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USD 64.11 | EUR 69.89 | GBP 82.83 | JPY 0.57

Cotton Market

Spot Price (Ex. Gin), 28.50-29 mm

Rs./Bale	Rs./Candy	USD Cent/lb
19888	41600	**82.84**

Domestic Futures Price (Ex. Gin), May

Rs./Bale	Rs./Candy	USD Cent/lb
21230	44408	**88.44**

International Futures Price

NY ICE USD Cents/lb (May 2017)	82.18
ZCE Cotton: Yuan/MT (July 2017)	15,625
ZCE Cotton: USD Cents/lb	**85.49**
Cotlook A Index – Physical	**88.9**

Cotton guide:

Market action was erratic for Cotton near month futures July contract in the last week to end the Friday at limit up in ICE platform. Throughout the week market was steady however, on Friday price surged to end the week on a very strong note near 83+ cents/lb. This morning ICE cotton for July again edged higher by 2.14% at 83.94 cents while already made an intraday high of 84.36 cents. The similar kind of movement was noticed in the new crop contract of December. The ICE December surged from 72 cents to currently surpassing 74+ cents/lb. We believe market has moved higher across contracts and the invert between July and December has inched to almost 10 cents.

We believe market would remain precarious in the near term. Especially July would remain volatile and time to come when funds would roll their positions from July to December. This should push December to also advance while the contract is well supported near 72 marks.
Compiled By Kotak Commodities Research Desk , contact us : mailto:research@kotakcommodities.com, **Source: Reuters, MCX, Market source**

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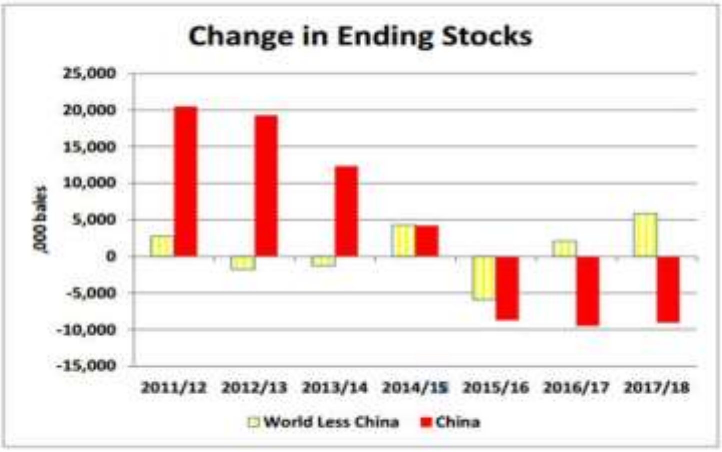
INTERNATIONAL NEWS

Cotton stocks outside of China to rise in 2017-18: USDA



Cotton production is forecast up in all major producers, including the US and India, resulting in the highest production outside of China in six years. As a result, stocks outside of China will rise to a near-record share of use, the United States department of agriculture (USDA) said in its first detailed forecast for the 2017-18 marketing year.

2017-18 would be the second year of production growth (nearly 7 percent), alongside the strongest consumption growth since 2012-13 (over 2 percent). Global consumption is expected to remain above production, yielding the third consecutive year of declining global stocks, albeit with a much smaller reduction than in the previous 2 years, the forecast said.

“Stocks in China are forecast to fall substantially for the third consecutive year, with a decline of about 9 million bales, reflecting continued strong and steady State Reserve sales. Despite their aggressive sales and a continuing recovery in consumption, stocks in China will remain very high with the ending stocks-to-use ratio above 100 per cent for the sixth consecutive year,” the report said.

Since China’s policies remain aimed at reducing the State Reserve, its imports will increase only slightly. However, the situation outside of China will be quite different. Production is forecast up in all major producers, resulting in the highest production outside of China in six years. Consumption will grow at a faster rate than within China as well (2.7 percent vs. 1.3 percent).

US cotton will face strong export competition as large Southern hemisphere crops will be available before the 2017-18 US crop. The Franc Zone, Central Asia, and India will have both higher carry-in stocks and larger production.

