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# Cotton Statistics And News

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## **CAI 's Monthly Estimates of 2010-11 Cotton Crop is 347.50 Lakh Bales in November**

In its latest monthly estimate, the Association has made revision of its cotton production estimate for the current season. Looking at the pace of arrivals so far and the expected balance arrivals during the season and owing to unseasonal rainfall in some tracts, particularly in the States of Gujarat and Maharashtra, the actual production of cotton in 2010-11 may be lower than the earlier estimate of 357.00 lakh bales made in October which is 9.50 lakh bales lower at 347.50 lakh bales as at end of November 2010.

The projected Balance Sheet drawn up by the Association for 2010-11 has estimated the total cotton supply at 409.00 lakh bales, while the domestic consumption has been retained at 266 lakh bales, leaving a surplus of 143.00 lakh bales. The cap of 55.00 lakh bales for 2010-11 season on cotton exports have effected the Indian cotton sector, in particular the farmers which need to be reviewed by the Government to protect the interest of the farmers as also India's image and reputation as a reliable supplier of quality cotton to the global cotton markets.

The arrivals as at end of November 2010 constitute approximately 20% of the expected crop. The increasing trend over the last one week in arrivals is indicative of the fact that the cotton crop for the current season will be substantially higher and the available surplus is also equally higher.

The State-wise production estimates and the Balance Sheet as drawn up by the Statistics Committee of the Association for 2010-11 are given in the accompanying table.

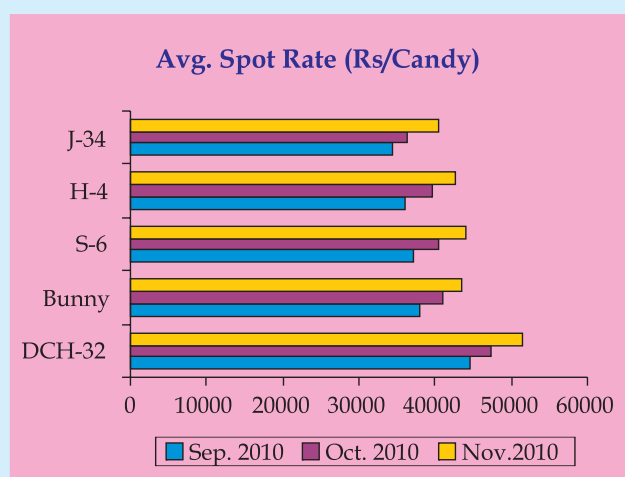
State	(in lakh bales of 170 kg)	
	Crop Estimates	Arrivals (As on Nov'10)
	2010-11	2010-11
Punjab	16.00	6.50
Haryana	15.00	4.25
Upper Rajasthan	7.00	2.25
Lower Rajasthan	3.00	1.00
Total North zone	41.00	14.00
Gujarat	116.00	23.00
Maharashtra	80.00	14.00
Madhya Pradesh	17.00	5.00
Total Central zone	213.00	42.00
Andhra Pradesh	60.00	10.00
Karnataka	14.00	2.00
Tamil Nadu	5.50	-
Total South zone	79.50	12.00
Orissa	1.00	0.50
Others	1.00	0.50
Total	335.50	69.00
Loose production (Survey)	+12.00	+ 2.50
All India	347.50	71.50

<b>Balance Sheet (2010-11)</b>		
(in lakh bales)		
	2010-11	2009-10
Opening Stock	55.00	71.50
Production	347.50	307.50
Imports	6.50	7.00
Total Supply	409.00	386.00
Mill Consumption	226.00	207.00
Consumption by SSI	20.00	23.00
Non-Mill Consumption	20.00	20.00
Total Demand	266.00	250.00
Available Surplus	143.00	136.00

## Cotton Prices Escalates Further in November

There was a strident rise in cotton prices during October, the first month of the new crop season. Prices escalated further during the second month of November also. The relevant data on the average prices of a few popular varieties during the last three months are given below:

Av. Spot Rate (Rs./Candy)			
Variety	Sept. 2010	Oct. 2010	Nov. 2010
J-34	34,500	36,400	40,500
H-4	36,000	39,600	42,600
S-6	37,100	40,500	43,900
Bunny	38,000	40,900	43,600
DCH-32	44,500	47,300	51,600



It will be seen that the increase in November has been substantial, ranging from Rs. 2700 to Rs. 4300 per candy. The lowest was in the case of the long staple cotton, Bunny, and the highest in the case of the extralong staple cotton, DCH-32. One of the main factors that fuelled the price rise in November was the lower-than-anticipated arrivals from the new crop owing to the receipt of rains in some tracts, particularly in the States of Gujarat and Maharashtra. There have also been reports that the actual production of cotton in 2010-11 may be appreciably lower than the estimate of 357 lakh bales by the Cotton

Association and 325 lakh bales made by the Cotton Advisory Board mainly because of the heavy late rains in Andhra Pradesh causing damage to the crop.

