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Cotton Association of India

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Cotton Statistics And News

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Global Cotton Output May See 12 p.c. Rise in 2010-11 - ICAC

During the current season, world cotton production registered a six per cent drop from the previous year's 23.42 million tonnes (mt) to an estimated 22.04 mt. According to the International Cotton Advisory Committee (ICAC), world production is set to bounce back in 2010-11 and post a 12 per cent increase over this year to touch 24.74 mt.

Most of the increase in production is likely to be due to a 12 per cent expansion in area, supplemented by a 4 per cent increase in productivity. After three consecutive years of decline, world cotton area is projected to post an 8 per cent increase in 2010-11 to touch 32.6 million hectares, compared to 30.31 million hectares this year. The increase is to be driven mainly by an increase in cotton prices alongwith a loss of competitiveness of alternative crops this year. Improved planting conditions in some areas may also be helpful in the expansion of area. Maximum increase of 15 per cent in area which may touch 4.3 million hectares is expected in US where the harvested area is forecast 24 per cent higher at 3.9 million hectares. Moderate increases in area are also forecast in the other leading countries of China, India and Pakistan.

Assuming average weather conditions, the ICAC has forecast the world average yield to go up by 4 per cent to 759 kg per hectare, close to the five year average. With the sizable expansion in area and a slight increase in productivity, world cotton output is forecast at 24.7 mt, a 12 per cent growth from this year's 22.04 mt. The maximum increase of close to one million tonnes is expected in US and by around 400,000 tonnes each in India and China. Increases of higher than 100,000 tonnes are forecast for Pakistan, Brazil, Uzbekistan, Turkey and Australia.

Government Suspends Export Registrations of Raw Cotton

The Government of India has decided to suspend registration of Export Contracts of Raw Cotton (Lint), Cotton Waste (including yarn waste and garnetted stock) and Cotton carded or combed with effect from 19th April 2010 till further orders.

As per the Press Note issued by the office of the Textile Commissioner in this regard, suspension of registration of export contracts will extend to the applications for registration in pipeline in the office of the Textile Commissioner, Mumbai for which Export Authorisation Registration Certificates (EARCs) have not been issued.

Further, as stated in the Press Note, EARCs issued prior to the closing hours of 19th April 2010 and having valid shipment period with unshipped quantity will also be required to be revalidated by the exporters with the office of the Textile Commissioner.

In its another Press Note the office of the Textile Commissioner advised all the exporters who have shipped the goods till 19th April 2010 against EARCs issued to them, to submit pending proof of shipment within 10days i.e. on or before 30th April 2010.

Upon receipt of the above pending shipment documents, the office of the Textile Commissioner will commence the work of revalidating the EARCs and distribution of exportable quantity on pro-rata basis within the next 7 days.

According to the ICAC, world cotton mill use is expected to continue to recover in 2010-11, growing by 2 per cent to reach 24.6 mt, driven by continued improvement in global economic growth, but limited by high cotton prices. Marginal increases in cotton consumption are forecast for China, India and Pakistan while US consumption may be a trifle lower.

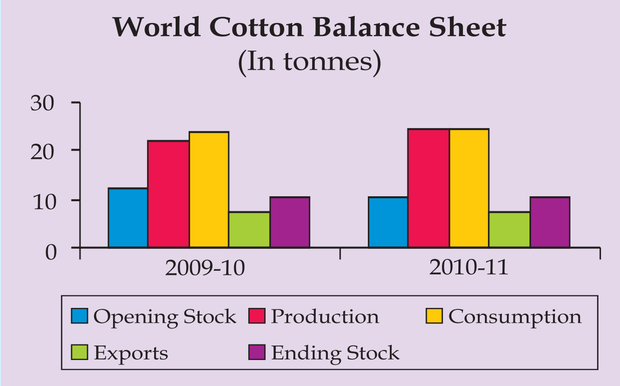
A slight increase is forecast in the case of world cotton trade during 2010-11 to 7.6 mt compared to 7.4 mt this year. It is stated that Chinese imports may show a significant increase of 21 per cent to 2.4 mt, driven by expanding mill use. However, imports by Turkey, Pakistan and Mexico may witness a decline consequent to a higher domestic production. While this year there was a fall in exports by US, they are expected to be up by 6 per cent to 2.8 mt in 2010-11, as a result of higher production. As for exports from India, ICAC visualises a decrease to 1.2 mt.

After dropping by 16 per cent in 2009-10, global cotton ending stocks are expected to increase by 2 per cent to 10.5 mt in 2010-11. Based on the expected decline in the stocks-to-use ratio in the World-less-China, and the average Cotlook A Index during the first two-thirds of the season, the ICAC has forecast the season-average Cotlook A Index in 2009-10 at 75 US Cents (USC) per pound, up 23 per cent from last season and the highest season-average Index since 1996-97. On the basis of this price forecast, the ICAC Price Model has forecast the season-average Index in 2010-11 at 82 USC per pound, the confidence limit extending from 70 to 96 USC per pound. However, exercising caution since all commodity markets are subject to great uncertainty and as the forecast bears substantial downside risks, ICAC is stated to believe that the 2010-11 season-average Cotlook A Index is more likely to range between 70 and 82 USC per pound.

