

Weekly
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**Cotton
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Cotton Statistics And News

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CAI Places Cotton Production at 353.25 Lakh Bales in 2012-13

The Association has recently released its cotton crop estimate for 2012-13. As on 31st December the production is placed at 353.25 lakh bales. The State-wise estimates are given below, along with the arrivals as on the above date.

State	(in lakh bales)		
	Production 2011-12	2012-13	Arrivals as on 31.12.12
Punjab	18.00	15.00	7.25
Haryana	27.50	22.00	10.00
Upper Rajasthan	10.00	8.25	3.50
Lower Rajasthan	7.75	8.00	3.75
Total North Zone	63.25	53.25	24.50
Gujarat	114.00	80.00	20.50
Maharashtra	72.00	80.00	17.50
Madhya Pradesh	18.00	18.00	5.50
Total Central Zone	204.00	178.00	43.50
Andhra Pradesh	58.00	73.00	22.50
Karnataka	13.00	13.00	3.25
Tamil Nadu	5.00	5.00	0.75
Total South Zone	76.00	91.00	26.50
Orissa and Others	4.00	5.00	1.00
Total	347.25	327.25	95.50
Loose Cotton	26.00	26.00	7.00
All-India	373.25	353.25	102.50

The Association has also framed the Cotton Balance Sheet for 2011-12 and 2012-13 which is reproduced below:

(in lakh bales)

Details	2011-12	2012-13
Opening Stock	53.27	53.21
Production	373.25	353.25
Imports	9.00	12.00
Total Supply	435.52	418.46
Mill Consumption	217.68	235.00
Consumption by SSI Units	21.63	20.00
Non-Mill Use	16.00	16.00
Exports	127.00	-
Demand	382.31	271.00
Available Surplus	53.21*	147.46
*Closing Stock		

Significantly, the Association estimates that mill consumption in 2012-13 will go up to 235 lakh bales as against 217.68 lakh bales in 2011-12.

CAB Reconstituted

The Government of India has reconstituted the Cotton Advisory Board, originally constituted in October, 1950 and last reconstituted on 5th May, 2010 for two years effective from 1st January 2013. The Board will advise the Government generally on matters pertaining to production, consumption and marketing of cotton.

The CAB, through a consultative process will seek inputs from Cotton Textile Mill Industry, the cotton growers and cotton traders. The Consultative Committee shall meet prior to the formal meeting of the Cotton Advisory Board. The inputs of the Consultative Committee recommendations shall be considered by the CAB.

The Consultative Committee of CAB is scheduled to meet on 23rd January 2013 at 2.45 p.m. under the Chairmanship of Shri A.B. Joshi, Textile Commissioner in the Conference Hall of the office of the Textile Commissioner, Mumbai.

A New Big-bolled Cotton Variety with Potential for High Yield in the Offing

The Central Institute for Cotton Research (CICR) is reported to be on the verge of releasing a new cotton variety which will be high yielding and resistant to some cotton diseases.

As is well known, the Bt cottons are resistant to bollworms, the most pernicious pest of cotton - they are, however, susceptible to other leaf diseases. The CICR scientists attempted to evolve a new variety that would be resistant to such diseases, particularly bacterial blight, which was a common in North India. Towards this end, they made crosses between an exotic variety and a local variety. Unexpectedly, the hybrid turned out to be plants with very high boll weight of 5.9 gm to 7.9 gm. At present, the maximum boll weight in any

variety is only 5.8 gm. The hybrid plants produced from the cross are claimed to have extraordinarily large boll sizes, excellent opening of the bolls and are non-spreading with sturdy stems.

After four years of repeating the experiment, the scientists are said to have stabilised the qualities in the fourth generation. They are hopeful that by 2014, the new variety can be released for commercial cultivation. When it is grown on a large scale, the average yield per hectare may jump to about 2500 to 3000 kg per hectare, according to the Principal Biotechnology Scientist and Head of Crop Development at CICR.

(Based on a release dated 09.01.2013 of CICR)

Glimpses of Makar Sankranti Festival Celebrated at the Terrace of the Cotton Exchange Building on 14th January 2013



Government May Procure 38 Per Cent of Fresh Cotton Supplies in January - Report

According to a report, Government expects to procure as much as 38 per cent of fresh cotton supplies during January in order to provide relief to farmers, since market prices of cotton have gone below the support price.

The Cotton Corporation of India (CCI), it is stated, may purchase 19 lakh bales in January out of the expected market arrivals of 50 lakh bales. Purchases in Andhra Pradesh, the third largest cotton producer in the country, where prices are about three per cent below the support prices, are expected to touch 15 lakh bales in January, while purchases in Maharashtra are likely to be around four lakh bales in January. According to estimates, the total cost of procurement in January may be to the tune of Rs. 8100 crore, an all-time high, despite a projected five per cent drop in the country's total cotton production in 2012-13 as compared to 2011-12. CCI reportedly purchased about 13 lakh bales,

almost all from Andhra Pradesh, upto 31st December. Further, ginneries are stated to have already procured 127 lakh bales and ginned eight lakh bales out of their purchases.

