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Cotton Statistics And News

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CAB Estimates the Crop To Be 356 Lakh Bales in 2011-12

The first meeting of the Cotton Advisory Board (CAB) during the new season 2011-12 (October-September) was held in Mumbai on November 15, 2011. Shri A.B. Joshi, Textile Commissioner, was in the Chair. Representatives of all the segments of the cotton industry, including the Cotton Association of India, attended the meeting and actively participated in the discussions enabling the Board to arrive at realistic estimates.

The CAB placed the crop at 356 lakh bales. The details of State-wise estimates made by the Board for 2010-11 and 2011-12 are as under:

State	Area (lakh ha)		Production (lakh bales)	
	2010-11	2011-12	2010-11	2011-12
Punjab	5.30	5.60	16.00	17.00
Haryana	4.92	6.05	14.00	16.00
Rajasthan	3.35	5.30	9.00	15.00
North Zone	13.57	16.95	39.00	48.00
Gujarat	26.33	30.23	103.00	115.00
Maharashtra	39.32	40.95	82.00	85.00
M.P.	6.50	7.06	17.00	18.00
Central Zone	**72.15**	**78.24**	**202.00**	**218.00**
A.P.	17.84	18.54	53.00	55.00
Karnataka	5.45	5.49	10.00	14.00
Tamil Nadu	1.22	1.21	5.00	5.00
South Zone	24.51	25.24	68.00	74.00
Other States	1.19	1.48	4.00	4.00
Loose Cotton	-	-	12.00	12.00
All-India	**111.42**	**121.91**	**325.00**	**356.00**

It will be seen that all the three zones are expected to contribute to the increased production in 2011-12 with the maximum increase of 16 lakh bales being in the central zone. The increase likely in the north zone is nine lakh bales and six lakh bales in the south zone. It is significant to note that cotton area, which had set a record in 2010-11, is expected to go up further by as much as 10.5 lakh hectares to 121.9 lakh hectares in 2011-12. In this case also, the maximum increase of six lakh hectares is in the central zone followed by about 3.4 lakh hectares in the north zone. The timely receipt of good rains helped the rise in area although the basic reason was the good prices obtained by farmers in 2010-11. According to the data supplied by the Directorate of Cotton Development, the coverage by Bt cotton is 111.23 lakh hectares, forming 91 per cent of the total cotton area. In 2010-11 also, the share of coverage by Bt cotton was about the same. The average yield of cotton on the basis of the present estimates of area and production would come to 496 kg/ha, the same as in 2010-11.

The CAB has estimated the imports to be the same, viz. five lakh bales in 2011-12 as in 2010-11. Exports are, however, expected to be higher at 80 lakh bales as against 70 lakh bales in 2010-11. Based on these estimates, the CAB has drawn up the following Cotton Balance Sheet in 2010-11 and 2011-12.

		(in lakh bales)
	2010-11	**2011-12**
Opening Stock	40.50	47.50
Production	325.00	356.00
Imports	5.00	5.00
Total Supply	**370.50**	**408.50**
Mill Consumption	215.00	210.00
Consumption by SSUs	21.00	20.00
Non-mill use	17.00	20.00
Exports	70.00	80.00
Total Offtake	**323.00**	**330.00**
Carryover Stock	47.50	78.50

The carryover stock at the end of the season 2011-12 is projected to be higher by 31 lakh bales compared to the opening stock. This, and the likely bumper crop, are likely to impart a bearish sentiment on the cotton market in 2011-12.

Cotton Season 2010-11 - A Brief Review

(Continued from Issue No. 33)

Prices

Cotton prices ruled substantially higher in 2010-11 as compared to the previous year. The increase in season average was as high as 50 to 60 percent in spite of the fact that cotton production reached a record level of 325 lakh bales. The data on monthly average prices during 2009-10 and the previous year in respect of some representative varieties are given below:

Monthly Avg. Spot Rate (Rs/Qtl.)

