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Cotton Statistics And News

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Cotton Season 2008-09 - A Review

(Continued from last issue...)

Area

The initial expectation was that the high net returns realised by farmers in 2007-08 due to high yield, especially from Bt cotton, and the good prices, would be reflected in a spurt in cotton area during 2008-09. However, this did not materialise mainly because of the delay and deficiency of monsoon rains. The non-availability of timely and adequate canal water in Rajasthan also pulled down the planted area.

The onset of monsoon was delayed in the central zone where the rains played truant subsequently also arousing fears of a drastic fall in area. However, rains in late July eased the situation and sowings could catch up to a large extent.

In the south zone, receipt of good rains in Andhra Pradesh boosted the cotton area in that State while the overall rainfall situation was satisfactory in Karnataka and Tamil Nadu.

Finally, the planted area under cotton at the National level almost matched that in 2007-08. The State-wise details of the area, as estimated by the Cotton Advisory Board on August 29, 2009 are given in the accompanying table.

As may be seen, there was significant fall in area in Punjab, Rajasthan and Gujarat but Andhra Pradesh posted a handsome increase compared to the previous year.

State	Area (in lakh hectares)	
	2007-08	2008-09
Punjab	6.04	5.27
Haryana	4.83	4.56
Rajasthan	3.69	3.02
Total North Zone	14.56	12.85
Gujarat	24.22	23.54
Maharashtra	31.95	31.42
Madhya Pradesh	6.30	6.25
Total Central Zone	62.47	61.21
Andhra Pradesh	11.33	13.99
Karnataka	4.03	4.08
Tamil Nadu	0.99	1.09
Total South Zone	16.35	19.16
Other States	0.76	0.84
All India	94.14	94.06

The coverage by the bollworm resistant Bt cottons had shot up from 38% of the total area in 2006-07 to 67% of the total in 2007-08. The uptrend was maintained in 2008-09 also, although at a much

Inauguration of the CAI's Two New Cotton Testing Laboratories at Aurangabad and Akola

The Association is happy to announce the inauguration of its Cotton Testing and Research Laboratories at Aurangabad and Akola on 14th and 16th November 2009 respectively.

slower pace. The State-wise coverage of area by Bt cottons is given below:

State Total	Area (lakh hectares) in 2008-09		
	Area Cotton Area	Share of under Bt. Cotton	Bt. Cotton (%)
Punjab	5.27	4.76	90
Haryana	4.56	3.80	83
Rajasthan	3.02	1.21	40
Gujarat	23.54	14.50	62
Maharashtra	31.42	25.72	82
Madhya Pradesh	6.25	5.14	82
Andhra Pradesh	13.99	11.43	82
Karnataka	4.08	1.72	42
Tamil Nadu	1.09	0.72	66
Other States	0.84	-	-
All India	94.06	69.00	73

While at the National level, Bt cottons occupied 73% of the total cotton area, the coverage in Punjab was as high as 90% , 83% in Haryana and 82% each in Gujarat, Maharashtra and Andhra Pradesh.

Production

A combination of several favourable factors including area and seasonal conditions had helped in boosting cotton production to an all-time record of 307 lakh bales in 2007-08. However, during 2008-09, although area was almost at the previous year's level, seasonal conditions were not so conducive. Hence, production was somewhat lower. The Cotton Advisory Board,

at its meeting held on August 29, 2009 placed the crop at 290 lakh bales, 17 lakh bales or 5.5% lower than in 2007-08. The State-wise estimates of production are presented in the accompanying table.

The major fall of 22 lakh bales was in the Central Zone, mostly in Gujarat. There was a fall of 5 lakh bales in the North Zone while the crop in the South Zone was higher by 9 lakh bales, mainly because of the increase in Andhra Pradesh.

