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As Prices Fall: Impacts on Cotton Mill Use

With a Ph.D. in Agricultural and Resource Economics from Oregon State University in the USA, Dr. Terry Townsend is a consultant on commodity issues. He served as executive director of the International Cotton Advisory Committee (ICAC) and has also worked at the United States Department of Agriculture for five years, analyzing the U.S. cotton industry and editing a magazine devoted to a cross-section of agricultural issues.

The Cotlook A Index has fallen from nearly \$1 per pound earlier this year to less than 70 cents currently. The forecast rise in world stocks to more than 20 million tons by the end of 2014/15, an expectation of reduced imports by

China and changes in the stocks policy of China, are contributing to the reduction in cotton prices. Furthermore, given the size of world stocks, it is likely that the Cotlook A Index will remain below

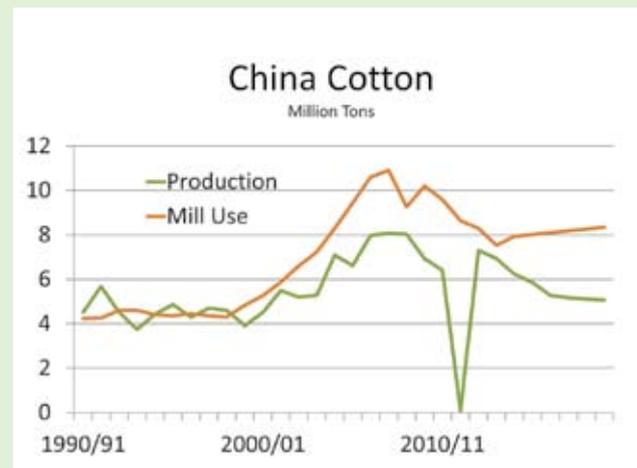
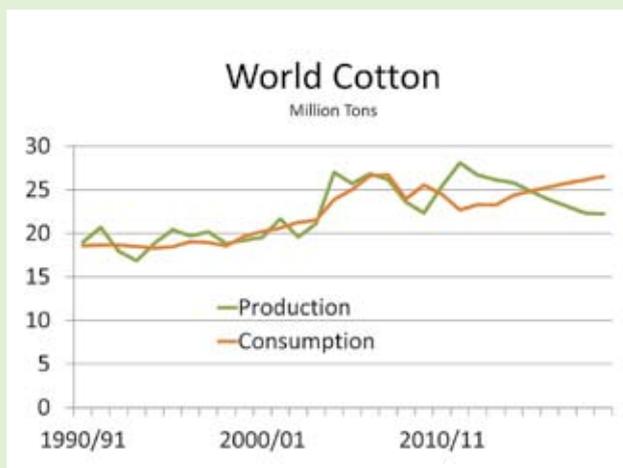
EXPERT'S Column

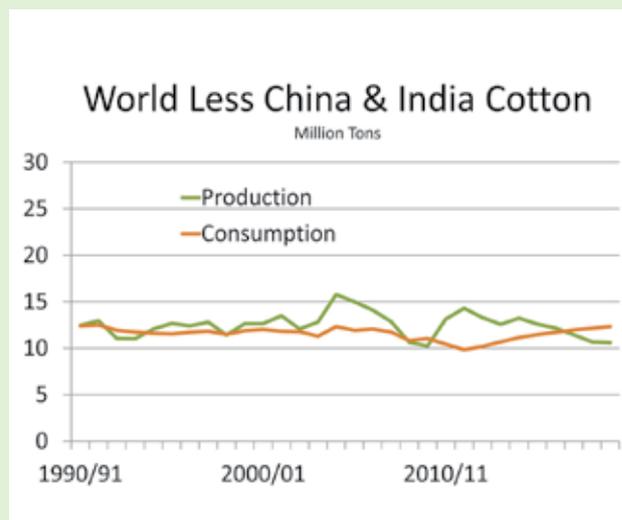
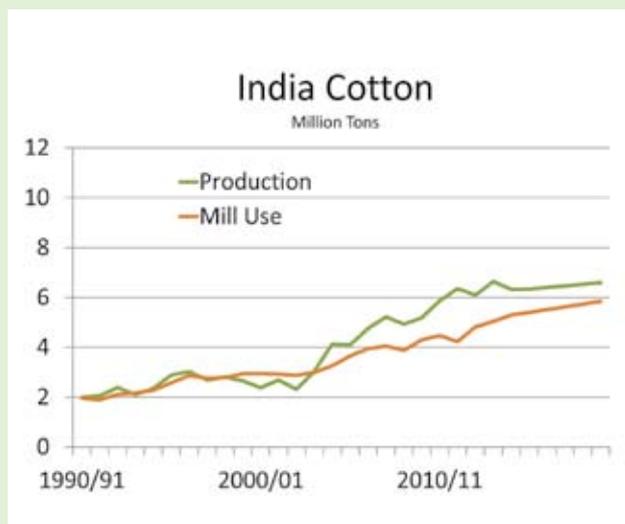


