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**Cotton  
Association  
of India**

# COTTON STATISTICS & NEWS

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## Speech by Shri. Atul S. Ganatra, President, CAI, at the **101<sup>st</sup> Annual General Meeting** held on 27<sup>th</sup> December 2023 in Mumbai

My Dear CAI Members,

I am honoured to stand before you to address this esteemed gathering at our 101st Annual General Meeting (AGM) in my 6th year as the 14th President of the Cotton Association of India. I extend a warm welcome to each and every one of you present at this AGM. Cotton Association of India has completed 102 years of its glorious services to the cotton trade and textile industry in general and our members in particular. On this occasion, it is my privilege to share with you the comprehensive overview of the national and international cotton situation, the progress in the cotton sector, the challenges faced by the industry and the strides we have made collectively.

The 101st Annual Report alongwith the Directors' Report and audited Annual Accounts giving brief overview of various activities and financial performance of the our Association for the year ended 31st March 2023 have already been circulated to you all, well in advance, as required by law. Before we proceed with official agenda of our AGM, I would like to take this opportunity to share some of my thoughts on domestic as well as international scenario.

First and foremost, I must acknowledge the resilience and dedication of our farmers and other stakeholders. The cotton industry has always been dynamic, and this year has been no exception. We have faced various challenges, including unpredictable weather patterns, fluctuations



in global demand, and ongoing concerns related to sustainability and environmental impact.

As we delve into the intricacies of the cotton industry, both on the national and global fronts, it is crucial to recognise the challenges and opportunities that have shaped the sector in the past year. The cotton market remains dynamic, influenced by various factors such as weather conditions, trade policies, technological advancements, and market demand. Our role as an apex cotton body in India is not just to adapt but to proactively contribute to the sustainable growth and development of the cotton sector.

### **National and International Cotton Situation:**

As we stand at the cusp of 2023, it is imperative to assess the global and domestic cotton scenario.

The international cotton market has been marked by a complex interplay of factors, including weather patterns, geopolitical events, and the ongoing impact of the COVID-19 pandemic. The fluctuating demand and supply dynamics have posed challenges for cotton producers and traders alike.

On the domestic front, India continues to be a significant player in the global cotton market. Cotton has been one of our most important cash crops. It provides livelihood to an estimated 5.8 million cotton farmers and 40-50 million other people engaged in related activities. The world-over, we have the largest acreage under cotton and use of cotton in textile manufacturing in India vis-à-vis man-made fibres is in the proportion of 60:40. We produce around 21% of total fibre produced in the world. Despite challenges from unpredictable weather conditions and pest-related issues, our country has consistently demonstrated resilience and adaptability. The policies of the Government of India have played a pivotal role in supporting the cotton sector, and it is heartening to witness the efforts to create a conducive environment for cotton cultivation.

### A. Production and Yield

India witnessed significant fluctuations in cotton production and yield. Adverse weather conditions such as untimely rains and pest infestations have posed challenges and inevitably influenced cotton yields. Our cotton production, which was 402 lakh Indian size bales in 2013-14, has gone down to 318.90 lakh bales in 2022-23. It is estimated to go down further to less than 300 lakh bales during the ongoing 2023-24 season. Our yield is amongst the lowest in the world and is continuing to decline year after year.

As the Cotton Association of India, we have been closely monitoring these developments and working in tandem with agricultural experts to provide support and guidance to our farmers. For the last two years, we have been distributing pheromone traps and lures to facilitate our farmers in Maharashtra to arrest pink bollworm infestation. Our farmers have displayed resilience in adapting to these variations and it is heartening to see the overall positive trajectory in cotton production.

### B. Market Trends and Price Fluctuations

The cotton market has been marked by both volatility and stability, with global demand and supply dynamics playing a crucial role. International market trends, coupled with



domestic policies, have influenced cotton prices. Factors such as geopolitical tensions, trade policies, and the ongoing recovery from the global pandemic have contributed to uncertainties in demand and pricing. During 2022-23, farmers brought larger acreage to cotton in anticipation of realising higher prices for their produce, as in 2021-22. However, cotton prices in India sought substantially lower levels in 2022-23 compared to those prevailed in last year (to be precise, 23 - 32% lower). Our Association has been actively engaged in monitoring these trends, providing timely information to our members, and advocating for policies that promote the interests of the Indian cotton industry on the international front.

