

Weekly Publication of



**Cotton  
Association  
of India**

# COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

2018-19 • No. 37 • 11<sup>th</sup> December, 2018 Published every Tuesday

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## Global Cotton Scenario - 2018-19 at a Glance

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**GUEST COLUMN**

**Dr. Brijender Mohan Vithal**  
Cotton Expert

The 'World Agricultural Supply and Demand Estimates' dated 8th November, 2018, regarding cotton, issued by United States Department of Agriculture has been reproduced below for the benefit of our readers.

**COTTON:** This month's 2018/19 U.S. balance sheet shows lower production, consumption, exports, and ending stocks. Production is reduced 1.35 million bales

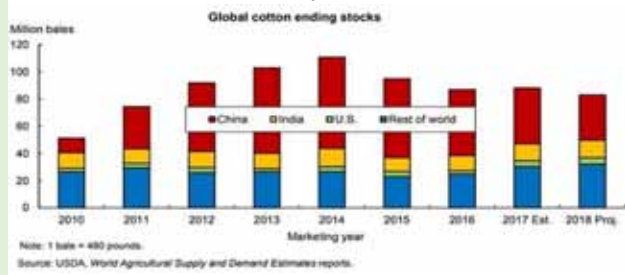
*due mainly to decreases in the Southeast, reflecting the impact of adverse weather. Domestic mill use is reduced 100,000 bales and exports are reduced 500,000 bales. Projected ending stocks in 2018/19 are 700,000 bales lower this month, at 4.3 million bales or 24 percent of use. The marketing-year-average price received by producers is forecast between 71.0 and 77.0 cents per pound, with a midpoint of 74.0 cents, 1 cent above last month.*

*This month's 2018/19 world supply and demand forecasts include lower beginning stocks, production, consumption, trade, and ending stocks. Historical revisions to Benin's exports resulted in a 375,000-bale*

*decrease in 2018/19 beginning stocks there, accounting for much of this month's 500,000-bale decline in global beginning stocks. Forecast global production is reduced 2.3 million bales as smaller expected crops in the United States, India, Pakistan, and Turkmenistan offset an increase in Benin. Consumption is reduced 875,000 bales, with smaller expected mill use in India, Pakistan, Turkey, Brazil, Indonesia, and the United States. Global ending stocks are 1.8 million bales lower this month, at 73 million bales or 57 percent of mill use.*

Global cotton stocks are forecast to decrease following last season's relatively small increase, according to the latest USDA cotton projections for 2018-19. World ending stocks are projected at 83.0

### World Cotton Ending Stocks in 2018-19 to Drop 6% (Courtesy: USDA)



million bales for 2018-19, nearly six per cent (5.2 million bales) below 2017-18 and the lowest since 2011-12.

Global cotton stocks totalled a record 110.8 million bales at the conclusion of 2014-15, with China holding 60 per cent of the total, as Government policies there resulted in unusually large stocks in their national reserve. Subsequently, however, policies were implemented in China to reduce surplus stocks, resulting in lower world stocks.

For 2017-18, the cotton stocks in China are forecast lower at 41.2 million bales, while stocks outside of China are expected to increase by 22 per cent to 47.0 million bales, the Economic Research Service of USDA said in its latest 'Cotton and Wool Outlook' report.

For 2018-19, the stocks in China are projected to decline further to 33.1 million bales - 40 per cent of the global total - while stocks outside of China are forecast to approach a record 50 million bales. However, as a share of world mill use, stocks outside of China are expected to rise only slightly in 2018-19.

### India To Be the Largest Cotton Producer in 2018-19: USDA

For the fourth consecutive season, India is expected to be the largest producer of cotton in 2018-19, with the crop projected at 28.5 million bales, unchanged from the previous year, according to the latest USDA cotton projections for 2018-19. India is forecast to account for 24 per cent of the world's cotton output in 2018-19.

A rebound in yield, offset by a reduction in harvested area, is expected to keep India's crop at 28.5 million bales, the largest since 2014-15, the Economic Research Service of the USDA said in its latest 'Cotton and Wool Outlook' report.

The report projects cotton production in China at 26.5 million bales (down 1.0 million bales) in 2018-19, as the area is reduced slightly and the yield has declined from the 2017-18 record 1,761

kg/hectare to 1,722 kg/hectare - the second largest - as approximately 80 per cent of China's cotton is now grown in the high-yielding Xinjiang region in northwestern China.

