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TEXPROCIL NEWS CLIPPINGS

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IBTEX No. 138 of 2017 July 05, 2017

USD 64.75 | EUR 73.49 | GBP 83.69 | JPY 0.57

Cotton Market

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

Rs./Bale	Rs./Candy	USD Cent/lb
19959	41750	**82.26**

Domestic Futures Price (Ex. Gin), July

Rs./Bale	Rs./Candy	USD Cent/lb
19950	41731	**82.22**

International Futures Price

NY ICE USD Cents/lb (Dec 2017)	68.97
ZCE Cotton: Yuan/MT (Sept 2017)	15,625
ZCE Cotton: USD Cents/lb	**83.06**
Cotlook A Index – Physical	**83**

Cotton & currency guide:

Tuesday was dull trading session as USA market was closed on account of Independence Day. In early trade today ICE Cotton Dec contract is trading down by 27 at 67.18 c/lb. Price continued to trade in lower direction following the Monday trend.

The sentiments of the market were highlighted in the latest CFTC data. Fund managers have cut their bullish cotton bets by 13,934 net-long positions to 31,410, weekly CFTC data on futures and options showed.

The net-long position was the least bullish in 13 months. Long-only positions fell 6,890 lots to 58,854 in the week ending Jun. 27.

The long-only total was the lowest in a year. Short-only positions rose 7,044 lots to 27,444. The short-only total was the highest in more than 13 months.

The strategy for cotton as spread is to take short in near month contract July and Buy the October future with the spread of around 1600+.

The target would be less than 800 in the near term. There should be a stop loss for the spread which should be above 2000 on a daily closed basis.

Lastly trading range for the day would be 19800 to 20000 for July MCX future, the bias for the day is negative, any bounce should be used to go short on the market.

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

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INTERNATIONAL NEWS

China Trade Week kicks off in Ethiopia

The China Trade Week opened in Ethiopia's capital Addis Ababa on Tuesday with the hope of boosting the flourishing Sino-Ethiopian trade relations.

The trade show, from July 4 to 6, brought 38 Chinese companies from various sectors, including lighting and energy, home electronics, construction materials and machinery, clothing and textiles, health and beauty.

The China Trade Week in Ethiopia is supported by the Chinese Chamber of Commerce and China Council for the Promotion of International Trade.

According to Michelle Meyrick with MIE Events, the event organizer, the first China Trade Week in the East African country has attracted 38 Chinese exhibitors that are showcasing their products and services to get a taste of the Ethiopian market.

"The trade show provides an opportunity for the local business community to develop direct trading links with high-end Chinese product manufacturers," said Meyrick.

More than 40 of Ethiopia's total 121 foreign investment projects that were set operational over the past six months came from China with a capital worth more than 3 billion birr (close to 130 billion U.S dollars).

Referring to the ever increasing Chinese investment in Ethiopia, Meyrick expressed the vision to make the Chinese Trade Week an annual event in Ethiopia.

Organizers expect over 3,000 Ethiopians to visit the three-day event.

Source: xinhuanet.com- July 04, 2017

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France: Texworld Paris 18 to launch a segment on denim

The 41st Texworld Paris will introduce a new segment on denim - Texworld Denim.

The four day programme beginning from September 18, 2017 attracts ever-increasing numbers of international manufacturers specialising in fabrics, trimmings and accessories.

Over 910 exhibitors from various parts of the world will present at the textile exhibition.

"On the occasion of the 41st Texworld Paris show, Messe Frankfurt France is introducing a new segment that goes by the name of Texworld Denim. The denim sector has always provided a tremendous impetus for generating business.

Denim has gained even more importance as a staple of our wardrobes. It has become an emotional driver with its language and lifestyle. It is a world of its own that we now wish to showcase separately to accord it due recognition for its traditions and attitudes.

This spirit of openness to change and new development is one of the vital aspects of the winning formula provided by Texworld Paris, as indicated by the record number of exhibitors who have registered so far. Texworld Paris has become an unmissable event for the fashion sector," said Michael Scherpe, president, Messe Frankfurt France.

Texworld Denim will assemble 80 textile and clothing exhibitors who are experts in denim.

Over 100 exhibitors will attend the show for the first time. This new segment will have a new trends forum - created by the artistic directors of the show; Louis Gerin and Gregory Lamaud - and a "social village" enlivened by a diverse programme of meetings and presentations.

Accompanied by national groups and associations for the textile industries, South Korea, Thailand, Pakistan and India will again offer pavilions with more than 20 exhibitors.

A series of lectures about the latest developments in the sector, news from exhibitors, catwalk shows and the Trends Forum will be held at Texworld Paris 18.

