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**Cotton  
Association  
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# COTTON STATISTICS & NEWS

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## Branding: A Powerful Engine to Propel the Growth of the Indian Cotton Textile Industry

Popularly known as COTTONGURU® in the textile industry, Shri. Manish P. Daga, Managing Director of COTTONGURU® Group, is a qualified textile technologist and marketing expert, with over 25 years of experience. He is a certified Cotton Grader and Registered Valuer. He is an expert farmer trainer and commercial / technical advisor for ginning factories, spinning mills, corporate textile industries and commodity investors. His articles are regularly published in national newspapers and national and international magazines. He is first and only Indian to be registered as 'Chartered Valuer' specialising in cotton fibre, yarn and fabrics by the Institute of Valuers and Indian Institution of Valuers (India).



**Shri. Manish Daga**  
Managing Director, Cotton Guru

He is the Editor of "COTTONGURU® Fortnightly Newsletter". And is a columnist for exclusive cotton news in national newspapers, magazines and various international textile magazines. He has been invited as speaker in over 23 national & international cotton & textile conferences. He has devised the unique "COTTONGURU® System of Cotton Sourcing" to mitigate the risk and increase profit in Cotton Sourcing / Trading. He is also the recipient of several awards including The BIZZ 2014 & 2015 Business Excellence Award by Confederation of World Business, USA; International Quality Summit Award 2015" from Business Initiative Directions, Spain and Best Agri Business and Services Award 2013" from India SME Forum..

The size of India's textile market in 2017 was around US\$ 120 billion, which is expected to touch US\$ 350 billion market by 2025. Textiles account for 14 % of India's industrial production and around 27 % of its export earnings. From growing its own raw material (cotton, jute, silk and wool) to providing value added products to consumers (fabrics and garments), the textile

industry covers a wide range of economic activities, including employment generation in both the organised and unorganised sectors.

Though Indian textile industry has a strong position in the world's map, with export earnings worth over US\$ 40 billion in 2016-17, when it comes to branded goods, India has a



very limited presence. Apart from the few Indian successful brands like Van Heusen, Allen Solly, Peter England (Aditya Birla Group- Madura Garments), Flying Machine, Spykar, Wills Lifestyle (ITC), Park Avenue (Raymond Ltd.), there are hardly any.

This clearly indicates the lack of branding and marketing skills of Indian organisations. India has large size integrated facilities which are supplying premium fabric to most international brands like Nike, Puma, Arrow, GAP, Wrangler, Levis, M&S, H&M, A&F, American Eagle and many more. But when it comes to creating their own brand, they are failing miserably.

### Our Golden Past

Cotton textile has always been the “Fabric of Life” for India. The story of cotton and textiles in India is one of the oldest in the world. The earliest surviving Indian cotton threads date to around 4000 BC and dyed fabrics from the region are documented as far back as 2500 BC. India’s textiles were so central to its identity abroad that in ancient Greece and Babylon the very name ‘India’ was shorthand for ‘cotton’. India’s textiles are embedded in every aspect of its identity. Courtly splendour was proclaimed by magnificent fabrics and religious worship still finds expression through cloth. Global trade systems were founded on the export of Indian fabrics, and textiles still continue to shape India today.

The ancient Romans called India’s finest cottons ‘woven winds’ because of their airy lightness. The country’s cotton fabrics ranged from the sheerest muslin to robust pieces for everyday use, though fine cottons in particular were much sought after and are a key element of India’s supremacy as a brand in textiles.

**Weaving:** Each part of India has its own weaving tradition. Weaves like muslin and jamdani were recognised Indian brands hundreds of years back.

**Dyeing:** India’s natural dyes, especially those for blue and red, have been renowned for millennia. Blue dyes were so closely associated with India that the ancient Greeks took its western name – “indikos” (indigo) – from the country itself. Red dyeing with fixing agents (mordants) was known to the Indus valley civilisation by about 2500 BC. Fixing the colour is the great challenge of dyeing cloth. Indian dyers’ use of mordants was key to their mastery, which was unrivalled until the invention of western chemical dyes in the 19th century.