Another reason for the continued rise in the prices was the steady increase in the world cotton prices. For instance, the average Cotlook A Index which was 126.55 US Cents per pound in October rose to 156.95 Cents per pound in November. In fact, the Index had climbed to an unprecedented 159.05 Cents per pound on November 19, whereafter it came down and was moving at around 147-148 Cents per pound towards the end of the month.

A scrutiny reveals that cotton prices in domestic market were on the rise in the first fortnight of November and showed a declining trend during the second fortnight. This may be due to the pick-up in arrivals which have been estimated to be about 47 lakh bales by the third week of November as compared to about 48 lakh bales by the same period last year. Also, the demand from exporters has waned owing to the cap placed on exports which is said to have almost been reached.

The average prices during the first two months of the current and last seasons have been as under:

Seasonal Avg. Spot Rate (Oct. - Nov.) (Rs./Candy)			
Variety	2009-10	2010-11	Increase
J-34	22,500	38,500	16,000
H-4	23,800	41,100	17,300
S-6	24,200	42,200	18,000
Bunny	23,900	42,300	18,400
DCH-32	41,000	49,500	8,500

There have been hefty increases in all varieties and they were the highest in the case of the long staple cottons S-6 and Bunny.

### 88th Annual General Meeting of CAI

The 88th Annual General Meeting of the Cotton Association of India will be held on Friday, the 31st December 2010 at 3.00 p.m. in the Conference Room of the Association, 2nd Floor, Cotton Exchange Building, Cotton Green, Mumbai 400 033.

## UPCOUNTRY SPOT RATES

Nov. 2010	2009-10 Crop										2010-11 Crop										(Rs. \ Candy)								
	V-797	Jayadhar	Y-1	NHH-44	BD (RG) A. Commilla	BD SG	J-34	NHH-44	LRA-5166	H-4/ MECH-1	Shankar-6	Bunny/ Brahma	MCU-5/ Surabh	DCH-32	ICS-103	ICS-104	ICS-105	ICS-101	ICS-201	ICS-202		ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-106	ICS-107	
1	26000	27500	34500	N.A.	27500	28000	38000	-	39000	40800	41600	42000	43200	50000	23 mm	24 mm	25 mm	27 mm	28 mm	29 mm	31 mm	33 mm	35 mm	35 mm	35 mm	35 mm	35 mm	35 mm	
2	26000	28500	34500	N.A.	27700	28500	38000	-	39000	41300	42300	42600	43700	50000	4.0-5.5	4.0-5.5	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.3-4.5	3.3-4.5	3.3-4.5	3.3-4.5	3.3-4.5	3.3-4.5	3.3-4.5	
3	26500	29000	35200	N.A.	28400	29200	38700	-	40000	42300	44000	44300	44700	50000	19	20	22	24	25	26	27	28	28	28	28	28	28	28	28
4	26500	29000	35200	N.A.	28500	29400	39300	-	40000	42300	43500	44200	44700	50000	19	20	22	24	25	26	27	28	28	28	28	28	28	28	28
5	...	...	...	H	O	L	I	D	A	Y	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
6	26500	29000	35200	N.A.	28500	29400	39300	-	40000	42600	44200	43800	45000	50500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
8	27000	30000	38200	N.A.	28600	29500	40000	-	41000	43300	44700	44300	47000	51500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
9	27200	30000	38200	N.A.	30600	31500	41500	-	41500	44000	45500	45000	47500	52500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
10	27200	31000	38700	N.A.	30600	31500	42500	-	42500	45200	46200	45500	48500	52500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
11	27000	31000	38700	N.A.	30100	31000	42000	-	42500	44700	46200	45500	48500	52500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
12	26500	30500	38200	N.A.	29600	30500	41300	-	41000	42700	44700	44000	47500	52500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
13	...	...	...	H	O	L	I	D	A	Y	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
15	26000	31000	39500	-	30000	30500	40600	41300	40500	41500	42500	43000	46000	52500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
16	26000	31000	39500	-	30500	31000	41600	41800	41600	42500	43500	43500	46500	52500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
17	...	...	...	...	M	A	R	K	E	T	C	L	O	S	E	D	...	...	...	...	...	...	...	...	...	...	...	...	
18	26000	32000	40000	-	31400	31800	41600	41800	42000	42700	43500	43500	46500	52500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
19	26000	32000	40000	-	31800	32200	41600	41800	42200	43000	44000	44000	46500	52500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
20	26000	32000	40000	-	31800	32200	41600	41800	42200	43000	44000	44000	46500	52500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
22	25700	31700	39700	-	31500	31900	41300	41500	41900	42700	43700	43700	46200	52200	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
23	25900	31900	40000	-	31500	31900	41500	41700	42100	43200	44200	43900	46400	52200	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
24	27000	32300	40000	-	31500	31900	41300	41300	41700	42500	44200	43700	46400	52200	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
25	27500	32300	40000	-	31500	31900	41300	41300	41700	42800	44200	43700	46400	52200	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
26	27500	32300	40000	-	31500	31900	40800	41300	41700	42800	44200	43700	46400	51500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
27	...	...	...	H	O	L	I	D	A	Y	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
29	27000	31800	38000	-	30500	31000	39300	40000	40200	41000	42400	42000	43600	50000	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
30	27000	N.A.	37500	30000	30500	38300	N.A.	N.A.	40000	42000	41500	43000	50000	50000	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
H	27500	32300	40000	-	31800	32200	42500	41800	42500	45200	46200	45500	48500	52500	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
L	25700	27500	34500	-	27500	28000	38000	40000	39000	40000	41600	41500	43000	50000	...	...	...	...	...	...	...	...	...	...	...	...	...	...	
A	26500	30800	38200	-	30200	30800	40500	41400	41200	42600	43900	43600	45900	51600	...	...	...	...	...	...	...	...	...	...	...	...	...	...	