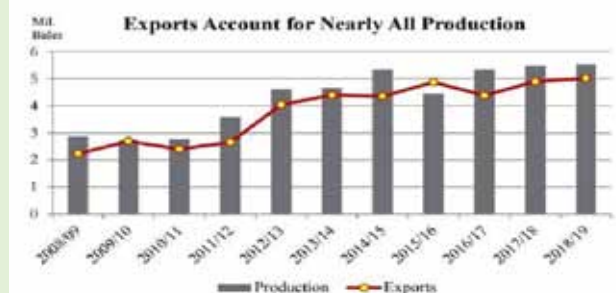
Meanwhile, in Australia, the 2018-19 production is estimated at only 3.8 million bales (down 1.1 million bales) as area and yield are expected to be lower than a year earlier. In US too, production is anticipated to decrease by 1.4 million bales, the report said.

On the other hand, cotton production in Brazil and Pakistan, is projected to increase for 2018-19, as area gains are expected to offset yield declines. For Brazil, the production is estimated at 9.0 million bales (up 0.1 million bales) in 2018-19, the largest since a similar amount was produced in 2010-11. For Pakistan, the cotton production is forecast at 8.5 million bales (up 0.3 million bales) in 2018-19, the highest in four years.

Overall, the world cotton production in 2018-19 is forecast at 120.4 million bales, 2 per cent (2.4 million bales) below the previous year, but still one of the largest crops during the last five seasons. Global cotton harvested area in 2018-19 is projected at 32.9 million hectares (81.3 million acres), 1 per cent below 2017-18. The world cotton yield is forecast at 797 kg/hectare (711 pounds per harvested acre) in 2018-19, slightly below the previous year but 4 per cent above the 5-year average.

### Record Cotton Production to Drive West Africa Exports

(Cotton production and exports in West Africa  
Courtesy: FAS/USDA)



Cotton exports from West Africa for 2018-19 are projected to surpass last year's record, driven by record production, according to the USDA. West Africa comprises 12 cotton producing countries, namely Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Côte d'Ivoire, Ghana, Mali, Niger, Nigeria, Senegal and Togo.

Of the 12 nations, Mali and Burkina Faso are the largest producers and are forecast to have record crops amid expanding area, the Foreign Agricultural Service of the USDA said in its monthly report 'Cotton: World Markets and Trade'.

West Africa accounts for more than three-fourths of Africa's cotton exports. Nearly all of West African cotton is exported, as mills are sparse within the region, signifying the pivotal role that foreign demand plays for West African producers and merchants, the report says.

South and Southeast Asia are the predominant destinations for West African cotton with the robust growth in consumption due to these Asian regions. Bangladesh, the world's largest importer, has recently opted for greater supplies from West Africa over Central Asian origin.

"Record exports in the midst of record global use in 2018-19 will underscore the importance of cotton as a vital cash crop for farmers and a prominent source of foreign currency for West African countries," the report concludes.

### US Cotton Regions Now Free of Pink Bollworm of Agriculture

After more than 100 years, US cotton is free of the devastating pink bollworm. The pest has cost US producers tens of millions of dollars in yearly control costs and yield losses, which now will be saved. The eradication was possible due to rigorous control and regulatory activities carried out by several government agencies and farmers.

Eradication of pink bollworm took years of committed research by Agricultural Research Service (ARS) of the USDA and included planting transgenic cotton, using insect pheromones to disrupt mating, releasing sterile insects to prevent reproduction, and extensive survey. Many of the research findings by ARS became management strategies used by USDA's Animal and Plant Health Inspection Service (APHIS) and cotton growers in their battle against pink bollworm.

Besides USDA, state departments of agriculture, the US cotton industry and growers also contributed in control and regulatory activities, which resulted in the US government lifting the quarantine for pink bollworm, Sonny Perdue, US secretary of agriculture said in a USDA press release.