Dr. Terry Townsend

the long run average of 72 cents a pound for several years. The decline in prices from well above average to below average will have significant impacts on the world cotton value chain, including both producers and spinners.

The impacts of lower prices on producers are obvious. Prices will fall below the cost of production for many, causing reductions in cotton area and input use. Research indicates that other things equal, a decline in cotton prices of 10 percent results in a decline in cotton production the following season of one to





two percent. Accordingly, given that the A Index has fallen about 30% since March, a decline in production of 3% to 6% (800,000 to 1.6 million tons) might be expected in 2015/16. Prices of competing crops, such as wheat, maize, and soybeans have also fallen from last season. Nevertheless, a decline in cotton production to around 25 million tons in 2015/16 is likely. Additional declines in world cotton production during 2016/17 and beyond are probable as cotton prices remain below average. Eventually, world cotton production may drop to the level seen in 2009/10 following the recession in 2008 of about 22 million tons. Producers with relatively high costs of production will be affected the most, and among the major producers, the largest declines are likely to occur in the United States and Brazil. Cotton production in China is declining because of an emphasis on food production in the eastern provinces, and the decline is likely to continue regardless of the level of cotton prices.

The decline in cotton prices will also affect world mill use. World cotton consumption peaked at 26.7 million tons in 2007/08, the year before the recession, and is estimated at just 24.4 million tons in 2014/15, a dismal 7-year period of decline caused by recession and above-average cotton prices. Generally, the response of mill use to changes in cotton prices is smaller than the response of production to the same change in prices. Accordingly, the 30-percent decline in cotton prices since March will probably result in a rise in cotton consumption of 2% to 4% in 2015/16, or about 500,000 tons to 1 million tons with further increases during 2016/17 and beyond until world ending stocks are reduced to around 6 months of use.

In addition to an increase in world mill use, the decline in prices will cause shifts in the location of mill use. The biggest initial impact will be on China itself as lower cotton prices in China result in reduced imports of yarn and fabric and a rebound in mill use. Mill use of cotton in China fell from more nearly 11 million tons before the recession and more than 10 million tons in 2009/10 to about 7.5 million tons in 2013/14, a drop of one-fourth in just four years. Mill use in China is already moving higher in 2014/15, and further gains are likely in the years ahead.

Meanwhile, mill use in India rose from 4 million tons before the recession and 4.3 million tons in 2009/10 to 5 million by 2013/14. With the exception of a few small countries, mill use was little changed in other countries. Thus, China absorbed essentially the entire decline in world mill use between 2009/10 and 2013/14, while India was the only country to experience a significant increase during those years.

With the decline in Chinese and world cotton prices, the disadvantage that afflicted China and the advantage that accrued to India since 2009/10 will be substantially lessened. Therefore, even as world mill use rises in 2015/16 and future years, most of the increase is likely to be absorbed by China, growth in cotton use in India will be slower than it has been in the most recent four years. Counter intuitively, even with world mill use expanding again under the influence of lower cotton prices, cotton mill use outside China and India may even decline over the next three years as Chinese buyers of yarn and fabric turn to domestic sources rather than imports.

A Hundred Years of Indian Cotton

By Professor M.L. Dantwala

CHAPTER VII: FUTURES TRADING

In a previous chapter we made a rapid survey of the evolution of trade associations in the cotton trade. Therein we briefly reviewed the history of the birth and growth of the East India Cotton Association. A hundred years after the nebulous commencement of some sort of organized trading in cotton, the East India Cotton Association stands out as the premier institution in India's cotton world.

