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Cotton Exchange Building, 2nd Floor, Cotton Green, Mumbai - 400 033
Phone: 30063400 Fax: 2370 0337 Email: cai@caionline.in
www.caionline.in

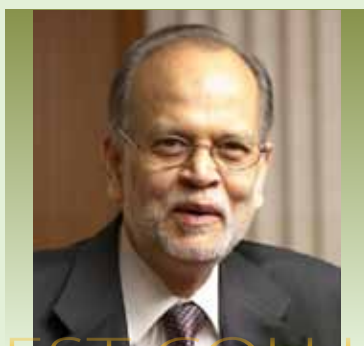
Upgrading the Image of Indian Cotton

He is the Chairman and Managing Director of GTN Textiles Ltd, Chairman of Patspin India Ltd. and GTN Enterprises Ltd. He has been the past Chairman of the Cotton Textiles Export Promotion Council, (Texprocil), the Indian Cotton Mills' Federation (now known as Confederation of Indian Textile Industry), and Southern India Mills' Association. He has also been the past President of the Employers' Federation of Southern India and the Cochin Chamber of Commerce and Industry. He was past Chairman of the Joint Cotton Committee of International Textile Manufacturers Federation (ITMF), Zurich, and is a member of ITMF's Advisory Board on the Committee of Management and the Spinners Committee.. He is currently the Co-Chairman of Advisory Committee for Strategic Planning of SIMA Cotton Development and Research Association and continues to serve on various Committees including Cotton Advisory Board and Cotton Yarn Advisory Board. He has done Engineering from Birla Institute of Science and Technology, Pilani.

India has now emerged as the largest producer and second largest exporter of cotton in the world. Further, with the continuous upgradation in the quality of Indian cotton, it has the potential to carve out a still better image. Towards this, effective action will have to be taken to encounter the following problems afflicting Indian cotton.

Contamination - Vexatious Problem

Most pernicious problem encountered by textile mills is the high level of contamination in cotton. With intensive awareness programmes carried out by the industry / trade associations as also by Governmental agencies like TMC, the level of contamination, to some extent, has come down. However, the level is still very high. In fact, according to the successive cotton surveys carried out by International Textile Manufacturers Federation (ITMF), Zurich, Indian cotton still continue to be one of the most contaminated ones.



GUEST COLUMN

B. K. Patodia
Chairman, GTN Group of Mills

The most harmful contaminants are: white and coloured polypropylene, human hairs, coloured cotton and yarns. To detect and remove from the process these harmful contaminants, mills have to incur heavy financial investments in sophisticated high technology equipments for Blow Room and Winding.

The industry has to take greater initiative to sensitise the suppliers and farmers on the harmful effect of contamination and the need for Best Management Practices during the picking, handling and transportation of cotton and thereafter during ginning and pressing.

GTN Initiative

Our Group has been actively involved for many years in this endeavour and has developed a scientific and systematic contamination index to measure the contamination level in different cottons. The need to have a contamination index arose because without such methodology, there was no means of grading the cotton supplied by various sources.

As early as January 1998 at a Seminar organised by the Indian Cotton Mills Federation (now known as Confederation of Indian Textile Industry) on the subject of contamination in raw cotton, GTN Group of Mills presented a paper and also exhibited contaminants prevalent in Indian cotton. In fact, this was the first organised effort to create awareness about the critical problem encountered by Indian textile mills on account of contamination. It was heartening to note, that after this event, industry, trade and the Government started looking at the problem more seriously for finding a viable solution.

GTN's Presentation at ITMF

At the meeting of the Joint Cotton Committee of ITMF held in November 2002 at New Delhi, GTN presented for the first time its assessment of quantitative and graded cotton contamination methodology. The Joint Cotton Committee appreciated the process evolved by GTN for 'contamination score' reflecting a weighted measurement of the seriousness of contamination from spinners' perspective. It also took note of the reward system followed by GTN for low or improved degrees of contamination.

GTN Contamination Index

The increasing demand for contamination-free yarns has led to installation of costly equipments, like Jossi Vision-Shield, Barco, Loptex, Tatsumi, Securomat, Premier, Vetal, Sieger, Applied Automation, etc, for detecting and removing contaminations at the Blow Room stage. Besides, manufacturers of electronic yarn clearers like Loepfe and Uster have come up with equipments capable of detecting contamination, not only of coloured polypropylene but also of white colour. All quality conscious spinning mills and specially those who are exporting have installed such systems. All these systems involve huge investments by the textile industry, which is already operating on low margins.

In spite of progressive mills in India using the above devices, the contamination still persists in the final yarn, even though a large number of

workers are employed for manually segregating contamination.

Procedure for Evaluation of Contamination

In order to avert contamination emanating from jute and polypropylene materials, GTN invariably insists that its suppliers pack raw cotton in cotton cloth.

At GTN, we have evolved a scientific and systematic evaluation system for detecting contamination in cotton, based on weight and a number of occurrences of contaminations. As a result, we have evolved a reliable Contamination Indexing System as per following procedure:

Based on random sampling method, two bales are chosen from a lot of 100 bales for Indian cotton and two bales from every container of foreign cotton.

