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An Update on The Five Global Uncertainties Commodity Traders Should Know

(Shri G. Chandrashekhar, is the Associate Editor, The Hindu Business Line Newspaper. He is an economist with a passion for agriculture, agribusiness and commodity markets)

In November 2013, I wrote an article with the title 'Five global uncertainties that every commodity trader should know'. Each one of the five under-listed uncertainties affects commodity markets in some way or other.

The uncertainties relate to:

- Economic growth;
- Geopolitics;
- Monetary policy;
- Currency; and
- Weather.

If you wind back a few months, you will realise that concerns relating to each of the aforesaid factors were real then. It was unclear then whether the US economy was beginning to bottom out, although macro data flowing that time showed incipient signs of revival in economic activity and slow but steady decline in unemployment. Europe continued to put in tepid performance while fears of a China slowdown were looming.

Geopolitical instabilities that started to escalate a couple of years ago when events in the MENA region – Arab Spring, Libya, Syria – reached a crescendo in the last quarter of 2013 with a huge stand-off between Iran and the Western powers. Fears of disruption to oil supplies pushed crude prices higher.

EXPERT's Column

Shri G. Chandrashekhar

As for monetary policy, the loose money policy adopted in the US (culminating with the third installment of Quantitative Easing or QE 3 that involved asset purchase worth $ 85 billion a month) and in Europe contrasted with the tight money policy in emerging markets – China, India – where inflation control took precedence over economic growth. Since 2009, stimulus packages in many countries and quantitative easing resulted in excessive liquidity in the world economy, which in turn drove a liquidity-led commodity price boom.

With varying yet uncertain levels of economic activity exacerbated by growth and geopolitical concerns, the currency market gyrations added to the extant uncertainty, impacting export-import trade. The US dollar weakened considerably which in turn pushed commodity prices higher. Weather was a major challenge for three consecutive years – 2010, 2011 and 2012 – culminating in the worst drought of 50 years in the US Midwest as a result of which agricultural commodity prices registered new highs, turned volatile and hurt many food deficient economies. However, thanks to benign weather across the world in 2013, farm output rebounded and prices generally turned softer.

After uncertainties that characterised much of 2013, the situation now (mid-March 2014) looks a lot more stable or, shall I say, less-unstable. There is now a modicum of clarity in many of the uncertainties, Athough it would be too brave to assert 'all's well', there is certainly cautious optimism.

What happened in the last three months that turned the situation less-volatile and provided a ray of hope? It started with positive macro data flowing from the US. After all, the US is the engine of world growth and anything that happens in that country does affect the world at large. Recent data – including falling unemployment numbers - suggest it is on a revival course. The OECD leading indicators continue to point to an improving economic outlook in most advanced economies, with growth firming in the US. This is generating hope, and a cautiously optimistic outlook for 2014.

Geopolitical developments in recent months have helped reduce concerns over instability or volatile conditions in the MENA region. Tensions following the stand-off with Iran have eased after an interim agreement signed sometime in December. At present, there is nothing to suggest any disruption of crude supplies. On the other hand, the US shale oil and gas production is rising, adding to supplies. So, crude oil market is currently range-bound with a downward bias.

Clarity on the monetary policy is a welcome development. After months of hesitation, thanks to flow of positive macro data, the US Federal Reserve has begun 'tapering' of QE 3 since December 2013 that is gradually reducing the monthly asset purchase. It is already down by $ 20 billion and it is widely anticipate that QE3 will be fully tapered down by early second half of this year.

Tapering will result in sucking out of excess liquidity in the economy. This is sure to put pressure on flow of money across borders, especially from low-interest rate driven developed economies to emerging markets with high interest rates. Dollar demand is sure to rise, the currency is sure to get scarce and the direction of dollar flow will reverse, that is the dollar will flow back to its origin. This can have profound impact on emerging markets, and countries are struggling to reduce the negative fallout of the US tapering. The liquidity-driven commodity boom of recent years may be coming to an end, and market fundamentals will return to the fore.