Source: fibre2fashion.com - July 04, 2017

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Stitch in Time... Bradford's textile trade could soon be booming again

A few miles from what was once the 'wool capital of the world' Charlotte Meek is introducing textiles to a burgeoning workforce.

Two days of her busy working week are taken up with teaching industrial sewing machinists who are eager to pick up an important trade and help to swell Britain's textile workforces of the future.

The Textile Academy was born out of a £31,000 investment from the Textile Growth Fund. It is being developed by Leeds City College (Keighley Campus) in response to the skills shortage within the textile industry, and has been supported by local employers.

Since January, Charlotte has been busy developing and running the course aimed at long-term unemployed.

Working with local manufacturers and the Department of Work and Pensions, the academy has, so far, successfully trained six students into full-time work.

"When I came out of college in the early 90s, there was a down-turn in the economy and it wiped out much of the textile industry in the UK," explains Charlotte. Historically, Bradford's textile trade diminished due to the impact of cheaper production overseas - but could the city's textile industry be booming again?

Charlotte explains it is a nationwide issue. "The other thing is production has been going overseas. Most clothing is being produced overseas, but because China and India are becoming more Westernised wages are going up."

Charlotte says, as a result of this, production is gradually returning to the UK but the industry needs skilled machinists to meet the demand.

However, a lack of investment in sewing machinists has contributed to the skills shortage the country now faces and is now being swiftly addressed by organisations such as the Textile Academy.

"A lot of production is starting to come back to the UK and there are a lot of companies setting up now just to feed the UK production," says Charlotte. Chris Stott, Head of Business Engagement at Keighley College, says: "There is a real growth in textiles around us."

He explains how many of the big companies are turning to local manufacturers due to the high quality and also to keep up with the demand created by fast fashion and changing trends.

The Textile Academy's 'employer-led model' aims to train machinists with the skills they need to help local companies meet that demand - Chris talks of one company trebling the size of its factory.

Yet the stumbling block for many is recruiting machinists. According to Chris one of the issues could be the perception of the textile trade in the past. "I think part of the problem recruiting is they remember the days of working in a mill and it's not like that. The modern textile industry is clean and bright."

Chris also believes people may not be aware the textile industry still exists but he says the industry offers people the potential to pursue a successful career.

"We have managed to maintain this industry to this day and we are producing these high quality products and making sure they continue to do that and continue to grow by bringing young people in," says Chris.

Charlotte says organisations such as Meet the Manufacturer, Make it British are promoting the manufacturing trade and textile manufacturing in the UK.

She recently spoke about the skills gap and the future of the textile industry, along with her work with the Textile Academy, at a Meet the Manufacturer Trade Fair in London run by Kate Hills of Make it British.

Now Charlotte is busy promoting the profession to her students. "It is a good job, you could earn a good salary being a machinist and you are making something so it is really quite rewarding."

Charlotte speaks from experience. Her interest in making and creating is in the genes. Her grandmother, Edna Rogers, was a dressmaker and inspired her own interest in sewing and all things crafty.

"She was the biggest influence in my life really and taught me everything I know," says Charlotte. As well as being a trained pattern cutter and dressmaker, Charlotte is also a keen knitter.

In a previous interview I learned how crocheting a blanket hadn't just been a satisfying accomplishment for the mother-of-two, it took her mind off the cancer treatment she was undergoing at that time.

"When you are learning a craft you have to give it attention. It took my mind off being ill and what I was going through and also it gave me a purpose. It really did help me," Charlotte explained previously.

When she isn't passing on her creative skills to others through the course, Charlotte is busy developing her apron business.

'The Stitch Society' is an appropriate brand. Operating out of a studio in Salts Mill, the landmark location within the World Heritage Site, Charlotte is creating a stylish yet practical piece of clothing - perfect for all the makers she meets.

Chatting with her customers, Charlotte can tailor-make aprons to suit their requirements; whether it be potters wanting a waterproof pinny, textile artists or weavers wanting to shield their clothes from their work, Charlotte's aprons are designed to help them do their job while being practical and pretty in the process.

The most unusual profession Charlotte has catered for is a client who creates model eyes for medics to practice on She explains how the apron she crafted for her has almost 'revolutionised' the way she works.

Another client purchased an apron as a gift for his wife who doesn't normally wear one. "She loves it, it makes her feel nice when she is doing jobs," says Charlotte.

"Firstly, they are nice to wear and they are really useful." Charlotte is also conscious of the business' environmental footprint and the focus on sourcing British fabrics.

She explains how they are looking at ways to use the waste fabric from their apron range such as turning it into tote bags. And she is keen to profile her creations, attending fairs throughout the country in locations such as London, Bath and, closer to home, the Saltaire Makers Fair.

The Stitch Society is participating in its first trade fair - The Home and Gift Fair - in Harrogate from July 16 to 19 and has been accepted to do the Selvedge Fair in Pendle in September and the Great Northern Contemporary Craft Fair in October.