Each bale is opened and hand-cleaned physically to remove and sort out the contamination by number and weight. Contamination is segregated and classified, based on its severity and harmful effects. Thereafter, the weightage index is arrived at as shown in the following table:-

Types of contamination and its weightage:

Grade A	White polypropylene string, white polypropylene fabric, alkathene bits (Film)	Weightage: 40%
Grade B	Coloured polypropylene string, coloured polypropylene fabric, hair	Weightage: 30%
Grade C	Coloured yarn, coloured fabric, coloured cotton, coir, feather, oily cotton	Weightage: 20%
Grade D	Betel nut cover, black cotton, stone, jute cloth, jute twine, wooden pieces, stick, leather pieces, etc.	Weightage: 10%

Supplier Evaluation:

Suppliers are evaluated for contamination based on the following criteria:

Rating	A+B+C	D
Excellent	0.0	1.0
Good	< 0.5	1.5
Fair	< 1.0	2.0
Average	1.0 - 2.0	2.0 - 3.0
Poor	2.0 - 3.0	3.0 - 4.0
Reject	> 3.0	> 4.0

The contamination index in various Indian and Foreign Cottons as measured in GTN Group over the last few years are given in the following tables:

Variety	GUJARAT SHANKER-6						MAHARASHTRA/M.P. MECH					
	<-----Contamination Index----->						<-----Contamination Index----->					
Year	A	B	C	A+B+C	D	C.I.	A	B	C	A+B+C	D	C.I.
Yr 08-09	0.64	0.35	0.26	1.25	1.43	2.68	0.2	0.22	0.31	0.73	2.36	3.09
Yr 09-10	0.64	0.4	0.22	1.26	1.68	2.94	0.41	0.27	0.34	1.02	2.01	3.03
Yr 10-11	0.57	0.5	0.3	1.37	0.63	2	0.63	0.88	0.49	2	0.88	2.88
Yr 11-12	0.59	0.58	0.37	1.54	0.31	1.85	0.69	1.23	0.6	2.52	0.52	3.04
Yr 12-13	0.56	0.35	0.21	1.12	0.21	1.33	0.56	0.57	0.5	1.63	0.45	2.08
Yr-13-14	0.65	0.33	0.14	1.12	0.16	1.28	0.9	0.89	0.73	2.52	0.46	2.98

Variety	MAHARASHTRA/M.P. MECH (ORGANIC)						M.P./MAHARASHTRA (MECH - BCI)					
	<-----Contamination Index----->						<-----Contamination Index----->					
Year	A	B	C	A+B+C	D	C.I.	A	B	C	A+B+C	D	C.I.
Yr 08-09	0.44	0.32	0.11	0.87	2.04	2.91						
Yr 09-10	0.34	0.3	0.23	0.87	2.14	3.01	0.53	1.8	0.45	2.78	1.05	3.83
Yr 10-11	0.26	0.23	0.12	0.61	0.24	0.85	0.42	0.66	0.4	1.48	0.43	1.91
Yr 11-12	0.57	0.43	0.4	1.4	0.2	1.6	0.55	0.4	0.28	1.23	0.33	1.56
Yr 12-13	0.69	0.88	0.32	1.89	0.23	2.12	0.55	0.4	0.28	1.23	0.33	1.56
Yr-13-14	0.66	0.39	0.56	1.61	0.25	1.86	0.5	0.37	0.44	1.31	0.53	1.84

Variety	GUNTUR/TAMIL NADU/KARNATAKA/ORISSA MCU5						DCH-32 (KARNATAKA)					
	<-----Contamination Index----->						<-----Contamination Index----->					
Year	A	B	C	A+B+C	D	C.I.	A	B	C	A+B+C	D	C.I.
Yr 08-09	0.77	0.64	0.87	2.28	1.87	4.15						
Yr 09-10	0.44	0.55	1.57	2.56	1.83	4.39						
Yr 10-11	0.46	0.71	0.91	2.09	1.68	3.77	0.42	0.81	1.1	2.33	1.74	4.07
Yr 11-12	0.74	0.81	0.6	2.15	2.21	4.32	0.59	0.81	0.9	2.29	1.84	4.16
Yr 12-13	1.15	1.61	0.3	3.06	1.57	4.63	0.55	1.17	0.89	2.62	1.41	4.03
Yr-13-14	0.44	0.21	0.25	0.9	1.19	2.08	0.75	1.49	1.08	3.33	1.37	4.71

Variety	TAMIL NADU DCH 32						DCH-32-RATLAM (M.P)					
	<-----Contamination Index----->						<-----Contamination Index----->					
Year	A	B	C	A+B+C	D	C.I.	A	B	C	A+B+C	D	C.I.
Yr 11-12	0.15	0.39	0.4	0.93	2.73	3.67						
Yr 12-13	0.26	1.85	0.84	3.05	1.85	4.81	0.8	1.6	1.2	3.6	1	4.6
Yr-13-14	0.94	2.16	0.46	3.53	1.4	4.91	1	1.5	1.6	3.6	1.1	4.2