The Fed decision to begin tapering has another positive implication. It strongly suggests that the US economy is on a revival path. The Fed maintains that its decisions will be data-driven. The ongoing tapering program suggests that the Fed is convinced the US macro data is positive and that the QE programs have delivered. This is a sentiment booster not just for the US but for the world at large. Demand for commodities is likely to revive.

As for currency markets, rising demand for the US dollar will make it stronger. While a stronger dollar may make US exports less competitive, it will make US imports relatively cheaper, driving consumption higher. A firming greenback will also cap the upside risks to commodity prices. However, a firming dollar can potentially weaken other currencies, especially of countries faced with large current account deficits. Commodity import dependent economies (such as India, for example) have to be watchful. Utmost caution in tracking currency movements and taking proactive measures is necessary.

After a big rebound in farm output across the world in 2013, there was initial expectation that 2014 too will witness benign weather. Normal weather in 2014 will allow further production growth, help build inventory and soften farm prices further. Yet, concerns over developing El Nino have already begun to do the rounds of the market. To be sure, at the moment, the probability of El Nino and ENSO neutral conditions is 50:50. It is too early to get sacred of El Nino; yet, risk management plans should be put in place in the event weather strikes with a vengeance.

The latest is that in the last two weeks or so, two uncertainties have taken centre-stage – geopolitical risks and weather risks have entered the markets. Political tensions involving Russia and Ukraine have caused apprehension over potential disruption to grains and oilseeds supplies out of the Black Sea.

Weather has turned aberrant. Brazil and Southeast Asia have been facing dry conditions since the beginning of the year while the US has faced an unusually severe winter. This has raised yield concerns for sugarcane, coffee, soybean, palm oil and wheat.

With such weather uncertainties, speculative capital has already begun to flow into agricultural markets. CBoT futures prices of a number of agri-commodities are already up sharply. The non-commercial participants (speculators) have ramped up their net long positions.

Cotton is no exception. Stocks in the US are tightening in the wake of brisk export sales. Most other origins like Australia, Brazil and India are well sold. Funds are holding a lot of length. Demand (mill buying) tends to dry up at higher prices; so profit-booking by non-commercials is a strong possibility.

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Global Status of Commercialized Biotech/GM Crops: 2013

By Clive James, Founder and Emeritus Chair of ISAAA

Contd. from last issue

Global value of biotech seed alone was ~US$15.6 billion in 2013

Global value of biotech seed alone was ~US$15.6 billion in 2013. A 2011 study estimated that the cost of discovery, development and authorization of a new biotech crop/trait is ~US$135 million. In 2013, the global market value of biotech crops, estimated by Cropnosis, was US$15.6 billion, (up from US$14.6 billion in 2012); this represents 22% of the US$71.5 billion global crop protection market in 2012, and 35% of the ~US$45 billion commercial seed market. The estimated global farm-gate revenues of the harvested commercial "end product" (the biotech grain and other harvested products) is more than ten times greater than the value of the biotech seed alone.

The Impact of the 2013 World Food Prize's Recognition of Biotechnology's Contribution to Food, Feed and Fiber Security

The World Food Prize (WFP) is the foremost international Foundation that recognizes accomplishments of individuals who have advanced human development by improving the quality, quantity, or availability of food in the world. The 2013 Laureates are three biotechnologists who have independently discovered molecular techniques for genetically engineering improved crops.

As the founder of the World Food Prize and a strong advocate of biotech/GM crops, Norman Borlaug, Nobel Peace Prize Laureate in 1970 had expressed his views to the WFP Foundation that biotechnologists should not be excluded from consideration as World Food Prize Laureates because of the controversy surrounding GM crops. He contended that they should be considered on their own merit and judged by their contribution to global food security and the alleviation of poverty.