Source: thetelegraphandargus.co.uk- July 04, 2017

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Pakistan's import duties 4 times higher than global average

Consumers in Pakistan face customs duty rates nearly four times more than the global average, which makes goods more expensive, according to a new study by UHY, an international accounting and consultancy network.

The study found that customs duties in Pakistan average seven percent of the total value of imported goods, whereas the global average in this regard is 1.8 percent of the total value of. This means that Pakistani consumers pay relatively higher prices for the goods than the consumers in many other parts of the world –including many developed economies.

UHY studied customs duties levied by 22 economies around the world as a percentage of the total value of their imports, as a simple indicator of the impact of a country's trade barriers.

The report points out that since 2006, Pakistan has been a member of South Asian Free Treaty Area (SAFTA) which also includes Bangladesh, Bhutan, India, Nepal, Sri Lanka, and Maldives.

Ibne Hassan, a member of UHY affiliated firm in Pakistan, said that customs duties can be a burden on the consumers and can often make everyday items more expensive. He said motivation to adopt a protectionist stance to protect jobs and nurture jobs can be very compelling. However, there is often a price to pay through higher costs of goods.

This tends to be particularly a huge burden on the budgets of low income consumers. Such policies could end up having an impact even on those industries that the governments are trying to protect, potentially effecting efforts to stimulate competitiveness or drive innovation.

Former president of the Institute of Chartered Accountants of Pakistan Naeem Akhtar Shiekh said, “We have seen many industrial sectors losing global competitiveness when governments gave heavy protection to domestic industries producing basic raw material for the main industries. This effectively increased the price of basic raw material much above the global rate.”

Pakistani textiles, he added, suffer mainly because of the protection provided to the local industry making manmade fibre. The result was that Pakistan has no presence in the global markets in blended textile products made with manmade fibres and cotton.

“Today, we have restricted our textile exports to cotton-based products only. The share of cotton-based products in global textile trade is only 20 percent,” Shiekh added.

Consumers in the US, UK and other developed economies benefit from half the customs duty rates compared to the global average, which enables them to save significant amounts of money, according to the UHY study.

The report further found that among the major emerging economies, Brazil imposes relatively high rates with duties worth 7.6 percent of the total value of imports.

UHY found that customs duties in the G7 are, on average, just 0.8 percent of the total value of imported goods. The global average is 1.8 percent of the total value of imported goods.

This means that consumers in the G7 typically pay comparatively lower prices for goods than consumers in many other parts of the world – including many emerging economies - where costs are pushed up by higher import taxes.

In the US, where protectionism has been rising up the political agenda, raising the possibility that higher import duty may be levied; customs duties are currently worth just 1.3 percent of the value of imported goods.

This compares to 1.8 percent in China. European countries generally impose comparatively low rates - the European average is 0.4 percent - so British consumers could be at a significant disadvantage if the UK fails to keep duties at a similar level on leaving the EU. In the UK, where Brexit is also creating uncertainty over the future of UK trade deals, customs duties are currently even lower, worth just 0.5 percent of the value of imports.

The study pointed out that many free trade blocs, particularly the EU have helped in keeping low tariffs. Experts say that free trade agreements are becoming increasingly critical as well as a contentious policy area. They said some free trade agreements are under review because of protectionists move on the part of some governments.

The study of 22 economies revealed that the lowest tariff on imports is in France and Poland that generate only 0.3 percent customs revenues on their total imports.

Bangladesh levies highest import duties on its imports that average 12.1 percent. In India the average import tariff is 6.6 percent.

Source: thenews.com.pk - July 04, 2017

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Pakistan: Let's Cotton sector urges govt to take measures against virus attack

The leading stakeholders of cotton sector have urged Ministry of Textile and Cotton Crop Assessment Committee (CCAC) for taking corrective measures to avoid possible damage to crop following recent rains and possible virus attack.

Representatives from All Pakistan Textile Mills Association, Pakistan Cotton Ginners Association, Karachi Cotton Association, Pakistan Yarn Merchants Association and Sindh Agriculture Forum to provide technical assistance to growers and provincial research and extension officials for better scouting standing crops in Sindh and Punjab stations besides provision of certified cotton seed.

The representative from Crop Reporting Service Department Punjab also informed some cotton growing areas have been reported prone to virus attack.

CCAC has already set 13.75 cotton bales for crop season 2017-18, while cotton was sown over 2.950 million hectares depicting 3 percent less than the target.

However, the current rains could possibly damage standing cotton crop in parts of Punjab and Sindh stations.

However the chances of Cotton Leaf Curl Virus attack could be controled to maximum extent but boll worm and mealy bug damage on crop could not be ruled out.

