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# Cotton Statistics And News

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## Association Places 2012-13 Cotton Crop at 354.25 Lakh Bales

The Association has released recently its October estimates of the cotton crop for the season 2012-13. In a Press Note issued by the Association on the subject, it is stated that cotton production during 2012-13 will be at 354.25 lakh bales while the acreage under cotton is likely to witness a 3 percent decrease as compared to last year. The State-wise details of the production estimates of the Association are given in the table below:

Production Estimates as on October 2012		
State	Production (in lakh bales)	
	2011-12	2012-13
Punjab	18.00	15.75
Haryana	27.50	22.00
Upper Rajasthan	10.00	8.50
Lower Rajasthan	7.75	8.50
<b>Total North Zone</b>	<b>63.25</b>	<b>54.75</b>
Gujarat	114.00	80.00
Maharashtra	72.00	80.00
Madhya Pradesh	18.00	18.00
<b>Total Central Zone</b>	<b>204.00</b>	<b>178.00</b>
Andhra Pradesh	58.00	74.00
Karnataka	13.00	12.00
Tamil Nadu	5.00	5.00
<b>Total South Zone</b>	<b>76.00</b>	<b>91.00</b>
Orissa	2.00	2.50
Other	2.00	2.00
<b>Total</b>	<b>347.25</b>	<b>328.25</b>
Loose Cotton	26.00	26.00
All-India	373.25	354.25

The crop looks promising despite reduction in cotton acreage due to the good rains received in

Andhra Pradesh and Maharashtra in the later part of the monsoon.

The Cotton Balance Sheet as drawn up by the Association for 2011-12 and 2012-13 is given below:

	(in lakh bales)	
	2011-12	2012-13
Opening Stock	53.27	53.21
Production	373.25	354.25
Imports	9.00	10.00
<b>Total Supply</b>	<b>435.52</b>	<b>417.46</b>
Mill Consumption	217.68	230.00
Consumption by SSI	21.63	20.00
Non-Mill Consumption	16.00	16.00
Exports	127.00	-
<b>Total Demand</b>	<b>382.31</b>	<b>266.00</b>
Available Surplus	53.21*	151.46

\*Closing Stock

The total cotton supply is placed at 417.46 lakh bales while the domestic consumption is estimated at 266 lakh bales, thus leaving an available surplus of 151.46 lakh bales during 2012-13. The arrivals as on 31st October is placed at 11.75 lakh bales.

In the said press communique, it is further pointed out that the Association has requested the Government to remove the minor irritant in the form of a ceiling of 10000 bales upto which an exporter can apply for registration at a time and to do away with the requirement of registering cotton exports altogether. The Association has stated that it is heartening to note that the government has geared up to meet the challenge of a big minimum support price operation and that the burden of the Government will be drastically reduced if the exports are expedited by providing a facilitative and exporter friendly policy.

CAI wishes all our readers A Happy Diwali & Prosperous New year

## Cotton Prices Move Down in October

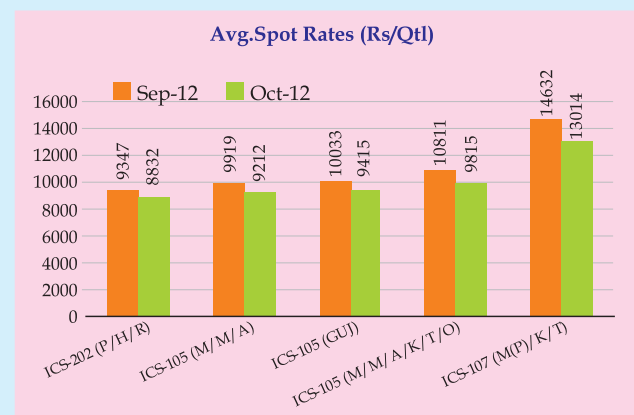
Domestic cotton prices drifted downward during October, the first month of the new season, 2012-13. The data on prices of some representative growth during September and October are given below:

Avg. Spot Rate (Rs.\Qtl.)		
Growth	Sept. '12	Oct. '12
ICS-202 (P/H/R)	9,347	8,832
ICS-105 (M/M/A)	9,919	9,212
ICS-105 (GUJ)	10,033	9,415
ICS-105 (M/M/A/K/T/O)	10,811	9,815
ICS-107 (M(P)/K/T)	14,632	13,014

The fall in prices during October ranged from a low of Rs. 618 per quintal in the case of P/H/R to a high of Rs. 1618 per quintal in the case of M(P)/K/T. The prices had already been ruling weak in September as compared to August when prices had touched a high compared to the previous months.

