

Weekly Publication of



**Cotton
Association
of India**

COTTON STATISTICS & NEWS

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CAI President Shri Atul S. Ganatra's presentation on Indian Cotton Scenario at the Cotton Conference organised by the Brazilian Cotton Growers Association (ABRAPA) and other Brazilian cotton bodies in association with the Confederation of Indian Textile Industry (CITI)

My Dear Cotton and Textile Friends,

I am glad to inform you that the Cotton Association of India has entered the 100th year of service to the Indian cotton trade.

Our Association was established in the year 1921.

I am indeed thankful to the Brazilian Associations and CITI for inviting me to share my thoughts on the Indian cotton sector.

India is mainly an agriculture based economy. Over 54% of the total workforce in the country is engaged in agricultural and allied activities.

Cotton is one of the most important cash crops in India. The cotton sector plays a significant role in the Indian economy by providing support to over 60 million farmers and workers involved in the cotton industry.

India's textile industry is mainly cotton based and around 60% spinning mills are running on cotton and 40% are on man-made fibre.

Through cotton, cotton yarn and garment export, the textile industry is earning 12% of the country's export earnings. The textile industry in India is one of the largest sources of employment generation in the country.

Cotton sector in India has made a steady progress post independence in 1947.

The progress was somewhat moderate in the earlier decades but quite rapid since 2001, mainly with the growth in production of cotton.

The cotton production has increased with the introduction of Bt. Cotton in India.

Cotton acreage in India in 1947, when the country became free, was merely 4.6 million hectares but now, as on today we have reached 13.5 million hectares under cotton. India's share of cotton acreage in the world is nearly 30%.

In 2019-20, India has produced 36 million bales of 170 kg. each and in 2020-21 season also, we are expecting 36 million bales of 170 kg. each.

In the last 4-5 years, India was not able to increase the production of cotton because of poor yield.

For the last 3 years our average yield is only 450 kg per hectare which is one of the lowest in the world.

We understand that the Brazilian cotton yield is 1200 kg per hectare which is very high compared to the Indian cotton yield.

Indian cotton farmers and associations need to take guidance from Brazilian Farmers Association to improve the yield. If we can increase our cotton yield even by 20% to 30%, then we can produce nearly 45 to 50 million cotton bales easily.

The Cotton Association of India, CCI and CITI with the help of Indian government are working on improving the cotton yield in India.

Looking at the higher minimum support price in India given by the government of India,



the sowing of cotton may increase by 5-7% in the coming season.

As on today, the Indian cotton market is steady at a prevailing rate 82- 84 cents as per quality.

Due to strict lockdown imposed due to COVID-19, the cotton consumption in India had drastically reduced in the 2019-20 season i.e. from 33 million bales to 25 million bales.

Due to this reduction in the consumption, India has huge record carry forward cotton stock i.e. on 30th September 2020, the carry forward stock was 12.5 million bales of 170 kg. each. As per the Cotton Association of India's latest crop report in the coming season also we are going to have 10 to 12 million bales cotton stock by 30th September 2021.

The Indian spinning mills are at present running average at 95% capacity and the consumption this year is expected to be 33 million bales.

India is the 2nd highest exporter of cotton in the world after USA. In 2019-20, we have exported 5 million bales and this year, we are expecting 5.5 million bales export of cotton.

India is importing around 1.5 million bales of cotton in a year and we are importing mainly extra large staples (ELS) cotton.

Before concluding my speech,

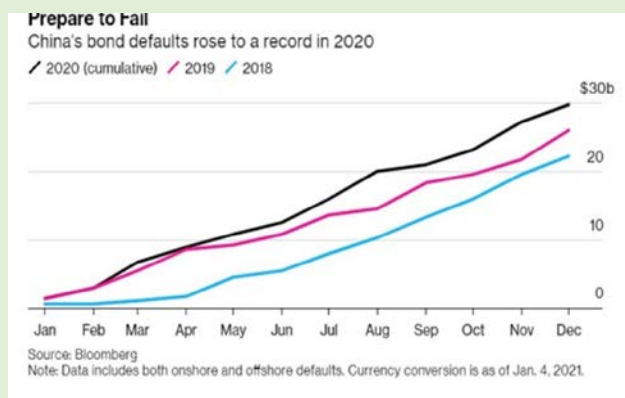
I want to say India is going to be a regular and reliable supplier of cotton, cotton yarn and textile products to the entire world and in the coming 5 years, our production of cotton and textile manufacturing goods will increase minimum 30% to 40 % and India will continue to play a key role on the world cotton platform.