World Cotton Balance Sheet

(In tonnes)

	2009-10	2010-11
Opening Stock	12.37	10.33
Production	22.04	24.74
Total Supply	**34.41**	**35.07**
Consumption	24.08	24.57
Exports	7.39	7.58
Ending Stock	**10.33**	**10.50**

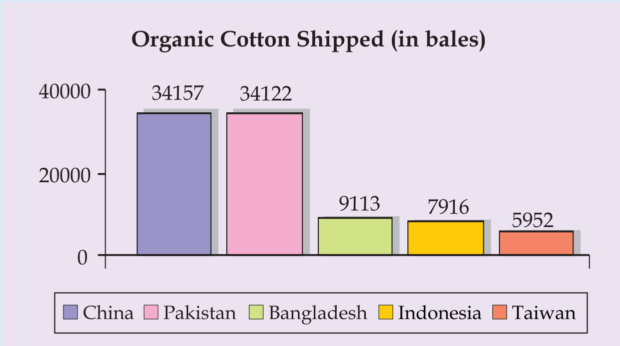


Over One Lakh Bales of Organic Cotton Exported in 2008-09

According to the data available, over one lakh bales of organic cotton were exported from India during 2008-09 when the total cotton exports from the Country amounted to 35 lakh bales. There were 17 Countries which imported organic cotton from India of which China was the leading one followed by Pakistan. The data on the quantity exported to the five leading Countries in 2008-09 are given below :-

Country	Organic Cotton Shipped (bales)	% Share to total
China	34,157	34
Pakistan	34,122	34
Bangladesh	9,113	9
Indonesia	7,916	8
Taiwan	5,952	6
Total Shipment	1,01,455	-

Presently, there are 22 Countries in the world which grow organic cotton on a large scale of which is the leading one is India followed by Turkey. The other major producers include Syria, Tanzania, China, U.S. and Uganda. Organic cotton production, according to Organic Exchange, increased by 20 per cent during 2008-09 over the previous year to touch 8.03 lakh bales. This forms about 0.8 per cent of the total world cotton production.



SUPPLY AND DISTRIBUTION OF COTTON

April 01, 2010

Years Beginning August 1				Million Metric Tons		
	2005/06	**2006/07**	**2007/08**	**2008/09Est**	**2009/10Proj.**	**2010/11Proj.**
BEGINNING STOCKS						
WORLD TOTAL	***11.607***	***12.292***	***12.635***	***12.063***	12.37	10.33
China(Mainland)	2.622	3.991	3.653	3.321	3.85	3.18
USA	1.196	1.321	2.064	2.187	***1.38***	***0.68***
PRODUCTION						
WORLD TOTAL	***25.676***	***26.791***	***26.049***	***23.416***	***22.04***	***24.74***
China (Mainland)	6.616	7.975	8.071	8.025	6.80	7.19
India	4.097	4.760	5.219	4.930	5.10	5.52
USA	5.201	4.700	4.182	2.790	2.65	3.62
Pakistan	2.194	2.147	1.894	1.960	2.13	2.23
Brazil	1.038	1.524	1.602	1.214	1.24	1.36
Uzbekistan	1.210	1.171	1.206	1.000	0.90	1.06
Others	5.320	4.514	3.875	3.497	3.22	3.77
CONSUMPTION						
WORLD TOTAL	***24.995***	***26.450***	***26.501***	***23.251***	***24.08***	***24.57***
China (Mainland)	9.439	10.600	10.900	9.000	9.45	9.64
India	3.655	3.908	4.050	3.863	4.15	4.36
Pakistan	2.532	2.633	2.637	2.400	2.47	2.55
East Asia & Australia	1.884	1.869	1.843	1.690	1.72	1.75
Europe & Turkey	2.117	2.087	1.751	1.433	1.42	1.41
Brazil	0.973	0.992	1.007	0.974	0.97	1.00
USA	1.278	1.074	0.999	0.781	0.74	0.70
CIS	0.633	0.682	0.664	0.602	0.59	0.58
Others	2.483	2.605	2.649	2.507	2.56	2.59
EXPORTS						
WORLD TOTAL	9.733	8.100	8.359	6.548	7.39	7.58
USA	3.821	2.833	2.973	2.890	2.60	2.77
Brazil	0.429	0.283	0.486	0.596	0.41	0.39
Uzbekistan	1.020	0.980	0.887	0.560	0.80	0.82
CFA Zone	1.010	0.924	0.589	0.470	0.52	0.52
India	0.751	0.960	1.530	0.515	1.25	1.18
Australia	0.628	0.465	0.265	0.262	0.33	0.39
IMPORTS						
WORLD TOTAL	9.613	8.187	8.396	6.615	7.39	7.58
East Asia and Australia	1.774	1.899	1.860	1.665	1.77	1.75
China	4.200	2.306	2.511	1.523	2.00	2.42
Europe & Turkey	1.275	1.344	1.085	0.875	1.01	0.91
Pakistan	0.352	0.502	0.851	0.459	0.50	0.47
CIS	0.333	0.322	0.271	0.242	0.23	0.21
TRADE IMBALANCE 1/	***-0.120***	***0.087***	***0.037***	***0.067***	***0.00***	***0.00***
STOCKS ADJUSTMENT 2/	***0.123***	***-0.086***	***-0.157***	***0.076***	***0.00***	***0.00***
ENDING STOCKS						
WORLD TOTAL	***12.292***	***12.635***	***12.063***	***12.371***	***10.33***	***10.50***
China (Mainland)	3.991	3.653	3.321	3.850	3.18	3.14
USA	1.321	2.064	2.187	1.379	0.68	0.84
ENDING STOCKS/MILL USE (%)						
WORLD-LESS-CHINA(M) 3/	***53***	***57***	***56***	***60***	***49***	***49***
CHINA (MAINLAND) 4/	***42***	***34***	***30***	***43***	***34***	***33***
Cotlook A Index 5/	***56.15***	***59.15***	***72.90***	***61.20***	***75****	