Removing the pink bollworm regulations eases the movement of cotton to markets, both domestically and internationally, because farmers will have fewer restrictions to deal with, like fumigation requirements. This welcome development comes just as the cotton harvest is in full swing across the southern United States. Cotton growers were critical to this success, banding together to carry out a coordinated, multi-state programme and shouldering 80 per cent of the programme's cost. The coordinated effort demonstrates the value of

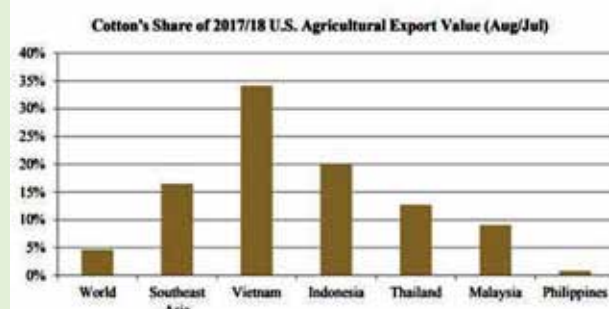
partnership, investment and putting our research close to and beside the farmers we serve.

Pink bollworm was first detected in the US in Hearne, Texas, in 1917. Extensive efforts by the Cooperative Extension Service in coordination with individual producers eliminated the infestation in Texas and Louisiana in 1919. In the 1930s, the pest re-invaded the Rio Grande Valley of Texas. By the mid-1950s, the pest had spread to surrounding states and eventually reached California in 1963.

In 1955, APHIS established domestic pink bollworm regulations. At the height of the programme, 10 states (Arizona, Arkansas, California, Louisiana, New Mexico, Oklahoma, Texas, Nevada, Mississippi and Missouri) were quarantined for this pest. Many of these infestations were suppressed through cooperative federal, state and industry programmes. By 2003, only Arizona, California, New Mexico and Texas remained under regulation.

### US Exports of Cotton to Southeast Asia Increasing: USDA

(Courtesy: USDA/FAS/September 2018)



Cotton is driving the growth of the US agricultural exports to Southeast Asia. In 2017-18, cotton was the leading export (value) to Vietnam, followed by Indonesia and Thailand, the Foreign Agricultural Service of the USDA said. In five years, cotton exports have accounted for over 2/3rd of the growth in US exports to the region.

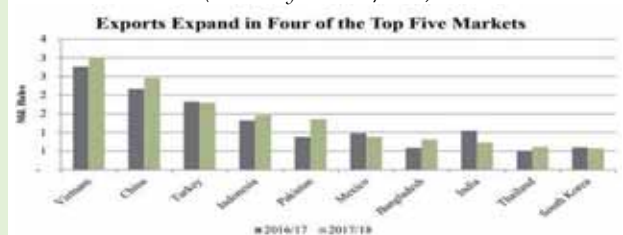
In 2017-18, Vietnam, Indonesia and Thailand witnessed 10 or more per cent growth in US cotton exports compared with the previous year, buoyed by Southeast Asia's growth as a prominent yarn and textile exporter. Vietnam leads the region in cotton imports, and is the United States' largest market for cotton, the latest USDA report titled 'Cotton: World Markets and Trade' said.

With minimal cotton production in the region, growth in spinning demand will be met through imports. In 2018-19, record imports and use are expected in Vietnam and Indonesia. Both countries are expected to continue as the top two markets for US cotton in the region. Continued strong yarn and textile exports are expected to drive this record growth, the report stated.

The forecast for cotton production during 2018-19 is likely to be led by China, Brazil and the United States more than offsetting a reduction in Australia, the report added. Trade is projected largely unchanged on lower exports from Australia offsetting higher exports from the United States and Brazil. Higher global consumption is attributed to greater use in India. US production is raised along with exports and stocks. (Source: Fibre2Fashion News Desk – India)

### US Cotton Exports in 2017-18 Highest in Over a Decade

(Courtesy: USDA/FAS)



Cotton exports from the US in 2017-18 reached their highest level since 2005-06 and were the second highest on record, the Foreign Agricultural Service of the USDA has said. The record reported exports were on the back of the largest cotton production in the US in more than 10 years and record global consumption.

Compared with 2016-17, US cotton shipments expanded in four of the top five markets – Vietnam, China, Indonesia and Pakistan. However, expanding use in Southeast and South Asia has underpinned significant US shipments recently.

For the third year in a row, Vietnam continued to be the top US market where shipments surpassed last year's record, owing to the country's record yarn production and robust yarn exports.

China was the second-largest destination for US cotton and served as the largest market for US Pima (extra-long staple grade). "Demand for Pima and Upland continues to grow as China pursues higher quality inputs and works domestic stocks down further," the USDA report 'Cotton: World Markets and Trade' said.