**Printing:** Printing patterns with wooden blocks is mainly associated with India since centuries. Dress fabrics used small repeating floral patterns in several colours, requiring multiple blocks. Larger-scale motifs were printed for furnishings and tents. From the 14th century, if not earlier, western India used large blocks to produce huge wall hangings, which they exported to South East Asia.

**Embroidery:** India’s embroidery is almost as famed as its weaving and dyeing. In the 17th century, the finest Gujarati “ari” (hook) embroidery was highly prized by both the Mughal court and European consumers.

### Our Uncertain Present

India was able to build a brand called “Shankar-6” cotton in the first decade of the 21st century. India gained a tremendous advantage as the world, especially China was hungry for quality cotton. Cotton exports from India grew by nearly 200% in 7 years between 2005 and 2012. At that time, India was exporting cotton to over 20 countries. This incremental rise in exports benefitted the entire cotton supply chain right from farmers to mills. Profits to producers, processors and consumers resulted in the enhancement of quantity and quality of cotton.





But it was not long before, Indian ginners and traders lost the brand image due to mismanagement and short-term vision, resulting in unethical practices and monetary losses. This tarnished the established brand value of Indian cotton so much, that ITMF, after a recent survey, has declared it as the most contaminated cotton in the world!

Because Indian cotton brand has been heavily eroding due to contamination, adulteration and contract defaults, it is discounted by at least 5 cents/ lbs (Rs 1000/bale) to competitive origins like US, W. Africa, Australia, etc. leading to an annual loss of nearly USD 1 billion to the Indian cotton industry, drastically restricting the income of cotton farmers and profits of textile industry.

The chart below shows the market price difference of Indian cotton brand Gujarat Shankar-6 against our competitor countries:

INDIA	US	W.AFRICA	AUSTRALIA	AVERAGE DIFFERENCE	1 USD=INR	LOSS/BALE (INR)	INDIA CROP (CRORE BALES)	TOTAL LOSS (CRORES Rs)
80.5	83.5	85	87	5	65	1000	3.6	3600

*\*All prices in USC/lbs*

It is crucial for Indian cotton industry to realise that the world prefers brands on any given day.

### Some Established Brands in Raw Cotton

High quality seeds are crucial for high productivity. The leading cotton brands are Egyptian Giza 45, American Supima and FiberMax. They guarantee high quality cotton fibre, enjoying huge demand, trust and a handsome premium with all global buyers. Supima and Giza 45 generate a very high

premium of at least 40% over Indian ELS DCH-32 cotton.

As well as being rare, the extra manual processes and methods quickly add to the cost of the raw Giza 45 cotton. On average, the raw cotton is 5 times the cost of Egyptian cotton. And that's before it is even woven!



Supima, established in 1954, is the marketing brand for American-grown Pima cotton. Today, Supima focuses on partnering with leading brands across fashion and home markets to ensure that consumers have access to and receive top quality products crafted with Supima's premium cotton.



Way back in 2004, FiberMax brought US growers a premium of 13.44 cents per pound over the base Commodity Credit Corp. loan rate of 52 cents per pound. More than 1,000 growers have recorded 4-bale yields to join the elite FiberMax One Ton Club. It is one of the most successful cotton brands.

2018 Bayer Shared Risk™ Program: Bayer created a risk management program designed to give farmers the economic freedom to manage for high yield potential of FiberMax and Stoneville.

### Journey of COTTONGURU® from Some One to the Only One

Our brand has recently been registered by the Trade Marks Registry, India. COTTONGURU®



was the name given by farmers during one of our various training sessions for organic and contract farming. The name became more famous when we announced a huge bonus for the certified farmers.

It took lot of efforts and perseverance to convince the authorities for granting the brand name, as it is very generic in nature. All the elements comprising our brand image had to be closely related to the idea and goals of the company. We persisted in our efforts as we knew that a brand offers a sense of safety and guarantees quality and reliability. Brand values are features that appeal to the emotional sphere of human perception.

