

Weekly Publication of



Cotton  
Association  
of India

# COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

2023-24 • No. 44 • 30<sup>th</sup> January, 2024 Published every Tuesday

Cotton Exchange Building, 2nd Floor, Cotton Green, Mumbai - 400 033  
Telephone: 8657442944/45/46/47/48 Email: cai@caionline.in  
www.caionline.in

## Regenerative Cotton Farming for Combating Climate Change - Part II

(Contd. from Issue no. 43, dated 23rd January, 2023)

### Regenerative Agriculture by FAO

Regenerative agriculture stands for holistic farming systems that, in addition to other regular benefits, improve water and air quality, increase biodiversity, produce nutritious food, and store carbon to help mitigate the effects of climate change. These farm systems are designed to work in harmony with nature, while also maintaining and improving economic viability. The principles outlined by FAO are similar to the ones proposed by Brown (2018).

### Better Cotton Initiative and Regenerative Agriculture

Better Cotton's partners in 22 countries around the world support farmers to implement RA practices. India is one of the partners of Better Cotton.

Regenerative Agriculture in the Better Cotton Principles and Criteria (Reinhardt, 2021) include:

**Soil Health:** Farmers implement a multi-year soil management plan which enhances soil structure, fertility and improves nutrient cycling such as breaking down of organic matter and soil respiration, facilitating uptake of soil nutrients like carbon, nitrogen and phosphorus. Farmers are encouraged and supported to identify practices that are most appropriate to their local context. These typically

### EXPERT'S Column



**Dr. Y.G. Prasad**  
Director, ICAR-CICR,  
Nagpur



**Dr. J. Annie Sheeba**  
Scientist ICAR-CICR  
Regional Station,  
Coimbatore

include cover cropping, crop rotation, mulching and other regenerative methods.

**Biodiversity:** Farmers adopt a biodiversity management plan which encourages crop rotation and restoration of degraded areas.

**Integrated Pest Management:** This helps farmers reduce their pesticide use. Integrated pest management (IPM) plays a pivotal role in supporting soil health and biodiversity. Natural enemy populations can significantly reduce infestation of pests such as whiteflies, bollworms and Lygus bugs in cotton (George et al., 2021).

**Soil Moisture Conservation Practices:** Mulching and cover cropping improve soil moisture retention. Cover crops improve soil health and fertility, reduce soil erosion and nutrient runoff, and increase organic matter and carbon sequestration. Cover crops are natural weed suppressants, and help minimise herbicide applications and provide habitats for beneficial insects and pollinators.

### Cotton Made in Africa and Regenerative Agriculture

- The Cotton Made in Africa (CmiA) partners
- Use land responsibly, helping enhance biodiversity and protecting the environment.

- Provide GMO-free cotton seeds and care for water and soil.
- Minimise the adverse effects of crop-protection practices.

## Regenerative Agriculture is pivotal in ICAC Carbon Neutral Cotton Farm plan

One of the key practices in regenerative agriculture focusses on enhancing soil organic carbon through the recycling of crop residues and organic matter derived from the farm. Crop biomass such as cotton stalks can be converted into stable biochar through a process called anaerobic pyrolysis. Biochar has the potential to sequester at least one tonne of carbon per hectare from cotton crop residues obtained from a hectare (Kranthi, 2021). Integrating regenerative agriculture practices with technologies such as biochar, cotton farms have the potential to become significant carbon sinks (Keshav Kranthi and Sandhya Kranthi, 2023).

The International Cotton Advisory Committee (ICAC) is launching the 'ICAC Carbon Neutral Cotton Farm Plan' in collaboration with partner organisations from its member governments; several research institutions and interested non-profit organisations in India and Africa (Kranthi, 2023). The ICAC plan encompasses five primary regenerative, carbon-sequestration pools:

- 1) Carbon sequestration within cotton fabrics.
- 2) Carbon sequestration via biochar compost.
- 3) Carbon sequestration using cover crops.
- 4) Carbon sequestration in association with minimum/zero tillage practices.
- 5) Reduction of emissions from cotton farming.