Thank you, thank you very much.

Have a good day.

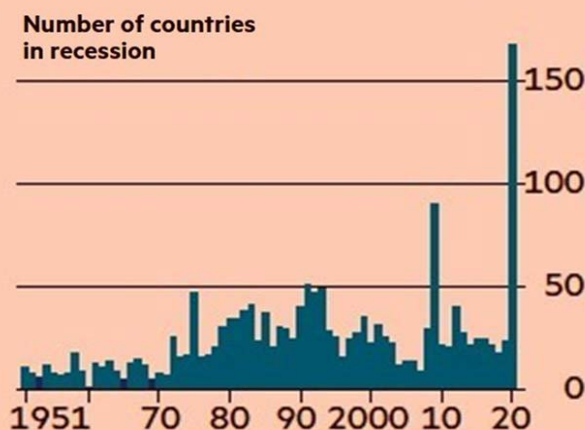
The Month That Was - Snippets for January 2021

China Tells Inefficient Firms to Toughen Up or Prepare to Fail



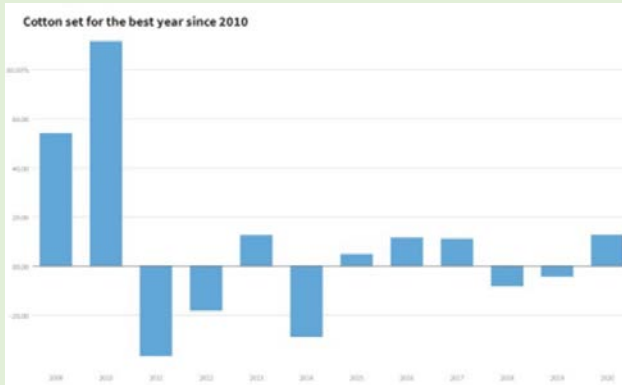
China is turning the screws on the nation's companies as authorities seek to take advantage of the global pandemic to strengthen its industrial might. After letting inefficient firms survive for years, Beijing is now allowing them to fail. Bond defaults rose to a record \$30 billion in 2020, including high-profile enterprises that had previously counted on the implicit guarantees of the state. Scrutiny and punishment of credit-rating agencies are increasing, while domestic exchanges delisted at least 16 stocks from their main boards last year, the most in data going back to 1999.

Too Many Countries in Recession



The Covid-19 pandemic meant very few countries escaped recession last year. The IMF expects a fall in output in 167 of the 194 countries it surveys, in the most widespread global recession since the immediate post-war period.

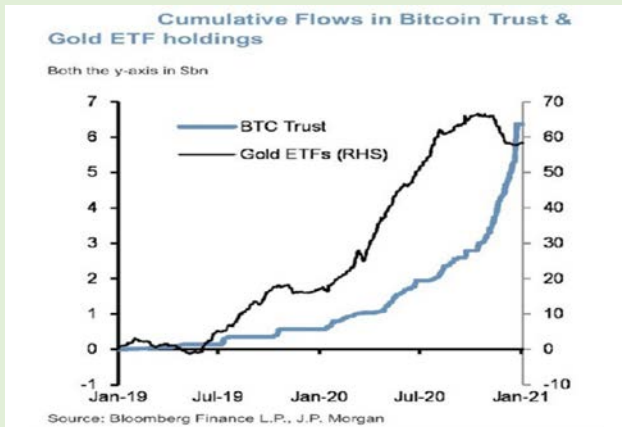
Cotton Performance in 2020 v/s Other Years



The \$100 Billion Club Gains During 2020



Bitcoin vs Gold



Bitcoin's competition with gold has already started as evidenced by >\$3 billion of inflows into Grayscale Bitcoin Trust & >\$7 billion of outflows from Gold ETFs since October, JPM says: Competition with gold as alternative currency will continue.

Where is Jack Ma?