As a result, despite higher exportable US supplies and growing world import demand, US exports are forecast to be lower in 2017-18.

Compared to 2016-17, larger crops are forecast in 2017-18 for the US, India, Pakistan, China, Turkey, and Australia, with only moderate growth in Brazil, Mexico, Egypt, Central Asia, and West Africa. Meanwhile, production declines are anticipated in much of the Middle East and some African countries, such as Chad and Tanzania.

In terms of consumption, strong growth is forecast in 2017-18 for Vietnam, Bangladesh, China, and India, compared to their consumption in 2916-17. More moderate consumption growth is expected in Turkey and Indonesia, as well as some Western Hemisphere countries such as Brazil, Mexico, and the US. Consumption declines are forecast in South Korea, Taiwan, and several consuming countries in the Middle East and Europe.

Source: fibre2fashion.com- May 13, 2017

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US textile bodies suggest actions to tackle trade deficit

Outlining causes of the $95 billion US trade deficit in textiles and apparel, four US textile trade associations – the National Council of Textile Organizations (NCTO), American Fiber Manufacturers Association (AFMA), Narrow Fabrics Institute (NFI), and United States Industrial Fabrics Institute (USIFI) – have suggested remedial actions to tackle the same.

In their joint comments submitted to the US department of commerce, the coalition of domestic textile manufacturers have recommended six specific actions to tackle the US trade deficit and spur growth in US textile and apparel jobs and output. The recommendations are elimination of unnecessary exceptions in free trade agreements (FTAs), expansion and improving 'Buy American' programmes, prioritising customs enforcement, tackling currency manipulation, enacting comprehensive tax reform, and addressing regulatory burdens.

"The US textile industry strongly supports the (Trump) Administration's desire to investigate the causes of our nation's trade deficit and respectfully requests that the Administration take steps as soon as feasible to address the root issues associated with this persistent and severely damaging problem," the associations said in their joint comments.

In addition, NCTO's Upholstery Fabrics Committee (UFC) has submitted a separate statement detailing the reasons for the US trade deficit in upholstery fabrics, focusing on the imbalance with China in particular. The UFC recommended that the US government should self-initiate countervailing duty and dumping procedures against Chinese upholstery fabrics. "Doing so would provide a mechanism to assess appropriate penalty tariffs on Chinese imports of woven upholstery fabrics in roll form, in cut-and-sewn kits, and in upholstered furniture," it noted.

Cut-and-sewn kits are comprised of upholstery fabrics that are cut, sewn and attached to furniture frames and filled with foam. Since they enter the US duty free, they are a huge issue and represented an estimated $829 million of Chinese exports to the US in 2016. "Addressing imported Chinese upholstery fabrics and cut-and-sewn kits would encourage increased imports of finished upholstered furniture, so the downstream finished product from China should be covered as well," UFC said in its statement.

Praising President Trump for ordering review on causes of significant US trade deficits, NCTO president and CEO Auggie Tantillo said, "A trade deficit study like this should have been initiated years ago."

"If America is to reverse its trade-related red ink and create more jobs, policymakers must have a better understanding of the policies and economic factors responsible for driving production offshore," he added

Source: fibre2fashion.com- May 13, 2017

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Pakistan: Govt urged to take action against illegal Indian fabric imports

KARACHI: Local manufacturers have demanded the government to immediately take strict action against illegal imports of Indian fabric under fake origin certificates, as it is badly hurting the local industry.

Pakistan is being dumped with Indian fabric under fake origin certificates of China and Hong Kong.

“Sale of locally-made fabric is suffering in Pakistan due to smuggled Indian fabric under the name of Chinese and Hong Kong companies,” a local manufacturer told The News on the condition of anonymity.

The Directorate General Intelligence and Investigation of the Federal Board of Revenue (FBR) recently seized around 18 containers of Indian fabric, which came through Dubai under the Chinese certificate of origin.

According to investigations, none of these Chinese or Hong Kong companies existed. “One quoted Chinese company manufactures watches,” the local manufacturer added.

