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Cotton Association of India

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Cotton Statistics And News

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CAI Estimates 2009-10 Cotton Crop at 302 Lakh Bales in January

In its latest estimate, the Association has made a marginal downward revision of its cotton production estimate for the current season. As against the estimate of 303 lakh bales made in December, the Association's current estimate of the crop is 1 lakh bales lower at 302 lakh bales as on 31st January 2010.

The projected Balance Sheet drawn up by the Association for 2009-10 has estimated the total cotton supply at 382.50 lakh bales, while the domestic consumption has been placed at 247 lakh bales, leaving a surplus of 135.50 lakh bales. Cotton exports have been estimated by the Association at 65 lakh bales during 2009-10.

The arrivals as of 31st January 2010 constitute approximately 60% of the expected crop. The pace of exports has slackened because of falling international prices. The quality and the pace of arrivals continue to be good.

With the record acreage under cotton in 2009-10 so far which reached above 100 lakh hectares, the Association hopes that cotton production and consumption in 2009-10 will also be significantly higher. It may be stated here that mainly two factors have boosted the cotton area to all-time record in 2009-10. One is the much higher net returns realised by cotton farmers in 2008-09 due to good yields and higher prices. The second is that due to the delay and deficiency of monsoon rains earlier, farmers preferred to grow cotton in place of some other crops as cotton's water requirements are relatively lower.

The State-wise production estimates and the Balance Sheet as drawn up by the Statistics Committee of the Association for 2009-10 are given in the accompanying table.

(in lakh bales of 170 kg.)

State	Crop Estimates 2009-10	Arrivals (As on Jan'10) 2009-10
Punjab	15.00	12.00
Haryana	15.00	12.00
Upper Rajasthan	7.50	6.00
Lower Rajasthan	3.00	2.50
Total North zone	40.50	32.50
Gujarat	97.00	61.00
Maharashtra	67.00	34.00
Madhya Pradesh	16.00	10.00
Total Central zone	180.00	105.00
Andhra Pradesh	53.00	27.00
Karnataka	10.00	5.50
Tamil Nadu	4.50	1.50
Total South zone	67.50	34.00
Orissa	1.00	0.75
Others	1.00	0.75
Total	290.00	173.00
Loose production (Survey)	+12.00	+7.00
All India	302.00	180.00

Balance Sheet (2009-10)
(in lakh bales of 170 kg)

	2009-10
Opening Stock	71.50
Crop	302.00
Imports	9.00
Total Supply	382.50
Mill Consumption	207.00
Consumption by SSI Units	21.00
Non-Mill consumption	19.00
Exports	65.00
Total Demand	312.00
Carry over stock	70.50

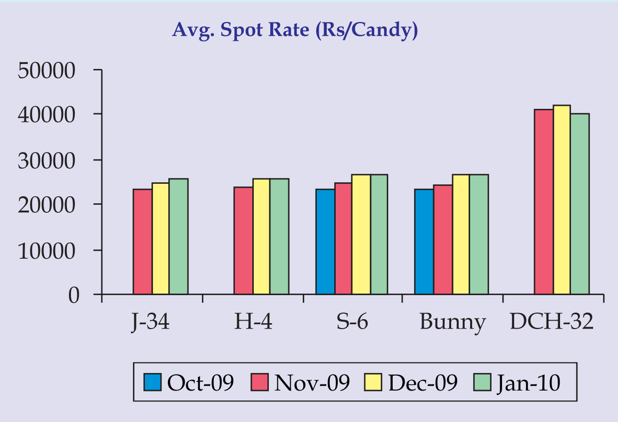
Cotton Prices Ease Somewhat in January

Cotton prices which had been rising steadily in November and December, eased somewhat in January. Barring some medium staple cotton, prices of most of the long staple and extralong staple cottons came down during the month. The monthly average prices of some representative varieties since the commencement of the season are given below:

Av. Spot Rate (Rs/Candy)

Month	J-34	H-4	S-6	Bunny	DCH-32
Oct.'09	21,500 (22,500)	- (23,100)	23,300 (23,300)	23,200 (24,500)	- (31,900)
Nov.'09	23,500 (20,400)	23,800 (21,900)	25,000 (22,200)	24,500 (23,000)	41,000 (30,600)
Dec.'09	24,900 (20,400)	25,700 (21,600)	26,800 (21,800)	26,800 (22,300)	42,000 (29,000)
Jan.'10	25,600 (21,000)	25,600 (21,000)	26,700 (21,500)	26,800 (21,600)	40,300 (28,200)

Note : Figures in brackets indicate last year's prices



It will be seen that prices of long staple cottons H-4 and S-6 were lower by Rs. 100 per candy during January compared to those in December. The maximum fall of Rs. 1,700 per candy was in the case of the extralong staple cotton, DCH-32, while price remained unchanged in the case of long staple cotton Bunny. In contrast, average price was higher by Rs. 700 per candy in January in the case of the popular medium staple cotton, J-34.

