USD 72.52 | EUR 84.75 | GBP 95.37 | JPY 0.65

**Cotton Market**

<table>
<thead>
<tr>
<th>Spot Price (Ex. Gin), 28.50-29 mm</th>
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</thead>
<tbody>
<tr>
<td><strong>Rs./Bale</strong></td>
</tr>
<tr>
<td>22373</td>
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</table>

**Domestic Futures Price (Ex. Gin), October**

<table>
<thead>
<tr>
<th><strong>Rs./Bale</strong></th>
<th><strong>Rs./Candy</strong></th>
<th><strong>USD Cent/lb</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>22580</td>
<td>47232</td>
<td>83.13</td>
</tr>
</tbody>
</table>

**International Futures Price**

- NY ICE USD Cents/lb (Dec 2018) 81.31
- ZCE Cotton: Yuan/MT (Jan 2019) 16,460
- ZCE Cotton: USD Cents/lb 92.55
- Cotlook A Index – Physical 91.30

**Cotton Guide:** Market was quiet on Monday. December settled at 8131, down 52 points, its 4th lower close in the last 5 sessions for a net loss of 254 points. Cotton futures have now traded 24 consecutive sessions in ranges of 365 points or less. Settlements on Monday were lower across the board.

Over the weekend Hurricane Florence flooded the Carolinas and cotton losses are yet unknown. The most common guess was for a loss of 200,000 bales or less, plus quality damages on the surviving open cotton. Total bales estimated for the Carolinas before the storm was 1.356 million bales (USDA). The market has had little reaction to the storm before and after. Cotton’s biggest enemy has been the US trade wars. Currency disruptions have also stunted US exports. Buyers of US cotton have mostly remained on the sidelines. Late breaking news was the US announcement of tariffs on an additional $200 billion worth of Chinese goods. That puts tariffs on about half of the Chinese goods imported into the US.
How China retaliates and its impact on US cotton exports remain a major concern of the industry. This comes at a time when China has alleviated their burdensome reserve stocks. Anticipation of renewed buying from China was one stimulus for December ascent to the 90 cent area in early June.

China’s ZCE futures were marginally lower on Monday. Like ICE, the ZCE has remained in a sideways pattern since August 14th. Chinese State Reserve cotton on Monday’s auction had a turnover rate of 40.29 percent, spinners only. Offered were 30,265.4708 tons (139,009 bales); and sold were 12,192.6234 tons (56,001 bales). The cumulative turnover rate is 58.78 percent (offered versus sold). This auction series started at 24.1 million bales and 13.36 million bales remain.

On the technical front, the daily signal is mostly negative, which could give the bears the initiative in the short term. However, support in the 8000 area is long-term support and 84 is considered as strong resistance level. A move decisively below 8100 could take the nearby down to the 7750 area. A move decisively above 8400 area could result in the test of the 9000 area. Until then we might expect a sideways trend in cotton.

On the domestic front Indian cotton continued to trade sideways to slightly lower near Rs. 47000 per candy. However, MCX cotton for October future has started the week on a weaker note at Rs. 22580 down by Rs. 180 from the previous close. We think the trend may remain sideways to weak today. The Indian currency is trading slightly strong near 72.43; ICE cotton is mostly steady at 81.42 cents per pound. Overall MCX cotton to trade in the range of Rs. 22480 to Rs. 22750 per bale.

**Currency Guide:** Indian rupee has opened marginally higher in early trades today to trade near 69.615 levels against the US dollar. The currency is seeking support from stabilization in domestic equity market and decline in US Dollar. The Dollar has come under pressure following Trump’s comments.

US President Trump yesterday in an interview expressed displeasure over Fed’s stance of tight monetary policy and also accused China and Europe of currency manipulation. The gains may be capped amid ongoing trade worries and financial turmoil in Turkey. For the day we expect Rupee to continue to trade with positive bias. USDINR may trade in a range of 69.4-69.8 and bias may be on the downside.

Compiled By Kotak Commodities Research Desk, contact us: mailto:research@kotakcommodities.com, Source: Reuters, MCX, Market source
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INTERNATIONAL NEWS

Trump Adds Another $200 Billion in Tariffs on China Set to Take Effect Next Week

In an after-market announcement Monday, the Trump Administration confirmed plans to carry forward with another $200 billion in tariffs on China.

This $200 billion comes in addition to the $50 billion already in place and comes ahead of what could be another $267 billion in tariffs on imports from China—which would cover virtually all of the product the U.S. brings in from its Asian trade foe.

The new round of tariffs—set to take effect from Sept. 24—will start as a 10 percent duty on the $200 billion worth of goods, and President Trump has promised that 10 percent will climb to a 25 percent tariff on Jan. 1, 2019.

While some textiles will be spared from the tariffs, the new list does target some textiles and machinery, plus handbags, hats.

More specifically, apparel and clothing accessories made of leather, fur, plastic, rubber, and hooks, eyes and eyelets used for clothing, footwear, handbags and travel goods are some of the products that will be hit with the new 10 percent tariff next week.

In a statement announcing the news, Trump said the U.S. has repeatedly warned China about its interest in protecting U.S. trade and the economy, which has been met with retaliatory tariffs, rather than rectification from China. And more like actions from China could result in even more tariffs.

“If China takes retaliatory action against our farmers or other industries, we will immediately pursue phase three, which is tariffs on approximately $267 billion of additional imports,” Trump said in the statement.

“China has had many opportunities to fully address our concerns. Once again, I urge China’s leaders to take swift action to end their country’s unfair trade practices.”
China has already alluded to withdrawing from trade talks with the U.S. if the $200 billion in tariffs Trump was mulling over took effect, two people familiar with the matter told Bloomberg, so Monday’s move sets the stage for more tough times ahead in trade.

In a statement immediately following the news, the Retail Industry Leaders Association (RILA) expressed concerned for American consumers sure to stem from this ongoing war on trade.

“We are extremely discouraged by the Administration’s announcement to levy tariffs on millions of products American consumers buy every day,” said Hun Quach, vice president of international trade for RILA. “Tariffs are a tax on American families, period.