Sources said the majority of Indian fabric importers, who belonged to Lahore, after facing problems at the Karachi ports in clearing their consignments, have started using Lahore Dry Port for the purpose.
“We had complained to the Customs officials around eight months ago and after strict action against these importers, our sales have increased,” he said. Indian fabric worth over Rs700 million had already landed in Pakistan, as 88 containers had been cleared by the Customs authorities on fake documents submitted by the importers.

Industry people say that local loom fabric manufacturers are usually small manufacturers and cannot sustain pressure of the illegally dumped fabric and any shut down by them will endanger the livelihood of thousands of people associated with the business.

“Pakistan’s weaving sector was already affected. Indian fabric will increase unemployment,” he said, adding, “India is damaging us economically too.”

One member of the Pakistan Silk and Ryan Mills Association said import of the Indian fabric is there in the negative list of items between the two countries and its import is not allowed. “Polyester filament yarn and fabric is in the negative list and the Indian fabric imported here comes under this category,” he said. However, “illegal imports continued for the last three years.”

After the Customs department intervention eight months ago, imports of such fabric has slowed down, but not completely ended as, smuggling continues through Iran and Chaman borders.

Naseem Usman, chairman of the Karachi Cotton Brokers Association, said Indian fabric entered into Pakistan through Dubai and Afghanistan border under the fake certificate of origin.

The All Pakistan Textile Mills Association (Aptma) has also shown its concerns over illegal imports of the Indian fabric.

Indian extremist organisations have recently put Pakistani fabric on fire in a newly-opened shopping mall in India.

The manufacturers have; therefore, urged to government to immediately stop this illegal business and protect the local businesses.

Source: *thenews.com.pk*- May 13, 2017

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Cotton price hits new high as US sales boom

Textile mills and hedge funds are engaged in a scramble for cotton as a resurgent global economy pulls bales from warehouses.

Last week benchmark US cotton futures rose by the daily exchange limit to the highest level since mid-2014 after data showed supplies flying out of the US, the biggest exporter.

Brokers warned the tumult may not be over as mills have yet to fix the price of millions of bales they ordered from merchants for delivery by July. As volatility surged, the Intercontinental Exchange raised the amount of collateral needed to hold futures contracts and widened the allowable price band for Monday's session.

The fevered action ended months of soporific trading in cotton. Prices had moved sideways as consumers bought more polyester fabrics and China, the largest cotton spinner, maintained a massive state-owned reserve that damped rallies. But Beijing has begun selling off cotton stocks and global consumption will increase about 2 per cent this year to 24.6m tonnes as the world economy strengthens, according to the International Cotton Advisory Committee, an intergovernmental group in Washington. Mills in countries such as India, Pakistan and Vietnam have increased imports of US cotton nearly 60 per cent this year, according to the US Department of Agriculture.

Hedge funds have clung to an overwhelmingly bullish position in cotton, with 10 purchases for every sale in US futures.

To cotton market veterans, the intense rally recalled a 2008 price spike that knocked some of the industry's oldest names out of business. The international cotton trade is today led by trading houses such as Louis Dreyfus, Cargill, Glencore and Cofco Agri.

ICE July cotton settled Friday at 82.18 cents a pound on Friday, up three cents. With futures prices locked by the exchange fluctuation limit, brokers said nervous traders had bought call options giving them the right to secure July cotton for 85 cents.

Related article Manchester sees rebirth of cotton industry New mill will supply luxury British clothing makers "We're pretty parabolic right now," said Peter Egli of Plexus Cotton, a Liverpool-based trading house.

The rally was sparked by USDA estimates showing US cotton stocks would dwindle to 3.2m bales before the autumn harvest. A bale weighs 480lb.

"We are all but sold out of US cotton for this year," said Ron Lawson of Logic Advisors, a commodity research group in California.

The US commodity futures regulator later reported that mills had not yet agreed prices for forward contracts to buy 4.62m bales of cotton by July — an "alarmingly high" number, Mr Egli said. Brokers said the magnitude of unfixed contracts raised the risk that some mills would renege on purchase agreements with merchants.

The scramble reflects the fact that the benchmark cotton futures contract only allows delivery of bales grown in the US. Even though new crops are arriving from southern hemisphere exporters such as Australia and Brazil, they cannot be used to back the industry's main hedging tool. A world cotton futures contract launched by ICE has not yet gained traction.

