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# Cotton Statistics And News

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Edited & Published by Amar Singh

## Global Cotton Production to Continue Declining in 2013-14 - ICAC Report

According to the latest Press Release, the International Cotton Advisory Committee (ICAC) has projected that the global cotton production will decrease by 11 percent to 23.2 million tons in 2013-14 due to lower cotton prices and increased attractiveness of competing crops. This would be the second consecutive season of decline in cotton production and the smallest output in four years. Production is expected to fall sharply in the United States and Turkey, where competition with grains and soybeans is strong. Smaller crops are also projected in China, Pakistan, Central Asia and Francophone Africa. Production is forecast only slightly down in India, assuming a recovery in the average yield.

Global cotton mill use is expected to continue growing slowly in 2013-14, on the basis of a continued gradual recovery in global economic growth. The ICAC forecasts global cotton mill use to rise by 3 per cent to 24.2 million tons, driven by South Asia. World cotton trade could remain almost stable at 7.8 million tons, as a projected further drop in Chinese imports could be offset by increased demand from the rest of the world.

After three consecutive years of increase, global stocks could contract by 6 percent from the record level of 16.6 million tons forecast in July 2013, to 15.6 million

tons in July 2014. Most of this reduction in stocks is expected to take place outside of China.

One major source of uncertainty regarding short-term global cotton supply and use projections stems from Chinese policies. The Chinese government has accumulated a national reserve of over 7 million tons in the last 14 months by buying domestic and foreign cotton. This national reserve will likely continue growing until the end of March 2013 but it is not clear how it will be managed after that point. International cotton prices are currently supported and stabilized by Chinese policies, but changes to these policies could have opposite results.

### World Cotton Supply and Distribution

	2011-12	2012-13	2013-14
Million Tons			
Production	27.284	26.079	23.19
Consumption	22.797	23.498	24.21
Imports	9.714	7.751	7.79
Exports	9.755	7.751	7.79
Ending Stocks	14.041	16.622	15.61
Cotlook A Index*	1.00	0.83**	

\* Season-average (US \$ per pound)

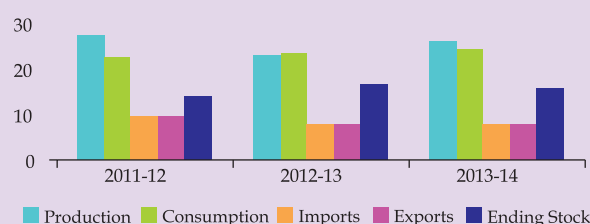
\*\*Average for the first four months of 2012-13

### 90th Annual General Meeting of CAI

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

### World Cotton Supply and Distribution

(MT)



(Source: ICAC Press Release 3-12-2012)

## Hike in Cotton Export Registrations Cap May Boost Dispatches

The Government's move to hike registration limits for cotton exports to 30,000 bales may help boost the fibre shipments.

Cotton exports are under open general license and the move to hike registration limits comes ahead of the likely announcement of import quota by China, a large consumer.

The Director General of Foreign Trade recently modified the condition for cotton exports and increased the maximum limit for obtaining the registration certificates (RCs) to 30,000 bales from 10,000 bales earlier.

The rise in export registration limits may possibly help boost the prices of cotton, which are largely hovering around the minimum support price (MSP) level of Rs 3,900 a quintal. The Government has procured about two million quintals through its procurement programme at MSP.

According to the trade sources, the hike in RC limit may not help the exporters significantly as global demand was weak. The hike in export registration limits was unlikely to alter the domestic availability for local mills, an official from CITI informed.

As per report, Indian exporters have contracted some 15 lakh bales so far, of which about half the quantity would have been shipped out. According to the Commerce Ministry, the export registrations stood at 4.5 lakh bales as of November 5.

It is assumed that India's cotton exports will not be more than eight million bales, against 12.9 million bales shipped out last year. The CAB has estimated production of 33.4 lakh bales, pegging the domestic consumption at 26 lakh bales, leaving an exportable surplus of seven million bales.

*(Source: Business Line - 6.12.2012)*

## Fairtrade Promotes Small-Scale Cotton Farmers Worldwide

Fairtrade International, Germany-based global non-profit organization, is aiming to promote small-scale cotton farmers worldwide through a new global strategy.