US exports to Pakistan saw the largest year-on-year increase despite its larger domestic crop. The country's yarn production continues to grow and is expected to expand into 2018-19, a promising sign for US export prospects.

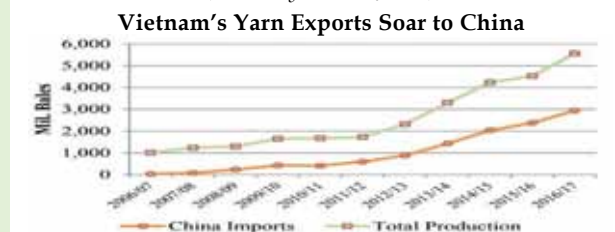
Shipments to Mexico and Turkey were down compared to the previous year, due to higher production in those countries.

For the 2018-19 cotton season, US exports are

forecast down slightly, with exportable supplies lower in the US and higher for the rest of the world excluding China. Nonetheless, 2018-19 US shipments are forecast to be the second-highest since 2005-06 with global use projected at a record, the report said. (Source: Fibre2Fashion News Desk – India)

### US Cotton Exports in 2017-18 Highest in Over a Decade

(Courtesy: USDA/FAS)



The increase in Vietnam's yarn exports, particularly to the world's largest yarn importer – China, has made the country the world's fastest-growing market for cotton. This has spurred opportunities for greater cotton exports from the US to the Southeast Asian nation, according to the Foreign Agricultural Service of the USDA.

"US market share in Vietnam has grown to more than half from around a third in only 3 years. Burgeoning imports of US cotton are expected to underpin Vietnam's record 2018-19 consumption and to surpass projections for 2017-18 record imports and use," said the latest USDA report 'Cotton: World Markets and Trade'.

New and existing foreign investment continues to flow into Vietnam's spinning mills, due to the country's low-cost environment relative to Japan and South Korea. As a result, China and other foreign exporters (e.g., India and Pakistan) continue to be displaced as Vietnam's yarn exports to China practically quintupled compared with 2012-13, signifying the expanding link between these countries' textile industries.

Vietnam was the leading destination for US cotton exports in 2016-17 (and 2017-18 year-to-date), as cotton was the most valuable US agricultural export to the country during the same period, accounting for over 40 per cent of total agricultural export value. This has continued in 2017-18 as evidence by record US exports to Vietnam from August to June, the report said.

Vietnam's prowess as the projected second-largest importer in 2017-18 and 2018-19 has helped propel 2017-18 US exports even higher in July 2018, reaching the highest level in over a decade. (Source: Fibre2Fashion News Desk – India)

(The views expressed in this column are of the author and not that of Cotton Association of India)

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## CAI Reduces its Cotton Crop Estimate for 2018-19 Season to 340.25 Lakh Bales

Cotton Association of India (CAI) has released its November estimate of the cotton crop for the season 2018-19 beginning from 1st October 2018.

The CAI has estimated cotton crop for 2018-19 season at 340.25 lakh bales of 170 kgs. each which is lower by 3 lakh bales than its previous estimate of 343.25 lakh bales made during last month. Statements containing the state-wise estimate of the cotton crop and the Balance Sheet for the crop year 2018-19 with the corresponding data for the previous year are enclosed. The CAI has increased the crop estimate for Haryana by 1 lakh bales, Upper Rajasthan, Lower Rajasthan and Andhra Pradesh by 50 thousand bales each than compared to its previous estimate while there is a reduction in the crop estimated for Gujarat by 3 lakh bales, Maharashtra by 1 lakh bales and Telangana by 1.50 lakh bales compared to the previous estimate due to unfavourable weather conditions.

The CAI has projected total cotton supply during the months of October and November 2018 at 95 lakh bales which consists of the arrival of 70 lakh bales upto 30th November 2018, imports of 2 lakh bales upto 30th November 2018 and the opening stock at the beginning of the season as on 1st October 2018 which the Committee has estimated at 23 lakh bales.

Further, the Committee has estimated cotton consumption for during the months of October and November 2018 at 54 lakh bales while the export shipment of cotton upto 30th November 2018 has been estimated at 10 lakh bales.

The stock at the end of November 2018 is estimated at 31 lakh bales including 27 lakh bales with textile mills and the remaining 4 lakh bales are estimated to be held by CCI and others (MNCs, traders, ginners, etc.).

