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Regulations and Incentives: Why Some Countries Expand Cotton Production and Others Don't

EXPERT's Column

Dr. Terry Townsend

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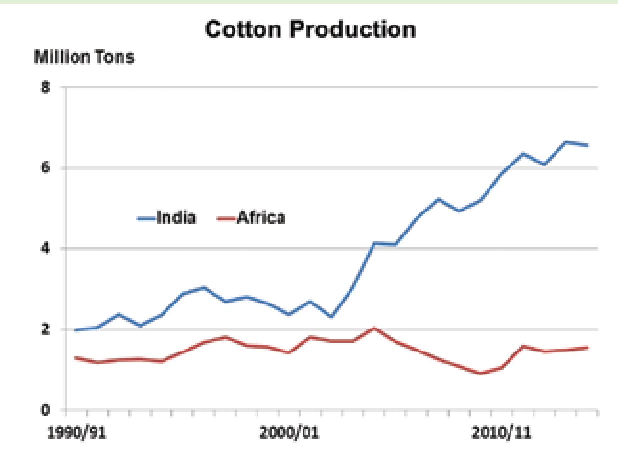
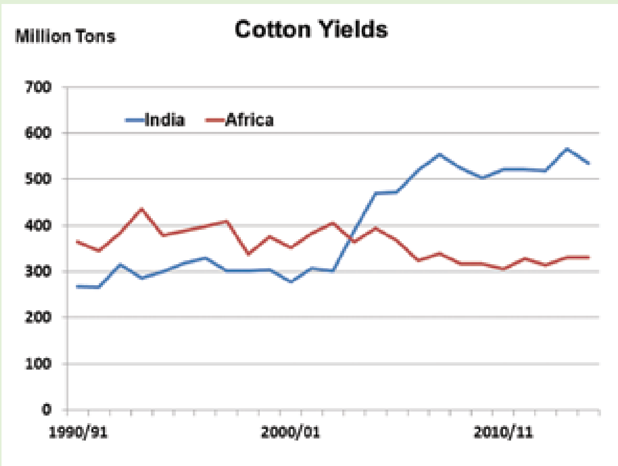
Prior to 2002/03, India and Africa produced about the same amount of cotton. Today, India produces four times more than Africa. What happened and why?

During the 1990's, cotton production in India rose from 2 million tons to 3 million, but then dropped back to about 2.3 million in 2002/03. Meanwhile, cotton production in Africa rose from 1.3 million tons in 1990/91 to a record of 2 million tons in 2004/05. However, even though Africa and India followed a similar trajectory prior to 2002, the paths since have been far different. Since the mid-2000's, Indian cotton production has gone up to 6.5 million tons while African production has gone down to about 1.6 million.

India and Africa have similar resource endowments, suggesting similar cotton production potential. Both have populations of around 1 billion that are largely rural with long traditions of smallholder agriculture

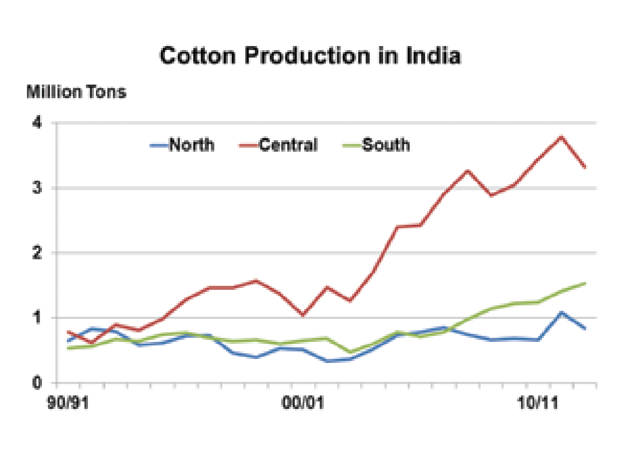




dominated by labor-intensive practices. Africa is about ten times bigger than India, but India is blessed with adequate water for the most part, while about one-third of Africans live in areas of water scarcity. Nevertheless, on the basis of availability of land, water, labor and heat units, Africa could produce at least as much cotton as India. Indeed, for decades until the mid-2000s, yields in Africa were higher than yields in India, indicating that on the basis of agronomic conditions alone, Africa can indeed out-produce India or at least produce as much.

India

The increases in Indian production have been relatively uniform across the three major regions. In 2002/03, when national production was just 2.3 million tons, the northern states (Punjab, Haryana, and Rajasthan) accounted for 16% of the total, and by 2012/13 when the national total was 6.1 million tons, the north still accounted for 15%. The central states (Gujarat, Madhya Pradesh and Maharashtra) accounted for 55% of production in 2002/03 and 58% recently. The southern states (Andhra Pradesh, Karnataka, and Tamil Nadu) produced 20% of the Indian total in 2002/03 and 27% in 2012/13.