The cotton and textile industry had already accepted the brand name well before it was officially registered. Articles in domestic and international newspapers and magazines, publication of our very own COTTONGURU® Fortnightly Newsletter, invitation to various domestic and international conferences (over 25 conferences across five countries) as speaker and the effective use of social media had already registered the goodwill and brand in the minds of most people associated with cotton and textile trade worldwide.

COTTONGURU® Group of Companies has received a lot of National and International awards for its performance as well as for Brand value and Brand recognition. It has been featured in many TV channels like BBC (twice), NDTV Profit, Doordarshan, Saam TV, etc.

### Conclusion: Make a Focused Effort for "Made in India" Brand

India is the biggest cotton grower since the last three years. Indian cotton has the highest intrinsic value. Indian cotton has the inherent advantage of better spinning value, being hand-picked and roller ginned with good fibre characteristics. We must ensure that the fibre

is branded as uniform, contamination-free and unadulterated as only clean fibre can be sold at a premium.

India is one of the fastest growing economies today. With a rising young population and growing disposable income, the demand for branded apparel is set to grow in the near future. Indian manufacturers like Raymond, Arvind, Aditya Birla and Bombay Dyeing, are now focusing more on branding than the manufacturing.



Some Indian cotton and textile manufacturers have the capabilities to launch their own premium brand. As maximum profits are earned in entire textile value chain by brands, we should focus more on manufacturing branded apparels rather than just private labelling for other international brands. Brands for cotton, yarn, fabric and apparels can be built with the national vision of "Made in India" brand with the help of right marketing platforms and digital media to reap profits for a very long time.

- Thus, branding can pave the way for
- reducing the disparity amongst ginners and exporters,
  - doubling the farmers' income,
  - enhancing cotton and textile exports and
  - achieving the Government target to double the revenues from the textile industry to USD 300 billion by 2025 from the present USD 150 billion.

*Courtesy: Cotton India 2018 (Domestic)  
(The views expressed in this column are of the author and not that of Cotton Association of India)*

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## Since 1921, we are dedicated to the cause of Indian cotton.

Just one of the reasons, you should use our Laboratory Testing Services.

The Cotton Association of India (CAI) is respected as the chief trade body in the hierarchy of the Indian cotton economy. Since its origin in 1921, CAI's contribution has been unparalleled in the development of cotton across India.

The CAI is setting benchmarks across a wide spectrum of services targeting the entire cotton value chain. These range from research and development at the grass root level to education, providing an arbitration mechanism, maintaining Indian cotton grade standards, issuing Certificates of Origin to collecting and disseminating statistics and information. Moreover, CAI is an autonomous organization portraying professionalism and reliability in cotton testing.

The CAI's network of independent cotton testing & research laboratories are strategically spread across major cotton centres in India and are equipped with:

- State-of-the-art technology & world-class Premier and MAG cotton testing machines
- HVI test mode with trash% tested gravimetrically

### LABORATORY LOCATIONS

**Current locations :** • **Maharashtra :** Mumbai; Yavatmal; Aurangabad • **Gujarat :** Rajkot; Kadi; Ahmedabad • **Andhra Pradesh :** Adoni  
• **Madhya Pradesh :** Khargone • **Karnataka :** Hubli • **Punjab :** Bathinda • **Telangana :** Adilabad

### UPCOMING LOCATIONS

• **Telangana:** Mahbubnagar



**COTTON  
ASSOCIATION  
OF INDIA**

Established 1921

### COTTON ASSOCIATION OF INDIA

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## CAI President meets Mauritius Prime Minister's official delegation



CAI President Mr. Atul S. Ganatra and CAI Director Mr. Arun Sekhsaria were present when the Prime Minister of the Republic of Mauritius, the Honourable Pravind Kumar Jugnauth, visited the BSE, on Friday, January 25, 2019, for the closing bell and unveiling of the "Vision Document for Africa & AFRINEX". Mr. Ganatra and Mr. Sekhsaria had the opportunity of interacting with some members of the Prime

Minister's official delegation, including Mr. Rajcoomar Rampertab, Parliamentary Private Secretary, Yogida Sawmynaden, Minister of Technology, Communication and Innovation and Dr. Zouberr Joomaye, Member of Parliament.

