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Cotton Exchange Building, 2nd Floor,
Cotton Green, Mumbai - 400 033
Phone: 3006 3400
Fax: 2370 0337
Email: cai@caionline.in
www.caionline.in

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CAI President suggests Roadmap for Future Development and Strengthening of Cotton Sector

The 90th Annual General Meeting of the Association was held in Mumbai on December 21, 2012, with its President, Shri Dhiren N. Sheth, in the Chair.

In an illuminating address delivered on the occasion, the President covered a wide variety of topics, which included agriculture in general and cotton in particular, domestic and world cotton scenario, the way forward for sustained growth of the Indian cotton sector, with stress on augmenting irrigation facilities, maintenance and improvement of soil fertility, adoption of modern, scientific cultivation techniques for higher productivity, better management practices, better processing of cotton and instrument based testing for ensuring uniform quality of the baled lint that will fetch better prices. In this context, he informed the participants that the Association has embarked on an ambitious programme for providing state-of-the-art modern instrument based testing facilities in all cotton growing States. Another topic he covered was the state of the country's economy.

Highlighting the role of the agriculture, he stated that it is the most important and critical sector of the Indian economy. Even though its contribution to the overall GDP of the country has diminished from 30 per cent in 1990-91 to less than 15 per cent in 2011-12, agriculture still continues to be the backbone of development with the farm sector providing employment to about 52 per cent of the total work force. He stressed that on account of its complementarity with other sectors and its far reaching ability for imparting poverty alleviation and

rural development, the importance of agriculture cannot be overemphasised.



Coming to the fibre crop, cotton, he contrasted that when the performance of agriculture sector as a whole was not quite impressive, cotton triumphed as one of the major success stories of India. The country has taken rapid and remarkable strides both in terms of overall production and per hectare productivity during the last ten years. Quoting the actual figures, he pointed out that production of this fibre crop has more than doubled from 158 lakh bales a decade ago to 353 lakh bales in 2011-12. More significantly, productivity has shot up from 308 kg per hectare to nearly 500 kg in 2011-12, a rise of about 62 per cent. This reveals the wider spread of improved production practices and cultivations of new high yielding varieties. Because of cotton proving more remunerative than other competing crops, farmers have switched on to this more paying crop to an appreciable extent, as is shown by the significant expansion of area from 87.3 lakh hectares in 2001-02 to 121.8 lakh hectares in 2011-12.

In a way, this expansions of area had some negative impact also. The expansion has led to sizable non-traditional areas being brought under cotton and it is well known that farmers in such areas are not familiar with modern techniques to be adopted in cotton cultivation for realising the total potential in

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A Happy and Prosperous New Year 2013

yield. They would need some more experience to obtain the potential yields.

The spectacular increase in production has enabled the country not only to cater to its domestic requirement but also to transform from a chronic importer of this essential and basic raw material to a regular exporter to several countries. In fact, it has emerged as the second largest exporter of cotton next to US. The total foreign exchange earning from cotton which was a mere Rs. 44 crore in 2001-02 shot up to a whopping Rs. 14,000 crore in 2011-12. These achievements have enabled the country to earn the distinction of being the largest grower, and the second largest producer, consumer and exporter of cotton in the world.

Coming to the current cotton situation, the Association's President stated that there had been apprehensions at the commencement of the season that the area under cotton may shrink in 2012-13 compared to the previous year consequent to the late onset of monsoon and the unfavourable distribution of subsequent rains in some cotton growing tracts. However, presently the crop looks promising due to good rains received in Andhra Pradesh and Maharashtra in the later part of the monsoon. Production this year is expected to be not less than 350 lakh bales while cotton consumption is likely to be around 265 lakh bales, leaving a surplus of about 150 lakh bales.

Coming to the world cotton situation, the President stated that according to the Washington-based International Cotton Advisory Committee (ICAC), the general outlook for cotton supply and use for 2012-13 is bleak as global cotton production and mill use are forecast at 25.9 million tonnes (mt) and 23.4 mt respectively, resulting in an oversupply of 2.4 mt.

A geographical shift in cotton mill use from China to other Asian countries is currently under way, but ICAC appears to feel that estimating its actual extent will take time due to the lag in publication of cotton consumption figures and difficulties in obtaining these data for some countries. Cotton yarn imports by China have increased since the beginning of 2012. The ICAC currently estimates that cotton mill use will increase in 2012-13 in India, Pakistan, Bangladesh, Uzbekistan, Indonesia, Vietnam and Thailand among others.

After an unexpected jump in 2011-12, global cotton trade is likely to fall by 21 per cent to 7.7 mt this season due to lower Chinese demand. However, imports by the rest of the world could rebound by 18 per cent.

The President dwelt at length on the way forward for



President, Shri Dhiren N. Sheth addressing the Members at the AGM

the sustained growth of Indian Cotton sector. He stated that the growth in cotton production during the last ten years was on account of both area expansion and higher yield. Given the limitations of expansion of area under cotton, the main source of long term growth is improvement in yield. The yield level has plateaued during the last couple of years and the Indian yield is way below the world average. In order to sustain the forward momentum, he felt that some factors are critical. He suggested the following road map for future -

- Introduction of new generations of GM cotton.

In this context, the Association has recommended to the Central and State Governments to accord approval to the field trials of Bollgard II Roundup Ready Flex (BGIIRRF), the third generation of GM technology, which has been successfully implemented by several countries with encouraging results. It is regrettable, however, that several State Governments have not given the requisite permission.

