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Cotton Statistics And News

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Market Arrivals of Cotton Down in 2011-12 Compared to 2010-11

Although cotton production in 2011-12 has been estimated by the Cotton Advisory Board to be higher by 31 lakh bales at 356 lakh bales in 2011-12 as compared to 325 lakh bales in 2010-11, market arrivals so far appear to be lower this year. The available data as reported by Cotton Corporation of India on the State-wise arrivals in the two seasons are given below:

(In lakh bales as on 18.12.2011)

State	2010-11	2011-12
Punjab	8.63	6.58
Haryana	5.43	5.73
Rajasthan	4.54	4.72
Total North Zone	18.60	17.03
Gujarat	32.59	24.52
Maharashtra	22.24	11.41
Madhya Pradesh	6.28	5.25
Total Central Zone	61.11	41.18
Andhra Pradesh	15.58	10.67
Karnataka	3.26	2.44
Tamil Nadu	0.00	0.00
Total South Zone	18.84	13.11
Other States	1.80	0.97
Loose Lint	0.00	1.34
All-India	100.35	73.63

As may be noticed, arrivals this year are lower by a sizable 26.72 lakh bales which comes to slightly over 26 percent of last year's arrivals by the same period. The maximum drop in arrivals at 19.93 lakh bales is in the Central zone. In the South zone, the fall is about 5.73 lakh bales and about 1.57 lakh bales in the North zone. Coming to individual States, the highest fall of 10.83 lakh bales in arrivals is in Maharashtra followed by 8.07 lakh bales in Gujarat. There is a significant fall of 4.91 lakh bales in Andhra Pradesh. The States where the arrivals are higher is Haryana where they exceed last year's arrivals by a margin of 30,000 bales and Rajasthan by a margin of 18,000 bales.

Although market arrivals by the third week of December are not truly indicative of the final crop size, the significant fall this year is sufficiently sizable for throwing a question mark over the final crop size. The view in Government and industry circles seems to be that the production may be lower than the estimate of 356 lakh bales despite a 10 percent increase in area placed at 121.9 lakh hectares in 2011-12.

Hot and dry weather conditions are stated to have brought down the yield, especially in Maharashtra and Andhra Pradesh. Another reason for lower yield is said to be the cultivation of cotton in new non-traditional areas. In this connection, it is pertinent to point out that the dominant view of cotton research workers in a recent debate on the issue of yield was that growing cotton in new areas is dragging down the yield. They have pointed out Maharashtra as an example of this. From about 31 lakh hectares in 2006-07, cotton area in this State has spurred to nearly 40 lakh hectares.

Apparently some farmers have newly taken to cotton probably without the required experience. In any case, one has to watch the pace of arrivals in the coming weeks before forming an accurate estimate of the final crop size.

89th Annual General Meeting of CAI

The 89th Annual General Meeting of the Cotton Association of India will be held on Friday, the 30th December 2011 at 3.00 p.m. in the Conference Room of the Association, 2nd Floor, Cotton Exchange Building, Cotton Green, Mumbai 400 033.

Cotton Growing in New Areas Dragging Down Yield - Cotton Researchers

Cotton production in the country has been making a steady progress during the last several years because of several factors such as varietal shift, adoption of scientific production technology over larger areas, increased mill demand, better net returns per hectare, etc. For instance, during the first decade of the current millennium, there was a 132 per cent rise from 140 lakh bales in 2000-01 to 325 lakh bales in 2010-11.

Alongwith production increase, the per hectare yield has also gone up although not to the extent that production did. The increase in yield during the last ten years amounted to 78 per cent from 278 kg to 496 kg per hectare. In fact, after reaching a peak of 554 kg in 2007-08, the yield declined to 524 kg in 2008-09 and further to 486 kg and 496 kg in 2009-10 and 2010-11 respectively. Increase in yield got a further boost with the advent of Bt cotton in 2002-03 and its phenomenal spread in the subsequent years. For instance, the average yield was 302 kg per hectare in 2002-03 and it jumped 554 kg per hectare in 2007-08, an increase of 83 per cent. Subsequently, however, there was a decline in the average yield.

Cotton research workers recently had a debate on the cause for the decline in yield, as to whether it was due to the Bt cottons, which now cover more than 90 per cent of the total cotton area, losing their strength or any other factor. The dominant view appears to have been that the reason may be the extension of cotton growing to new areas. In recent years, cotton has been grown in new areas where it has never been grown before. This is evident from the fact that total cotton area which was just 76.3 lakh hectares in 2003-04, spurted to 111.42 lakh hectares in 2010-11, a rise of 46 per cent. Obviously, around 35 lakh hectares have newly come under cotton cultivation. The President of the Indian Society for Cotton Improvement is quoted to have stated that the problem with growing cotton in non-traditional areas is that the productivity is low.