H = Highest L = Lowest A = Average

## SNIPPETS

The Union Textile Ministry reportedly plans to launch a Technology Mission with an outlay of Rs. 200 crore in technical textiles for a period of five years. Under this Mission, it is stated that four new centres of excellence in emerging technologies of textile textiles like composites, non-woven, neo-tech and sport tech are to be set up, it is stated. It is further reported that the four existing centres of excellence in the country on geo-tech, agro-tech, pro-tech and medi-tech textiles would be upgraded with new facilities.



Agriculture growth in the country had been somewhat sluggish in recent years being about 1.6 per cent in 2008-09 and 0.2 per cent in 2009-10. It is now reported that farm growth is finally poised to take off this year. Government officials are said to expect that the growth will not only just meet the target of four per cent set for the year but will exceed it and may reach unprecedented level of about six to seven per

cent. This is bound to put more money in the hands of rural people leading to a boost in rural spending. This, in turn, will push up manufacturing and generally give a forward thrust to economy, it is stated.



India's gross domestic product (GDP) grew by 8.9 per cent in the second quarter (July-September) of the current fiscal, according to the data released by the Central Statistical Organisation. The better-than-expected growth is said to have been driven by a robust farm output which grew by 4.4 per cent as against 0.9 per cent in the corresponding quarter of 2009-10. Another positive development reported is that the six core sector infrastructure industries posted a growth of 7 per cent in October as against 3.9 per cent in October 2009. The growth in October was also higher than the growth of just 2.7 per cent registered in September.



### 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					
						December 2010					
						4 <sup>th</sup>	6 <sup>th</sup>	7 <sup>th</sup>	8 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>
03.	ICS-102	22mm	V-797	4.5-5.9	19	N.A.	27200	27200	26700	26700	26500
04.	ICS-103	23mm	Jayadhar	4.0-5	19	N.A	N.A	N.A	N.A	N.A	N.A
05.	ICS-104	24mm	Y-1	4.0-5.5	20	37600	37600	37400	37000	37000	36600
<b>2010-11 CROP</b>											
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15	31200	31200	31000	30500	30300	30300
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15	31500	31500	31300	30800	30600	30600
06.	ICS-202	25mm	J-34	3.5-4.9	23	39700	40200	39700	38700	38400	38400
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	N.A	N.A	N.A	N.A	N.A	N.A
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24	N.A	N.A	N.A	N.A	N.A	N.A
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	39900	40000	39800	39500	38500	38500
10.	ICS-105	29mm	S-6	3.5-4.9	26	42800	42800	42600	41800	40900	40700
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	41400	41700	41400	41100	40500	40500
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28	43300	43500	43500	43300	43000	43000
13.	ICS-107	35mm	DCH-32	2.8-3.6	31	50100	50300	52000	53000	53000	53500