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TUFS Attracts Rs.1,11,000-Cr. Investment in Three Years

The government has catalysed investments worth Rs.1,11,000 crore in the textile sector in the three years through 2011-12 by offering a subsidy of Rs.9,000 crore under the Technology Upgradation Fund Scheme (TUFS), a senior government official stated.

The government expects to attract investments worth Rs.1,51,000 crore through the scheme in the current Plan period. The Budget 2013-14 announced the continuation of the TUFS during the 12th Plan period through 2017 with a subsidy allocation of Rs. 11,952 crore.

The government mainly provides interest subsidy against loans to units, capital subsidy and limited cushion against exchange rate fluctuation for investing in new technology. The TUFS has leveraged investments of Rs.2,43,721 crore since April 1999, when it was introduced to make available funds to the textile industry for upgrading technology at existing units as well as to set up new units with state-of-the-art facilities so that its viability and competitiveness in the domestic as well as international markets would enhance.

Despite a cash crunch in the overall industry, the country's spinning capacity rose by 6.11 million spindles to 48.15 million spindles in the three years through 2011-12, partly due to the help provided under the scheme, it is said. Consequently, the employment in the spinning sector also increased to 9,44,000 in 2011-12 from 8,92,000 three year ago, the official added.

However, the government has been planning to tweak TUFS to shift focus from the spinning segment to the more labour-intensive processing, weaving and garments sectors, aimed at boosting inclusive growth.

Under the proposed structure, the allocation to the spinning sector through TUFS would be capped at

30 percent and for others, the sectoral caps are not required. This is because investments in sectors other than spinning have been meagre. The capital-intensive spinning sector traditionally accounts for around half the total committed investments under TUFS and grabs 50 percent of the government's subsidy allocation.

The proposal to shift focus to the weaving, processing and garments sector comes amid mounting concerns about the ability of these labour-intensive sectors, which mainly comprise small and medium-sized units, to compete on a global level, especially against top player China, due to the lack of a massive scale. Moreover, since these sectors employ millions, they are a crucial driver of inclusive growth and hence needs support.

(Source: Financial Express - 06.03.2013)

Merchandise Exports on a Recovery Path

Merchandise exports from the country are reported to be on a recovery path with shipments out of the country growing at their fastest pace in 12 months amid signs of improvement in Europe and USA. What is particularly encouraging is stated to be a comparatively healthier trade balance with the gap between exports and imports narrowing to around 15 billion US dollars (USD) in February from record levels of nearly 20 billion USD in recent months. According to provisional data recently released by the Department of Commerce, exports are claimed to have risen by 4.2 percent to 26.3 billion USD during February compared to 25.2 a year ago. During the period, imports are stated to have risen by 2.6 percent to 41.2 billion USD.

Africa Targets Three-fold Rise in Cotton Output by 2023

African cotton producers are targeting to boost their raw cotton output by three times from the existing 1.5 million tons to 5 million tons per annum over the next ten years, to better command the global cotton prices, Mohammed Iya, President of the African Cotton Association, said while addressing a conference in Lome, the capital city of Togo, a country in West Africa.

Until 1990s, West Africa contributed around 15 percent to global cotton exports, however, market crash during early 2000s caused several cotton producers in the region to shift to other crops.

Cotton production of Ivory Coast, which earlier contributed around 400,000 tons to the region's annual output, also halved as the 2002-03 civil war divided the country into two parts.

Despite all these adversities, with the firm determination of its farmers and revival in the industry, if the continent manages to achieve the set target, it would once again place Africa in a strong position to rule the price of its produce, Mr. Iya said.

The revival can be seen as Ivory Coast projects a yield of around 360,000 tons of raw cotton this season, with number of cotton producers going up from last season's 80,000 to 100,000 this season.

Meanwhile, surpassing last season's output of 445,314 tons, Mali has already harvested over 450,000 million tons of cotton by now this season.

Mr. Iya suggested that in order to sustain this revival trend, African nations would be required to boost its cotton cultivation acreage in the near term by persuading the governments to provide subsidy for fertilizers and to support agricultural research, to boost crop output.

He even suggested that African countries should consider using genetically modified (GM) seeds, which better suit the growing conditions in the continent.

Farmers in Burkina Faso have already started using GM seeds, while in Cameroon it is still in a testing phase, Mr. Iya said.

