Weekly Publication of

Cotton Association of India

COTTON STATISTICS & NEWS

Edited & Published by Amar Singh

2024-25 • No. 48 • 25th February, 2025 Published every Tuesday

Cotton Exchange Building, 2nd Floor, Cotton Green, Mumbai - 400 033
Telephone: 8657442944/45/46/47/48 Email: cai@caionline.in
www.caionline.in

Status & Prospects: Extra Long Staple Cotton Production in India

(Continued from Issue No. 47 dated 18th February, 2025)

EXPERT's Column

Dr. Y.G. Prasad
Director, ICAR-Central Institute for Cotton Research (CICR), Nagpur

Dr. R. Raja
Principal Scientist ICAR-CICR, Regional Station, Coimbatore,

Dr. S. Manickam
Principal Scientist ICAR-CICR, Regional Station, Coimbatore,

State-wise area and production of ELS cotton in India

Jitender Kumar (2022) reported that India produces about 407000 bales of ELS cotton during 2021-22 from about 1,68,000 ha area grown in different pockets of the states of Madhya Pradesh, Karnataka, Tamil Nadu and Maharashtra (Fig 3).

Based on the number of seed packets of popular ELS HxB (Hirsutum x Barbadense) Bollgard II hybrids sold in major cotton growing States, the area and production of HxB hybrid ELS cotton was estimated (Table 2). During 2020-21, the calculated area under these hybrids was 49,500 hectares with an expected production of 42,075 metric tons of lint (2,47,500 bales of 170 kg lint).

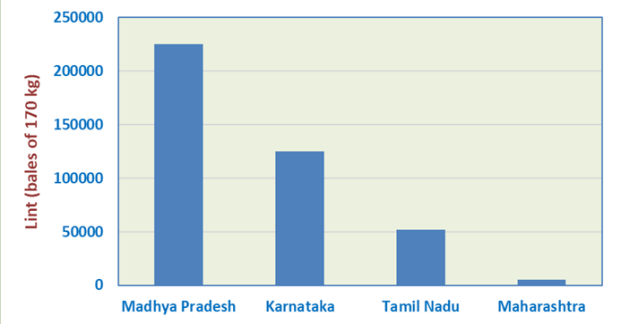


Fig 3. State wise ELS cotton production in India during 2021-22 (Jitender Kumar, 2022)

The most commonly cultivated ELS cotton variety is Suvin which is Gossypium barbadense variety. Apart from Suvin, Phule Rukmai was released for cultivation in 2016 in Central Zone States. Recently, ICAR-AICRP on Cotton has

Table 2. State wise area and production of HxB ELS hybrid cotton in India

State	Calculated Area (hectares)		Production (lint in metric tons)		Production (bales of 170 kg lint)	
	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21
Karnataka	23,000	22,500	19,550	19,125	1,15,000	1,12,500
Madhya Pradesh	20,500	21,500	17,425	18,275	1,02,500	1,07,500
Tamil Nadu	9000	5,500	7,650	4,675	45,000	27,500
Rajasthan	200	-	170	-	1,000	-
Total	52,700	49,500	44,795	42,075	2,63,500	2,47,500

(Source: Area calculated based on number of seed packets of HxB BG II ELS hybrids marketed in different States by Private Sector – Personal Communication)

identified ELS G. barbadense non-GM varieties viz., CICR B cotton 37, CICR B cotton 45 and CO 18 for various ELS cotton growing States. As per ICAR-CIRCOT standard, G. hirsutum non-Bt cotton varieties like Surabhi, Subiksha, etc are also considered as ELS cotton genotypes and are cultivated in certain districts of Tamil Nadu. Several ELS H x B Bt-cotton hybrids have been released by the private sector seed firms and contribute towards increased ELS production. The fibre quality characteristics of ELS varieties and hybrids are presented in Table 3 and 4.

Table 3. Popular and recently released non-GM ELS cotton variety / hybrids in India

ELS genotype	Organization	Year of release	2.5% SL (mm)	Mic. (µg/inch)	Strength (g/tex)	Count	Identified States for cultivation
G. barbadense varieties							
Suvin	AICRP on Cotton	1974	39.0	3.3	37.0	120s	TN, AP
CICR B cotton 37	ICAR-CICR	2021	34.3	3.4	31.5	90s	TN, KA, AP
CICR B cotton 45	ICAR-CICR	2021	37.0	3.7	40.8	90s	TN, KA, AP
Hirsutum x Barbadense hybrids							
Varalaxmi	UAS (D)	1972	34.0	3.2	28.0	80s	KA, TN, MH, AP, GJ
DCH 32	UAS (D)	1981	38.0	3.0	30.0	80s	KA, TN, MH, AP, GJ
TCHB 213	TNAU	1989	35.0	3.6	25.0	80s	TN
RHB 388	MPKV	2002	34.9	2.8	26.6	60s	MH
RAHB 87	MPKV	2009	35.6	3.5	28.7	80s	KA
DHB 915	UAS (D)	2016	34.5	3.4	28.2	80s	KA
RHB 0711	MPKV	2016	34.0	3.4	28.0	80s	GJ, MH
Phule Prabha	MPKV	2016	34.8	3.3	26.6	80s	KA, TN, MH, AP, GJ
DHB 1071	UAS (D)	2017	35.5	3.3	26.4	80s	KA
LAHB Cotton-1	ANGRAU	2021	37.1	3.2	35.9	80s	South Zone States
Phule Mahi (RHB 1122)	MPKV	2021	34.6	3.2	32.9	80s	South Zone States
ARBHB 1601	UAS (D)	2021	33.8	3.4	32.5	80s	South Zone States
Phule Shubhra (RHB 1623)	MPKV	2024	35.2	3.6	32.5	80s	Central Zone States
Phule Ekata (RHB-1008)	MPKV	2024	36.4	3.1	36.3	80s	South Zone States
G. hirsutum varieties							
Surabhi	ICAR-CICR	1997	33.0	3.2	24.0	60s	KA, TN, AP
CO 14	TNAU	2016	35.0	4.0	23.4	70s	TN
Subiksha	ICAR-CICR	2018	32.7	3.7	33.8	60s	KA, TN, AP

