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Global Yarn Production Rises in Q2 of 2012 - ITMF Report

According to the International Textile Manufacturers Federation's (ITMF) State of the Trade Report for Q2 2012, the outlook for global fabric production looks brighter in the second half of the year than it was in Q2.

Output of global yarn production rose in Q2 2012 in comparison to Q1 due to higher output in Asia, Europe and South America. Production in North America was reduced. Traditionally, Asia's production is significantly higher in the second quarter compared to the first quarter as a result of fewer working days in China in Q1 due to the Chinese New Year holidays. Global yarn production in Q2 2012 rose in all regions other than North America.

In Q2 2012, global yarn stocks rose slightly over Q1 mainly due to somewhat higher stocks in China, but plummeted significantly on an annual basis – especially in Asia and South America – while they remained almost unchanged in Europe. Yarn orders were up in Europe but down in Brazil comparing to the prior quarter.

World fabric production increased in Q2 2012 due to higher output in South America, Europe and Asia. Year-on-year global fabric production was down because while it increased in Europe, it decreased both in Asia and South America. Global fabric stocks fell slightly in comparison to Q1 2012 as a consequence of lower inventories in North America, South America and Europe, while they remained practically unchanged in Asia.

Year-on-year fabric stocks rose due to higher stocks in South America and Asia, despite lower stocks in North America and Europe. Fabric orders in Brazil increased in Q2 2012 compared to the previous

quarter and jumped year-on-year. In Europe, they were level as compared to the previous quarter but down on an annual basis.

Q3 Looks Good for both Yarn and Fabric

The estimates for global yarn and fabric production in Q3 2012 compared to Q2 are positive. As far as yarn production is concerned, Asia, North and South America are expecting an increase in output, although estimates for Europe are negative. In addition, global fabric production is expected to expand in Q3 2012 as a result of higher output in all regions other than Europe. The outlook for Q4 2012 remains stable both for global yarn and fabric production. Region-wise, only in Europe is fabric production expected to fall further.

In comparison with the previous quarter, world yarn output rose 7.4% in Q2 2012 as the result of high production in Asia (8.1%), especially in China (9.5%), largely due to the fact that there are fewer working days in Q1 because of the Chinese New Year holidays.

Nevertheless, output rose in Chinese Taipei (6.7%), India (4.5%), Japan (2.3%), and Korea (0.3%), while decreasing in Pakistan (1.2%). Q2 2012 yarn

90th Annual General Meeting of CAI

The 90th Annual General Meeting of the Cotton Association of India will be held on Friday, the 21st December 2012 at 3.00 p.m. in the Conference Room of the Association, 2nd Floor, Cotton Exchange Building, Cotton Green, Mumbai 400 033.

production increased 2.9% and 1.4% respectively in Europe and South America, but yarn output fell significantly in North America (7.7%). Year-on-year global yarn production rose 7.7%, with output up in South America (20.8%), Europe (12.4%) and Asia (7.6%) and decreasing in North America (12.1%).

Compared with the previous quarter, global fabric production rose 3.5% in Q2 2012 as a consequence of higher output in South America (7.1%), Europe (5%) and Asia (3.1%) – especially China, which recorded a 4.7% increase in output. In comparison to Q2 2011, world fabric production was down 2.7%, with Asia and South America reporting decreases of 3.2% and 2.1%, respectively. Europe, on the other hand, saw a 1% increase in output on an annual basis.

Global yarn inventories rose by 0.9% in Q2 2012 compared to the previous quarter, with Asia (1.5%) and Europe (0.1%) recording higher inventories, although stocks fell in South America (2.4%). On an annual basis, global yarn stocks dropped 21.5%, a consequence of lower stocks in Asia (30.4%) and South

America (23.6%), and despite slightly higher stocks in Europe (0.1%).

Global fabric stocks fell 0.9% due to lower inventories in North America (4.4%), South America (1.3%) and Europe (0.9%), while inventories in Asia remained practically unchanged (up 0.1%). Year-on-year, global fabric inventories increased 4.5%, mainly due to soaring fabric stocks in South America (20.9%). Fabric stocks in Asia rose only slightly (0.1%), while Europe and North America recorded lower fabric stocks (0.7% and 6.6%, respectively).

