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Cotton Statistics And News

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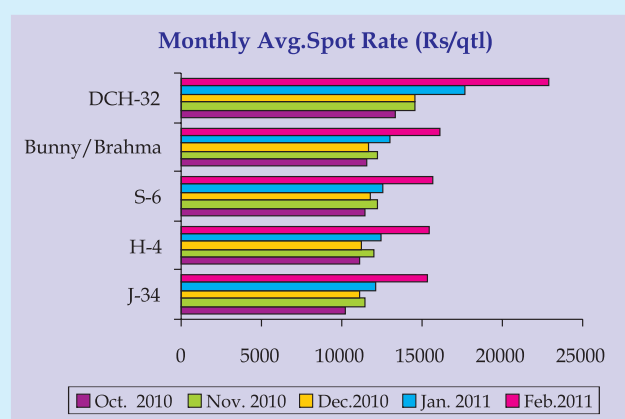
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Further Escalation in Cotton Prices During February

After a fall during December, owing perhaps to pick-up in arrivals, cotton prices had risen sharply in January. This rising trend continued in January also in spite of arrivals gaining further momentum. The monthly average spot rates of a few popular varieties since the commencement of the current season are given below:

Monthly Avg. Spot Rate (Rs/Qtl.)					
Month	J-34	H-4	S-6	Bunny	DCH-32
Oct.'10	10,236 (6,046)	11,135 (-)	11,389 (6,552)	11,501 (6,524)	13,301 (-)
Nov.'10	11,389 (6,608)	11,979 (6,693)	12,260 (7,030)	12,260 (6,689)	14,510 (11,529)
Dec.'10	11,135 (7,002)	11,220 (7,227)	11,726 (7,536)	11,670 (7,536)	14,594 (11,810)
Jan.'11	12,063 (7,199)	12,457 (7,199)	12,598 (7,509)	12,963 (7,536)	17,687 (11,332)
Feb'11	15,287 (7,002)	15442 (7,143)	15,671 (7,452)	16,134 (7,480)	22,876 (11,164)

Note : Figures in brackets denote corresponding prices last year



The increase in February has been quite substantial ranging from Rs. 2985 to Rs. 3224 per quintal in the case of medium and long staple cottons and as much as Rs. 5217 per quintal in the case of the extralong staple cotton, DCH-32. Percentage-wise, the increase ranged from 24 per cent to 27 per cent in the case of medium and long staple cottons and as much as 30 per cent in the case of extralong staple cotton. A comparison of the February prices with October prices reveals the much steeper increase during the current season. In fact, the rise is as high as 72 per cent in the case of extralong staple cotton and 38 per cent to 49 per cent in the case of others.

A combination of several factors has conspired to push up cotton prices at record levels - Mainly it seems to be supply stress as against a rising demand. Mills had been keen to replenish their cotton stocks as there has been very good demand for yarn and textile products particularly in the context of the increasing purchasing power consequent on the better growth in economy. There have also been reports that farmers are holding on to their produce anticipating still higher prices leading to a further tightening of supply particularly of ready cotton.

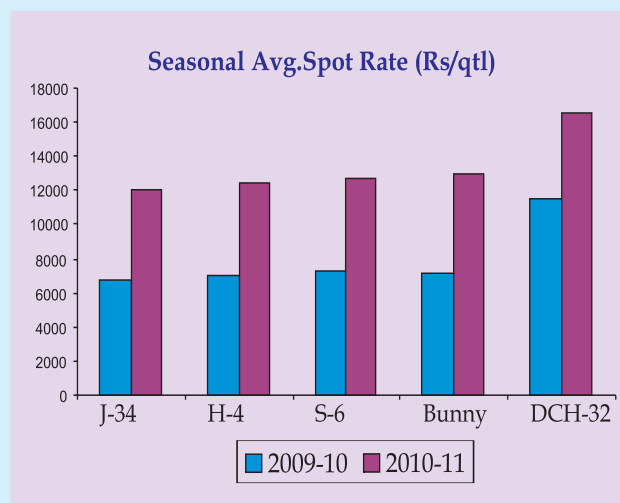
Another major reason for the flare-up in cotton prices is the impact of world cotton prices. As per reports, cotton prices crossed two dollars per pound for the first time in the Intercontinental Cotton Exchange (ICE, New York Futures). Cotton is said to have seen the maximum spurt in prices among the most widely traded commodities in 2011. While domestic prices of Shankar 6, the most widely used cotton soared by 118 per cent since February last year, global level cotton prices at ICE are stated to have zoomed by 165.8 per cent. Prices

during this year itself are said to have jumped 41 per cent at the global level, which was never seen before, as per trade experts. Obviously, domestic cotton prices have taken cue from the global prices.