Source: *ft.com*- May 15, 2017

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Sustainable Apparel Forum to begin from May 17 in Dhaka

Sustainable Apparel Forum (SAF) will be held in Dhaka, beginning from May 17. The two-day programme hosted for the first time by Bangladesh Apparel Exchange will take place alongside the flagship event Bangladesh Denim Expo. SAF will share information on sustainability issues in the apparel industry. 'Making Sustainability Easier' is the theme of this event.

The forum will be inaugurated jointly by Bangladesh commerce minister Tofail Ahmed and prime minister's adviser on power, energy and mineral resources Towfiq-e-Elahi Chowdhury, according to Bangladesh media reports. Based on the theme 'Making Sustainability Easier', the programme will encompass five sessions including one opening session. Four sessions will focus on topics including saving water, resources, cost, energy efficiency and sustainable business. SAF aims to increase business in the industry through awareness, said the organisers.

"Presence of already 67 LEED certified green garment factories in the country while 222 more are in the offing is the evidence the sector's steady move towards sustainability," said founder and CEO of Bangladesh Denim Expo Mostafiz Uddin.

Eminent speakers from various parts of the world will share their views on sustainability and the importance of meeting customer's expectations at the event which will also host various specialised workshops and hands-on training sessions.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA), United Nations Industrial Development Organisation (UNIDO), Dansk Fashion and Textile, Centre for the Promotion of Imports from developing countries (CBI) of Dutch foreign affairs ministry and GIZ Bangladesh are among others supporting the international event.

Source: fibre2fashion.com - May 14, 2017

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Amazon, channel for Vietnam's apparel to enter EU

Amazon, leading online shopping channel, has the potential to become a window for Vietnamese textile and garment products to gain access to European Union market. This was stated in Hanoi at a seminar, organised by Vietnam Textile and Apparel Association. Vietnamese businesses got advice on e-commerce by experts from Germany's Vorwarts company at the event.

Vorwarts CEO André M. Åslund said the quality of Vietnam's garment products satisfied EU consumers. Many enterprises in Vietnam and Asia were selling their products to the EU via intermediaries or outlets. However, if products are sold on Amazon, intermediaries will not be needed, leading to reduction in cost and improvement in Vietnamese apparel's competitiveness in EU markets, according to Vietnamese media reports.

Up to 76 per cent of consumers use mobile phones to shop online, and 50 per cent of mobile phone users shop via Amazon, Åslund said.

Noting that consumers' behaviours were changing, he said instead of solely depending on products' prestige, their interest and trust were now also framed by other factors such as product review and description, and other consumers' assessment, the reports said.

Therefore, businesses should pay more attention to quality information provision and product quality to get good assessments. Those evaluations will encourage EU consumers to buy Vietnamese products, Åslund said.

However, businesses must comply with regulations of EU markets and improve product design to meet consumers' taste. Once consumers are satisfied, they will introduce products to others, he said.

Source: fibre2fashion.com- May 15, 2017

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Pakistan: Moderate trading witnessed at lint market with physical prices firm

Moderate trading seen at the lint market with firm physical prices, while buyers made deals on slightly higher prices. Forward deals also changed hands for better grades of lint on slightly higher price at around Rs6,600 per maund in Sindh and Punjab stations. The Karachi Cotton Association (KCA) kept the spot rate at Rs 6,700 per maund.

According to floor brokers, buyers made deals for all grades besides deals for better and second grade of lint for blending purpose remained firm and deals changed hands at around Rs 6,575 per maund to Rs 7,000 per maund during the trading session.

A senior trader, Ghulam Rabbani said that leading buyers consolidated their long positions and made deals for second grade on paying premium price for it.
In domestic market mills and spinners remained eager for quality lint on the back of growing demand of end textile made up products.

The ginners of Punjab offered cotton of all grades to the buyers around Rs 5,975 per maund to Rs 6,750 per maund while ginners of Sindh offered raw grade lint to the buyers around Rs 5,975 per maund, depending on thrash level.

