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Cotton Statistics And News

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Remote Sensing Recommended to be Used for Agricultural Data Collection

With accurate estimates of crop area, yield and productivity becoming increasingly important for sound policy formulations, a high-powered Committee headed by a senior agricultural economist is reported to have recommended the use of remote sensing technique for determining land use, crop area and yield estimates. It is stated that remote sensing for estimating land use and crop area will surely reduce the dependence on plot-wise recording by village officers and also facilitate shift towards more sophisticated techniques of stratified sampling for crop cutting experiments.

The Committee is also reported to have recommended the constitution of a National Crop Statistics Centre (NCSC) which would be an autonomous body fully funded by the Government to design, organise and supervise the generation of crop area and yield estimates at the State and National level. Once the NCSC is established, the present system of supervision by both NSSO and States Under the Central sector scheme of Improvement of Crop Statistics will be modified, as per the recommendation of the high-powered Committee. Further, the Committee is reported to have recommended restructuring the scope, organisation and management of existing system of collecting primary data.

The Committee has also reportedly suggested that the Centre should take the initiative of taking advantage of new technology such as hand held devices for field data collection, on-line data transmission besides computerised processing for preparation of the State/National estimates based on the sampling methodology.

It is well known that in the case of cotton, there is wide disparity now in the production estimates made by the Agricultural Ministry and the Cotton Advisory Board. There is also disparity between the production estimates made by the Board and the trade. This had been the subject of debate for a number of years since such disparities lead to difficulties in taking policy decisions regarding export, import, etc. Therefore, any improvement made in the production estimates to make them more accurate through the use of modern and scientific techniques would be welcome.

(Source : Financial Express 23.11.2010)

Indian Firms to Export Bt Cotton Seed to Pakistan

As per report, Pakistan is all set to allow commercial cultivation of Bt cotton. Indian seeds firms are planning to cash in on the growing demand for genetically tweaked item for its field trial purpose there.

In the last six months alone, at least three Indian firms have got nod from the country's bio-tech regulator, Genetic Engineering Appraisal Committee (GEAC) to export the Bt cotton seed to conduct multi-locational field trials in different agro-climatic zones in Pakistan. The neighbouring firms hope to get the government's approval for commercial cultivation of Bt cotton in view of regular talks between agriculture ministries of China and Pakistan to develop Bt cotton varieties and also in view of the latter signing the pact with crop biotech firm Monsanto a few months ago, it is reported.

Cotton in Brazil Makes Remarkable Progress

A few years ago, Brazil did not figure among the frontline cotton producing countries in the world. The situation has drastically changed now. Presently, it is the fifth largest cotton producer in the world, after China, India, US and Pakistan. It has made spectacular progress in the matter of yield also, harvesting the world's highest yield for rainfed cotton.

Cotton production in Brazil stood at 717,000 tonnes in 1990-91, went up to 939,000 tonnes in 2000-01 and climbed to 1.98 million tonnes in 2009-10. As for yield per hectare, it was 370 kg in 1990-91, 1081 kg in 2000-01 and 1373 kg in 2009-10. In other words, production registered a rise of 177 per cent while yield shot up by as much as 251 per cent during the last two decades.

It is reported that notwithstanding the remarkable progress already made, Brazil has considerable potential yet to be tapped and that it can vault past Pakistan in production, and can also emerge as a leading cotton exporter. The country is said to have a wealth of arable land, plentiful rainfall, a large group of professional growers using the most advanced technologies and a strong network of cotton industry associations. Owing to these favourable factors, experts are said to believe that Brazil could more than double its cotton production in the next five years.

Despite its perceptible advantages, Brazil appears to have some serious obstacles also which it is trying to overcome so as to take its cotton production to the next level. Foremost among the list of obstacles are said to be logistics and transportation. Most of the rich cropland yet to be farmed is stated to be in the central parts of the country, where the road and rail systems are said to be either nonexistent or underdeveloped making it extremely difficult to transport cotton over a distance of more than 1500 km to major shipping ports.

