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# Cotton Statistics And News

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Edited & Published by Amar Singh

## ***Cotton Markets Arrivals Lower than Last Year - Report***

It is reported that market arrivals of cotton this season have been lower than last season. According to the Cotton Corporation of India (CCI), this season's arrivals upto November 27 are placed at 43 lakh bales as against 57 lakh bales by the same time last season.

Since the crop in 2011-12 has been estimated to be much higher at 356 lakh bales, as compared to 325 lakh bales in 2010-11, the expectation is that this would be reflected in market arrivals also. However, it may be too early to judge the scale of arrivals as they have commenced only recently. They may take some time to pick up and peak.

Meanwhile, there have been press reports that farmers are holding on to their produce without taking the same to markets as they consider the prevailing market prices to be too low and are keen to obtain a much higher price. It may be recalled that prices had been ruling at unprecedentedly high levels during last year and the contrast between last year's and this year's prices is quite glaring. The farmers are demanding the raising of minimum support prices substantially in order to improve their net realisation, particularly as the cost of input and labour has gone up considerably. There have been farmers' agitation on this issue in some States including Maharashtra.

There have been reports that Union Ministry of Agriculture is in favour of a hike of some 27 percent in the support prices. The Ministry is said to have proposed the support price to be raised to Rs.4200 per quintal as against Rs.3300 fixed

by the Government in June this year for the basic long staple variety. Compared to last year, ruling cotton prices this year are near about half only. The farmers are said to claim that their net returns from cotton farming have dropped drastically while the cost of production has gone up by about 30 percent due to rise in labour as well as input costs. Currently, inter-ministerial consultations is said to be in progress to take a decision regarding the support price.

In this connection, it may be recalled that the Government had effected a steep unprecedented hike of 40 percent in support prices in 2008-09 with disastrous consequences, adversely affecting most of the segments of cotton economy. Ultimately, the Government had to shell out large sums of funds to compensate the losses incurred by the Cotton Corporation of India which was obliged to procure cotton from farmers at the high support prices but had been compelled to sell to mills at much lower prices as the latter could not offer higher prices for cotton. Apparently, the Government would consider all these developments in the past before taking a decision on the support prices for 2011-12 which have already been fixed at last season's levels.

Meanwhile, there have been reports that the Commission for Agriculture Cost and Prices (CACP) has stated that there is no case for intervention as domestic prices are currently ruling above the support prices. The Chairman of CACP is quoted to have stated that the support price for 2011-12 has been fixed after taking into account the average cost of production in various producing States. If the market prices go down

below the support prices, there would be a case for the Government to immediately intervene and procure. He reportedly added that currently the market price is still at Rs.4500 per quintal, much above the support price, although it is lower than the price of Rs.6000 per quintal farmers got last year. Further, he is stated to have suggested that farmers cut down on the cost of production by improving productivity. He also desired that the Maharashtra Government boost irrigation facilities and provide insurance cover to farmers.

(Source: *Financial Express* - 24.11.2011)

#### New York Futures (01.12.2011)

	High	Low	Settl.	Change
Dec'11	92.00	91.50	90.70	+ 39
Mar '12	92.77	90.83	91.30	+ 39
May '12	92.10	90.30	90.99	+ 60
Jly '12	91.30	89.70	90.66	+ 85
Oct '12	0.00	0.00	90.25	+ 77
Dec '12	89.27	88.00	88.83	+ 40
Mar '13	89.70	88.89	89.21	+ 21
May '13	0.00	0.00	89.46	+ 11
Jly '13	0.00	0.00	89.26	+ 11
Oct'13	0.00	0.00	88.81	+ 36

### Greece's Lint Production to Increase 50% This Season

Compared to last season's disastrous lint production of about 185,000 tons, the current crop in Greece should be larger by half due to an increase in acreage and the special care taken by growers during cultivation.

Out of the estimated national production of 290,000 tons, about 90,000 tons have already been sold and another 15,000 will go to domestic consumption. As a result, there is an unsold balance of about 190,000 tons.

Some sources claim that the final crop will be smaller – about 260,000 tons – because they believe growers didn't quite achieve the yields they were expecting. While it is true that growers in some areas weren't

### Bangladesh Garment Exports to India See a Big Spurt

The exporters from Bangladesh have reported orders for readymade garment worth an estimated \$90 million from India after the Government announced duty-free access to 46 apparel items from Bangladesh. The order inflows in just one month amounted to a quarter of the \$360 million worth of readymade garments that Bangladesh is estimated to have shipped into India in the 12 month of the last fiscal.

Bangladesh expects garment exports to India to touch \$2 billion mark over the next 3 years. The Bangladeshi garments sector, despite lacking a raw material base, has emerged more cost competitive than the Indian clothing industry and now has an edge even over the Chinese garment industry in specialised clothing items such as woven garment and knitwear. Cheap fabric imports and phenomenally low labour costs are among the advantages Bangladesh is enjoying.

Coming at time when labour costs are trending upwards in India and infrastructure constraints such as power and transportation bottlenecks continue to stymie the manufacturing sector, the option to source from Bangladesh is being seen as increasingly viable option for Indian players.

Amid the opportunities, Indian industry players have also raised apprehensions about zero duty entry for Bangladeshi garments indirectly offering Chinese fabrics duty-free access into the country.

(Source: *Business Line* - 29.11.2011)

satisfied by yields, it is believed that the total crop in Greece will be closer to 290,000 tons.