Note: TN: Tamil Nadu; KA: Karnataka; AP: Andhra Predesh & Telangana; MH: Maharashtra; GJ: Gujarat; South Zone States: TN, KA, AP and Telangana; Central Zone States: MH, GJ, MP and Odisha

Table 4. Popular ELS HxB Bt-Cotton Hybrids cultivated in India

H X B Hybrid	Company name	2.5% Length (mm)	Micronaire	Tenacity (g/tex)	Identified States for cultivation
MRC 7918 BG-II (Bahubali)	M/s. Mahyco	35.3	3.5	31.0	KA, TN, MP
MRC 6918 XXL BG-II	M/s. Mahyco	35.6	3.7	29.7	KA, TN, MP
RCHB 708 BG-II (EXCEL)	M/s. Rasi Seeds	35.2	3.7	25.6	KA, TN, MP
NCHB 9905 (Kisan Jyothi) BG-II	M/s Nuziveedu Seeds	35-36	2.8-3.5	36-37	KA, MP
NCHB 9903 ELS Cot BG-II	M/s Nuziveedu Seeds	35-37	3.0-3.5	35-36	KA, MP
Chamundi BG-II	M/s JK Agri Genetics	35.4	3.2	30.1	KA, TN

Stakeholders in Supply Chain

Stakeholders in supply chain include Cotton Research and Development organisations (ICAR and SAUs) and private sector seed firms for supplying breeder seeds, seed producing agencies like National Seed Corporation / State Seed Corporation for production of foundation / certified seed / Truthfully labelled seed and cotton growing farmers.

Stakeholders in Value Chain

Stakeholders in value chain include cotton growing farmers, ginneries, textile mills, dyeing units, fabric manufacturing units, garment makers, garment retailers.

Prospects for Expanding ELS Cotton Production in Various States

South Rajasthan

In Banswara and adjoining areas there is a potential for 5000 ha under assured rainfall.

Gujarat

Anand, Talod and Surat have potential areas of 4000-5000 ha, which can be re-introduced with ELS cotton.

Madhya Pradesh

The ELS hybrids are commonly grown in Ratlam, Dhar and Jhabua district of the state. The approximate area under ELS cotton is about 30,000 ha. Undulating topography, low organic content, poor water retention capacity, high run off and leaching losses are some of the major problems in these potential districts.

Tamil Nadu

Currently, it is estimated that Suvin is approximately cultivated in an area of 500 ha in Tamil Nadu. During summer season, ELS varieties like MCU 5, Surabhi are grown. Contract farming, area expansion through drip, proper water and pest management can definitely increase the scope of ELS cotton cultivation in the state.

Andhra Pradesh & Telangana

Earlier, Suvin, Varalaxmi and Jayalaxmi were cultivated in the districts of Adilabad, Warangal, Khammam, Krishna and Kurnool. But the area drastically reduced, and the farmers shifted to Bt-cotton hybrids. Earmarking of area under irrigation, support to contract farming, good quality seed, timely credit to the farmers, assured market support can boost ELS cotton in these states.

Karnataka

There is a shift in cultivation from traditional to non-traditional areas in southern Karnataka, heavy rainfall area in Uttar Kannada and problems inherited from G barbadense parents are discouraging the farmers who cultivate it. There is scope to reintroduce ELS cotton in irrigated tracts of Karnataka.

Agronomic Management Options for ELS Cotton Yield Enhancement

1. Closer planting of HxB ELS hybrids (90x30cm spacing, 37,037 plants/ha) with PGR based canopy management under drip fertigation or poly mulch cum drip fertigation

MRC 7918 BG II at boll development stage

MRC 7918 BG II at boll bursting stage

2. Closer planting of ELS G. barbadense varieties like Suvin, B Cot 45 (90x30cm spacing, 37,037 plants/ha) with PGR based canopy management under drip fertigation or poly mulch cum drip fertigation

B Cot 45 at boll formation stage

B Cot 45 at boll bursting stage

3. Closer planting of HxB ELS hybrids and ELS G. barbadense varieties like Suvin, B Cot 45 (90x30cm spacing, 37,037 plants/ha) with canopy management under conventional Ridges and furrow irrigation

MRC 7918 BG II at boll bursting stage (90x30cm planting)

B Cot 45 at boll bursting stage (90x30cm planting)

4. High density planting of ELS varieties like Subiksha (90x10cm spacing, 1,11,111 plants/ha) with PGR based canopy management under drip fertigation or conventional system

Subiksha at boll formation stage (HDPS)

Subiksha at boll bursting stage (HDPS)

5. Normal planting of ELS G. barbadense varieties like Suvin and HxB ELS hybrids (90x60cm spacing, 18,518 plants/ha) under drip fertigation or polymulch cum drip fertigation in medium deep or deep soils

SWOT Analysis of Reviving ELS Cotton Cultivation in India

Strengths

- India has the favourable agro-climatic conditions for ELS cotton cultivation in the regions of Tamil Nadu, Madhya Pradesh, Karnataka, Andhra Pradesh, Maharashtra and Gujarat.
- There is a growing demand for ELS cotton as domestic and global markets require high-quality cotton for premium textiles.
- The policy initiatives, schemes and incentives announced by Government of India are in favour of ELS cotton production.
- India has a well-established textile industry that can absorb high-quality ELS cotton, reducing import dependency.
- Indian farmers and textile workers have traditional expertise in cotton cultivation and processing.