The Punjab province was expected to produce around 10.18 million bales of 170 kilogrammes while Sindh to produce around 3.69 million bales.

Farmer members from Punjab stressed for intervention of Trading Corporation of Pakistan at the earliest as cotton season was ending soon.

The benefit of intervention price for seed cotton should be assured for farmers, they maintained.

Rana Abdul Sattar (PCGA), Ghulam Rabbani (PYMA), Shakeel Ahmad of Agri Forum and Qamar Qureshi of Economic Forum Pakistan were of the view that agri-scientists to check the effects of pesticides in oil and cake produced through cotton crop by applying a number of poisonous sprays.

Pakistan is a signatory to various international laws/obligations so we should focus on producing better cotton which could not only benefit farmers in reducing cost of production but also be exported at higher prices.

The representative from Agriculture Department Khyber Pakhtunkhwa said cotton crop was sown at an area of 3,690 hectares.

Farmers of the area were not much educated in cotton crop management and due to non-existence of cotton ginning factories in the province thus farmers were reluctant to grow cotton.

Source: dailytimes.com.pk - July 05, 2017

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Canada Goose keeps investing in apparel manufacturing

Canada Goose continues to invest in rebuilding the Canadian apparel manufacturing industry - it has opened its fifth factory, the first in Québec, and has announced setting up of a new raw material and cutting distribution centre in Ontario. The new facilities are in response to the growing global demand for Canada Goose apparel, sold in 37 countries.

The move is a testament to the company's continued commitment to manufacturing its core products in Canada.

Located in Boisbriand, Québec, the 95,000 square-foot factory has already created more than 125 jobs since it opened, and expects to add more than 325 positions by the end of 2018.

The factory produces some of the brand's most popular styles from its down-filled fall/winter collections, as well as select pieces from its spring collection, which offer lighter-weight protection from the elements.

Located in Scarborough, Ontario, the new 117,000 square-foot cutting and distribution centre is the company's sixth facility and will house raw materials centrally, helping to drive increased efficiencies and production capacity, as well as spur job creation, within the company's existing manufacturing facilities.

"Nothing makes me prouder than the investment we have made in helping to bring back apparel manufacturing to Canada and the hundreds of jobs we have created here at home," said Dani Reiss, president and CEO, Canada Goose.

"Today, we operate one of the largest manufacturing infrastructures of its kind in Canada and we're honoured to now be making our products in Québec, which has a strong reputation for its skilled talent pool in the garment manufacturing industry," Reiss said.

This expansion is the latest example of the brand's commitment to continue to aggressively invest in the rebuilding of the Canadian manufacturing industry.

Over the last five years, Canada Goose has increased the number of cut and sew workers it employs by more than 200 per cent, and is recognised for employing approximately 10 per cent of the entire cut and sew labour force across the country.

"I am very pleased to welcome to Rivière-des-Mille-Îles a business that shines on the international scene. In addition, the new plant in Boisbriand will create many good jobs in our community: that's very good news for us," said Linda Lapointe, Member of Parliament Rivière-des-Mille-Îles.

In 2010, Canada Goose expanded operations with the opening of its first Winnipeg factory, which at that time was the company's second manufacturing facility. In 2015, the company expanded both the factory and office spaces in its global headquarters in Toronto, as well as opened two more facilities - in Scarborough and a second Winnipeg location

Source: fibre2fashion.com - July 04, 2017

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Why Bangladesh Needs To Do More For Its Readymade Garment Industry

Issues confronting the RMG sector

The readymade garment (RMG) industry forms the backbone of export and economic growth in Bangladesh. The country is second largest garments exporter in the world behind China.

However, even with ultra-low wages, its competitiveness is being hurt by several issues.

In early June, the government decided to reduce corporate tax on the industry from 20% to 15% with tax on green garment factories even lower at 14%.

However, industry leaders think the government needs to do more in terms of infrastructure modernization and streamlining of port operations. They are also pressing for even lower tax rates due to the negative impact they have witnessed on garment exports as global growth has tapered.

Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association, told local media that the garment industry had been growing at a rate of 13% for the past ten years, but in recent months, this has slowed down considerably to less than 3%.

Rising cost of production and other inefficiencies

In an interview with local media, Rahman said that the cost of production has been rising by 18% per year while the price of apparel has not risen and has even fallen in some cases.

While Bangladesh may continue cornering a large share of the low-value garment market, a continued rise in production costs, without the benefit of reduced taxes or an increase in global prices, would lead to declining profitability and reduced export income.

Another infrastructure bottleneck that has been hurting the RMG industry is airport authority inefficiency which leads to delayed receipt of samples from buyers, resulting in late execution of orders.

Though samples are expected to reach manufacturers within 24 hours of arriving, at present it takes over ten days. Rahman said that this is costing the industry $1 billion annually.