The Bombay Cotton Contracts Act, 1932, at present determines the legal arrangement for the regulation and control of the cotton trade. The East India Cotton Association is the "recognized" Cotton Association for the purposes of the Act. The provision for "recognition" runs as follows:

- (1) A cotton association, desirous of being recognised for the purposes of this Act, shall make an application in writing to the Governor-in-Council for such recognition and shall submit bye-laws for the regulation and control of transactions in cotton and furnish such information in regard to such recognition as the Governor-in-Council may from time to time require.
- (2) The Governor-in-Council may give or refuse such recognition.
- (3) The Governor-in-Council shall refuse recognition unless:
 - (a) it is provided in the bye-laws submitted by the cotton association under sub-section (1) that not less than one-fourth of the total number of the Board of Directors of the cotton association applying for recognition shall be growers of cotton to be appointed in the manner prescribed in the said bye-laws and approved by the Governor-in-Council; and
 - (b) the Governor-in-Council is satisfied that the sole possession and effective management, control and regulation of the markets of the cotton association applying for recognition and of the market places of the said cotton association are vested in the said cotton association.

The Cotton Contracts Act permits, subject to the sanction of the Governor-in-Council, a recognized cotton association to make and rescind bye-laws providing for:-

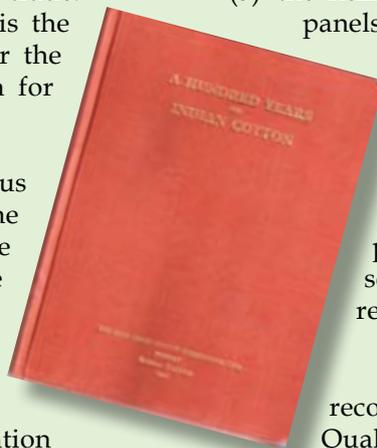
- (1) the constitution of the Board of Directors ;
- (2) the powers and duties of the Board of Directors and the manner in which its business shall be conducted ;
- (3) the number and the constitution of electoral panels and the representation upon such panel ; and
- (4) the method of appointment of members to the Board of Directors.

The bye-laws so made are to be placed before the legislature at the next session and are liable to be modified or rescinded by its resolution.

Four main types of membership are recognized by the Articles of Association. Qualifications and privileges attaching to different categories of members are given below:-

The Articles of Association of the East India Cotton Association provide for a Board of Directors consisting of not more than 20 and not less than 12 persons. The Brokers' panel has a right to elect six members, and the Buyers' and the Sellers' panels four each. The Indian Central Cotton Committee can nominate three persons from Growers' Representatives on their Committee and the Government of Bombay can nominate two growers of cotton. Article 51 permits co-option of one Director to represent the general body of members, and the present President, Sir Purshotamdas Thakurdas, most appropriately represents this constituency.

The Board has, subject to the sanction of the Governor-in-Council, power to make bye-laws for the regulation and control of transactions in cotton. The bye-law-making power of the Board covers a wide range of subjects. Section 6 of the Cotton Contracts Act authorizes the Board specifically to make bye-laws for:-



Membership

Type	Qualifications	Deposit	Annual subscription	Privileges
1 Original	1 Place of business in Bombay. 2 Applied before 10th May 1922.	Rs. 10,000 paid up 1st instalment of Rs. 5,000	Rs. 200	All.
2 (a) New Members	Traded in cotton in Bombay for not less than 3 years.	Rs. 20,000 In addition entrance fee of Rs. 2,500 from 1st April 1929	Rs. 200	All.
(b) Non-British	Provided their respective countries give similar facilities to British Indian subjects	Rs. 50,000	Rs. 200	All.
3 Special Associate	1 Members of the Clearing House established by the Cotton Contracts Board or a broker licensed by that body. 2 Applied before 31st March 1932	Rs. 5,000	Rs. 200	1 Entitled to trade in the "Ring" and to use Clearing House. 2 Not entitled to (a) vote, (b) to have vested interest, (c) to be present at a General Meeting, (d) or act as a Director.
4 Associate Members	1 Member of the Clearing House established by the Cotton Contracts Board or a broker licensed by that body. 2 Applied before 10th March 1932 3 Place of business in British India	Rs. 500	Rs. 50	1 No vested interest. 2 Not entitled to trade in their own name in the Ring. 3 Not entitled to use the Clearing House. 4 Not entitled to (a) be present at a General Meeting, (b) be a Director, or (c) vote.
(a) Original				
(b) New	Place of business in British India	Rs. 1,000	Rs. 50	
(c) Non-British	Place of business in British India	Rs. 5,000	Rs. 100	

(a) the admission of various classes of members of a recognized cotton association and the exclusion, suspension, expulsion and re-admission of such members;

