33	81
Maharashtra	35.03	30.50	87	39.32	36.21	91
M.P.	6.11	6.10	94	6.50	6.00	92
A.P.	14.75	12.50	95	17.84	17.50	98
Karnataka	4.55	1.90	49	5.45	3.95	74
Tamil Nadu	1.04	0.30	33	1.22	1.00	77
Others	0.75	-	-	1.05	-	-
All-India	103.10	79.40	78	111.42	98.54	88

Percentage-wise, the highest coverage of 98 per cent was in Andhra Pradesh, followed by Punjab and Haryana with 96 per cent and 95 per cent respectively. At the all-India level, the share of Bt cottons jumped from 78 per cent in 2009-10 to 88 per cent in 2010-11. This was also a major contributor for the higher production in 2010-11.

(To be continued)

Cotton Exports May Zoom in 2011-12

Indications are that exports of cotton may witness a zoom in 2011-12, thanks to a bumper crop in the offing and removal of all curbs on export of the commodity by placing exports under Open General Licence. There has been a spurt in cotton area in 2011-12 and currently, the production is projected to be in the vicinity of 360 lakh bales whereas the domestic consumption by mills may be lower than last year owing to the setback to the world economic growth, particularly in the US and Europe. This would lead to a huge exportable surplus of cotton in the country.

The new crop arrivals are set to gain momentum from November and alongwith the same, cotton exports are also expected to pick up. The expectation in trade and industry circles appears to be that about 25 lakh bales may be exported by December. According to reports, an export commitment of 25 lakh bales has already been made

at international price of 108-112 cents per pound CIF China port. While the textile industry conservatively estimates the exports to be around 70 lakh bales, trade circles are optimistic of



exporting much higher quantity because of the huge exportable surplus. It is believed that as arrivals increase, exporters may be more aggressive to ship as much as possible before competitors enter the market. Cotton exporters from India are said to be very active for selling Indian cotton in China, Brazil, Bangladesh and other importing countries.

According to some exporters, export registration so far with the Directorate of Foreign Trade (DGFT) is around six lakh bales. As exporters become more and more active, domestic cotton prices may expectedly react. However, as the demand from mills may be lower this year, the upward pressure on prices may be neutralised.

(Source: Business Standard 20.10.2011)

World Cotton Research Conference Opens in November

The World Cotton Research Conference - 5 (WCRC-5) is set to become a grand interactive platform from 7-11 November 2011 at the Renaissance Convention Centre, Mumbai, India. As of today, 470 delegates are confirmed and final attendance is expected to exceed 600 participants. The Conference is comprised of five days of presentations followed by a two-day technical tour. The organizing committee has invited 16 eminent scientists from different countries as plenary speakers. The technical sessions include three panel discussions on 'Biotech Cotton', 'Insecticides - What Next?' and 'Fibre Quality and Textile Industry'; two special sessions on the 'International Cotton Genome Initiative' and 'Cotton Mechanization'; and 30 concurrent technical sessions with over 150 speakers. The poster session will include 180 posters covering all subjects. The Union Minister of Agriculture, Government of India, will inaugurate the conference.

Delegates will have an opportunity to take a complimentary tour of the sprawling multi-hued vibrancy of Mumbai City. The cultural evening on the first day will present programs on 'Spirit of India'

to showcase the multi-cultural heritage and ethnicity that India represents. A fashion show is planned on 10th November. All segments of the cotton industry from India, with support from the Government, are poised to make the WCRC - 5 a memorable event.

The two-day post conference tour to Nagpur from 12-13 November includes visits to 'Ankur seeds farm', Bajaj Steel gin manufacturing unit, Ginning training centre, cotton-stalk particle board manufacturing unit, Pench National wild life jungle safari, Central Institute for Cotton Research, 'Sevagram Ashram' that was Gandhi's home in Central India, village interaction visit, and 'Bhagirath composite textile mill' that has ginning, spinning and textile manufacturing. The National Organizing Committee is taking all care to ensure that the five-day conference and two-day technical tour will be enriching, rewarding, eventful, fruitful and comfortable.