The projected yearly Balance Sheet for the Season 2018-19 drawn by the CAI has estimated total cotton supply till end of the season i.e.

upto 30th September 2019 at 390.25 lakh bales of 170 kgs. each which includes opening stock of 23 lakh bales at the beginning of the season, cotton crop for the season at 340.25 lakh bales and imports of 27 lakh bales which are estimated to be higher by 12 lakh bales compared to the import figure of 15 lakh bales estimated for the 2017-18 crop year. The CAI has estimated domestic consumption for the season at 324 lakh bales while the exports are estimated to be 53 lakh bales which are estimated to be lower by 16 lakh bales compared to the exports of 69 lakh bales estimated during the last year. The carry-over stock at the end of the 2018-19 season is estimated by the CAI at 13.25 lakh bales.

### CAI's Estimates of Cotton Crop as on 30th November 2018 for the Seasons 2018-19 and 2017-18

(in lakh bales)

State	Production *		Arrivals as on 30th November 2018 (2018-19)
	2018-19	2017-18	
Punjab	10.00	9.00	3.20
Haryana	25.00	23.60	10.23
Upper Rajasthan	12.00	11.15	5.76
Lower Rajasthan	13.00	12.25	6.65
<b>Total North Zone</b>	<b>60.00</b>	<b>56.00</b>	<b>25.84</b>
Gujarat	85.00	105.00	12.25
Maharashtra	79.00	83.00	10.00
Madhya Pradesh	24.00	21.50	7.00
<b>Total Central Zone</b>	<b>188.00</b>	<b>209.50</b>	<b>29.25</b>
Telangana	49.50	51.50	10.39
Andhra Pradesh	16.50	18.50	2.20
Karnataka	17.00	18.75	2.20
Tamil Nadu	5.00	5.75	-
<b>Total South Zone</b>	<b>88.00</b>	<b>94.50</b>	<b>14.79</b>
Orissa	3.25	4.00	0.12
Others	1.00	1.00	-
<b>Total</b>	<b>340.25</b>	<b>365.00</b>	<b>70.00</b>

\* Including loose

The Balance Sheet drawn by the Association for 2018-19 and 2017-18 is reproduced below:-

(in lakh bales)

Details	2018-19	2017-18
Opening Stock	23.00	36.00
Production	340.25	365.00
Imports	27.00	15.00
<b>Total Supply</b>	<b>390.25</b>	<b>416.00</b>
Mill Consumption	280.00	280.00
Consumption by SSI Units	29.00	29.00
Non-Mill Use	15.00	15.00
<b>Total Domestic Demand</b>	<b>324.00</b>	<b>324.00</b>
<b>Available Surplus</b>	<b>66.25</b>	<b>92.00</b>
Exports	53.00	69.00
<b>Closing Stock</b>	<b>13.25</b>	<b>23.00</b>

**Balance Sheet of 2 months i.e. from 1.10.2018 to 30.11.2018 for the season 2018-19**

Details	(in lakh b/s of 170 kg)	(in '000 Tons)
Opening Stock as on 01.10.2018	23.00	391.00
Arrivals upto 30.11.2018	70.00	1190.00
Imports upto 30.11.2018	2.00	34.00
<b>Total Available</b>	<b>95.00</b>	<b>1615.00</b>
Consumption (27 Lakhs X 2 months)	54.00	918.00
Export Shipment upto 30.11.2018	10.00	170.00
Stock with Mills	27.00	459.00
Stock with CCI, MNCs, MCX & Ginners	4.00	68.00
<b>Total</b>	<b>95.00</b>	<b>1615.00</b>

## Cotton Consumption - Cotton Year-wise

(In Lakh bales)

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18 (P)
Oct.	16.54	18.13	22.09	17.77	21.84	24.03	24.17	24.70	21.52	22.13
Nov.	16.94	18.47	21.09	18.34	21.09	22.96	25.05	23.35	23.06	23.20
Dec.	17.98	19.49	22.57	20.13	22.63	25.16	25.89	25.49	24.59	25.14
Jan.	16.93	19.54	22.1	20.33	23.3	25.19	25.77	25.26	25.02	25.10
Feb.	16.23	18.81	20.23	20.31	22.24	23.22	24.58	24.64	24.44	24.97
March	17.51	20.01	21.77	20.38	23.61	25.07	26.18	25.61	25.90	25.92
April	17.12	20.53	20.17	20.31	23.22	24.32	25.57	24.95	24.82	25.65
May	17.83	20.93	18.64	21.27	22.85	24.38	25.62	25.38	24.86	26.40
June	18.01	20.71	18.23	21.17	22.51	24.11	25.61	25.38	24.57	25.90
July	18.98	22.11	19	22.14	24.11	24.54	25.56	25.01	24.67	26.31
Aug.	18.59	21.73	18.64	22.08	24.23	24.46	25.86	24.37	23.12	26.22
Sept.	18.29	21.42	21.71	21.46	23.7	25.81	24.58	23.14	22.25	26.17
Total	210.96	241.88	246.23	245.47	275.34	293.24	304.43	297.28	288.82	303.11