## Regenerative Cotton Platform in India

The regenerative cotton platform, The Alliance of Cotton and Textile Stakeholders on Regenerative Agriculture (ACRE), was formally launched at the event "Reclaim to Regenerate: Towards Regenerative Cotton Sector in India" in Nagpur, Maharashtra on 29 November 2022. The multi-stakeholder platform, developed by the Centre for Responsible Business, Regenagri and Solidaridad, aims to promote regenerative cotton-farming practices in India.

RA practices propounded by ACRE include:

- Scaling up RA in cotton to make India a largest producer of certified regenerative cotton.
- Enabling collaboration among cotton and textile value-chain actors on RA across various cotton-growing regions in India.
- Devising tools to balance small holder benefits with conservation of environment, and improve

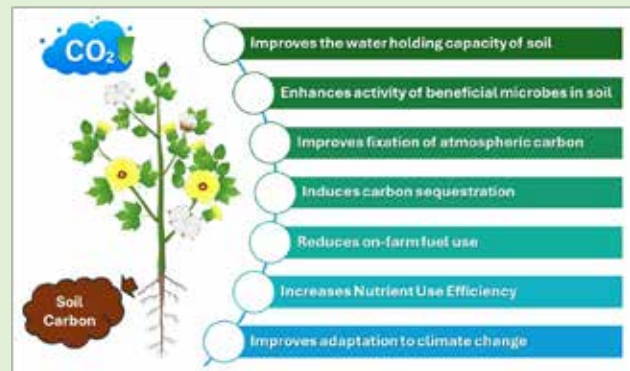


Fig 3. Benefits of Regenerative Cotton Farming

soil health in different agro-climatic regions of India.

- Creating awareness among consumers to demand regenerative cotton.
- Documenting and communicating success stories on RA in cotton.
- Engaging on policy issues related to RA and natural farming at the state and national level.
- Building capacity and expertise among cotton and textile-sector buyers and brands for wider adoption of regenerative practices in cotton and textile industries and to link cotton farmers practicing RA to initiatives focused on carbon/climate finance/biodiversity finance.
- A call to action in the form of the Nagpur Declaration was also signed by stakeholders, committing their support to Regenagri-certified cotton.

In 2020, reportedly Solidaridad piloted one of India's largest Regenagri certification programmes in Vidarbha, Maharashtra, supporting 8,000 small farmers to adopt RA practices.

## Benefits of Regenerative Cotton Farming

Good cotton-growing practices that follow the principle of RA include reduced tillage, bed planting, intercropping, cover crops, crop-residue mulch, polymulching, using organic manures, green manures, biofertilizers, planting refugia with Bt cotton, integrated nutrient management (INM), integrated pest management (IPM), integrated weed management (IWM), mass trapping/mating disruption techniques, mechanical de-topping, economic threshold level (ETL) based spray scheduling, growing early-maturing varieties, integrated farming system and alley cropping (Venugopalan and Boyer, 2023).

Following these cotton-growing practices offer these ecological benefits: development and maintenance of healthier water, nutrient, and carbon cycling through enhanced soil health and fertility, as demonstrated by healthier crops, higher

yields, better soil test results and active microbial communities, rich diversity of plant, bird and insect species, as well as increased terrestrial, avian, aquatic biodiversity, and soil microbiota, reduced soil erosion, reduction in water pollution brought on by reduced chemical inputs and improvements in the water-holding capacity of the soil. The economic benefits include cost savings by using fewer chemical fertilizers, pesticides, and herbicides as well as antibiotics, greater financial security from diversified farm activities and encouraging local employment and more nutritious food options as part of rural economic development.

**Conclusion**

Sustainable farming systems are pivotal in making the agricultural sector eco-friendly. While the perspectives of various stakeholders

on regenerative agriculture have a commonality, few of the international initiatives/ entities/ organisations like ICAC have envisaged and laid focus on realising the potential of regenerative cotton farming as a powerful means to combat climate change. Also, RA lays emphasis on restoring soil health and improving air and water quality which are imperative for ensuring healthy life to the future generation. Hence, following the principles of RA in cotton farming and creating awareness among consumers to prefer garments made from raw materials sourced from regenerative cotton farms are the need of the hour to make the cotton crop sustainable.