(b) the opening and closing of markets in cotton and the times during which such markets shall be opened or closed, and for regulating the hours of trade;

(c) a clearing house for the periodical settlement

of contracts or difference thereunder and for the passing on of delivery orders and for any purpose in connection with options in cotton, and the regulation and maintenance of such a clearing house;

(d) the number and classes of contracts in respect of which settlements shall be made or differences paid through the clearing house;

(e) fixing, altering or postponing settling days;

- (f) determining and declaring the market rates for cotton of any and every description;
- (g) the terms, conditions and incidents of contracts and the forms of such contracts as are in writing;
- (h) regulating the making, performance and cancellation of contracts including contracts between a commission agent and his constituent, or between a broker and his constituent, or between a jethawala or muccadam and his constituent, or between a member and a non-member of a recognized cotton association, and the consequences of insolvency on the part of a seller or buyer or intermediary, the consequences of a breach or omission by a seller or buyer and the responsibility of commission agents, muccadams and brokers not parties to such contracts;
- (i) the prohibition of specified classes or types of dealings in cotton by a member of a recognized cotton association;
- (j) the settlement of claims and disputes by arbitration and appeals against awards;
- (k) the levy and recovery of subscriptions, fees, fines, and penalties;
- (l) disciplinary measures against members of a recognized cotton association, including suspension, expulsion, fines and non-monetary penalties, for breach of any bye-law made by the Board of Directors;
- (m) regulating the course of business between parties to contracts in any capacity;
- (n) the institution, maintenance and control of certified godowns and;
- (o) regulating the making, performance and cancellation of options in cotton.

For the cotton year ending 31st August 1946, the East India Cotton Association had 258 Original Members, 178 New Members, 6 Special Associate Members, 4 Original Associate Members, 88 New Associate Members, and 2 Non-British New Associate Members. In all it had 436 Full Members, 6 Special Associate Members, and 94 Associate Members on its register. The membership, as will

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be remembered, is divided into panels of Buyers, Sellers and Brokers. Their respective strength during the year was 62, 111 and 263.

The Committee of the Cabinet which recently reported on this question has recommended that the present system of Directors being chosen to represent different interests should continue but that the election should be by the general body as a whole and not by panels thereof. In other words, the Directors should be divided into panels but not the general body. It recommended that the Board should consist of 22 Directors, with four seats each for buyers, sellers and brokers, three representatives of the growers to be nominated by the Indian Central Cotton Committee and four persons nominated by Government. Associate members are to have two seats on the Board. The Committee is of the view that there should be no limit to the admission of new members.

Many important functions of the association are performed through various Committees and Sub-Committees: the Survey-Committee, the Appeal and Super-Appeal Committee, the Clearing House Committee, and the Daily Rates Committee.

Let us briefly survey the working of the Futures trading on the Bombay market, and its ancillary functions like those of the Clearing House and the Survey System, under the East India Cotton Association.

Forward Trading: By a long-standing practice, forward trading in Bombay was daily carried on in two separate sessions, at two different places. The afternoon session took place at Colaba and later at Sewri from 4-30 to 6-30 p. m. The mid-day session was held at the Marwari Bazaar in a dingy little room under the control of the Bombay Cotton Brokers' Association. The afternoon session at Sewri was interrupted in 1929 by riots, and was half-heartedly revived after the tension relaxed. Separated as it was by a distance of three miles from the Marwari Bazaar, the heart of the cotton trade, Sewri was not a convenient place for Futures trading. In February 1929 the afternoon sessions at Sewri were discontinued. Only spot trading was carried on between 11 a.m. and 2 p.m.

In 1934, following the recommendation of the Wiles Committee, the East India Cotton Association took over the control and management of the cotton "ring". Forward trading now takes place between 12-30 p.m. and 5-30 p.m. on the ground floor of the magnificent six-storeyed building of the Association at the junction of Sheikh Memon Street and Kalbadevi Road. The foundation stone of the building was laid on 12th February 1936,

the Exchange was opened on 2nd April 1938, and the Trading Hall was thrown open on 31st August 1938. The land with the old structures which had to be demolished, was purchased for Rs.7,75,000. The building itself cost nearly Rs.12 lakhs. On the ground floor a spacious trading "ring" is provided with many modern appurtenances. There are more than 100 telephone booths on the ground floor and the two galleries, and an equal number of rooms for members' offices, on other floors.