Borlaug would have been pleased with the decision to award the 2013 World Food Prize to three internationally recognized biotechnologists, whom he knew personally and respected: Marc Van Montagu, Mary-Dell Chilton and Robert Fraley, who have all made important contributions in their respective areas of crop biotechnology. "The three Laureates have in their own unique ways established the science behind the transfer of genes from other species to the target crops through Agrobacterium tumefaciens in the late 1970's. Marc Van Montagu and colleague Jeff Schell were the first to discover, in 1974, that the bacteria carries a Ti-plasmid (plant tumor-inducing plasmid). They did a thorough study on its structure and function which led to the stable transfer of foreign genes into plants. Mary-Dell Chilton and her research team discovered that there is a segment in this plasmid, the Transfer-DNA (T-DNA) that is processed and transferred into the genome of the infected plant cell. Her work provided evidence that plant genomes could be manipulated more precisely than in conventional plant breeding. Robert Fraley and his team's research works were built on the advances made by Van Montagu and Chilton. The team was able to isolate a bacterial marker gene, which was expressed in plant cells. This became the scientific basis of the development of Roundup Ready soybeans."

"The work of the three Laureates became the foundation of plant cell transformation technologies that enabled the development of a host of genetically-enhanced crops with improved yields; resistance to insects and disease; and tolerance against extreme variations in climate. Their combined achievements have contributed significantly to increasing the quantity and availability of food, and can play a critical role as we face the global challenges of the 21st century of producing more food in a sustainable way, while confronting an increasingly volatile climate."

It is noteworthy that the 2013 World Food Prize served as a unique global forum to stimulate and encourage professional debate, and to increase the awareness of both the scientific community and the public about the formidable

challenge of food security and the current and future contributions that biotechnology can make to help feed the world of tomorrow with a population of 9 billion in 2050.

The three 2013 Laureates were of the unanimous view that sharing knowledge and communicating with the Public on biotech crops was the top priority. ISAAA is of the same view and initiated its extensive global knowledge-sharing activities with the public more than ten years ago in 2000. ISAAA's flagship publication, the Annual Brief on the Global Status of Commercialized Biotech/GM Crops, authored for the last 17 years by Dr. Clive James, is the most quoted publication on biotech crops globally. The major messages from the Brief typically reach up to an unprecedented 3 billion people in ~50 countries and languages. Knowledge-sharing is achieved through multi-media channels, thereby reaching a remarkably large number and broad range of stakeholders from global society at large. Other ISAAA complementary activities organized by the Global Knowledge Center (KC) in knowledge-sharing include its active user-friendly website with various educational/ learning materials, including, videos, and infographics as well as its weekly newsletter Crop Biotech Update distributed to subscribers in 140 countries. In addition, ISAAA organizes a continuing series of workshops in developing countries to meet the multiple and changing needs of policy makers, regulators and other stakeholders in crop biotechnology. ISAAA, like the three Laureates, believes that knowledge-sharing is key to increasing biotech crop understanding, acceptance and adoption globally.

The 2013 World Food Prize and the Borlaug dialogue have contributed in a unique and significant way towards an increased measure of consensus by the scientific community and the public about major issues that have been debated for over a decade or more. For example, there has been a marked shift in public sentiment and an increased trust in science-based assessments that confirm that foods from biotech products are safe and that significant productivity and environmental benefits have accrued to both producers and consumers. Similarly, the shift in public support of not denying Golden Rice to millions of malnourished children, who otherwise are condemned to suffer permanent blindness and death, is evident, as Patrick Moore's new and successful moral campaign "Allow Golden Rice" in support of Golden Rice has progressed.

Future Prospects

In 2013, as expected, growth continued to plateau for the principal biotech crops in industrial countries and in mature biotech crop markets in developing countries where adoption rates are sustained at an optimal rate of ~90%, leaving little or no room for expansion. Growth in adoption in less mature biotech crop markets in developing countries, such as Burkina Faso (>50% growth in 2013) and Sudan (>300% growth in 2013) was very strong in 2013, and for the fifth consecutive year, Brazil posted an impressive 3.7 million hectare increase, equivalent to a 10% growth between 2012 and 2013.

In the scientific community associated with biotechnology, there is cautious optimism that biotech crops, including both staple and orphan crops, will be increasingly adopted by society, particularly by the developing countries, where the task of feeding its own people is formidable, given that the global population, most of whom will be in the South, will exceed 10 billion by the turn of the century in 2100. We cannot feed the world of tomorrow with yesterday's technology.