*(The views expressed in this column are of the authors and not that of Cotton Association of India)*

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**Grand Celebrations at Ram Mandir, Cotton Green**

On the auspicious occasion of the inauguration of Lord Shree Ramchandraji’s temple in Ayodhya, our Trustees organised a week-long programme at our Ram Mandir at Cotton Green commencing from 18th January 2024, with Deep Utsav every evening and culminating in a pooja, yagna, havan, aarti and kirtan on 22nd January 2024.

ABP Network organised a Ram Sammelan at our Ram Mandir at Cotton Green on 18th January 2024 from 12.00 noon to 4.00 p.m. This programme was inaugurated by the Hon’ble Deputy Chief Minister of Maharashtra, Shri. Devendra Fadnis. Following his interview with ABP Network, he was felicitated by CAI President Shri. Atul S. Ganatra. Renowned singer, Smt. Anuradha Paudwal also attended and was felicitated by Shri. Atul S. Ganatra.

**18th January 2024**



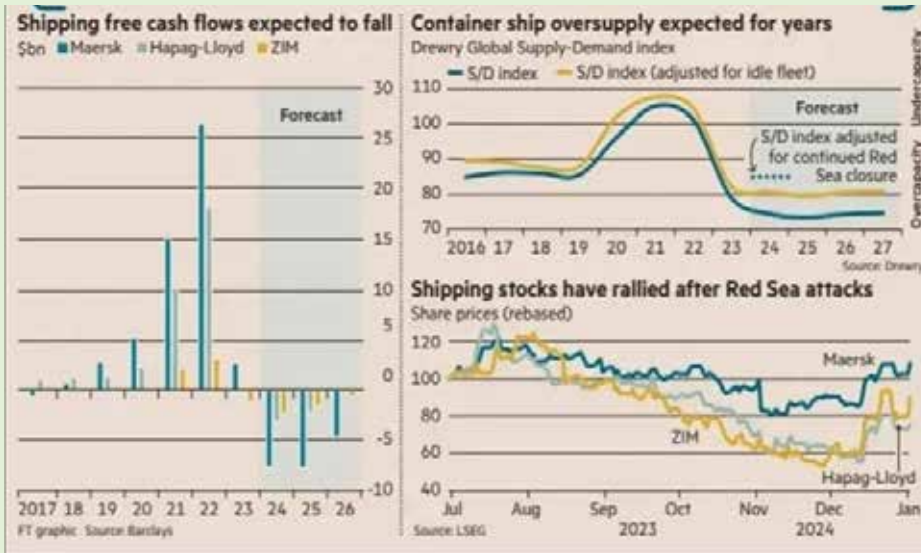


22nd January 2024



# The Month That Was - Snippets for January 2024

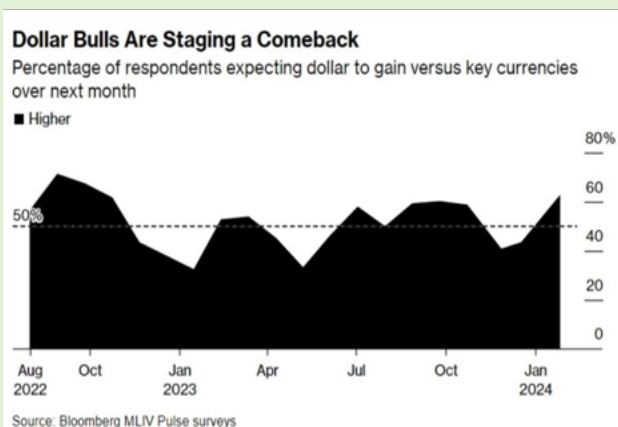
## Shipping Lines See Collapse in Profits



Disruption to Red Sea shipping routes has sent shares for container lines sharply higher. A slide in freight rates amid overcapacity following the pandemic had presaged a collapse in profits. Longer journeys take up some of that slack but the sector will still struggle with excess capacity. Attacks by Iran-backed Houthi rebels on container ships in the Red Sea cut the