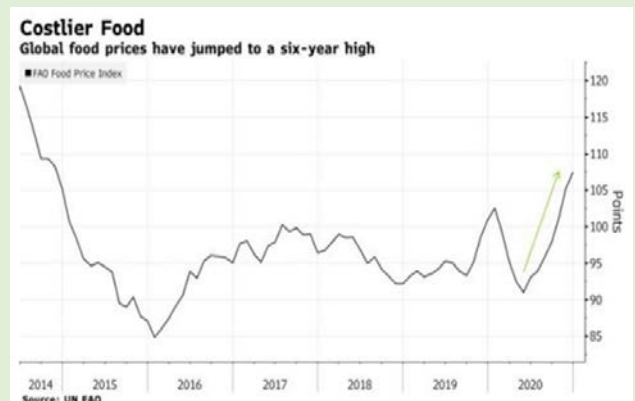
Alibaba's billionaire founder is reportedly missing after he publicly criticized China's banking rules in October. His net worth dropped to \$50.6 billion after reports of his disappearance from his own reality show.

Permanent Stimulus for America



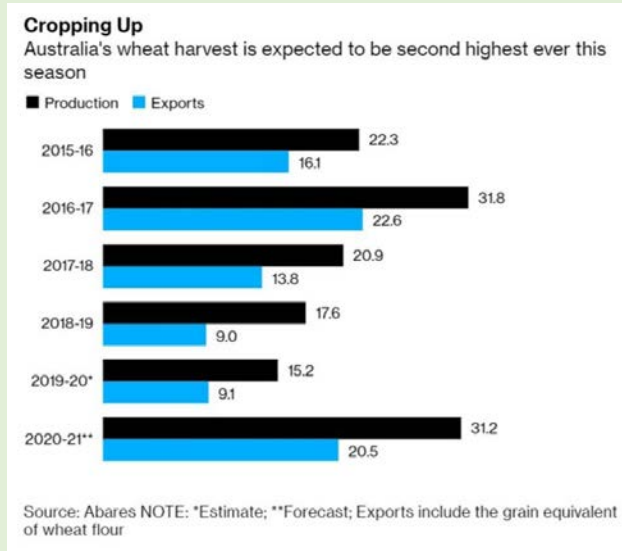
With Joe Biden now making it clear that the recent \$900 billion stimulus will "at best only be a down payment" and the now \$3.3 trillion of total stimulus spending "is just the beginning," it sounds like America is headed into a program of permanent stimulus.

Global Food Prices Reach a 6-Year High



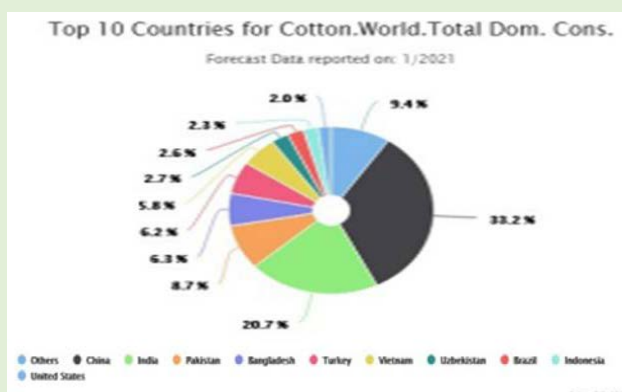
Global food prices reach a 6-year high and are likely to keep rising into 2021, a UN index shows.

Wheat Exporters in Australia Look Beyond China to North Africa



Australia is one of the world's biggest exporters of the ubiquitous staple used in everything from bread to cakes and pasta, and this year the country's on track for its second-largest crop ever -- more than 30 million tons -- after widespread rains turbocharged production. From mounting tensions with China to trade disruptions caused by the pandemic, agriculture in Australia has been hit by a few curve balls in recent months. Still, for wheat farmers, the outlook has seldom been better. Increased export supplies from Australia and weather woes in other parts of the world mean that the top buyers in the region -- including Indonesia, Thailand and Vietnam -- are likely to pivot back to Australia.