Yarn orders in Europe were up 0.9% in Q2 2012 compared to the previous quarter but were down 3.6% in Brazil. Year-on-year yarn orders rose in Europe and Brazil by 0.3% and 23.1%, respectively. Fabric orders were unchanged in Europe in Q2 2012 compared to Q1, but were up in Brazil (6.9%). On an annual basis, fabric orders fell 2.6% in Europe and jumped 20% in Brazil.

(Source: Cotton International - 19.11.2012)

Agriculture Minister Quashes Objections against Bt Cotton

Union Agriculture Minister Shri Sharad Pawar informed the Parliament that there are no scientific evidences to prove negative effects of Bt cotton. He was replying to objections that NGOs and other expert committees have raised against Bt cotton to be vague and confusing.

In a written reply to the Lok Sabha, Shri Pawar said that Bt cotton is the only transgenic crop to have obtained commercialization nod in the country so far. However, some agencies and authorities including some NGOs, civil societies, Supreme Court's technical expert committee and Parliamentary Standing Committee have continuously been objecting Bt cotton since its introduction.

The NGOs and working groups object Bt cotton on biosafety grounds, based on the pre and post introduction assessments. However, results of such assessments have not been convincing, the Minister said.

The NGOs and panels claim that Bt cotton is not a viable option for rainfed areas and even attribute the cattle deaths and farmers' suicides in some of the regions to introduction of Bt cotton.

Shri Pawar said none of the claims made by NGOs have any scientific evidences. He noted that there has been a significant rise in cotton cultivation acreage and productivity during the past 10 years, and India has emerged as the world's second biggest cotton exporting nation.

The main aim behind introduction of Bt cotton was to counter the attacks of troublesome insect pests - bollworms, so as to avert the annual loss of 30-60 percent of the yields, and the purpose has been served, he said.

The success of Bt cotton can be understood from the fact that the use of insecticides for controlling bollworms has reduced from earlier 9,400 tons per annum to 222 tons in 2011-12, while effective protection against bollworm is believed to have boosted the yields by at least 30 percent, he added.

The Minister further said that 90 percent of the country's overall cotton cultivation acreage of around 19 million hectares is under Bt cotton, and 35.2 million cotton bales of 170 kg each were produced during the 2011-12 crop season.

(Source: Fibre2Fashion - 30.11.2012)

Cotton Production to Dip by 33% in Gujarat State - JAU Study

Junagadh Agriculture University (JAU) has estimated 33 per cent lower cotton production for Gujarat State as compared to last year.

A recent agricultural economic study report of JAU noted that in spite of lower production, prices of cotton is expected to remain stable due to large stockpiles in China and at international level.

According to the study, cotton sowing in India during the current kharif season is estimated at about 11.6 million hectares and the production is expected to be 5 per cent lower than last year at about 33.4 million bales. This is mainly due to lower rainfall in Gujarat, especially in the Saurashtra region - key cotton growing area.

In Gujarat, cotton production is expected to be 33 per cent lower than last year at about 8 million bales from an area of 2.47 million hectares in current year 2012-13. However, cotton price is expected to remain stable due to large stockpiles in China and at the world level," an associate research scientist at JAU informed.

The cotton prices were quoted at around Rs 850 per 20 kg in the last season, and is expected to remain at the same level this year too. In Gujarat, prices may be a little higher as compared to other states,

as cotton ginning millers have to import from other states, it is stated.

The econometric analysis of cotton price in consultation with Domestic and Export Market Intelligence Cell (DEMIC) and Tamil Nadu Agricultural University (TNAU), Coimbatore revealed that the prices of cotton during November, 2012 to January, 2013 may remain in the range of Rs 800 to 940 per 20 kg.

JAU study also noted that according to International Cotton Advisory Committee (ICAC) report, global cotton production is estimated to be around 25.63 million tonnes in 2012-13, which is 6 per cent less than the previous year and consumption is expected to be about 23.46 million tonnes.