### C. Technological Advancements

One of the key drivers of progress in the cotton sector has been the adoption of innovative technologies. From precision farming to the High Density Planting System, our farmers are leveraging modern agricultural practices to enhance productivity. The Cotton Association of India has been at the forefront of promoting and facilitating the integration of these technologies into the cotton farming landscape. As consumers increasingly prioritise environmentally friendly products, we recognise the need for sustainable practices in cotton cultivation. We are working collaboratively with farmers, industry players, and Government bodies to promote sustainable farming practices, reduce the environmental impact of cotton production, and enhance the overall competitiveness of Indian cotton in the global market.

### D. Global Production and Consumption

On the international stage, the cotton sector has witnessed a complex interplay of factors affecting production and consumption. Shifts in global demand, trade agreements, and geopolitical



events have all contributed to the evolving dynamics of the international cotton market. As per the latest estimate of ICAC, global cotton production during 2023-24 season is projected at 25.41 million metric tonnes, representing an increase of 3% over the previous season. However, consumption is projected to decrease 0.43% to 23.35 million metric tonnes during 2023-24 season. The Cotton Association of India has actively participated in dialogues and collaborations with global counterparts to stay abreast of these changes. As you all may be aware, the CAI has affiliations and reciprocal arrangements with all leading cotton bodies of the world. Collaborative efforts with these international organisations and associations have strengthened our position in shaping favourable trade policies.

The Association has been actively involved in advocating for policies that promote fair trade practices, eliminate trade barriers, and create a conducive environment for the global cotton community.

## E. Sustainability and Ethical Practices

Over the past years, the Cotton Association of India has actively worked towards fostering sustainable growth in the cotton sector. We have collaborated with various stakeholders, including farmers, industry experts, and Government bodies, to address key challenges and explore opportunities for improvement. As an apex cotton body, our focus has been on the adoption of innovative farming practices, enhancing the quality and yield of cotton crops.

Moreover, the promotion of organic cotton farming has gained momentum, aligning with the global trend towards sustainable and eco-friendly practices. By encouraging responsible cultivation

methods, we aim to contribute not only to the economic prosperity of our farmers but also to the environmental well-being of our nation.

## Developments in the Cotton Association of India

### A. Capacity Building and Training

Empowering our stakeholders, especially the farming community, remains a top priority for the Cotton Association of India. In order to enhance the skills and knowledge of cotton farmers, enabling them to adopt best practices and improve their overall productivity, we have embarked on a mission to set up Farmers' Training Centre at Cotton Green and has been earmarking Rs. 25 lakh every year for this project.

In our cotton industry, quality is paramount. To ensure that our cotton meets the highest standards and fetches optimum value, we have invested significantly in enhancing cotton testing facilities across the country. So far, we have set up 12 cotton testing and research laboratories across all major cotton growing regions and a few more are in the pipeline. These facilities play a crucial role in determining the fibre's quality, enabling us to compete effectively in the international market. We have collaborated with leading research institutions to implement cutting-edge testing technologies, providing accurate and reliable results to our stakeholders. Our laboratory is associated with BIS, NABL, TEXPROCIL, MCX, BSE and branding of Kasturi Cotton Bharat. As we move forward, we will continue to prioritise the modernisation and expansion of testing facilities. This commitment is integral to maintaining the reputation of Indian cotton as a premium product in the global market.

At the 81st Plenary meeting of International Cotton Advisory Committee, which was organised recently in Mumbai by the Government of India with CAI, CCI and CITI being the co-hosts, our Hon'ble Union Minister of Textiles, Shri Piyush Goyal ji has made an announcement to set up 12-13 world class testing facilities across all cotton growing regions of the country. From CAI, we have already approached the Government pledging our support to this initiative under Public Private Partnership and offering our services as one of the largest networks of testing laboratories across India. We take heart from the fact that our Government is laying greater emphasis on increasing the profile and brand value of Indian cotton. Policy thrust

on sustainability and traceability, proposal to introduce Quality Control Order (QCO) and Kasturi Cotton Bharat represent a paradigm shift which will go a long way in bringing positivity and optimism in Indian cotton and textile sector.

## B. Policy Advocacy

As the voice of the cotton industry in India, the Cotton Association of India actively engages with policymakers to advocate for policies that foster the growth and sustainability of the sector. Our representations at various forums and interactions with Government bodies have been instrumental in shaping policies that address the challenges faced by the cotton community.