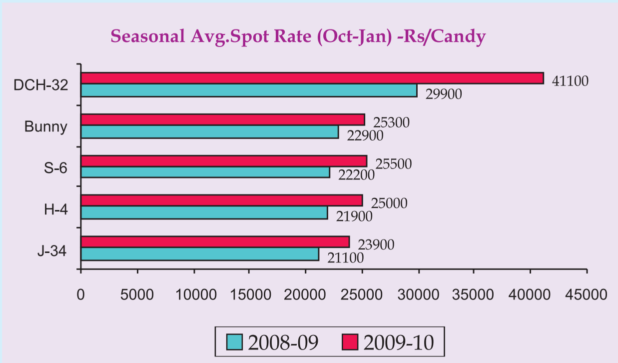
Obviously, the sentiment turned somewhat bearish in regard to the long staple cottons since the availability was increasing while the demand had weakened to some extent since the mills seem to have covered for the short to medium term and as export shipments had not been to the extent anticipated. Out of the expected crop of about 295 lakh bales, some 175 lakh bales have already arrived and there was a carryover stock of over 71 lakh bales from the previous season. The strident rise in November and December can be attributed mainly to the spurt in demand both from mills and exporters which has now subsided to some extent. Speculative buying might also have contributed to the earlier price rise. In the case of the medium staple cotton, J-34, there has evidently been a shortage owing to the fall in production against a rise in demand. The steep fall in the case of the extralong staple cotton, DCH-32, can be explained by the fact that mills are leaning more on imported cotton than on the domestic production to meet the demand in this category.

The average prices during the current season have been substantially higher compared to the last season in the case of all varieties. The relevant data are given in the following table:

Seasonal (Oct-Jan) Avg. Spot Rate (Rs/Candy)

Variety	2008-09	2009-10	Difference
J-34	21,100	23,900	2,800
H-4	21,900	25,000	3,100
S-6	22,200	25,500	3,300
Bunny	22,900	25,300	2,400
DCH-32	29,900	41,100	11,200

It will be seen that the current season's average prices upto January have been higher by Rs. 2,400 to Rs. 3,300 per candy in the case of medium and long staple cotton while the increase was as high as Rs. 11,200 per candy in the case of the extralong staple cotton, DCH-32.



UPCOUNTRY SPOT RATES

(Rs.\Candy)

January 2010	2008-09 Crop V-797	2008-09 Crop Jayadhar	2009-10 Crop BD(RG) A. Commila	BD SG	Y-1	J-34	NHH-44	LRA-5166	H-4/ MECH-1	Shankar-6	Bunny/ Brahma	MCU-5/ Surabhi	DCH-32	ICC	V-797
	ICS-102	ICS-103	ICS-101	ICS-201	ICS-104	ICS-202	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-106	ICS-107	ICS-101	ICS-102
	22 mm	23 mm	22 mm	22 mm	24 mm	25 mm	25 mm	27 mm	28 mm	29 mm	31 mm	33 mm	35 mm	26 mm	22 mm
	4.5-5.9	4.0-5.5	5.0-7.0	5.0-7.0	4.0-5.5	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.5-4.9	3.3-4.5	2.8-3.6	3.7-4.3	4.5-5.9
	19	19	15	15	20	23	22	24	25	26	27	28	31	25	19
1	21400*	21200*	23500	24500	24500	25200	N.A.	25500	26000	27300	27100	27900	40500	25200	-
2	21400*	21200*	23500	24500	24500	25200	N.A.	25500	26000	27300	27100	27900	40500	25200	-
4	21400*	21200*	23000	24000	24800	25000	N.A.	25500	26000	27300	27100	27900	40500	25200	-
5	21400*	21200*	23000	24000	24800	25000	N.A.	25500	26000	27300	27100	27900	40500	25200	-
6	21400*	21200*	23000	24000	24700	25000	N.A.	25400	25800	27100	27000	27900	40500	25200	-
7	21400*	21200*	23000	24000	24700	25000	N.A.	25200	25500	27100	27000	27900	40500	25200	-
8	21200*	21200*	22700	23700	24400	24600	N.A.	25200	25300	26800	26700	27700	40300	25200	-
9	.....	......	......	......	.....	H O L I D A Y			......	....	......	.....	....	....	......
11	21200*	21200*	22700	23700	24400	26600	N.A.	25300	25500	26800	26800	27700	40300	25200	-
12	21200*	21200*	22700	23700	24400	26600	N.A.	25300	25600	26800	26800	27700	40300	25200	-
13	21200*	23200*	22700	23700	24400	26600	N.A.	25300	25600	26800	26800	27700	40300	25200	-
14	21200*	23200*	22700	23700	24400	26600	N.A.	25300	25600	26800	26800	27700	40300	25200	-
15	21200*	23200*	22700	23700	24400	26600	N.A.	25300	25600	26800	26800	27700	40300	25200	-
16	21200*	23200*	22700	23700	24400	26600	N.A.	25300	25600	26800	26800	27700	40300	25200	-
18	21200*	23200*	22700	23700	24400	26600	N.A.	25300	25600	26700	26800	27700	40300	25200	-
19	21200*	23200*	22700	23700	24400	26600	N.A.	25200	25500	26600	26800	27700	40300	25100	-
20	21200*	23200*	22700	23700	24400	25600	N.A.	25200	25600	26600	26800	27700	40300	25100	-
21	21200*	23200*	22700	23700	24400	25600	N.A.	25200	25600	26600	26800	27700	40300	25100	-
22	21200*	23200*	22700	23700	24400	25600	N.A.	25200	25600	26600	26800	27700	40300	25100	-
23	.....	......	......	......	.....	H O L I D A Y			......	....	......	.....	....	....	......
25	21200*	23200*	22700	23700	24400	25600	N.A.	25200	25400	26400	26600	27500	40100	25100	-
26	.....	......	......	......	.....	H O L I D A Y			......	....	......	.....	....	....	......
27	-	23000*	22500	23500	24100	25400	N.A.	25200	25400	26100	26300	27200	40100	25100	20000
28	-	22000*	22500	23300	24000	25000	N.A.	25000	25100	26000	26300	27200	40000	25100	19100
29	-	22000*	22500	23300	24000	25000	N.A.	25000	25100	26000	26300	27200	40000	25100	19100
30	-	22000*	22500	23300	24000	25000	N.A.	25000	25100	26000	26300	27200	40000	25100	19100
H	21400	23200	23000	24000	24800	26600	-	25500	26000	27300	27100	27900	40500	25200	20000
L	21200	21200	22500	23300	24000	24600	-	25000	25100	26000	26300	27200	40000	25100	19100
A	21300	22200	22800	23800	24400	25600	-	25300	25600	26700	26800	27700	40300	25200	19400