Cotton growers are complaining about the high costs of production this season, but at least the prices that they got for their seed cotton were on the high side, averaging about 0.52 Euros per kilogram. Ginners, on the other hand, are very much squeezed as their production costs have increased this season and not being covered by equal increases in lint prices (especially because the U.S. dollar is weak). Also, the well-known economic problems that Greece has been struggling with have not allowed ginners to hold their stocks until prices improve.

(Source: *Cotton International* - 23.11.2011)

## Chinese Delegation Visits CAI

A 5-member Chinese delegation headed by Mr. Sun Weiting, Vice-President, China Cotton Association visited CAI on 25th November 2011. The delegation was welcomed by President, Mr. Dhiren N. Sheth, alongwith other office bearers. The object of the visit was to share information on cotton production and processing in India and China.

The delegation was taken around the building premises and Association's Cotton Testing Laboratory and Grade Standard Room.

Mr. Sheth made a presentation on activities of the Association. It was an opportunity to share information between the two countries and maintain a good relation between the two associations.



### GROWTH IN CAPACITY OF COTTON/MAN- MADE FIBRE TEXTILE MILLS (NON- SSI)

YEAR	NO. OF MILLS			INSTALLED CAPACITY		
	SPINNING	COMPOSITE	TOTAL	SPINDLES	ROTORs	LOOMS
				(Mn.)	(000)	(000)
31-03-1997	1438	281	1719	33.15	276	124
31-03-1998	1504	278	1782	33.88	313	124
31-03-1999	1543	281	1824	34.72	383	123
31-03-2000	1565	285	1850	35.10	392	123
31-03-2001	1565	281	1846	35.53	394	123
31-03-2002	1579	281	1860	35.75	409	123
31-03-2003	1599	276	1875	36.10	379	119
31-03-2004	1564	223	1787	34.02	383	88
31-03-2005	1566	223	1789	34.24	385	86
31-03-2006	1570	210	1780	34.14	395	73
31-03-2007	1608	200	1808	35.61	448	69
31-03-2008	1597	176	1773	35.01	461	56
31-03-2009	1653	177	1830	37.03	485	57
31-03-2010	1673	180	1853	37.68	494	57
31-03-2011	1725	183	1907	39.89	511	55
			2011-12(P)			
April	1757	183	1940	42.69	518	52
May	1757	183	1940	42.69	518	52
June	1757	183	1940	42.69	518	52
July	1757	183	1940	42.69	518	52
August	1750	184	1934	42.83	521	52
September	1757	184	1941	42.99	520	52

(P) - Provisional

Source: Office of the Textile Commissioner

**World Cotton Prices**

Monthly average Cotlook A Index (FE) from 2006-07 onwards  
(Cotlook Index in US Cents per lb.)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
August	59.88	66.62	78.04	64.14	90.35	114.10
September	58.82	68.12	77.09	63.99	104.73	116.90
October	57.03	68.93	62.30	66.82	126.55	110.61
November	57.39	69.68	54.96	71.78	155.47	
December	59.43	69.52	55.47	76.78	168.22	
January	59.06	73.21	57.71	77.39	178.93	
February	57.86	75.05	55.21	80.05	213.18	
March	58.42	80.18	51.50	85.80	229.67	
April	57.13	75.44	56.78	88.08	216.52	
May	55.57	74.12	61.95	90.07	165.52	
June	60.61	77.04	61.39	93.04	167.16	
July	67.84	77.29	64.80	--	--	

Source: CCI

**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 - December 2011

Sr. No.	Grade Standard	Staple	Micronaire	Strength/GPT	Trade Name	26 <sup>th</sup>	28 <sup>th</sup>	29 <sup>th</sup>	30 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>
03.	ICS-102	22mm	4.5-5.9	19	V-797	6552 (23300)	6468 (23000)	6468 (23000)	6468 (23000)	6552 (23300)	6552 (23300)
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	9364 (33300)	9280 (33000)	9280 (33000)	9280 (33000)	9280 (33000)	9280 (33000)
<b>2011-12 CROP</b>											
01.	ICS-101	Below 22mm	5.0-7.0	15	Bengal Desi (RG)	9926 (35300)	9786 (34800)	9645 (34300)	9505 (33800)	9505 (33800)	9505 (33800)
02.	ICS-201	Below 22mm	5.0-7.0	15	Bengal Desi (SG)	10123 (36000)	9983 (35500)	9842 (35000)	9701 (34500)	9701 (34500)	9701 (34500)
06.	ICS-202	25mm	3.5-4.9	23	J-34	8548 (30400)	8464 (30100)	8548 (30400)	8577 (30500)	8717 (31000)	8717 (31000)
09.	ICS-105	28mm	3.5-4.9	25	H-4/ MECH-1	9589 (34100)	9448 (33600)	9448 (33600)	9448 (33600)	9533 (33900)	9561 (34000)
10.	ICS-105	29mm	3.5-4.9	26	Shankar-6	9983 (35500)	9842 (35000)	9842 (35000)	9870 (35100)	9954 (35400)	9983 (35500)
11.	ICS-105	31mm	3.5-4.9	27	Bunny/ Brahma	9898 (35200)	9842 (35000)	9842 (35000)	9870 (35100)	9954 (35400)	9954 (35400)
12.	ICS-106	33mm	3.3-4.5	28	MCU-5/ Surabhi	10264 (36500)	10264 (36500)	10264 (36500)	10264 (36500)	10348 (36800)	10348 (36800)
13.	ICS-107	35mm	2.8-3.6	31	DCH-32	13329 (47400)	13188 (46900)	13076 (46500)	12935 (46000)	12654 (45000)	12373 (44000)

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