Percentage Share of Top 10 Countries for World Cotton Consumption



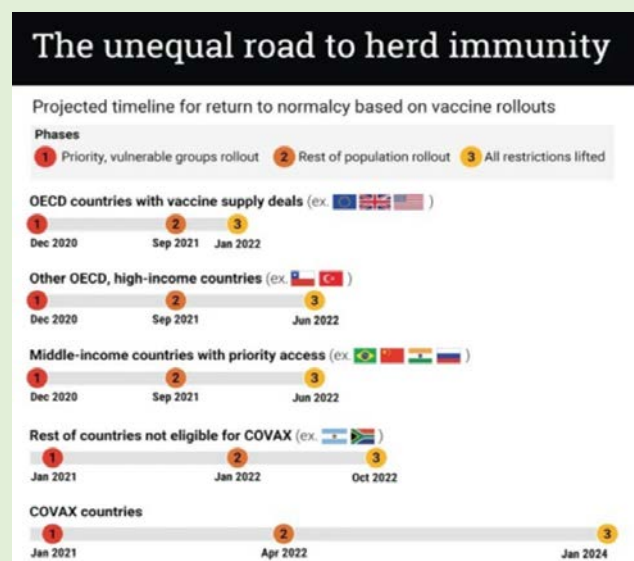
Surging Shipping Rates Engulf Global Economy



Shocks to supply chains are engulfing a wider swath of the global economy as the pandemic rages on, threatening to stifle Asia's trade-led recovery and making it harder for businesses grappling with soaring freight costs to weather another year like 2020.

Shortages of consumer goods like paper towels and work-from-home gear early in the Covid-19 crisis have given way to parts shortfalls in one of the most globally integrated of industries: auto manufacturing.

When the Pandemic is Likely to End in Different Groups of Countries



Most developing nations might have to live with COVID for three more years.

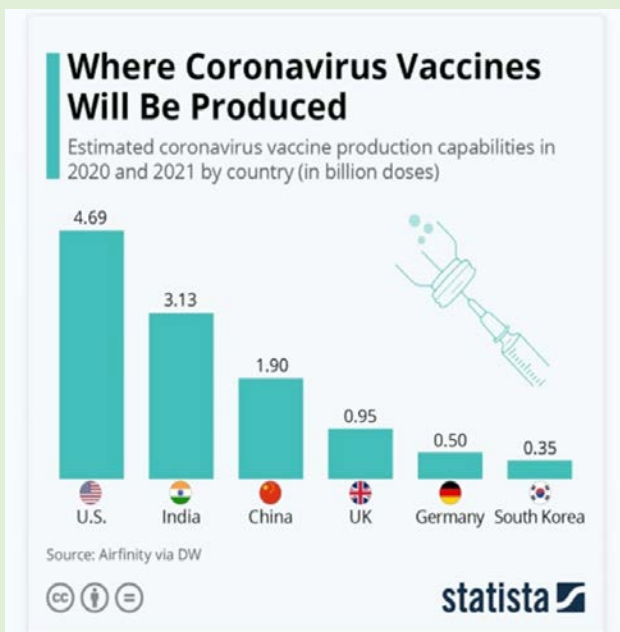
Timeline of the U.S. Unemployment History



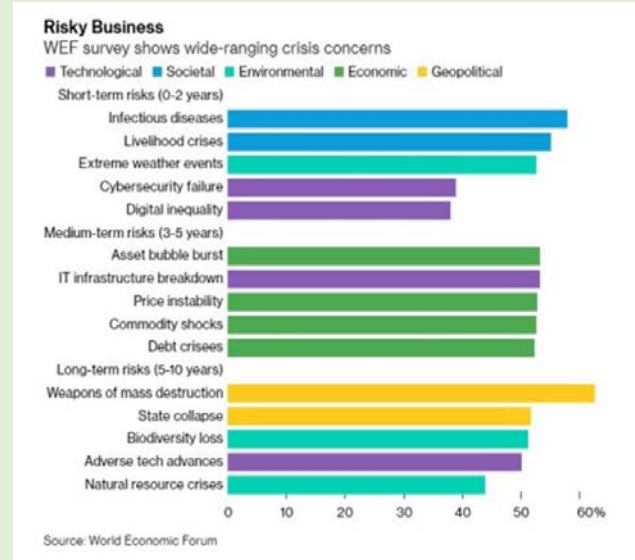
US jobless claims jump by most since March. Initial jobless claims rose by 181 k to 965 k in early January. On an unadjusted basis, figure jumped to 1.15 million, exceed the highest estimate. New filings exceeded the worst days of 2007-09 recession.

Since COVID swept US, >47 million Americans have filed for unemployment and country entered recession. How does it compare to other major periods of unemployment? The visual above illustrates how unemployment rates have changed over time in relation to major events.