(Source: Fibre2Fashion - 25.03.2013)

Australian Cotton Output and Exports to Decline Next Fiscal

The production of cotton in Australia is likely to witness a decline for second successive season next fiscal year beginning July 1, 2013, the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) has stated.

According to ABARES, a government body, Australia's cotton production is likely to decline to 905,000 tons next fiscal year from 945,000 tons produced a year earlier.

The decrease in cotton output would lead to a dip in exports, which are likely to fall to 924,000 tons, compared to record exports of 1.1 million tons achieved a year earlier, ABARES reported.

According to the report, cotton is estimated to be sown on about 434,000 hectares in 2013-14.

In its recent statement, the International Cotton Advisory Committee (ICAC) has forecasted global cotton production to decline 14 percent year-on-year to 22 million tons, while

consumption would remain stable at 23 million tons in 2013-14.

(Source: Fibre2fashion News - 07.03.2013)

17 Gujarat Districts Declared Drought-hit

The Ministry of Agriculture has declared 17 districts in Gujarat as drought-affected among the 85 districts in the country during 2012-13 due to shortage of rain. Elsewhere in the country, 26 districts in Karnataka, 4 districts in Kerala, 16 in Maharashtra and 12 in Rajasthan have been declared as drought-hit.

The 17 districts of Gujarat are Vadodara, Bharuch, Anand, Kheda, Ahmedabad, Jamnagar, Amreli, Banashkantha, Bhavnagar, Gandhinagar, Junagadh, Kutchh, Mehsana, Patan, Porbandar, Rajkot and Surendranagar.

Cotton Revolution Without Bt

Growing genetically modified Bt cotton hybrids is not the only way to bag high yields. Other agronomic methods have now emerged for reaping copious harvests of this natural fibre, even in the wholly rain-dependent areas where cotton is largely cultivated in India. An outstanding new technology is the "high-density cotton planting system", evolved by Nagpur-based Central Institute for Cotton Research (CICR).

This new system, which involves sowing a relatively higher number of plants a hectare, has been found to almost double the yield of cotton, even in an area like Vidharba, Maharashtra, which is infamous for farmer suicides owing to frequent failures of unirrigated cotton crops. Normally, farmers sow 50,000 to 55,000 plants a hectare. This number is increased to 200,000 plants a hectare, or even more, under the new production system, by planting seeds at closer spacing.

A higher total count of cotton bolls in the field, as a result of larger plant population, leads to bulkier harvest. The relatively quicker maturing cotton varieties, which have dwarf and compact plants and do not compete with each other for sunlight and input uptake, are deemed ideal for such dense planting. Here, rainwater conservation could be of additional help. Vast stretches of rainfed cotton in Maharashtra, Madhya Pradesh and Andhra Pradesh, besides other states, which face production uncertainties owing to recurring moisture stress, can benefit from this technique.

CICR's cotton scientists maintain that the crop productivity is usually low in rain-reliant fields because of the post-monsoon moisture paucity, when the crop is normally in the boll-formation stage and needs water the most. The monsoon rains that normally begin in June usually cease by September, whereas the boll formation starts in October and peaks in November. The cotton bolls, therefore, fail to develop fully for want of water, especially in shallow soils with low water-

holding capacity, adversely hitting the final crop outturn. Obviously, cotton varieties with longer lifespan are the worst performers, since these suffer the most from moisture paucity at vital stages of crop growth. The shorter duration varieties, on the other hand, allow crops to complete their lifespan before the post-monsoon residual soil moisture dries up.

Several cotton varieties have already been identified by CICR through field trials - that are deemed suitable for dense planting - owing to the compact architecture of their plants. These include varieties like PKV081 (released way back in 1987 by the Akola agriculture university), NH615 (evolved recently by the farm varsity in Parbhani) and Suraj (developed by CICR in 2008).

Field experiments carried out in the last kharif, involving farmers at about 155 locations in Vidharba and the adjoining areas, produced encouraging results despite erratic monsoon rainfall and an outbreak of the cotton's most dreaded pest, boll worm, in some areas that had to be controlled by spraying pesticides. Cotton yields rose by at least 35 to 40 per cent at most of these sites. The overall average yield in the entire experimental area turned out to be between 15 and 18 quintals of seed cotton a hectare - almost double the normal productivity in Vidarbha district.