Consumers— not China — will bear the brunt of these tariffs and American farmers and ranchers will see the harmful effects of retaliation worsen. We are disappointed to see that warnings from importers and exporters representing every sector of the U.S. economy have not been heeded with no time for mitigation.”

Ahead of the final confirmation of the additional $200 billion in tariffs, the National Retail Federation (NRF) pointed to major pain points for the coming holiday season.

“With these latest tariffs, many hardworking Americans will soon wonder why their shopping bills are higher and their budgets feel stretched,” NRF president and CEO Matthew Shay said. “We cannot afford further escalation, especially with the holiday shopping season right around the corner.

The mere talk of tariffs on all remaining Chinese imports is of serious concern to retailers since tariffs of that magnitude would touch every aspect of American life.”

Source: sourcingjournal.com - Sep 17, 2018
China to Cancel Talks if Trump Moves Ahead With Tariffs, Sources Say

China will reject new trade talks if President Donald Trump moves ahead with the next round of U.S. tariffs on Chinese products, throwing into doubt the prospect of a diplomatic breakthrough, according to two people familiar with the matter.

The administration earlier this month floated the idea of talks led by Treasury Secretary Steven Mnuchin, with Chinese Vice Premier Liu He expected to lead the Beijing delegation. But President Donald Trump last week ordered aides to move forward with tariffs on as much as $200 billion in Chinese goods, and a 10 percent duty could be imposed as soon as Monday or Tuesday, according to five people familiar with the matter.

Beijing has already said it will retaliate for the new round of tariffs. Chinese officials have also signaled to U.S. counterparts that Mnuchin’s talks won’t happen.

The planned tariff rate is less than half the 25 percent level the administration had initially considered. Still, American consumers could start feeling the cost in everyday goods, as the latest move brings all Chinese imports subject to a new tariff to $250 billion, roughly half of China’s shipments to the U.S. last year.

The value of targeted Chinese items could be lowered to $180 billion in this round, depending on what’s excluded from the final list of products, according to one of the people.

Unfair trade

Trump is barreling ahead with his vow to punish China for alleged unfair trading practices, despite warnings from many economists and the International Monetary Fund that an all-out trade war could undermine the strongest global upswing in years. The White House had no immediate comment on Monday.
American businesses have come out strongly against the tariffs, saying they have the potential to raise retail prices. Apple Inc. said last month the proposed duties on $200 billion cover a wide range of products used in its U.S. operations.

The Trump administration has been revising the list of Chinese goods that will be hit by tariffs following a feedback period and more than a week of public hearings last month. Most U.S. businesses that submitted comments were opposed to punishing China with tariffs.

U.S. stock futures edged lower amid investor concerns a heightened trade war will crimp corporate profits and undermine economic growth. The S&P 500 index was down less than 1 percent at 11:00 a.m. in New York on Monday.

The president early on Monday seemed to undermine any efforts for a negotiated solution, saying tariffs have bolstered the U.S. bargaining position, while cost increases to consumers have been negligible. He warned of further levies.

“Tariffs have put the U.S. in a very strong bargaining position, with Billions of Dollars, and Jobs, flowing into our Country – and yet cost increases have thus far been almost unnoticeable,” Trump said on Twitter. “If countries will not make fair deals with us, they will be ‘Tariffed!’”

The administration since July has slapped 25 percent tariffs on $50 billion of Chinese goods, sparking immediate in-kind retaliation. China has said it will respond to the next round of U.S. levies with retaliatory tariffs on $60 billion of U.S. goods ranging from liquefied natural gas to aircraft.

Officials from both countries have met four times for formal talks, most recently in August, when Treasury’s undersecretary for international affairs, David Malpass, led discussions in Washington with Chinese Vice Minister Wang Shouwen.

**Antagonizing Beijing**

Heaping more duties on Chinese goods will only further distance Beijing from negotiating an end to the escalating conflict, according to one of the people.
White House economic adviser Larry Kudlow has indicated that Trump could be willing to meet face-to-face with Chinese President Xi Jinping to smooth over trade tensions at the United Nations General Assembly later this month or at the Group of 20 nations leaders’ summit in Argentina from Nov. 30-Dec. 1.

Economists at UBS Group AG say even a 10 percent tariff would slow the U.S. economy in the fourth quarter by enough to stop the Federal Reserve hiking interest rates again in December.

Source: sourcingjournal.com - Sep 17, 2018

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USA: Clothing, Cars Drag on August Retail Sales

Retail sales slowed in August, with clothing sales experiencing the biggest drop.

Sales in the retail sector eked out an increase of just 0.1% last month over the July sales rate. That performance followed months of strong consumer spending at retail.

Core retail sales were up 6.2% compared to the same period last year.

Clothing stores suffered a 1.7% decline in sales compared to July, the worst performance of any category. Sales in that category still bested the August 2017 numbers by 6.3%.

Department stores saw a 1 percent drop in sales, while sales in the car sector fell by 0.8%.

Only miscellaneous stores at 2.3% and gasoline at 1.7% saw sizable gains over July. And gas sales were up 20.3% over August 2017.

Non-store retailers, which is primarily comprised of e-commerce businesses, increased by 0.7% over July and 10.4% compared to the prior-year period.

These retailers reported sales 10.4% hire than the previous August.
Despite the overall slowdown, analysts say the strong economic fundamentals indicate the outlook for the sector is still positive.

“Retail sales remain strong thanks to a solid labor market, accelerating wage growth and consumer optimism, which helps to power the consumer spending gains we are seeing,” NRF chief economist Jack Kleinhenz said. “Clearly, household spending is resilient and a contributor to third-quarter GDP growth, however, uncertainty over tariffs is creating anxiety and could fuel material changes in consumer spending.”

Though analysts polled by Reuters had expected retail sales to be up by 0.4% in August, the market isn’t rattled by the slower-than-expected growth.

“Consumer spending will continue to increase at a sturdy pace through the rest of this year and into 2019, supporting overall economic growth,” Gus Faucher, chief economist at PNC Financial, told the publication.

Retail sales data for July was adjusted up to 0.7% over the previously reported 0.5%.

Source: sourcingjournal.com - Sep 17, 2018

California’s Apparel Industry May Have to be Carbon Neutral by 2045

On Monday, California governor Jerry Brown signed into law a moon-shot bill that commits the Golden State to drawing 100 percent of its electricity from carbon-free sources by 2045.