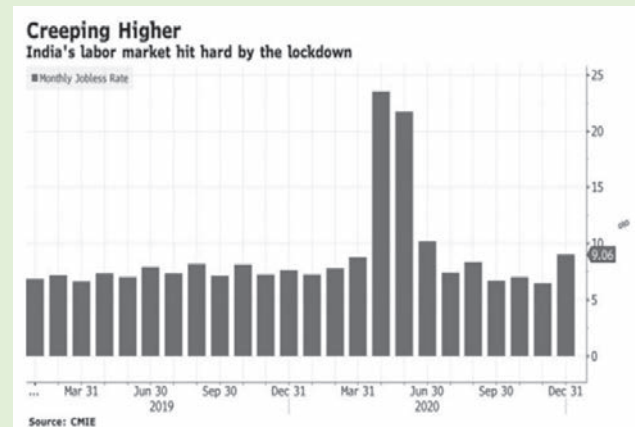
Countries Producing Coronavirus Vaccines



World Economic Forum Survey Shows Wide Ranging Crisis Concerns

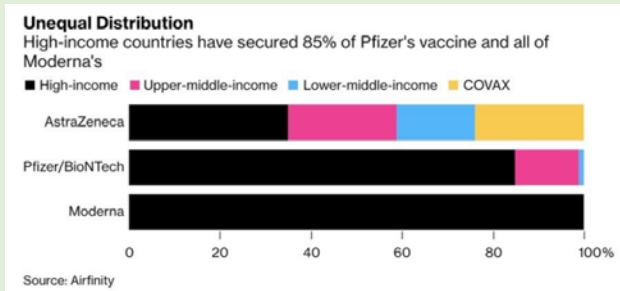


India's Budget Must Fix a Broken Labour Market to Boost Demand



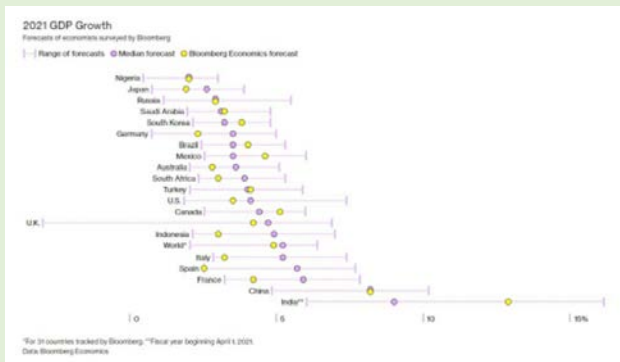
On Feb. 1, Finance Minister Nirmala Sitharaman should not only aim to repair battered government finances and ensure demand recovers in an economy facing its worst contraction since 1952, she must also revive declining revenue and restore millions of jobs lost during the pandemic. That will be crucial to boosting consumer sentiment in a country where local demand contributes nearly 60% of gross domestic product. The fiscal cost of steps announced so far account for less than 2% of GDP, and compares to direct spending of roughly 3% on average in other emerging markets, according to S&P Global Ratings.

Vaccine Disparities Raise Alarm



Vaccine disparities raise alarm as Covid variants multiply. Pockets without access may breed dangerous viral strains. Economic stakes are huge as nations race to slow coronavirus.

2021 GDP Growth

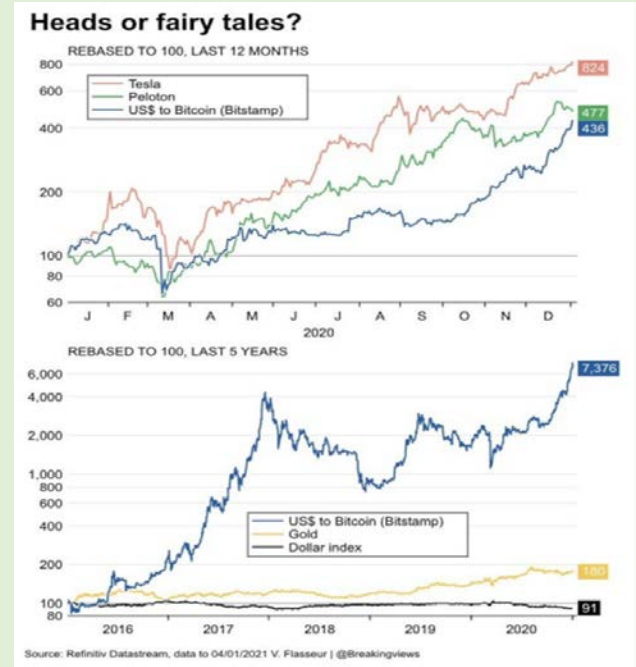


China Trade Row Costs Australia \$3 Billion in Lost Exports

	2020	2019
Coal	7,870	9,331
Barley	363	662
Wine	673	812
Beef	418	407
Lobster	0.047	0.204
Timber	495	587
Copper ore	1,272	1,660