- Enhancing irrigation facility which is the need of the hour.
- Sustained maintenance of soil fertility.

Reference can be made to the unique programme launched by COTAAP, Association's research arm, to provide soil cards that indicate the soil deficiencies with measures to replenish the same to farmers in Chopda (Maharashtra). Several such initiatives were needed on a large scale to create awareness among farmers to take steps to improve the health of the soil and conserve fertility.

A water shed development approach employing suitable soil and water conservation measures is one such step being implemented by the Government in semi-arid and rainfed areas for development of the degraded soil and conservation of water. NGOs like COTAAP need to strengthen the efforts of the Government in successful expansion of such schemes.



90th Annual General Meeting in progress



A cross section of Members at the AGM

- Implementation of better management practices - a must for sustained growth.

With the focus on high production, farmers often resort to aggressive production practices that often lead to very high input cost but with little matching returns. This not only escalates production cost and reduces profitability but also results in poor soil health, pest resurgence and depleting water resources. These can be tackled by implementation of better management practices such as effective management of water through drip irrigation, discriminate application of fertilisers and chemical pesticides and implementation of integrated pest management practices.

Another area that can be tackled is weather forecasting and online relay of timely advisory to farmers that needs to be strengthened. The Association will be happy to utilise its extensive network to ensure success of Government efforts.

- Farmers' interest supreme for overall growth of cotton economy.

Fixing MSP offers a guaranteed protection to farmers. It is gratifying that farmers have realised good price for their produce, increase in area being a testimony to that. While the Government is doing its best to provide price support to farmers by even casting burden on the exchequer, the Association has urged the Government to provide impetus to cotton export by implementing export friendly policies such as removal of the minimum ceiling for obtaining RCs and eligibility criteria to get a subsequent RC only on completion of at least 50 per cent export against individual RCs already issued to an exporter. The President further stated that the Association had also advocated removal of the registration of cotton export contracts altogether. These steps would prove beneficial to farmers helping them to realise better price for their produce. It is gratifying that the Government has already responded by enhancing the ceiling for obtaining RCs, from 10,000 bales to 30,000 bales.

The President assured that the Association will continue to pursue with the Government for implementation of more such export friendly policies.

- Better processing for cleaner and better cotton.

Technology Mission on Cotton has done wonders in modernising the Ginning and Pressing factories and improvement of infrastructure in market yards. The President suggested that installation of precleaners and elimination of excessive human handling of cotton need to be made mandatory in the process of modernising factories and upgradation of market yards in the interest of trash reduction and removal of contamination.

- Popularisation of Instrument based testing.

In order to obtain uniform quality of cotton in each bale/lot that leads to fetching better prices, some of the pre-requisites are: installation of modern, efficient instrument based testing facilities, increasing sample size and creating awareness about the benefit that could be derived from uniform quality of cotton in each bale/lot. The President informed the participants that with this objective, the Association has embarked on an ambitious programme of providing state-of-the-art instrument based testing facilities in all cotton growing States.

(to be continued)

Corrigendum

We regret a typographical error in the arrival figures for the years 2011-12 and 2012-13 printed on page 3 of the issue dated 25th December 2012 of this weekly. The arrival figures mentioned in the column 2011-12 actually belong to 2012-13 while those shown under the 2012-13 column belong to 2011-12. The inconvenience caused to the readers is regretted.

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	24th	25th	26th	27th	28th	29th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	9814 (34900)	H	9617 (34200)	9617 (34200)	9476 (33700)	9533 (33900)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	9954 (35400)		9758 (34700)	9758 (34700)	9617 (34200)	9673 (34400)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	8295 (29500)		8155 (29000)	8014 (28500)	8014 (28500)	8014 (28500)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	8436 (30000)	O	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.
6	P/H/R	ICS-202	Fine	26mm	3.5 – 4.9	26	9139 (32500)		9083 (32300)	9139 (32500)	9139 (32500)	9111 (32400)
7	M/M/A	ICS-105	Fine	26mm	3.0 – 3.4	25	N.Q.	L	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.
9	P/H/R	ICS-105	Fine	27mm	3.5 – 4.9	26	9195 (32700)		9139 (32500)	9195 (32700)	9195 (32700)	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.
11	M/M/A	ICS-105	Fine	27mm	3.5 – 4.9	26	N.Q.	I	N.Q.	N.Q.	N.Q.	N.Q.
12	P/H/R	ICS-105	Fine	28mm	3.5 – 4.9	27	9392 (33400)		9336 (33200)	9392 (33400)	9392 (33400)	9364 (33300)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	9308 (33100)		9280 (33000)	9280 (33000)	9280 (33000)	9251 (32900)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	9448 (33600)	D	9392 (33400)	9420 (33500)	9420 (33500)	9392 (33400)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	9420 (33500)		9392 (33400)	9392 (33400)	9392 (33400)	9364 (33300)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	9561 (34000)	A	9505 (33800)	9533 (33900)	9533 (33900)	9505 (33800)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	9505 (33800)		9448 (33600)	9448 (33600)	9448 (33600)	9420 (33500)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	9561 (34000)		9533 (33900)	9533 (33900)	9533 (33900)	9505 (33800)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 – 4.9	31	9758 (34700)	Y	9701 (34500)	9701 (34500)	9701 (34500)	9673 (34400)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0 - 3.8	33	12710 (45200)		12710 (45200)	12710 (45200)	12710 (45200)	12710 (45200)

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