P - Provisional

Source: Office of the Textile Commissioner

# SAVE THE DATES

6<sup>th</sup> – 8<sup>th</sup> March 2019



**COTTON  
ASSOCIATION  
OF INDIA**

*Established 1921*



presents



**INTERNATIONAL CONFERENCE**

IN

**HOTEL TRIDENT, MUMBAI (INDIA)**



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) 2018-19 Crop December 2018					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPI	3rd	4th	5th	6th	7th	8th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0-7.0	15	11642 (41400)	11642 (41400)	11642 (41400)	11642 (41400)	11614 (41300)	11614 (41300)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0-7.0	15	11782 (41900)	11782 (41900)	11782 (41900)	11782 (41900)	11754 (41800)	11754 (41800)
3	GUJ	ICS-102	Fine	22mm	4.0-6.0	20	-	-	-	-	-	-
4	KAR	ICS-103	Fine	23mm	4.0-5.5	21	10601 (37700)	10601 (37700)	10601 (37700)	10629 (37800)	10601 (37700)	10601 (37700)
5	M/M	ICS-104	Fine	24mm	4.0-5.0	23	11670 (41500)	11585 (41200)	11585 (41200)	11614 (41300)	11585 (41200)	11585 (41200)
6	P/H/R	ICS-202	Fine	26mm	3.5-4.9	26	11810 (42000)	11782 (41900)	11782 (41900)	11810 (42000)	11782 (41900)	11810 (42000)
7	M/M/A	ICS-105	Fine	26mm	3.0-3.4	25	-	-	-	-	-	-
8	M/M/A	ICS-105	Fine	26mm	3.5-4.9	25	-	-	-	-	-	-
9	P/H/R	ICS-105	Fine	27mm	3.5-4.9	26	11951 (42500)	11923 (42400)	11923 (42400)	11951 (42500)	11923 (42400)	11951 (42500)
10	M/M/A	ICS-105	Fine	27mm	3.0-3.4	26	-	-	-	-	-	-
11	M/M/A	ICS-105	Fine	27mm	3.5-4.9	26	-	-	-	-	-	-
12	P/H/R	ICS-105	Fine	28mm	3.5-4.9	27	12092 (43000)	12063 (42900)	12063 (42900)	12092 (43000)	12063 (42900)	12092 (43000)
13	M/M/A	ICS-105	Fine	28mm	3.5-4.9	27	-	-	-	-	-	-
14	GUJ	ICS-105	Fine	28mm	3.5-4.9	27	-	-	-	-	-	-
15	M/M/A/K	ICS-105	Fine	29mm	3.5-4.9	28	12232 (43500)	12232 (43500)	12232 (43500)	12288 (43700)	12260 (43600)	12288 (43700)
16	GUJ	ICS-105	Fine	29mm	3.5-4.9	28	12457 (44300)	12457 (44300)	12429 (44200)	12485 (44400)	12457 (44300)	12485 (44400)
17	M/M/A/K	ICS-105	Fine	30mm	3.5-4.9	29	12541 (44600)	12541 (44600)	12541 (44600)	12598 (44800)	12570 (44700)	12598 (44800)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5-4.9	30	12823 (45600)	12823 (45600)	12823 (45600)	12823 (45600)	12795 (45500)	12795 (45500)
19	A/K/T/O	ICS-106	Fine	32mm	3.5-4.9	31	13048 (46400)	13048 (46400)	13048 (46400)	13048 (46400)	13048 (46400)	13048 (46400)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0-3.8	33	16366 (58200)	16366 (58200)	16366 (58200)	16366 (58200)	16366 (58200)	16366 (58200)

(Note: Figures in bracket indicate prices in Rs./Candy)