Weaknesses

- ELS cotton has lower yield potential and productivity than commercial long staple Bt hybrids, making it less attractive to farmers.
- ELS cotton production requires more inputs (water, pest control, labour), leading to higher cost of cultivation.
- Limited availability or non-availability of quality seeds of promising ELS varieties and hybrids in time.
- ELS cotton genotypes are more vulnerable to sucking pests and pink bollworm compared to Bt cotton hybrids.
- Longer crop duration of ELS cotton (more than 180 days) leads to delayed harvesting and returns, which discourages the small and marginal farmers.

Opportunities

- Import substitution – reducing dependence on imported ELS cotton (such as Pima and Egyptian Giza cotton) can improve India's trade balance.
- Sustainability and organic market growth – rising demand for organic and sustainable fibres presents an opportunity for premium pricing.
- Technological advancements – adoption of precision farming, UAV-based pesticide application, and genetically improved seeds can enhance yield.
- Expanding export potential – Indian ELS cotton can be positioned in international premium segments if quality standards are maintained. For example, all the Suvin produced in India currently is exported exclusively to Japan where it is spun in yarn counts of 240s Ne to 300s Ne.
- Public-Private Partnerships – collaborations with research institutions and textile industries in value chain mode can promote better farming practices.

Threats

- Climate change and water scarcity – erratic rainfall and water-intensive nature of ELS cotton pose risks.
- Competition from other cotton species and crops – farmers may prefer high-yielding and less risky crops like maize, soybean, pulses or long staple Bt-cotton.
- Global price volatility – international cotton prices and fluctuating demand can impact profitability.
- Lack of farmer awareness and adoption – many farmers are unfamiliar with best practices for ELS cotton cultivation.
- Pest resistance issues – increasing resistance of pests to existing control methods can impact productivity.

Policy interventions required for promoting/ reviving ELS cotton production in India

- Subsidised high-quality seeds: Ensure farmers have access to genetically improved, high-yielding, and pest-resistant ELS cotton seeds
- Incentives for ELS cotton cultivation: financial incentives and remunerative prices for farmers cultivating ELS cotton.
- Water-efficient irrigation support: Promote micro-irrigation techniques like drip fertigation to optimise water usage and improve productivity.
- Investment in R&D: Develop hybrid ELS cotton varieties with superior fibre qualities matching the needs of the textile industry coupled with resilience against pests and climate variability.
- Public-Private Partnerships: Encourage collaboration between research institutions, the textile industry and farmer producer organisations/ organic growers.
- Farmer awareness programs: Conduct training on best management practices, integrated pest management (IPM) and sustainable practices.
- Export promotion: Branding of Indian ELS cotton (Kasturi cotton) for international markets, similar to Egyptian Giza and American Pima cotton.
- Strengthening supply chains and traceability: Develop dedicated processing, marketing, and distribution networks with appropriate traceability measures to enhance farmer profitability.

Sustainability Challenges for ELS Cotton

- New and improved G. hirsutum cottons: With improved fibre properties and advent of fabric finishes and chemical treatments that may attain improved looks and feel equivalent to ELS cotton. The technically advanced spinning equipment that may allow LS cottons to be spun at higher yarn counts with improved yarn qualities.
- Consumer demand: A certain percentage of consumers are willing to pay a higher price for a product that offers more. The ELS cottons of the world would continue to satisfy this demanding role.
- Cotton contamination: Because of up gradation of ginning process, cotton contamination has reduced in India but is still an issue. The main source of contamination is extraneous foreign matter like white plastic, hair items etc.
- Problem of admixtures: Different types of cottons differ in physical parameters like strength, length, micronaire, colour and reflectance. In industry these different types of cottons are mixed together.
- Branding initiatives: The proposal to implement measures envisaged under the draft policy for improving the marketing and branding of cotton will be extremely beneficial. Such measures should also include boosting the pro¬duction and promoting the consumption of cotton in the country. Cotton Association of India has branded garment made from Suvin yarn as 'Suvin Ratna'. Similarly, CCI & Texprocil came up with 'Kasturi Cotton' for long staple cotton with predetermined fibre quality. The Kasturi Cotton brand will represent Whiteness, Brightness, Softness, Purity, Luster, Uniqueness and Indianness. ELS fibre standards for Kasturi cotton are on the anvil.
- Developing location specific soil moisture conservation techniques to increase productivity of rainfed ELS cotton and testing of early sowing to avoid moisture stress at peak period of growth, Integrated Nutrient Management and Integrated Weed Management practice for different ELS domains
- Fitting ELS cotton in existing cropping system and developing suitable intercropping system
- Developing barbadense genotypes with improved productivity, earliness and high ginning outturn. The quality improvement especially micronaire and strength to international standards is desired.
- Development of intra barbadense hybrids to enhance productivity and quality
- Development of potential interspecific hybrids (HXB) meeting the CIRCOT quality norms (35-36 mm; 3.6 micronaire; 31 g/tex) with improved yield and ginning outturn.