According to KCA, 200 bales of upper Sindh changed hands at Rs 6,450 per maund, 200 bales of Hyderabad at Rs 6,400 per maund, 100 bales of southern Punjab at Rs 6,675 per maund and 100 bales of Sanghar at Rs 6,650 per maund.

While trading activity remain slow at the Karachi Cotton Exchange on Thursday, as only some needy mills entered into the market. Spot rates remained unchanged at Rs6,700/maund (37.324kg) and Rs7,180/40kg. Ex-Karachi rates also stood firm at Rs6,835/maund and Rs7,325/40kg after an addition of Rs135 and Rs145 as upcountry expenses, respectively.

According to an analyst, around 200,000 bales are still lying with the ginners, which is a very little quantity and will be sold easily.

The cotton market recorded five transactions of 2,100 bales at a price in between Rs6,200 and Rs7,000/maund. Chichawatni's 200 bales were sold at Rs6,200/maund, 200 bales of Khanewal at Rs6,800, 400 bales of Rahimyar Khan at Rs6,975 and another 700 bales of Rahimyar Khan and 400 bales of Chani Goth exchanged hands at Rs7,000/maund.

Source: yarnsandfibers.com- May 12, 2017

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Germany: Krea signs with Igepa distribution deal at Fespa

German textile manufacturer Krea signs deals with Igepa Group for the European wide distribution of all of its textile products. The deal was signed on Igepa boost at Fespa, said Krea managing director Jörg Hippel. One of the products that will be distributed by Igepa is Krea's Speedy Outdoor textile, which is being shown for the first time at Fespa.

Roll-out of Krea's products will begin after the show to Germany, Austria and Switzerland, and then to other parts of Europe, including the UK and Benelux, in the next few months.

The Speedy Outdoor backlit textile is made from polyester with a "special outdoor coating", according to Hippel, who said price is "competitive". It is compatible with UV and latex inks.
The product, which is waterproof and crease-free, is available commercially from the show but has been tested since the backend of last year by two high-volume users.

Normally outside you only have PVC. Everybody was trying to take textiles for outdoor use but they are not suitable because the sun kills the textiles. Their material protects the textile against the sun.

Hippel said that Igepa group know that they are absolutely reliable, it’s one of the great German traits. And they know that this is the biggest distributor, which delivers not only textiles to its customers but all its knowledge of the printing industry and knowledge of the inks.

Krea is also using the show to launch a number of new products in its accessories range, including flag packs, belts, velcro straps, and also a new range of blank towels, which can be individually printed using a transfer sublimation process.

Source: yarnsandfibers.com- May 12, 2017

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NATIONAL NEWS

GST enters the last mile, all eyes on Srinagar

The GST Council, comprising state finance ministers and headed by Arun Jaitley, will meet later this week in Srinagar to fit GST rates into four tax slabs

Later this week, the goods and services tax (GST) Council made up of finance ministers of states and Union territories and headed by finance minister Arun Jaitley will convene in Srinagar. The 14th meeting of the GST Council is important in ways that go beyond the listed agenda: the complex task of fitting various goods and services into four tax slabs.

It will, at least on the 18-19 May, provide an opportunity to feature Srinagar and of course the state of Kashmir in a refreshingly new light in the national media. Instead of the daily news reports on terrorist encounters/killings/assaults sponsored from across the border, Srinagar will serve as ground zero for crucial deliberations on GST, the most singular piece of indirect tax reform attempted in modern India—and that too in its last mile.

Indeed, it is a very opportune moment to begin rewriting the narrative on Kashmir and the emerging compact of federalism, where the Union government is just the first among equals. The import of this moment cannot be ignored.

For the first time, Kashmir will be integrating into a national policy dialogue. And in the case of GST, it will, among other things, eliminate tariff barriers between states, preclude the cascading effects present in the existing form of indirect taxes and economically unify India—a very powerful idea in itself: One Nation, Uniform Tax.

Both the states and Union government have sacrificed their taxation powers and instead undertaken an incredible pooling of their sovereignty—Kashmir has volunteered so wholeheartedly to be part of this despite the fact that given its special status under the Constitution of India it is not bound to implement the GST.