The Hedge Contracts: Before the war of 1939, the East India Cotton Association permitted the following five Hedge contracts:-

(1) Fully Good M. G. Bengal Contract, fair average staple of the season, including cotton from the United Provinces, the Punjab, Sind and Rajputana.

Basis:- M.G. Fully Good, United Provinces.
Months of delivery:- December/January, March, May, July.

(2) Fully Good M.G. Broach Contract, fair average staple of the season, including cotton of the following descriptions: Broach, Saw-ginned Dharwar, Punjab-American, Surat, Navsari, Rajpipla, Dholleras, Kalagin, Cutch and Kadi Viramgaum.

Basis:- M.G. Fully Good, Broach.
Months of delivery:- April/May, July/August.

(3) Fine M.G. Oomra Contract, fair average staple of the season, including cotton from the Central Provinces and Berar.

Basis:- M.G. Fine, Berar.
Months of delivery:- December/January, March, May, July.

(4) Fully Good M.G. Oomra Contract, fair average staple of the season, including cotton from Berar, the Central Provinces, Central India, Khandwa/Burhanpur, Khandesh and Kathiawar (Muttia).

Basis:- M.G. Fully Good, Berar.
Months of delivery:- July and September.

(5) Good M.G. Southern Contract, including cotton of the following descriptions, namely, Westerns, Northerns, (excluding "Red"), Bijapore, Bagalkote, Compta, Miraj, Cambodias, Tinnevellies and Karungannis. The staple of Northerns, Compta, Miraj, Cambodias and Karungannis tendered to be not less than 7/8 of an inch in length. The staple of Westerns, Bijapore, Bagalkote and Tinnevellies tendered to be not less than 6/8 of an inch in length.

Basis:- M.G. Good, Westerns.
Months of delivery:- May/June, August/September.

The table below gives the number of bales annually tendered under the five Hedge contracts.

Year	F.G.M.G. Bengals Bales	F.G.M.G. Broach Bales	Fine M.G. Oomras Bales	F.G.M.G. Oomras Bales	<i>Bales of 400 lbs.</i>	
					Good M.G. Southerns Bales	Total Bales
1918-19	80,600	98,800	89,200		13,400	282,000
1919-20	90,900	66,400	84,600	800	17,700	260,400
1920-21	48,400	90,100	126,300		9,100	273,900
1921-22	77,400	132,300	509,200		8,700	727,600
1922-23	26,100	101,200	411,900		4,100	543,300
1923-24	29,100	9,800	68,000		700	107,600
1924-25	16,700	23,900	8,700		200	49,500
1925-26	29,100	58,800	63,100		2,600	153,600
1926-27	25,300	29,000	167,600			221,900
1927-28	21,100	17,400	28,000			66,500
1928-29	61,500	41,400	51,000			153,900
1929-30	111,600	81,300	122,000			314,900
1930-31	34,900	71,700	63,700			170,300
1931-32	28,800	35,400	20,800			85,000
1932-33	26,200	62,600	40,100			128,900
1933-34	53,500	10,400	62,000			125,900
1934-35	77,200	69,100	56,700			203,000
1935-36	26,500	263,800	16,050			306,400
1936-37	17,000	76,700	52,450			146,500
1937-38	8,700	132,200	19,850			160,750
1938-39	5,800	60,200	6,700			74,700
1939-40	29,150	61,600	31,050			121,800

A perusal of the number of bales tendered under each of these contracts shows that contracts 4 and 5, F.G.M.G. Oomras and Good M.G. Southerns, were, for all practical purposes, in-operative.

At an Extraordinary General Meeting of the East India Cotton Association, Ltd., held on 14th July 1942, the prevailing Hedge Contracts were replaced by the new Indian Cotton Contract. The *raison d'être* of the change was explained in an official publication as follows:

"Broach, for over a quarter of a century, has been the principal Hedge Contract and the barometer for Indian cotton prices. When the Broach Contract was inaugurated, Indian cotton crop was in the neighbourhood of 40 lakhs of bales. Broach, then, as a cross-section of the Indian crop was fairly representative of Indian fair-staple cotton. During the intervening period, the face of the Indian crop has changed. The crop now averages nearly 60 lakhs of bales a year. Further, improved varieties have been grown and there is now a preponderance of medium and long-staple varieties, i.e., varieties with a staple length of 3/4" and over. Again, internal mill consumption of Indian cotton has advanced from nearly 18 to 20 lakhs of bales at present. Also, the mainstay of our surplus cotton which is mostly short-staple and fair-staple cotton, was principally the Far Eastern markets and the Continent of Europe. These markets, owing to the exigencies of the war, no longer exist for Indian

cotton. It is, therefore, in the fitness of things that our main contract should have as its basis, cotton which caters to our domestic economy, i.e., medium staple cotton, rather than short or fair-staple cotton."

