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# Cotton Statistics And News

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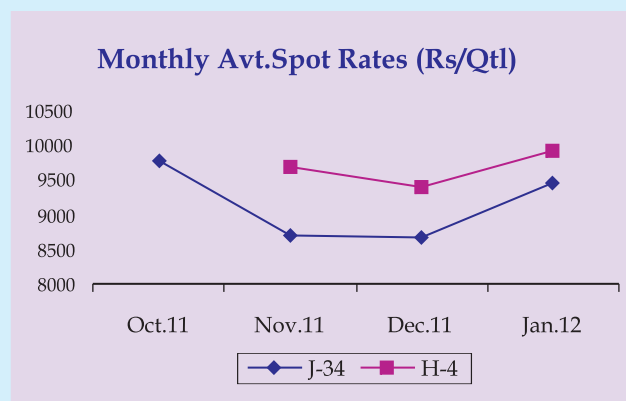
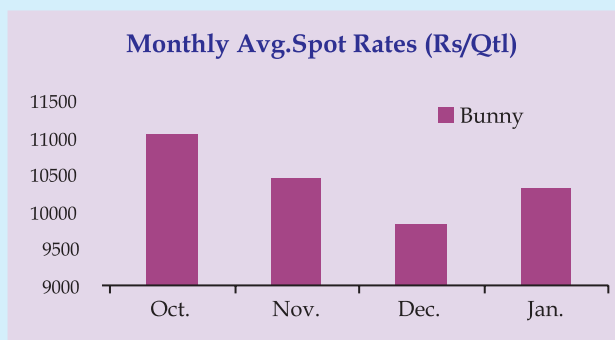
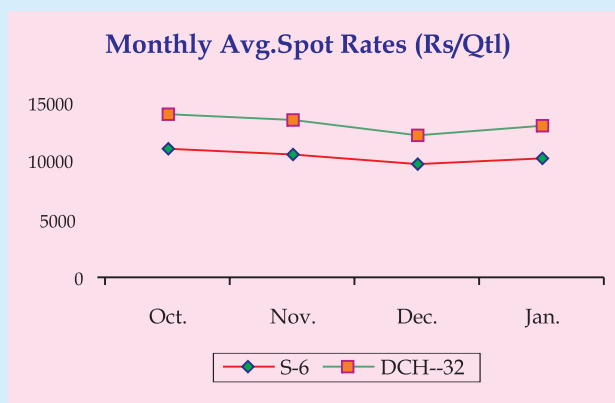
Edited & Published by Amar Singh

## January Sees Spurt in Cotton Prices

Cotton prices had sought lower levels for three months since the commencement of the season 2011-12 from October to December. The downtrend was, however, reversed in January with the prices of all varieties going up significantly. The data pertaining to the monthly average prices from October to January in respect of some leading representative varieties are given below:

Month	Av. Spot Rate (Rs/Qtl.)				
	ICS-202 (J-34)	ICS-105 (H-4)	ICS-105 (S-6)	ICS-105 (Bunny)	ICS-107 (DCH-32)
Oct.'11	9,774 (10,236)	N.A. (11,135)	11,020 (11,389)	11,048 (11,501)	13,945 (13,301)
Nov.'11	8,687 (11,389)	9,679 (11,979)	10,558 (12,345)	10,461 (12,260)	13,567 (14,510)
Dec.'11	8,667 (11,136)	9,382 (11,220)	9,758 (11,726)	9,833 (11,670)	12,156 (14,594)
Jan.'12	9,452 (12,063)	9,915 (12,457)	10,296 (12,598)	10,317 (12,963)	12,945 (17,659)

Note : Figures in brackets denote corresponding prices last year



As may be seen, the prices in January were higher in all the varieties compared to December. The increase ranged from Rs. 484 per candy in the case of Bunny to Rs. 789 per candy in the case of the extralong staple cotton, ICS-107 (DCH-32). When compared to the prices at the commencement of the season in October 2011, the prices in January were lower except in the case of ICS-105 (H-4) whose prices remained to be higher. The drop in the case of other varieties ranged from Rs. 322 per quintal in the case of ICS-202 (J-34) and Rs. 1000 per quintal in the case of ICS-107 (DCH-32). On the other hand, the increase in the case of ICS-105 (H-4) compared to its prices in November 2011

