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CAI National Crop Committee and Stakeholders Meeting Held in Ludhiana on 14th June 2024

Cotton Association of India (CAI) convened an all-India meeting of its National Crop Committee with all stakeholders in Ludhiana on Friday 14th June 2024.

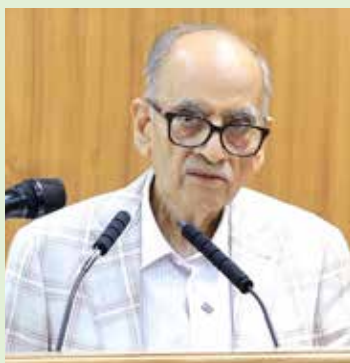
This meeting was attended by 70 members including CAI Crop Committee members, Presidents/Secretaries of all 11 upcountry State

Associations, Mill Members, MNCs, Exporters, Importers, Traders, Brokers and other prominent personalities from cotton and textile value chain in India.

Padma Bhushan Shri. S.P. Oswal, Chairman and Managing Director of Vardhman Group of Companies, shared his outlook on the future of



CAI President Shri. Atul S. Ganatra, CAI Vice President, Shri. Bhupindra Singh Rajpal and CAI Associate Vice President, Shri. Vinay Kotak felicitate Padma Bhushan Shri. S.P. Oswal, Chairman and Managing Director of Vardhman Group of Companies and Smt. Suchita Oswal Jain, M. D. Vardhman Group.



Indian Cotton and Textile Industry and gave his invaluable suggestions on how to overcome the challenges facing the industry. Among other vital suggestions, Shri. Oswalji also exhorted the need for regular sharing of cotton and textile related data and the necessity of Government intervention in making such regular submission of data compulsory for all stakeholders.



In his address, the CAI President Shri. Atul S. Ganatra highlighted the necessity of concerted efforts from all stakeholders in increasing cotton

yields of the country, which are amongst the lowest in the world, at least to the level of world average cotton yield. He also laid emphasis on adoption of new seed technology, modern agro techniques like drip irrigation and propagating the benefits of using pheromone traps by farmers for early detection of pink bollworm infestation for proper and effective crop protection.

After detailed deliberations and based on the pressing data of various states received from respective state Associations and feedback from all stakeholders, the Committee, by consensus, arrived at the total cotton pressings/crop estimate for the ongoing 2023-24 season at 317.70 lakh bales of 170 kgs. each. Further, based on the feedback from the stakeholders, the Committee drew cotton balance sheet for eight months i.e. upto 31st May 2024 and also for the entire season ending 30th September 2024. The cotton pressing estimates and cotton balance sheets with corresponding data for previous year are as follows:

CAI's Cotton Pressing Estimate for the Seasons 2023-24 and 2022-23

(in lakh bales of 170 kg.)

State	Indian Cotton pressing Estimate*				Pressed Cotton Bales as on 31st May 2024	
	2023-24		2022-23		2023-24	
	In running b/s of 162 Kgs. each	In lakh b/s of 170 Kgs. each	In running b/s of 162 Kgs. each	In lakh b/s of 170 Kgs. each	In running b/s of 162 Kgs. each	In lakh b/s of 170 Kgs. each
Punjab	3.94	3.75	2.89	2.75	3.83	3.65
Haryana	13.90	13.25	11.54	11.00	13.13	12.51
Upper Rajasthan	16.27	15.50	18.89	18.00	16.12	15.36
Lower Rajasthan	14.17	13.50	11.81	11.25	13.83	13.18
Total North Zone	48.27	46.00	45.12	43.00	46.91	44.70
Gujarat	92.35	88.00	99.07	94.41	85.04	81.04
Maharashtra	90.77	86.50	84.70	80.71	85.68	81.65
Madhya Pradesh	19.41	18.50	20.46	19.50	18.31	17.45
Total Central Zone	202.53	193.00	204.23	194.62	189.04	180.14
Telangana	36.73	35.00	32.01	30.50	35.77	34.09
Andhra Pradesh	13.12	12.50	17.21	16.40	11.86	11.30
Karnataka	20.99	20.00	23.61	22.50	20.46	19.50
Tamil Nadu	5.77	5.50	5.72	5.45	1.15	1.10
Total South Zone	76.60	73.00	78.55	74.85	69.25	65.99
Orissa	3.88	3.70	3.60	3.43	3.88	3.70
Others	2.10	2.00	3.15	3.00	2.10	2.00
Total	333.39	317.70	334.65	318.90	311.17	296.53