Whereas rice is the most important food crop in China, maize is the most important feed crop. Over 35 million hectares of maize is grown in China by an estimated 100 million maize-growing households (based on 4 per family ~400 million potential beneficiaries). Phytase maize, which confers increased phosphate uptake in animals is reported to increase the efficiency of meat production – an important new and growing need, as China becomes more prosperous and consumes more meat which requires more expensive imports of maize. China has 500 million pigs (~50% of the global swine herd) and 13 billion chickens, ducks and other poultry which need feed. Given the significant increased demand for maize and rising imports, biotech maize, as a feed crop, may be the first to be commercialized by China and is consistent with the favored chronology of fiber, feed and food. A group of over 60 senior scientists in China recently reiterated the strategic importance of commercializing biotech crops to the country and its commitment to ensure safe testing of the products before deployment. Biotech phytase

maize was approved for biosafety in China on 27 November 2009. Other maize producing countries in Asia, including Indonesia and Vietnam, have field tested HT/Bt maize and are likely to commercialize in the near-term, possibly by 2015.

Subject to regulation, another very important product for Asia is Golden Rice which should be ready for release to farmers by 2016 in the Philippines. Bangladesh has also assigned high priority to the product. Golden Rice is being developed to address Vitamin A Deficiency which results in ~2.5 million children a year dying with an additional 500,000 becoming permanently blind. Patrick More has opined that denying Golden Rice to malnourished dying children is "a crime against humanity" – the moral imperative for Golden Rice is beyond question.

In the Americas the increased adoption of biotech drought tolerant maize and transfer of this technology to selected countries in Africa will be important, as well as the adoption of the virus resistant bean developed by EMBRAPA in Brazil and scheduled for deployment in 2015. The stacked soybean launched in 2013 is expected to reach high adoption rates in Brazil and some neighboring countries in the near-term.

In Africa there are three countries, South Africa, Burkina Faso and Sudan already successfully commercializing biotech crops and the hope is that several of the seven additional countries currently field testing biotech crops will graduate to commercialization. The early predominant products that will likely feature are the well-tested biotech cotton and maize, and subject to regulatory approval, the very important WEMA drought tolerant maize scheduled for 2017. Hopefully, one of several orphan crops such as the insect resistant cowpea will also be made available in the near-term so that farmers can benefit from them as early as possible.

Whereas biotech crops are considered essential as one element (including non-transgenic genome editing tools such as ZFN [Zinc Finger Nucleases] and TALENs [Transcription Activator-Like Effector Nucleases] to increase precision and speed) in a crop improvement program, they are not a panacea. Adherence to good farming practices such as rotations and resistance management are a must for biotech crops as they are for conventional crops. Finally, it is important to note that more modest annual gains, and continued plateauing, are predicted for the next few years. This is due to the already optimal (>90%) adoption rates for the principal biotech crops in both industrial and developing countries, leaving little or no room for expansion. As more countries approve biotech crops, the potential hectares will grow for medium hectarage crops (such as sugar cane – 25 million hectares) and particularly for larger hectarage crops (such as rice – 163 million hectares, and wheat – 217 million hectares). Increased growth in hectares will also be facilitated by a growing portfolio of products from both the public and private sectors and the events will increasingly feature quality traits for improved health and well-being.

The Legacy of Nobel Peace Laureate Norman Borlaug, founding patron of ISAAA

It is fitting to close this chapter on "Future Prospects" of biotech crops with a reminder of the counsel of the late 1970 Nobel Peace Laureate, Norman Borlaug, on biotech/GM crops whose birth centenary will be honored on 25 March 2014. Norman Borlaug, who saved a billion people from hunger, was awarded the Nobel Peace Prize in 1970 for the impact of his semi-dwarf wheat technology on the alleviation of hunger. Borlaug was also the greatest advocate for biotechnology and biotech/GM crops, because he knew their critical and paramount importance in feeding the world of tomorrow. The following is the visionary counsel offered by Norman Borlaug on biotech crops in 2005 – it is as true today as it was in 2005.

"Over the past decade, we have been witnessing the success of plant biotechnology. This technology is helping farmers throughout the world produce higher yield while reducing pesticide use and soil erosion. The benefits and safety of biotechnology has been proven over the past decade in countries with more than half the world's population. What we need is courage by the leaders of those countries where farmers still have no choice but to use older and less effective methods. The Green Revolution and now plant biotechnology are helping meet the demand for food production, while preserving our environment for future generations."