Month	J-34	H-4	S-6	Bunny	DCH-32
Oct.'10	10,236	11,135	11,389	11,501	13,301
	(6,046)	(-)	(6,552)	(6,524)	(-)
Nov.'10	11,389	11,979	12,260	12,260	14,510
	(6,608)	(6,693)	(7,030)	(6,689)	(11,529)
Dec.'10	11,135	11,220	11,726	11,670	14,594
	(7,002)	(7,227)	(7,536)	(7,536)	(11,810)
Jan.'11	12,063	12,457	12,598	12,963	17,687
	(7,199)	(7,199)	(7,509)	(7,536)	(11,332)
Feb.'11	15,287	15,442	15,671	16,134	22,876
	(7,002)	(7,143)	(7,452)	(7,480)	(11,164)
Mar.'11	16,702	16,297	16,790	17,250	23,328
	(7,339)	(7,508)	(7,846)	(7,874)	(11,782)
Apl.'11	16,073	15,137	16,128	16,842	22,405
	(7,592)	(7,761)	(7,958)	(8,042)	(11,838)
May '11	12,649	11,401	12,991	13,455	20,210
	(7,902)	(7,789)	(8,099)	(8,183)	(12,007)
June '11	11,019	10,481	11,658	12,197	18,486
	(8,070)	(7,986)	(8,267)	(8,523)	(11,754)
July '11	9,078	8,655	9,439	10,000	16,415
	(8,099)	(7,930)	(8,267)	(8,605)	(11,557)
Aug.'11	9,561	9,230	10,004	10,219	15,601
	(8,633)	(8,520)	(8,942)	(9,111)	(11,867)
Sept.'11	10,731	10,329	11,097	11,346	15,145
	(9,701)	(10,123)	(10,433)	(10,686)	(12,513)

Note: Figures in brackets denote corresponding prices last year.

Significantly, prices in all the months of 2010-11 were appreciably higher than those in the previous year. From the commencement of the season in October 2010, prices were rising continuously till March 2011 but from April the trend was reversed with the prices moving down till July 2011, but prices moved up again in August and September. The earlier downtrend was caused by the drying up of demand from spinners and exporters. The spinning industry was adversely impacted by the high cotton cost as against a declining trend in yarn prices. Mills were obliged to suffer losses in the sale of yarn produced from high cost cotton. The demand from cotton exporters had also been negligible since the cap imposed by the Government for cotton export had been reached.

Both the factors that had been keeping cotton prices under downward pressure since ceased to be operative. The textile market regained buoyancy with the commencement of the festive season which stimulated the demand for textile and, in turn, the demand for yarn. Further, the 2011-12 crop was projected to be an all-time record. Likewise, the demand for cotton from exporters also revived since the Government permitted cotton shipment without any restrictions and placed it under open general licence. These developments arrested the decline in cotton prices which actually moved up during the last two months of the season.

The season-average prices remained significantly higher in 2010-11 as compared to the previous year. The relevant comparative data on season-average prices are given below:

Seasonal (Oct-Sept) Avg. Spot Rates (Rs/Qtl.)

Variety	2009-10	2010-11	Increase in 2010-11
J-34	7,599	12,161	4,562
H-4	7,807	11,980	4,173
S-6	7,991	12,652	4,661
Bunny	8,082	12,986	4,904
DCH-32	11,741	17,879	6,138

The increase was quite substantial and ranged from Rs.4173 to Rs.6138 per quintal. In percentage terms, the increase ranged from 52 to 61 percent.

The Government did not affect any change in the support prices for cotton. It had affected a steep increase of 40 percent in 2008-09 which actually adversely impacted several segments of the cotton industry and thus the cotton economy. It also compelled Government to shell out large sums to compensate the losses incurred by the State sector Cotton Corporation of India in buying cotton at the high support prices and selling the same to mills and others at much lower prices. No increase was since affected in the support prices which continued to be the same during 2009-10 as in 2008-09. The same support prices were retained for 2010-11 also. These are given below:

Variety	Support Price for Kapas (Rs./qtl)
F414/H-777/J-34 (Rajasthan)	2500
F414/H-777/J-34 (Punjab)	2800
H-4/H-6/MECH/RCH-2	2850
Shankar-6/10	2850
Bunny/Brahma	3000
MCU-5/Surabhi	3200
DCH-32	3400

(Concluded)

ICAC Executive Director Visits CAI

Mr. Terry Townsend, Executive Director of International Cotton Advisory Committee who was in India to attend the World Cotton Research Conference-5, visited our Association on 9th November 2011.

Our Vice-President, Mr. Nayan C. Mirani and Addl. Vice-President Mr. Sanjay V. Udeshi alongwith Mr. B.S. Bangdiwala and Mr. Kunal Thakkar welcomed Mr. Townsend.

A presentation was made to Mr. Townsend apprising him of the Cotton Promotion plans of CAI and the initiatives being taken in this regard.

A dinner was also hosted by CAI in the honour of Mr. Townsend which proved a good opportunity for with our members and other invited guests from the cotton trade to interact with Mr. Townsend.