A staggering \$3 billion is the value of Australian exports lost in 2020 compared to the prior year, and covers commodities from copper and coal to wine and lobsters, that are now subject to trade restrictions by Beijing, according to Chinese customs data. The impact on some of those industries has been savage as exporters are forced to abandon their biggest market and seek customers elsewhere.

Scaramucci Sees Massive Gains for Bitcoin in Comparison to Gold



SkyBridge Capital’s Anthony Scaramucci is the latest Wall Street maven to get on the Bitcoin bandwagon, launching a crypto-centric fund this week and predicting the digital asset could be poised for massive gains.

“Bitcoin is better at being gold than gold is at being gold,” Scaramucci, the firm’s founder and managing partner, said in an interview. “It’s easier to store, it’s harder to steal, it’s more portable, and so therefore, it’s become the ledger or the storage of the future in terms of the storage of value.” Scaramucci compared Bitcoin’s market capitalization to that of gold, saying that reaching just half of it -- about \$5 trillion -- could mean the digital currency goes up about 10 times from where it’s currently trading.

Compiled by Shri. Kunal Thakkar

J O B V A C A N C Y

Seeking BSc/MSc/BE Graduates
with 3-5 years work experience
in cotton/textile/fibre testing industry.

Position available
in Jalgaon (Maharashtra).

Please send resumes at cai@caionline.in

Revision in Testing Charges at CAI Laboratories

The following are the charges for cotton testing in the laboratories of the Cotton Association of India with effect from 1st October 2020.

Particulars	Per Sample Testing Fees in Rs.		
	Testing Fees	GST	Total
HVI Test	145	26	171
Micronaire Test	85	15	100
Colour Grade on HVI	85	15	100
Gravimetric Trash Test on HVI	85	15	100
Moisture	85	15	100
Grading (Manual Classing)	235	42	277

VOLUME BASED DISCOUNTS

Particulars	Per Sample Testing Fees in Rs.		
	Testing Fees	GST	Total
For 250 samples and above but less than 500 samples	140	25	165
For 500 samples and above but less than 750 samples	135	24	159
For 750 samples and above but less than 1000 samples	130	23	153
For 1000 samples and above but less than 2000 samples	125	23	148
For 2000 samples and above but less than 5000 samples	120	22	142
For 5000 samples and above but less than 10,000 samples	115	21	136
For 10,000 samples and above	105	19	124

The fees under the above volume based discount scheme is payable within 15 days from the receipt of the invoices to be raised on monthly basis.

We would also like to inform that the parties can avail the benefit of testing of cotton at multiple laboratories of the Associations against the CAI Credits made by them.

We earnestly request you to avail the facility of testing at the Association's laboratories.