The highest output was noticed in Chandrapur, Amaravati and Nagpur. Significantly, farmers pocketed a net profit of between Rs 12,000 and Rs 90,000 a hectare, against the estimated cultivation cost of Rs 20,000 to Rs 25,000 a hectare.

The success of this technology has generated excitement among cotton growers, says CICR Director Dr. K R Kranthi. Some farmers have opted for trying out the concept of high-density cotton cultivation even for growing organic cotton.

Going by the enthusiasm of cotton scientists and the response of cotton growers, it seems the new technology has the potential to trigger another cotton revolution of the kind that was brought about by Bt cotton in the last decade. More importantly, this technology has the potential to prevent cotton farmers' distress owing to frequent crop losses in unirrigated areas. Of course, the new technology will need to be promoted by the state agriculture departments in collaboration with the research institutes.



(Source: Business Standard - 12.03.2013)

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) 2012-13 Crop March 2013					
Sr. No.	Growth Standard	Grade /GPT	Grade	Staple	Micronaire	Strength	18th	19th	20th	21st	22nd	23rd
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	15	10011 (35600)	10011 (35600)	10011 (35600)	9954 (35400)	9870 (35100)	9870 (35100)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0 – 7.0	15	10292 (36600)	10292 (36600)	10292 (36600)	10236 (36400)	10151 (36100)	10151 (36100)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	20	8239 (29300)	8211 (29200)	8183 (29100)	8127 (28900)	8070 (28700)	8070 (28700)
4	KAR	ICS-103	Fine	23mm	4.0 – 5.5	21	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
5	M/M	ICS-104	Fine	24mm	4.0 – 5.5	23	9758 (34700)	9758 (34700)	9814 (34900)	9954 (35400)	9898 (35200)	9842 (35000)
6	P/H/R	ICS-202	Fine	26mm	3.5 – 4.9	26	10629 (37800)	10657 (37900)	10686 (38000)	10629 (37800)	10601 (37700)	10489 (37300)
7	M/M/A	ICS-105	Fine	26mm	3.0 – 3.4	25	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
8	M/M/A	ICS-105	Fine	26mm	3.5 – 4.9	25	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
9	P/H/R	ICS-105	Fine	27mm	3.5 – 4.9	26	10770 (38300)	10826 (38500)	10826 (38500)	10770 (38300)	10742 (38200)	10601 (37700)
10	M/M/A	ICS-105	Fine	27mm	3.0 – 3.4	26	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
11	M/M/A	ICS-105	Fine	27mm	3.5 – 4.9	26	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
12	P/H/R	ICS-105	Fine	28mm	3.5 – 4.9	27	10826 (38500)	10882 (38700)	10939 (38900)	10854 (38600)	10826 (38500)	10686 (38000)
13	M/M/A	ICS-105	Fine	28mm	3.5 – 4.9	27	10742 (38200)	10742 (38200)	10770 (38300)	10770 (38300)	10686 (38000)	10629 (37800)
14	GUJ	ICS-105	Fine	28mm	3.5 – 4.9	27	10882 (38700)	10882 (38700)	10882 (38700)	10798 (38400)	10714 (38100)	10686 (38000)
15	M/M/A/K	ICS-105	Fine	29mm	3.5 – 4.9	28	10854 (38600)	10854 (38600)	10882 (38700)	10826 (38500)	10770 (38300)	10714 (38100)
16	GUJ	ICS-105	Fine	29mm	3.5 – 4.9	28	10967 (39000)	10967 (39000)	10967 (39000)	10882 (38700)	10798 (38400)	10770 (38300)
17	M/M/A/K	ICS-105	Fine	30mm	3.5 – 4.9	29	11023 (39200)	11023 (39200)	11051 (39300)	10995 (39100)	10911 (38800)	10826 (38500)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5 – 4.9	30	11248 (40000)	11248 (40000)	11276 (40100)	11220 (39900)	11164 (39700)	11107 (39500)
19	K/A/T/O	ICS-106	Fine	32mm	3.5 – 4.9	31	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.	N.Q.
20	M(P)/K/T	ICS-107	Fine	34mm	3.0 - 3.8	33	13498 (48000)	13498 (48000)	13498 (48000)	13498 (48000)	13498 (48000)	13357 (47500)

(Note: Figures in bracket indicate prices in Rs./Candy) N.Q. = Not Quoted