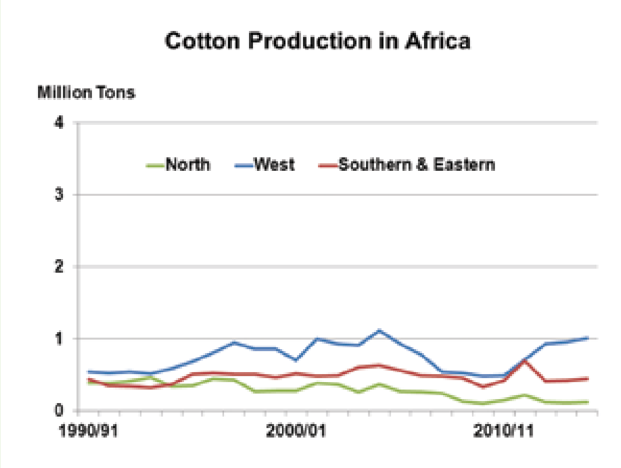
The variances in culture, language and agronomic practices across India are enormous, ranging from irrigated agriculture in the North, to semi-arid rainfed regions in the central states, to areas in southern India with ample rainfall. Further, under the national constitution, agriculture is the purview of state governments in India, suggesting that differences in state-level policies could lead to differences in rates of production growth. Nevertheless, the largely uniform increases in production across regions in India suggest that national factors, not state-level factors, are the underlying causes.

Africa

In contrast, changes in production across Africa have been very uneven, suggesting that national forces in each country, rather than macroeconomic factors that affect all producers, have played a significant role in the stagnation in yields and production.

Cotton production in North Africa shrunk from 670,000 tons in the early 1980s to 120,000 tons recently. Production in Egypt was fully controlled by the state until the mid-1990s, and as liberalization has proceeded and farmers have been allowed to choose their cropping patterns based on prices and resource availability, production has fallen. Similarly in Sudan, the government has progressively relaxed controls over farmers' choices, and cotton production has declined under competition from food crops. North African production was 120,000 tons in both 2012/13 and 2013/14.

Production in West Africa, including the Franc Zone, reached 1 million tons in 2004/05, dropped to less than 500,000 tons in 2010/11 and has since recovered to 960,000 tons in 2013/14 and production in 2014/15 is forecast at one million tons again, the same as ten years earlier. Political uncertainty in Mali and Cote d'Ivoire, difficulties controlling side-selling or pirate buying, and ineffective systems to supply inputs to growers in some countries, have



undermined long term efforts at industry growth. On the other hand, the agronomic characteristics of the region are highly favorable for cotton, and with improvements in input supply, production could expand.

Production in Eastern and Southern Africa was between 400,000 and 500,000 tons in the early 1990s, rose to 600,000 in the mid-2000's, but has slipped back below 500,000 tons again. Production is estimated at 425,000 tons in 2013/14. The incentives and constraints governing cotton in Eastern and Southern Africa and Western Africa are similar. Low yields, but abundant land and adequate rain, difficulties providing inputs and controlling side-selling/pirate-buying, remain the determining factors influencing the levels of production in both regions.

The dramatic divergence between success in India and stagnation or decline across Africa begs the question: What can Africans learn from Indians?

India represents a triumph for the use of biotechnology. Since adoption in India in 2002, biotech cotton varieties significantly contributed to rising yields and production, increases in farmers incomes and reductions in insecticide use.

Another factor driving Indian cotton production higher is the success of the Technology Mission on Cotton (TMC). The TMC was a four-pronged effort sponsored by the national government and supported by industry to improve production practices, improve ginning and reduce contamination, and improve efficiency in transportation. The TMC reached almost every cotton farmer in India, approximately 35 million, as well as all gins, warehouses and pressing facilities.

A third factor that contributed to a tripling of cotton production in India in a decade is the work of the Cotton Corporation of India (CCI), an arm of the Ministry of Textiles of India. CCI stands as a buyer of last resort during periods of falling prices and thus ensures that seed cotton is procured from farmers at no less than minimum support prices (MSPs) established by government for each variety and location. By providing small holders with a minimum price guarantee, CCI has buttressed farmer's confidence in cotton as an engine of income, thus encouraging increased area and investments in inputs.

Agriculture is complex, and there are always many culprits associated with poor performance. The major factors that affect yields are technology, technology extension to growers, logistics covering the purchase, transportation and ginning of seed cotton, and input use. Despite facing many of the same constraints as those in Africa, India has been able to over come constraints to increased yields and expanded production to a greater extent than Africa has.