## Future Outlook and Initiatives

As we look toward the future, the Cotton Association of India remains steadfast in its commitment to the sustainable growth and development of the cotton sector. We have identified key focus areas and initiatives that will guide our endeavours in the near future:

### A. Technological Integration

We will leverage emerging technologies such as artificial intelligence and data analytics to enhance the efficiency of the cotton supply chain. This includes better forecasting of cotton production, improved inventory management, and streamlined logistics.

### B. Skill Development

Recognising the importance of skilled manpower in the cotton sector, we will collaborate with vocational training institutes to offer specialised courses in cotton farming, instrumental quality evaluation, branding of cotton and trading. This initiative aims to create a pool of skilled professionals who can contribute to the industry's growth.

### C. Global Partnerships

Strengthening our ties with international cotton associations and trade bodies is a priority. By fostering global collaborations, we aim to create new avenues for trade, share best practices, and stay abreast of global trends in the cotton industry. CAI has MOUs with International Cotton Association, the world's leading arbitral body in cotton and China Cotton Association.

Increasing partnership with our counterparts in country like Australia, which have substantially

highest cotton productivity is uppermost in our mind and we are working to achieve this target.

## D. Environmental Sustainability

The Cotton Association of India is committed to promoting sustainable and eco-friendly practices in cotton cultivation. We will work towards reducing the environmental footprint of the cotton sector by encouraging the use of organic farming methods with the focus on production and exploring innovative solutions for waste management.

## E. Market Diversification

To mitigate risks associated with market volatility, we will explore opportunities for diversifying our export destinations. By identifying and entering emerging markets, we aim to create a more resilient and globally competitive cotton industry.

## Conclusion

In conclusion, I would like to urge the policy makers to consider the following in the best interest of our farmers and the entire cotton value chain in India:-

(i) Availability of cotton in India is fast declining and unless remedial measures are taken immediately to mend the situation, there is a likelihood that India may soon turn into a deficit cotton economy.

(ii) Farmers have developed better wherewithal and greater understanding during the last couple of years required for realising better price for their produce. I recommend that instead of providing loan waivers and subsidy, focus should be more on developing cotton farmers into self-help groups.

(iii) There is an urgent need for our country to embark on a high yielding seed technology with better quality attributes ideally suited for Indian soils and agro-conditions to cater to the domestic need.

(iv) It is desirable to increase irrigation facilities further and create more awareness amongst farmers about the benefits of using modern farm implements, scientific agro-techniques and better management practices including optimum utilisation of resources in cotton cultivation to achieve higher productivity level to match the world cotton productivity mark.

(v) India should withdraw 10% import duty on cotton to increase competitiveness of our domestic textile industry.

### ACKNOWLEDGEMENTS

During my tenure as the CAI President, I have received whole-hearted support from the Ministries of Textiles, Agriculture and Farmers' Welfare, Commerce & Industry, Finance, Office of the Textile Commissioner, Textiles Committee, Ministry of Corporate Affairs, Cotton Corporation of India, Directorate of Cotton Development, Central Institute for Research on Cotton Technology, Central Institute for Cotton Research, Mumbai Port Authority and the Bombay Textile Research Association. I convey our sincere thanks to them all.

I sincerely thank all our members, my colleagues on the CAI Board, members of statutory and non-statutory Committees of the Association, upcountry cotton trade associations and cooperative cotton marketing societies for

their active participation in the decision making process at the CAI.

I was also fortunate enough to have received invaluable support and guidance from elders like Shri Sureshbhai Kotak and Shri P.D. Patodia and all my predecessors, who always blessed us with their wise counsel from time to time for which I sincerely thank them.

I also wish to convey our sincere thanks to my fellow office bearers, Shri Bhupendra Singh Rajpal, Shri Vinay Kotak, Shri Arun Sekhsaria and Shri Shyam Makharia for their invaluable support and cooperation.

I also thank the Secretary and other staff of the Association for discharging their duties diligently and with a sense of responsibility.

Last but not the least, I sincerely thank the press and media for excellent coverage to the activities of the Association throughout the year.