Variety	WEST AFRICAN - CHAD						WEST AFRICAN - CAMEROON					
	<-----Contamination Index----->						<-----Contamination Index----->					
Year	A	B	C	A+B+C	D	C.I.	A	B	C	A+B+C	D	C.I.
Yr 11-12							0	0	0	0	0.7	0.7
Yr 12-13	0.1	0	0	0.1	0.7	0.8	0	0	0	0	0.6	0.6
Yr-13-14	0.1	0	0	0.2	0.6	0.8	0	0	0	0	0.6	0.6

Variety	WEST AFRICAN - MALI						SUPIMA - USA					
	<-----Contamination Index----->						<-----Contamination Index----->					
Year	A	B	C	A+B+C	D	C.I.	A	B	C	A+B+C	D	C.I.
Yr 11-12							0	0	0	0	0.8	0.8
Yr 12-13							0	0	0	0	0.6	0.6
Yr-13-14	0	0	0	0	0.7	0.8	0	0	0	0	0.3	0.3

Variety	SVJ ROLLER GIN - USA						AUSTRALIAN					
	<-----Contamination Index----->						<-----Contamination Index----->					
Year	A	B	C	A+B+C	D	C.I.	A	B	C	A+B+C	D	C.I.
Yr 12-13	0	0	0	0	0.7	0.7	0	0	0	0	0.6	0.6
Yr-13-14	0	0	0	0	0.8	0.8	0	0	0	0	0.6	0.6

Comments:

(1) As can be seen from the above contamination index, among Indian cottons, there has undoubtedly been a continuous improvement and reduction in contamination levels over the past few years, but MCU-5 and DCH-32 continued to have higher contamination.

(2) Among Indian cottons, Shankar-6 has emerged as the cleanest cotton. Also, BCI and Organic cottons have lower contamination due to better management practices followed by the growers and ginners of these cottons.

(3) West African cottons have very low levels of contamination. We have to strive to come to their standards by best management practices.

(4) American Supima, SJV Roller Gin and Australian cotton have practically no contamination.

(5) Please also note that in GTN, all cottons purchased, Indian or Foreign, are 100% checked for contamination and given an index number. On an average, GTN Group consumes 30,000 tons of cotton per year.

(6) Contamination Index procedure has helped GTN identify good suppliers who can control contamination within the permissible values.

To tackle the problem of contamination, the following steps are necessary:

(i) Adoption of better management practices during picking, storing, transporting, ginning and pressing.

(ii) Packing of cotton bales with cotton cloth. Most important aspect is that under no circumstances cotton should be brought in contact with polypropylene material. This is the most pernicious source of contamination, especially white colour polypropylene.

(iii) Avoidance of using rusted iron hoops, ink stenciling, etc.

Admixture

It has been the experience of textile mills that whenever cotton prices tend to rise, there is rampant occurrence of adulteration of cotton. For instance Sankar - 6 is being adulterated with V-797 and sometimes even with comber waste. This is equally true in respect of other cotton varieties.

There were several complaints about such malpractices whenever cotton prices rose to extremely high levels. This leads to avoidable litigation and creates credibility problems, Effective steps need to be taken to penalise the unscrupulous elements so that such abuse is averted in future.

I strongly feel that effective regulatory mechanism should be brought in by introducing

bale tagging mechanism on the lines of USDA giving Permanent Bale Identification (PBI) in barcode system.

Excessive Moisture

Another problem faced by mills is excessive moisture content. This is achieved through deliberate water sprinkling. This is resorted to by unscrupulous elements to earn higher incomes. There should be regulated use of water so that the moisture content is within tolerable universal limits. For this purpose, a regulatory mechanism should be introduced by the Government.

Packing of Cotton Bales

It has been observed that there is no uniformity in packing cotton bales. Use of jute in the packing of cotton bales should be avoided at all costs. In order to avoid the rusting of cotton by reused hoop irons, many countries use strong synthetic tapes. This should be adopted in India also.

HVI Tested Cottons

In countries like USA, Australia and Uzbekistan, all cotton bales are 100% HVI tested which makes it easier for the buyers to purchase such cottons with confidence and transparency. It is high time that we made a move towards HVI testing. To start with, at least 10% of the bales in a lot can be HVI tested and eventually move towards 100% testing. This will make marketing of Indian cotton more convenient and instill a sense of confidence in the buyers. This task can be carried out by independent inspection agencies and if necessary, a new set up can be created for the purpose.

Branding of Indian Cotton

There is a crucial need to develop branding of Indian cotton. This will upgrade the image of India, both in the domestic and export markets. This will ensure higher prices for quality cottons and instill a sense of confidence in mills for getting better quality cottons.

It is pertinent to mention that Draft National Fibre Policy of the Government of India had recognised this important aspect and recommended that necessary steps be taken for implementing the same.

I have briefly touched upon the problems encountered by mills and hope that viable solutions will be found to upgrade the image of Indian cotton in both domestic and international markets.

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

Courtsey : Cotton India 2014

Technical Analysis

Price outlook for Gujarat-ICS-105, 29mm and ICE cotton futures for the period 16/03/15 to 6/04/15

(The author is Director of Commtrendz Research and the views expressed in this column are his own and the author is not liable for any loss or damage, including without limitations, any profit or loss which may arise directly or indirectly from the use of following information.)

We will look into the Gujarat-ICS-105,29mm prices along with other benchmarks and try to forecast price moves going forward.