Poor environment for workers

Bangladesh was recently ranked among the worst countries in the world for workers according to the ITUC Global Rights Index 2017. Among the ten worst countries in the world for workers, Bangladesh was ranked alongside Guatemala, Kazakhstan, and the United Arab Emirates.

The report noted that, “Only about 10 per cent of Bangladesh’s more than 4,500 garment factories have registered unions, as the labor law requires an unreasonably high 30 percent of workers to agree to form a union and mandates excessive registration procedures, while the government has vaguely defined powers to cancel a union’s registration.”

These issues arguably cause a degree of harm to the business aspects of Bangladesh in general and the RMG industry in particular. Without concrete steps by the government, the industry may fall well short of its potential, and see the country miss out on potential investment.

Though the industry is critical to the country, attention is also being placed on diversification. Let’s look at new developments here in the next article.

Source: fronteranews.com - July 05, 2017

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NATIONAL NEWS

India's cotton exports to fall 17% in 2016-17: CAI

Cotton exports of India are likely to see a decline of 17 per cent in the 2016-17 cotton season.

India exported 72 lakh bales of cotton in 2015-16 and Cotton Association of India (CAI) has estimated the exports to touch 60 lakh bales in the ongoing cotton season.

The CAI has placed its cotton crop estimate for the season at 336.25 lakh bales of 170 kgs each.

The projected balance sheet drawn by the CAI has estimated total cotton supply for the season at 406.25 lakh bales while the domestic consumption is estimated at 305 lakh bales.

India had harvested 337.75 million bales of cotton in 2015-16.

The major Indian cotton buyers are countries like Bangladesh, Pakistan, Vietnam and China.

Source: fibre2fashion.com - July 14, 2017

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Textile industry size to touch $250 billion in 2 years, says official

The size of India's textile market is expected to touch $250 billion in the next two years from $150 billion now, a senior government official said today.

"We see tremendous growth potential for the textile industry and it is expected to touch $250 billion in the next two years from the present $150 billion. The domestic market is (currently) estimated at $110 billion and exports at $40 billion," Textile Commissioner Kavita Gupta said.

She was speaking after inaugurating the 6th edition of 'HGH India 2017', the annual trade show for home textiles and home decor, here.

Gupta said in the last two years, a lot of buoyancy has been created in the textile sector.

She said various schemes have been launched, not only to upgrade technology but also to extend financial aid, to the sector.

The capital investment subsidy announced by the Centre has been introduced in segments like weaving, garment, technical textile and made up, which has helped the sector.

"We are also looking at modernising the machines and trying to add state-of-the-art facilities, which will help the sector. In addition, the government announced Rs 6,000-crore special packages for the industry last year.

"Rebates on state levies have been introduced to encourage exports. There is an additional 10 per cent subsidy for the garment and made up segments, which means the home textile industry will get an effective 25 per cent capital investment subsidy on the new machines they bring in, leading to efficiency and modernisation of the sector."

Subsidies have proved be very beneficial for the sector and led to increase in employment and attracted huge investments, she said.

The textile industry needs to utilise the various schemes launched by the government for the benefit of customers, the commissioner added.

The three-day exposition has attracted 500 brands, manufacturers and importers.

The event provides a platform to traders across segments to explore new business opportunities in the Indian market.

Source: economictimes.com- July 04, 2017

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Australian firm eyeing entry in Gujarat, Manipur's handloom clusters

Australian textile major The Woolmark Company is eyeing an entry into the domestic handloom and weaving clusters of two states- Gujarat and Manipur- to increase the import of its premium Merino wool into India.

The company, representing 55,000 wool makers of the island country, hopes to achieve the feat on the back of varied textile products.

"About 85 per cent of Indian wool is of carpet grade; 10 per cent is of coarse grade and only five per cent is of apparel grade. The textile and apparel industry imports a bulk of its wool from Australia.

Yet, as against China's 80 per cent share, India has merely five per cent share in Australia's Merino wool exports. Going forward, however, we wish to imbibe the premium Merino wool in India's handloom sector through such clusters," said Arti Gudal, country manager, The Woolmark Company.

Australia is expected to produce around 300 million kg of wool in 2017-18, accounting for around 90 per cent of the global market. While a majority of India's suit and knitwear products already use Australia's premium Merino wool, the textile firm anticipates further growth in the domestic market share.

As against a total demand of 148 million kg of wool across the textile value chain, India produces only 48 million of domestic wool and imports 17 million kgs of wool worth $165 million.

In its efforts to explore other markets for wool, The Woolmark Company has entered into a collaboration with the Tiruppur Exporters' Association (TEA).