- Population improvement and development of heterotic pools to develop superior parents and high yielding hybrids with improved fibre quality
- Improvement in physiological, biochemical and crop canopy traits of ELS cottons
- Thrust on Best Management Practices (BMPs) and protection methodologies to enhance productivity and quality of ELS cotton
- Identification and precision mapping of ELS cotton growing tracts through detailed soil survey and plant – soil – water - climate relationships for enhanced productivity
- Release of highly productive HxB Bt hybrids by private seed firms meeting the ELS criteria
- Dissemination of modern technologies for increasing productivity of DCH 32 and Suvin
- Revival of the area in summer irrigated tract of Tamil Nadu and Gujarat
- Project mode approach through contract farming of ELS: Tie-up arrangement with farmers and textile mills in the form of contract farming needs to be promoted besides providing remunerative prices to the farmers. Contract farming is an extension of transfer of technology in which not only the technology is disseminated but also supply of inputs, credit and sale of produce is ensures which increase the profitability of the farmers and guarantees adequate supply of cotton to the mills. It is very successful in horticultural and floriculture.
- Identification of potential area by each state at micro-level, relaxing the time-bar for ELS cotton varieties eligible for seed subsidy, organization of large scale demonstrations, strengthening seed production chain, farmers training through farmer field schools, introduction of ELS contract farming, special incentive to ELS cotton over MSP or remunerative pricing are some of the steps to increase the ELS cotton production in the country.

ELS Cotton – Focus Under the new Cotton Mission

The proposed research and development (R&D) priorities to boost ELS cotton production in the next five years include:

1. Development of improved high yielding ELS cotton varieties/hybrids with superior fibre quality (length, strength and micronaire) especially suitable for the large niche area in Madhya Pradesh is to receive adequate attention. A new cotton centre in MP to focus on ELS cotton has been recommended by a recent review team of ICAR.
2. Equally focus on dove-tailed agronomy for varieties and hybrids both under conventional spacing and high-density planting systems with canopy management coupled with integrated nutrient and pest management suitable for locations in Madhya Pradesh, western Maharashtra, summer cultivation in Tamil Nadu and irrigated tracts of Karnataka, Andhra Pradesh and Telangana under suitable climate.
3. Conduct large scale demonstrations with suitable varieties and hybrids (both Bt and non-Bt hybrids) in the niche areas targeting higher productivity with reduced cost of cultivation and extension support to farmers.
4. Value chain partnerships from production to market of branded Indian ELS cotton (in tune with 5F concept of integrating farm, fibre, fabric, fashion and foreign) among stakeholders include farmers, public sector research and extension agencies, private seed firms, processing and textile industry partners.

Conclusion

Reviving ELS cotton cultivation in India requires a multi-pronged approach, combining government policy support, technological advancements, sustainable farming practices, and market-driven incentives. With strategic interventions in seed availability, irrigation efficiency, farmer training, and supply chain integration, India can reclaim its position as a leading producer of high-quality ELS cotton. A concerted effort involving policymakers, researchers, and industry stakeholders will be essential in ensuring long-term success and sustainability in this sector.

(The views expressed in this column are of the authors and not that of Cotton Association of India)

CAI and CCI Host Dinner for Mr. Eric Trachtenberg, Executive Director, ICAC

CAI and CCI hosted a dinner in honour of Mr. Eric Trachtenberg, Executive Director of the International Cotton Advisory Committee, Washington USA. on 20th February, 2025 at the Cricket Club of India.

Besides TAG Chairman, Mr. Suresh Kotak, CAI President, Mr. Atul S. Ganatra, Cotton Corporation of India CMD, Mr. Lalit Kumar Gupta, Textile Commissioner India, Ms Roop Rashi were present. Many important cotton related discussions took place over dinner that evening.

National Mission for Cotton Productivity

EXPERT's Column

Shri. A.K. Chowdhury
Secretary, All India Cottonseed Crushers' Association

He worked in Tariff Commission/ Bureau of Industrial Cost & Prices (BICP), then as Deputy Director (Cost) at Ministry of Industry/Ministry of Finance from 1980 to 1988. Later. He was appointed Director (Economics)/ Financial Survey in the Office of Textile Commissioner (Ministry of Textiles), and retired as Joint Textile Commissioner (Economics). He was also a Consultant in Cotton Corporation of India (CCI) from 1997-2010. Since 2014, he is working as Secretary, AICOSCA (All India Cottonseed Crushers' Association).

In the recent Budget for 2025-26, The Government has announced a National Mission for Cotton Productivity to boost the cotton sector.

India's Cotton output, which touched a high of 360 lakh bales in the year 2019-20, is now estimated at 299.26 bales as per the first estimates of the Government Committee on Cotton Production and consumption (COCPC) for the year 2024-25 in their meeting held on 29-11-2024.

The 5-Year "Mission for Cotton Productivity" will look at technologies such as gene editing and others, to develop the new seeds that will not only boost yields, but also resistant to dreaded pests like pink bollworm. The ICAR – Central Institute for Cotton Research (CICR) along with the Agriculture Ministry will be leading the productivity related initiatives of the Mission, for which Rs.500 crores have been allocated for financial year 2025-26.

As per News Reports, the cotton sector in the country is presently beset with several challenges, including dwindling area and productivity. The crop is faced with increased costs of production and un remunerative returns. Against the current cotton production of 320-325 lakh bales (170 kg. each), the textile industry,s demand is projected to reach 450 lakh bales by 2026. This gap is increasingly difficult to match due to India's low cotton yield of 447 kg/ ha, against the global average of 787 kg/ha.