As mentioned in the previous update, fundamental analysis involves studying and analysing various reports, data and based on that arriving at some possible direction for prices in the coming months or quarters.

Some of the recent fundamental drivers for the domestic cotton prices are:

- Cotton futures are mildly higher in line with international prices. Prices have been finding support on bargain hunting by mills, but many seem to be holding on due to expectation of a further fall in prices.

- India is expected to be the world's top cotton producer in the season 2014-2015, with a likely output of close to 40 million bales. The Cotton Corporation of India (CCI) has purchased from farmers at MSP rate close to 20 per cent of expected crop.

- A f t e r witnessing a year of record production, cultivation of cotton in 2015-16 is projected to fall lower. At the same time, ICAC expects world cotton consumption to increase by two per cent to 24.7 million tonnes, making 2015/16 the first time in five seasons where consumption overtakes production.

Some of the fundamental drivers for International cotton prices are:

- The Cotton Benchmark futures in New York were lower on Friday as the strong U.S. dollar reinforced worries about demand.

- Concerns about Chinese demand after changes in the government's stockpiling program have pressured futures prices, but a string of export sales reports in recent weeks showing significant purchases from China have helped fuel the five-week rally.

- A monthly U.S. government forecast reinforced bearish sentiment. The U.S. Department of Agriculture (USDA) upped its outlook for inventories to hit a record of over 110 million 480-lb bales by the end of July, as it cut its forecast for demand in China, the world's largest consumer.

- Speculators slashed bullish bets in cotton, U.S. Commodity Futures Trading Commission data showed on Friday further reinforcing bearish sentiment.

Let us now dwell on some technical factors that influence price movements.

As mentioned earlier, the present upmove has the potential to test resistances at the 9,000-100/ qtl

EXPERT'S Column

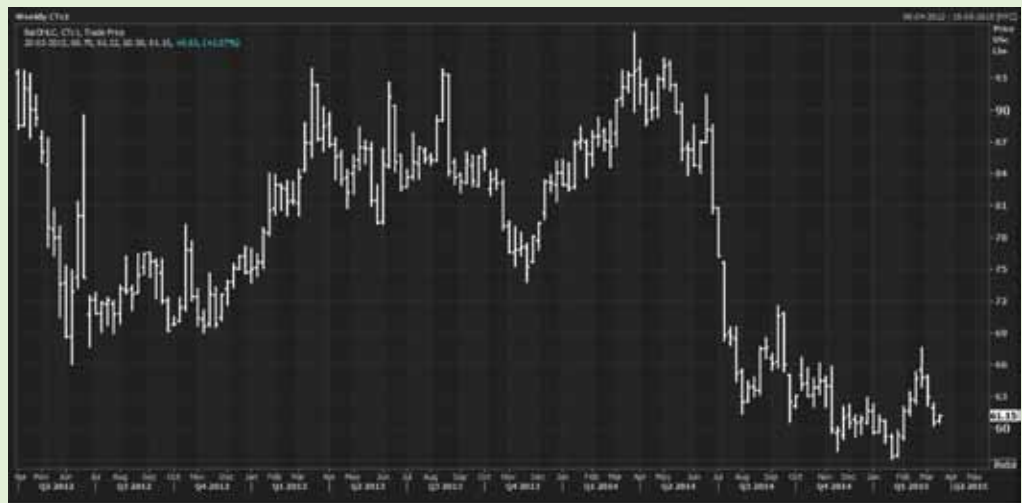


Shri Gnanasekar Thiagarajan



levels. Only a close above 9,400 /qtl could indicate a change in trend from bearish to bullish presently. The retracement from the recent low though looks promising, but has still not showed any major turnaround signs yet. The view remains unchanged as in the previous update. We expect a period of consolidation in the 8500-8900/qtl range and then subsequently edge up higher.

As illustrated in the previous update, indicators are once again displaying neutral tendencies, which warn of a possible consolidation in prices before the next leg of upward movement. We are expecting prices to rise towards 9,100- 500 /qtl levels or higher in the coming weeks. Prices moved upto 8,800 /qtl and then declined again. Therefore, a consolidation or a range bound movement can be seen now between 8500-8,00/qtl levels subsequent to which an upward trend can be expected. An unexpected drop below 8500/qtl could dash our bullish hopes.



We will also look at the ICE Cotton futures charts for a possible direction in international prices.

As mentioned in the previous update, a trigger for a bullish recovery could be seen on a close above 64c that could change the picture from neutral to bearish.

Such a move will hint that the expected fall to 51`-52c in the bigger picture might not materialise and prices could start moving higher again. A bullish trend seems to be emerging, but these are early signs which look promising. As expected, prices found support near 61-62c. Mild bearishness is seen, which could take prices lower to 57-58c levels again from where a recovery in prices can be seen once again. We expect prices to rise further higher again above recent highs at 66c targeting 68-69c levels. Only a fall below 59c could be a sign of weakness again.

CONCLUSION:

As mentioned in the previous update, present price movements indicate a possible upward reversal in the making. A gradual recovery can be seen with the downside potential from present levels being limited. Both the domestic prices and international prices have moved higher in line with our expectations. As we have been maintaining, this pullback still cannot be interpreted as a trend reversal. For Guj ICS, supports are seen at 8,300-400 /qtl and for ICE Dec cotton futures at 58c followed by 56c. Only an unexpected rise above 9,400 /qtl could change the picture to neutral in the domestic markets. The international markets however have displayed positive signs and after a period of consolidation could edge up again.