Besides, there is also estimated to be a record carryover stock of 13.97 million tonnes of the last year 2011-12. This will further lead to increased stocks at the end of this year to about 16.14 million tonnes. Higher cotton stock around the world may result in low export of Indian cotton at about 7.5 million bales as against 12.7 million bales last year, the study noted.

(Source: Business Standard - 30.11.2012)

Japanese Textile & Apparel Exports Decline in September

The exports of textiles, including apparels, from Japan dropped six percent year-on-year to US\$ 781.49 million in September 2012, according to the statistics compiled by the Japan Textiles Exporters Association based on the data made available by the Ministry of Finance.

Exports of acrylic staple fibre (ASF) grew by four percent year-on-year to US\$ 57.57 million during the month, showing a U-turn from the decline witnessed for five consecutive months from April to August. Volume-wise, too, ASF exports from Japan increased by 11 percent year-on-year to 13,472 tons.

Japan's rayon yarn exports rose by 38 percent year-on-year to US\$ 16.31 million in September 2012. By volume, rayon yarn exports grew 37 percent year-on-year to 1,211 tons.

Polyester yarn exports fell by 14 percent year-on-year to US\$ 13.14 million during the month, while

knitted fabrics exports dipped 15 percent y-o-y to US\$ 56.06 million.

Similarly, exports of woolen fabrics and spun fabrics during the month under review dropped by 17 percent y-o-y each to US\$ 24.14 million and US\$ 31.51 million, respectively.

Japanese exports to East Asian countries accounted for 72.7 percent of total textile and apparel exports made in September by value. However, there was an 8 percent year-on-year decline in value of textile and garment exports to these countries.

Japanese textile and clothing exports to Philippines, Indonesia and Vietnam grew by 38 percent y-o-y, 16 percent y-o-y and 10 percent y-o-y, respectively, during the month. However, its exports to China decreased by 15 percent y-o-y, a dip for the third consecutive month.

(Source: Fibre2Fashion -1st December 2012)

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) 2012-13 Crop
November - December 2012

Sr. No.	Growth Standard	Grade /GPT	Grade	Staple	Micronaire	Strength	26th	27th	28th	29th	30th	1st
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	10854 (38600)	10770 (38300)	10686 (38000)	10686 (38000)	10686 (38000)	10686 (38000)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	10995 (39100)	10911 (38800)	10826 (38500)	10826 (38500)	10826 (38500)	10826 (38500)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	7564 (26900)	7592 (27000)	7592 (27000)	7592 (27000)	7649 (27200)	7705 (27400)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	8352 (29700)	8436 (30000)	8352 (29700)	8352 (29700)	8408 (29900)	8436 (30000)
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	8858 (31500)	8970 (31900)	8914 (31700)	8942 (31800)	9026 (32100)	9083 (32300)
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	9026 (32100)	9083 (32300)	9026 (32100)	9055 (32200)	9111 (32400)	9139 (32500)
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	9195 (32700)	9251 (32900)	9223 (32800)	9251 (32900)	9308 (33100)	9364 (33300)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	9083 (32300)	9139 (32500)	9195 (32700)	9223 (32800)	9280 (33000)	9336 (33200)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	9223 (32800)	9280 (33000)	9336 (33200)	9336 (33200)	9364 (33300)	9392 (33400)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	9167 (32600)	9251 (32900)	9308 (33100)	9336 (33200)	9420 (33500)	9448 (33600)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	9280 (33000)	9364 (33300)	9420 (33500)	9420 (33500)	9476 (33700)	9505 (33800)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	9308 (33100)	9392 (33400)	9448 (33600)	9476 (33700)	9533 (33900)	9561 (34000)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	9505 (33800)	9589 (34100)	9645 (34300)	9673 (34400)	9701 (34500)	9701 (34500)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 – 4.9	31	9645 (34300)	9729 (34600)	9786 (34800)	9786 (34800)	9842 (35000)	9842 (35000)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0 - 3.8	33	12598 (44800)	12598 (44800)	12598 (44800)	12598 (44800)	12710 (45200)	12710 (45200)

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