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Cotton Statistics And News

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Cotton Prices Rally in November

It is said that if there is anything certain about cotton prices, it is their uncertainty. In fact, volatility and cotton prices are bedfellows, so to say. This has been amply demonstrated by the behaviour of cotton prices in November. The general expectation was that with a high carryover stock of 71.50 lakh bales and a good crop estimated at 295 lakh bales, the cotton supply position is quite comfortable and that prices would display some stability. However, they made strident rise in November and the monthly average was not only significantly higher than the October average but was also higher than the November average in 2008-09. The average monthly spot rates of some representative varieties are given below :

Variety	Avg. Spot Rate (Rs/Candy)		
	Oct. '09	Nov. '09	Increase
J-34	21,500	23,500	2,000
H-4	-	23,800	-
S-6	23,300	25,000	1,700
Bunny	23,200	24,500	1,300
DCH-32	-	41,000	-

It will be seen that the increase in all the varieties has been substantial. In the case of H-4, quotation for October was not available but the average price in September was Rs. 21,800 and the increase in November was thus R. 2000. Likewise, the September average price of DCH-32 was Rs. 32,900 and thus the increase in November works out to as much as Rs. 8,100 per candy.

According to some sources, the rise in November has been due to domestic and international buying as well as tight supply in the global market. In fact, cotton prices are on an upswing not only in India but also across the globe. This is illustrated by the Cotlook A Index. The Index which averaged to 66.80 US Cents per pound in October 2009 rose to 74.95 Cents on November 26. With the economic growth picking up in India, consumer demand has gone up for all goods including textiles. This has stimulated the demand for yarn and spinning mills have entered the cotton market afresh for building up cotton inventory, pushing up market prices. The overseas demand for Indian cotton is also on the upswing. US, Brazil and Pakistan have little surplus cotton, as per reports. Production in China is also down with a fall in cotton area. Most of the countries are thus turning to India for supplies, thus putting pressure on prices. Even with the price rise, Indian cotton is said to be still relatively cheaper in the world market.

The comparative seasonal average prices of different varieties during the first two months of the current and last season are given below:

Variety	Seasonal Avg. Spot Price (Oct. - Nov.) (Rs/Candy)		
	2008-09	2009-10	Difference
J-34	21,500	22,500	1,000
H-4	22,500	23,800	1,300
S-6	22,700	24,150	1,450
Bunny	23,750	23,850	100
DCH-32	31,250	41,000	9,750

UPCOUNTRY SPOT RATES (Rs.\Candy)