* Including loose

The Balance Sheet drawn by the Association for 2023-24 and 2022-23 is reproduced below:

(in lakh bales of 170 kg.)

Details	2023-24 (P)	2022-23 (P)
Opening Stock	28.90	24.00
Cotton Pressing	317.70	318.90
Imports	16.40	12.50
Total Supply	363.00	355.40
Non-MSME Consumption	201.00	280.00
MSME Consumption	100.00	15.00
Non-Textile Consumption	16.00	16.00
Total Domestic Demand	317.00	311.00
Available Surplus	46.00	44.40
Exports	26.00	15.50
Closing Stock	20.00	28.90

Balance Sheet of 8 months i.e. from 1.10.2023 to 31.05.2024 for the season 2023-24

Details	In lakh b/s of 170 kg.	In '000 Tons
Opening Stock as on 01.10.2023	28.90	491.30
Arrivals upto 31.05.2024	296.53	5041.01
Imports upto 31.05.2024	5.50	93.50
Total available	330.93	5625.81
Consumption	212.00	3604.00
Export Shipments upto 31.05.2024	23.00	391.00
Stock with Mills	47.00	799.00
Stock with CCI, Maha Fedn., MNCs, Ginners, Traders & Exporters	48.93	831.81
Total	330.93	5625.81

Break-Up of the Stock of 48.93 Lakh Bales with Other Than Mills is as Under:-

(in lakh b/s of 170 kgs. each)

CCI	25.21
MNCs / Ginners	23.32
MCX	0.40
T O T A L	48.93

Statement Of State-Wise Unsold Stock As On 31st May 2024

(in lakh b/s of 170 kgs. each)

State	MNC	Ginners	Total
Punjab	10000	15000	25000
Haryana	20000	50000	70000
Rajasthan	0	220000	220000
Gujarat	50000	550000	600000
Maharashtra	255000	700000	955000
Madhya Pradesh	0	200000	200000
Telangana	40000	72000	112000
Karnataka	25000	60000	85000
Andhra Pradesh	0	35000	35000
Odisha	0	30000	30000
Tamil Nadu	0	0	0
T O T A L	400000	1932000	2332000

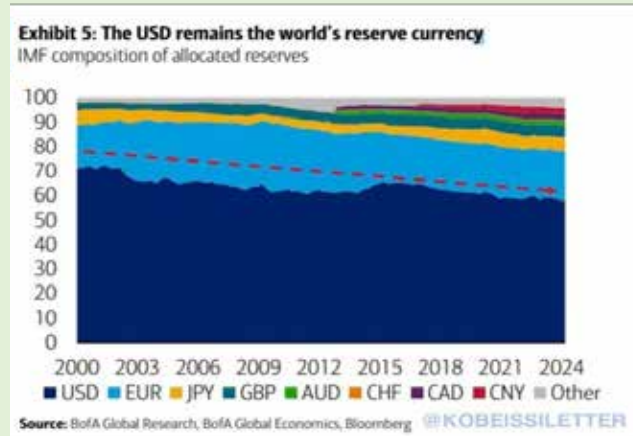
Glimpses of Cocktails and Dinner on 13th June 2024



