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Cotton Association of India

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Cotton Statistics And News

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Organic Cotton Production Grows 20% in 2009

- Organic Exchange Reports

Organic cotton weathered the global economic storm during the 2008/09 farming season, albeit with challenges, according to a new report by Organic Exchange (OE) documenting growth and challenges in the global organic fiber sector. Production grew an impressive 20 percent over 2007/08 to 175,113 metric tons (802,599 bales) grown on 625,000 acres (253,000 hectares). Organic cotton now represents 0.76 percent of global cotton production.

According to the fourth annual Organic Exchange Farm and Fiber Report 2009, organic cotton was grown in 22 countries worldwide with the Top Ten producer countries being led by India, and including (in order of rank) Turkey, Syria, Tanzania, China, United States, Uganda, Peru, Egypt and Burkina Faso. Approximately 220,000 farmers grew the fiber

Despite major market players sticking to their commitments to use organic cotton in their apparel and home textile products, there simply wasn't the market for products (organic or conventional) in general, given the global economic downturn.

In addition, a number of farmers had planted vast acreage of organic cotton on speculation and in response to what had appeared to be a healthy, burgeoning marketplace. As a result, unsold stocks which represent between 17 and 22 percent of production (some 30,000 to 35,000 tons (137,789 to 160,754 bales) of organic cotton has yet to find buyers.

The year 2008-09 was a year of challenges for the organic cotton sector, but also one that highlights the need to improve record keeping, forecasting, pricing, and communication systems and gain more firm commitments and contracts, noted the lead author of the report. While the 2008-09 season was very challenging for organic cotton farmers, the marketplace is recovering and there are indications that some of the surplus organic cotton is being utilized.

It has been reaffirming to see that leading brands and retailers have retained their commitments to use to organic and sustainable fibers so as to bring about changes in agriculture. In many cases, they are actually stepping up their commitment to organic cotton in order to utilize the stocks and keep organic land in production.

According to the Organic Exchange Organic Cotton Market Report 2009, global retail sales of organic cotton and home textile products topped 3.2 billion U.S. dollars in 2008.

Organic Exchange Farm and Fiber Report 2009 not only provides data on land under organic cotton, quantities, and yields of organic cotton produced, but also detailed analysis of the challenges and barriers to this successful industry, examples of how the sector is responding, and a special overview of three major production regions: India, Latin America and Africa. In addition, it provides an in-depth overview of the conventional cotton market.

Organic production is based on a system of farming that maintains and replenishes soil fertility without the use of toxic and persistent pesticides and fertilizers or genetically-modified seeds.

Asian Region Dominates the World Cotton Yarn Scene

Global output of cotton yarn has been on an uptrend for the last several years. It, however, received a setback in 2009 consequent on the world financial crisis and its severe impact on the textile industry. This setback proved to be temporary since yarn production is projected to bounce back in 2010 as the world economy started recovering gradually. The data in this regard for the last six years as published by the International Cotton Advisory Committee are reproduced below :

Year	Cotton Yarn Production ('000 tonnes)
2005	27,987
2006	30,931
2007	33,663
2008	34,059
2009	30,497
2010 (Est.)	31,090

As in the case of cotton production, Asia / Oceania region dominates the world cotton yarn production seen also, as may be evident from the region-wise data given below :

Region	Cotton Yarn Production ('000 tonnes)	
	2009	2010 (Est.)
Asia / Oceania	27,162	27,834
Americas	2,157	2,105
Europe	875	848
Africa	303	303
Total	**30,497**	**31,090**

It will be seen that as much as 89 per cent of the total global production of cotton yarn was concentrated in the Asia / Oceania region in 2009. The share is expected to be marginally higher at 89.5 per cent in 2010. In the Asia / Oceania region itself China is by far the largest producer of cotton yarn followed by India and Pakistan. The production in the leading countries during the last three years has been as under :

Country	Cotton Yarn Production ('000 tonnes)		
	2008	2009	2010 (Est.)
China	21,489	18,529	18,975
India	2,912	2,905	3,039
Pakistan	2,911	2,827	2,924
USA	797	678	663
Turkey	610	549	529
Brazil	528	505	505

It is noteworthy that as much as 61 per cent of world production of cotton yarn eminates from China. India's share is just about 9-10 per cent of the world total.

The international trade in cotton yarn has been steadily rising until 2007 but there was a decline in 2008. The leading country that exports cotton yarn is again China followed by India and Pakistan. Exports from the leading five cotton yarn exporting countries during the two years 2007 and 2008 were as under :

Country	Cotton Yarn Export (000 tonnes)	
	2007	2008
China	1272	1192
India	639	639
Pakistan	636	513
USA	361	384
Turkey	115	120
World Total	**3925**	**3490**

As may be seen, China takes a share of 32-34 per cent. China is also the leading importer of cotton yarn as may be seen from the following data :

Country	Cotton Yarn Import (000 tonnes)	
	2007	2008
China	1623	1408
Malaysia	572	41
Korea Rep.	195	-
Turkey	184	130
USA	73	58
World Total	**4667**	**3303**

Bt Cotton Vulnerable to Pink Bollworm in Parts of Gujarat - Report

According to a report, the private company that introduced Bt Cotton in the country has confirmed that it has been found to be susceptible to pink bollworm in the Saurashtra belt of Gujarat. During field monitoring of the 2009 crop, scientists of the company are said to have detected unusual survival of pink bollworm in Bollgard-I (Bt) cotton in four districts of Amreli, Bhavnagar, Junagadh and Rajkot. However, Bt cotton is stated to have been effectively controlling the other two bollworms. The resistance of pink and other bollworms to Bt cotton does not appear to have been noticed in any other State.