Co-sponsored by state senator Kevin de León, the bill known as SB 100 also requires California to obtain 60 percent of its power from renewable energy by 2030, up from the previous target of 50 percent.

The state currently gets around two fifths of its electricity from renewable sources such as hydropower, solar and wind, according to a 2017 analysis from the U.S. Environmental Protection Agency.
“California is committed to doing whatever is necessary to meet the existential threat of climate change,” Brown said during the signing, which preceded the Global Climate Action Summit in San Francisco this week. “This bill, and others I will sign this week, help us go in that direction. But have no illusions, California and the rest of the world have miles to go before we achieve zero carbon emissions.”

Brown’s ambitions didn’t stop there, though. Later on, he also signed B-55-18, an executive order that calls for the state to achieve full carbon neutrality, also by 2045.

What this means for brands, retailers and suppliers that operate within the world’s fifth largest economy is still unclear. Despite a steady attrition in jobs—from 100,000 in the mid-’90s to 46,200 in 2015, according to the U.S. Bureau of Labor Statistics—Southern California remains America’s largest garment manufacturing hub. Apparel is the region’s second-largest manufacturing employer after transportation equipment.

The state is also home to textile mills such as Lafayette Textiles Corp. in Vernon, Texollini in Long Beach and Huston Textile Company in Sacramento, all of which would presumably have to rein in their not inconsequential carbon footprints.

Since B-55-18 doesn’t have legislative heft and can be easily reversed, however, there are doubts about how binding it actually is. Until it’s codified into law, the order is more of an aspirational guideline than an enforceable mandate.

And California has some time to shape up before the clock runs out.

“It’s going to create momentum toward that end goal, even if it doesn’t specify how to achieve that end goal,” Tim O’Connor, senior director of Environmental Defense Fund’s energy program in California told Scientific American. “Setting the policy and the vision, especially on something where we’ve got a 27-year runway, is the first step in achieving that final result.”

One brand that might be ahead of the curve is cool-girl outfitter Reformation, which operates its own factory in Los Angeles. Besides using better-for-the-planet materials, Reformation keeps tabs on the environmental footprint of
each garment through something called the RefScale, which quantifies the water used and carbon dioxide generated during production.

Reformation currently “pays back” its impact in the form of offsets. As it notes on its website, “basically, in exchange for the emissions and water used by our clothes, we help plant forests to naturally capture CO2 from the air, invest in clean water solutions, and purchase landfill gas offsets.”

As for its factory? “We source electricity offsets from 100 percent wind power suppliers and use LED lighting and Energy Star-rated appliances in our offices,” it said. “We’re working to install on-site solar at our new factory—stay tuned!”

Multinational businesses that have already been whittling their greenhouse-gas emissions and purchasing renewable energy may also fare better. Gap Inc., for instance, has pledged to reduce its emissions by 50 percent by 2020.

Between 2006 and 2015, Timberland achieved a 53 percent reduction in “absolute emissions” for all facilities operated globally and employee air travel. And H&M, whose own operations run on 96 percent renewable energy, has committed to be “climate positive” across its entire value chain by 2040 “at the latest.”

Likewise, Nike says it wants to halve its carbon footprint, with a 2025 goal of using 100 percent renewable energy in its owned and operated facilities.

“Today, all our owned distribution centers in North America are powered by renewable energy,” it wrote on its website. “We are still working to bring renewable energy to our largest logistics footprint in Memphis, TN.”

Source: sourcingjournal.com - Sep 17, 2018
US exports of cotton to Southeast Asia increasing: USDA

Cotton is driving growth of the US agricultural exports to Southeast Asia. In 2017-18, cotton was the leading export (value) to Vietnam, followed by Indonesia and Thailand, the Foreign Agricultural Service of the US department of agriculture (USDA) said. In 5 years, cotton exports have accounted for over 2/3rd of the growth in US exports to the region.

In 2017-18, Vietnam, Indonesia and Thailand witnessed 10 or more per cent growth in US cotton exports compared with the previous year, buoyed by Southeast Asia’s growth as a prominent yarn and textile exporter.

Vietnam leads the region in cotton imports, and is the United States' largest market for cotton, the latest usda report titled 'Cotton: World Markets and Trade' said.

With minimal cotton production in the region, growth in spinning demand will be met through imports. In 2018-19, record imports and use are expected in Vietnam and Indonesia.

Both countries are expected to continue as the top two markets for US cotton in the region. Continued strong yarn and textile exports are expected to drive this record growth, the report stated.

The forecast for cotton production during 2018-19 is likely to be led by China, Brazil, and the United States more than offsetting a reduction in Australia, the report added.

Trade is projected largely unchanged on lower exports from Australia offsetting higher exports from the United States and Brazil. Higher global consumption is attributed to greater use in India. US production is raised along with exports and stocks.
European textile imports diminish in first-half

European textiles and clothing imports each fell by 2% in the first half of the year, while the continent strengthened its clothing exports by 4%, and textiles by 2%, according to figures from l’Institut Français de la Mode (IFM).

The EU exported 12.5 billion euros worth of clothing, of which 3.2 billion went to Asia (+ 7%) and 927 million to the Mediterranean (-3%). Among the main changes, Switzerland, its largest customer, boosted orders by 11%.

Meanwhile, Europe’s fifth largest customer, China, reinforced its orders by 21% to 664 million euros. Other large order changes were also recorded in Korea (+ 11%), Canada (+ 11%) and Saudi Arabia (-12%).

On the textile side, the United States remained Europe's leading customer with 1.3 billion euros worth of goods (-1%), followed by China with 1.1 billion (+ 8%) and Turkey with 929 million (+ 6%).

Among its main customers, the largest changes concerned Hong Kong (-8%), Serbia (+ 8%) and Bosnia-Herzegovina (+ 10%).

The scale of European imports is, of course, on another scale, with 10.5 billion euros of Chinese clothing imported by the EU, which does marks a significant reduction (9%) on last year.

A decline that masks a relative stability among the major suppliers of the Union. With the exception of Burma, which has an astounding rise of 46% to 605 million euros, as well as, to a lesser extent, Switzerland (+ 24%) and Albania (+ 12%).

