



# Cotton Statistics And News

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## Cotton Market Sentiment Remained Bearish in December

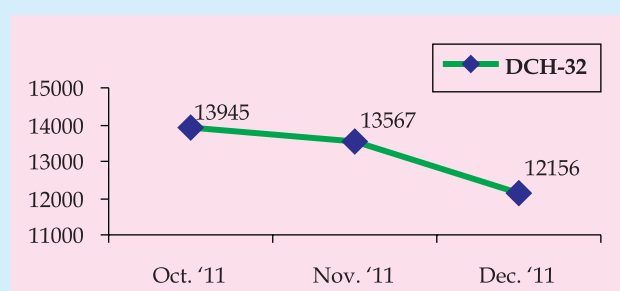
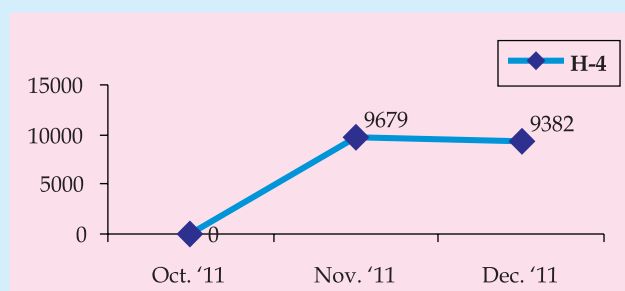
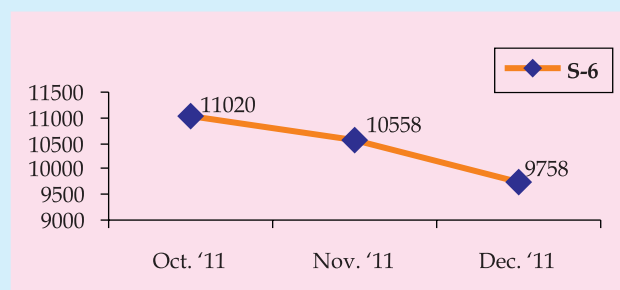
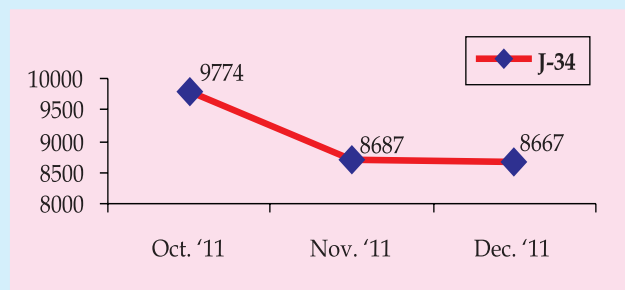
Cotton prices had softened in October and November after a steep rise in September. The sentiment continued to be bearish in December with prices of all varieties moving down further. The data on monthly average prices of a few popular varieties are given below:

Variety	Avg. Spot Rates (Rs./Quintal)		
	Oct. 2011	Nov. 2011	Dec. 2011
J-34	9,774	8,687	8,667
H-4	N.A	9,679	9,382
S-6	11,020	10,558	9,758
Bunny	11,048	10,461	9,833
DCH-32	13,945	13,567	12,156

Compared to November, the average prices in December were lower, the fall ranging from Rs. 20 to Rs. 1411 per quintal. The highest drop was in the case of the extralong staple cotton DCH-32 and the

lowest in the case of medium staple cotton J-34. In comparison with the September average prices, the fall was much higher, ranging from Rs. 947 to Rs. 2989 per quintal. The highest fall was in DCH-32 and the lowest in the long staple cotton H-4.

The main reason for the fall in recent months is the dwindling demand from mills. With the demand for textile goods slowing down after the festive season, the spinning activity has been down. The mills were therefore not keen to enter the cotton market and make further purchases, particularly as they had the needed inventory to carry on manufacturing activity for some time. Also, mills had earlier been hit hard when cotton prices were very high and yarn prices sluggish, resulting in sizable losses to them. Further, mills were expecting cotton prices to come down as the production is estimated to be a record and as arrivals pick up momentum from now on.