2009-10 Crop

2008-09 Crop

Nov. 2009	2008-09 Crop										2009-10 Crop									
	V-797 ICS-102 22 mm 4.5-5.9 19	Jayadhar ICS-103 23 mm 4.0-5.5 19	Y-1 ICS-104 24 mm 4.0-5.5 20	MCU-5/ Surabhi ICS-106 33 mm 3.3-4.5 28	DCH-32 ICS-107 35 mm 2.8-3.6 31	ICC ICS-301 26 mm 3.7-4.3 25	BD(RG) A. Commila ICS-101 22 mm 5.0-7.0 15	BD SG ICS-201 22 mm 5.0-7.0 15	J-34 ICS-202 25 mm 3.5-4.9 23	NHH-44 ICS-105 25 mm 3.5-4.9 22	LRA- 5166 ICS-105 27 mm 3.5-4.9 24	H-4/ MECH-1 ICS-105 28 mm 3.5-4.9 25	Shankar-6 ICS-105 29 mm 3.5-4.9 26	Bunny/ Brahma ICS-105 31 mm 3.5-4.9 27	MCU-5/ Surabhi ICS-106 33 mm 3.3-4.5 28	DCH-32 ICS-107 35 mm 2.8-3.6 31	ICC ICS-101 26mm 3.7-4.3 25			
2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
3	18100	18100	21300	24000	32900	22400	24000	24400	22100	21300	21800	22300	24200	23700	-	-	-			
4	18100	18100	21300	24000	32900	22400	24000	24400	22100	21300	21800	22300	24200	23700	-	-	-			
5	18100	18100	21300	24000	32900	22400	24000	24400	23500	23000	23500	24000	24500	24500	-	-	-			
6	18100	18100	21300	24000	32900	22400	24500	24900	23600	23000	23500	24000	24600	24000	-	-	-			
7	18100	18600	21200*	24000	33400	22400*	24500	24900	23400	22800	23300	23800	24200	24000	-	-	-			
9	18100	18600	21200*	24000	34000	22400*	24000	24400	23100	22800	23000	23200	24200	23700	-	-	-			
10	18100	18600	21200*	24000	34500	22400*	24100	24500	23200	22800	23000	23200	24400	23700	-	-	-			
11	18100	18600	21200*	24300	35000	22400*	24000	24400	23400	22800	23000	23200	24700	23700	-	-	-			
12	18100	18600	21200*	24300	35000	22400*	24000	24400	23300	22800	23000	23200	24600	23700	-	-	-			
13	18100	18600	21200*	24600	35000	22400*	24000	24400	23300	22800	23000	23200	24600	23700	-	-	-			
14	.....	.....	.....	.....	.....	.....	.....	HOLIDAY	.....	.....	.....	.....	.....	.....	.....	.....	.....
16	18400	18600	21200*	24600	36000	22400	24200	24700	23300	22800	23000	23500	24700	23900	-	-	-			
17	18400	18600	21200*	24600	36000	-	24200	24700	23300	22800	23000	23500	24700	24000	-	-	23300			
18	18400	18600	21200*	24600	36000	-	24300	24800	23300	22800	23000	23500	24700	24000	-	-	23300			
19	18400	18600	21200*	24600	-	-	24400	24900	23500	22800	23000	23700	24800	24300	-	38000	23500			
20	18400	18600	21200*	24600	-	-	24400	24900	23500	22800	23000	23800	25000	25300	-	40000	23500			
21	18400	18600	21200*	24600	-	-	24400	24900	23500	22800	23000	23800	25000	25300	-	40000	23500			
23	18400	18600	21200*	24600	-	-	24900	25400	24000	22800	23000	24300	25500	25500	-	40000	24000			
24	18400	18600	21200*	24600	-	-	24900	25400	24000	22800	23000	24300	25500	25500	-	40000	24000			
25	19000	19000	21200*	-	-	-	25100	25500	24200	22800*	23500	24800	26400	25900	26100	42000	24700			
26	19500*	19500*	21200*	-	-	-	25100	25500	24700	N.Q.	24000	25100	26500	26200	27200	43000	25000			
27	19500*	19500*	21200*	-	-	-	25000	26000	24300	N.Q.	24000	25100	26000	25900	27000	43000	25000			
28	.....	.....	.....	.....	.....	.....	.....	HOLIDAY	.....	.....	.....	.....	.....	.....	.....	.....	.....
30	19500*	19500*	21200*	-	-	-	25000	26000	24300	N.Q.	24000	25100	26000	25900	27000	43000	25000			
H	19500	19500	21300	24600	36000	22400	25100	26000	24700	23000	24000	25100	26500	26200	27200	43000	25000			
L	18100	18100	21200	24000	32900	22400	24000	24400	22100	21300	21800	22300	24200	23700	26100	38000	23300			
A	18500	18500	21300	24300	34300	22400	24400	24900	23500	22700	23100	23800	25000	24500	26800	41000	24000			

H = Highest L = Lowest A = Average

Inauguration of CAI's Two New Testing Laboratories at Aurangabad and Akola

CAI has undertaken an ambitious plan to expand the network of its Cotton Testing Laboratories at all important cotton growing centres. In furtherance of this objective, CAI has set up two new Laboratories at Aurangabad and Akola in Maharashtra.

The Aurangabad Laboratory was inaugurated on 14th November 2009 by Shri Badrinarayanji R. Barwale, Chairman, Mahyco Seeds Ltd., and a large number of members from the local cotton trade were present on the occasion of the inauguration.

In his inaugural speech, Shri Barwale congratulated CAI for launching the project of setting up of Cotton Testing Laboratories in the cotton producing and consuming area which will enable the local cotton community to avail of the cotton testing facilities of international standards at affordable rates.



Shri Badrinarayanji R. Barwale inaugurating the Aurangabad Laboratory

On this occasion, a road show for increasing the membership base of the Association was also organised and CAI President, Shri Dhiren N. Sheth made a presentation highlighting the activities of the Association and benefits of its membership.



