

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

2010 * No. 42 * 18/01/2011

Edited & Published by Amar Singh

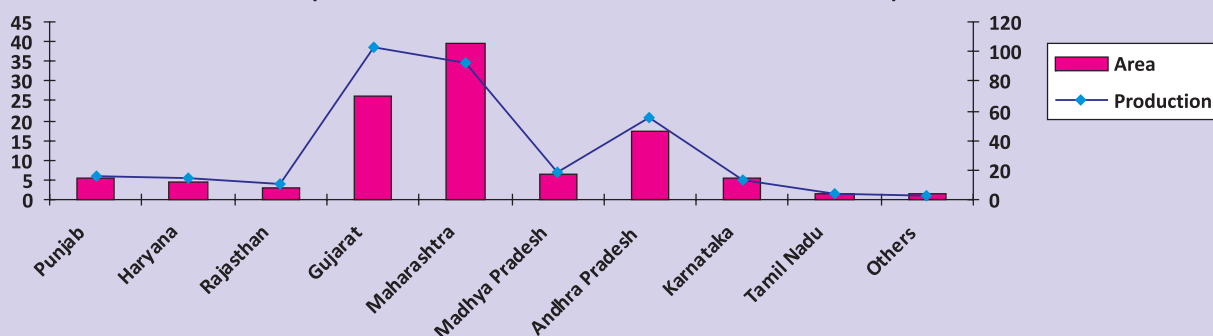
CAB Slightly Ups Cotton Production Estimate to 329 Lakh Bales

The Cotton Advisory Board (CAB) met in Mumbai on January 6, 2011 under the Chairmanship of Shri A.B. Joshi, Textile Commissioner, to take stock of the latest cotton situation. As may be expected, estimates of production by different sectors differed significantly. After detailed discussions, CAB placed the crop at 329 lakh bales, an all-time record. The area is also projected to be a new record at 110.55 lakh hectares, an increase of seven per cent over last year's 103.1 lakh hectares. The State-wise details of the estimate for 2009-10 and 2010-11 are given in the accompanying table:

Most of the increase in area this year is in the Central zone and in this zone, the largest increase of 4.7 lakh hectares is in Maharashtra followed by Andhra Pradesh with a rise of 2.65 lakh hectares as compared to last year. Obviously, the higher returns from cotton farming last year owing to better yield and higher prices have prompted farmers to plant larger area under the crop. The seasonal conditions were also generally conducive for sowing cotton.

State	Area (lakh ha)		Production (lakh bales)	
	2009-10	2010-11	2009-10	2010-11
Punjab	5.11	5.30	14.25	16.00
Haryana	5.07	4.33	14.75	15.00
Rajasthan	4.44	2.90	11.00	10.00
North Zone	14.62	12.53	40.00	41.00
Gujarat	26.25	26.33	98.00	103.00
Maharashtra	35.03	39.73	63.00	92.00
M.P.	6.11	6.51	15.00	18.00
Central Zone	67.39	72.57	176.00	213.00
A.P.	14.75	17.40	52.00	55.00
Karnataka	4.55	5.25	9.00	13.00
Tamil Nadu	1.04	1.30	5.00	4.00
South Zone	20.34	23.95	66.00	72.00
Other States	0.75	1.50	1.00	3.00
Total	103.10	110.55	283.00	329.00
Loose Cotton	-	-	12.00	-
All-India	103.10	110.55	295.00	329.00

Cotton Area and Production - 2010-11
(Area in lakh Hectares and Production in Lakh bales)



The increase in production this year is projected to be higher by as much as 34 lakh bales compared to last year. The generally favourable seasonal conditions did help in higher production and in some States the second flush crop was good owing to the receipt of late rains. In addition to the weather, the higher area under the crop also led to better production. Significantly, productivity at 506 kg per hectare this year was appreciably higher than last year's 486 kg per hectare, the contributory factors being wider spread of the improved production technology and the large coverage of 96 lakh hectares under the high yielding, bollworm resistant Bt cottons.