(The views expressed in this column are of the authors and not that of Cotton Association of India)

Free Breast Cancer Screening and Awareness Camp

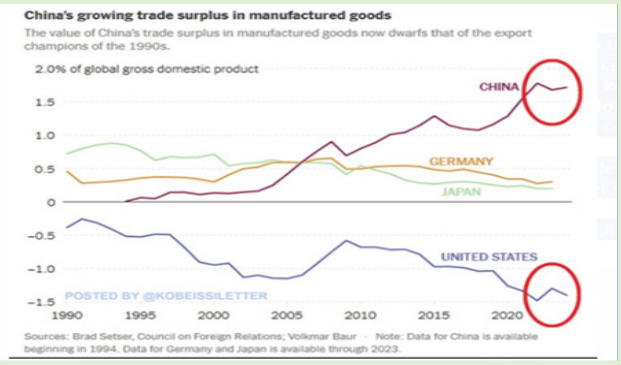
With the blessings of Cotton Association of India (CAI), the Charitable Dispensary Maintenance Fund Trust run by the Bombay Cotton Merchants & Muccadams Association organised a Free Breast Cancer Screening and Awareness Camp at the Charitable Dispensary Building near Shree Ramchandraji Temple opposite Cotton Exchange Building, Cotton Green (East), Mumbai 400033 on Wednesday, the 19th February 2025 from 9.30 a.m. to 6.00 p.m.

This Free Breast Cancer Screening and Awareness Camp was hosted by the Rotary Club of Bombay Metropolitan jointly with Rotary Club of Bombay. At this camp, skilled lady technicians carried out quick radiation-free and painless screening with the help of latest equipment to facilitate early detection and prevention of breast cancer.

We are happy to report that 105 ladies participated in this Free Breast Cancer Screening and Awareness Camp.

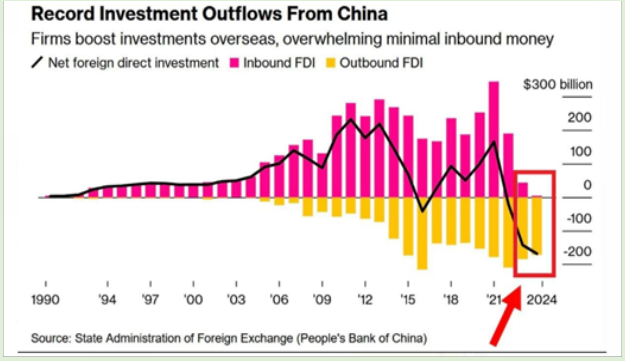
The Month That Was - Snippets for February 2025

Significant gap in Manufactured Goods Trade between the US and China



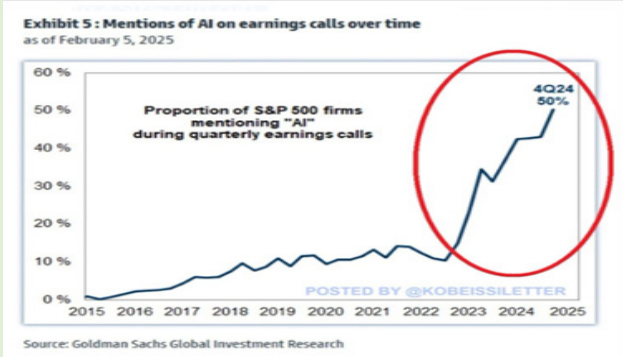
There is a significant gap in manufactured goods trade between the US and China. China's trade surplus in manufactured goods is now ~1.7% of the global GDP. This surplus has grown 1.5 percentage points over the last 20 years, from ~0.2%. The value of China's trade surplus now exceeds Germany and Japan's surplus during their export dominance in the 1990s. On the other hand, the US runs a trade deficit of ~1.4% of the world GDP. The US-China trade war will likely last for years.

Investors are Pulling Money out of China at Record Pace



Net foreign direct investment hit a RECORD $168 billion in outflows in 2024. This marks the 3rd-consecutive year outflows the longest streak in history. In 2 years, investors have withdrawn a whopping $311 billion from China.

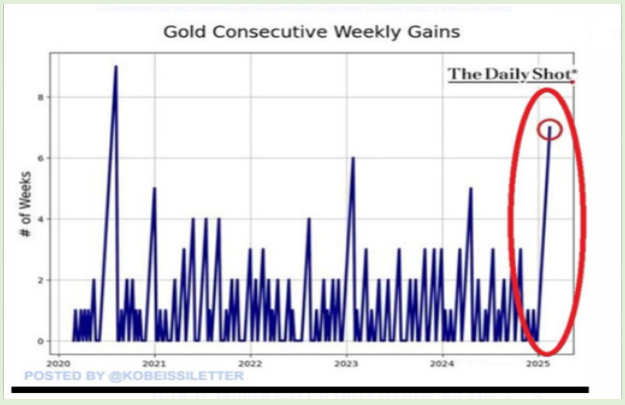
AI Hype is Alive and Well



A record 50% of S&P 500 companies have mentioned "AI" during Q4 2024 earnings calls. The percentage has risen 5 times over the last 2 years. Even with the DeepSeek disruption seen 2 weeks ago, large cap technology stocks continue to funnel CapEx into AI.

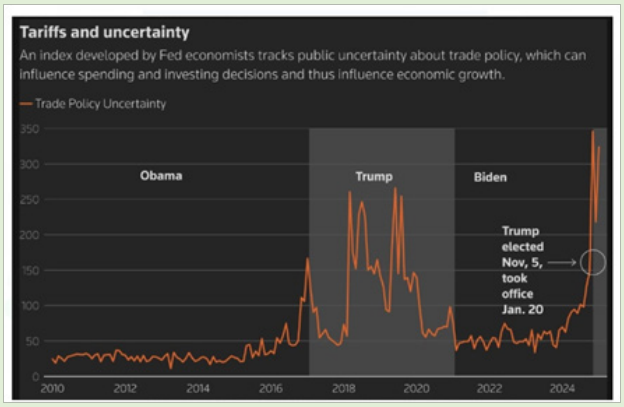
Amazon and Alphabet alone are guiding a massive $179 BILLION in combined CapEx for 2025. S&P 500 companies continue to suggest that AI has prompted the next major wave of innovation and growth. The AI trade is still booming.