A senior Government official is quoted to have stated that Government would not reduce procurement despite a storage crisis looming. Excess cotton stocks in Andhra Pradesh, where such a crisis is fast approaching, are proposed to be kept in other States, especially Tamil Nadu where the facility is said to be available.

The CCI, it is stated, is likely to suffer a loss of Rs. 1,647 crore in its procurement operations during the 2012-13 cotton season which will come to an end in September 2013. The loss occurs because it purchases kapas at support prices and has to sell at market rates which may go below the support prices.

Govt. Plans New Spin to Textile Funding Scheme

The Centre is considering tweaking the Textile Upgradation Fund Scheme (TUFS) to shift focus from the spinning segment to more labour-intensive processing, weaving and garments sectors, for boosting inclusive growth, an official source informed.

Under the proposed structure, the allocation to the spinning sector under the TUFS would be capped at 30 percent, while for others the sectoral caps are not required. This is because investments in sectors other than spinning have been meagre, the official stated.

Disallowing standalone investment (under TUFS) in spinning is also necessary to correct the current skew in disbursement (of subsidy under TUFS), the official added.

An empowered finance committee is studying the recommendations of the textile ministry. Once cleared by the committee, a Cabinet note for this purpose is expected to be circulated by end-February for approval, it is stated.

The capital-intensive spinning sector traditionally accounts for around half of the total committed investments under the TUFS and grabs 50 percent of the government's subsidy allocation.

Under the TUFS, the government has allocated Rs.11,577 crore for the 12th Plan period (2012-17) to meet the subsidy burden. The government mainly provides interest subsidy against loans to units, apart from capital subsidy as well as limited cushion against exchange rate fluctuation, for investing in new technology.

The proposal to shift focus to the weaving, processing and garments sectors comes amid mounting concerns about the ability of these labour-intensive segments, which mainly comprise small and medium-sized units, to compete on a global level, especially against top player China due to the lack of a massive scale. Moreover, since these sectors employ millions, they are a crucial driver of inclusive growth and hence needs support.

TUFS was introduced in 1999 to promote the use of sophisticated technology in the textiles and garments sector. The scheme aims at making available funds to the textile industry for upgrading technology at existing units as well as to set up new units with state-of-the-art technology so that its viability and competitiveness in the domestic as well as international markets would enhance.

(Source: Financial Express - 16.01.2013)

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 January 2013					
Sr. No.	Growth Standard	Grade /GPT	Grade	Staple	Micronaire	Strength	14th	15th	16th	17th	18th	19th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	9758 (34700)	9673 (34400)	9617 (34200)	9729 (34600)	9729 (34600)	9729 (34600)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	9898 (35200)	9814 (34900)	9758 (34700)	9870 (35100)	9870 (35100)	9870 (35100)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	7536 (26800)	7536 (26800)	7536 (26800)	7592 (27000)	7592 (27000)	7592 (27000)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	8267 (29400)	8211 (29200)	8211 (29200)	8239 (29300)	8239 (29300)	8239 (29300)
5	M/M	ICS-104	Fine	24mm	4.0 – 5.5	23	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
6	P/H/R	ICS-202	Fine	26mm	3.5 – 4.9	26	9223 (32800)	9195 (32700)	9167 (32600)	9195 (32700)	9195 (32700)	9195 (32700)
7	M/M/A	ICS-105	Fine	26mm	3.0 – 3.4	25	N.Q.	N.Q.	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.	N.Q.
9	P/H/R	ICS-105	Fine	27mm	3.5 – 4.9	26	9336 (33200)	9308 (33100)	9280 (33000)	9308 (33100)	9308 (33100)	9308 (33100)
10	M/M/A	ICS-105	Fine	27mm	3.0 – 3.4	26	N.Q.	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.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
12	P/H/R	ICS-105	Fine	28mm	3.5 – 4.9	27	9476 (33700)	9448 (33600)	9420 (33500)	9476 (33700)	9476 (33700)	9476 (33700)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	9223 (32800)	9223 (32800)	9223 (32800)	9280 (33000)	9280 (33000)	9280 (33000)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	9392 (33400)	9392 (33400)	9392 (33400)	9448 (33600)	9448 (33600)	9448 (33600)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	9336 (33200)	9336 (33200)	9336 (33200)	9392 (33400)	9392 (33400)	9392 (33400)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	9476 (33700)	9476 (33700)	9476 (33700)	9533 (33900)	9533 (33900)	9533 (33900)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	9448 (33600)	9448 (33600)	9448 (33600)	9505 (33800)	9505 (33800)	9505 (33800)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	9589 (34100)	9589 (34100)	9589 (34100)	9645 (34300)	9645 (34300)	9645 (34300)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 – 4.9	31	9842 (35000)	9842 (35000)	9842 (35000)	9898 (35200)	9898 (35200)	9898 (35200)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0 - 3.8	33	12654 (45000)	12654 (45000)	12654 (45000)	12654 (45000)	12654 (45000)	12654 (45000)

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