

Weekly
Publication of



**Cotton
Association
of India**

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Regd.No.MH/MR/EAST/96/2009-11

Registered with the Registrar of Newspapers for India under R.No.18844/69

Published every Tuesday

Price: Rs.30 per copy

Cotton Statistics And News

2012 * No. 38 * 18/12/2012

Edited & Published by Amar Singh

Cotton Prices Move Both Ways Within Narrow Range in November

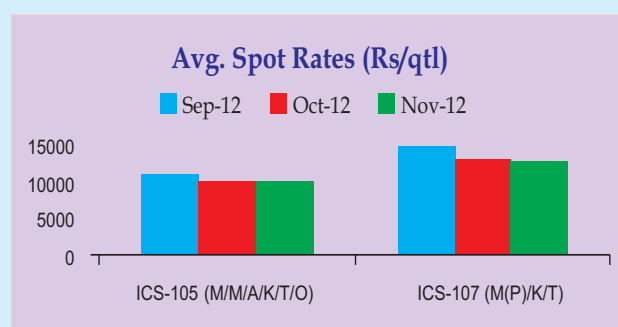
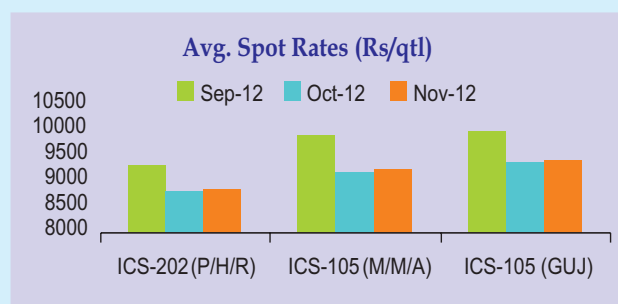
Domestic cotton prices moved within a narrow range in November, the second month of the new season 2012-13. While prices of some varieties were marginally up, those of others eased somewhat. The data on prices of some representative growths since september are given below:

Growth	Avg. Spot Rate (Rs./Quintal)		
	Sept. '12	Oct. '12	Nov. '12
ICS-202(P/H/R)	9,347	8,332	8,871
ICS-105(M/M/A)	9,919	9,212	9,226
ICS-105(GUJ)	10,033	9,415	9,436
ICS-105(M/M/A/K/T/O)	10,811	9,815	9,693
ICS-107(M(P)/K/T)	14,632	13,014	12,662

As may be seen, prices of ICS-202 (P/H/R), ICS-105 (M/M/A) and ICA-107 (GUJ) moved up in November by Rs.39, Rs.14 and Rs.21 per quintal respectively. The two growths whose prices sought lower levels in November were ICS-105 (M/M/A/K/T/O) by margins of Rs.122 and Rs.352 per quintal respectively.

After touching a high in August compared to the previous months, prices had already been ruling weak in September as compared to August. Prices had no cause to react violently since the market conditions had been generally stable. While the arrivals of the new crop are gaining momentum, the demand from mills had also slackened. However, since the support prices had been raised, farmers were assured of a reasonable price without

a crash taking place. Spinning mills are not keen to replenish cotton stocks as the crop has been projected to be about 352 lakh bales while domestic consumption is pegged at 240 lakh bales. The world cotton prices are expected to be lower since Chinese cotton imports are most likely to show a fall.



90th Annual General Meeting of CAI

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

Cotton Global Summit 2013 to be Held From March 20-23, 2013

Building on the successful debut of the inaugural 2012 Global Summit in Bangkok, Cotton International will once again unite the global cotton and textile industries to address the challenges and opportunities facing the full cotton value chain in these unpredictable times.

The Cotton International 2013 Global Summit will be held in March 20-22, 2013, at the Marina Bay Sands Hotel and Casino in Singapore. In cooperation with the International Textile Manufacturers Federation (ITMF) and other prominent industry organizations, the 2013 Global Summit will bring together thought leaders from all sectors of the cotton value chain. Last year, more than 300 senior executives travelled to Bangkok to attend the debut of the Cotton International Global Summit.