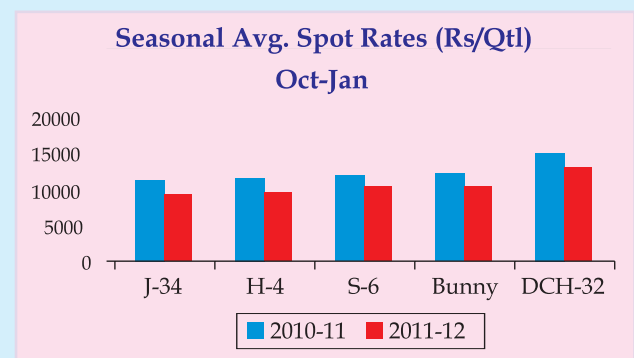
(there was no quotation in October) was Rs. 236 per quintal.

The main reason behind the spurt in prices in January was the strong demand from exporters, and the revival of demand from spinning mills to some extent. Earlier, the export demand had waned presumably because the textile industries in the importing countries had adequate stock of cotton. However, in recent weeks there had been strong demand from China which is strengthening its national reserve of cotton stock in order to combat the rise in domestic prices and keep them on an even keel. Exports are therefore likely to give an upward thrust to domestic cotton prices. However, if the domestic prices cross the threshold, exports may become difficult and non-profitable. Thus, all in all, it looks domestic cotton prices may remain at the current level with only marginal variations both ways.

Cotton prices during the first four months in 2011-12 have been consistently lower compared to last

year. The comparative data are given below:

Seasonal (Oct-Jan) Avg. Spot Rate (Rs/Qtl.)			
Variety	2010-11	2011-12	Decline
ICS-202 (J-34)	11,206	9,145	2,061
ICS-105 (H-4)	11,698	9,659	2,039
ICS-105 (S-6)	12,015	10,408	1,607
ICS-105 (Bunny)	12,099	10,415	1,684
ICS-107 (DCH-32)	15,016	13,153	1,863



## Government May Offer Relief to Textile Sector

A report quoting the Textile Commissioner states that the Government is planning to give incentives to the textile sector with retrospective effect as it seeks to revive India's second largest manufacturing sector burdened with sickness, debt and declining demand. There was no subsidy scheme for investment in 2010-11. Units which were deprived of this benefit last year are to be covered under the changed rules, Textile Commissioner has reportedly clarified. Units that became eligible for the subsidy will receive an interest waiver on their loan. This is expected to give relief to the banks also which were facing mounting bad loans extended to the textile units. Exposure of the textile industry to banks is said to be as high as Rs. 1,00,000 crore.

The Textile Ministry was allotted a budget of Rs. 1,972 crore in 2011-12 for restructured Textile Modernisation Fund. However, due to the severe crash crunch, the response to the interest waiver scheme was negligible with the utilisation being only Rs. 140 crore. The Ministry is now said to be under pressure to change the norms so that the investments made in 2010-11 would also become eligible for interest waiver scheme. If that is done and the projects started in 2010-11

are also made eligible, the outgo may go upto Rs. 500 crore, it is claimed.

An inter Ministerial Steering Committee for textiles comprising officials from Department of Industrial Policy and Promotion, Finance, associations of textiles, banks and industry and the Deputy Governor of Reserve Bank of India is stated to meet during the first week of February to approve changes in the subsidy norms whereafter the proposal will be sent to the Cabinet for approval. It is stated that according to the Textile Ministry, there are more than 3000 new projects approved in 2010-11. The denial of subsidy to them during 2010-11 is said to have thrown up several problems and with no urgent plans decided to postpone their investment till subsidy was announced in 2011-12. Only those who had no choice but to invest more in capacity expansion like spinning mills and garment factories announced projects in 2010, it is stated. Consequently investments had dwindled in 2010 and it nosedived in 2011 since the concerned units had no funds for investment.