Cotton Association of India

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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) 2019-20 Crop January 2021					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Gravimetric Trash	Strength /GPT	18th	19th	20th	21st	22nd	23rd
3	GUJ	ICS-102	Fine	22mm	4.0 - 6.0	13%	20	7789 (27700)	7789 (27700)	7789 (27700)	7817 (27800)	7930 (28200)	7930 (28200)
								Spot Rate (Upcountry) 2020-21 Crop					
1	P/H/R	ICS-101	Fine	Below 22mm	5.0 - 7.0	4%	15	10770 (38300)	10770 (38300)	10770 (38300)	10798 (38400)	10826 (38500)	10826 (38500)
2	P/H/R (SG)	ICS-201	Fine	Below 22mm	5.0 - 7.0	4.5%	15	10911 (38800)	10911 (38800)	10911 (38800)	10939 (38900)	10967 (39000)	10967 (39000)
3	GUJ	ICS-102	Fine	22mm	4.0 - 6.0	13%	20	-	-	-	-	-	-
4	KAR	ICS-103	Fine	23mm	4.0 - 5.5	4.5%	21	8464 (30100)	8464 (30100)	8464 (30100)	8492 (30200)	8577 (30500)	8577 (30500)
5	M/M (P)	ICS-104	Fine	24mm	4.0 - 5.5	4%	23	10573 (37600)	10573 (37600)	10573 (37600)	10601 (37700)	10601 (37700)	10601 (37700)
6	P/H/R(U) (SG)	ICS-202	Fine	27mm	3.5 - 4.9	4.5%	26	11754 (41800)	11754 (41800)	11754 (41800)	11782 (41900)	11810 (42000)	11754 (41800)
7	M/M(P)/SA/TL	ICS-105	Fine	26mm	3.0 - 3.4	4%	25	9392 (33400)	9392 (33400)	9420 (33500)	9476 (33700)	9533 (33900)	9533 (33900)
8	P/H/R(U)	ICS-105	Fine	27mm	3.5 - 4.9	4%	26	11895 (42300)	11895 (42300)	11923 (42400)	11951 (42500)	11979 (42600)	11923 (42400)
9	M/M(P)/SA/TL/G	ICS-105	Fine	27mm	3.0 - 3.4	4%	25	9983 (35500)	9983 (35500)	10011 (35600)	10067 (35800)	10123 (36000)	10123 (36000)
10	M/M(P)/SA/TL	ICS-105	Fine	27mm	3.5 - 4.9	3.5%	26	10714 (38100)	10770 (38300)	10826 (38500)	10911 (38800)	10967 (39000)	10967 (39000)
11	P/H/R(U)	ICS-105	Fine	28mm	3.5 - 4.9	4%	27	11979 (42600)	11979 (42600)	11979 (42600)	12007 (42700)	12035 (42800)	11979 (42600)
12	M/M(P)	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	11810 (42000)	11838 (42100)	11867 (42200)	11923 (42400)	11951 (42500)	11895 (42300)
13	SA/TL/K	ICS-105	Fine	28mm	3.7 - 4.5	3.5%	27	11838 (42100)	11867 (42200)	11895 (42300)	11951 (42500)	11979 (42600)	11923 (42400)
14	GUJ	ICS-105	Fine	28mm	3.7 - 4.5	3%	27	11867 (42200)	11895 (42300)	11923 (42400)	11979 (42600)	12007 (42700)	11951 (42500)
15	R(L)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	11951 (42500)	11923 (42400)	11951 (42500)	11979 (42600)	12007 (42700)	11951 (42500)
16	M/M(P)	ICS-105	Fine	29mm	3.7 - 4.5	3.5%	28	12120 (43100)	12148 (43200)	12176 (43300)	12232 (43500)	12288 (43700)	12232 (43500)
17	SA/TL/K	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	12148 (43200)	12176 (43300)	12204 (43400)	12260 (43600)	12317 (43800)	12260 (43600)
18	GUJ	ICS-105	Fine	29mm	3.7 - 4.5	3%	28	12148 (43200)	12176 (43300)	12232 (43500)	12288 (43700)	12317 (43800)	12260 (43600)
19	M/M(P)	ICS-105	Fine	30mm	3.7 - 4.5	3.5%	29	12457 (44300)	12513 (44500)	12570 (44700)	12598 (44800)	12654 (45000)	12626 (44900)
20	SA/TL/K/O	ICS-105	Fine	30mm	3.7 - 4.5	3%	29	12485 (44400)	12541 (44600)	12598 (44800)	12626 (44900)	12682 (45100)	12654 (45000)
21	M/M(P)	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	12795 (45500)	12879 (45800)	12907 (45900)	12935 (46000)	12963 (46100)	12963 (46100)
22	SA/TL/K/TN/O	ICS-105	Fine	31mm	3.7 - 4.5	3%	30	12823 (45600)	12907 (45900)	12935 (46000)	12963 (46100)	12991 (46200)	12991 (46200)
23	SA/TL/K/TN/O	ICS-106	Fine	32mm	3.5 - 4.2	3%	31	12991 (46200)	13020 (46300)	13076 (46500)	13160 (46800)	13160 (46800)	13160 (46800)
24	M/M(P)	ICS-107	Fine	34mm	3.0 - 3.8	4%	33	18278 (65000)	18278 (65000)	18334 (65200)	18334 (65200)	18334 (65200)	18334 (65200)
25	K/TN	ICS-107	Fine	34mm	3.0 - 3.8	3.5%	34	18840 (67000)	18840 (67000)	18897 (67200)	18897 (67200)	18897 (67200)	18897 (67200)

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