Through the market volatility and uncertainty the industry has faced over the last four years, cotton and textile professionals confirmed that strong relationships are fundamental to success and profitability, says Mr. Mike McCue, editor of Cotton International and Program Chair for the 2013 Global Summit. As the voice of the global cotton community, Cotton International serves as the forum for industry stakeholders to collaborate on solutions. The Cotton International 2013 Global Summit will be a big step toward fulfilling the mission to lead the industry forward.

The global economy is showing signs of improvement, but remains fragile due to continuing difficulties in several key regions, according to Mr. Schindler, Director General of ITMF. The textile industry around the world is struggling with sluggish global demand in 2012.

According to estimates from the International Monetary Fund, global output will be only 3.3% higher in 2012, after a 5.1 percent increase in 2010 and 3.8 percent jump in 2011. The combined growth rate in developed economies such as the United States, Japan, Great Britain and Canada, is only 1.3 percent in 2012 – significantly below their growth potential. The EU economy will even shrink slightly in 2012 (down 0.2 percent).

Emerging and developing economies like Brazil, China, India, Mexico and Russia are fueling global growth (up 5.3 percent in 2012), and estimates for global growth in 2013 are slightly higher – an

expected increase of 3.6 percent – but do not indicate a strong and fast recovery. The global textile industry needs to adapt to this scenario and at the same time prepare for future growth.

Mr. Schindler adds that the uncertainty in the eurozone and in the United States is weighing heavily on a fast and strong recovery. Since these problems are both political and economic, they are unlikely to be resolved quickly. This means that the industry has to adapt and anticipate to such developments. Inventories and processes need to be streamlined in order to remain competitive and profitable.

At the same time, the industry should realize the enormous growth potential that is in the pipeline. With investments in machinery, markets, distribution channels, research and innovation, and education, companies can prepare themselves for the time of the recovery post 2013.

Mr. Schindler believes that the Cotton International Global Summit in Singapore provides a timely opportunity and a conducive platform for cotton and textile professionals to discuss their challenges face-to-face and develop solutions.

Meetings like the Summit are important from time to time, as they enable participants to analyze the current economic market development, to learn from others' experiences, and to fine-tune or adapt one's business strategies, he says.

The Cotton International 2013 Global Summit program will include key industry thought leaders in four panel discussions addressing critical global issues, several networking functions, and dedicated time for private meetings that allow attendees to build their businesses. Detailed information about the agenda, speakers and other content-related topics will be released in the coming weeks.

To realize the great promise of cotton, it's crucial that the leaders of all industry sectors meet with their business partners in person to exchange ideas, build relationships, learn from each other and move their businesses forward," McCue says. We all need to work together if cotton is to maintain its position as the world's most desirable and sustainable fiber.

CAI Places 2012-13 Cotton Crop at 352 Lakh Bales for Nov. 2012

The Association has released recently its November estimates of the cotton crop for the season 2012-13. Cotton production during 2012-13 is placed at 352 lakh bales while the area planted to cotton is placed at 118.04 lakh hectares as on 6th Dec. 2012 by DOCD. The arrivals as on 30th November 2012 is estimated at 43.50 lakh bales. The State-wise details of the production estimates of the Association are given in the table below:

State	Production Estimates as on November 2012	
	2012-13	Arrivals
	30.11.2012	
Punjab	15.00	4.10
Haryana	22.00	4.35
Upper Rajasthan	8.25	1.80
Lower Rajasthan	7.75	1.00
Total North Zone	53.00	11.25
Gujarat	80.00	10.30
Maharashtra	80.00	7.60
Madhya Pradesh	18.00	2.75
Total Central Zone	178.00	20.65
Andhra Pradesh	73.00	9.10
Karnataka	12.00	1.50
Tamil Nadu	5.00	0.50
Total South Zone	90.00	11.10
Orissa	3.00	0.25
Other	2.00	0.25
Total	326.00	43.50
Loose Cotton	26.00	-
All-India	352.00	43.50