1/ The inclusion of linters and waste, changes in weight during transit, differences in reporting periods and measurement error account for differences between world imports and exports.

2/ Difference between calculated stocks and actual; amounts for forward seasons are anticipated.

3/ World-less-China's ending stocks divided by World-less-China's mill use, multiplied by 100.

4/ China's ending stocks divided by China's mill use, multiplied by 100.

5/ U.S.Cents per pound

* The price projection for 2009-10 is based on the ending stocks/consumption ratio in the world-less-China in 2007-08(estimate), in 2008-09 (estimate) and in 2009-10(projection), on the ratio of Chinese net imports to world imports in 2008-09(estimate) and 2009-10 (projection), and on the average price for the first eight months of 2009-10
95% confidence interval: 71 to 80 cents per pound

Some Facts About Organic Cotton

As the environmental and social consciousness grows, the use of organic products is also on the rise. One such is organic cotton which has been gaining popularity for the last few years. Some of the facts about organic cotton as published by Organic Exchange are given below :

- Organic cotton is grown using methods and materials that have a low impact on the environment. Organic production systems replenish and maintain soil fertility, reduce the use of toxic and persistent pesticides and fertilisers and build biologically diverse agriculture. Existing regulations prohibit the use of genetically modified seed for organic farming.

- Production of organic cotton registered a 20 per cent growth in 2007-08 when 1,75,113 tonnes were produced from 2.53 lakh hectares. About 22 countries grow organic cotton led by India and followed by countries like Turkey, Syria, Tanzania, China, United States, Uganda, Peru and Burkina Faso. Approximately 2.2 lakh farmers grow organic cotton.

- The year 2008-09 was challenging one for organic cotton because of over production without corresponding increase in demand. This resulted in sizable unsold stocks. However, leading brands and retailers are said to retain their commitment to use organic cotton and are taking steps to utilise the stocks.

- As a result of consumer interest, organic cotton fibre is used in several textile products such as personal care items (sanitary products, make-up removal pads, cotton puffs and ear swabs) home furnishings (towels, bathrobes, sheets, blankets, bedding), Children's products (toys, diapers), clothes of all kinds and styles whether for lounging, sports or the workplace. In addition, organic cottonseed is used for animal feed and organic cottonseed oil is used in a variety of food products including cookies and chips.

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 April 2010					
						17th	19th	20th	21st	22nd	23rd
01.	ICS-101	Below 22mm	Bengal Deshi (RG)	5.0-7.0	15	21200	21400	21400	21400	21400	21400
02.	ICS-201	Below 22mm	Bengal Deshi (SG)	5.0-7.0	15	21700	21700	21700	21700	21700	21800
03.	ICS-102	22mm	V-797	4.5-5.9	19	21000	21000	20800	20700	20500	20400
04.	ICS-103	23mm	Jayadhar	4.0-5	19	23000	23200	23200	23000	22900	22800
05.	ICS-104	24mm	Y-1	4.0-5.5	20	24500	24500	24500	24500	24300	24200
06.	ICS-202	25mm	J-34	3.5-4.9	23	26300	27200	27200	27200	27200	27200
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	26800	27300	27300	27200	27000	27000
09.	ICS-105	28mm	H-4 / MECH-1	3.5-4.9	25	27800	27800	27800	27600	27400	27400
10.	ICS-105	29mm	S-6	3.5-4.9	26	28200	28300	28200	28200	28200	28000
11.	ICS-105	31mm	Bunny / Brahma	3.5-4.9	27	28500	28700	28700	28700	28500	28300
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	42000	42000	42000	42000	42000
14.	ICS-301	26mm	ICC	3.7-4.3	25	27000	N.A.	N.A.	N.A.	N.A.	N.A