The fall in prices of all growths in October was mainly due to two factors. One was the rising market arrivals of the new crop and the other was

the drop in demand from spinning mills. On the one hand, both domestic and foreign demand for yarn was quite subdued, and on the other hand, mills were looking forward to a further fall in cotton prices as the 2011-12 crop was estimated by the Cotton Advisory Board to be higher at 353 lakh bales compared to 339 lakh bales in 2010-11. Also, the world cotton prices are projected to be lower in 2012-13 compared to 2011-12. The International Cotton Advisory Committee (ICAC) has stated that with the projected fall in cotton imports by China, the outlook in the rest of the world is conducive to lower international prices in 2012-13.



## Production of Cotton and Yarn in Major States

It is well known that the shares of different States in the national output of cotton and cotton yarn are not in alignment. This is obviously because while the production of cotton largely depends on the agro-climatic conditions and the traditional pattern of growing different crops, the production of yarn depends on the growth of textile industry and the initiatives of industrial entrepreneurs. It will thus be interesting to study the present situation in the major States. The relevant data in this regard are given below:

Percentage Share of Cotton and Cotton Yarn		
State	Share of	Share of
	Cotton	Cotton Yarn
Punjab	5	15
Haryana	7	5
Rajasthan	5	4
Gujarat	34	5
Maharashtra	21	8
Madhya Pradesh	5	2
Andhra Pradesh	16	8
Karnataka	4	1
Tamil Nadu	2	39

It will be seen that -

- While Tamil Nadu is the top ranking State in the production of cotton yarn, with a share of 39 per cent of the country's total, its share in the production of cotton is only about two per cent.
- Punjab is the second major producer of cotton yarn in the country with a share of about 15 per cent but its share in cotton production is only about five per cent.
- The third largest producer of cotton yarn in the country is Maharashtra with a share of 8.25 per cent, while its share in the country's cotton output is much higher at 21 per cent.
- Andhra Pradesh takes the fourth rank in the production of cotton yarn, with a share of 8.24 per cent but it has a share of 16 per cent in total cotton production.



<b>UPCOUNTRY SPOT RATES</b> (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 November 2012					
Sr. No.	Growth Standard	Grade /GPT	Grade	Staple	Micronaire	Strength	5th	6th	7th	8th	9th	10th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	11304 (40200)	11304 (40200)	11304 (40200)	11304 (40200)	11220 (39900)	11304 (40200)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	11445 (40700)	11445 (40700)	11445 (40700)	11445 (40700)	11360 (40400)	11445 (40700)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	7311 (26000)	7311 (26000)	7311 (26000)	7311 (26000)	7311 (26000)	7311 (26000)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	8155 (29000)	8155 (29000)	8155 (29000)	8155 (29000)	8155 (29000)	8155 (29000)
5	M/M	ICS-104	Fine	24mm	4.0 – 5.5	23	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
6	P/H/R	ICS-202	Fine	26mm	3.5 – 4.9	26	8577 (30500)	8717 (31000)	8773 (31200)	8858 (31500)	8914 (31700)	8886 (31600)
7	M/M/A	ICS-105	Fine	26mm	3.0 – 3.4	25	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
8	M/M/A	ICS-105	Fine	26mm	3.5 – 4.9	25	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
9	P/H/R	ICS-105	Fine	27mm	3.5 – 4.9	26	8660 (30800)	8830 (31400)	8886 (31600)	8970 (31900)	8970 (31900)	8942 (31800)
10	M/M/A	ICS-105	Fine	27mm	3.0 – 3.4	26	N.Q.	N.Q.	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.	N.Q.	N.Q.
12	P/H/R	ICS-105	Fine	28mm	3.5 – 4.9	27	8998 (32000)	9167 (32600)	9223 (32800)	9223 (32800)	9251 (32900)	9223 (32800)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	9111 (32400)	9111 (32400)	9280 (33000)	9280 (33000)	9280 (33000)	9280 (33000)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	9167 (32600)	9167 (32600)	9336 (33200)	9336 (33200)	9336 (33200)	9336 (33200)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	9364 (33300)	9420 (33500)	9420 (33500)	9420 (33500)	9420 (33500)	9420 (33500)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	9392 (33400)	9420 (33500)	9420 (33500)	9420 (33500)	9420 (33500)	9420 (33500)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	9448 (33600)	9505 (33800)	9505 (33800)	9505 (33800)	9505 (33800)	9505 (33800)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	9561 (34000)	9617 (34200)	9701 (34500)	9842 (35000)	9842 (35000)	9842 (35000)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 – 4.9	31	9758 (34700)	9814 (34900)	9926 (35300)	10067 (35800)	10067 (35800)	10067 (35800)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0 - 3.8	33	12795 (45500)	12851 (45700)	12570 (44700)	12570 (44700)	12570 (44700)	12570 (44700)

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