The seed company is quoted to have attributed the development of resistance by pink bollworm to Bt cotton to inadequate planting of non-Bt refuge rows as prescribed by Scientists and also planting of unauthorised Bt cottons by farmers. It is pertinent to mention here that there had been reports from some countries in the past that cultivation of Bt cotton over a number of years leads to the development of resistance in the pests. Once such resistance is developed, it may be very difficult to control such pernicious pests as bollworm.

Meanwhile, reports say that the seed company has commenced working on two new technologies viz. Bollgard III, the third generation of Bt cotton technology and Roundup Ready flex, a technology that imparts herbicide tolerance to cotton. Reports add that according to the company, this work would take several years before the new Bt cottons can be introduced for commercial cultivation.

China Sources a Major Share of its Cotton Import to India

According to published data, a major share of cotton imported by China has been from India during this cotton season which commenced from August 2009, overtaking USA in this regard. Out of the total quantity of 3.01 lakh tonnes of cotton imported by China in January 2010, as much as 1.72 lakh tonnes, or 57 percent of the total, is stated to have been from India. The import from the traditional supplier, USA, was only 51,000 tonnes, or less than one-third of the quantity imported from India.

Similarly, out of the total quantity of 9.61 lakh tonnes imported by China during the period from August 2009 to January 2010, 3.8 lakh tonnes or 39 percent of the total, were from India. USA was a distant second with its exports to China totalling 2.28 lakh tonnes or 24 percent of the total.

There were quite a few factors that helped India to step up its exports to different countries during the current season. Primarily, Indian cotton prices remained competitive and there was a sizable export surplus especially in the case of varieties that were preferred by foreign buyers.

Another factor was that world cotton production fell short of consumption this year firming up world cotton prices and driving large consuming countries to resort to imports. Also, production of cotton in major exporting countries like USA was lower this year reducing the exportable quantity.

An Open House Session with Clearing Agents was Organised by CAI

The Association organised an Open House session with Clearing Agents to discuss various issues in relation to export of Indian Cotton on 19th March 2010 at 2.30 p.m. in the Conference Room of the Association.

Shri Dhiren N. Sheth, President, CAI welcomed the guests and the members. During the discussion, the members exchanged views with the representatives of the Clearing Agents on several issues and procedural difficulties being faced by the cotton exporters viz. timely availability of containers, storage space for cotton at the Ports pending shipment, norms for proper handling and storage of cotton by Port authorities to protect the cargo against any fire hazard and other damage, etc.

Shri Sheth stated that such interactive sessions were very useful to identify the common problems being faced by the exporters and collectively take up such issues with the concerned authorities for resolving the same.

Shri Sheth then requested the representatives of Clearing Agents to become members of CAI which will enable them to avail of several benefits offered by the Association to its members. Shri Sheth also requested the Clearing Agents to avail the facility of Certificates of Origin being issued by the Association. He thanked the representatives of Clearing Agents and members for participating in the open house session.

SNIPPETS

It is reported that as a measure of combating inflation, the Reserve Bank of India (RBI) has raised key lending rates, making it costlier for banks to borrow. RBI is stated to have increased the repo rate from 4.75 percent to 5.00 percent and the revised repo rate from 3.25 percent to 3.50 percent.

According to the data compiled by the Cotton Corporation of India (CCI), the total quantity of cotton arrivals upto the third week of March has come to 250.55 lakh bales, marginally higher than the 249.75 lakh bales by the same period last year. In some of the States like Gujarat, Haryana, Rajasthan, Karnataka and Tamil Nadu arrivals this year has been higher but in most other States they were lower.

CAB to Meet on 06.04.2010

The third meeting of the Cotton Advisory Board for the cotton year 2009-10 is scheduled to be held on Tuesday, the 6th April 2010 at 3.00 p.m. in the Conference Hall of the Office of the Textile Commissioner, Mumbai under the Chairmanship of Shri A.B. Joshi, Textile Commissioner.

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) 2009-10 CROP March 2010					
						20th	22nd	23rd	24th	25th	26th
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15	20800	20800	20500	H	20400	20200
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15	21500	21500	21200	O	21000	20900
03.	ICS-102	22mm	V-797	4.5-5.9	19	20300	20700	20900		20700	20600
04.	ICS-103	23mm	Jayadhar	4.0-5	19	22000	22300	22300		22400	22400
05.	ICS-104	24mm	Y-1	4.0-5.5	20	24500	24700	24700	L	24700	24700
06.	ICS-202	25mm	J-34	3.5-4.9	23	6600	27000	27000		26900	26700
07.	ICS-105	25mm	NHH-44	3.5-4.9	22	N.A.	N.A.	N.A.		N.A.	N.A.
08.	ICS-105	27mm	LRA-5166	3.5-4.9	24	26000	26700	26700	I	26600	26600
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9	25	26800	27300	27200		27100	27000
10.	ICS-105	29mm	S-6	3.5-4.9	26	28000	28300	28300	D	28300	28300
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9	27	28000	28300	28300		28300	28300
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5	28	N.A.	N.A.	N.A.	A	N.A.	N.A.
13.	ICS-107	35mm	DCH-32	2.8-3.6	31	41500	41500	41500		41500	41500
14.	ICS-301	26mm	ICC	3.7-4.3	25	26300	27000	27000	Y	27000	27000