This is a perfect example of the emerging new federal compact, where states are now beginning to own policy decisions instead of treating it like a step child of the Union government. As a result, unlike in the last 70 years, the states will be equal stakeholders; right now it is restricted to the economy, but can be extended to other domains too.

The first step in this direction was provided by the Fourteenth Finance Commission which sharply increased the share of states in net tax receipts of the Union government from 32% to 42%; did away with grants, gave greater leeway to fiscally responsible states to borrow and most importantly allowed states to define their social development programmes so as to tailor them to the peculiarities of each state.

Prime Minister Narendra Modi signalled as much in his letter to the chief ministers immediately after the Union government accepted the Commission's proposals when he said, "This is all towards the fulfilment of my promise of co-operative federalism. As you have already seen, we have decided to involve states in discussing and planning national priorities."

This emerging federal institutional framework has been further reinforced by the formation of the GST Council. It has been designed in such a way that the Union government has only one-third say in decisions, while the states account for the rest. Further, all decisions have to be carried by a three-fourth majority. To put it simply, going forward, the Centre and states are enjoined in a three-legged race—one which they can win only if they coordinate their actions. And in this, it is extremely creditable that in 13 deliberations of the Council so far, despite grave provocations and differences among its members, decisions have been eventually carried by consensus.

It is in this backdrop that Srinagar will play host to the finance ministers of 32 states and Union territories. Yes, the final outcome of this key crucial GST Council is very important as the scheduled roll-out of the GST depends on it. But equally so is the opportunity it provides to chart a new narrative on the participation of India's northern-most state, going through one its most troubled moments, in a new national dialogue—a Srinagar declaration as it were.

Source: livemint.com- May 15, 2017

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Govt. to train SC handicraft workers

The National Institute of Open Schooling, an autonomous institution under the Ministry of Human Resource Development, will train handicraft workers belonging to the Scheduled Castes, as part of a scheme to be funded by the Ministry of Textiles.

For the purpose, NIOS will set up the first Skill Training Centre in Varanasi, the Lok Sabha constituency of Prime Minister Narendra Modi. Later, similar centres will come up in other places.

It is hoped that successful candidates will be able to set up small businesses, NIOS officials feel. This, in turn, would boost small Dalit entrepreneurship, they added.

Skill training centres

"The National Institute of Open Schooling (NIOS) had put up a proposal to fund the training of Schedule Caste learners. The Ministry of Textiles has agreed to fund the scheme submitted by the NIOS," says a note. "Under the scheme, the National Institute of Open Schooling (NIOS) will be setting up five Skill Training Centres in the country for the training of handicraft workers."

It adds that the programme aims at training 1,500 Scheduled Caste apprentices to provide them requisite skills. Those who successfully complete this training course will also be eligible for Secondary School Leaving Certificate.

Source: thehindu.com - May 15, 2017

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State Government to unveil textile and apparel policy

The Telangana Government is in the process of formulating a textiles and apparel policy that contemplates waiver of personal loans of individual handloom weavers.

Neither the cap on loans like in the case of farmers or the date when it should be made applicable has not yet been decided. Fresh loans were proposed to be given at 3% interest. The policy is still under discussion at the government level, a senior official said.

The official told *The Hindu* that the government is also studying what kind of subsidies could be given for capital investment and purchase of equipment by entrepreneurs. Tax incentives and power subsidy are being examined. A number of players in textiles industry at the national and international levels are awaiting the policy to invest and participate in production at Warangal textiles park. The policy targets investments of at least five international and fifty domestic companies and setting up of five new textile parks with a view to generate employment for three lakh persons, a majority of them women. They will be invited to invest in spinning, weaving, processing and garment sectors. Linkage of technology to existing facilities in the industry and skill development will be focussed, sources said. On employment front, the objective is to see that the wages of individual weavers go up by at least 50%.

A market-friendly environment for the products of rural artisans and providing incentives to distressed weavers will be at the core of the policy which is being drafted with a five-year vision. Land for investors will be allotted from the land bank of Telangana State Industrial Infrastructure Corporation. Housing for workers and staff are proposed within the textile parks.