"The Rs 26,000-crore Tiruppur apparel industry is heavily dependent on cotton. However, last year the industry association started a workshop on the use of Merino wool for knitwear. As of today, seven companies have begun manufacturing knitwear using wool," said R M Shanmugham, president, Tiruppur Exporters' Association.

He, however, refused to throw light on the particulars of the industry involved in wool-based knitwear production.

To further boost imports, The Woolmark Company has also announced the second phase of its 'Grown In Australia, Made In India' initiative. The campaign will highlight the farm-to-fashion journey of Merino wool from Australia to India. The campaign aims to connect stakeholders, including brands, manufacturers and the government across the supply chain with the consumers joining the journey from this year.

"The campaign will be a four-month long project starting from September and ending in December. Through this initiative, we will bring to light the different stakeholders of our journey– the Kullu weavers of Himachal Pradesh, the wool shawl and knitwear industry and our collaboration with commercial brands who have endorsed Merino wool in India," said Gudal.

Source: business-standard.com- July 04, 2017

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Cotton is dear to farmers this year

With early rains, farmers in the district have opted for cotton cultivation. It was estimated that cotton was sown in about one lakh acres and the sowing may touch 1.82 lakh acres in the district.

During the last season, farmers got good price for cotton as the crop failed in some parts of Punjab and Pakistan due to pest, and the increased demand in the market.

With the hope that the same would be repeated this time, majority of the farmers have opted for cotton.

According to Madhavi Latha, Joint Director, Agriculture, paddy is being sown on 15,425 acres and it is stated that only 38% of sowing had taken place so far. Normal area of paddy in kharif is 40,763 acres, while sugarcane is being sown on 10,885 acres aginst the normal of 38,360 acres.

It was stated that only 33% of the sowing - counting to 26,310 acres - has taken place so far out of the total normal irrigated crops of 79,123 acres in the kharif season.

In dry crops, sowing of red gram on 11,275 acres, green gram on 3,248 acres and black gram on 3,063 acres is taking place.

Soyabean is being sown on 12,300 acres out of the normal area of 51,570 acres. Sowing of dry crops was done in 51% area.

Sowing area

“So far, sowing took place on 2,64,642 acres, out of the total normal area of 5,19,893 acres, which comes to 51% of sowing in the district,” said an official.

“Cotton sowing is expected to be four times more than paddy. Majority of the farmers opting cotton may not be a good omen. If there is a bumper harvest next year, the demand and price of cotton may come down which in turn will put farmers in debt trap . It would be better if farmers think twice before going for cotton sowing,” the official commented.

Source: thehindu.com- July 05, 2017

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Bt cotton falling to pest, Maharashtra tensed

Genetically modified or Bt cotton is no longer resistant to pink bollworm - a major pest in Mahahrashtra, prompting the state government to write to the Union government to seek its intervention.

A research report by Dr K R Kranthi, former director of Central Institute of Cotton Research (CICR), shows that pink bollworm has developed resistance to Bollgard-II Bt cotton not only in Maharashtra but other cotton-growing states as well. Bollgard-II is the Bt hybrid variety that was introduced in 2010.

"There are only two benefits of Bt cotton. One, it controls bollworm, due to which the yield is protected.

Two, it reduces use of insecticides meant for bollworm control. Currently, cotton growers do not get either benefit," Dr Kranthi told TOI via email.

Bijay Kumar, principal secretary, agriculture department, said, "There are nearly 85 private Bt cotton seed-producing companies in the state and we have been getting several complaints of crop failure from farmers. In most cases, we cannot do much to help affected farmers. We want the Central government to come up with a clear set of guildelines for us in this situation."

The issue assumes significance given that Maharashtra is the largest cotton-growing state in the country. Nearly 40 lakh hectares or 35% of the cultivatable area is under cotton production. Nearly 96% cotton-growing farmers in the state use BG-II Bt cotton seeds for cultivation.

Last year, nearly 90% of cotton farms in Jalna were affected and farmers had approached the state government seeking compensation for the losses they had incurred. It could not do much, though. The state government has found itself in a tight spot and asked the Union government to denotify Bt cotton seed varieties prone to pink bollworm.

The government also wants the Centre to undertake an awareness campaign across the state on failed resistance of the Bt variety to pests so that farmers can make an informed choice. Half of the crop in the state comes from Vidarbha and the rest from Khandesh and Marathwada.

Pink bollworm is a small, thin, gray moth with fringed wings-the most damaging of all pests that attack cotton crop in the country. The female moth lays eggs on cotton balls and larvae emerge only to destroy entire fields by chewing through the cotton lint to feed on seeds.

Vijay Jawandhia, a farmer leader and a cotton farmer from Vidarbha, said, "The pest attacks the crop at the fag end of the season, around 90 days after it is planted. The first picking cycle begins after 110 days, so the farmer has only 20 days to spot the pest and take preventive steps." He added that it leaves the farmer with very little time to react and any delay can ruin the entire crop.