The complete program is available at
www.wcrc-5.com.

(ICAC Press Release)

Staple-wise Production of Cotton

Quantity in lakh bales of 170 kgs

STAPLE GROUP	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11
Short (below 20.0 mm)	9.00	7.60	7.11	6.80	6.00	4.00	3.50	3.50	4.00
Medium/Medium Long (20.5 to 27 mm)	72.00	75.90	136.80	64.00	54.00	61.00	60.00	57.00	62.00
Long Staple (27.5 to 32.0 mm)	51.00	89.95	94.07	165.40	216.15	237.00	222.00	230.00	241.00
Extra Long staple (32.5 mm & above)	4.00	5.55	5.02	4.80	3.85	5.00	4.50	4.50	5.00
TOTAL	136.00	179.00	243.00	241.00	280.00	307.00	290.00	295.00	312.00

Note : Staple-groupwise production figures are estimated

Source: Cotton Corporation of India

Pakistan's Sindh Province Devastated by Floods

About half of the 4 million to 5 million bales of cotton produced annually in Pakistan's Sindh Province have been damaged or destroyed by severe flooding. The monsoon season began in mid-August, a few weeks later than usual, and delivered heavy rains until the end of the month. Cotton is cultivated along the west side of the Indus River as it flows out to the sea, and the troubles began when a second monsoon came in early September.

It is reported that about 1 million bales have been damaged, but 1.5 million to 2 million bales have been completely destroyed. The natural disaster

will reduce Pakistan's production to about 13 million bales this season, an increase of about 10 percent from last year.

The economic losses will number in the billions of dollars, and for the Sindh Province, the damage is many times worse than what they suffered from last year's flooding.

People still haven't recovered from last year's damage, and this year's disaster has left many people completely penniless.

(Source: Cotton International News - 26.10.2011)

UPCOUNTRY SPOT RATES

(Rs./Qtl)

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) 2010-11 CROP
October 2011

Sr. No.	Grade Standard	Staple	Micronaire	Strength/GPT	Trade Name	22 nd	24 th	25 th	26 th	27 th	28 th
03.	ICS-102	22mm	4.5-5.9	19	V-797	6889 (24500)	6889 (24500)	6889 (24500)			
04.	ICS-103	23mm	4.0-5.5	19	Jayadhar	N.A.	N.A.	N.A.			
05.	ICS-104	24mm	4.0-5.5	20	Y-1	N.A.	N.A.	N.A.	H	H	H
07.	ICS-105	25mm	3.5-4.9	22	NHH-44	9139 (32500)	9139 (32500)	9139 (32500)			
08.	ICS-105	27mm	3.5-4.9	24	LRA-5166	9561 (34000)	9561 (34000)	9561 (34000)	O	O	O
*09.	ICS-105	28mm	3.5-4.9	25	H-4/ MECH-1	10123 (36000)	10123 (36000)	10123 (36000)	L	L	L
2011-12 CROP											
01.	ICS-101	Below 22mm	5.0-7.0	15	Bengal Desi (RG)	10404 (37000)	10292 (36600)	10236 (36400)	I	I	I
02.	ICS-201	Below 22mm	5.0-7.0	15	Bengal Desi (SG)	10489 (37300)	10404 (37000)	10348 (36800)			
06.	ICS-202	25mm	3.5-4.9	23	J-34	9420 (33500)	9280 (33000)	9223 (32800)	D	D	D
10.	ICS-105	29mm	3.5-4.9	26	Shankar-6	10967 (39000)	11023 (39200)	11023 (39200)	A	A	A
11.	ICS-105	31mm	3.5-4.9	27	Bunny/ Brahma	11023 (39200)	11023 (39200)	11023 (39200)			
12.	ICS-106	33mm	3.3-4.5	28	MCU-5/ Surabhi	11389 (40500)	11389 (40500)	11389 (40500)	Y	Y	Y
13.	ICS-107	35mm	2.8-3.6	31	DCH-32	13919 (49500)	13919 (49500)	13919 (49500)			

Note: Figures in bracket indicate prices in Rs./candy * -Nominal