Scientists point out to Maharashtra as an example of more new areas coming under cotton. From about 31 lakh hectares in 2006-07, cotton area has spurted to nearly 40 lakh hectares in 2010-11 in this State. Some farmers have taken to cotton growing without the required experience, it is stated. Growing cotton in new areas, especially

under rainfed conditions, is a problem, the scientists seem to have averred. Also, this year the rainfall has been erratic affecting cotton yield.

Likewise, cotton area in Gujarat has gone up by about 20 per cent during the above period and the State yield this year is projected at 647 kg per hectare as against a peak of 772 kg per hectare recorded in 2007-08. Same is said to be the case with States such as Madhya Pradesh, Andhra Pradesh and Tamil Nadu, while the picture is different in Rajasthan and Karnataka. Scientists' view of attributing low yield to cotton being grown in new areas may not be off the mark, it is stated.

With farmers shifting to Bt cotton Bollgard that is superior to Bollgard I in yield as well as fighting pests, scientists' view is buttressed. Although over half a dozen pests, including sucking pests, leaf curl virus and jassids are creating problems in cotton, their influence on yield is minimal. At the World Cotton Research Conference recently held in Mumbai, one of the presentations is quoted to have stated that pest problems exist in cotton but they are not at levels that threaten production.

Scientists are also stated to have ruled out any effect of Bt cotton on the soil and thereby leading to a drop in yield. Bt cotton accounts for 56 per cent of the total cotton area in Gujarat while it is 98 per cent in Andhra Pradesh. It is over 90 per cent in Punjab, Haryana and Maharashtra while it is 75 per cent in Tamil Nadu and 65 per cent in Karnataka. A scrutiny of data indicates that yield in Punjab, Rajasthan, Maharashtra, Karnataka, Tamil Nadu has been rebounding while it is dropping in other States. Reports from Pakistan are also said to corroborate the fact that drop in yield does not have anything to do with Bt cotton. Cotton yield in Pakistan is stated to have almost doubled with the introduction of Bt cotton in last two years.

The problem with the yield is stated to be that farmers used to growing pulse crops have gone in for cotton. The growing conditions/practices are different for these crops which seems to be the reason for the fall in yield, according to research scientists.

(Source: Business Line 08.12.2011)

Cotton Area and Production Expected to Rise in Egypt

Egyptian cotton has long, worldwide reputation for its outstanding fibre quality. It is the leading cash crop in the country and a major resource for Egyptian economy. The crop is said to sustain about five lakh rural households and to provide employment to about half a million people. Indirectly, through the multiplier effect, it is claimed to generate more than one million additional jobs. Exports of cotton and textiles are stated to have earned foreign exchange worth \$ 2.25 billion in 2010. Of this, \$ 250 million was earned by cotton export and the remaining by value added textiles shipment.

The major zones of cotton cultivation in Egypt are two, viz, Lower Egypt and Upper Egypt. The country grows both extralong staple and long staple cottons on a large scale with the latter being predominant. The varieties currently grown in Egypt are:

Extralong staple - Giza 88, 70 and 92

Long staple - Giza 86, 80 and 90

Cotton plantings are on the up in Egypt. From about 1.21 lakh hectares in 2009-10, the area rose to 1.58 lakh hectares in 2010-11. The area was particularly low in 2009-10 because of the low prices realised by cotton farmers and the relatively higher returns from other competing crops like grains. In the case of cotton, the production cost is much higher because of high cost of inputs as also the rising labour costs, particularly as cotton is hand picked and the workers are insufficiently trained.

Currently, long staple variety Giza 86 is the predominant one which occupied about 1.14 lakh hectares or 72 per cent of the total area of 1.58 lakh hectares in 2010-11. Farmers in Egypt are said to prefer this variety due to its high quality and productivity besides its high ginning outturn leading to higher lint yield. The next in popularity is Giza 88 occupying about 0.29 lakh hectares or 18 per cent of the total. It is claimed that this variety has good demand from international markets because of its high spinnability. It has also high productivity and high ginning outturn. The third ranking variety is Giza 90 which was planted over an area of 0.10 lakh hectares in 2010-11 (6.5 per cent of total). It is grown in Upper Egypt due to its tolerance to temperature stress, high yield potential and high ginning outturn. The variety-wise area covered during the last two

years and expected to be covered in 2011-12 are as under:

	Area in hectares		
	2009-10	2010-11	2011-12 (Proj.)
Extralong Staple			
Giza 88	14,440	28,816	41,081
Giza 92	40	169	414
Giza 70	150	336	Nil
Total	14,630	29,321	41,495
Long Staple			
Giza 86	87,621	1,13,548	1,58,075
Giza 80	6,235	4,044	5,856
Giza 90	12,284	1,003	15,034
Total	1,06,140	1,27,895	1,78,965
Others	215	273	254
Grand Total	1,20,949	1,57,489	2,20,460