Gold is Making History Again



Gold prices have recorded 5 consecutive weekly gains, the longest streak since 2020. Over this time, gold prices have risen +11%. This comes after a +27% gain seen in 2024, the third-best year since 1980. Meanwhile, physical gold demand continues to skyrocket globally. For the first time in history, global central banks have bought 1,000+ tonnes of gold for 3 consecutive years.

Economic Uncertainty Index Retreats from its Peak



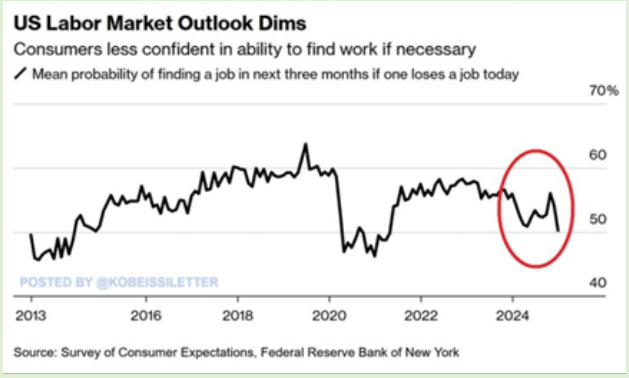
Tariff concerns have eased for now, reflected in the Economic Uncertainty Index retreating from its peak. The deadline extension has fuelled hopes for negotiations on US-North America and global reciprocal tariffs.

The dollar index is down 3% from its 110.27 peak, gold has retreated from $2,942/Oz, and the Indian rupee recovered from its record low of 87.95 with RBI intervention. Global equities remain resilient, though Indian equities are down 3.03% YTD, while Chinese markets gained 3.50% in the same period amid easing tariff concerns.

As the April deadline nears, markets may see sharp risk-on/risk-off swings, with Trump's team possibly shifting focus to currency policies as well.

Courtesy : Nuvama Fx

US Consumers are getting less Optimistic about the Future

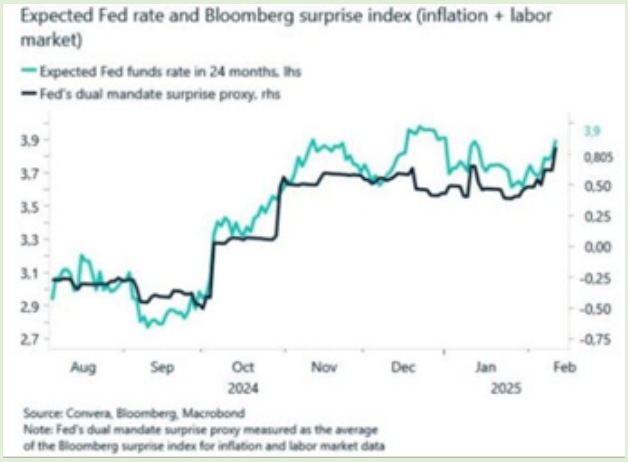


Americans' perceived probability of finding a position in the next 3 months after a job loss are down to 50%, the lowest level since April 2021. Outside of the pandemic, this is the lowest percentage in 10 years, according to the Fed Survey of Consumer Expectations.

This coincides with new job postings on Indeed declining for the past 3 years and reaching near the lowest since 2020. Furthermore, consumers' perceived chance of missing a minimum debt payment over the next 3 months jumped to 14.2%, the highest since April 2020.

Concerningly, the probability of missing a payment for those earning over $100,000 hit the highest in at least 10 years. Why is there such a large disconnect between data and how Americans feel?

Fed Pricing in line with Macro Surprises



The upside surprise in US inflation has significantly dampened expectations for a Federal Reserve rate cut in the first half of 2025. The latest inflation data came in stronger than anticipated, reinforcing concerns that price pressures remain persistent and forcing markets to reassess the timing of monetary easing. In response to the inflation beat, our Fed Dual Mandate Pressure Index surged to its highest level in 10 months. This also explains the recent shift in Fed pricing, as markets increasingly align with the view that rates will stay higher for longer. Fed officials have maintained a cautious, data-dependent approach, and yesterday's numbers only strengthen their case for patience. With inflation showing signs of renewed momentum and the labour market holding firm, the bar for rate cuts remains high.