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REVIEW OF 2013/14

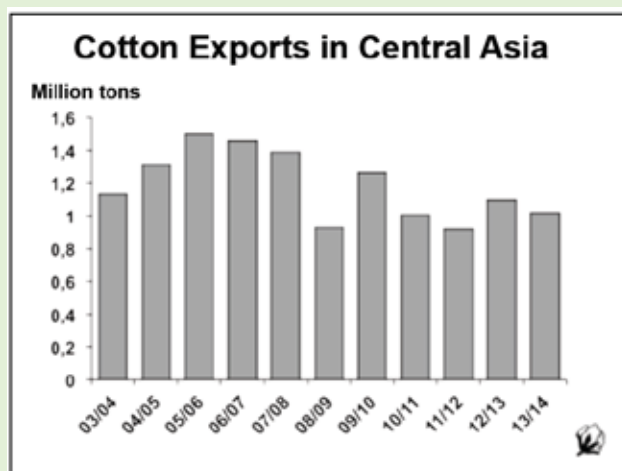
(Continued from Issue no. 49)

Cotton Production and Exports Fall in Central Asia

Cotton area in Central Asia has been shrinking since 2008/09, when cotton covered 2.5 million hectares, due to competition from food crops. In 2013/14, cotton area in Central Asia remained unchanged from 2012/13 at 2.2 million hectares. Production in 2013/14 fell 7% to 1.5 million tons due to a 7% reduction in the average yield to 672 kg/ha. This was still above the 10-year average yield of 650 kg/ha for the region.



ICAC



Cotton mill use increased for the fifth season to 523,000 tons, up 6% from 2012/13. In line with production, cotton exports from the region fell 7% to 1 million tons.

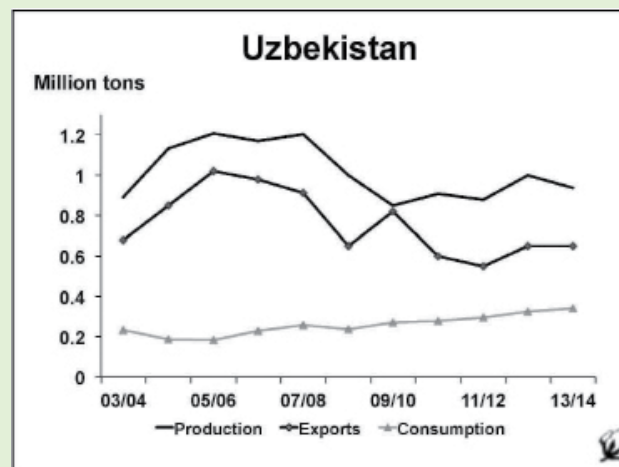
Uzbekistan remains the sixth largest cotton producing country, accounting for 4% of global cotton production. All aspects of production are managed by the government of Uzbekistan. After jumping 14% to 1 million tons in 2012/13, cotton production in Uzbekistan fell 6% to 940,000 tons. Cotton area was down by 10,000 hectares to 1.28 million hectares. The average yield decreased by 5% to 737 kg/ha, due to problems with irrigation water supplies and high temperatures during the summer. Cotton mill use is estimated up 6% to 345,000 tons. Despite the smaller exportable surplus, Uzbekistan's exports are stable at 650,000 tons in 2013/14. However, stocks of cotton at the end of July 2014 were likely approaching 305,000 tons, down 15% from the previous season.

After gaining for several seasons, Turkmenistan's cotton production fell 16% in

2009/10 to 250,000 tons and since then has seen alternating seasons of growth and retraction. After increasing 2% to 335,000 tons in 2012/13, cotton production is estimated down 2% to 329,000 tons in 2013/14. While cotton area expanded 5% in 2013/14 to 550,000 hectares, the harvest suffered a 6% yield loss, averaging 597 kg/ha. Exports are estimated at 195,000 tons, down 15% from the previous season. Cotton mill use in Turkmenistan is estimated at 144,000 tons, up by 10% from 2011/12. Stocks of cotton at the end of July 2013 were estimated at almost 287,000 tons, the same level as 2011/12 and the highest since they were first recorded in the early 1990s.

After advancing two seasons, cotton production in Tajikistan declined 16% to 105,000 tons in 2013/14. Erratic weather during the growing season and a shortage of inputs caused yield to fall 13% to 556 kg/ha. Mill consumption of cotton is estimated up 56% to 11,000 tons, while exports are down 40% to 83,000 tons.