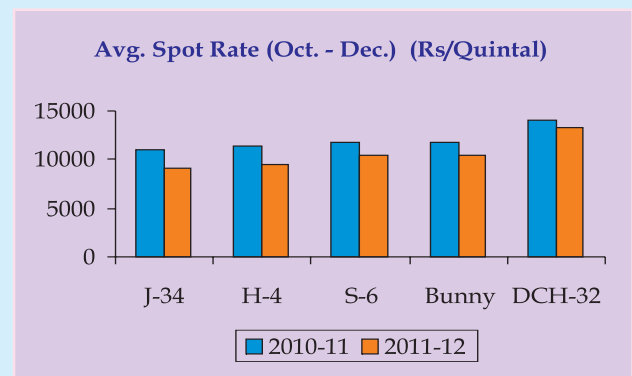


The vigorous exports of cotton and the consequent strong demand from exporters had also triggered the earlier price rise of cotton. Exports have since been at a low key and there was not much demand for cotton from exporters. However, the situation has changed very recently. Demand for exports has picked up considerably. According to reports, Indian cotton exporters have increased their buying tempo and are making brisk purchases with the weakening of cotton prices. It is claimed that about 30 lakh bales have already been shipped by December. In all, it is stated that about 80 lakh bales may be exported this year. The optimism stems from the fact that Indian cotton is currently quite price competitive and cottons to suit all requirements of the world textile industry are available. China is expected to be a good market for Indian exports this year as Chinese Government is planning up to build up its national reserve of the commodity. The spree in export purchases is likely to keep prices buoyant in the domestic market in the coming months.

The average cotton prices during the first three months of this season remained lower compared to

the corresponding period of last season. The relevant data are given below:

Avg. Spot Rate (Oct. - Dec.) (Rs/Quintal)			
Variety	2010-11	2011-12	Decline
J-34	10,920	9,043	1,877
H-4	11,445	9,531	1,914
S-6	11,820	10,445	1,375
Bunny	11,810	10,447	1,363
DCH-32	14,135	13,223	912



## Cloth Made from Coloured Cotton

The University of Agricultural Sciences, Dharwad, may soon have cloth made from coloured cotton. The University has now perfected growing cotton, which is not genetically modified, with natural dark brown, light brown and green colour after almost a decade's research. This could cut the cost of processing for garment manufacturers by more than half, while also ensuring that pollution is not caused by dyeing.

Coloured cotton can now be commercially cultivated in the country. The US and Europe have already developed coloured cotton and clothes too are available.

Initially, the Dharwad varsity had spun cloth out from a single colour cotton, that is either dark brown, light brown or green. But now, it has made cloth that has been made from yarn of white, brown and green cotton.

(Source: Asian Textile Journal)

## Karnataka Simplifies VAT Policy on Cotton

Responding to the demand of cotton growers and traders in the State, the Government of Karnataka has simplified its policy of levying value added tax (VAT) on purchase and sale of cotton.

Under the revised procedure, the government will collect a fixed VAT of 2 percent on purchase and sale of cotton.

So far, VAT was collected at five percent and three percent was later reimbursed to cotton farmers and traders.

The earlier procedure created a lot of problems and hence it has now been decided to collect two percent VAT and do away with the practice of reimbursing three percent, Minister for Cooperation and Agriculture Marketing, has stated.

(Source: Fibre2fashion News Desk - 11.01.2012)