(Source: Economic Times 19.01.2012)

UPCOUNTRY SPOT RATES													(Rs.\Quintal)
January 2012	2010-11 Crop						2011-12 Crop						DCH-32
	V-797	Jayadhar	Y-1	NHH-44	LRA-5166	BD(RG) A. Commilla	BD SG	Y-1	J-34	H-4/ MECH-1	Shankar-6	Bunny/ Brahma	
	ICS-102	ICS-103	ICS-104	ICS-105	ICS-105	ICS-101	ICS-201	ICS-104	ICS-202	ICS-105	ICS-105	ICS-105	ICS-106
	22 mm	23 mm	24 mm	25 mm	27 mm	22 mm	22 mm	24 mm	25 mm	28 mm	29 mm	31 mm	33 mm
	4.5-5.9	4.0-5.5	4.0-5.5	3.5-4.9	3.5-4.9	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	3.3-4.5
	19	19	20	22	24	15	15	20	23	25	26	27	28
2	6524	N.A.	N.A.	N.A.	N.A.	9898	10151	-	8802	9420	9926	9983	10376
3	6608	N.A.	N.A.	N.A.	N.A.	9954	10208	-	8970	9561	10039	10123	10432
4	6749	N.A.	-	N.A.	N.A.	10123	10404	8998	9111	9842	10179	10264	10573
5	6749	N.A.	-	N.A.	N.A.	10067	10348	8858	9055	9701	10123	10123	10432
6	6749	N.A.	-	N.A.	N.A.	10067	10348	8858	9167	9617	10123	10123	10432
7	6805	N.A.	-	N.A.	N.A.	10151	10432	8914	9251	9673	10123	10179	10517
9	6946	N.A.	-	N.A.	N.A.	10208	10489	9195	9533	9954	10376	10461	10657
10	6946	N.A.	-	N.A.	N.A.	10264	10545	9195	9533	9954	10320	10461	10657
11	6889	N.A.	-	N.A.	N.A.	10208	10489	9111	9476	9954	10264	10404	10657
12	6889	N.A.	-	N.A.	N.A.	10264	10545	9111	9476	10011	10320	10404	10657
13	6889	N.A.	-	N.A.	N.A.	10264	10545	9111	9476	10011	10320	10404	10657
14	6889	N.A.	-	N.A.	N.A.	10264	10545	9139	9533	10039	10376	10404	10714
16	6889	N.A.	-	N.A.	N.A.	10432	10714	9139	9758	10264	10601	10601	10967
17	6889	N.A.	-	N.A.	N.A.	10432	10714	9139	9673	10236	10573	10601	10967
18	6889	N.A.	-	N.A.	N.A.	10432	10714	9139	9729	10179	10517	10545	10967
19	6889	N.A.	-	N.A.	N.A.	10404	10686	9139	9673	10067	10461	10461	10967
20	6889	N.A.	-	N.A.	N.A.	10348	10629	9139*	9673	9983	10376	10348	10882
21	6889	N.A.	-	N.A.	N.A.	10292	10573	9139*	9673	9926	10264	10264	10798
23	6889	N.A.	-	N.A.	N.A.	10348	10629	9139*	9673	9983	10348	10264	10798
24	6889	N.A.	-	N.A.	N.A.	10404	10686	9139*	9701	10067	10432	10348	10798
25	6889	N.A.	-	N.A.	N.A.	10348	10629	9139*	9673	10011	10404	10348	10798
26	....	.....	.....	.....	.....	.....	.....	HOLIDAY	.....	.....	.....	.....	.....
27	6749	N.A.	-	N.A.	N.A.	10123	10404	8998*	9448	9842	10208	10208	10714
28	6749	N.A.	-	N.A.	N.A.	10039	10320	8998*	9280	9786	10151	10123	10629
30	6833	N.A.	-	N.A.	N.A.	10095	10376	9083*	9448	9870	10264	10208	10714
31	6889	N.A.	-	N.A.	N.A.	10095	10376	9139*	9505	9926	10320	10264	10770
H	6946	-	-	-	-	10432	10714	9195	9758	10264	10601	10601	10967
L	6524	-	-	-	-	9898	10151	8858	8802	9420	9926	9983	10376
A	6834	-	-	-	-	10221	10500	9085	9452	9915	10296	10317	10701

