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Shri Mohit Shah Elected First Asian President of International Cotton Association

October 25, 2013, was a proud day for India when Shri Mohit Shah (Director, Gill & Co, India) was elected as ICA President. This was announced at the Association's Annual General Meeting, held during the Liverpool 2013 trade event. Shri Mohit Shah is the ICA's first Asian president.

On accepting the role of President, Shri Mohit Shah delivered an emotive speech that sent out a clear message to defaulters. He also paid special tribute to his late father, Dhirajlal Shah, who introduced him to the world of cotton.

"I accept this role with humbleness and humility and at the same time I feel privileged and special with a true belief and conviction that being president of this prestigious association is the greatest honour I can ever receive. Over the next 12 months I will endeavor to build on the excellent work done by my predecessors and the [ICA] board to forge ahead with the internationalisation of the association. We can only truly achieve this through communication, education and engagement across the industry spectrum to ensure the ICA remains the only truly global cotton arbitral body representing the interests of both buyers and sellers.

There should be no room or tolerance towards anyone who trades with a defaulter. This to me is paramount. We must ensure that we remain united and not look at short term gains only to realise long term pain. This association was set up as an association of people epitomising trust and integrity. Business has unfortunately moved from an informal handshake to iron clad contracts in today's environment and the upheavals caused during the recent years have cost this trade



Shri Mohit Shah with Shri Dhiren N. Sheth

dearly. Trading with any defaulter completely compromises our principles of contract sanctity and creates incomprehensible injustice."

A well-known figure in the international cotton trade, Shri Mohit Shah joined the ICA Board of Directors in 2010 and was nominated as ICA Second Vice President in 2011. Based in Mumbai, he has over 20 years' experience in the cotton trade and is the fourth generation in his family business. He is a director and co-owner of Gill & Co Pvt Ltd, which was established in 1886 and is one of the oldest cotton companies in India. Today, Gill & Co is a Four Star Export Company that owns two cotton ginning and pressing factories in Gujarat and Maharashtra.

Felicitation for Incoming Executive Director of ICAC

CAI held a dinner in honour of Mr. Jose Sette, Incoming Executive Director of International Cotton Advisory Committee (ICAC), Washington at Hotel InterContinental, Mumbai on Sunday, November 10, 2013. It was well attended by board members, committee members, government officials including the Textile Commissioner, Shri A. B. Joshi and Shri B.K. Mishra, CMD of CCI as well as members of the ITMF delegation, currently visiting India.

Mr. José Sette of Brazil was chosen by Member Governments to serve as the next executive director of the International Cotton Advisory Committee (ICAC), after a rigorous, merit-based search involving interviews via Skype and face-to-face with a selection committee composed of diplomats from 21 countries. He will begin his duties on January 1, 2014.

Mr. Sette was executive director ad interim of the International Coffee Organization, a sister organization to the ICAC, from November 2010 to November 2011. He was Head of Operations for the ICO from November 2007 to the end of December 2012. He has worked as a consultant to trade associations, specialising in international trade matters, and he has worked with state trade associations in Brazil and with coffee exporters. He has also worked previously in Washington, DC for the Inter-American Development Bank. He has a MBA with a major in finance from American

University in Washington, DC. He speaks English, French, Portuguese and Spanish.

He will be the sixth executive director in the history of the ICAC Secretariat since 1947, following Mr. R. Whitaker, May 1947–Mar 1949; Mr. Robert Evans, Apr 1949–Feb 1963; Dr. J. C. Santley, Mar 1963–Dec 1986; Dr. Lawrence. H. Shaw, Jan 1987–Dec 1998; and Dr. Terry P. Townsend, Jan 1999–Dec 2013.

Jose Sette's Mission Statement

International commodity bodies, such as the International Cotton Advisory Committee, have four fundamental roles: to serve as a forum for the development of policies and solutions to strengthen their particular commodity's value chain; to enhance the transparency of the market and enable economic decisions to be taken on the basis of accurate and timely data; to encourage the development and dissemination of knowledge; and to promote sustainability.