CAI President, Shri Dhiren N. Sheth making his presentation

The Akola Laboratory was inaugurated on 16th November 2009 by Shri Narayandasji Khandelwal, a veteran of the cotton trade and an eminent personality at Akola, in the presence of large number of invited guests representing local cotton trade. Shri Khandelwal, in his inaugural speech stated that the local trade will reap the benefits from the laboratory set up by CAI and wished CAI great success in its endeavour to provide testing facilities at various cotton growing centres.



Shri Narayandasji Khandelwal inaugurating the Akola Laboratory

CAI President, Shri Dhiren N. Sheth made a presentation on CAI's activities and benefits of its membership to the guests at the inaugural ceremony.

Visit to COTAAP Project at Chopda

On the sidelines of the inauguration of laboratories at Aurangabad and Akola, the Trustees of COTAAP and CAI team visited the various ongoing cotton development projects of COTAAP at Chopda on 15th November 2009.

A Kisan Mela was organised on this occasion where a large number of farmers participated.



COTAAP Trustees and CAI team at a Cotton Farm

S N I P P E T S

Since October this year, Cotton Corporation of India (CCI) has reportedly bought kapas equivalent to 2.20 lakh bales from farmers at the minimum support prices (MSP). This is about 77 percent lower than the purchase made during the corresponding period of last year. The reason for the substantially lower procurement this year is said to be the high ruling market prices which are above the MSP. This year's purchase so far has been mainly in Andhra Pradesh and Punjab with limited quantity being bought in Maharashtra. Last year, CCI had procured a record quantity of 89 lakh bales, as necessitated by the high support prices, which were above the market prices.



India's exports of textiles and clothing amounted to \$ 20.94 billion in 2008-09. Such exports amounted to \$ 19.15 billion in 2006-07 which rose to \$ 22.14 billion in 2007-08. Although there was a fall in terms of US dollars

during 2008-09, in rupee terms the value of exports was higher at Rs.96,309 crore as against Rs.89,121 crore in 2007-08. The domestic textiles and apparel market is currently valued at \$ 40 billion and is growing at 14 percent a year.



A survey made by the National Council of Applied Economic Research (NCAER) is reported to have revealed that business confidence in India has bounced back on improved economic conditions, and has surpassed the level that prevailed prior to the financial meltdown. The business confidence index (BCI) is stated to have gone up by 21 percent in October 2009 to touch 143.7 points compared to 119.9 in October 2008. The sharp rise in the BCI indicates that there is optimism about an improvement in the overall economic conditions and investment climate over the next six months, it is claimed.



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) 2008-09 CROP						
					November - December 2009						
					28 th	30 th	1 st	2 nd	3 rd	4 th	
03.	ICS-102	22mm	V-797	4.5-5.9	19		19500	20000	20500	20500	21000
04.	ICS-103	23mm	Jayadhar	4.0-5.5	19	H	19500	20000	21000	21000	21000
05.	ICS-104	24mm	Y-1	4.0-5.5	20		21200	-	-	-	-
2009-10 CROP											
01.	ICS-101	Below 22mm	Bengal Deshi(RG)	5.0-7.0	15	O	25000	25000	25000	25000	24800
02.	ICS-201	Below 22mm	Bengal Deshi(SG)	5.0-7.0	15	L	26000	26000	26000	26000	25800
05.	ICS-104	24mm	Y-1	4.0-5.5	20		-	21700	22700	22700	23200
06.	ICS-202	25mm	J-34 (SG)	3.5-4.9	23		24300	24300	24800	24800	25300
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	I	N.Q	N.Q	N.Q	N.Q.	N.Q.
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24		24000	24000	24500	24500	24700
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	D	25100	25100	25300	25300	25600
10.	ICS-105	29mm	S-6	3.5-4.9	26		26000	26200	26400	26400	26700
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	A	25900	26000	26500	26500	26500
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28		27000	27000	27500	27500	27500
13.	ICS-107	35mm	DCH-32	2.8-3 .6	31	Y	43000	43000	43500	43500	43500
14.	ICS-301	26mm	ICC	3.7-4.3	25		25000	25000	25000	25000	25000