As for textile imports, they showed a relative stability of Chinese production at 5.2 billion euros (-1%), the leading European supplier, ahead of Turkey with 2.5 billion (-3%), India with 1.4 billion (-1%) and Pakistan with 1.2 billion (-3%).
The six-month period was mainly driven by a decline in imports of Taiwanese (-8%), Indonesian (-8%) and Thai (-9%) textiles, while Australia boosted exports to Europe by 22%.

Source: uk.fashionnetwork.com- Sep 17, 2018

China's CNTAC interested to invest in Ethiopia

The China National Textile and Apparel Council (CNTAC) has expressed interest to invest in Ethiopia, whose President Mulatu Teshome recently held discussions on investment opportunities in the country with a Chinese delegation led by CNTAC president Sun Ruizhe.

The delegation visited Ethiopia for feasibility studies for large-scale textile investments.

China is encouraged by trade relations of Ethiopia with Europe and the United States, potential labour resources and the availability of raw cotton, Ethiopian media reports quoted Sun as saying.

The Ethiopian Government will provide every necessary support and incentives to investors who want to engage in the manufacturing sector, protocol and communication director at the Ethiopian presidential office Ashebir Getnet said.

The delegation visited the Hawassa Industrial Park.

Source: fibre2fashion.com- Sep 18, 2018
FTAs promise bright prospects for Vietnam’s garment-textile

Free trade agreements (FTAs) in which Vietnam has joined are great momentum for the domestic garment-textile industry to attract investment, said an official of the Vietnam Textile and Apparel Association (VITAS).

VITAS Chairman Vu Duc Giang said although the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the EU-Vietnam FTA (EVFTA) have yet to come into effect, they have significantly helped attract foreign investors in Vietnam’s garment-textile sector.

Importers of Canada, Australia and New Zealand have no longer focused only on China but turned towards Vietnam, he said.

The increasing number of orders from foreign firms has wooed investment in the production of materials in service of the industry. Apart from Ho Chi Minh City, other localities like Hung Yen have lured the attention of FDI firms, he noted.

However, most Vietnamese garment-textile enterprises are small- and medium-sized with low competitiveness due to limited investment, according to Giang.

Few of them such as the Vietnam National Textile and Garment Group (Vinatex) and Corporation 28 (Agtex) have the capacity to compete with FDI rivals, he said, adding the content of Vinatex’s locally-made materials exceeds 50 percent and many of its yarn and dyeing projects have been put into operation.

According to VITAS, garment-textile production lines and orders have been moved from China to Vietnam as China has lost its advantages in terms of labour costs. Besides, Vietnam’s joining many FTAs has not only created opportunities for local businesses to diversify its export markets but also attracted material suppliers.

Once the CPTPP becomes effective, it is expected to increase Vietnam’s exports to CPTPP member countries whose accumulated annual import turnover amounts to 40 billion USD, said Giang.
Le Tien Truong, Vinatex General Director, said one of Vietnam’s attractive factors to foreign investors is low-cost labour.

Statistics show that by the end of 2017, Vietnam had attracted 2,079 projects in the garment-textile sector with total capital of 15.75 billion USD, up 10 percent year-on-year.

The investors come from 57 countries and territories nationwide, with major ones from Taiwan and Hong Kong (China) and the Republic of Korea (RoK).

In the first six months of this year, up to 2.8 billion USD in FDI was injected into Vietnam’s garment-textile industry, Truong said, citing some large-scale projects like 80 million USD Nam Dinh Ramatex Textile and Garment Factory of Singapore’s Herberton Ltd and Ha Nam YKK Factory specialised in producing zippers and other materials for the garment industry with an annual capacity of 420 million products.

According to Giang, Vietnam’s garment-textile export revenue is projected to reach 200 billion USD by 2035.

Given this, he suggested the Government and the Ministry of Industry and Trade outline a strategy for the sector by 2040 and a planning schedule for garment-textile industry parks that meet international standards of waste treatment.

Domestic garment-textile businesses should fully understand regulations of the CPTPP and EVFTA to utilise the benefits of the agreements, he said.

Source: en.vietnamplus.vn- Sep 17, 2018
Substantial growth in Bangladesh RMG exports to India

Bangladesh’s exports of readymade garments (RMG) to India have witnessed substantial growth since receiving duty free access to the Indian market in 2011, according to high commissioner of India to Bangladesh Harsh V Shringla. Such exports in 2017-18 rose by 115 per cent to $278.68 million from $129.81 million in 2016-17, he said in Dhaka recently.

India is now emerging as one of the fastest growing markets for Bangladesh’s garment exporters, he said at the inaugural event of the 19th Textech Bangladesh 2018, 14th Dhaka International Yarn & Fabric Show 2018 and 33rd Dye+Chem Bangladesh 2018.

The shows were organized by Conference & Exhibition Management Services (CEMS) Global and CEMS Bangladesh.

India is also one of the biggest sources of raw materials and machineries for the Bangladesh RMG industry, with around a fourth of Bangladesh’s demand for raw cotton and yarn met by Indian suppliers, said Shringla.

Twenty five percent of India’s exports to Bangladesh comprise cotton, yarn and fabric.

Indian textile engineering industry is also an important source of textile machinery for Bangladesh, with India’s textile machinery exports to the latter crossing $100 million in 2017-18, he added.

Source: fibre2fashion.com- Sep 17, 2018

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Pakistan's cotton output likely to fall 25% in 2018-19

Pakistan’s cotton production is estimated to fall 25 per cent short of its target of 14.37 million bales to 10.847 million bales in this season due to water shortage and attacks by cotton leaf curl virus (CLCV) and other pests, say official statistics.

According to an estimate, a million bales have an impact of 0.5 percentage points on the gross domestic product (GDP).

Production in Punjab is estimated to be 8.077 million bales against targeted 10 million, while Sindh’s output is feared to be 2.60 million bales against a target of 4.20 million bales.

White fly, jassid, thrips, mealy bug and CLCV have attacked crop in many districts of Punjab, the biggest cotton producer, according to Pakistani media reports.

Incidence of CLCV were reported at 29.28 per cent of the areas this year as against 21 per cent a year ago. The assault of whitefly is also on the rise compared to last year.