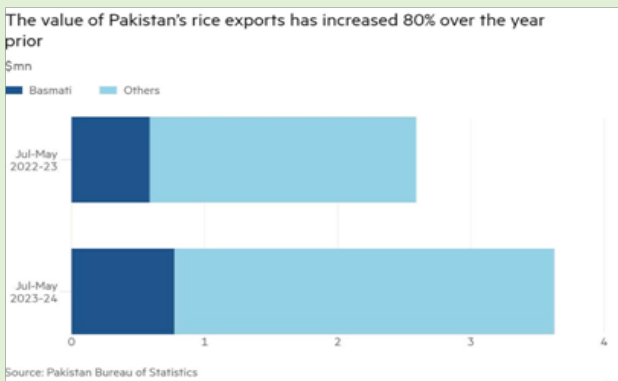
The Month That Was - Snippets for June 2024

The US Dollar’s Reserve Currency Status Remains

The US dollar share of the world’s central banks reserves fell slightly to 58.4% in Q4 2023 from 59.2% in Q3 2023, according to the IMF. By comparison, the US Dollar accounted to 71% of reserves globally in 2000. However, it is worth noting that the US Dollar remains the most dominant currency and it’s not even close. For example, the Chinese Yuan’s share was just 2.3% and the Euro’s share is ~20%.



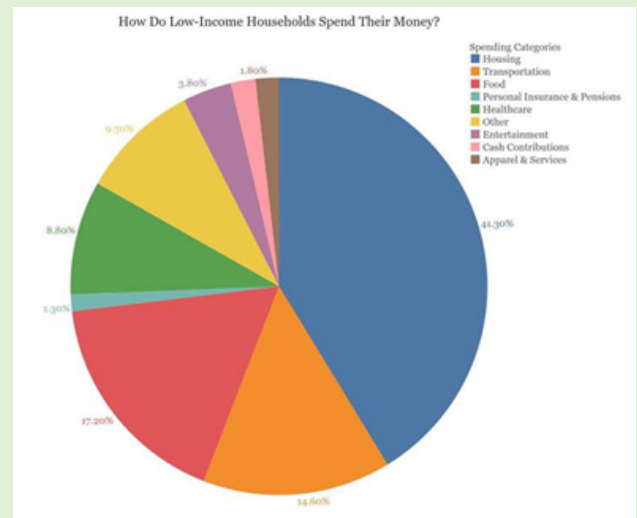
Pakistan Rice Exports Hit Record Following Indian Sales Ban



Pakistan is selling record amounts of rice to global markets as it profits from trade restrictions introduced last year by India, the world’s biggest exporter. Rice exports from Pakistan, the fourth-largest exporter, surged to almost 5.6mn tonnes in the 11 months to the end of May, up nearly 60 per cent on the same period a year earlier, according to official statistics. The value of Pakistan’s rice exports rose to \$3.6bn over the period, up from \$2bn in July to May 2022-23. Its previous record was 4.8mn metric tonnes of rice exports, valued at about \$2.5bn in 2021-22.

The boom follows India’s decision to impose export restrictions on certain types of rice last year, in an effort to curb rising domestic prices ahead of parliamentary elections after a volatile monsoon disrupted production and spurred fears of a supply shortage.

How Do Low-Income Households Spend Their Money

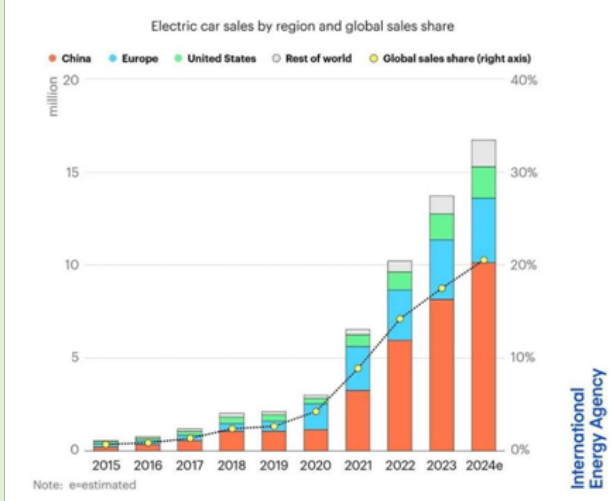


The Bureau of Labor Statistics does a Consumer Expenditure Survey. Their latest (December 2023) finds that low-income families spend 73% of their income on housing, transportation, and food. (Overall, it is about 45% for all consumers).