Looking at the State-wise production, it will be seen that the maximum increase is expected in the State of Maharashtra, a predominantly rainfed cotton growing State. The production in this State is projected to rise by as much as 29 lakh bales from 63 lakh bales last year to 92 lakh bales this year. This is a clear demonstration of the significant role that rains play in deciding cotton production. The higher production was facilitated by the generally favourable distribution of rains. In addition, the larger coverage by Bt cottons from last year's 31.5 lakh hectares to 35.4 lakh hectares in 2010-11 also contributed to better yield.

Coming to State-wise yields, it is indeed remarkable that Gujarat stands out in this attribute with an average yield of 665 kg per hectare, surpassing significantly the average yield of Punjab and

Haryana. The high yield in Gujarat is particularly remarkable because the State has only about 50 per cent under irrigated cotton whereas Punjab has almost 99 per cent under irrigated cotton. The average yields in all other States barring Andhra Pradesh and Tamil Nadu also recorded higher yields this year compared to the previous year. In Andhra Pradesh, yields were reduced because of the heavy rains at the boll setting period.

The CAB has redrawn the Cotton balance sheet taking into account the revisions made now. The revised Balance Sheet as now drawn up by the CAB are given below:

	(in lakh bales)	
	2009-10	2010-11
Opening Stock	71.50	40.50
Production	295.00	329.00
Imports	7.00	5.00
Total Supply	373.50	374.50
Mill Consumption	207.00	} 255.00
Consumption by SSUs	23.00	
Non-mill use	20.00	20.00
Exports	83.00	55.00
Total Demand	333.00	330.00
Closing Stock	40.50	44.50

It may be noticed that the carryover stock at the end of the current season is expected to be four lakh bales higher than the opening stock. It is to be seen whether this will lead to a softening of cotton prices.

(Source : Cotton Advisory Board)

DGFT Issues Notices Regarding Allocation of Quantities of Cotton for Export

The Directorate General of Foreign Trade (DGFT) issued Trade Notice No.01 dated 10th January 2011 informing the trade members about the declaration of allocation of 19,00,000 bales of cotton for export. It has also mentioned that the fractional numbers, in the allocations will be rounded off at the time of issue of Registration Certificates in order to ensure commercially meaningful transaction.

It may be recalled that the DGFT vide its Policy Circular No.09(RE-2010)/2009-14 dt.29.12.2010 had invited fresh applications for cotton

exports from 31.12.2010 to 06.01.2011.

In a separate Trade Notice No.2/2011 dated 10th January 2011, the DGFT has stipulated the scheme and modalities of scrutiny of documents and issue of Registration Certificate which would commence at 10 hrs. on Tuesday, the 11th January 2011 and will close at 11 hrs. on Tuesday, the 25th January 2011, as was given in Policy Circular. The applicant or its authorised representative (authority letter duly executed on official letterhead of the applicant) would have to come to the DGFT headquarters at New Delhi.

Corrigendum

Through inadvertence, total of arrival of cotton for the South Zone appearing on Page No.2 of the issue dated 11.01.2011 of this bulletin has been mentioned as 68.25 lakh bales instead of the correct figure of 27.50 lakh bales. We regret the error.

Visit of Minister (Trade), High Commission for Pakistan to CAI

Mr. Naeem Anwar, Hon'ble Minister (Trade), High Commission for Pakistan visited our Association at Cotton Green on 8th January 2011. The Association organised an interactive meeting with the board members and other invitees.

Mr. Dhiren N. Sheth, President, CAI alongwith other office bearers



welcomed Mr. Anwar and took him around the Cotton Exchange Building. Mr. Anwar also visited our Laboratory and Standard Room. Our President made a presentation on the role and activities of CAI and the Association's cotton promotion plans.