Below-normal rainfalls and low river flows resulted in severe water shortage in cotton-growing areas of the Sindh province. Cotton cultivation in the province reduced 31 per cent compared to the corresponding period of the last year, primarily due to water shortage.

Cotton yield in Punjab is expected to be around 21 bales per acre this season.

Source: fibre2fashion.com- Sep 18, 2018

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Vietnam exported denim apparels worth $148 million till July ’18

As per latest OTEXA figures, Vietnam saw an increase in exports of skirts, men & boys (MB) jeans and women & girls (WG) jeans and denim apparels.

The WG jeans category contributed the most with an export value of $102.25 million, while MB jeans export fetched $43.29 million.

Both these categories grew in terms of volume as Vietnam shipped WG jeans worth 956,969 dozens to the US, whereas shipment quantity of MB jeans was 386,506 dozens during the period under review.

Exports of denim skirts from Vietnam to the US escalated 269.41 per cent to hit $2.71 million. Percentage-wise growth is massive though the export value is just 8.66 per cent to that of total import value of US in this category.

In the first seven months of 2018, Vietnam exported denim apparels worth $148.67 million, registering a growth of 37.84 per cent over the corresponding period of prior year.

The country registered highest percentage-wise growth in denim apparel exports among top ten exporters in this segment to the US. Further, in volume-terms, exports increased 21.16 per cent and, Vietnam shipped 1,373,085 dozen of denim apparels from January to July this year.

Source: fashionatingworld.com- Sep 17, 2018
Brazil Apparel Market to Reach USD 42.80 Billion by 2025

The Brazil apparel market is projected to reach USD 42.80 billion by 2025, expanding at a substantial CAGR over the forecast period. Rising disposable income of people and growing consciousness for international fashion trends are the key factors contributing to the growth of the market.

Factors such as increasing shift towards international fashion along with spiraling number of retail outlets in the market are anticipated to encourage Brazilian people to adopt fashionable apparel.

Diversified manufacturing activities, digitalization, and proliferation of smartphones are likely to have a positive impact on the sales of apparel in Brazil owing to time saving and convenience factors. Brazil is one of the largest exporters of apparel and fashionable goods.

Arab countries are some of the largest importers of apparels and textiles from Brazil. The United Arab Emirates accounted for the highest imports from Brazil, followed by Egypt, Algeria, and Morocco. Advanced techniques used in manufacturing industry items would probably help manufacturers to meet the global demand from various countries.

The country has experienced sluggish growth in the apparel and textile industry owing to its economic downfall. Economic downturn recorded during the year 2015-16 left the apparel industry highly affected. Nevertheless, with the recovering economy, the apparel industry is expected to rebound over the coming years.

Heightened interest of the government and private players in country’s apparel and textile industry has contributed in making the country one among the top textile producing countries. Brazil is also marked as one of the leading countries in consumption of hygiene textiles. On that front, it is estimated to record double-digit growth in the coming years.

Rising disposable income coupled with improved fashion trends among young generation is projected to drive the apparel industry. Additionally, widening base of young population and changing trends associated with fashionable goods is playing an imperative role in the development of the market.
The Brazilian government is supporting small vendors by providing subsidies and large companies by minimizing trade barriers to develop favorable business environment in the country.

The Brazil apparel industry has been reviewed on the basis of type and distribution channel. Based on type, the market is divided into women, men, and children’s apparel. Furthermore, the market is bifurcated into online and offline distribution channels, on the basis of distribution channels. Offline distribution channel includes sales through hypermarkets, supermarkets, retail outlets, and departmental stores.

The market is marked with presence of many small and large companies operating in online and offline business. Some of the key players in the market are Nike; Adidas; Puma; WinCraft; and Tee Spring, Inc. Additionally, local and small retailer dealing in the market contribute more than half of the total revenue generated by the overall manufacturers and sellers in the country, making it a highly fragmented domestic retail apparel industry.

Small manufacturers are merging their companies with large players to increase company profits as this strategy will help them in selling their products under popular brand names.

Mergers and acquisitions help companies to expand their product offerings.

Wholesalers and manufacturers are focusing on innovative ways of selling their products directly to consumers, which will cut down the middlemen cost and subsequently decreasing the cost of products.

Online platforms and channels assist in establishing a strong and direct relationship between wholesalers and consumers.

Source: digitaljournal.com- Sep 17, 2018
Pay more for your clothes, Bangladesh workers tell global fashion brands

Garment workers in Bangladesh have rejected an increase in the minimum wage, saying it is still not enough to live on and urging global brands to pay more for the clothes they buy, unions said on Monday.

Bangladesh raised the minimum wage by more than 50 percent last week to 8,000 taka ($95.5) a month - the first increase since 2013, when a string of fatal factory accidents thrust poor working conditions and pay into the spotlight.

“The new wages announced are not enough for workers to live a decent life,” said Mohd. Raisul Islam Khan, field coordinator for the IndustriALL Global Union.

“Workers were demanding 16,000 takas. They are not happy and many organisations are talking about an indefinite strike if the wages are not reconsidered,” he told the Thomson Reuters Foundation by phone from Dhaka.

Bangladesh is the world’s second largest garment producer after China and its $30 billion industry employs an estimated four million people, 80 percent of them women.

The workers are among the worst-paid in the world, a compensation report released by the Fair Labor Association (FLA) in April stated.

Overtime income accounts for 20 percent of their salary, it said, and half the workers put in more than 60 hours a week despite the impact on their health.

“The decision to raise wages for garment workers in Bangladesh is an encouraging – though long overdue – step in the right direction,” Sharon Waxman of the FLA said in a statement, adding that the fight for fair wages would however continue.

The unions also say production targets should not be increased after the wage hike, which many small and medium factory owners argue is a “burden” that may lead to the closure of units.
“After the last pay hike in 2013, we realised that many factories increased production target for workers and the work pressure built up tremendously,” said Nahidul Hasan Nayan, general secretary of the Sommilito Garments Sramik Federation, which supports unions.

“Workers came to us and said their pay had gone up but they did not even have a minute to drink water or use the restroom during their shift.”

Khan said the situation had improved since the collapse of the Rana Plaza complex in 2013 killed 1,136 garment workers, but fashion brands had a duty to do more.