After introducing Bollgard in 2002, a stronger version-Bollgard II-was introduced in 2010. It was instrumental in pushing up cotton production as pest attacks could be contained, which was one of the main reasons why genetically modified cotton or Bt cotton was introduced throughout the country.

The cost of insecticides and pesticides, which would constitute to nearly 40-45% of the total cost of production, was also projected to be reduced by use of Bt seeds. For these benefits, companies manufacturing these seeds charged farmers a higher sum. A 425gm packet of BGII Bt seed cost between Rs 925 and Rs 1,050, which is nearly three times the cost of regular seed packets. At least three packets are required for one acre of land.

"Since the past few years these benefits have been slowly fading away, but the cost of the seeds are still the same," said Jawandhia. Some of the seed company officials say that farmers do not follow precautions like sowing non-BT seeds along the periphery of fields and also not to keep the crop for more than 160 days, which makes it more prone to pests.

Source: timesofindia.com- July 05, 2017

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H&M to open 8 new stores in India over 6 months

Swedish fashion retailer Hennes & Mauritz (H&M) has decided to open eight new stores In India over the next six months focusing on tier II cities. The addition of new stores would take its count to 24. H&M would add 1.60 lakh square feet of retail space by the end of 2017, totalling 6.50 lakh square feet within two years of starting its operations in India.

"This autumn, H&M will have eight more stores across Mumbai, Bangalore, Delhi NCR as well as Indore, Coimbatore and Amritsar. Adding a total of 1,60,000 square feet of retail space," H&M India country manager Janne Einola told a news agency.

"We do see India as an important part of our global expansion; we aim to grow with our business concept of fashion and quality at the best price in a sustainable way," he was quoted as saying.

H&M India clocked sales of approximately Rs 435 crore from December 1, 2016 to May 31, 2017. The company also plans to go online in India from 2018. The Swedish firm said that to start online sales from 2018 is a move to tap the growing e-commerce segment.

"India will be a new H&M online market in 2018. Additional new online markets will open in 2018," the company said in a report.

"H&M is especially excited to expand its reach in India, a market that poses tremendous potential both in tier I and tier II cities and now online" Einola said.

In the first half of 2017, H&M rolled out six new online markets - Turkey, Taiwan, Hong Kong, Macao, Singapore and Malaysia. It has plans to add Philippines and Cyprus later in 2017.

Source: fibre2fashion - July 04, 2017

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Post GST, cheaper imported apparel likely to increase

The industrial hub of Ludhiana is apprehensive that post-GST, there will be an increase in imports from countries such as Bangladesh and China, where the cost of manufacturing is lower due to the availability of cheaper labour. This cheaper imported garments will negatively impact the Indian Textile and Apparel Industry.

In the case of apparel imports, the government had earlier levied the Special Additional Duty (SAD) as a protection for the domestic players. With the GST, this duty protection stands removed and imported garments would be 5-6 per cent cheaper, sources said.

Prior to the GST, the countervailing duty included six percent excise duty on cotton and 12.5 percent with Cenvat credit on polyester. The optional duty of two percent with abatement of 40 percent on it (i.e. 0.80 per cent) meant effective duty of 1.2 percent without Cenvat credit.

Around 4 percent Special Additional Duty (SAD), along with cess, educational cess and others worked out to 5.5 percent. Prior to the GST, they had duty protection of 5.5 percent from cheap import.

After the GST, all duties have been subsumed in 5 percent of the GST for both domestic manufacturers and importers. This, in effect, means no protection, as both domestic manufacturers and importers will be required to pay the same duty.

The head of the Textile Division, FICO (Federation of Industrial and Commercial Organization), Ludhiana, Ajit Lakra, said that the imported polyester fabric would be cheaper than the made-in-India polyester fabric.

He suggested that the GST on polyester yarn should be brought down from 18 percent to 12 per cent. Further, to protect domestic industry, the government should impose anti-dumping duty.

Ajit Lakra in this connection met Manpreet Badal and hopefully the anomaly would be addressed in the next meeting of the Tax Research Unit (TRU).

Source yarnsandfibers.com- July 04, 2017

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Cotton planting almost double this season

Cotton planting in the country has doubled in terms of area compared to the same period last year. Good monsoon and high prices for cotton have prompted more and more farmers to opt for cotton over pulses and soya, top officials of the Central Institute of Cotton Research (CICR), Nagpur, said.

Over 45 lakh hectares were sown in the cotton-growing regions of the country, said MS Ladhaniya, director of CICR, adding that this does not mean that the acreage is likely to be doubled by the end of July.