Yet, if these categories are excluded, the Core CPI ex Shelter measure below, we are supposed to believe that inflation is moderating. Further, look at the chart in the retweet; it is not moderating; it stopped declining a year ago.

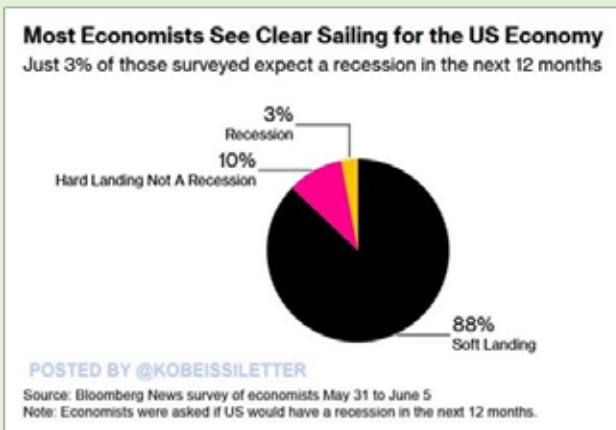
So, let’s restate this: after you are done paying for higher food, transportation, and housing costs, good news! Everything else is still rising above the Fed’s inflation target.

Global Electric Car Sales Expected to Reach 17 Million



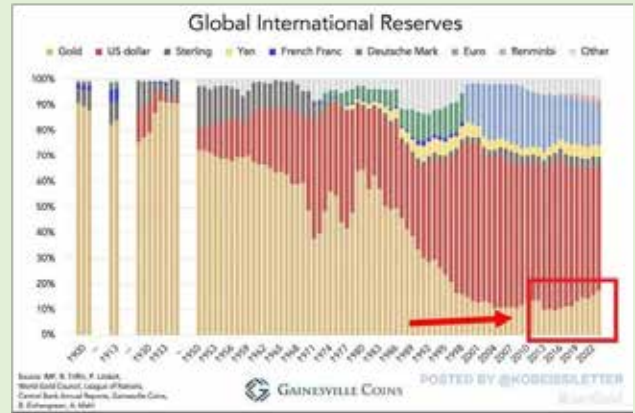
EVs are expected to make up 20% of new car sales worldwide in 2024. In 2018, that number was 2%. In China, NEVs (which include PHEVs) already make up more than 40% of total car sales. China was around 60% of global EV sales in 2023. China, Europe, US combined made up 95%.

Clear Sailing for US Economy



Almost 88% of economists believe the US economy is heading for a soft landing in the next 12 months. Only 1 economist out of 43 surveyed by Bloomberg expects a recession in the US. By comparison, 10% of polled economists expect a hard landing but not a downturn. This comes as the Fed has been projecting a soft landing since July 2023. Meanwhile, 56% of Americans currently believe the economy is in a recession.

Global International Reserves of Gold



Gold's share of global international reserves jumps to 17.6% in 2023, the most in 27 years. This share has almost doubled since 2016 as central banks have ramped up purchases.

Gold is also now the 2nd largest asset held in global central banks' reserves, exceeding the Euro for the 1st time ever. The number one is still the US dollar, but its 48% world share is down from ~60% in 2017. Meanwhile, central banks' net gold purchases saw a new record in Q1 2024 of 290 tonnes. World central banks are piling into gold.