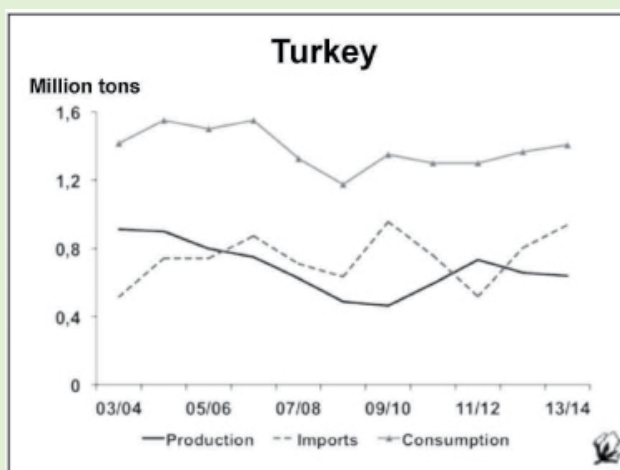
Kazakhstan's cotton output declined continuously between 2004/05 and 2010/11, from 153,000 tons to 60,000 tons, the lowest level in over a decade. Production then partially recovered to 80,000 tons in 2011/12 and further to 90,000 tons in 2012/13. However, in 2013/14 production dropped 18% to 74,000 tons. While cotton area increased 5% to 140,000 tons, cotton yield fell 21% to 530 kg/ha due to adverse weather at the start of the season. Cotton consumption was reduced by 25% to 11,000 tons while exports climbed 36% to 61,000 tons in 2013/14.



Cotton area in Azerbaijan receded in the last two seasons, by 31% in 2012/13 to 33,000 hectares and by 15% in 2013/14 to 28,000 hectares due to the fall in cotton prices and higher producing costs. Better seed varieties in recent years have led to a slower loss in production than in area in the past few seasons. However, due to poor weather, yield declined 4% to 536 kg/ha from 562 kg/ha in 2012/13, resulting in a 19% drop in production to 15,000 tons in 2013/14. Consumption is estimated at 12,000 tons, up 2,000 tons from the previous season. Exports gained 28% to 7,000 tons, which is the highest level in four seasons.

Turkey: Higher Production and Consumption

After several seasons of decline in yields in Turkey, better seed varieties were introduced to improve yields in 2010. Additionally, Turkey has renovated its irrigation system in the last few years. The average yield in Turkey has advanced in the last four seasons, except 2012/13 when it remained stable due to less favorable weather. In 2013/14, yield grew 5% to 1,420 kg/ha, the highest level since 2002/03. Cotton area contracted in 2013/14 by 8% to 451,000 hectares due to flooding early in the season resulting in multiple plantings. However, production reached 639,000 tons, down 3% from 2012/13, as losses were minimized by a higher yield.



Cotton mill use in Turkey increased 3% to 1.4 million tons in 2013/14, a second season of growth. As Asian competitors (Bangladesh, India and Pakistan) increasingly switched to the Chinese market, Turkish spinners became the dominant players in the European market. Turkey's imports went up 16% to 935,000 tons to fill the production gap. Turkey remained the third largest importer of cotton in 2013/14, after China and Bangladesh, accounting for 10% of the world imports.

Middle East: Cotton Production Falls While Consumption Rises

Since 2004/05, cotton production in the Middle East has generally declined, though a 24% revival in 2011/12 to 302,000 tons interrupted this trend. In the last two seasons, cotton production further decreased, by 22% in 2012/13 to 236,000 tons and by 19% to 191,000 tons in 2013/14. Cotton mill use on the other hand has slowly developed since the 1990s, though the economic recession in 2008/09 and spike in cotton prices in 2009/10 reversed the general upward trend. In 2011/12, cotton mill use in the Middle East dropped by 16% to 295,000 tons and then fell a further 29% to 208,000 tons in 2012/13. However, in 2013/14 cotton consumption recovered 25% to 260,000 tons.

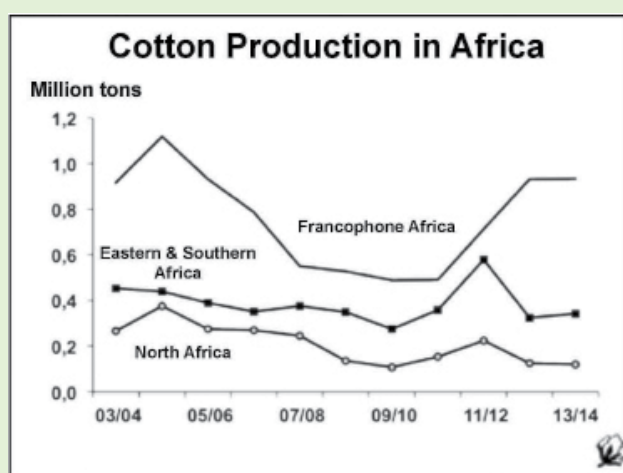
The downturn in the world economy and the ongoing political crisis in Syria has had a negative effect on cotton production, which has been declining since 2008/09. Syria's production is estimated down 33% to 100,000 tons in 2013/14 on an area of 103,000 hectares with an average yield of 976 kg/ha. A ban on cotton imports means that cotton consumption is limited by the volume of production. However, the local textile industry's demand was strong in 2013/14, and consumption increased from 88,000 tons in 2012/13 to 100,000 tons in 2013/14.

Cotton production in Iran fell 25% to 59,000 tons in 2011/12, and another 5% to 53,000 tons in 2012/13, but rebounded 40% to 65,000 tons in 2013/14. Cotton mill use saw no growth for three seasons before falling 4% in 2011/12 to 130,000 tons and then dropping 30% to 91,000 tons in 2012/13. Insufficient production and obstacles with importing cotton have made it difficult for the spinning industry in Iran to expand despite demand for domestically-produced cotton yarn. However, the larger crop in 2013/14 allowed consumption to advance 44% to 131,000 tons.