Data on Area, Production, Yield and Consumption of Cotton for the period from 1991-92 season onwards

Cotton Year	Area in Lakh Hectares	Cotton prodn. In lakh bales 170 kgs each	Production of in 000's tones (mn.kg.)	Cotton yield in kg/Hectare	Cotton Consumption in lakh bales of 170 kg. each (mill + non-Mill +small spinning)
1991-1992	76.01	119.00	2023.00	266.14	111.09
1992-1993	75.41	138.00	2346.00	311.00	125.01
1993-1994	74.40	121.50	2065.00	278.00	127.00
1994-1995	78.61	138.50	2354.50	300.00	135.00
1995-1996	90.63	170.70	2901.90	320.00	154.29
1996-1997	91.66	177.90	3004.30	330.00	170.16
1997-1998	88.29	158.00	2686.00	307.00	159.01
1998-1999	92.87	165.00	2805.00	302.00	165.36
1999-2000	87.31	156.00	2652.00	304.00	173.36
2000-2001	85.76	140.00	2380.00	277.52	173.03
2001-2002	87.30	136.00	2312.00	301.55	168.83
2003-2004	76.30	179.00	3043.00	398.82	177.10
2004-2005	87.86	243.00	4131.00	470.11	195.03
2005-2006	86.77	241.00	4097.00	472.17	217.00
2006-2007	91.44	280.00	4760.00	520.56	232.03
2007-2008	94.14	307.00	5219.00	554.39	236.88
2008-2009					
(as per CAB 27.08.2010)	94.06	290.00	4930.00	524.13	229.00
2009-2010					
(as per CAB 06.01.2011)	103.10	295.00	5015.00	486.42	250.00
2010-2011					
(as per CAB 06.01.2011)	110.55	329.00	5593.00	505.92	275.00

Source: Office of the Textile Commissioner, Mumbai

World Cotton Prices
Monthly average Cotlook A Index (FE) from 2005-06 onwards

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Cotlook Index in US Cents per lb.						
August	53.23	59.88	66.62	78.04	64.14	90.35
September	53.94	58.82	68.12	77.09	63.99	104.73
October	57.74	57.03	68.93	62.30	66.82	126.55
November	55.87	57.39	69.68	54.96	71.78	155.47
December	56.09	59.43	69.52	55.47	76.78	168.22
January	58.36	59.06	73.21	57.71	77.39	
February	59.66	57.86	75.05	55.21	80.05	
March	57.59	58.42	80.18	51.50	85.80	
April	56.23	57.13	75.44	56.78	88.08	
May	54.35	55.57	74.12	61.95	90.07	
June	55.14	60.61	77.04	61.39	93.04	
July	55.42	67.84	77.29	64.80	--	

Source: Cotton Outlook

UPCOUNTRY SPOT RATES

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) 2009-10 CROP						
					January 2011						
					8 th	10 th	11 th	12 th	13 th	14 th	
03.	ICS-102	22mm	V-797	4.5-5.9	19		N.A.	N.A.	N.A.	N.A.	N.A.
04.	ICS-103	23mm	Jayadhar	4.0-5	19	H	N.A.	N.A.	N.A.	N.A.	N.A.
2010-11 CROP											
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15		10292 (36600)	10545 (37500)	10545 (37500)	10545 (37500)	10620 (37800)
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15	O	10545 (37500)	10770 (38300)	10686 (38000)	10686 (38000)	10798 (38400)
05.	ICS-104	24mm	Y-1	4.0-5.5	20		11107 (39500)	11107 (39500)	11023 (39200)	11023 (39200)	11248 (40000)
06.	ICS-202	25mm	J-34	3.5-4.9	23	L	11810 (42000)	11867 (42200)	11810 (42000)	11810 (42000)	11838 (42100)
07.	ICS-105	25mm	NHH-44	3.5-4.9	22		N.A.	N.A.	N.A.	N.A.	N.A.
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24		11754 (41800)	11979 (42600)	11951 (42500)	12035 (42800)	12120 (43100)
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25		11951 (42500)	12092 (43000)	12035 (42800)	12176 (43300)	12260 (43600)
10.	ICS-105	29mm	S-6	3.5-4.9	26		12092 (43000)	12232 (43500)	12176 (43300)	12232 (43500)	12345 (43900)
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27		12513 (44500)	12654 (45000)	12598 (44800)	12654 (45000)	12795 (45500)
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28	A	13076 (46500)	13216 (47000)	13216 (47000)	13216 (47000)	13357 (47500)
13.	ICS-107	35mm	DCH-32	2.8-3.6	31		16872 (60000)	16872 (60000)	17013 (60500)	17013 (60500)	17153 (61000)

Note: Figures in bracket indicate prices in Rs./candy)