## Appointment of New Office Bearers of the Cotton Association of India for the year 2023-24

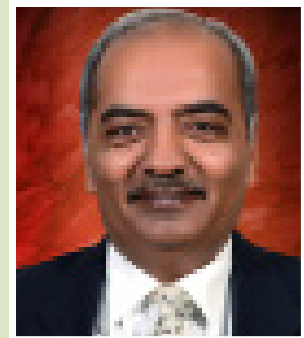
At the meeting of the Board of Directors held on Wednesday, the 27th December 2023, the following office bearers have been appointed:



*Shri. Atul S. Ganatra,  
President*



*Shri. Bhupendra Singh Rajpal,  
Vice-President*



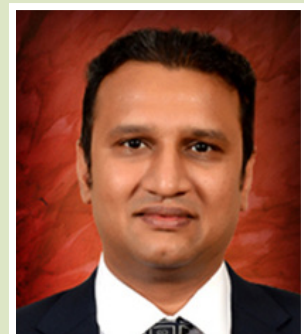
*Shri. Vinay N. Kotak,  
Addl. Vice-President*



*Shri. Arun B. Sekhsaria,  
Executive Addl. Vice-President*



*Shri. Shyamsunder M. Makharia,  
Hon. Treasurer*



*Shri. Rintu Pandya,  
Hon. Addl. Treasurer*





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) 2022-23 Crop December 2023					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	25th	26th	27th	28th	29th	30th
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20		12260 (43600)	12260 (43600)	12260 (43600)	12232 (43500)	12176 (43300)
4	KAR	ICS-103	Fine	22mm	4.5 – 6.0	6%	21	Holiday	13723 (48800)	13723 (48800)	13723 (48800)	13723 (48800)	13723 (48800)
Spot Rate (Upcountry) 2023-24 Crop													
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15		13301 (47300)	13301 (47300)	13301 (47300)	13301 (47300)	13301 (47300)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	H	13441 (47800)	13441 (47800)	13441 (47800)	13441 (47800)	13441 (47800)
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22		14847 (52800)	14847 (52800)	14847 (52800)	14904 (53000)	14904 (53000)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26		14397 (51200)	14482 (51500)	14566 (51800)	14482 (51500)	14482 (51500)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	O	-	-	-	-	-
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26		14538 (51700)	14622 (52000)	14707 (52300)	14622 (52000)	14622 (52000)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25		14201 (50500)	14257 (50700)	14172 (50400)	14060 (50000)	13919 (49500)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	L	14538 (51700)	14594 (51900)	14594 (51900)	14538 (51700)	14397 (51200)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27		14707 (52300)	14791 (52600)	14875 (52900)	14791 (52600)	14791 (52600)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27		15044 (53500)	15129 (53800)	15129 (53800)	15044 (53500)	15016 (53400)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	I	15100 (53700)	15185 (54000)	15185 (54000)	15100 (53700)	15072 (53600)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27		15325 (54500)	15382 (54700)	15325 (54500)	15269 (54300)	15269 (54300)
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28		15185 (54000)	15269 (54300)	15269 (54300)	15213 (54100)	15213 (54100)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	D	15325 (54500)	15410 (54800)	15410 (54800)	15325 (54500)	15297 (54400)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28		15382 (54700)	15466 (55000)	15466 (55000)	15382 (54700)	15353 (54600)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28		15550 (55300)	15607 (55500)	15550 (55300)	15494 (55100)	15494 (55100)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3.5%	29	A	15522 (55200)	15607 (55500)	15607 (55500)	15550 (55300)	15522 (55200)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29		15578 (55400)	15663 (55700)	15663 (55700)	15607 (55500)	15578 (55400)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30		15747 (56000)	15832 (56300)	15832 (56300)	15775 (56100)	15775 (56100)
22	SA/TL/K/TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	Y	15803 (56200)	15888 (56500)	15888 (56500)	15832 (56300)	15832 (56300)
23	SA/TL/K/TN/O	ICS-106	Fine	32mm	3.5 – 4.2	3%	31		N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33		21090 (75000)	21090 (75000)	21231 (75500)	21371 (76000)	21371 (76000)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34		21371 (76000)	21371 (76000)	21512 (76500)	21652 (77000)	21652 (77000)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35		21512 (76500)	21512 (76500)	21652 (77000)	21934 (78000)	21934 (78000)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35		21793 (77500)	21793 (77500)	21934 (78000)	22215 (79000)	22215 (79000)

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