“Brands have to step up and pay more for the clothes they are buying,” he said.

“After Rana Plaza disaster, the Bangladesh garment and retail manufacturing industry has made big efforts to meet international standards. Now international brands have to show their commitment to the workers.”

Source: in.reuters.com- Sep 17, 2018

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**Machines will do more tasks than humans by 2025: WEF**

Robots will handle 52 percent of current work tasks by 2025, almost twice as many as now, a World Economic Forum (WEF) study said Monday.

The sharp increase could also see a net gain in "new roles" for humans, who will have to revamp skills to keep pace with the "seismic shift" in how we work with machines and computer programmes, the forum estimated.

"By 2025 more than half of all current workplace tasks will be performed by machines as opposed to 29 percent today," a statement by the Swiss non-profit organisation said.
Simultaneously, rapid changes in machines and algorithms, or computer processes that are designed to solve problems, "could create 133 million new roles in place of 75 million that will be displaced between now and 2022," the group forecast.

Based near Geneva, the WEF is known for the annual pow-wow of wealthy individuals, politicians and business leaders that it organises in Davos, Switzerland.


Jobs that require "human skills" such as sales, marketing and customer service should see demand increase meanwhile, along with e-commerce and social media.

A major challenge will be to retrain workers, who will themselves be pressed to update skills especially in the areas of "creativity, critical thinking and persuasion", the study found.

It surveyed personnel directors and senior executives from a broad range of companies around the world that account for 70 percent of global output.

Between now and 2022, they believe the aviation, travel and tourism sectors in particular will have to retrain workers, and identified an overall trend towards lifelong learning and adaptation.

Governments were advised meanwhile to prepare safety nets for workers and communities threatened by what the WEF concluded would be "a significant shift" in the quality and permanency of the new jobs.

Source: afp.com- Sep 17, 2018
NATIONAL NEWS

Backing import restrictions at WTO a tall order: Experts

India will need to substantiate reasons for the measures it takes to restrict imports of certain products at the World Trade Organization (WTO), experts have said.

New Delhi has the option of invoking the clauses that relate to protecting national security, public morals or safeguarding human, animal and plant life or health, and conservation of exhaustible natural resources to stop some imports.

“We need to show the ground for our measures and national security can be one such ground for gold. But to substantiate textile or electronics imports harming public morals and health is hard to accomplish,” said an expert on trade issues.

As per WTO norms, the measures can’t be arbitrary, or mean unjustifiable discrimination between countries or constitute disguised restriction on international trade. The government plans to take steps to promote exporters and restrict non-essential imports in an attempt to curb the current account deficit and increase foreign exchange reserves in the face of depreciating rupee.

Though it will decide the products whose imports would be cut down after consultations with concerned ministries, finished electronics, certain textiles, automobiles and high end consumer products like watches could face the heat. After oil, gold and electronics are the highest imported items in the country. However, the norms give flexibility with respect to gold and silver imports.
“These are stringent norms, difficult to comply except in case of gold imports,” said another expert. The US has already invoked the national security exception for raising tariffs on steel and aluminium imports from a host of countries this year. I

India’s gold imports were pegged at $33.7 billion in FY18 and have been one of the main reason for high gap between exports and imports. Imports of Chinese electrical machinery and equipment, sound recorders and television image and their parts rose 30% on year in 2017-18 to $28.6 billion, another cause of the country’s trade deficit.

Source: economictimes.com- Sep 17, 2018

Tirupur garment exports down 12 per cent

Tirupur’s exports of readymade garments fell by 12.12 per cent from April to August compared to the corresponding time period last year. The year started with a 22.78 per cent drop in April. But exports clocked in 5.03 per cent growth in rupee terms. Exports in August 2018 grew 5.08 per cent compared to August 2017.

GST, reduction in duty drawback, and remission of state levies were responsible for export trends. The trend is expected to reverse this financial year. Exporters fear if this doesn’t happen, buyers will turn to Bangladesh, Vietnam, Ethiopia, Myanmar and once this happens bringing them back will not be easy.

Meanwhile the rupee’s continuous fall against the dollar will help exporters’ as it will narrow the price difference between Made-in-India textiles and competing nations, including Vietnam, Cambodia and Bangladesh.

The development comes at a time when exporters are going to finalise agreements for the next set of orders. The gap between Tirupur and competing countries would be reduced by around two or three per cent. Currently, the gap ranges between 10 and 15 per cent.

Source: fashionatingworld.com- Sep 17, 2018
Cabinet approves use of Bangladesh ports for Indian shipments to North-East

Bangladesh’s Cabinet on Monday approved the draft of a proposed agreement with India to allow it to use the Chittagong and Mongla sea ports for transporting goods to and from its land-locked northeastern states. The decision is another step in improving the friendly relations between Bangladesh and India, Cabinet Secretary Shafiul Alam said.

The draft says the agreement would be effective for five years with a provision of automatic renewal for another five years while either of the countries could scrap it giving a six-month notice.

“The agreement would allow India to use Chattogram (Chittagong) and Mongla ports to carry goods to their northeastern states in a very short time,” Alam said after a Cabinet meeting chaired by Prime Minister Sheikh Hasina.

“A draft of the communication network being built for connectivity between the Chattogram and Mongla ports has been approved for India’s signing. One of the provisions says that Nepal and Bhutan can be added to the agreement if they wish,” he said.

Four routes were suggested for goods movements which are – Chattagram Port/Mongla Port-Agartala via Akhaura, Chattagram/Mongla-Daouki via Tamabil, Chattagram/ Mongla-Sutarkandi via Sheola, and Chattagram/Mongla-Bibekbazar via Simantapur.

But, Alam said, under the agreement only Bangladeshi vehicles and vessels would be used to carry the goods inside Bangladesh. A tracking system will be used to monitor the cargo moving through Bangladesh, he said.

He said however, India would have to follow the international General Agreement on Tariffs and Trade (GATT) as well as Bangladeshi laws and rules in carrying the goods.

The agreement suggested Bangladesh’s tax authorities would take bond equivalent to duties and taxes from Indian companies while charges, fees and carrying cost will be charged according to GATT in addition to regular duty and taxes.
The draft deal said Bangladeshi authorities would use tracking systems like global positioning system (GPS), e-lock and e-seal to identify the goods carrying vessels.