Another major challenge which affects not only Brazilian cotton industry but also the global cotton industry is said to be the spiralling prices. Although there are difficulties at present due to high prices, the Brazilian cotton industry expects that challenges will be more than offset by its technical expertise, boundless natural resources and favourable weather and growing conditions. The concerned Brazilian authorities are said to

be confident that they will be competitive because of the high technology, economies of scale and large educated cotton producers.

In Brazil, cotton growing became an industry when growers began planting long staple cotton in the northeast regions of the country during 1930s. The cultivation spread to south in 1940s but then cotton farmers shifted away from the crop in 1950s due to competition from sugar, oranges and cattle. Cotton was also labour-intensive. Besides, the cost of inputs and transportation remained high and Brazil found it cheaper to import cotton rather than produce it domestically. Throughout 1970s cotton farming was confined to a few south and north eastern States. Subsequently, cotton had to face infestation from the most serious pest, the boll weevil. The enormous amount of money and time spent on pest control further eroded profitability and cultivation took a turn for the worse in the 1990s. By 1996-97, cotton area shrunk to just about 650000 hectares compared to about 2.5 million hectares in the 1970s.

Later, cotton's boom period came when growers in Mato Grosso in the northern and western part of the country organised into a major cotton company and introduced new technologies and new varieties. The biggest factor in the country's cotton resurgence is said to have been a change in the location. A new generation of cotton growers are said to have begun farming in the central regions where the soil and topography were ideal for high yields and lower production costs. Here, good rains come between October and May coinciding with the growing period for cotton (November-May). There is little rain from June to September and the dry conditions are helpful for harvest months of May, June and July. There is said to be abundance of farmland available and thus during the next 10-20 years there would be enormous potential for expansions of cotton area particularly because of the water resources and growers.

Another development that has helped cotton industry is stated to be a lessening of the Government's onerous bureaucracy over time as Brazil has eliminated some of the bureaucracy and regulations over the years. It is claimed that Government no longer interferes as much as it

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SUPPLY AND DISTRIBUTION OF COTTON**November 01, 2010**