The basis of this new contract is Fine M.G. Jarilla cotton with a staple of 3/4". In addition to Jarilla and kindred varieties tenderable as "basic cotton," other descriptions, viz., Broach, Punjab-American and Sind-American, Surti, Rajpipla, Dhollera, Kalagin, Upland, Coompta, Western, Bijapore, Bagalkote, Miraj, Cambodia and Karunganni are tenderable, provided they have a minimum of 3/4" staple.* The stipulation for the staple length is introduced for the first time. The earlier contracts required only "the fair average staple of the season."

It is estimated that the total of all tenderable varieties is, in an average season, 3 million bales. This is double the quantity which was tenderable against the old Broach contract. It was feared at first that such an impressive load would unduly depress the Futures contract, but these apprehensions have not materialised. Special provisions have been devised to counteract manipulations of the contract. The Board of Directors is empowered to declare a state of "corner" or "bear raid" under certain circumstances, and on such declaration, additional measures come into operation, making the "corner" or the "bear raid," as the case may be, unattractive to the manipulators.

(To be continued)

COTAAP Corner

An Overview of Events During November 2014

Visit of Dy. Director, MSAMB, Maharashtra State

On Nov 3, 2014, Shri Pradip Patil, Dy. Director, Maharashtra State Agriculture Marketing Board, Pune, visited the COTAAP office to meet all the co-ordination committee farmer members to discuss crop condition and current problems faced by them. Shri Pradeep Gujarathi, Trustee, COTAAP presided over the meeting and committee members shared crop condition and gave feedback on the PPP project. Shri Pradip Patil expressed his satisfaction over the discussion and said that HDP Project in cotton by CAI on 1000 acres and its adoption by 7000-8000 farms in the tehsil is unique in every way.

HDP-Plot visit by Vice President & Head R&D, Mahyco Seeds

Mahyco Seeds is a partner of COTAAP in the PPP project. In order to evaluate the overall progress of the free seeds distributed by Mahyco Seeds, Dr. C. B. Chaporkar, Vice President and Shri Mayur Khetre, Agronomist, Mahyco Seeds, visited farmer plots of Shri Dinesh C. Patil in Dhanora, Shri Wajahat Ali Qazi, in Adawad and Dr. Ravindra Nikam in Machla on Nov 4, 2014.

On observing the HDP plots (under PPP), Dr. Chaporkar noted that there were more number of cotton bolls per plant and dense plantation per acre leading to a remarkable output as against non-HDP plots in the nearby region. Further, Dr. Chaporkar also proposed to take trials of their variety Bahubali for next year.



Dr. C. B. Chaporkar and Shri Mayur Khetre in discussion with a farmer

Visit of Shri Ranjit Parekh, Cotton Procurement Head, Arvind Ltd.

With an aim to promote clean cotton initiative, CAI's COTAAP Research Foundation has promoted the PPP project in involving all stakeholders in the value chain and an important partner of this project is Arvind Ltd, Ahmedabad.

Arvind Ltd. is the market link procuring contamination free cotton from farmers at a premium. The prime motive of PPP operation is to promote industry requirement of contamination free cotton availability and getting better returns to farmers.



Shri Parekh, (Arvind Ltd.), Shri Vasantlal Gujarathi, Shri Pradeep Gujarathi and farmers with cotton harvest bags.

To initiate the clean cotton drive, Shri Ranjit Parekh, Cotton Procurement Head, Arvind Ltd. distributed cotton harvest bags to farmers at Akulkheda village on Nov 8, 2014. Shri Vasantlal Gujarathi, Advisor, COTAAP Chopda unit, Shri. Pradeep Gujarathi, Trustee, COTAAP and progressive farmers like Shri Uday Patil and Shri Umesh Patil along with coordination committee members were also present on the occasion.

Shri Ranjit Parekh also guided farmers on various aspects of contamination and its severe impact on mill production. He also expressed happiness that such a project had been initiated by COTAAP and appreciated the model and level of farmers' involvement.