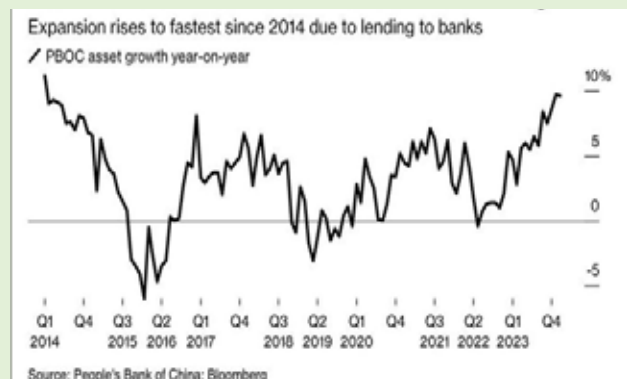
westward flow of presents this Christmas. But the disruption has been a gift to shipping lines. Danish container line Maersk joined other groups and confirmed that transits along the route would pause. Longer journeys around the Cape of Good Hope are triggering fears of a supply crunch and sending freight rates and share prices for operators higher. That is a sharp change of course for the sector. The soaring rates seen during the pandemic quickly prompted record orders of new ships and widespread expectations of a capacity glut.

## Dollar Bulls Are Coming Back with A Splash



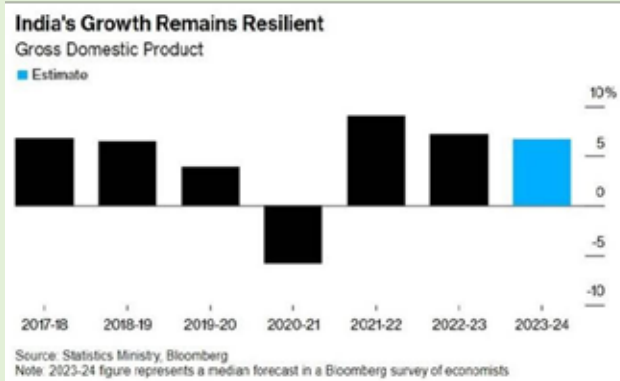
In the latest MLIV Pulse survey, about 62% of respondents surveyed Jan. 22-26 expect the Bloomberg Dollar Spot Index to gain over the next month. That's the highest reading since September 2022.

## China Cenbank Balance Sheet Growth at Decade High



This reflects the urgency facing President Xi's govt to respond to calls for more aggressive stimulus as the econ grapples w/real estate slump, lingering deflation, shattered confidence and a \$6tn stock market rout.

## India Likely to Set GDP Estimate Near to 7% on Spending Boom

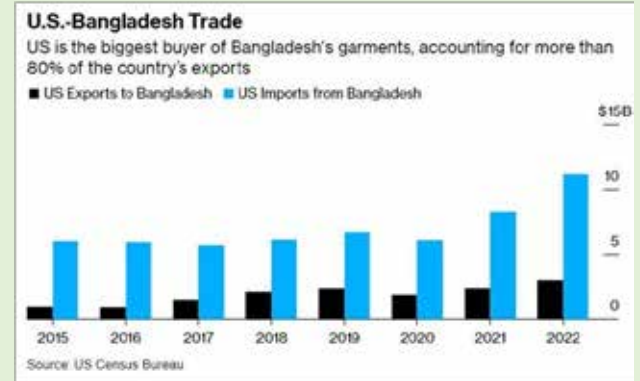


India’s government is likely to estimate economic growth close to 7% in the current fiscal year, keeping it on track to be the fastest-growing major economy in the world.

The Reserve Bank of India has already raised its projection for the fiscal year ending March 31 to 7%, while Bloomberg Economics is predicting 7.3% growth.

Strong consumer and government spending, a robust services sector, and a boost in manufacturing has helped buoy India’s economy in the face of a weaker global economy and six RBI rate hikes since 2022. Prime Minister Narendra Modi’s government has ramped up spending on infrastructure, while foreign businesses are investing more in India, especially in tech manufacturing, as they look for alternative locations to China.