The government proposed a monthly stipend of ₹3,000 for people who underwent training and skill development at a fabric designing institute that will be set up with government aid. After 45 days of training, the trainees will be contracted to work in the institute for one year. Degree and diploma courses in designing and fashion engineering will be offered at the institute.

The State will extend 40% concession on purchase of yarn by textiles industry in addition to the 10% already given by Centre. A power subsidy for power looms operating with motors of 27 HP capacity is also being examined. The government will procure purchase orders from weavers.

Source: thehindu.com - May 14, 2017

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DKTE signs MoU with Chinese university

KOLHAPUR: DKTE Society's Textile and Engineering Institute, Ichalkaranji has signed a Memorandum of Understanding (MoU) with the Wuhan Textile University (WTU) China, a premier University for textile education, earlier last week. The MoU covers students and faculty exchange, joint research, product development and conducting of training programmes and workshops.

According to the DKTE officials, as part of this cooperation, students of DKTE will pursue Masters Programme at Wuhan University with scholarships and waiver of tuition fees. "Wuhan Textile University has proven significant presence in Asia in international education and recorded remarkable progress in the textile education also," said P V Kadole, Principal, DKTE.

He added that before signing this MoU, B Text students of DKTE, Umesh Patil, Moisin Naikwade, Umer Inamdar, Rahul Navik, and Shivraj Karande were selected by Wuhan University for pursuing MS programme with the scholarship.

Source: timesofindia.com- May 13, 2017

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Cotton imports at all-time high of 30 lakh bales; farmers may plant 20% more cotton on prevailing good prices

The last time cotton imports touched a record high was in 2001-02 when they were 25 lakh bales. In the 2015-16 season, India had imported 20 lakh bales

India's cotton imports have touched an all-time high of 30 lakh bales this season. The last time cotton imports touched a record high was in 2001-02 when they were 25 lakh bales. In the 2015-

16 season, India had imported 20 lakh bales of cotton. Buoyed by the good prices this season, farmers are expected to plant 20% more cotton in the 2017-18 season.

The market and international rates of cotton have almost been on par and most cotton mills, especially in south India, have found it feasible to import, MM Chokalingam, chairman and MD in charge, Cotton Corporation of India (CCI) said. Cotton exports which were brisk at the start of the season touching 30 lakh bales, has become subdued with international rates coming on par with India, he added. Usually, there is a difference of 7 cents between domestic and international rates but with rates on par, the realisations from international cotton are higher, Chokalingam points out.

From high moisture level to contamination and adulteration, Indian cotton faces a number of quality issues, forcing textile companies to depend on imports. Moreover, continued dollar inflow into the Indian market is seen to keep the rupee strong, which would encourage imports. Cotton rates in the domestic market are currently in the Rs 5,200-5,300 per quintal range. In the middle of the season, rates had breached the Rs 5,800-6,000 per quintal mark.
According to Chokalingam, since January this year,imports have been more lucrative for cotton millers as the trash content in Australian and African cotton is barely 1% as compared to 3 % in Indian cotton because of which the realisations are higher.

Moreover, international purchasing became more lucrative because of the strength of the Indian rupee as compared to the American dollar, he said.
Imports from African countries work out cheaper for mills in south India, as opposed to purchases from traders in Gujarat, Rajasthan and Maharashtra at a premium, and the added transportation cost.

According to industry experts, some of the farmers held onto their stocks in the middle of the season causing a dip in supply and mills, therefore, turned towards imports. Around 80% of cotton arrivals had come in by the end of April and the season has almost come to an end. Significantly, international cotton prices were in the range of 65-70 cents per pound in September-October last year, which is usually a lean season for India.

Prices went up later due to demonetisation that caused a cash crunch. The situation saw a reversal in March, as cotton prices in the US hit an 18-month high of 79.8 cents a pound due to strong exports and on anticipation of a fall in global inventories in 2017-18. Arrivals currently are in the tune of 50,000 bales on a daily basis and around 310 lakh bales have already arrived in the market as against the total production estimates of 341 lakh bales.

According to Pradeep Jain, a cotton ginner from Jalgaon, cotton imports have touched some 30 lakh bales this season because of attractive international prices while exports have been in the range of 20 lakh bales.

