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# Cotton Statistics And News

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## **CAI Conducted an Orientation Session for Management Students for Summer Internship Projects**

The CAI Cotton Promotion Committee organized an Orientation Session on 4th March 2010 in the Conference Room of the Association for a batch of 30 students from different business/communication management institutes including SIMSREE – Sydenham Institute of Management Studies, Research and Entrepreneurship Education, Sophia's and AICAR, with an objective to create an awareness about CAI's role and activities and gain support for CAI's Cotton Promotion Initiative by taking up Summer Internship Projects related to the same.

The session included brief introduction to Cotton which focused on the importance of cotton at the macro economic level as well as the consumer benefit level, followed by a presentation about CAI and the Cotton Promotion Vision and plans offered as Summer Internship Projects.



*Smt. Daphne Nair, Cotton Promotion Programme Manager, CAI making presentation to the students*

On behalf of the Committee, Shri Alok Sekhsaria welcomed the students. He was joined by Smt. Rajeshwari D. Sheth who interacted with the students and briefed them about the initiatives being undertaken by CAI and urged them to

support and join forces with CAI to promote cotton in the Country.



*Shri Alok Sekhsaria addressing the students*

The students were taken around CAI's Cotton Testing and Research Laboratory and were briefed about the infrastructure facilities available at the Laboratory. The students were also taken around Grade Standard Room maintained by CAI and the importance of grading system was explained to them.



*A session in progress*

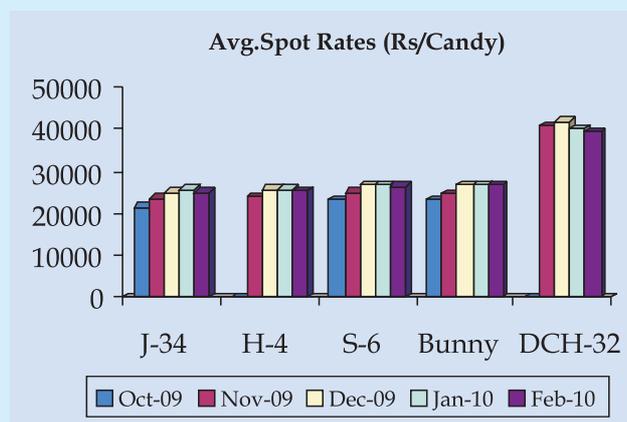
The session was well received by the students and they reacted with great enthusiasm to join CAI in the endeavour, resulting in 25 applications being received at the end of the Orientation, for the Summer Internship Projects offered.

## Cotton Prices Move Down in February

Prices in the domestic cotton market came down significantly during February. The signs of an easy trend, after a steady rise during November and December, were visible during January itself when prices of long and extralong staple cottons eased to some extent. This downtrend became stronger in February as may be evident from the monthly price data presented in the following table.

Avg. Spot Rate (Rs/Candy)					
Month	J-34	H-4	S-6	Bunny	DCH-32
Oct.'09	21,500 (22,500)	- (23,100)	23,300 (23,300)	23,200 (24,500)	- (31,900)
Nov.'09	23,500 (20,400)	23,800 (21,900)	25,000 (22,200)	24,500 (23,000)	41,000 (30,600)
Dec.'09	24,900 (20,400)	25,700 (21,600)	26,800 (21,800)	26,800 (22,300)	42,000 (29,000)
Jan.'10	25,600 (21,000)	25,600 (21,000)	26,700 (21,500)	26,800 (21,600)	40,300 (28,200)
Feb.'10	24,900 (20,100)	25,400 (20,100)	26,500 (20,600)	26,600 (20,900)	39,700 (26,800)

Note : Figures in brackets indicate last year's prices



The decline was the highest at Rs. 700 per candy in the case of the medium staple cotton, J-34, followed by a fall of Rs. 600 per candy in the case of the extralong staple cotton, DCH-32. In the case of the long staple cottons, H-4, S-6 and Bunny, the decline was a uniform Rs. 200 per candy.