UPCOUNTRY SPOT RATES													(Rs. \ Quintal)	
Dec.	2010-11 Crop						2011-12 Crop							
	V-797	Jayadhar	Y-1	NHH-44	LRA-5166*	H-4/ MECH-1	BD(RG) A. Commila	BD SG	J-34	H-4/ MECH-1	Shankar-6	Bunny/ Brahma		MCU-5/ Surabhi
2011	ICS-102	ICS-103	ICS-104	ICS-105	ICS-105	ICS-105	ICS-101	ICS-201	ICS-202	ICS-105	ICS-105	ICS-105	ICS-106	ICS-107
	22 mm	23 mm	24 mm	25 mm	27 mm	28 mm	22 mm	22 mm	25 mm	28 mm	29 mm	31 mm	33 mm	35 mm
	4.5-5.9	4.0-5.5	4.0-5.5	3.5-4.9	3.5-4.9	3.5-4.9	5.0-7.0	5.0-7.0	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.3-4.5	2.8-3.6
	19	19	20	22	24	25	15	15	23	25	26	27	28	31
1	6552	N.A.	N.A.	N.A.	N.A.	9280	9505	9701	8717	9533	9954	9954	10348	12654
2	6552	N.A.	N.A.	N.A.	N.A.	9280	9505	9701	8717	9561	9983	9954	10348	12373
3	6552	N.A.	N.A.	N.A.	N.A.	9280	9505	9701	8633	9561	9898	9898	10264	12092
5	6552	N.A.	N.A.	N.A.	N.A.	8998	9476	9701	8633	9420	9842	9898	10264	12092
6	6552	N.A.	N.A.	N.A.	N.A.	8998	9561	9786	8717	9476	9898	9898	10264	12092
7	6552	N.A.	N.A.	N.A.	N.A.	9139	9561	9786	8773	9589	9926	9983	10264	12092
8	6552	N.A.	N.A.	N.A.	N.A.	9280	9476	9729	8717	9589	9926	9983	10264	12373
9	6552	N.A.	N.A.	N.A.	N.A.	9280	9476	9729	8717	9589	9926	9983	10545	12654
10	6552	N.A.	N.A.	N.A.	N.A.	9195	9392	9645	8633	9505	9870	9983	10545	12654
12	6552	N.A.	N.A.	N.A.	N.A.	9195	9448	9701	8633	9420	9786	9898	10489	12654
13	6552	N.A.	N.A.	N.A.	N.A.	9195	9280	9533	8492	9364	9673	9842	10432	12373
14	6552	N.A.	N.A.	N.A.	N.A.	9195	9223	9476	8492	9420	9701	9842	10432	12373
15	6552	N.A.	N.A.	N.A.	N.A.	9195	9167	9420	8492	9420	9673	9842	10432	12373
16	6552	N.A.	N.A.	N.A.	N.A.	9195	9167	9420	8520	9448	9701	9842	10432	12373
17	6552	N.A.	N.A.	N.A.	N.A.	9195	9167	9420	8605	9505	9729	9898	10432	12373
19	6636	N.A.	N.A.	N.A.	N.A.	9195	9223	9476	8661	9505	9729	9898	10432	12373
20	6580	N.A.	N.A.	N.A.	N.A.	9195	9364	9617	8717	9448	9673	9842	10376	12373
21	6524	N.A.	N.A.	N.A.	N.A.	9195	9364	9617	8689	9280	9561	9729	10292	12232
22	6524	N.A.	N.A.	N.A.	N.A.	9195	9336	9589	8577	9139	9505	9673	10236	11951
23	6524	N.A.	N.A.	N.A.	N.A.	-	9336	9589	8577	8998	9420	9533	10095	11754
24	6524	N.A.	N.A.	N.A.	N.A.	-	9336	9589	8605	9055	9476	9589	10151	11754
26	6524	N.A.	N.A.	N.A.	N.A.	-	9392	9645	8633	9139	9561	9589	10151	11754
27	6524	N.A.	N.A.	N.A.	N.A.	-	9533	9786	8745	9195	9645	9701	10236	11754
28	6524	N.A.	N.A.	N.A.	N.A.	-	9617	9870	8773	9195	9701	9701	10236	11670
29	6524	N.A.	N.A.	N.A.	N.A.	-	9814	10067	8970	9336	9898	9842	10376	11670
30	6524	N.A.	N.A.	N.A.	N.A.	-	9814	10067	8830	9336	9954	9842	10376	11670
31	6524	N.A.	N.A.	N.A.	N.A.	-	9814	10067	8745	9280	9870	9842	10376	11670
H	6636	-	-	-	-	9280	9814	10067	8970	9589	9983	9983	10545	12654
L	6524	-	-	-	-	8998	9167	9420	8492	8998	9420	9533	10095	11670
A	6546	-	-	-	-	9194	9439	9683	8667	9382	9758	9833	10337	12156