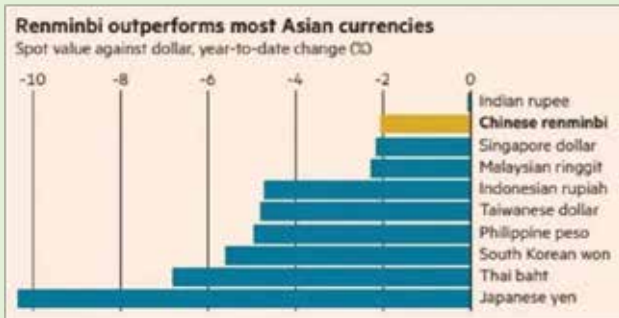
The Global Debt Crisis



Total world governments' debt hit a whopping \$315 trillion in Q1 2024, a new all-time high. In Q1 alone, total global debt increased by \$1.3 trillion.

At the same time, emerging markets debt hit \$105 trillion, rising by ~\$50 trillion in just a decade with the biggest increase in China. Across developed markets, the US and Japan have added the most debt. Currently, the global debt-to-GDP ratio has surged to 333%, just below a record high of 362% in 2021. Debt is becoming the global "solution."

Pressure Mounts on Beijing to allow Renminbi to Weaken



Courtesy: (Peter Schiff)

Investors push central bank for depreciation to reflect gap in bond yields with the US Market pressure is growing on the People’s Bank of China (PBoC) to allow the renminbi to weaken due to a significant interest rate gap between China and the US, leading to increased selling of the Chinese currency.

Traders expect a potential one-off devaluation similar to 2015, which caused financial turmoil and capital outflows. President Xi Jinping’s preference for a strong currency and the risk of exacerbating tensions with the US complicate the decision.

The renminbi’s 2% decline against the US dollar contrasts with sharper declines in other Asian currencies, such as the Japanese yen and South Korean won. This reflects high US interest rates and competitive pressures among trade rivals.

The Chicago PMI “unexpectedly” crashed to 35.4 in May, its lowest level in four years, when the economy was crippled by Covid lockdowns. This not only indicates the U.S. economy is already in recession, but stagflation, as all indicators point to a reacceleration of inflation.

What’s Happening with The Labour Market?

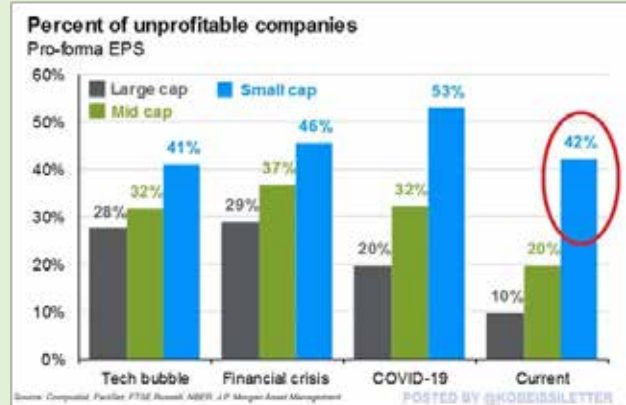


The difference between full-time and part-time job growth has been deeply negative for the last 6 months. Over the last 50 years, such a divergence has only occurred in recessions.

In May 2024 alone, full-time vacancies contracted by 1.16 million year-over-year while part-time jobs grew by 1.51 million. Additionally, 1 MILLION Americans have become unemployed in the past 6 months, according to the BLS household survey.

Meanwhile, the unemployment rate jumped to 4.0%, from 3.4% in April 2023, the largest increase since the 2020 pandemic. Is the US job market slowing down?

Small-Caps Companies Are Struggling



Almost 42% of US small-cap companies are unprofitable, the most since the 2020 pandemic when 53% of small caps were losing money. At the same time, only 10% of the S&P 500 firms and 20% of mid-caps are unprofitable.

By comparison, during the 2008 Financial crisis, 46% of small-cap companies were unprofitable compared to 29% of the S&P 500.

This helps explain why the Russell 2000 index has not reached a new all-time high for 647 days straight, the longest streak since 2011. The index is now trading ~21% below its peak as elevated interest rates have weighed small caps.