## US Puts Pressure on Bangladesh as Opposition Boycotts Election



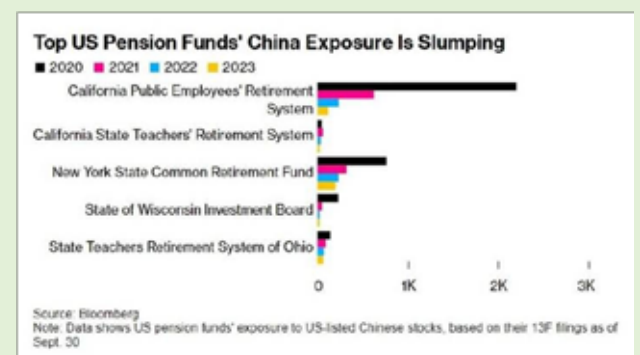
US has become more vocal in its criticism, imposing visa curbs. The US, the biggest buyer of Bangladesh’s exports, has become more vocal in its calls for a free and fair election, imposing visa curbs on members of Hasina’s ruling party and law enforcement officials in September. Hasina, 76, will need to prevent the US from taking harsher steps that could hurt the economy more directly and complicate the International Monetary Fund’s lending program.

“The US applied so much pressure on Bangladesh for free and fair elections, through both carrots and sticks, and for so long, yet to no avail,” said Michael Kugelman, director of the South Asia Institute at the Washington-based Wilson Center. “Consequently, there is a possibility that the administration could respond post-election with harsher steps.”

## China Is Fast Losing Its Place as Must-Have in Global Portfolios

Some of the top US pension funds are cutting China holdings. Investments into emerging markets excluding China are booming. Years of harrowing losses have left Chinese stocks with a diminished standing in global portfolios, a trend that’s likely to accelerate as some of the world’s biggest funds distance themselves from the risk-ridden market.

An analysis of filings by 14 US pension funds with investments in Chinese stocks show most of them have reduced their holdings since 2020. The California Public Employees’ Retirement System and New York State Common Retirement Fund,



among the nation’s biggest pension investors, cut their exposure for a third straight year.

What started out as a performance-driven exodus now risks becoming a structural shift due to a toxic combination of doubts over Beijing’s long-term economic agenda, a prolonged property crisis and strategic competition with the US.

## Fed Pivot Will Dominate Year of Rate Cuts in Turn of Global Cycle

Quarterly outlook on what to expect from monetary policy. About-turn follows most aggressive tightening in decades. The coming 12 months are shaping up as the year of the interest-rate cut. After racing ahead with the most aggressive tightening campaign in decades during 2022 and 2023, central banks around the world are poised to begin easing monetary policy as inflation continues to retreat. The shift is captured by Bloomberg Economics, whose aggregate gauge of rates across the world shows a decline of 128 basis points over the year, mostly led by emerging economies. Among such central banks, those in Brazil, the Czech Republic and others have already started that process.



“The RBI will cut rates in coming months to counter an incremental slowdown in growth – but only after the Fed moves first. Our US team expects a Fed cut in March. We see the RBI cutting in April and taking the repo rate down 100 bps to a terminal 5.5% by 4Q24. Even so, it’s still likely to keep liquidity tight, possibility by selling government bonds starting in March, to maintain an ‘actively disinflationary’ policy.”

## Europe Battles ‘Tridemic’ Of Respiratory Illnesses



Hospitals risk being overcome by widespread surge in flu, Covid-19 or RSV viruses. Europe is facing a “tridemic” that threatens to push health systems to the limit as a surge in flu cases is compounded by Covid-19 and other respiratory illnesses. Spain and Italy are among the countries worst affected as hospitals struggle to cope with an influx of patients and coronavirus-era mask mandates are reintroduced at health facilities in some regions. Rises in cases have also been reported in Germany, where the public health authority said a flu wave officially began on December 11, and in France, where 10 out of 18 regions are officially in an epidemic phase. In the UK, there has been a slight rise in flu cases and hospitalisations, with officials warning that the peak was yet to come.