As may be noticed, the cotton planted area is expected to post a 40 per cent rise in 2011-12 as compared to the area covered in 2010-11. There has been a slight increase in production at 134,000 tonnes in 2010-11 as compared to 95,000 tonnes in the previous year. The national average yield in 2010-11 was about 848 kg per hectare as compared to 785 kg in 2009-10. The variety-wise contribution to production is stated to have been as under:

Giza 86 - 93,785 tonnes or 70 per cent of total

Giza 88 - 28,000 tonnes or 21 per cent of total

Giza 90 - 7,817 tonnes or 5 per cent of total

Giza 80 - 3,209 tonnes or 2.5 per cent of total

With the local demand for cotton by the textile industry declining due to fall in demand for fine count yarn, exports of cotton from Egypt are on the up. As compared to 80,000 tonnes in 2009-10, exports rose to 110,950 tonnes in 2010-11 fetching about \$ 250 million in foreign exchange.

The cotton industry in the country does not intend to effect any change in its long standing policy of complete freedom in both planting and trading both locally and internationally. Local marketing companies buy and sell seed cotton freely through collection centres which are under the supervision of a general committee for arranging internal cotton trade. Similarly, internal prices are negotiated between buyers and sellers in the market, depending on supply and demand forces such as production, other cotton growths, internal and international economic growth, exchange rates, and other relevant factors. Export prices are also left to the effects of supply and demand and other market trends.

(Source: Cotton International)

World Demand & Supply Situation

Quantity in million Metric tons
Year Beginning August 1

	05-06	06-07	07-08	08-09	09-10	10-11 (Est)	11-12 (Proj)*
World Beginning stock	11.89	12.53	12.74	12.21	11.89	8.67	9.00
World Cotton Production	25.68	26.76	26.07	23.45	22.17	24.87	25.14
World Cotton Consumption	24.99	26.48	26.53	23.68	25.24	24.49	25.02
World Cotton Exports	9.73	8.04	8.35	6.59	7.77	7.62	8.40
World Ending stocks	12.55	12.74	12.21	11.89	8.67	9.00	11.62

As per latest ICAC monthly release dated 1st December 2011

UPCOUNTRY SPOT RATES

(Rs./Qtl)

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) 2010-11 CROP
December 2011

Sr. No.	Grade Standard	Staple	Micronaire	Strength/GPT	Trade Name	17 th	19 th	20 th	21 st	22 nd	23 rd
03.	ICS-102	22mm	4.5-5.9	19	V-797	6552 (23300)	6636 (23600)	6580 (23400)	6524 (23200)	6524 (23200)	6524 (23200)
04.	ICS-103	23mm	4.0-5.5	19	Jayadhar	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
05.	ICS-104	24mm	4.0-5.5	20	Y-1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
07.	ICS-105	25mm	3.5-4.9	22	NHH-44	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
08.	ICS-105	27mm	3.5-4.9	24	LRA-5166	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
09*.	ICS-105	28mm	3.5-4.9	25	H-4/ MECH-1	9195 (32700)	9195 (32700)	9195 (32700)	9195 (32700)	9195 (32700)	- -
2011-12 CROP											
01.	ICS-101	Below 22mm	5.0-7.0	15	Bengal Desi (RG)	9167 (32600)	9223 (32800)	9364 (33300)	9364 (33300)	9336 (33200)	9336 (33200)
02.	ICS-201	Below 22mm	5.0-7.0	15	Bengal Desi (SG)	9420 (33500)	9476 (33700)	9617 (34200)	9617 (34200)	9589 (34100)	9589 (34100)
06.	ICS-202	25mm	3.5-4.9	23	J-34	8605 (30600)	8661 (30800)	8717 (31000)	8689 (30900)	8577 (30500)	8577 (30500)
09.	ICS-105	28mm	3.5-4.9	25	H-4/ MECH-1	9505 (33800)	9505 (33800)	9448 (33600)	9280 (33000)	9139 (32500)	8998 (32000)
10.	ICS-105	29mm	3.5-4.9	26	Shankar-6	9729 (34600)	9729 (34600)	9673 (34400)	9561 (34000)	9505 (33800)	9420 (33500)
11.	ICS-105	31mm	3.5-4.9	27	Bunny/ Brahma	9898 (35200)	9898 (35200)	9842 (35000)	9729 (34600)	9673 (34400)	9533 (33900)
12.	ICS-106	33mm	3.3-4.5	28	MCU-5/ Surabhi	10432 (37100)	10432 (37100)	10376 (36900)	10292 (36600)	10236 (36400)	10095 (35900)
13.	ICS-107	35mm	2.8-3.6	31	DCH-32	12373 (44000)	12373 (44000)	12373 (44000)	12232 (43500)	11951 (42500)	11754 (41800)

Note: Figures in bracket indicate prices in Rs./candy * - Nominal