An official from Fairtrade International quoted to have stated that they are currently developing an ambitious strategy and overhauling the way they work with cotton, which will allow significant expansion of Fairtrade certified cotton in the mainstream textile sector. The aim is to allow millions of small scale cotton farmers to benefit from a fair and sustainable income.

It is informed that about 5 million cotton farmers from the Least Developed Countries (LDC) including Benin, Burkina Faso, Mali and Chad are smallholders, who grow cotton on an average of 1-2 hectares of land. Poverty is widespread and for most of the cotton farmers, it is the only cash crop they are able to grow. But unfortunately, market prices for cotton are too low to offer them a decent income which will also have a negative impact on the economy of these countries.

The key factors for low cotton prices are competition with cheap synthetic fibres such as

polyester as well as subsidies paid by major producer countries like the US, it is stated.

Fairtrade official opines that they will continue to focus their efforts on areas where cotton is produced by small-scale farmers in LDC as well as in countries like India, where small-scale farmers continue to suffer from unfavorable conditions of trade which keep them in extreme poverty.

The member organizations have carried out a number of campaigns to draw attention of plight to cotton farmers.

Fairtrade International works with farmers and workers, to improve their lives through fairer trade. The main priority of the organization is to create an alternative approach to conventional trade. Products that meet the Fairtrade Standards bear the FAIRTRADE Mark, a registered trade mark that appears on more than 27,000 products in 120 countries. Over 1.2 million small farmers and workers in 66 countries benefit from Fairtrade.