Estimated Production (in lakh bales)		
State	2007-08	2008-09
Punjab	20.00	17.50
Haryana	15.00	14.00
Rajasthan	9.00	7.50
Total North Zone	44.00	39.00
Gujarat	110.00	90.00
Maharashtra	62.00	62.00
Madhya Pradesh	20.00	18.00
Total Central Zone	192.00	170.00
Andhra Pradesh	46.00	53.00
Karnataka	8.00	9.00
Tamil Nadu	4.00	5.00
Total South Zone	58.00	67.00
Other States	1.00	2.00
Loose Production	12.00	12.00
All India	307.00	290.00

(to be Contd....)

Expansion of Cotton Testing Laboratories

In pursuance of the expansion plan, the Association has procured latest Premier ART-2 HVI Machines in Mumbai and Aurangabad , which, in addition to the other modules, have in-built facility for testing of Trash.

Testing of Trash in conventional trash analysers used to take longer time. However, with the installation of latest Premier ART-2 HVI machines, results of Trash tests will be available in our Mumbai and Aurangabad units on the HVI machine in lesser time.

Besides, special concession in testing charges and volume based discounts are available to our members.

The following are the testing charges in vogue at the CAI's laboratories:

For 1000 samples and above to be tested in two years' period

Testing Fees Rs. 82/- and Service Tax Rs.8/- per sample payable in advance

For 500 samples and above but below 1000 samples to be tested in two years' Period

Testing Fees Rs. 86/- and Service Tax Rs. 9/- per sample payable in advance

Our laboratory in Mumbai is accredited with the National Accreditation Board for Testing and Calibration Laboratories (NABL), Department of Science & Technology, Government of India and holds ISO certificate representing high degree of reliability. In due course of time, we will obtain similar NABL accreditations for our other units. Our testing results have wide acceptability in the cotton trade. We are quite capable of handling large volumes and our endeavour is to provide accurate test results on consistent basis with shortest possible time.

Possible Changes in Store for Cotton

The CEO of a leading international cotton company has recently published a brief piece on the possible changes in store for cotton. Some of the points brought out in this piece are mentioned below:

In the first decade of the current century, cotton production in India and consumption in China have doubled, US consumption has fallen by 60 percent, Pakistan's crop has grown by 40 percent and after reaching a record, US cotton production declined by 46 percent in 2008-09 owing to stiff competition from corn and soybean. The events of the last ten years provide signals of the forces that will give opportunities for growth in certain places.

Clearly, one strong trend from the last ten years that will continue into the foreseeable future is an increase in yields. Average world cotton yield has gone up from 531 lb per acre in 2000-01 to a peak of 702 lb in 2007-08. The world average is still far below that in countries like China, Brazil and US. Scientists claim that due to their sustained efforts, yield may double in the next 20 years.

In India, the yield nearly doubled in the last ten years, and the resulting increase in farmers' income has provided a great deal of enthusiasm for the crop. The area devoted to it has risen by 25 percent in the last ten years.

The increase in both yield and area has led to production exceeding 31 million bales recently. If a further 27 percent increase could be obtained,

as against 100 percent in the last decade, Indian crop could touch 40 million bales by the end of the next decade.

Cotton area in US has been steadily declining of late as farmers found alternative crops like corn and soybean to be more remunerative. However, with futures cotton prices for 2010 delivery being higher and with the good yields cotton is capable of giving, it has again found favour with farmers. Hence, cotton area in US is not expected to decline further and may even go up in the next decade.

On the side of world demand, it had reached a peak of nearly 121 million bales before the onset of the recession, but fell to 110 million bales last season. Initial signs of recovery in spinning activity are now discernible and consumption will reach 113 million bales in 2009-10. If the growth rate of 3.2 percent that was experienced in the ten years before the recession is regained, world demand can reach 137 million bales by 2015.

Although it may be a formidable task to meet such a demand, if the growth in yield is maintained at the level witnessed during the last seven years, it will be possible to produce 150 million bales by 2015 with no increase in area.

Anyhow, history shows that world will continuously undergo substantial production and consumption changes over time. According to the another, over the next decade, the key variable in the world supply and demand for cotton may be yield.