A clearer picture will emerge in the next 15-20 days, he said. Ladhaniya is of the opinion that the acreage is likely to go up to 120-122 lakh hectares for the cotton season of 2017-18.

As per the data released by the agriculture ministry, an unprecedented increase in cotton sowing has seen the area under kharif cultivation going up by nearly 20%.

With most parts of the country receiving good rains as the first month of monsoon activity comes to a close, there is an indication that sowing will pick up momentum in the coming weeks.

Sowing of cotton so far has been particularly impressive with its acreage registering an increase of almost 2.5 times over the same period last year. A substantial increase in cotton cultivation in Maharashtra (an increase of 6.51 lakh hectare) and Telangana (3.16 lakh hectare) has ensured that the acreage under cotton increased to 46 lakh hectare from 19 lakh hectare this week the previous year.

So far, farmers have planted 222 lakh hectare under different crops, nearly 19% higher than the 187 lakh hectare planted by this time last year. Sowing of kharif crops begins in June and continues through July as the monsoon progresses across the country. During the kharif season, farmers typically plant around 1,060 lakh hectare.

By this time of the year, the normal or five-year average of sowing area is 220 lakh hectare. According to Ladhaniya, sowing operations have already been completed in the North, including Punjab, Rajasthan and Haryana. Sowing is picking up in Maharashtra, Andhra Pradesh, Telangana and Gujarat.

As per the initial indications during the current season, the cotton area sown would be around 6 lakh hectare in Haryana (against 4.98 lakh hectare during 2016-17) and 4 lakh hectare in Punjab (as against 2.56 lakh hectares in 2016-17).

In Punjab, cotton is likely to make revival in several south-western districts where paddy was grown in the past years. In Rajasthan, the area under cotton is expected to remain static at around 4.5 lakh hectare. “Strong domestic prices are likely to influence the decision of farmers to allocate greater area to cotton.

Farmers who opted to soybean and pulses – competing crops of cotton – during 2016-17 are likely to switch back to cotton since the returns from these crops were low despite bumper yields,” Ladaniya said.

Meanwhile, the Cotton Association of India (CAI) said that cotton exports of India are likely to see a decline of 17% in the 2016-17 season. India exported 72 lakh bales of cotton in 2015-16 and CAI has estimated that the exports will touch 60 lakh bales in the ongoing season.

The CAI has placed its cotton crop estimate for the season at 336.25 lakh bales of 170 kg each.

Source: financialexpress.com- July 05, 2017

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GST implementation brings textile industry to a standstill

Apparel makers and wholesalers say the implementation of the goods and services tax has brought business to a standstill as their unregistered suppliers and customers try to stay out of the ambit of the new tax regime.

"There are about 25% of dealers who don't pay tax at all," said Suresh Chhatwani, owner of Mumbai-based Surkan International which makes, supplies and exports readymade women's garments. About "10-20% of my business comes from unregistered dealers, who only want to deal in cash. What happens to my business if they refuse to comply with GST?"

According to Chhatwani, while high end, branded apparel makers will benefit from the 28% tax rate, prices of small, local apparel brands will rise as implementation of GST will erode their thin margins. Wholesalers in the apparel business usually earn around 10-15% margin, he said.

"These people (unregistered dealers) do not even have an agreement on the houses they live in, no ration card, no sales tax numbers, what will they do with GST?" said another distributor and supplier of women's readymade garments from Mumbai who did not want to be named.

"Officially, these dealers are making a lot more than Rs20 lakh a year (the turnover limit under which a business need not register for GST)," the distributor said, adding that he expects supplies from such dealers to be disrupted for another month to a month-and-a-half.

It is not just suppliers, some small garments shops, too, are unwilling to make non-cash payments for stocks.

"If customers are not wanting to pay in cash or register, then there is a problem," said Arnav Goyal, owner of Kanha Fashion that makes and supplies women's wear to retail outlets. "Customers are unwilling to buy (stock) in the market right now."

Businesses in the industry have been splitting their holdings so that each is under the Rs20 lakh turnover limit, said another distributor who did not want to be named.

“There are a number of factors that are at play,” said Anita Rastogi, indirect tax partner at tax advisory firm PwC. “One is ignorance on how the GST works; the second is that these businesses are very cash dependent; it is hard to convince them to move on from cash.

Also, there are unfounded rumours in the market that there are 37 returns to file,” she said, adding that rather than three returns a month, the GSTR-1, 2 and 3 were parts of the same monthly tax return to be filled at three different times of the month.

The unorganized sector makes up about 85% of the total Indian retail market, according to a January 2016 report by India Brand Equity Foundation, and is expected to reach 87% by 2019.

Of women’s apparel, the fastest growing apparel segment in India, only 11% is made up by the branded market, as per a June 2017 report by Avendus Capital.

Source: livemint.com- July 03, 2017

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