The Cotton Balance Sheet as drawn up by the Association for 2012-13 is given below:

(in lakh bales)	
	2012-13
Opening Stock	53.21
Production	352.00
Imports	12.00
Total Supply	417.21
Mill Consumption	230.00
Consumption by SSI	20.00
Non-Mill Consumption	16.00
Total Demand	266.00
Available Surplus	151.21

Government Relaxes Cotton Export Rules

Cotton export procedures have reportedly been liberalised by the Government in the backdrop of market prices barely ruling above the minimum support prices, particularly as the market arrivals of the new crop have gained momentum. A notification by the Directorate General of Foreign Trade (DGFT) is quoted to have stated that the cap for obtaining a registration certificate (RC) has been increased to 30,000 bales from the present 10,000 bales, unless the quantity exported was less than this in the previous season. In the latter case, the RC would be given for the previous amount, if it was more than 3,000 bales. Those who had exported less and newcomers would get an RC for upto 3,000 bales, it is clarified.

Further, DGFT is stated to have been allowed to issue multiple RCs within this eligibility, subject to some riders. Also, applications are now possible from three more centres, viz. Ludhiana, Rajkot and Vishakhapatnam. Leading trade members appear to be of the view that the decision would make operations easier. However, the price of cotton in the international market presently is about the same as domestic prices and hence, the impact would not be appreciable for now. However, if the domestic prices move down under the pressure of mounting arrivals, it will benefit more exporters and facilitate larger exports.

(Source: Business Standard - 6.12.2012)

SNIPPETS

Data released by the Central Statistics Office (CSO) are reported to have shown that the country's industrial output had risen by 8.2 percent in October compared to a decline of 5% in the same month a year ago. The CSO is stated to have revised its data which indicate that there was a decline of 0.7 percent in September as against 0.4 percent fall shown earlier. The encouraging growth in October is stated to have been due to improvements in segments such as capital goods, consumer durables and non-durables.

Following a sharp fall in Chinese demand, India's cotton exports are expected to fall to about 70 lakh bales in 2012-13 compared to 128 lakh bales in 2011-12, says a report.

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	10th	11th	12th	13th	14th	15th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	10095 (35900)	10095 (35900)	10095 (35900)	10039 (35700)	10123 (36000)	10179 (36200)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	10236 (36400)	10236 (36400)	10236 (36400)	10179 (36200)	10264 (36500)	10320 (36700)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	7761 (27600)	7761 (27600)	7817 (27800)	7817 (27800)	7817 (27800)	7930 (28200)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	8436 (30000)	8436 (30000)	8436 (30000)	8436 (30000)	8436 (30000)	8492 (30200)
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	9111 (32400)	9111 (32400)	9167 (32600)	9195 (32700)	9251 (32900)	9223 (32800)
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	9223 (32800)	9223 (32800)	9280 (33000)	9308 (33100)	9364 (33300)	9308 (33100)
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	9420 (33500)	9420 (33500)	9476 (33700)	9533 (33900)	9561 (34000)	9505 (33800)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	9308 (33100)	9308 (33100)	9308 (33100)	9364 (33300)	9392 (33400)	9364 (33300)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	9392 (33400)	9392 (33400)	9392 (33400)	9448 (33600)	9533 (33900)	9505 (33800)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	9364 (33300)	9364 (33300)	9364 (33300)	9448 (33600)	9476 (33700)	9448 (33600)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	9476 (33700)	9476 (33700)	9476 (33700)	9533 (33900)	9617 (34200)	9589 (34100)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	9505 (33800)	9505 (33800)	9505 (33800)	9561 (34000)	9617 (34200)	9589 (34100)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	9645 (34300)	9645 (34300)	9645 (34300)	9673 (34400)	9729 (34600)	9701 (34500)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 – 4.9	31	9758 (34700)	9758 (34700)	9758 (34700)	9786 (34800)	9842 (35000)	9814 (34900)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0 - 3.8	33	12738 (45300)	12795 (45500)	12795 (45500)	12795 (45500)	12851 (45700)	12851 (45700)

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