“A major objective of the proposed agreement was to strengthen the existing cordial bilateral ties,” Alam said.

Source: financialexpress.com- Sep 17, 2018

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Farmers get better price as cotton arrival begins

The arrival of cotton started picking up in the grain markets of Hisar, Bhiwani and Adampur on Monday, with the farmers getting comparatively better prices for their produce than the Centre’s minimum support price (MSP). The MSP for cotton is Rs 5,150 while the prevailing market price is about Rs 5,350 per quintal, with the millers procuring the produce.

In Hisar, about 200 quintals of cotton arrived on Monday, which was mostly purchased by millers. A commission agent said farmers get Rs 5,300 to Rs 5,400 per quintal, depending upon the quality of the produce.

The Adampur market, which is a hub for cotton procurement, too saw significant arrival of produce and farmers fetched better than the MSP. Amit Kumar, a commission agent in Adampur, said though the quality was not up to the mark as there was moisture in it, the demand from millers was on the higher side, resulting in better prices.

Fatehabad grain market too saw the arrival of about 150 quintals. Market committee secretary Sanjeev Kumar said farmers had fetched approximately Rs 5,350 per quintal for the produce on Monday.

In Bhiwani, farmers brought about 50 quintals of cotton produce to the mandi. The commission agents, however, rued that produce was of bad quality and had moisture.

Prakash, a farmer, however, alleged that he did not get even Rs 5,000 per quintal for his crop.
Meanwhile, the Kisan Sabha has announced to start a dharna in Hisar and Bhiwani district, demanding special girdawari and compensation for the cotton farmers. Kisan Sabha president Sher Singh said the sudden wilt had affected the cotton crop in Bhiwani, resulting in about 50 per cent damage.

“There is about 70 per cent to 30 per cent damage to the crop in the region due to sudden wilt this season. The farmers are suffering huge losses. We will start dharnas at the offices of the sub divisional magistrates (SDMs) and deputy commissioner (DC) at the sub division and district level, respectively, from Tuesday,” he added.

Source: tribuneindia.com- Sep 18, 2018

India may restrict non-essential imports to check rupee fall

The government may put curbs on non-essential imports such as gold and electronics goods, while boosting exports.

After Friday’s measures to increase capital inflows to check a falling rupee and curb the rising current account deficit (CAD), the next in line could be trade-related measures to curb non-essential imports and boost exports.

On Friday, finance minister Arun Jaitley said a broad policy decision has been made to take necessary steps to cut non-essential imports and increase exports, in the backdrop of the CAD touching 2.4% in the June quarter.

“The items will be identified in consultation with the line ministries in the next few days and necessary decisions will be taken. We will also keep in mind that the decisions are WTO-compliant,” he said.

Among non-essential items, imports of gold and electronic goods have picked up significantly in recent months. While imports of gold in July and August grew at an average 65% to $3.3 billion, that of electronic items during April-August period was up 15% to $24.7 billion.

However, gold already attracts a high 10% customs duty, and both commerce ministry and NITI Aayog have been demanding reduction in customs duty to ensure better tax compliance and reduce smuggling of gold into India.
Gold is also used as a raw material by the gems and jewellery sector whose exports have started to pick up after a prolonged dip.

Among electronic items, telephone sets including mobile phones constitute the major portion, growing at 16.2% to $17.2 billion during April-July. Other items registering high growth include colour TV sets of screen size more than 105cm (101%), digital cameras (153%), digital processing units (42%), memories of electronic integrated circuits (1,515%) and monolithic integrated digital circuits (291%) among others. Many of the electronic items have zero customs duty under WTO's first Information Technology Agreement, and the government may not be able to hike duties on those products.

Ajay Sahai, director general and chief executive officer, Federation of Indian Export Organisations (FIEO), said the list of non-essential imports need to be carefully chosen as they should not be raw materials or intermediaries for the industry. “If it is finished products, that can be looked into and that too, luxury-end items can be targeted. India should also not be seen as a country which is indulging in protectionism,” he added.

While exports have been growing at double digits consecutively for the last four months, sectors like ready-made garments have been contracting for more than a year now. Exports of ready-made garments fell 12.1% to $6.6 billion during the April-August period. However, the government may find it difficult to directly provide export incentives to such sectors as the US has challenged India’s entire exports subsidy regime at the WTO, claiming that India no more qualifies to provide such subsidies.

Sahai said if the intention is to support the exports sector, then the government should ask banks to lend to exporters. “Liquidity is a big challenge for exports. Banks are not lending to any sector and exports sector is a victim of that,” he added.

Sahai claimed exporters’ funds up to ₹10,000-12,000 crore are also locked up due to delay in goods and services tax (GST) refunds which can be released in an expeditious manner. “States also need to play a pivotal role in refund of input tax credit,” he added.

Source: livemint.com- Sep 17, 2018
A lost desi cotton heritage

In a region where Bt cotton rules the roost, Kamal Kishore Dhiran, a farmer in Balodi, 50 km from Yavatmal (in Vidarbha region of Maharashtra) is an outlier. He has been planting desi cotton seeds and withstood the pressure to grow transgenic or Bt cotton since it was introduced in 2002. He was once part of a successful organic cotton venture – the Vidarbha Organic Farmers Association (VOFA) which is now defunct, and which used to export organic cotton.

Dhiran still grows ‘straight’ (as opposed to hybrid) varieties of cotton; he sources it from the Punjabrao Deshmukh Krishi Vidyapeeth in Akola every few years. He is among the few farmers who saves the seed and only buys fresh ones every three years or so.

Dhiran has been a farmer since 1960, and owns 60 acres. He did try out hybrid cotton seeds and grew them with fertilisers and other chemicals – soon he found the yields were falling and he decided to grow desi (indigenous) cotton which was more suited to the area.

Today he grows desi varieties like AK 7 and AK 8, and some American varieties, and gets 4 to 5 quintals (100 kg) per acre in dry land and about 8 quintals per acre in his irrigated land. He spends Rs 10,000 to Rs 12,000 per acre, which includes cow dung and other inputs. He deals with his pests using natural enemies and finds that his neighbours are spraying heavily for Bt cotton.