Source: International Service for the Acquisition of Agri-Biotech Applications (ISAAA)

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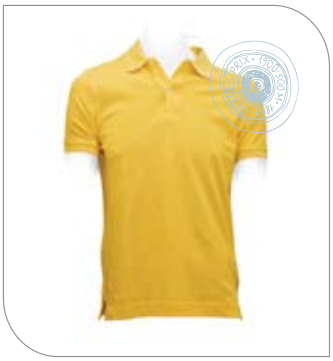

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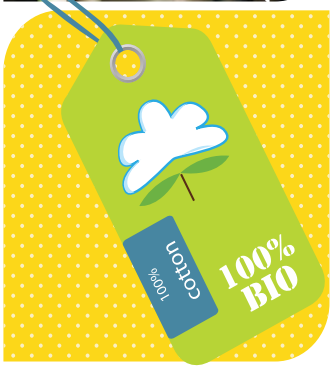

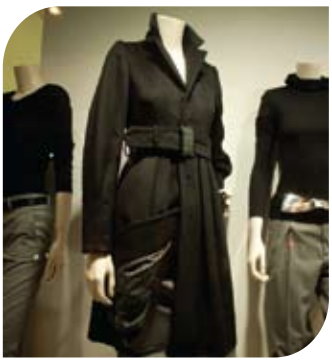

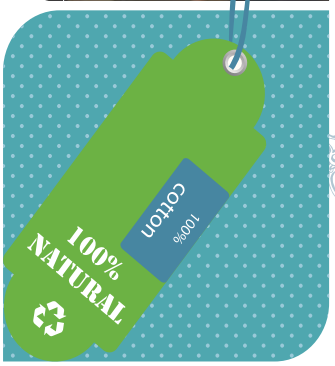

Venue : Expo Centre, World Trade Centre, Cuffe Parade, Mumbai 400005. **From** : 10th April 2014 to 12th April 2014.
Timings : 10.00 AM to 7.00 PM

New Government Policies Announced Just Ahead of Planting

This month, harvesting will be underway in the Southern Hemisphere while planting will take place in many countries in the Northern Hemisphere. In 2013/14, world area is estimated at 33.1 million hectares and is expected to remain fairly stable in 2014/15 at 33 million hectares. However, losses in area in China due to its new cotton policy are expected to be offset by gains in area for other countries, particularly the United States, given the current prices for cotton. World production is forecast to be 25.7 million tons in 2013/14, a decrease of 4% from last season, and is expected to fall again in 2014/15 by 1% to 25.3 million tons.

In the past two months, both the United States (the largest exporter in 2012/13) and China (the largest producer and consumer in 2012/13) announced changes to their agricultural policies, including cotton. As both countries are important players in the cotton, market, these new policies are expected to have a global impact in the coming seasons. On February 7, 2014, President Obama signed the 2014 U.S. Farm Bill into law. The Direct Payments, Countercyclical Payments and Average Crop Revenue Election (ACRE) programs are repealed for all commodities and, in the specific case of upland cotton, replaced by the Stacked Income Protection Plan (STAX). STAX provides premium subsidies to upland cotton producers to purchase insurance policies that cover "shallow" revenue losses--those below the level generally covered by standard crop insurance policies. Under STAX a payment is triggered if the actual income in a county falls below 90 percent of the expected income. STAX provides coverage for revenue shortfalls between 10 nd 30 percent and producers may select coverage in 5% increments. The federal government will subsidize about 80 percent of the premium. In addition, the federal government subsidizes the administrative and operational costs of the insurance companies offering STAX. STAX will not be available until the 2015 growing season. In the 2014 season and part of 2015, a transition assistance payment will be provided, which will be calculated using a formula involving marketing year average prices for upland cotton, the national program yield of 597 pounds per acre and 60 percent of the cotton base acres for the farm in 2014 and 36.5 percent of the base acres in 2015. The marketing loan program will continue with a marketing loan rate based on the world cotton price between a minimum of 45 and a maximum of 52 cents per pound of upland cotton. The loan rate for ELS cotton is set at 79.77 cents. Changes were made to the GSM 102 export credit guarantee program by cutting back the duration of loans from 36 to 24 months. In addition the program is to become more market-oriented, allowing the USDA to charge higher fees. The export promotion subsidy for Pima cotton has been retained. The Congressional Budget Office projects that changes in direct spending outlays caused by STAX will be zero in 2014; $35 million in 2015; $325 million in 2016 and will total about $1 billion during five years between 2014 and 2018. The cost of the program for 10 years (2014-2024) is estimated at $3.3 billion. Given that some of the policy will not be in full effect until 2015, the impact on this year's plantings in the United States is expected to be minimal. In 2014/15, area is expected to increase by 9% to 3.4 million hectares due to expectations that cotton prices will be higher relative to other competing crops, notably corn. The Secretariat will provide additional information on this new policy in the next issue of Cotton: Review of the World Situation.