With prices being consistently maintained at higher levels this year, the seasonal average prices have been substantially higher than last season as may be observed from the following data:

Seasonal (Oct-Feb) Avg. Spot Rate (Rs/Qtl.)			
Variety	2009-10	2010-11	Increase
J-34	6,771	12,022	5,251
H-4	7,066	12,442	5,376
S-6	7,216	12,746	5,530
Bunny	7,193	12,906	5,713
DCH-32	11,459	16,588	5,129

The highest increase of Rs. 5713 per quintal has been in the case of Bunny followed by S-6 with Rs. 5530 per quintal.



CAI Bids Farewell to Shri S.C. Grover Outgoing CMD, CCI



The Cotton Association of India hosted a farewell party to Shri S.C. Grover, CMD, Cotton Corporation of India on his retirement from CCI from 28.02.2011.

In his address on the occasion, Shri Dhiren N. Sheth, President, CAI recalled Shri Grover's association with the cotton trade and acknowledged the rich contributions made by him towards the progress of the cotton trade in general and CCI in particular. Several other guests also joined Shri Sheth in wishing Shri S.C. Grover a happy, peaceful and healthy retired life.

CAI places on record their appreciation of valuable services rendered by Shri S.C. Grover to the cotton trade.

Cotton Arrivals

As per Cotton Corporation of India, the per day arrivals in most of the cotton growing states are in the range of around 1,25,000 to 1,30,000 lakh bales comprising of 12,000 to 15,000 bales in Northern States, 35,000 to 40,000 bales in Gujarat, 30,000 to 35,000 bales in Maharashtra, 7000 to 8,000 bales in Madhya Pradesh, 6000 to 7,000 bales in Karnataka and around 20,000 to 25,000 bales in Andhra Pradesh.

As on 13th March 2011, the progressive arrivals as reported by CCI are 245.35 lakh bales as against 241.40 lakh bales in previous year.

Cotton Area in China may go up by 6% in 2011-12

According to a recent survey, cotton area in China may go up by 6 per cent from 5.13 million hectares in 2010-11 to 5.45 million hectares in 2011-12, states a report in Cotton Outlook. The report adds that it remains to be seen whether the Government will seriously consider additional measures to boost plantings, or at the very least, to protect farmers' incomes should market prices go below a certain level.

UPCOUNTRY SPOT RATES

2009-10 Crop		2010-11 Crop										(Rs. \ Quintal)	
Feb. 2011	Jayadhar	BD(RG) A. Commula	BD SG	V-797	Y-1	J-34	NHH-44	LRA-5166	H-4/ MECH-1	Shankar-6	Bunny/ Brahma	MCU-5/ Surabhi	DCH-32
ICS-103	ICS-101	ICS-201	ICS-102	ICS-104	ICS-202	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-106	ICS-107
23 mm	22 mm	22 mm	22 mm	24 mm	25 mm	27 mm	28 mm	29 mm	31 mm	33 mm	35 mm	33 mm	35 mm
4.0-5.5	5.0-7.0	5.0-7.0	4.5-5.9	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	3.5-4.9	3.3-4.5	2.8-3.6
19	15	15	19	20	23	24	25	26	27	28	28	28	31
1	N.A.	11867	9448	12232	13076	N.A.	12935	13779	14341	14904	14341	14904	21090
2	N.A.	12007	9448	12373	13357	N.A.	13216	14060	14622	15044	14622	15044	21371
3	N.A.	12148	11248	12654	13779	N.A.	13779	14763	15185	15466	15185	15466	22496
4	N.A.	12148	11248	12654	13919	N.A.	13779	14763	15185	15466	15185	15466	22496
5	N.A.	12148	11248	12654	13919	N.A.	13779	14763	15185	15466	15185	15466	22496
7	N.A.	12570	11810	12795	14482	N.A.	14622	14904	15185	15466	15185	15466	22496
8	N.A.	12991	12232	13498	15044	N.A.	15325	15607	15888	16310	15888	16310	22777
9	N.A.	13273	12513	13779	15325	N.A.	15607	15747	16169	16310	16169	16310	22777
10	N.A.	13779	13216	14622	16028	N.A.	16591	16872	17294	17716	17294	17716	24464
11	N.A.	13779	13132	14622	15888	N.A.	16310	16731	17153	17716	17153	17716	23902
12	.....	.....	.....	.....	.....	HOLIDAY	.....	.....	.....	.....	.....	.....	.....
14	N.A.	14060	12935	14622	16169	N.A.	16169	16591	17153	17716	17153	17716	23340
15	N.A.	14060	13216	14622	16169	N.A.	16028	16450	17013	17575	17013	17575	23199
16	.....	.....	.....	.....	.....	MARKET CLOSED	.....	.....	.....	.....	.....	.....	.....
17	N.A.	14144	13076	14622	16169	N.A.	16028	16310	16872	17575	16872	17575	22918
18	N.A.	14144	13357	14904	16310	N.A.	16169	16591	17013	17716	17013	17716	23199
19	.....	.....	.....	.....	.....	MARKET CLOSED	.....	.....	.....	.....	.....	.....	.....
21	N.A.	14060	13357	14904	16310	N.A.	16028	16450	16872	17434	16872	17434	23199
22	N.A.	13863	13076	14904	16197	N.A.	15466	16113	16591	17153	16591	17153	23199
23	N.A.	13723	12935	14904	16056	N.A.	15185	15747	16310	16872	16310	16872	23199
24	N.A.	13498	12092	14622	15832	N.A.	14763	15466	16028	16591	16028	16591	22777
25	N.A.	13357	11529	14482	15550	N.A.	14482	15269	15747	16310	15747	16310	22777
26	.....	.....	.....	.....	.....	HOLIDAY	.....	.....	.....	.....	.....	.....	.....
28	N.A.	13638	11810	14904	16169	N.A.	15185	16310	16872	17434	16872	17434	23340
H	-	14144	13357	14904	16310	-	16591	16872	17294	17716	17294	17716	24464
L	-	11867	9448	12232	13076	-	12935	13779	14341	14904	14341	14904	21090
A	-	13263	12146	13969	15287	-	15072	15671	16134	16654	16134	16654	22876