N.A. = Not Available H = Highest L = Lowest A = Average \* = Nominal

## SNIPPETS

Bangladesh has become the world's second largest exporter of knitted goods, beating Turkey in terms of volume last year. The country exported 7.78 billion pieces of knitted items in 2010 compared with Turkey's 7.74 billion pieces. Apparel exports has been growing at an impressive 40% rate in the current fiscal year. If this trend continues, Bangladesh can beat Turkey by values by next fiscal year.



After a dismal growth of just 0.1 per cent in October, growth in the eight core sector industries has rebounded to a robust 6.8 per cent in November. The core sector index has now come to 4.6 during the April-November period in 2011-12 as against 5.6 during the

corresponding period of 2010-11. The smart recovery in November has given hopes of a high growth in industrial output during 2011-12. The eight core sector industries are coal, crude oil, natural gas, refinery products, fertilisers, cement, steel and electricity.



### CAB To Meet on 24th January 2012

The second meeting of the Cotton Advisory Board for the cotton season 2011-12 will be held under the Chairmanship of Shri. A.B.Joshi, Textile Commissioner at 10.30 a.m. on Tuesday, the 24th January 2012 in the Conference Hall of the Office of the Textile Commissioner, Nishtha Bhavan (New C.G.O.Building), 48, Vithaldas Thakarsee Marg, Churchgate, Mumbai – 400 020.

## 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  
January 2012

Sr. No.	Grade Standard	Staple	Micronaire	Strength/GPT	Trade Name	7 <sup>th</sup>	9 <sup>th</sup>	10 <sup>th</sup>	11 <sup>th</sup>	12 <sup>th</sup>	13 <sup>th</sup>
03.	ICS-102	22mm	4.5-5.9	19	V-797	6805 (24200)	6946 (24700)	6946 (24700)	6889 (24500)	6889 (24500)	6889 (24500)
04.	ICS-103	23mm	4.0-5.5	19	Jayadhar	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.
<b>2011-12 CROP</b>											
01.	ICS-101	Below 22mm	5.0-7.0	15	Bengal Deshi (RG)	10151 (36100)	10208 (36300)	10264 (36500)	10208 (36300)	10264 (36500)	10264 (36500)
02.	ICS-201	Below 22mm	5.0-7.0	15	Bengal Deshi (SG)	10432 (37100)	10489 (37300)	10545 (37500)	10489 (37300)	10545 (37500)	10545 (37500)
05.	ICS-104	24mm	4.0-5.5	20	Y-1	8914 (31700)	9195 (32700)	9195 (32700)	9111 (32400)	9111 (32400)	9111 (32400)
06.	ICS-202	25mm	3.5-4.9	23	J-34	9251 (32900)	9533 (33900)	9533 (33900)	9476 (33700)	9476 (33700)	9476 (33700)
09.	ICS-105	28mm	3.5-4.9	25	H-4/ MECH-1	9673 (34400)	9954 (35400)	9954 (35400)	9954 (35400)	10011 (35600)	10011 (35600)
10.	ICS-105	29mm	3.5-4.9	26	Shankar-6	10123 (36000)	10376 (36900)	10320 (36700)	10264 (36500)	10320 (36700)	10320 (36700)
11.	ICS-105	31mm	3.5-4.9	27	Bunny/ Brahma	10179 (36200)	10461 (37200)	10461 (37200)	10404 (37000)	10404 (37000)	10404 (37000)
12.	ICS-106	33mm	3.3-4.5	28	MCU-5/ Surabhi	10517 (37400)	10657 (37900)	10657 (37900)	10657 (37900)	10657 (37900)	10657 (37900)
13.	ICS-107	35mm	2.8-3.6	31	DCH-32	12092 (43000)	12654 (45000)	12654 (45000)	12654 (45000)	12654 (45000)	12654 (45000)

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