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) 2023-24 Crop June 2024					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	17th	18th	19th	20th	21st	22nd
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	12738 (45300)	12738 (45300)	12738 (45300)	12766 (45400)	12795 (45500)	12795 (45500)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 – 7.0	4.5%	15	12907 (45900)	12907 (45900)	12907 (45900)	12935 (46000)	12963 (46100)	12963 (46100)
3	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	10714 (38100)	10714 (38100)	10686 (38000)	10742 (38200)	10798 (38400)	10798 (38400)
4	KAR	ICS-103	Fine	22mm	4.5 – 6.0	6%	21	12260 (43600)	12260 (43600)	12260 (43600)	12317 (43800)	12373 (44000)	12373 (44000)
5	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	14257 (50700)	14257 (50700)	14257 (50700)	14341 (51000)	14426 (51300)	14426 (51300)
6	P/H/R (U) (SG)	ICS-202	Fine	27mm	3.5 – 4.9	4.5%	26	14932 (53100)	14904 (53000)	14904 (53000)	14932 (53100)	14988 (53300)	14988 (53300)
7	M/M(P)/ SA/TL	ICS-105	Fine	26mm	3.0 – 3.4	4%	25	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	15100 (53700)	15044 (53500)	15044 (53500)	15072 (53600)	15129 (53800)	15129 (53800)
9	M/M(P)/ SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	14257 (50700)	14229 (50600)	14229 (50600)	14285 (50800)	14341 (51000)	14341 (51000)
10	M/M(P)/ SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	15044 (53500)	15016 (53400)	15044 (53500)	15100 (53700)	15185 (54000)	15185 (54000)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	15353 (54600)	15297 (54400)	15297 (54400)	15325 (54500)	15325 (54500)	15297 (54400)
12	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	15494 (55100)	15494 (55100)	15550 (55300)	15607 (55500)	15691 (55800)	15691 (55800)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.5	3.5%	27	15550 (55300)	15550 (55300)	15607 (55500)	15663 (55700)	15747 (56000)	15747 (56000)
14	GUJ	ICS-105	Fine	28mm	3.7 – 4.5	3%	27	15382 (54700)	15353 (54600)	15382 (54700)	15466 (55000)	15607 (55500)	15607 (55500)
15	R(L)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	15832 (56300)	15803 (56200)	15803 (56200)	15860 (56400)	15916 (56600)	15860 (56400)
16	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.5	3.5%	28	15832 (56300)	15832 (56300)	15888 (56500)	15944 (56700)	16028 (57000)	16028 (57000)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	15916 (56600)	15916 (56600)	15972 (56800)	16028 (57000)	16113 (57300)	16113 (57300)
18	GUJ	ICS-105	Fine	29mm	3.7 – 4.5	3%	28	15663 (55700)	15635 (55600)	15663 (55700)	15747 (56000)	15916 (56600)	15888 (56500)
19	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	16113 (57300)	16056 (57100)	16085 (57200)	16141 (57400)	16225 (57700)	16225 (57700)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.5	3%	29	16141 (57400)	16085 (57200)	16113 (57300)	16169 (57500)	16253 (57800)	16253 (57800)
21	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	16394 (58300)	16338 (58100)	16338 (58100)	16338 (58100)	16450 (58500)	16450 (58500)
22	SA/TL/ K / TN/O	ICS-105	Fine	31mm	3.7 – 4.5	3%	30	16422 (58400)	16366 (58200)	16366 (58200)	16366 (58200)	16478 (58600)	16478 (58600)
23	SA/TL/K/ TN/O	ICS-106	Fine	32mm	3.5 – 4.2	3%	31	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)	N.A. (N.A.)
24	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	22777 (81000)	22777 (81000)	22777 (81000)	22777 (81000)	22777 (81000)	22777 (81000)
25	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	23621 (84000)	23621 (84000)	23621 (84000)	23621 (84000)	23621 (84000)	23621 (84000)
26	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	23199 (82500)	23199 (82500)	23199 (82500)	23199 (82500)	23199 (82500)	23199 (82500)
27	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	24183 (86000)	24183 (86000)	24183 (86000)	24183 (86000)	24183 (86000)	24183 (86000)

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