By all accounts, the ICAC already performs these core functions and performs them well. Therefore, the task of the incoming Executive Director is not to embark on a wide-ranging reorganization of the organization's activities, but rather to adjust and fine tune what is already a well-oiled and smoothly running machine.



CAI President, Mr. Dhiren N. Sheth welcomes the visiting guests



Mr. Jose Sette, Executive Director, ICAC is welcomed with a bouquet of flowers



Mr. Sheth delivers his speech



Mr. Jose Sette addresses the gathering



A view of the guests at the dinner

This is not to say that challenges do not exist. For example, ICAC's effectiveness as a forum for the development of policies is directly related to the amplitude of its membership. Therefore, permanent attention must be paid to attracting new members, especially those that are significant producers or consumers of cotton. A wider membership would not only increase the impact of ICAC activities, but also reduce the financial burden on existing members by spreading the cost of contributions to the organization's upkeep among a larger number of member states. At all times, appropriate participation by the private sector must be encouraged, in order to integrate the work of ICAC with the global cotton supply chain.

In the area of dissemination of knowledge, international commodity bodies have benefitted greatly from their partnership with the Common Fund for Commodities in recent years. ICAC itself has sponsored more than twenty projects for CFC financing, which have generated important benefits for the world cotton sector and delivered concrete results for ICAC members. The CFC is now undergoing a process of institutional change and is unlikely to be able to assist the ICAC to the extent it did in the past. So, the search for new sources of

project finance must be a priority.

With regard to sustainability, the challenge lies in assisting the world cotton sector in responding to the increasing interest of civil society as a whole in long-term development on a sustainable basis. However, much more work needs to be done on evaluating the relative costs and benefits of sustainability initiatives. The sustainability of the world cotton sector is also improved by ICAC activities in the development and institutionalization of quality standards, an area of the organization's work that must be expanded even further. A particular concern for the sustainability of the world cotton sector is demand. Unlike many other commodities that are benefitting from growth in emerging markets, demand for cotton is not dynamic. While recognizing the limits of the ICAC's involvement in promoting demand, it is important to seek creative and cost-effective ways to increase the consumption of cotton all over the world.

So, although ICAC has a very strong base on which to build, much remains to be done for the organization to continue to play its vital role into the future.

"Sneh Sammelan" Organised At Cotton Green

In keeping with the rich tradition, the Cotton Association of India, jointly with Bombay Cotton Merchants' & Muccadums Association, organised a "Sneh Sammelan", a get-together to celebrate Diwali and New Year on November 7, 2013. It was well attended by large number of members and their families.

It was wonderful opportunity for all segments of the cotton community to come closer, exchange views and wish each other on this happy occasion.

Shri Dhiren N. Sheth, President, CAI alongwith Shri Nayan C. Mirani, Vice-President, CAI and Shri K.F. Jhunjhunwala, Director, CAI welcomed the members present on the occasion. They addressed the members and expressed hope that the current season will bring all round prosperity for the cotton trade and benefit all the members.

All members present at the get-together took the prasad of Lord Ramachandra Ji.

(Glimpses of Sneh Sammelan)



CAI Releases October Estimate for the 2013-14 Cotton Season

The Association has released its October estimate of the cotton crop for the season 2013-14 beginning on 1st October 2013 at 380.50 lakh bales of 170 kgs. each.