Compiled by Shri. Kunal Thakkar

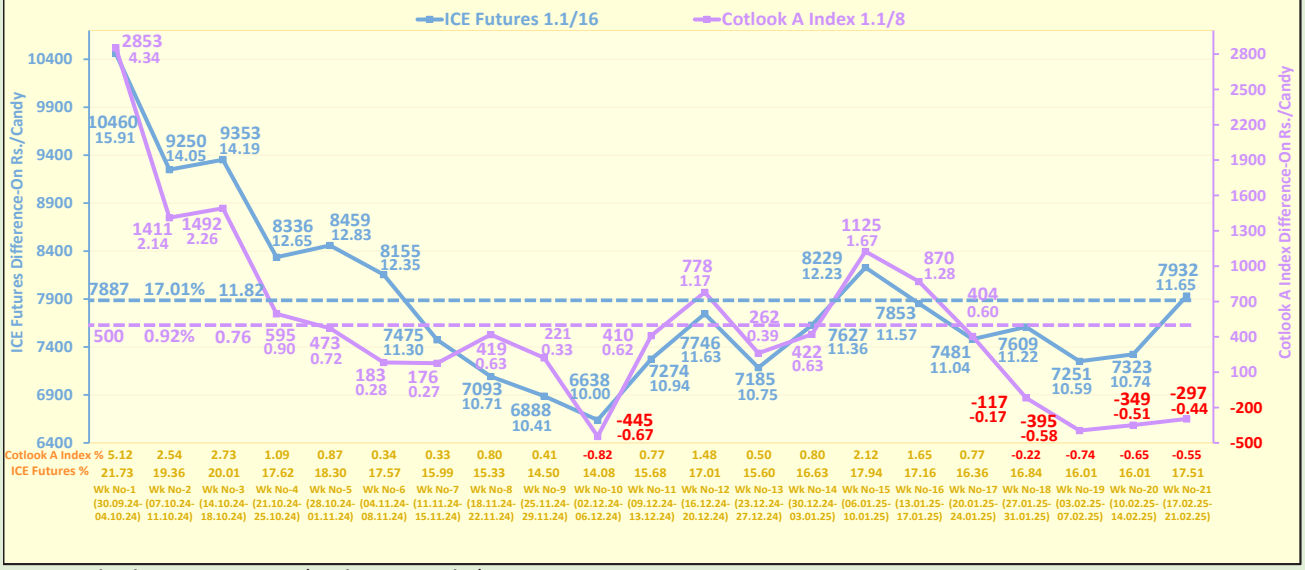
Basis Comparison of ICS 105 with ICE Futures and Cotlook A Index – 24th February 2025

SEASON 2024-2025

Comparison M/M(P) ICS-105, Grade Fine, Staple 29mm, Mic. 3.7-4.9, Trash 3.5%, Str./GPT 28 with ICE Futures & Cotlook A Index

Date 2024/2025	1 US $ = Rs.	*CAI Rates Rs./c.	Indian Ctn in USc/lb.	ICE Settlement Futures 1.1/16 Mar.'24 USc/lb.	Difference-ON/OFF ICE Futures		%	Cotlook A Index M-1.1/8	Difference-ON/OFF Cotlook A Index		%
					USc/lb.	Rs./c			USc/lb.	Rs./c	
A	B	C	D	E	F	G	H	I	J	K	L
Cotton Year Week No-21st											
17th Feb	86.88	53200	78.10	67.11	10.99	7486	16.38	78.80	-0.70	-477	-0.89
18th Feb	86.96	53300	78.18	67.51	10.67	7274	15.81	78.80	-0.62	-423	-0.79
19th Feb	86.96	53300	78.18	66.24	11.94	8140	18.03	79.40	-1.22	-832	-1.54
20th Feb	86.66	53300	78.45	65.97	12.48	8479	18.92	78.30	0.15	102	0.19
21st Feb	86.71	53200	78.26	66.08	12.18	8280	18.43	78.05	0.21	143	0.27
Weekly Avg.	**86.83**	**53260**	**78.23**	**66.58**	**11.65**	**7932**	**17.51**	**78.67**	**-0.44**	**-297**	**-0.55**
Weekly Averages											
Wk No-20th(10.02.25-14.02.25)	86.99	53060	77.81	67.07	10.74	7323	16.01	78.32	-0.51	-349	-0.65
Wk No-19th(03.02.25-07.02.25)	87.35	52540	76.72	66.14	10.59	7251	16.01	77.30	-0.58	-395	-0.74
Wk No-18th(27.01.25-31.01.25)	86.53	52800	77.83	66.61	11.22	7609	16.84	78.00	-0.17	-117	-0.22
Wk No-17th(20.01.25-24.01.25)	86.43	53220	78.54	67.50	11.04	7481	16.36	77.94	0.60	404	0.77
Wk No-16th(13.01.25-17.01.25)	86.55	53620	79.02	67.45	11.57	7853	17.16	77.74	1.28	870	1.65
Wk No-15th(06.01.25-10.01.25)	85.85	54120	80.41	68.19	12.23	8229	17.94	78.74	1.67	1125	2.12
Wk No-14th(30.12.24-03.01.25)	85.67	53500	79.66	68.30	11.36	7627	16.63	79.03	0.63	422	0.80
Wk No-13th(23.12.24-27.12.24)	85.27	53260	79.67	68.92	10.75	7185	15.60	79.28	0.39	262	0.50
Wk No-12th(16.12.24-20.12.24)	84.96	53280	79.99	68.36	11.63	7746	17.01	78.82	1.17	778	1.48
Wk No-11th(09.12.24-13.12.24)	84.82	53680	80.73	69.79	10.94	7274	15.68	80.11	0.62	410	0.77
Wk No-10th(02.12.24-06.12.24)	84.71	53820	81.04	71.04	10.00	6638	14.08	81.71	-0.67	-445	-0.82
Wk No-09th(25.11.24-29.11.24)	84.41	54380	82.17	71.77	10.41	6888	14.50	81.84	0.33	221	0.41
Wk No-08th(18.11.24-22.11.24)	84.44	53400	80.66	69.95	10.71	7093	15.33	80.03	0.63	419	0.80
Wk No-07th(11.11.24-15.11.24)	84.40	54300	82.07	70.77	11.30	7475	15.99	81.80	0.27	176	0.33
Wk No-06th(04.11.24-08.11.24)	84.24	54600	82.67	70.32 Dec.'24	12.35	8155	17.57	82.39	0.28	183	0.34
Wk No-05th(28.10.24-01.11.24)	84.08	54680	82.95	70.12 Dec.'24	12.83	8459	18.30	82.23	0.72	473	0.87
Wk No-04th(21.10.24-25.10.24)	84.07	55660	84.44	71.80 Dec.'24	12.65	8336	17.62	83.54	0.90	595	1.09
Wk No-03rd(14-10.24-18.10.24)	84.06	56100	85.12	70.93 Dec.'24	14.19	9353	20.01	82.86	2.26	1492	2.73
Wk No-02nd(07.10.24-11.10.24)	83.98	57040	86.63	72.58 Dec.'24	14.05	9250	19.36	84.49	2.14	1411	2.54
Wk No-01st(30.09.24-04.10.24)	83.86	58600	89.13	73.22 Dec.'24	15.91	10460	21.73	84.79	4.34	2853	5.12
Total Avg.	**85.21**	**54234**	**81.21**	**69.40**	**11.82**	**7887**	**17.01**	**80.46**	**0.76**	**500**	**0.92**