Source: financialexpress.com- May 12, 2017

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Cotton acreage likely to rise 7%

Many farmers are shifting to cotton from water-intensive crops this year

The area under cotton may increase by 7% during the 2017-2018 season due to a 'normal' monsoon forecast and better price realisation by farmers during the current year.

Consumption by textile mills is also forecast to recover by 2% due to competitive prices for cotton yarn products, capacity expansion, and the resolution of adverse impact caused by demonetisation, according to the International Cotton Advisory Committee.

Official data showed that area under cotton in 2015-2016 was 118.77 lakh hectares and production was 338 lakh bales. For the 2016-2017 cotton season (October 2016 to September 2017), production is expected to be 351 lakh bales and the area was 105 lakh hectares.

K.N. Viswanathan, vice-president of Indian Cotton Federation, said sowing had started in the northern States — Punjab, Rajasthan and Haryana — and the indication was that the area would be higher. Karnataka has also reported the beginning of cotton sowing.

Many farmers are shifting to cotton from water-intensive crops this year, increasing the commodity's output.

J. Thulasidharan, president of the federation, said the expectation was that area under cotton could be up in the country by 10 % to 12 % next season. Sowing will start in a majority of the areas next month. Seed companies said the demand for cotton seeds would rise to 52 million packets from 46.5 million packets last season.

Globally, the cotton output is estimated to be higher for 2017-2018. Even the cotton futures prices for December 2017 is lower than that for July 2017. If the monsoon is good as expected, cotton prices might come down. Cotton prices went up to ₹45,000 a candy and are at ₹43, 000 a candy now. The prices have to be steady for the benefit of the sector. "But, the prices might not fall drastically," Mr. Viswanathan said.

Source: thehindu.com- May 13, 2017

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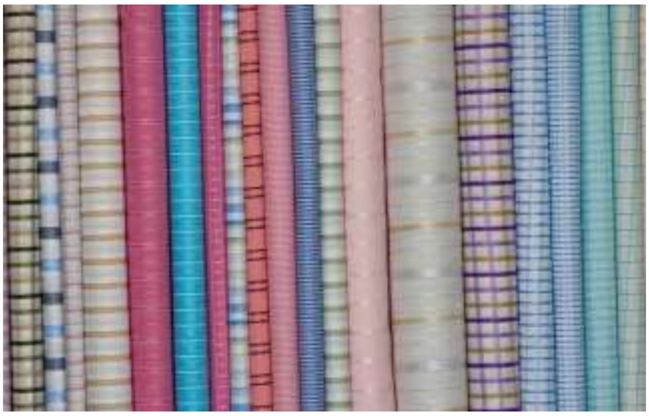
Textiles Committee, QTEC organise programmes on quality



Textiles Committee, a statutory body under the ministry of textiles, Government of India, and the Japan Textile Products Quality and Technology Centre (QTEC) are organising Industry Capacity Building Programs (CBP) across nine centres in India. The CBP involves presentation by the Japanese experts for improving quality of Indian textiles.

The CBP is being conducted in nine centres—Bangalore, Coimbatore, Chennai, Kolkata, Ahmedabad, Ludhiana, Varanasi, Mumbai and New Delhi—began on May 9 and will culminate on May 18. They are being conducted with the aim of improving understanding of the Indian exporters/manufacturers about the requirements of quality and various compliances for the Japanese markets.

The CBP involves presentation by the Japanese experts on: differences of quality requirements between Japanese buyers and Western buyers, quality and compliance in Japan and Japanese Industrial Standards (JIS) overview, and the banned substances in Japanese market.

Subsequent to the CBP, the Textiles Committee will work with QTEC on upgrading some of its 19 laboratories in the country, which have equipment mainly to test standards for exports to the Western markets. The Committee will also consider setting up of QTEC laboratories at few of its facilities.

Currently, only 2 per cent of India's textile and apparel exports are meant for Japan. This share can be increased if Indian manufacturers and exporters explore opportunities in Japan and improve their quality for conformity assessment for Japanese markets.

Source: fibre2fashion.com- May 13, 2017

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