In late January, the Chinese government announced that it would be implementing a target price program for cotton and soybeans. For

cotton, the program will be limited only to that grown in Xinjiang. Due to the lack of support for cotton grown in the inner provinces of China and lack of details for the new policy, area outside of Xinjiang is expected to decline in 2014/15, and China's overall area is expected to decline by 9% from last season to 4.2 million hectares. The Chinese government has not yet announced what the official target price for cotton will be, but has stated that it will take into account both the domestic price, which for the last few years has been pushed upward due to its state reserve policy, and the international price for cotton. It has also not announced how it will handle the significant stock that it already holds, but the Secretariat expects that it will aim for a slow controlled release. At the current price, reserve sales of domestically sourced cotton have been slow (as opposed to internationally sourced cotton in the reserve that sells quickly). If it were to sell more aggressively, the government would probably have to further discount the price. Additionally, aggressive selling would also lower prices domestically and internationally, which would greatly affect the new target price policy.

World cotton mill use is projected to rise by 1% this season to 23.6 million tons and by 3.5% in 2014/15 to 24.4 million tons due to continued economic growth in Asia, where much of the cotton consumption takes place.

World cotton trade is forecast at 8.6 million tons this season, but is expected to decline by 5% in 2014/15 to 8 million tons. This is due in large part to an expected decline in China's imports by 1 million tons to 2.2 million tons in 2014/15 as more of its consumption is likely to come from domestic stock rather than imports next season.

In 2013/14, world ending stocks are forecast to be 19.9 million tons, more than 2 million tons higher than last season. After a break in reserve activity due to spring holiday, China began purchasing again on Feb 17, though at a slower pace, buying an additional 269,500 tons, primarily from the inland provinces. World ending stocks for 2014/15 are forecast to rise to 20.8 million tons as production is expected to exceed consumption for the fifth season.

(Source: ICAC Monthly March 2014)

Cotton Consumption - Cotton Year-wise

(In Lakh Bales)

Month	2006-07	2007-08	2008-09	2009-2010	2010-11	2011-12	2012-13 (P)	2013-14 (P)
October	17.33	18.32	16.54	18.13	22.09	17.77	21.84	23.48
November	17.81	16.94	16.94	18.47	21.09	18.34	21.09	22.55
December	18.49	18.86	17.98	19.49	22.57	20.13	22.63	21.60
January	18.22	18.54	16.93	19.54	22.10	20.33	23.30	21.70
February	17.11	18.14	16.23	18.81	20.23	20.31	22.24	
March	18.39	18.45	17.51	20.01	21.77	20.38	23.61	
April	18.06	17.98	17.12	20.53	20.17	20.31	23.22	
May	17.89	18.95	17.83	20.93	18.64	21.27	22.85	
June	17.85	18.55	18.01	20.71	18.23	21.17	22.51	
July	18.42	18.50	18.98	22.11	19.00	22.14	24.11	
August	18.58	17.62	18.59	21.73	18.64	22.08	24.23	
September	18.03	16.90	18.29	21.42	21.71	21.46	23.70	
Total	**216.18**	**217.75**	**210.96**	**241.88**	**246.23**	**245.47**	**275.33**	**89.33**

(Source: Office of the Textile Commissioner)