Years Beginning August 1

Million Metric Tons

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 Est. | 2010/11 Proj. | 2011/12 Proj. |
|-----------------------------------|---------------|---------------|---------------|-----------------|------------------|------------------|
| BEGINNING STOCKS | | | | | | |
| WORLD TOTAL | 12.556 | 12.789 | 12.234 | 11.960 | 8.93 | 9.27 |
| China(Mainland) | 3.991 | 3.653 | 3.321 | 3.585 | 2.94 | 2.90 |
| USA | 1.321 | 2.064 | 2.188 | 1.380 | 0.64 | 0.51 |
| PRODUCTION | | | | | | |
| WORLD TOTAL | 26.754 | 26.027 | 23.331 | 21.769 | 25.34 | 26.65 |
| China (Mainland) | 7.975 | 8.071 | 8.025 | 6.850 | 6.75 | 7.09 |
| India | 4.760 | 5.219 | 4.930 | 5.050 | 5.72 | 5.83 |
| USA | 4.700 | 4.182 | 2.790 | 2.654 | 4.11 | 4.15 |
| Pakistan | 2.121 | 1.876 | 1.891 | 2.019 | 1.89 | 2.08 |
| Brazil | 1.524 | 1.602 | 1.214 | 1.194 | 1.55 | 1.79 |
| Uzbekistan | 1.171 | 1.206 | 1.000 | 0.850 | 1.10 | 1.11 |
| Others | 4.503 | 3.871 | 3.481 | 3.152 | 4.22 | 4.60 |
| CONSUMPTION | | | | | | |
| WORLD TOTAL | 26.424 | 26.503 | 23.517 | 24.607 | 24.99 | 25.43 |
| China (Mainland) | 10.600 | 10.900 | 9.265 | 9.867 | 9.92 | 10.05 |
| India | 3.908 | 4.050 | 3.863 | 4.222 | 4.56 | 4.83 |
| Pakistan | 2.633 | 2.649 | 2.428 | 2.307 | 2.25 | 2.30 |
| East Asia & Australia | 1.864 | 1.835 | 1.680 | 1.829 | 1.86 | 1.87 |
| Europe & Turkey | 2.084 | 1.744 | 1.409 | 1.548 | 1.53 | 1.53 |
| Brazil | 0.987 | 1.001 | 0.987 | 0.998 | 1.04 | 1.06 |
| USA | 1.074 | 0.998 | 0.781 | 0.754 | 0.74 | 0.69 |
| CIS | 0.681 | 0.664 | 0.596 | 0.607 | 0.59 | 0.58 |
| Others | 2.593 | 2.662 | 2.508 | 2.475 | 2.50 | 2.52 |
| EXPORTS | | | | | | |
| WORLD TOTAL | 8.068 | 8.375 | 6.616 | 7.770 | 8.43 | 8.54 |
| USA | 2.821 | 2.968 | 2.887 | 2.621 | 3.50 | 3.35 |
| India | 0.960 | 1.530 | 0.515 | 1.420 | 1.00 | 1.00 |
| Uzbekistan | 0.980 | 0.900 | 0.630 | 0.790 | 0.86 | 0.80 |
| CFA Zone | 0.924 | 0.595 | 0.464 | 0.553 | 0.58 | 0.57 |
| Australia | 0.465 | 0.265 | 0.261 | 0.461 | 0.54 | 0.69 |
| Brazil | 0.283 | 0.486 | 0.596 | 0.433 | 0.53 | 0.63 |
| IMPORTS | | | | | | |
| WORLD TOTAL | 8.147 | 8.396 | 6.526 | 7.690 | 8.43 | 8.54 |
| China | 2.306 | 2.511 | 1.523 | 2.374 | 3.13 | 3.41 |
| East Asia and Australia | 1.899 | 1.860 | 1.665 | 1.888 | 1.88 | 1.90 |
| Europe & Turkey | 1.340 | 1.081 | 0.861 | 1.172 | 1.01 | 1.00 |
| Pakistan | 0.502 | 0.851 | 0.417 | 0.336 | 0.39 | 0.31 |
| CIS | 0.322 | 0.271 | 0.239 | 0.219 | 0.20 | 0.19 |
| TRADE IMBALANCE 1/ | 0.078 | 0.021 | -0.090 | -0.080 | 0.00 | 0.00 |
| STOCKS ADJUSTMENT 2/ | -0.176 | -0.100 | 0.002 | -0.109 | -0.01 | 0.00 |
| ENDING STOCKS | | | | | | |
| WORLD TOTAL | 12.789 | 12.234 | 11.960 | 8.933 | 9.27 | 10.49 |
| China (Mainland) | 3.653 | 3.321 | 3.585 | 2.937 | 2.90 | 3.35 |
| USA | 2.064 | 2.188 | 1.380 | 0.642 | 0.51 | 0.62 |
| ENDING STOCKS/MILL USE (%) | | | | | | |
| WORLD-LESS-CHINA(M) 3/ | 58 | 57 | 59 | 41 | 42 | 46 |
| CHINA (MAINLAND) 4/ | 34 | 30 | 39 | 30 | 29 | 33 |
| Cotlook A Index 5/ | 59.15 | 72.90 | 61.20 | 77.54 | 92* | |

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

* The price projection for 2010/11 is based on the ending stocks/consumption ratio in the world-less-China in 2008/09 (estimate), in 2009/10 (estimate) and in 2010/11 (projection), on the ratio of Chinese net imports to world imports in 2009/10 (estimate) and 2010/11 (projection), and on the average price for the first three months of 2010/11.

95% confidence interval: 80 to 106 cents per pound

(Source : ICAC Monthly November 2010)

(continued from Page No.2.....)

once did. One of the greatest accomplishments, in this regard is stated to have been the creation of the Ethics Council which enables the identification and resolution of problems between cotton industry associations and professionals.