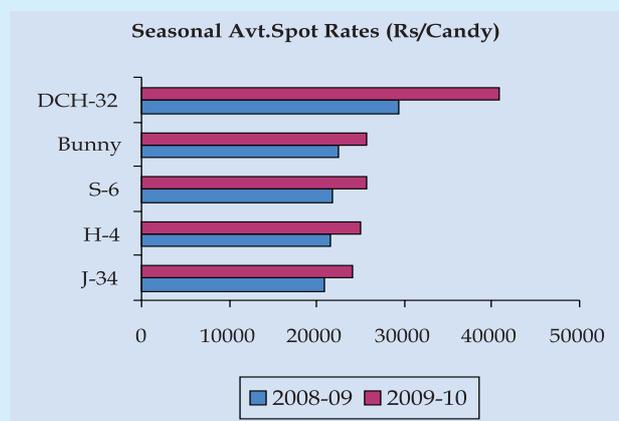
The obvious reason for the easy trend in the prices of all varieties is the rise in supply against a lull in demand. Arrivals are stated to have reached 212 lakh bales already, almost near the

last year's arrivals of 218 lakh bales by the same period. There is a consensus that the current year's crop would be in the vicinity of 300 lakh bales. This is on top of a carry over stock estimated at 71.5 lakh bales.

Thus, the supply is abundant. As against this, there is a lull in demand both from mills and exporters. Earlier, there was a sudden rise in cotton prices following a spurt in demand both from mills and exporters. While the mill demand has come down since most of the units have apparently covered for the short to medium terms, demand from exporters is also not very strong as the shipments have fallen short of the earlier expectation. However, there is a possibility of the demand from both mills and exporters picking up in the near future. It has to be seen how prices will react to this likely change in the situation.

Prices of all varieties during the current season have continued to remain significantly higher than last year as may be seen from the following data :-

Seasonal (Oct-Feb) Avg. Spot Rate (Rs/Candy)			
Variety	2008-09	2009-10	Difference
J-34	20,900	24,100	3,200
H-4	21,500	25,100	3,600
S-6	21,900	25,700	3,800
Bunny	22,500	25,600	3,100
DCH-32	29,300	40,800	11,500



The increase this year has ranged from Rs. 3,100 to Rs. 3,800 per candy in the case of medium and long staple cottons and it was a whopping Rs. 11,500 per candy in the case of the extralong staple cotton, DCH-32.

## UPCOUNTRY SPOT RATES

		2009-10 Crop												(Rs. \ Candy)		
2008-09 Crop		BD(RG) A.	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	ICC		
Feb 2010	Jayadhar	ICS-101	ICS-201	ICS-102	ICS-104	ICS-202	ICS-105	ICS-105	ICS-105	ICS-105	ICS-105	ICS-106	ICS-107	ICS-301		
19	4.0-5.5	22 mm	22 mm	22 mm	24 mm	25 mm	25 mm	27 mm	28 mm	29 mm	31 mm	33 mm	35 mm	26 mm		
1	22000	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	3.3-4.5	2.8-3.6	3.7-4.3		
2	21800	15	15	19	20	23	22	24	25	26	27	28	31	25		
3	21800	22500	23300	19100	23700	25000	N.A.	25000	25100	26000	26300	27200	40000	25100		
4	21800	22300	23100	18900	23500	24800	N.A.	24600	24900	26000	26100	27000	39500	25100		
5	21800	22300	23100	18900	23500	24800	N.A.	24600	24900	26000	26100	27000	39500	25100		
6	21800	22200	23000	18900	23500	24700	N.A.	24600	24900	26000	26100	27000	39500	25100		
8	21800	22200	23000	18900	23500	24700	N.A.	24600	24900	26000	26100	27000	39500	25100		
9	21800	22200	23000	18900	23500	24700	N.A.	24600	24900	26000	26100	27000	39500	25100		
10	21800	22200	23000	19200	23700	24900	N.A.	24900	25100	26200	26500	27000*	39500	25300		
11	21800	22200	23000	19200	23700	24900	N.A.	24900	25100	26200	26500	27000*	39500	25300		
12	....	....	....	....	....	....	HOLIDAY	....	....	....	....	....	....	....		
13	....	....	....	....	....	....	HOLIDAY	....	....	....	....	....	....	....		
15	21800	22200	23000	19200	23700	24900	N.A.	24900	25400	26400	26700	27000*	39500	25300		
16	21800	22200	23000	19200	23700	24900	N.A.	24900	25400	26400	26700	27000*	39500	25300		
17	21800	22200	23000	19200	23700	24900	N.A.	24900	25400	26400	26700	27000*	39500	25300		
18	21800	22400	23200	20000	23700	24900	N.A.	24900	25600	26600	26900	27000*	39500	25300		
19	21800	22100	22900	20000	23700	24900	N.A.	25100	25800	26700	27000	27000*	39800	25400		
20	21800	22100	22900	20000	23700	24900	N.A.	25100	25800	26700	27000	27000*	39800	25400		
22	21800	22100	22900	20000	23900	24900	N.A.	25300	26000	26900	27200	27000*	39800	25400		
23	22000	22300	23100	20200	24100	25100	N.A.	25700	26400	27400	27200	27400	39800	25400		
24	22000	21800	22600	20000	24100	25300	N.A.	25700	26400	27400	27200	27600	40000	25400		
25	22000	21200	22000	19800	24000	25300	N.A.	25500	26100	27100	27100	27600	40000	25400		
26	22000	21200	22000	20000	24000	25300	N.A.	25500	26100	27100	27100	27600	40000	25400		
27	....	....	....	....	....	....	HOLIDAY	....	....	....	....	....	....	....		
H	22000	22500	23300	20200	24100	25300	-	25700	26400	27400	27200	27600	40000	25400		
L	21800	21200	22000	18900	23500	24700	-	24600	24900	26000	26100	27000	39500	25100		
A	21900	22100	22900	19400	23700	24900	-	25000	25400	26500	26600	27100	39700	25300		