N.A. = Not Available H = Highest L = Lowest A = Average \* = Nominal

## SNIPPETS

India's merchandise exports reportedly rose 10.1 percent from January to \$ 25.4 billion, thanks to step up in shipments of engineering goods, gems and jewellery, drugs and pharmaceuticals and leather. The uptrend is expected to help the Government to reach the targeted \$ 300 billion. However, it is stated that 2012-13 would be a difficult year due to the uncertainty in Europe and sluggish global growth. The pace of exports is stated to have slowed down from the previous month due to slowdown in key markets like European Union and the US. Imports in January are reported to have rose 20.3 percent to \$ 40.1 billion. During April 2011 to January 2012, exports reportedly rose 23.5 percent to \$ 242.8 billion while imports grew 29.4 percent to \$ 391.5 billion, leaving a trade deficit of \$ 148.7 billion.



Industrial growth in India is reported to have slowed to 1.8 percent in December due to sustained sluggishness in the manufacturing sector and decline in mining and capital goods sectors. The data released by the Central Statistical Office are stated to have shown that the index of industrial production rose 1.8 percent in December, much lower than the 5.9 percent growth posted in November and 8.1 percent registered in the same month a year ago. During April-December 2011, industrial output is stated to have clocked 3.6 percent growth compared to 8.3 percent in the corresponding period of last year. The main factors that have acted as a stress on industrial sector are said to have been persisting inflation, rising input costs, high interest rates and delay in implementation of projects.



### UPCOUNTRY SPOT RATES

(Rs./Qtl)

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) 2010-11 CROP  
February 2012

Sr. No.	Grade Standard	Staple	Micronaire	Strength/GPT	Trade Name	11 <sup>th</sup>	13 <sup>th</sup>	14 <sup>th</sup>	15 <sup>th</sup>	16 <sup>th</sup>	17 <sup>th</sup>
03.	ICS-102	22mm	4.5-5.9	19	V-797	7255 (25800)	7255 (25800)	7255 (25800)	7255 (25800)	H	7255 (25800)
04.	ICS-103	23mm	4.0-5.5	19	Jayadhar	N.A.	N.A.	N.A.	N.A.		N.A.
07.	ICS-105	25mm	3.5-4.9	22	NHH-44	N.A.	N.A.	N.A.	N.A.		N.A.
08.	ICS-105	27mm	3.5-4.9	24	LRA-5166	N.A.	N.A.	N.A.	N.A.	O	N.A.
<b>2011-12 CROP</b>											
01.	ICS-101	Below 22mm	5.0-7.0	15	Bengal Deshi (RG)	9926 (35300)	9926 (35300)	9842 (35000)	9758 (34700)	L	9758 (34700)
02.	ICS-201	Below 22mm	5.0-7.0	15	Bengal Deshi (SG)	10208 (36300)	10208 (36300)	10123 (36000)	10039 (35700)		10039 (35700)
05.*	ICS-104	24mm	4.0-5.5	20	Y-1	9280 (33000)	9280 (33000)	9280 (33000)	9280 (33000)	I	9280 (33000)
06.	ICS-202	25mm	3.5-4.9	23	J-34	9589 (34100)	9589 (34100)	9476 (33700)	9392 (33400)		9392 (33400)
09.	ICS-105	28mm	3.5-4.9	25	H-4/ MECH-1	9758 (34700)	9814 (34900)	9758 (34700)	9701 (34500)	D	9701 (34500)
10.	ICS-105	29mm	3.5-4.9	26	Shankar-6	10179 (36200)	10123 (36000)	10067 (35800)	9983 (35500)	A	9983 (35500)
11.	ICS-105	31mm	3.5-4.9	27	Bunny/ Brahma	10179 (36200)	10179 (36200)	10123 (36000)	10123 (36000)		10123 (36000)
12.	ICS-106	33mm	3.3-4.5	28	MCU-5/ Surabhi	N.A.	N.A.	N.A.	N.A.	Y	N.A.
13.	ICS-107	35mm	2.8-3.6	31	DCH-32	13779 (49000)	13779 (49000)	13779 (49000)	13779 (49000)		13779 (49000)

Note: Figures in bracket indicate prices in Rs./candy \* - Nominal