The Association has retained the crop for the season 2012-13 at 356.75 lakh bales. The State-wise production estimates of the Association are given below:

CAI's Estimates of Cotton Crop as on 31st October 2103			
State	Production (in lakh bales)		
	2013-14	2012-13	
Punjab	15.25	15.50	
Haryana	22.75	24.00	
Upper Rajasthan	5.50	7.50	
Lower Rajasthan	9.00	8.50	
Total North Zone	52.50	55.50	
Gujarat	113.50	83.25	
Maharashtra	77.25	72.50	
Madhya Pradesh	18.25	18.00	
Total Central Zone	209.00	173.75	
Andhra Pradesh	67.50	78.00	
Karnataka	15.50	13.50	
Tamil Nadu	5.00	5.00	
Total South Zone	88.00	96.50	
Orissa	3.00	3.00	

Others	2.00	2.00
Total	354.50	330.75
Loose Cotton	26.00	26.00
All-India	380.50	356.75

The Balance Sheet drawn by the Association for 2013-14 and 2012-13 is reproduced below:

Details	(in lakh bales)	
	2013-14	2012-13
Opening Stock	43.25	54.75
Production	380.50	356.75
Imports	15.00	14.75
Total Supply	438.75	426.25
Mill Consumption	260.00	251.00
Consumption by SSI Units	24.00	24.00
Non-Mill Use	16.00	10.00
Exports	-	98.00
Demand	300.00	383.00
Available Surplus	138.75	-
*Closing Stock	-	43.25

In its press communique, CAI has stated that with the monsoon finally having withdrawn, arrivals have begun in right earnest. Prices prevailing of seed cotton have come down substantially raising fear of a possible MSP operation specially in Andhra Pradesh.

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ASSOCIATES THROUGHOUT THE WORLD

ICAC'S Cotton This Month

According to the latest release of November 1, 2013 of International Cotton Advisory Committee, international cotton prices moved downward during October 2013, falling from 93 cents per pound at the start of the month to 85 cents per pound in the last few days. However, the 2013/14 average for the first three months of the season is 91 cents per pound, up by 10% from a year ago. The forecast for the season average Cotlook A Index in 2013/14 ranges from 76 to 103 cents per pound, with a midpoint of 88 cents per pound.

In 2013/14, production will exceed consumption by about 2 million tons of cotton, contributing to the fall in prices this month as recent harvesting data indicate that production in several major countries will be larger than originally expected. Since last month, world production has increased from 25.5 million tons to 25.7 million tons. Good weather during harvesting has increased yield, production and quality expectations in Greece and the United States, off-setting decreased production estimates in Uzbekistan. On one hand, Greece's production is now projected at 270 thousand tons, up 36,000 tons from last month and the United States at 2.95 million tons, up by 141 thousand tons from last month. On the other hand Uzbekistan's production is projected at 920 thousand tons, down from 1 million tons last month. Production in India, 6.37 million tons, and Pakistan, 2.03 million tons, remain unchanged from last month. In Brazil, the area planted for cotton is expected to increase in 2013/14 compared to last season, and production is now forecast at 1.6 million tons, an increase of 22% compared to last season.

World cotton consumption is forecast at 23.7 million tons in 2013/14, up by just 1% from last season. Global economic growth is expected to remain slow this year. The International Monetary Fund has projected global GDP growth for 2013 at 3.3%, compared with 3.2% in 2012. However, the International Monetary Fund forecasts 4% global GDP growth in 2014, and cotton consumption for 2014/15 is forecast to increase to 24.6 million tons. In 2013/14, consumption in China is forecasted at 8.04 million tons, accounting for 34% of projected world cotton consumption, which is a decrease in its share since a record 40% in the 2009/10 season. Since 2009/10, cotton consumption has been slowly moving to other countries, particularly India, which

is projected to consume 5.02 million tons of cotton this season.

World cotton imports are projected at 8.6 million tons in 2013/14, down 13% from last season, due to the decrease in imports by China. In 2013/14, imports by China are projected at 3.2 million tons, a decrease of 40% since 2011/12, when imports reached a record of 5.3 million tons. Imports by the rest of the world are expected to remain the same at 5.4 million tons. Exports from the United States and India declined compared with last season to 2.3 million tons and 1.3 million tons, respectively.