Production in Israel more than doubled to 17,000 tons in 2011/12, the largest crop in four seasons, before falling the next two seasons to 15,000 tons in 2012/13 and then to 11,000 tons in 2013/14. Relatively low extra-fine cotton prices spurred some farmers to plant more profitable alternative crops. As a result, cotton area contracted 25% to 6,000 hectares in 2013/14. Similarly to previous years, almost all the area was planted to extra-fine cotton (Pima and Acalpi). The average yield improved 1% to 1,810 kg/ha. As Israel does not consume cotton locally, most of the crop is exported and in 2013/14, exports reached 11,000 tons.

Africa: Cotton Production Returns to Recovery

African cotton production declined continuously and significantly from 2.0 million tons in 2004/05 to 918,000 tons in 2009/10, the smallest in almost five decades. However, production slightly recovered to 1.1 million tons in 2010/11, then jumped to 1.6 million tons in 2011/12, before falling 9% to 1.45 million tons in 2012/13. African production grew 1% in 2013/14 to 1.46 million tons. In 2013/14, a production decrease in North Africa and stagnant growth in Francophone Africa was offset by an increase in regional output in Eastern and Southern Africa.

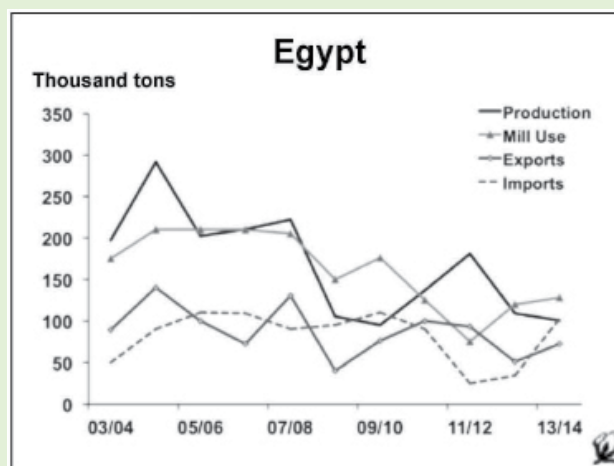


Africa accounted for 13% of world cotton area in 2013/14 (4.6 million hectares). However, the estimated average yield of 331 kg/ha is 40% of the world average, though variations exist within countries and regions. This is partly explained by the fact that most cotton area in Africa is rainfed, while almost two-thirds of the world cotton area is irrigated. Additionally, many countries in Africa do not have reliable access to inputs or financing for inputs. Production in Africa accounted for 6% of the global output in 2013/14. Total cotton mill use in Africa rose 3% to 367,000 tons, or 2% of world cotton mill use.

Northern Africa

Cotton production in Egypt has been on a long downward trend since the early 1980s. Following a drop to 95,000 tons in 2009/10, the smallest crop in at least a century, cotton production rebounded to 137,000 tons in 2010/11 and then to 181,000 in 2011/12. However, cotton production in the last two seasons has returned to a downward trend with production decreasing 40% in 2012/13 to 109,000 tons and 8% in 2013/14 to 100,000 tons. Due to low returns for cotton given the high production costs, farmers switched to more profitable alternative

crops like, corn and rice. Consequently, cotton area dropped 15% to 122,000 hectares in 2013/14. Although cotton area and production declined, average yield improved 7% to 821kg/ha in 2013/14 from 765 kg/ha in 2012/2013. Exports increased from 51,000 tons in 2012/13 to 72,000 tons in 2013/14 due to higher demand for Egyptian cotton varieties. Egypt is the largest African cotton consumer, though like its production, cotton consumption in Egypt has generally been declining from an average of 300,000 tons per season in the 1980s to less than 200,000 tons a season in the last five seasons. One of the challenges for spinning mills in Egypt is the high price of domestically produced cotton and imports in 2013/14. Additionally, the equipment employed by local spinning mills is suited to shorter staple cotton rather than the longer staple cotton types produced domestically. However, the Egyptian government provided a subsidy to spinners for purchasing domestic cotton and as a result, consumption rose from 120,000 tons in 2012/13 to 128,000 tons in 2013/14.



Cotton production in Sudan partially recovered from the 65% drop to 15,000 tons in 2012/13, harvesting 19,000 tons of cotton in 2013/14. Cotton area expanded 9% to 53,000 hectares in 2013/14 and yield improved 19% to 360 kg/ha due to the commercial adoption of new early-maturing and pest resistant varieties of seed, which also helped reduce the costs of production. Sudan's cotton exports remained flat at 17,000 tons in 2013/14. After reaching a low of 1,000 tons in 2009/10, cotton consumption has been slowly recovering. In 2013/14, consumption increased 5% to 4,000 tons.

(... to be continued)

Source: COTTON: Review of the World Situation, September-October 2014

Sir Purshottamdas Thakurdas Memorial Annual Cricket Tournament

The Cotton Association of India is organising the Sir Purshottamdas Thakurdas Memorial Annual Cricket Tournament in the memory of our illustrious Past President, the late Sir Purshottamdas Thakurdas.