Cotton Consumption - Cotton Year-wise (Oct-September)

(In Lakh Bales)

Month	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13 (P)	2013-14 (P)
October	17.33	18.32	16.54	18.13	22.09	17.77	21.84	24.03
November	17.81	16.94	16.94	18.47	21.09	18.34	21.09	22.96
December	18.49	18.86	17.98	19.49	22.57	20.13	22.63	25.16
January	18.22	18.54	16.93	19.54	22.1	20.33	23.30	25.19
February	17.11	18.14	16.23	18.81	20.23	20.31	22.24	23.22
March	18.39	18.45	17.51	20.01	21.77	20.38	23.61	25.07
April	18.06	17.98	17.12	20.53	20.17	20.31	23.22	24.32
May	17.89	18.95	17.83	20.93	18.64	21.27	22.85	24.38
June	17.85	18.55	18.01	20.71	18.23	21.17	22.51	24.10
July	18.42	18.50	18.98	22.11	19	22.14	24.11	24.48
August	18.58	17.62	18.59	21.73	18.64	22.08	24.23	24.14
September	18.03	16.90	18.29	21.42	21.71	21.46	23.70	24.24
Total	216.18	217.75	210.96	241.88	246.23	245.47	275.34	291.28

(Source: Office of the Textile Commissioner)

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November 5, 2014

Seasons begin on August 1

Million Metric Tons

	2009/10	2010/11	2011/12	2012/13 Est.	2013/14 Est.	2014/15 Proj.
BEGINNING STOCKS						
WORLD TOTAL	11.752	8.480	9.593	14.727	17.412	20.18
China	3.585	2.688	2.087	6.181	9.607	12.07
USA	1.380	0.642	0.566	0.729	0.848	0.59
PRODUCTION						
WORLD TOTAL	22.250	25.631	27.947	26.773	26.340	26.24
China	6.925	6.400	7.400	7.300	6.929	6.44
India	5.185	5.865	6.239	6.205	6.766	6.80
USA	2.654	3.942	3.391	3.770	2.811	3.54
Pakistan	2.158	1.948	2.311	2.002	2.076	2.10
Brazil	1.194	1.960	1.877	1.310	1.705	1.51
Uzbekistan	0.850	0.910	0.880	1.000	0.940	0.94
Others	3.285	4.606	5.849	5.186	5.114	4.91
CONSUMPTION						
WORLD TOTAL	25.529	24.478	22.730	23.584	23.455	24.42
China	10.192	9.580	8.635	8.290	7.531	7.93
India	4.300	4.470	4.231	4.817	5.042	5.27
Pakistan	2.402	2.100	2.217	2.416	2.271	2.31
East Asia & Australia	1.892	1.801	1.685	1.981	2.243	2.33
Europe & Turkey	1.600	1.549	1.495	1.553	1.589	1.67
Brazil	1.024	0.958	0.897	0.890	0.889	0.89
USA	0.773	0.849	0.718	0.751	0.803	0.83
CIS	0.604	0.577	0.550	0.561	0.586	0.60
Others	2.743	2.592	2.302	2.325	2.501	2.60
EXPORTS						
WORLD TOTAL	7.799	7.725	9.847	10.167	8.865	7.86
USA	2.621	3.130	2.526	2.902	2.268	2.42
India	1.420	1.085	2.159	1.685	2.014	1.23
Australia	0.460	0.545	1.010	1.305	1.037	0.66
Brazil	0.433	0.435	1.043	0.938	0.485	0.57
CFA Zone	0.000	0.476	0.597	0.828	0.931	0.96
Uzbekistan	0.820	0.600	0.550	0.653	0.650	0.63
IMPORTS						
WORLD TOTAL	7.928	7.725	9.752	9.662	8.753	7.86
China	2.374	2.609	5.342	4.426	3.075	1.98
East Asia & Australia	1.989	1.825	1.998	2.352	2.360	2.38
Europe & Turkey	1.170	0.972	0.724	0.833	1.068	0.96
Bangladesh	0.887	0.843	0.680	0.631	0.987	1.00
CIS	0.209	0.132	0.098	0.062	0.067	0.07
TRADE IMBALANCE 1/ STOCKS ADJUSTMENT 2/	0.129 -0.122	0.001 -0.041	-0.095 0.013	-0.505 0.000	-0.112 0.000	0.00 0.00
ENDING STOCKS						
WORLD TOTAL	8.480	9.593	14.727	17.412	20.184	22.01
China (Mainland)	2.688	2.087	6.181	9.607	12.074	12.55
USA	0.642	0.566	0.729	0.848	0.590	0.88
ENDING STOCKS/MILL USE (%)						
WORLD-LESS-CHINA 3/	38	50	61	51	51	57
CHINA 4/	26	22	72	116	160	158
COTLOOK A INDEX 5/	78	164	100	88	91	