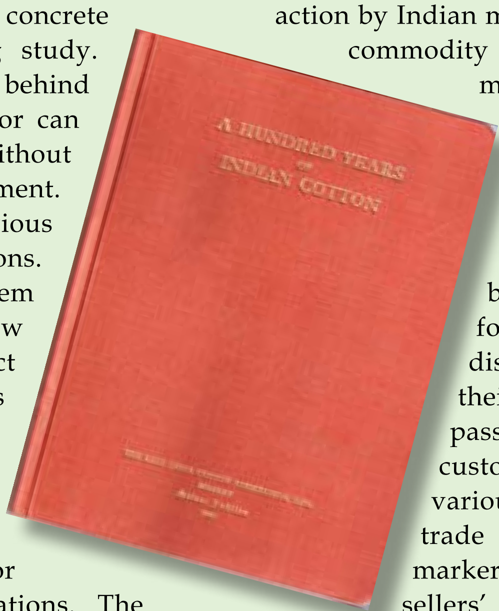
Governance structures in the cotton sector of Africa have been studied in great depth. Different countries have different cultural, historical and political experiences, and any solutions must be tailored to local situations. Nevertheless, there is now overwhelming empirical evidence that successful cotton sectors require the development and adoption of latest technologies, nationwide efforts at quality improvement and input delivery, and programs to shield small holders from disastrous downward spikes in cotton prices. The steps taken in India to address these issues may hold promise for African producers.

A Hundred Years of Indian Cotton

By Professor M.L. Dantwala

CHAPTER V: COTTON MERCHANTS GATHER

Institutions are not built in a day. Their streamlined exterior hardly gives any idea of the toil and sweat invested in the spade-work. The evolution of institutions is not mere history, it is an object lesson for the builders of to-morrow. Trial and error, not omniscience, go to the building of an institution. The journey is as thrilling as the journey's end. Perhaps, there is no end, but a continual process of growth and adjustment. This process of adjustment with concrete situations makes a fascinating study. Institutions cannot lag for long behind the exigencies of a situation, nor can they shoot ahead of times, without causing serious maladjustment. Posterity may smile at the obvious crudeness of yesterday's institutions. Possibly it cannot always view them in historical perspective. A few years hence the apparently perfect institutions of to-day may be as anachronistic in the context of to-morrow as those of yesterday are in the context of to-day. Commercial institutions have shown a remarkable genius for adjustments with changing situations. The march of science, by the annihilation of time and distance, has continually created intricate problems for the world of commerce, making business techniques obsolete from time to time. Commercial ingenuity has always risen to the occasion straightening the anomalies with newer and newer business methods. The evolution of the technique of Futures Trading is a perfect illustration of the race between science and commerce.



In India, as elsewhere, trade associations grew in complexity and stature with the expansion of trade. The well-trimmed East India Cotton Association has grown into its present stature, if we include the pre-natal period, from informal gatherings of cotton merchants, as and when occasion arose. A public meeting of cotton merchants was, for example, held to present memorials to the Government and the Secretary of State, protesting against some obnoxious provisions of the Cotton Frauds Act. The only permanent organization of merchants then was the Bombay Chamber of Commerce, established in 1836. Till then, perhaps the commercial community in Bombay had not evolved specialized organizations for different trades, organizations of the trade association type, wherein membership is restricted to participants in a single trade. The earliest evidence of collective action by Indian merchants dealing in a particular commodity is provided by the unpublished minutes of the Cotton Dealers' Managing Committee. On 25th July 1855, a meeting of some 200 Indian cotton merchants, traders in cotton bales and dhokras, muccadums for the buyers' section and muccadums for British offices was held to discuss a problem which affected their particular trade. The meeting passed a resolution to abolish the custom then prevailing, by which various functionaries in the cotton trade such as buyers' muccadums, markers and sample-takers, as also sellers' muccadums and others took a certain quantity of cotton from bales and dhokras in payment for services rendered, and to substitute cash allowances for all of them. The claims of beggars, the lame and the blind, who used to receive loose cotton in alms also came up for review. A list of such beggars, who had almost earned a prescriptive right to receive alms, was drawn up and cash payments were fixed for them. A sum of Rs. 525 was to be paid to the Trustees of the Panjrapole for every breach of the rules laid down. In pursuance of this resolution, the Association, in a meeting held on 1st September 1855, decided to impose a laga (cess) on all cotton imported into Bombay. The fund was to be administered by a Committee of four trustees. Elaborate arrangements were prescribed for the administration of the fund: clause 8 of the resolution, for example, laid down that "pigeons and other birds should be fed daily and rupee one be spent for that purpose. The officer — whose appointment was sanctioned by an earlier clause- should particularly see that this was duly done." A meeting of the same body held on 10th August 1857, resolved to abide by a set of rules which was drawn up for the transaction of cotton business. The preamble to the Rules says:

"We bring cotton from outside places and sell the same to European and native merchants. We also transact business between ourselves. But the rules of transaction differ very much on many items. It was, therefore, decided at the General Meeting of Shravan Sud 5, Samvat 1913, that all business from now on be transacted as agreed upon at that meeting. That agreement has now been reduced to writing and being acceptable, we the following sign it."