World ending stocks for 2013/14 are projected at 20.8 million tons with the majority, 55%, held by China. On September 18, the China National Cotton Reserves Corporation started purchasing cotton, and as of October 29, it had purchased 903,230 tons of cotton, 74% of which is sourced from Xinjiang. This represents 51% of the planned quantity for this time period and is significantly less than the quantity of cotton purchased during the same time period last season. By the same date last year, procurement had already reached 1.6 million tons, which represented 58% of the planned quantity for September and October 2012. Stricter requirements for cotton eligible for purchase this year, decreased domestic production, and a late start to harvesting contributed to the decrease in the quantity procured this season. Ending stocks outside China are also projected to increase this season by approximately 340 thousand tons, which is about 16% of the projected increase in world ending stocks.

The world cotton demand and supply, as drawn up by the ICAC, is given below.

	(in mt)		
	2012-13	2013-14	2014-15
Beginning Stock	15.23	18.59	20.76
Production	26.91	25.73	25.16
Consumption	23.36	23.68	24.60
Exports	10.03	8.59	7.93
Ending Stocks	18.59	20.76	21.32

(Source: ICAC Monthly - 01.11.2013)

SUPPLY AND DISTRIBUTION OF COTTON						
November 1, 2013						
Seasons begin on August 1	Million Metric Tons					
2008/09	2009/10	2010/11	2011/12	2012/13 Est.	2013/14 Proj.	2014-15 Proj.
BEGINNING STOCKS						
WORLD TOTAL	11.942	8.676	10.081	15.227	18.59	20.76
China (Mainland)	3.585	2.688	2.087	6.181	9.61	11.44
USA	1.380	0.642	0.566	0.729	0.85	0.77
PRODUCTION						
WORLD TOTAL	22.247	25.869	28.041	26.913	25.73	25.16
China (Mainland)	6.925	6.400	7.400	7.300	6.70	5.95
India	5.185	5.865	6.354	6.095	6.37	6.25
USA	2.654	3.942	3.391	3.770	2.95	3.26
Brazil	1.194	1.960	1.877	1.303	2.03	2.36
Pakistan	2.070	1.907	2.311	2.204	1.59	1.50
Uzbekistan	0.850	0.910	0.880	1.000	0.92	0.98
Others	3.369	4.385	5.827	5.242	5.18	4.87
CONSUMPTION*						
WORLD TOTAL	25.520	24.502	22.796	23.357	23.68	24.60
China (Mainland)	10.192	9.580	8.635	8.290	8.04	7.80
India	4.300	4.509	4.340	4.845	5.02	5.52
Pakistan	2.393	2.100	2.217	2.416	2.49	2.64
East Asia & Australia	1.892	1.796	1.646	1.858	2.00	2.21
Europe & Turkey	1.600	1.549	1.495	1.532	1.58	1.71
Brazil	1.024	0.958	0.888	0.887	0.93	0.93
USA	0.773	0.849	0.718	0.751	0.76	0.80
CIS	0.604	0.577	0.550	0.576	0.60	0.61
Others	2.743	2.583	2.306	2.203	2.28	2.39
EXPORTS						
WORLD TOTAL	7.798	7.636	9.870	10.030	8.59	7.93
USA	2.621	3.130	2.526	2.902	2.26	2.38
India	1.420	1.085	2.159	1.685	1.33	1.01
Brazil	0.433	0.435	1.043	0.938	0.81	0.70
Australia	0.460	0.545	1.010	1.45	1.00	0.76
CFA Zone	0.560	0.476	0.597	0.796	0.92	0.94
Uzbekistan	0.820	0.600	0.550	0.653	0.68	0.53
IMPORTS						
WORLD TOTAL	7.928	7.725	9.760	9.839	8.59	7.93
China	2.374	2.609	5.342	4.426	3.18	1.94
East Asia & Australia	1.989	1.825	1.998	2.315	2.35	2.41
Europe & Turkey	1.170	0.972	0.724	1.015	0.74	1.06
Pakistan	0.342	0.314	0.173	0.593	0.85	0.92
CIS	0.209	0.132	0.098	0.072	0.08	0.08
TRADE IMBALANCE 1/	0.130	0.089	-0.111	-0.392	0.00	0.00
STOCK ADJUSTMENT 2/	-0.122	-0.051	0.013	0.000	0.12	0.00
ENDING STOCKS						
WORLD TOTAL	8.676	10.081	15.227	18.591	20.76	21.32
China (Mainland)	2.688	2.087	6.181	9.607	11.44	11.53
USA	0.642	0.566	0.729	0.848	0.77	0.85
ENDING STOCKS/MILL USE (%)						
WORLD-LESS-CHINA(M) 3/	39	54	64	60	59	58
CHINA (MAINLAND) 4/	26	22	72	116	142	148
Cotlook A Index 5/	78	164	100	88		