SUPPLY AND DISTRIBUTION OF COTTON

March 4, 2014

Seasons begin on August 1 — Million Metric Tons

	2009/10	2010/11	2011/12	2012/13 Est.	2013/14 Proj.	2014/15 Proj.
BEGINNING STOCKS						
WORLD TOTAL	**11.755**	**8.569**	**9.465**	**14.611**	**17.78**	**19.93**
CHINA	3.585	2.688	2.087	6.181	9.61	11.55
USA	1.380	0.642	0.566	0.729	0.85	0.65
PRODUCTION						
WORLD TOTAL	**22.334**	**25.409**	**28.041**	**26.829**	**25.75**	**25.34**
CHINA	6.925	6.400	7.400	7.300	6.70	6.15
INDIA	5.185	5.865	6.354	6.095	6.34	6.23
USA	2.654	3.942	3.391	3.770	2.87	3.15
PAKISTAN	2.158	1.948	2.311	2.204	2.07	2.06
BRAZIL	1.194	1.960	1.877	1.261	1.64	1.65
UZBEKISTAN	0.850	0.910	0.880	1.000	0.92	1.00
OTHERS	3.369	4.385	5.828	5.199	5.21	5.10
CONSUMPTION						
WORLD TOTAL	**25.529**	**24.502**	**22.796**	**23.340**	**23.60**	**24.43**
CHINA	10.192	9.580	8.635	8.290	7.88	7.80
INDIA	4.300	4.509	4.340	4.845	5.10	5.51
PAKISTAN	2.402	2.100	2.217	2.416	2.49	2.56
EAST ASIA & AUSTRALIA	1.892	1.796	1.646	1.858	2.00	2.17
EUROPE & TURKEY	1.600	1.549	1.495	1.532	1.58	1.71
BRAZIL	1.024	0.958	0.888	0.887	0.93	0.93
USA	0.773	0.849	0.718	0.751	0.78	0.82
CIS	0.604	0.577	0.550	0.561	0.58	0.59
OTHERS	2.743	2.583	2.306	2.201	2.27	2.33
EXPORTS						
WORLD TOTAL	**7.798**	**7.686**	**9.870**	**10.027**	**8.58**	**8.00**
USA	2.621	3.130	2.526	2.902	2.29	2.27
INDIA	1.420	1.085	2.159	1.685	1.31	0.99
AUSTRALIA	0.460	0.545	1.010	1.345	1.03	0.78
BRAZIL	0.433	0.435	1.043	0.938	0.76	0.81
CFA ZONE	-	0.476	0.597	0.796	0.88	0.93
UZBEKISTAN	0.820	0.600	0.550	0.653	0.68	0.59
IMPORTS						
WORLD TOTAL	**7.928**	**7.725**	**9.759**	**9.708**	**8.58**	**8.00**
CHINA	2.374	2.609	5.342	4.426	3.13	2.17
EAST ASIA & AUSTRALIA	1.989	1.825	1.998	2.264	2.37	2.36
EUROPE & TURKEY	1.170	0.972	0.724	1.015	0.77	1.01
BANGLADESH	0.887	0.843	0.680	0.593	0.86	0.85
CIS	0.209	0.132	0.098	0.062	0.07	0.07
TRADE IMBALANCE 1/	0.130	0.039	-0.111	-0.319	-	-
STOCKS ADJUSTMENT 2/	-0.122	-0.051	0.013	-	-	-
ENDING STOCKS						
WORLD TOTAL	**8.569**	**9.465**	**14.611**	**17.780**	**19.93**	**20.84**
CHINA	2.688	2.087	6.181	9.607	11.55	12.07
USA	0.642	0.566	0.729	0.848	0.65	0.71
ENDING STOCKS/MILL USE (%)						
WORLD-LESS-CHINA 3/	**38**	**49**	**60**	**54**	**53**	**53**
CHINA 4/	**26**	**22**	**72**	**116**	**147**	**155**
COTLOOK A INDEX 5/	**78**	**164**	**100**	**88**		