H = Highest L = Lowest A = Average

SNIPPETS

Cotton arrivals so far have come to 175.25 lakh bales, marginally above last year's arrivals of 174.75 lakh bales by the same period last year, according to the available data. Arrivals in the Central Zone have been the maximum at 103 lakh bales, about seven lakh bales higher compared to the arrivals of 96.75 lakh bales last year. As expected, Gujarat has accounted for nearly 60 per cent of the total at 61 lakh bales, as against 43 lakh bales last year. In contrast, Maharashtra arrivals at 33.5 lakh bales have been 8 lakh bales lower than last year's 41.5 lakh bales. Arrivals in Andhra Pradesh have also been lower at 25 lakh bales compared to 31 lakh bales last year.

Cotton yarn imports by China in 2009 are reported to have been higher at 9.5 lakh tonnes as against 7.2 lakh tonnes in 2008. The maximum imports at 3.8 lakh tonnes were from Pakistan. Imports from India were only 74,000 tonnes but were higher than 56,000 tonnes imported in 2008.

Issue of Certificates of Origin (Non-Preferential)

The CAI has been enlisted by the Director General of Foreign Trade, New Delhi and is authorized us to issue Certificates of Origin (Non-Preferential). This service has already been commenced by CAI from 20th November 2008.

The purpose of this is to serve all the stakeholders in cotton value chain better and more effectively. We invite all of you to avail of these services.

The interested parties may contact the CAI Secretariat or visit our website: www.caionline.in for more details.

UPCOUNTRY SPOT RATES

(Rs./Candy)

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) 2008-09 CROP February 2010					
						6th	8th	9th	10th	11th	12th
04.ICS-103		23mm	Jayadhar	4.0-5.5	19	21800	21800	21800	21800	21800	H
			2009-10 CROP								
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15	22200	22200	22200	22200	22200	O
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15	23000	23000	23000	23000	23000	
03.	ICS-102	22mm	V-797	4.5-5.9	19	18900	18900	18900	19200	19200	L
05.	ICS-104	24mm	Y-1	4.0-5.5	20	23500	23500	23500	23700	23700	
06.	ICS-202	25mm	J-34	3.5-4.9	23	24700	24700	24700	24900	24900	
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	N.A.	N.A.	N.A.	N.A.	N.A.	I
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24	24600	24600	24600	24900	24900	
09.	ICS-105	28mm	H-4 / MECH-1	3.5-4.9	25	24900	24900	24900	25100	25100	D
10.	ICS-105	29mm	S-6	3.5-4.9	26	26000	26000	26000	26200	26200	
11.	ICS-105	31mm	Bunny / Brahma	3.5-4.9	27	26100	26100	26100	26500	26500	A
12.	ICS-106	33mm	MCU-5 / Surabhi	3.3-4.5	28	27000	27000	27000	27000	27000	
13.	ICS-107	35mm	DCH-32	2.8-3.6	31	39500	39500	39500	39500	39500	Y
14.	ICS-301	26mm	ICC	3.7-4.3	25	25100	25100	25100	25300	25300	