They had a fruitful discussion regarding the potential for increasing textile business between the two countries.





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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) 2018-19 Crop January 2019						
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	21st	22nd	23rd	24th	25th	26th	
1	P/H/R	ICS-101	Fine	Below 22mm	5.0-7.0	15	11360 (40400)	11360 (40400)	11360 (40400)	11360 (40400)	11360 (40400)		
2	P/H/R	ICS-201	Fine	Below 22mm	5.0-7.0	15	11501 (40900)	11501 (40900)	11501 (40900)	11501 (40900)	11501 (40900)	H	
3	GUJ	ICS-102	Fine	22mm	4.0-6.0	20	8295 (29500)	8295 (29500)	8239 (29300)	8323 (29600)	8295 (29500)		
4	KAR	ICS-103	Fine	23mm	4.0-5.5	21	10348 (36800)	10348 (36800)	10348 (36800)	10348 (36800)	10348 (36800)		
5	M/M	ICS-104	Fine	24mm	4.0-5.0	23	10911 (38800)	10911 (38800)	10911 (38800)	10911 (38800)	10911 (38800)	O	
6	P/H/R	ICS-202	Fine	26mm	3.5-4.9	26	11726 (41700)	11726 (41700)	11670 (41500)	11642 (41400)	11670 (41500)		
7	M/M/A	ICS-105	Fine	26mm	3.0-3.4	25	10770 (38300)	10770 (38300)	10742 (38200)	10686 (38000)	10686 (38000)	L	
8	M/M/A	ICS-105	Fine	26mm	3.5-4.9	25	10911 (38800)	10911 (38800)	10882 (38700)	10882 (38700)	10882 (38700)		
9	P/H/R	ICS-105	Fine	27mm	3.5-4.9	26	12007 (42700)	12007 (42700)	11951 (42500)	11951 (42500)	11979 (42600)		
10	M/M/A	ICS-105	Fine	27mm	3.0-3.4	26	11192 (39800)	11192 (39800)	11192 (39800)	11135 (39600)	11135 (39600)	I	
11	M/M/A	ICS-105	Fine	27mm	3.5-4.9	26	11332 (40300)	11304 (40200)	11304 (40200)	11304 (40200)	11304 (40200)		
12	P/H/R	ICS-105	Fine	28mm	3.5-4.9	27	12120 (43100)	12120 (43100)	12063 (42900)	12035 (42800)	12063 (42900)	D	
13	M/M/A	ICS-105	Fine	28mm	3.5-4.9	27	11642 (41400)	11585 (41200)	11557 (41100)	11585 (41200)	11557 (41100)		
14	GUJ	ICS-105	Fine	28mm	3.5-4.9	27	11838 (42100)	11810 (42000)	11782 (41900)	11810 (42000)	11782 (41900)		
15	M/M/A/K	ICS-105	Fine	29mm	3.5-4.9	28	11923 (42400)	11867 (42200)	11838 (42100)	11867 (42200)	11838 (42100)	A	
16	GUJ	ICS-105	Fine	29mm	3.5-4.9	28	12007 (42700)	11979 (42600)	11951 (42500)	12007 (42700)	11979 (42600)		
17	M/M/A/K	ICS-105	Fine	30mm	3.5-4.9	29	12092 (43000)	12063 (42900)	12063 (42900)	12063 (42900)	12063 (42900)	Y	
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5-4.9	30	12513 (44500)	12485 (44400)	12485 (44400)	12429 (44200)	12429 (44200)		
19	A/K/T/O	ICS-106	Fine	32mm	3.5-4.9	31	12823 (45600)	12795 (45500)	12795 (45500)	12795 (45500)	12795 (45500)		
20	M(P)/K/T	ICS-107	Fine	34mm	3.0-3.8	33	15522 (55200)	15522 (55200)	15522 (55200)	15522 (55200)	15522 (55200)		

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