This year, the cricket tournament will be held on Saturday, the 4th April 2015 on P. J. Hindu Gymkhana Ground, Netaji Subhash Road, Marine Drive, Marine Lines, Mumbai 400 020 from 9.00 a.m. to 4.00 p.m.

The details of the programme are as follows:-

Time	Programme
8.00 a.m. to 8.45 a.m.	Breakfast
9.00 a.m. to 12.30 p.m.	Cricket Match
12.30 p.m. to 1.15 p.m.	Lunch
1.30 p.m. onwards	Balance Match/Final Match
3.45 p.m./4.00 p.m.	Price distribution and Tea

We cordially invite all our members to actively participate in the event. The registration form may kindly be sent to this office duly filled in and signed so as to reach the office of the Association latest by 2.30 p.m. on Saturday, the 28th March 2015.

The Committee reserves right to disqualify any application received for participation in Tournament without assigning any reason.

For further information, members are requested to contact

Mr. D. J. Thanawala (Mobile No. 9987275861)

or Mrs. Sujata Sawant at Office Tel. No.022-30063400.

We solicit your kind co-operation in the matter and request you to remain present in large number with family to grace this occasion. We shall appreciate if you kindly confirm your participation.

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) 2014-15 Crop MARCH 2015					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	9th	10th	11th	12th	13th	14th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0-7.0	15	8520 (30300)	8520 (30300)	8520 (30300)	8520 (30300)	8520 (30300)	8520 (30300)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0-7.0	15	8661 (30800)	8661 (30800)	8661 (30800)	8661 (30800)	8661 (30800)	8661 (30800)
3	GUJ	ICS-102	Fine	22mm	4.0-6.0	20	6130 (21800)	6130 (21800)	6130 (21800)	6130 (21800)	6158 (21900)	6186 (22000)
4	KAR	ICS-103	Fine	23mm	4.0-5.5	21	7339 (26100)	7396 (26300)	7396 (26300)	7452 (26500)	7480 (26600)	7508 (26700)
5	M/M	ICS-104	Fine	24mm	4.0-5.0	23	7677 (27300)	7677 (27300)	7677 (27300)	7677 (27300)	7705 (27400)	7733 (27500)
6	P/H/R	ICS-202	Fine	26mm	3.5-4.9	26	8745 (31100)	8745 (31100)	8745 (31100)	8773 (31200)	8830 (31400)	8858 (31500)
7	M/M/A	ICS-105	Fine	26mm	3.0-3.4	25	7677 (27300)	7677 (27300)	7677 (27300)	7677 (27300)	7705 (27400)	7733 (27500)
8	M/M/A	ICS-105	Fine	26mm	3.5-4.9	25	7761 (27600)	7761 (27600)	7761 (27600)	7761 (27600)	7789 (27700)	7817 (27800)
9	P/H/R	ICS-105	Fine	27mm	3.5-4.9	26	8830 (31400)	8830 (31400)	8830 (31400)	8858 (31500)	8914 (31700)	8942 (31800)
10	M/M/A	ICS-105	Fine	27mm	3.0-3.4	26	7902 (28100)	7902 (28100)	7902 (28100)	7902 (28100)	7930 (28200)	7958 (28300)
11	M/M/A	ICS-105	Fine	27mm	3.5-4.9	26	8183 (29100)	8183 (29100)	8183 (29100)	8183 (29100)	8211 (29200)	8239 (29300)
12	P/H/R	ICS-105	Fine	28mm	3.5-4.9	27	8942 (31800)	8970 (31900)	8970 (31900)	8998 (32000)	9055 (32200)	9083 (32300)
13	M/M/A	ICS-105	Fine	28mm	3.5-4.9	27	8436 (30000)	8436 (30000)	8436 (30000)	8436 (30000)	8464 (30100)	8464 (30100)
14	GUJ	ICS-105	Fine	28mm	3.5-4.9	27	8492 (30200)	8492 (30200)	8492 (30200)	8492 (30200)	8520 (30300)	8520 (30300)
15	M/M/A/K	ICS-105	Fine	29mm	3.5-4.9	28	8605 (30600)	8605 (30600)	8605 (30600)	8605 (30600)	8633 (30700)	8633 (30700)
16	GUJ	ICS-105	Fine	29mm	3.5-4.9	28	8633 (30700)	8633 (30700)	8633 (30700)	8633 (30700)	8661 (30800)	8661 (30800)
17	M/M/A/K	ICS-105	Fine	30mm	3.5-4.9	29	8914 (31700)	8914 (31700)	8914 (31700)	8914 (31700)	8942 (31800)	8998 (32000)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5-4.9	30	9308 (33100)	9308 (33100)	9308 (33100)	9308 (33100)	9336 (33200)	9392 (33400)
19	A/K/T/O	ICS-106	Fine	32mm	3.5-4.9	31	9617 (34200)	9617 (34200)	9617 (34200)	9617 (34200)	9645 (34300)	9701 (34500)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0-3.8	33	11107 (39500)	11023 (39200)	11023 (39200)	11023 (39200)	11107 (39500)	11248 (40000)

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