*(Source: Fibre2fashion - 27.11.2012)*

UPCOUNTRY SPOT RATES

November 2012

2012-13 Crop

Growth C. Standard Grade Staple Micronaire Strength/GPT	₹ \ Quintal																																					
	P/H/R ICS-101 Fine 22 mm 5.0-7.0 15	P/H/R ICS-201 Fine 22 mm 5.0-7.0 15	GUJ ICS-102 Fine 22 mm 4.0-6.0 20	KAR ICS-103 Fine 23 mm 4.0-5.5 21	M/M ICS-104 Fine 24 mm 4.0-5.5 23	P/H/R ICS-202 Fine 26 mm 3.5-4.9 26	M/M/A ICS-105 Fine 26 mm 3.0-3.4 25	M/M/A ICS-105 Fine 27 mm 3.0-3.4 26	P/H/R ICS-105 Fine 27 mm 3.5-4.9 26	M/M/A ICS-105 Fine 27 mm 3.5-4.9 26	M/M/A ICS-105 Fine 28 mm 3.5-4.9 27	M/M/A ICS-105 Fine 28 mm 3.5-4.9 27	GUJ ICS-105 Fine 28 mm 3.5-4.9 27	M/M/A ICS-105 Fine 28 mm 3.5-4.9 27	GUJ ICS-105 Fine 28 mm 3.5-4.9 27	M/M/A ICS-105 Fine 29 mm 3.5-4.9 28	M/M/A ICS-105 Fine 29 mm 3.5-4.9 28	GUJ ICS-105 Fine 29 mm 3.5-4.9 28	M/M/A ICS-105 Fine 30 mm 3.5-4.9 29	M/M/A ICS-105 Fine 30 mm 3.5-4.9 29	GUJ ICS-105 Fine 30 mm 3.5-4.9 29	M/M/A ICS-105 Fine 31 mm 3.5-4.9 30	M/M/A ICS-105 Fine 31 mm 3.5-4.9 30	GUJ ICS-105 Fine 31 mm 3.5-4.9 30	M/M/A ICS-105 Fine 32 mm 3.5-4.9 31	M/M/A ICS-105 Fine 32 mm 3.5-4.9 31	GUJ ICS-105 Fine 32 mm 3.5-4.9 31	M/M/A ICS-105 Fine 34 mm 3.0-3.8 33										
1	11445	11585	7311	8155	N.Q.	8802	8633	N.Q.	8886	8802	N.Q.	9139	9308	9364	9505	9533	9617	9758	9758	9533	9533	9617	9758	9758	9533	9533	9617	9758	12795									
2	11445	11585	7311	8155	N.Q.	8746	8577	N.Q.	8830	8746	N.Q.	9083	9251	9308	9448	9476	9561	9758	9758	9476	9476	9561	9758	9758	9476	9476	9561	9758	12795									
3	11304	11445	7311	8155	N.Q.	8689	8548	N.Q.	8773	8717	N.Q.	9055	9223	9251	9392	9448	9561	9758	9758	9392	9448	9561	9758	9758	9448	9448	9561	9758	12795									
5	11304	11445	7311	8155	N.Q.	8577	N.Q.	N.Q.	8660	N.Q.	N.Q.	8998	9111	9167	9364	9448	9561	9758	9758	9392	9448	9561	9758	9758	9448	9448	9561	9758	12795									
6	11304	11445	7311	8155	N.Q.	8717	N.Q.	N.Q.	8830	N.Q.	N.Q.	9167	9111	9167	9364	9448	9561	9758	9758	9392	9448	9561	9758	9758	9448	9448	9561	9758	12795									
7	11304	11445	7311	8155	N.Q.	8773	N.Q.	N.Q.	8886	N.Q.	N.Q.	9223	9280	9336	9420	9505	9701	9814	9814	9420	9505	9701	9814	9814	9505	9505	9701	9814	12851									
8	11304	11445	7311	8155	N.Q.	8858	N.Q.	N.Q.	8970	N.Q.	N.Q.	9223	9280	9336	9420	9505	9701	9814	9814	9420	9505	9701	9814	9814	9505	9505	9701	9814	12570									
9	11220	11360	7311	8155	N.Q.	8914	N.Q.	N.Q.	8970	N.Q.	N.Q.	9251	9280	9336	9420	9505	9701	9814	9814	9420	9505	9701	9814	9814	9505	9505	9701	9814	12570									
10	11304	11445	7311	8155	N.Q.	8886	N.Q.	N.Q.	8942	N.Q.	N.Q.	9223	9280	9336	9420	9505	9701	9814	9814	9420	9505	9701	9814	9814	9505	9505	9701	9814	12570									
12	11248	11389	7367	8211	N.Q.	8858	N.Q.	N.Q.	8914	N.Q.	N.Q.	9195	9223	9392	9476	9533	9870	10067	10067	9476	9533	9870	10067	10067	9533	9533	9870	10067	12570									
13	....	....	....	....	....	....	....	....	HOLIDAY																													
14	....	....	....	....	....	....	....	....	HOLIDAY																													
15	....	....	....	....	....	....	....	....	HOLIDAY																													
16	11389	11529	7452	8295	N.Q.	8942	N.Q.	N.Q.	8998	N.Q.	N.Q.	9280	9280	9476	9589	9870	10011	10011	9589	9870	10011	10011	10011	9870	9870	10011	10011	12570										
17	11332	11473	7452	8295	N.Q.	8914	N.Q.	N.Q.	8970	N.Q.	N.Q.	9223	9280	9448	9589	9870	9983	9983	9589	9870	9983	9983	9983	9870	9870	9983	9983	12570										
19	11332	11473	7592	8436	N.Q.	8942	N.Q.	N.Q.	8998	N.Q.	N.Q.	9251	9280	9448	9589	9870	9983	9983	9589	9870	9983	9983	9983	9870	9870	9983	9983	12710										
20	11248	11389	7705	8436	N.Q.	8998	N.Q.	N.Q.	9055	N.Q.	N.Q.	9308	9251	9448	9589	9870	9983	9983	9589	9870	9983	9983	9983	9870	9870	9983	9983	12710										
21	11248	11389	7705	8436	N.Q.	8998	N.Q.	N.Q.	9111	N.Q.	N.Q.	9308	9251	9448	9589	9870	9983	9983	9589	9870	9983	9983	9983	9870	9870	9983	9983	12710										
22	11107	11248	7705	8436	N.Q.	8942	N.Q.	N.Q.	9026	N.Q.	N.Q.	9251	9251	9420	9589	9870	9983	9983	9589	9870	9983	9983	9983	9870	9870	9983	9983	12710										
23	11051	11192	7705	8436	N.Q.	8914	N.Q.	N.Q.	9026	N.Q.	N.Q.	9195	9195	9420	9589	9870	9983	9983	9589	9870	9983	9983	9983	9870	9870	9983	9983	12654										
24	11051	11192	7649	8436	N.Q.	8858	N.Q.	N.Q.	8970	N.Q.	N.Q.	9139	9139	9280	9364	9617	9701	9701	9364	9617	9701	9701	9701	9701	9701	9701	9701	12598										
26	10854	10995	7564	8352	N.Q.	8858	N.Q.	N.Q.	9026	N.Q.	N.Q.	9195	9083	9223	9308	9505	9645	9645	9308	9505	9645	9645	9645	9645	9645	9645	9645	12598										
27	10770	10911	7592	8436	N.Q.	8970	N.Q.	N.Q.	9083	N.Q.	N.Q.	9251	9139	9280	9364	9617	9701	9701	9364	9617	9701	9701	9701	9701	9701	9701	9701	12598										
28	10686	10826	7592	8352	N.Q.	8914	N.Q.	N.Q.	9026	N.Q.	N.Q.	9223	9195	9336	9448	9645	9786	9786	9448	9645	9786	9786	9786	9786	9786	9786	9786	12598										
29	10686	10826	7592	8352	N.Q.	8942	N.Q.	N.Q.	9055	N.Q.	N.Q.	9251	9223	9336	9448	9645	9786	9786	9448	9645	9786	9786	9786	9786	9786	9786	9786	12598										
30	10686	10826	7649	8408	N.Q.	9026	N.Q.	N.Q.	9111	N.Q.	N.Q.	9308	9280	9364	9476	9533	9701	9842	9476	9533	9701	9842	9842	9842	9842	9842	9842	12710										
H	11445	11585	7705	8436	-	9026	8633	-	9111	8802	-	9308	9308	9476	9589	9870	10067	10067	9589	9870	10067	10067	10067	9870	9870	10067	10067	12851										
L	10686	10826	7311	8155	-	8577	8548	-	8660	8717	-	8998	9083	9167	9280	9308	9505	9645	9280	9308	9505	9645	9645	9645	9645	9645	9645	12570										
A	11157	11298	7483	8292	-	8871	8586	-	8962	8755	-	9206	9226	9344	9436	9491	9693	9860	9436	9491	9693	9860	9860	9860	9860	9860	9860	12662										