## Why China Is Considering Rarely Used Special Bonds to Stimulate Its Economy?

China’s slowing economy is in dire need of more fiscal stimulus. The local governments that used to provide such support are now struggling with a debt hangover and falling income due to the property crisis. That leaves Beijing with itself as the only viable option to leverage up. Policymakers are considering \$139 billion of new debt issuance under a special sovereign bond plan, Bloomberg reported – which would be only the fourth on record. If realized, this could mark the country’s latest effort toward a more sustainable government borrowing model to spur growth.

Year	Background	Purpose	Amount (bn yuan)
1998	Asian financial crisis hit	Raise capital for big state banks, help offset losses from nonperforming assets	270
2007	China's foreign-exchange reserves exceeded \$1 trillion in the previous year	Capitalize China Investment Corp, the sovereign wealth fund tasked with improving returns on foreign exchange reserves	1,550
2020	Covid-19 pandemic broke out	Help local governments fund their Covid control efforts and infrastructure investment	1,000

Source: Bloomberg-complied data

Compiled by Shri. Kunal Thakkar

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 January 2024					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	22nd	23th	24th	25th	26th	27th
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	11698 (41600)	11698 (41600)	- -	- -	- -	- -
4	KAR	ICS-103	Fine	22mm	4.5 – 6.0	6%	21	13357 (47500)	13357 (47500)	13357 (47500)	13441 (47800)	H	13357 (47500)
Spot Rate (Upcountry) 2023-24 Crop													
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	12963 (46100)	13132 (46700)	13132 (46700)	13160 (46800)		13160 (46800)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	13104 (46600)	13273 (47200)	13273 (47200)	13301 (47300)		13301 (47300)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	- -	- -	11360 (40400)	11445 (40700)	O	11360 (40400)
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	14904 (53000)	14904 (53000)	14904 (53000)	14988 (53300)		14904 (53000)
6	P/H/R (U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	14594 (51900)	14650 (52100)	14650 (52100)	14707 (52300)		14650 (52100)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	- -	- -	- -	- -		- -
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	14735 (52400)	14791 (52600)	14791 (52600)	14847 (52800)	L	14791 (52600)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	13666 (48600)	13666 (48600)	13666 (48600)	13666 (48600)		13610 (48400)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	14426 (51300)	14426 (51300)	14426 (51300)	14426 (51300)		14369 (51100)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	14904 (53000)	14960 (53200)	14960 (53200)	15016 (53400)		14960 (53200)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	15157 (53900)	15157 (53900)	15157 (53900)	15213 (54100)	I	15157 (53900)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	15213 (54100)	15213 (54100)	15213 (54100)	15269 (54300)		15213 (54100)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	15410 (54800)	15438 (54900)	15438 (54900)	15494 (55100)		15438 (54900)
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	15185 (54000)	15241 (54200)	15241 (54200)	15297 (54400)		15241 (54200)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	15438 (54900)	15466 (55000)	15466 (55000)	15522 (55200)	D	15466 (55000)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	15494 (55100)	15522 (55200)	15522 (55200)	15578 (55400)		15522 (55200)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	15635 (55600)	15663 (55700)	15663 (55700)	15719 (55900)		15663 (55700)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3.5%	29	15635 (55600)	15635 (55600)	15635 (55600)	15663 (55700)	A	15607 (55500)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	15691 (55800)	15691 (55800)	15691 (55800)	15719 (55900)		15663 (55700)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	15916 (56600)	15916 (56600)	15916 (56600)	15944 (56700)		15888 (56500)
22	SA/TL/K / TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	15972 (56800)	15972 (56800)	15972 (56800)	16000 (56900)		15944 (56700)
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.)	Y	N.A. (N.A.)
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	21652 (77000)	21512 (76500)	21512 (76500)	21652 (77000)		21652 (77000)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	21934 (78000)	21793 (77500)	21793 (77500)	22215 (79000)		22215 (79000)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	22215 (79000)	22074 (78500)	22074 (78500)	22215 (79000)		22215 (79000)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	22496 (80000)	22355 (79500)	22355 (79500)	22777 (81000)		22777 (81000)

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