1/ The inclusion of linters and waste, changes in weight during transit, differences in reporting periods and measurement error account for differences 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 : Final Statement of the 73rd Plenary Meeting of ICAC, November 7, 2014)



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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) 2014-15 Crop NOVEMBER 2014					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	10th	11th	12th	13th	14th	15th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0-7.0	15	9954 (35400)	9701 (34500)	9505 (33800)	9308 (33100)	9195 (32700)	9195 (32700)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0-7.0	15	10123 (36000)	9870 (35100)	9673 (34400)	9476 (33700)	9336 (33200)	9336 (33200)
3	GUJ	ICS-102	Fine	22mm	4.0-6.0	20	7114 (25300)	7114 (25300)	7114 (25300)	7114 (25300)	7171 (25500)	7171 (25500)
4	KAR	ICS-103	Fine	23mm	4.0-5.5	21	7227 (25700)	7227 (25700)	7227 (25700)	7227 (25700)	7227 (25700)	7227 (25700)
5	M/M	ICS-104	Fine	24mm	4.0-5.0	23	8689 (30900)	8689 (30900)	8689 (30900)	8689 (30900)	8689 (30900)	8689 (30900)
6	P/H/R	ICS-202	Fine	26mm	3.5-4.9	26	8689 (30900)	8689 (30900)	8689 (30900)	8661 (30800)	8661 (30800)	8689 (30900)
7	M/M/A	ICS-105	Fine	26mm	3.0-3.4	25	7789 (27700)	7789 (27700)	7789 (27700)	7789 (27700)	7789 (27700)	7789 (27700)
8	M/M/A	ICS-105	Fine	26mm	3.5-4.9	25	8070 (28700)	8070 (28700)	8070 (28700)	8070 (28700)	8070 (28700)	8070 (28700)
9	P/H/R	ICS-105	Fine	27mm	3.5-4.9	26	8830 (31400)	8830 (31400)	8830 (31400)	8802 (31300)	8802 (31300)	8830 (31400)
10	M/M/A	ICS-105	Fine	27mm	3.0-3.4	26	7958 (28300)	7958 (28300)	7958 (28300)	7958 (28300)	7958 (28300)	7958 (28300)
11	M/M/A	ICS-105	Fine	27mm	3.5-4.9	26	8464 (30100)	8464 (30100)	8464 (30100)	8464 (30100)	8464 (30100)	8464 (30100)
12	P/H/R	ICS-105	Fine	28mm	3.5-4.9	27	8970 (31900)	8970 (31900)	9026 (32100)	8998 (32000)	8998 (32000)	9026 (32100)
13	M/M/A	ICS-105	Fine	28mm	3.5-4.9	27	8998 (32000)	8970 (31900)	8970 (31900)	8970 (31900)	8914 (31700)	8914 (31700)
14	GUJ	ICS-105	Fine	28mm	3.5-4.9	27	9026 (32100)	8998 (32000)	8998 (32000)	8998 (32000)	8970 (31900)	8970 (31900)
15	M/M/A/K	ICS-105	Fine	29mm	3.5-4.9	28	9280 (33000)	9223 (32800)	9223 (32800)	9195 (32700)	9139 (32500)	9167 (32600)
16	GUJ	ICS-105	Fine	29mm	3.5-4.9	28	9223 (32800)	9167 (32600)	9167 (32600)	9139 (32500)	9111 (32400)	9139 (32500)
17	M/M/A/K	ICS-105	Fine	30mm	3.5-4.9	29	9420 (33500)	9392 (33400)	9336 (33200)	9308 (33100)	9251 (32900)	9280 (33000)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5-4.9	30	9561 (34000)	9533 (33900)	9476 (33700)	9448 (33600)	9392 (33400)	9420 (33500)
19	A/K/T/O	ICS-106	Fine	32mm	3.5-4.9	31	9758 (34700)	9729 (34600)	9729 (34600)	9729 (34600)	9673 (34400)	9617 (34200)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0-3.8	33	12232 (43500)	12092 (43000)	12092 (43000)	12092 (43000)	12092 (43000)	12092 (43000)

(Note: Figures in bracket indicate prices in Rs./Candy)