Completion of the Fifth World Cotton Research Conference (WCRC-5)

The Fifth World Cotton Research Conference (WCRC-5) was completed in India, after five days of paper presentations from November 7-11, 2011 in Mumbai followed by two days of technical tour to cotton areas near Nagpur. The WCRC-5 included 654 researchers associated with all facets of cotton technology, from breeding and agronomy to fiber quality and ginning. A total of 322 scientific papers were presented. The scientists passed a resolution supporting the creation of a global network of cotton stakeholder organizations. The network will operate through nodes associated with cotton organizations and institutes to support globally accessible, stakeholder-supported specialist training and collaborative research.

Areas of particular importance to be addressed by the network will include biosecurity in relation to diseases, biotic and abiotic stress tolerance, and conservation and accessibility of genetic resources.

Simultaneously, the scientists endorsed the creation of an International Cotton Researchers Association to work with the ICAC Secretariat to plan and promote the creation of the global cotton researchers network and to manage the agendas of future World Cotton Research Conferences. The International Cotton Researchers Association will be a voluntary association open to cotton researchers of all disciplines and countries willing to contribute to the global unity among cotton researchers. The ICAC Secretariat will serve as Secretariat to the International Cotton Researchers Association.

(Source: ICAC Press Release)

SNIPPETS

According to reports, 15 lakh bales of cotton have been exported so far while 20 lakh bales have been registered for exports by December. A related report also says that although production is set to be a new record, cotton arrivals in October this year were lower aggregating to 14.8 lakh bales compared to 21 lakh bales in the same month last year. Rain towards the end of the monsoon season in Saurashtra is also stated to have affected arrivals. It is reported that last year farmers had received good prices and they are perhaps holding back cotton stock in the hope that the prices would pick up.

The country's industrial output reportedly grew by just 1.9 per cent in September, the lowest in two years. Output in the capital goods sector is stated to have been the worst hit as it contracted 6.8 per cent, an indication of signs that costlier borrowing and rising raw material costs are prompting companies to defer capacity expansion plans.

Cotton imports by China reportedly amounted to 2.53 lakh tonnes in September 2011 of which 55,403 tonnes were from India. The highest import of 99,485 tonnes was from Australia.

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
November 2011

Sr. No.	Grade Standard	Staple	Micronaire	Strength/ GPT	Trade Name	12th	14th	15th	16th	17th	18th
03.	ICS-102	22mm	4.5-5.9	19	V-797	6946 (24700)	6861 (24400)	6861 (24400)	6861 (24400)	6974 (24800)	6974 (24800)
04.	ICS-103	23mm	4.0-5.5	19	Jayadhar	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
05.	ICS-104	24mm	4.0-5.5	20	Y-1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
07.	ICS-105	25mm	3.5-4.9	22	NHH-44	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
08.	ICS-105	27mm	3.5-4.9	24	LRA-5166	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
09*.	ICS-105	28mm	3.5-4.9	25	H-4/ MECH-1	9983 (35500)	9842 (35000)	9842 (35000)	9954 (35400)	10095 (35900)	10011 (35600)
					2011-12 CROP						
01.	ICS-101	Below 22mm	5.0-7.0	15	Bengal Deshi (RG)	9954 (35400)	9842 (35000)	9926 (35300)	9926 (35300)	10067 (35800)	10067 (35800)
02.	ICS-201	Below 22mm	5.0-7.0	15	Bengal Deshi (SG)	10208 (36300)	10095 (35900)	10179 (36200)	10179 (36200)	10320 (36700)	10320 (36700)
06.	ICS-202	25mm	3.5-4.9	23	J-34	8661 (30800)	8577 (30500)	8661 (30800)	8717 (31000)	8858 (31500)	8858 (31500)
10.	ICS-105	29mm	3.5-4.9	26	Shankar-6	10770 (38300)	10629 (37800)	10629 (37800)	10742 (38200)	10854 (38600)	10714 (38100)
11.	ICS-105	31mm	3.5-4.9	27	Bunny/ Brahma	10573 (37600)	10432 (37100)	10432 (37100)	10545 (37500)	10686 (38000)	10601 (37700)
12.	ICS-106	33mm	3.3-4.5	28	MCU-5/ Surabhi	10967 (39000)	10826 (38500)	10826 (38500)	10882 (38700)	11023 (39200)	11023 (39200)
13.	ICS-107	35mm	2.8-3.6	31	DCH-32	13779 (49000)	13638 (48500)	13638 (48500)	13638 (48500)	13723 (48800)	13723 (48800)

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