1/ The inclusion of linters and waste, changes in weight during transit, differences in reporting periods and measurement error account for differences between world imports and exports.
2/ Difference between calculated stocks and actual; amounts for forward seasons are anticipated.
3/ World-less-China's ending stocks divided by World-less-China's mill use, multiplied by 100.
4/ China's ending stocks divided by China's mill use, multiplied by 100.
5/ U.S. cents per pound.
(Source : ICAC Monthly March 2014)

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UPCOUNTRY SPOT RATES (Rs./Qtl)

Standard Descriptions with Basic Grade & Staple in Millimetres based on Upper Half Mean Length [By law 66 (A) (a) (4)]							Spot Rate (Upcountry) 2013-14 Crop MARCH 2014					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	17th	18th	19th	20th	21st	22nd
1	P/H/R	ICS-101	Fine	Below 22mm	5.0-7.0	15		10686 (38000)	10686 (38000)	10826 (38500)	10826 (38500)	10826 (38500)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0-7.0	15	H	10826 (38500)	10826 (38500)	10967 (39000)	10967 (39000)	10967 (39000)
3	GUJ	ICS-102	Fine	22mm	4.0-6.0	20		7677 (27300)	7620 (27100)	7620 (27100)	7536 (26800)	7536 (26800)
4	KAR	ICS-103	Fine	23mm	4.0-5.5	21	O	9139 (32500)	8998 (32000)	8858 (31500)	8717 (31000)	8717 (31000)
5	M/M	ICS-104	Fine	24mm	4.0-5.0	23		10348 (36800)	10348 (36800)	10348 (36800)	10348 (36800)	10348 (36800)
6	P/H/R	ICS-202	Fine	26mm	3.5-4.9	26		11782 (41900)	11867 (42200)	11867 (42200)	11867 (42200)	11895 (42300)
7	M/M/A	ICS-105	Fine	26mm	3.0-3.4	25	L	10742 (38200)	10742 (38200)	10742 (38200)	10742 (38200)	10798 (38400)
8	M/M/A	ICS-105	Fine	26mm	3.5-4.9	25		10939 (38900)	10939 (38900)	10939 (38900)	10939 (38900)	10995 (39100)
9	P/H/R	ICS-105	Fine	27mm	3.5.4.9	26		11810 (42000)	11895 (42300)	11895 (42300)	11895 (42300)	11923 (42400)
10	M/M/A	ICS-105	Fine	27mm	3.0-3.4	26	I	11192 (39800)	11192 (39800)	11192 (39800)	11192 (39800)	11248 (40000)
11	M/M/A	ICS-105	Fine	27mm	3.5-4.9	26		11276 (40100)	11276 (40100)	11276 (40100)	11276 (40100)	11332 (40300)
12	P/H/R	ICS-105	Fine	28mm	3.5-4.9	27	D	12092 (43000)	12148 (43200)	12148 (43200)	12148 (43200)	12204 (43400)
13	M/M/A	ICS-105	Fine	28mm	3.5-4.9	27		11473 (40800)	11473 (40800)	11501 (40900)	11501 (40900)	11557 (41100)
14	GUJ	ICS-105	Fine	28mm	3.5-4.9	27		11670 (41500)	11670 (41500)	11698 (41600)	11698 (41600)	11754 (41800)
15	M/M/A/K	ICS-105	Fine	29mm	3.5-4.9	28	A	11642 (41400)	11642 (41400)	11698 (41600)	11698 (41600)	11754 (41800)
16	GUJ	ICS-105	Fine	29mm	3.5-4.9	28		11810 (42000)	11810 (42000)	11867 (42200)	11867 (42200)	11923 (42400)
17	M/M/A/K	ICS-105	Fine	30mm	3.5-4.9	29	Y	11698 (41600)	11698 (41600)	11698 (41600)	11782 (41900)	11838 (42100)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5-4.9	30		11867 (42200)	11867 (42200)	11867 (42200)	11867 (42200)	11923 (42400)
19	A/K/T/O	ICS-106	Fine	32mm	3.5-4.9	31		12120 (43100)	12120 (43100)	12120 (43100)	12120 (43100)	12176 (43300)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0-3.8	33		17350 (61700)	17350 (61700)	17434 (62000)	17434 (62000)	17491 (62200)

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