Business Confidence Index Up - CII

The signs of a recovery in the country's economic growth had been visible recently. In line with this positive signal, the Business Confidence Index (BCI) as revealed by the survey of the Confederation of Indian Industry (CII) has also been up, predicting a return to better business conditions than before the downturn. The Index of the period between October 2009 and March 2010 is said to have surged by about 7.4 points to reach 66.1 points, as against a mere 2.4 point increase during the first half of the current fiscal.

Most of the major economic indicators are also claimed to be pointing to a revival, with the industrial output index of the Government rising

10.4% in August. The purchasing manager's index (PMI) compiled by a leading private sector bank also reportedly showed a recovery in September when it stood at 55. A reading over 50 in PMI is said to signify expansion.

The Business Confidence Index is brought out by CII twice a year. It is derived from an average of the current situation index (CSI) and the expectations index (EI). Both indices are said to have fared better than the previous six months ended September 2009. The BCI for October 2009 - March 2010 stood at 66.1 which is higher than even the pre-downturn period of April-September 2008-09 when it was 61, it is stated.

S N I P P E T S

After a strong showing in August, the growth in key infrastructure sectors reportedly slipped in September. As against a healthy growth of 7.8% in August, the core infrastructure growth in September is stated to have fallen to 4%, according to the data released by the Ministry of Commerce and Industry. The segments that witnessed a fall in output are said to be cement, coal and electricity. The six core sectors, viz., cement, coal, steel, electricity, crude oil and petroleum refinery products, together account for about 27% of the total weight of the Index of Industrial Production (IIP).



Reflecting the gradual revival of economy in the US, Indian textile and apparel makers have recently been receiving more and more orders from that country, says a report. Leading textile and apparel exporters are quoted to have stated that they were not very surprised at this increase in orders but were rather expecting it when the

orders for export started coming in a few months ago. Although about 10 percent lower than the 2007 level, the order books are now stated to be comfortably full.



The Union Textile Minister has reportedly reconstituted the Textile Committee with Shri T. Kannan, Director, Thiagaraja Mills, Madurai, as Chairman. Other members of the Textile Committee include Textile Commissioner, Jt. Secretary and Director (Internal Finance) of the Ministry of Textiles; Chairman, CITI; Chairman, Indian Powerloom Federation; Chairman, SIMA; Chairman, TEXPROCIL; Chairman, SRTEC; President, TMMA; Secretary General, CII; Chairman, AEPC; Chairman, WVEPC; President, Federation of Indian Art Silk Weaving Industry; Chairman, NTMA; Director, NITRA; and a few other leaders of textile mills.



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-November 2009					
						31st	2nd	3rd	4th	5th	6th
03.	ICS-102	22mm	V-797	4.5-5.9	19	18100	M	18100	18100	18100	18100
04.	ICS-103	23mm	Jayadhar	4.0-5.5	19	18100		18100	18100	18100	18100
05.	ICS-104	24mm	Y-1	4.0-5.5	20	21300	A	21300	21300	21300	21300
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	21000		-	-	-	-
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24	21500	R	-	-	-	-
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	21900		-	-	-	-
							K				
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28	23700		24000	24000	24000	24000
							E				
13.	ICS-107	35mm	DCH-32	2.8-3.6	31	32900		32900	32900	32900	32900
14.	ICS-301	26mm	ICC	3.7-4.3	25	22400	T	22400	22400	22400	22400
2009-10 CROP											
01.	ICS-101	Below 22mm	Bengal Desi(RG)	5.0-7.0	15	24000	C	24000	24000	24000	24500
02.	ICS-201	Below 22mm	Bengal Desi(SG)	5.0-7.0	15	24400	L	24400	24400	24400	24900
06.	ICS-202	25mm	J-34 (SG)	3.5-4.9	23	22100	O	22100	22100	23500	23600
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	-		21300	21300	23000	23000
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24	-	S	21800	21800	23500	23500
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	-		22300	22300	24000	24000
							E				
10.	ICS-105	29mm	S-6	3.5-4.9	26	23800		24200	24200	24500	24600
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	23500	D	23700	23700	24500	24000