N.A. = Not Available H = Highest L = Lowest A = Average \* = Nominal

**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  
December 2012

Sr. No.	Growth Standard	Grade /GPT	Grade	Staple	Micronaire	Strength	3rd	4th	5th	6th	7th	8th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	10601 (37700)	10489 (37300)	10376 (36900)	10151 (36100)	10151 (36100)	10095 (35900)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	10742 (38200)	10629 (37800)	10517 (37400)	10292 (36600)	10292 (36600)	10236 (36400)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	7705 (27400)	7705 (27400)	7705 (27400)	7705 (27400)	7705 (27400)	7705 (27400)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	8436 (30000)	8436 (30000)	8436 (30000)	8436 (30000)	8436 (30000)	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	9026 (32100)	8970 (31900)	8970 (31900)	9055 (32200)	9055 (32200)	9055 (32200)
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	9055 (32200)	8998 (32000)	8998 (32000)	9083 (32300)	9139 (32500)	9167 (32600)
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	9364 (33300)	9251 (32900)	9251 (32900)	9336 (33200)	9364 (33300)	9364 (33300)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	9280 (33000)	9195 (32700)	9195 (32700)	9223 (32800)	9251 (32900)	9308 (33100)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	9364 (33300)	9280 (33000)	9280 (33000)	9308 (33100)	9336 (33200)	9392 (33400)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	9392 (33400)	9280 (33000)	9280 (33000)	9280 (33000)	9308 (33100)	9364 (33300)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	9448 (33600)	9364 (33300)	9364 (33300)	9392 (33400)	9420 (33500)	9476 (33700)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	9505 (33800)	9420 (33500)	9420 (33500)	9420 (33500)	9448 (33600)	9505 (33800)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	9617 (34200)	9561 (34000)	9561 (34000)	9561 (34000)	9589 (34100)	9645 (34300)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 – 4.9	31	9842 (35000)	9758 (34700)	9758 (34700)	9758 (34700)	9758 (34700)	9758 (34700)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0 - 3.8	33	12710 (45200)	12654 (45000)	12654 (45000)	12654 (45000)	12654 (45000)	12682 (45100)

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