1/ The inclusion of linters and waste, changes in weight during transit, differences in reporting period and measurement error account for difference 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 Monthly November 2013)

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) 2013-14 Crop NOVEMBER 2013					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	4th	5th	6th	7th	8th	9th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 - 7.0	15			11332 (40300)	11332 (40300)	11473 (40800)	11473 (40800)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 - 7.0	15			11614 (41300)	11614 (41300)	11754 (41800)	11754 (41800)
3	GUJ	ICS-102	Fine	22mm	4.0 - 6.0	20			8042 (28600)	8042 (28600)	8042 (28600)	8042 (28600)
4	KAR	ICS-103	Fine	23mm	4.0 - 5.5	21	H	H	9280 (33000)	9280 (33000)	9280 (33000)	9280 (33000)
5	M/M	ICS-104	Fine	24mm	4.0 - 5.5	23			10545 (37500)	10545 (37500)	10404 (37000)	10404 (37000)
6	P/H/R	ICS-202	Fine	26mm	3.5 - 4.9	26	O	O	N.Q.	N.Q.	N.Q.	N.Q.
7	M/M/A	ICS-105	Fine	26mm	3.0 - 3.4	25			N.Q.	N.Q.	N.Q.	N.Q.
8	M/M/A	ICS-105	Fine	26mm	3.5 - 4.9	25	L	L	N.Q.	N.Q.	N.Q.	N.Q.
9	P/H/R	ICS-105	Fine	27mm	3.5 - 4.9	26			11501 (40900)	11670 (41500)	11473 (40800)	11276 (40100)
10	M/M/A	ICS-105	Fine	27mm	3.0 - 3.4	26	I	I	N.Q.	N.Q.	N.Q.	N.Q.
11	M/M/A	ICS-105	Fine	27mm	3.5 - 4.9	26			N.Q.	N.Q.	N.Q.	N.Q.
12	P/H/R	ICS-105	Fine	28mm	3.5 - 4.9	27	D	D	11698 (41600)	11867 (42200)	11670 (41500)	11501 (40900)
13	M/M/A	ICS-105	Fine	28mm	3.5 - 4.9	27			11164 (39700)	11164 (39700)	11192 (39800)	11192 (39800)
14	GUJ	ICS-105	Fine	28mm	3.5 - 4.9	27	A	A	11192 (39800)	11192 (39800)	11192 (39800)	11192 (39800)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 - 4.9	28			11248 (40000)	11304 (40200)	11332 (40300)	11332 (40300)
16	GUJ	ICS-105	Fine	29mm	3.5 - 4.9	28	Y	Y	11360 (40400)	11417 (40600)	11389 (40500)	11389 (40500)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 - 4.9	29			11445 (40700)	11389 (40500)	11389 (40500)	11389 (40500)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 - 4.9	30			11614 (41300)	11473 (40800)	11473 (40800)	11473 (40800)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 - 4.9	31			11726 (41700)	11585 (41200)	11585 (41200)	11585 (41200)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0 - 3.8	33			14904 (53000)	14904 (53000)	14904 (53000)	14904 (53000)

(Note: Figures in bracket indicate prices in Rs./Candy) N.Q. = Not Quoted