In order to push up yields Brazil is gradually switching on to narrow row planting method which accommodates much larger number of plants per hectare and also helps in reducing the production cost by saving on fertiliser dose. Another innovative practice being adopted is the cultivation of cotton after soy bean, thus going for double cropping. In addition to the benefit of two crops in a season, it also helps cotton to derive the residual effect from excess nitrogen left in soil by soybean.

With the breakthrough in cotton production, Brazil is also emerging as a major exporter of cotton. Presently, its export markets are South Korea, Indonesia and Pakistan and to a lesser extent Japan, Taiwan, Vietnam, Thailand, Turkey and Argentina.

Some cotton is exported to China also. It is stated that Brazilian producers often sell their crop one or two years in advance which enables them to finance their future crops. They do not plant cotton unless they have an assurance of the returns they are going to get for their crops, it is claimed.

(Based on article in Cotton International)

Cotton Exports

With the production of cotton likely to set an all-time record this year, the Government may raise the limit set for export quota, says a report. The cotton situation is expected to be reviewed in December where after a decision may be taken about the quota, it is stated. According to trade sources, production this year is expected to be 357 lakh bales while the demand from the domestic textiles may total 266 lakh bales. Thus, there will be a large surplus justifying the export of more than 55 lakh bales which is the present export quota.

UPCOUNTRY SPOT RATES

(Rs./Candy)

| 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) 2009-10 CROP | | | | | |
|--|---------|------------|-------------------|---------|----|--------------------------------------|------------------|------------------|-----------------|-----------------|-----------------|
| | | | | | | November - December 2010 | | | | | |
| | | | | | | 27 th | 29 th | 30 th | 1 st | 2 nd | 3 rd |
| 03. | ICS-102 | 22mm | V-797 | 4.5-5.9 | 19 | H | 27000 | 27000 | N.A | N.A | N.A |
| 04. | ICS-103 | 23mm | Jayadhar | 4.0-5 | 19 | | 31800 | N.A | N.A | N.A | N.A |
| 05. | ICS-104 | 24mm | Y-1 | 4.0-5.5 | 20 | O | 38000 | 37500 | 37500 | 37500 | 37500 |
| 2010-11 CROP | | | | | | | | | | | |
| 01. | ICS-101 | Below 22mm | Bengal Deshi (RG) | 5.0-7.0 | 15 | L | 30500 | 30000 | 29800 | 30800 | 31100 |
| 02. | ICS-201 | Below 22mm | Bengal Deshi (SG) | 5.0-7.0 | 15 | | 31000 | 30500 | 30300 | 31100 | 31400 |
| 06. | ICS-202 | 25mm | J-34 | 3.5-4.9 | 23 | I | 39300 | 38300 | 38300 | 39300 | 39600 |
| 07. | ICS-105 | 25mm | NHH-44 | 3.5-4.9 | 22 | | 40000 | N.A | N.A | N.A | N.A |
| 08. | ICS-105 | 27mm | LRA-5166 | 3.5-4.9 | 24 | | 40200 | N.A | N.A | N.A | N.A |
| 09. | ICS-105 | 28mm | H-4/ MECH-1 | 3.5-4.9 | 25 | D | 41000 | 40000 | 39500 | 39500 | 39800 |
| 10. | ICS-105 | 29mm | S-6 | 3.5-4.9 | 26 | | 42400 | 42000 | 42000 | 42200 | 42700 |
| 11. | ICS-105 | 31mm | Bunny/ Brahma | 3.5-4.9 | 27 | A | 42000 | 41500 | 41000 | 41000 | 41300 |
| 12. | ICS-106 | 33mm | MCU-5/ Surabhi | 3.3-4.5 | 28 | Y | 43600 | 43000 | 43000 | 43000 | 43200 |
| 13. | ICS-107 | 35mm | DCH-32 | 2.8-3.6 | 31 | | 50000 | 50000 | 50000 | 50000 | 50000 |