“Bt cotton is like Fair and Lovely [a popular fairness cream]. Does it really change your or make you fair? Similarly Bt cotton doesn’t address the main problem of pests. I have better techniques and fight pests using their natural enemies,” he said.

Dhiran stands alone in a market dominated by hybrid Bt cotton seeds, now numbering over 2,000. Few seed companies sell desi cotton seeds and they serve a niche market. A cursory look at the seeds market in Yavatmal shows the dealers only stock Bt cotton. A Mahabeej (Maharashtra state seeds corporation limited) dealer remarks no one wants alternative seeds. If they do, they have to place an order in advance; but often, there are no stocks available.
The last few years have seen a vicious attack by the pink bollworm which has developed resistance to Bollgard 2, the proprietary Bt cotton variety produced by Monsanto, reducing cotton yields and driving farmers to despair. This has prompted a belated shift in course away from hybrids, thanks to secondary pest attacks and pests like the pink bollworm that used to ‘minor’ morphing into a serious menace.

The alternatives to Bt cotton

Since 2002, field trials of 25 to 30 Bt cotton hybrids and straight varieties have been conducted under the All India Coordinated Research Project on Cotton. Since 2017, two straight Gossypium hirsutum varieties have been released for north Maharashtra. One of them was developed by the Punjab Agricultural University and is named PAU Bt 1; and the other developed by CICR is Bt 6. Farmers are growing them and a private seed company is commercially multiplying the Bt 6 seeds. In addition, the six straight varieties that have approved for release in Maharashtra are also G. hirsutum varieties — PKV 081, Rajat, Surat, and some others, but they are in the seed multiplication stage.

Vijay Waghmare, director, Central Institute for Cotton Research (CICR), Nagpur, said the trials were promising and the yields were as good as the early Bt cotton seeds — at 15-20 quintals per hectare in rainfed conditions and up to 24 quintals per hectare in irrigated conditions. It remains to be seen how these seeds perform in farmers’ fields over time.

Straight varieties can be reused by farmers but unless they gain wider acceptance, seed companies may not be interested in producing them on a large scale. However, hybrids continue to dominate the Indian market.

The prevalent menace of illegal Bollgard 3

After cotton fields were devastated by the American or green bollworm, Bt cotton was launched in 2002 but soon secondary pests including the mealy bug surfaced for the first time on cotton in India.

The pink bollworm was already chewing up Bollgard 1, and the company Monsanto Mahyco came up with Bollgard 2. Even that has proved to be ineffective against the pink bollworm, as is evident in the last few years.
However, illegal herbicide tolerant (HT) Bt cotton is being sold and has found great popularity among farmers. Two years ago, Monsanto withdrew its application for approval of herbicide tolerant cotton from the Genetic Engineering Appraisal Committee over differences on its royalty being cut, but illegal herbicide tolerant cotton has found its way into farmers fields and seems to be extremely popular, with farmers naming it “Bollgard 3”. Agents come to villages and sell it cheaply to farmers who have been planting it all over the place. Maharashtra, Andhra Pradesh, Telangana, Gujarat and Tamil Nadu, among other states are growing this cotton but there is little regulation.

After many complaints of illegal cotton, in October 2017, the Prime Minister’s Office formed a Field Inspection and Scientific Evaluation Committee (FISEC) under the Department of Biotechnology in the Union Ministry of Science and Technology. Its report recommended action against such companies and destruction of illegal seeds. Maharashtra reportedly seized over 16,000 seed packets till April and confiscated unpacked seeds, apart from filing over 20 cases.

After analysing over 13,361 samples, the report found illegal herbicide tolerant cotton on 15 per cent of the area in Maharashtra, Telangana, Gujarat and Andhra Pradesh in 2017. The samples tested negative for all other herbicide tolerant genes except for that of Monsanto’s MON88913. This entire episode is reminiscent of 2001 when illegal Bt cotton was found in Gujarat fields even before it was approved by the government a year later.

While there were an estimated 35 lakh packets of illegal herbicide tolerant Bt cotton sold in 2017, despite the Committee’s recommendations, in 2018 too, Waghmare estimates that 12-20 per cent of the cotton area is planted with this illegal cotton. At least 15 per cent of the area in Vidarbha is growing this illegal variety on which glyphosate is sprayed and the CICR has been warning farmers as glyphosate has long-term effects on the soil and the germination of the next crop.

The Centre for Sustainable Agriculture (CSA) in Hyderabad has been taking up the matter since a decade. G.V. Ramanjaneyulu, its executive director said herbicide (glyphosate) tolerant cotton was illegally grown on more than 20 per cent of the cotton area and despite testing and findings positive samples, no action was taken. While Telangana and Andhra Pradesh have adopted
laws to regulate glyphosate, there is abysmal regulation despite so much evidence.

**Few takers for the desi varieties**

While farmers are planting this illegal cotton, even if it is sometimes more expensive than legal cotton, there are few takers for what India once grew and was proud of. The Punjabrao Deshmukh Krishi Vidyapeeth, Akola, like other government agricultural universities has been trying to promote desi cotton.

N M Kolapkar, Yavatmal district superintendent agricultural officer said every year desi cotton seeds (PH 904) were given to farmers to be grown in trial plots. In 980 villages in Yavatmal district, there is one plot each growing desi seeds but there are few takers. The government also makes seed plots in all 16 talukas of the district and tries to “motivate” farmers to adopt desi cotton, to little avail. People are not interested in growing desi cotton, though they keep saying they want alternatives.

“If farmers want desi cotton seeds we can make arrangements for the seed,” said Kolapkar.

Devanand Pawar, a political activist and convenor of Shetkari Nyayhakk Andolan Samiti, Yavatmal, who has been taking up the cause of farmers, said the government and others promised alternative seeds after last year’s disaster, but nothing has happened. Illegal herbicide tolerant Bt cotton seeds are grown everywhere and Vidarbha is a major market for them. The seeds sell for Rs 700, less than official Bt cotton and are made in Gujarat.

“Why is the government taking no action against illegal seeds and companies making them?,” he asked.

[Click her for more details](https://india.mongabay.com/)

Source: india.mongabay.com- Sep 17, 2018