GRAPHICAL REPRESENTATION



Note:- Weeks taken as per Cotton Year (October To September).

*CAI ICS 105 rates are Ex-Gin Mid. 1-5/32"

Values in BLUE Indicates Previous Close Considered due to HOLIDAY's Resp.

17th Feb 2025- US market remain CLOSED due to the President' Day.

19th Feb 2025- Domestic market remain CLOSED due to Chhatrapati Shivaji Maharaj Jayanti.

UPCOUNTRY SPOT RATES

(Rs./Qtl)

Standard Descriptions with Basic Grade & Staple in Millimeters based on Upper Half Mean Length As per CAI By-laws								Spot Rate (Upcountry) 2023-24 Crop February 2025					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	17th	18th	19th	20th	21st	22nd
2	GUJ	ICS-102	Fine	22mm	4.0 – 6.0	13%	20	11389 (40500)	11332 (40300)		11389 (40500)	11389 (40500)	
6	M/M(P)/ SA/TL/G	ICS-105	Fine	27mm	3.0 – 3.4	4%	25	- -	- -		- -	- -	
7	M/M(P)/ SA/TL	ICS-105	Fine	27mm	3.5 – 4.9	3.5%	26	- -	- -	H	- -	- -	H
21	SA/TL/ K / TN/O	ICS-106	Fine	32mm	3.5 – 4.9	3%	31	- -	- -		- -	- -	
								Spot Rate (Upcountry) 2024-25 Crop					
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 – 7.0	4%	15	13779 (49000)	13779 (49000)		13357 (47500)	13357 (47500)	
3	M/M (P)	ICS-104	Fine	23mm	4.5 – 7.0	4%	22	14144 (50300)	14144 (50300)	O	14144 (50300)	14144 (50300)	O
4	P/H/R (U)	ICS-202 (SG)	Fine	27mm	3.5 – 4.9	4.5%	26	14763 (52500)	14763 (52500)		14707 (52300)	14707 (52300)	
5	P/H/R(U)	ICS-105	Fine	27mm	3.5 – 4.9	4%	26	14932 (53100)	14932 (53100)		14875 (52900)	14875 (52900)	
8	P/H/R(U)	ICS-105	Fine	28mm	3.5 – 4.9	4%	27	15044 (53500)	15044 (53500)		14932 (53100)	14932 (53100)	
9	M/M(P)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	14650 (52100)	14679 (52200)	L	14679 (52200)	14679 (52200)	L
10	SA/TL/K	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	14650 (52100)	14679 (52200)		14679 (52200)	14679 (52200)	
11	GUJ	ICS-105	Fine	28mm	3.7 – 4.9	3%	27	14819 (52700)	14819 (52700)		14819 (52700)	14819 (52700)	
12	R(L)	ICS-105	Fine	28mm	3.7 – 4.9	3.5%	27	14875 (52900)	14875 (52900)	I	14847 (52800)	14847 (52800)	I
13	R(L)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	15044 (53500)	15044 (53500)		15016 (53400)	15016 (53400)	
14	M/M(P)	ICS-105	Fine	29mm	3.7 – 4.9	3.5%	28	14960 (53200)	14988 (53300)		14988 (53300)	14960 (53200)	
15	SA/TL/K	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	14960 (53200)	14988 (53300)		14988 (53300)	14960 (53200)	
16	GUJ	ICS-105	Fine	29mm	3.7 – 4.9	3%	28	15100 (53700)	15100 (53700)	D	15100 (53700)	15100 (53700)	D
17	M/M(P)	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	15213 (54100)	15213 (54100)		15213 (54100)	15213 (54100)	
18	SA/TL/K/O	ICS-105	Fine	30mm	3.7 – 4.9	3%	29	15241 (54200)	15241 (54200)		15241 (54200)	15241 (54200)	
19	M/M(P)	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	15466 (55000)	15466 (55000)	A	15466 (55000)	15466 (55000)	A
20	SA/TL/K/ TN/O	ICS-105	Fine	31mm	3.7 – 4.9	3%	30	15494 (55100)	15494 (55100)		15494 (55100)	15494 (55100)	
22	M/M(P)	ICS-107	Fine	34mm	2.8 - 3.7	4%	33	21512 (76500)	21512 (76500)		21512 (76500)	21512 (76500)	
23	K/TN	ICS-107	Fine	34mm	2.8 - 3.7	3.5%	34	22777 (81000)	22777 (81000)		22777 (81000)	22777 (81000)	
24	M/M(P)	ICS-107	Fine	35mm	2.8 - 3.7	4%	35	22074 (78500)	22074 (78500)	Y	22074 (78500)	22074 (78500)	Y
25	K/TN	ICS-107	Fine	35mm	2.8 - 3.7	3.5%	35	23340 (83000)	23340 (83000)		23340 (83000)	23340 (83000)	

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