H = Highest L = Lowest A = Average

## Cotton Exports Cross 41 Lakh Bales by February

Exports of raw cotton from the Country touched 41.31 lakh bales by the end of February 2010, surpassing the total exports in 2008-09. The exports during the corresponding five month-period of 2008-09 were only 11.67 lakh bales while the total shipments during the whole season came to 35.14 lakh bales only. The relevant month-wise data for the two seasons, as available from the office of the Textile Commissioner, are given below :

Month	2008-09		(In lakh bales) 2009-10	
	Regn.	Shipped	Regn.	Shipped
October	1.77	0.29	7.53	5.49
November	3.03	3.30	19.98	11.65
December	1.57	1.90	8.35	15.09
January	2.60	2.60	10.12	7.55
February	4.27	3.58	13.21	1.53
Total	13.24	11.67	59.19	41.31

As may be noticed, both registrations and actual shipments have been much higher this year as compared to last year. Both high domestic prices as well as lower overseas demand had brought down shipments last year with exports totalling to 35 lakh bales only as against 88.5 lakh bales in 2007-08. This year the situation is different. With the firmness in world cotton prices, domestic prices are now competitive with world prices while the improvement in the world textile industry which is recovering from the impact of the global economic crisis, there is increased demand from abroad for Indian cotton. The Cotton Advisory Board has projected this year's exports at 55 lakh bales. Looking to the trend so far, it is likely that exports may even exceed the projected 55 lakh bales although there had been a sharp decline in exports during January and February 2010 compared to those in December 2009.

### 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					
					6th	8th	9th	10th	11th	12th
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0 15	21200	21200	21200	21400	21000	21000
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0 15	22000	22000	22000	22000	22000	22000
03.	ICS-102	22mm	V-797	4.5-5.9 19	19900	19900	19900	19900	19800	19700
04.	ICS-103	23mm	Jayadhar	4.0-5 19	N.A.	21900	21900	21900	21800	21800
05.	ICS-104	24mm	Y-1	4.0-5.5 20	24500	24500	24500	24500	24400	24400
06.	ICS-202	25mm	J-34	3.5-4.9 23	25500	25700	25700	25700	25700	25700
07.	ICS-105	25mm	NHH-44	3.5-4.9 22	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
08.	ICS-105	27mm	LRA-5166	3.5-4.9 24	26000	26100	26100	26100	26000	25900
09.	ICS-105	28mm	H-4/ MECH-1	3.5-4.9 25	26400	26400	26400	26400	26300	26200
10.	ICS-105	29mm	S-6	3.5-4.9 26	27700	27700	27700	27700	27500	27500
11.	ICS-105	31mm	Bunny/ Brahma	3.5-4.9 27	27800	27800	27800	27800	27700	27700
12.	ICS-106	33mm	MCU-5/ Surabhi	3.3-4.5 28	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
13.	ICS-107	35mm	DCH-32	2.8-3.6 31	42000	43000	43000	43000	42000	41500
14.	ICS-301	26mm	ICC	3.7-4.3 25	26200	26200	26200	26200	26100	26100