H = Highest L = Lowest A = Average

SNIPPETS

Merchandise exports from the country reportedly zoomed 49.8 per cent to touch \$ 23.6 billion in February this year. This is said to be the fastest growth during the past 11 months. The cumulative exports during the 11-month period from April 2010 to February 2011 are reported to have reached \$ 208.2 billion, recording a growth of 31.4 per cent. While the target for this fiscal was fixed at \$ 200 billion which has already been crossed, the Government is stated to be hopeful of reaching \$ 235 billion during 2010-11. Among the items that showed comparatively slower growth is said to be readymade garments which recorded a growth of only 2 per cent to reach \$ 10 billion

during April-February period of 2010-11. In contrast of exports, imports are reported to have posted a lower growth of 21 per cent in February to touch \$ 31.7 billion.



India's industrial output is reported to be posting a subdued growth with the growth placed at 3.7 per cent in January. Although this was slightly higher than the growth of 2.53 per cent in December, it has been lower than expected. During the first ten months of 2010-11, the index of industrial production (IIP) is stated to have come down averaging only 8.3 per cent.



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) 2009-10 CROP						
					March 2011						
					12 th	14 th	15 th	16 th	17 th	18 th	
04.	ICS-103	23mm	Jayadhar	4.0-5	19	H	N.A.	N.A.	N.A.	N.A.	N.A.
2010-11 CROP											
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15		13947 (49600)	13807 (49100)	13751 (48900)	13751 (48900)	13751 (48900)
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15	O	14144 (50300)	14060 (50000)	14004 (49800)	14004 (49800)	14004 (49800)
03.	ICS-102	22mm	V-797	4.5-5.9	19		12513 (44500)	12373 (44000)	12513 (44500)	12513 (44500)	12513 (44500)
05.	ICS-104	24mm	Y-1	4.0-5.5	20	L	15185 (54000)	15185 (54000)	15185 (54000)	15185 (54000)	15185 (54000)
06.	ICS-202	25mm	J-34	3.5-4.9	23		16591 (59000)	16591 (59000)	16535 (58800)	16535 (58800)	16535 (58800)
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	I	N.A.	N.A.	N.A.	N.A.	N.A.
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24		15607 (55500)	15522 (55200)	15522 (55200)	15522 (55200)	15607 (55500)
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	D	16169 (57500)	16085 (57200)	16169 (57500)	16225 (57700)	16310 (58000)
10.	ICS-105	29mm	S-6	3.5-4.9	26		16647 (59200)	16591 (59000)	16591 (59000)	16647 (59200)	16731 (59500)
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	A	17153 (61000)	17069 (60700)	17069 (60700)	17069 (60700)	17069 (60700)
12.	ICS-106	33mm	MCU-5/	3.3-4.5	28		17800 (63300)	17716 (63000)	17716 (63000)	17716 (63000)	17716 (63000)
13.	ICS-107	35mm	DCH-32	2.8-3.6	31	Y	23340 (83000)	23340 (83000)	23340 (83000)	23340 (83000)	23340 (83000)

Note: Figures in bracket indicate prices in Rs./candy