The Rules provide for (1) kabalas — contracts — of uniform type, printed and supplied by the Managing Committee, (2) uniform packing of cotton bales, and (3) settlement of disputes by arbitration. Penalties were prescribed for any breach of rules, but, unlike at present, all penalties were to be paid to charitable institutions.

Here was perhaps the earliest trade association in India discharging some of the most typical functions of a trade association. Compared with a modern trade association, with its elaborate Articles of Association, buttressed with State charters or statutory recognition, this organization may appear to be rather rudimentary. There were no heavy membership fees, no iron-clad contracts, nor was trading restricted to members only. Yet in the loyalties they evoked and the discipline they maintained, these organizations were perhaps not inferior to those of to-day. Those were days when custom and usage had still a binding force as great as, if not greater than, that of the statutory law of to-day.

In 1884, another association, the Bombay Native Cotton Merchants' Association, was formed. In the preamble to the Rules framed by the Association, it was mentioned that there often arose difficulties and disputes in the transaction of their business. A meeting was held on 16th September 1883, to consider how best to avoid difficulties and disputes and to transact business amicably. A Managing Committee was formed from amongst the members present to draft rules for the purpose. At a meeting held on 25th December 1884, draft rules were finally approved. The Association was formed "for promoting the interest of the cotton trade and for the amicable settlement of disputes arising in the course of business." The Rules reveal a greater commercial consciousness than that which existed at the time of the formation of the Cotton Dealers' Association in 1855. For example, a regular membership, with membership fees and a right to vote, was created for the first time. Rules were made for tendering cotton on the maturing of the contract, and for determining the rights of buyers as well as of sellers in case of default by either party. The range of tenderable cotton was limited to a maximum allowance of Rs.4 per candy to the buyer. Buying and selling "on account" were provided for and a rather elementary procedure for finding out "the last buyer" was also laid down. Other rules made provision for uniform methods of weighing, packing, and sampling. It may, however, be noted that as the size and the weight of bales from different regions were different, separate rules had to be made for each region.

With the establishment of the Native Cotton Merchants' Association, we enter into the second stage of the development of Trade Associations in India. Business, or rather responsibility for business, is sought to be confined to a select number of members. A measure of uniformity in methods of transacting business, with specific rights and liabilities for buyers and sellers of Futures contract is introduced. Futures Trading itself, however, was in a rudimentary stage, and the rules framed by the Association were probably just adequate for the business technique of the times.

In 1875 European firms in Bombay, engaged in the cotton trade, formed an organization called the Bombay Cotton Trade Association. Little is known about its activities for some 20 years. We have a copy of its Memorandum of Association dated 13th May 1892, when probably the Association was re-organized. The Association was a joint stock company, with a share capital of Rs.50,000, divided into fifty shares of Rs.1,000 each and practically all the shares were held by non-Indians. In the Memorandum of Association, the main objects for which the company was established are stated as follows: —

(1) To provide and maintain a suitable building for the accommodation of members of the Association;

(2) To adjust disputes between persons engaged in the cotton trade, to establish just and equitable principles in the said trade, to maintain uniformity in rules, regulations and usages of the trade,

to adopt standards of classification, to acquire, preserve and disseminate useful information connected with the cotton interests, and generally to promote the cotton trade of the City of Bombay and India, and augment the facilities with which it may be conducted.

In a schedule attached to the Articles of Association we find Rules for Deliveries and Arbitrations. It appears that at that time there was a provision for three Futures Contracts; (1) for Good Staple, for cotton from Khamgaum, Karanja, Akola, Barsee, Nagar; (2) for Medium Staple, for cottons from Khandesh, Indore and Sheagaum; and (3) for Belatee, for cotton from Oomrawutee, Akote and Dhamangaon. Further, an attempt was made to fix a basic standard for each one of these. Here perhaps we have in an embryonic form the first traces of Hedge Contracts.

There was considerable dissatisfaction amongst leading Indian cotton merchants and millowners with the European complexion of the Bombay Cotton Trade Association. Cotton was no longer a mere important item of the export trade. With the establishment of textile industry in the country it had assumed a new significance in the national economy. Thus, apart from the racial aspect, a difference of outlook on cotton problems was probably beginning to develop between British and Indian interests. About 1890, some leading Indian merchants led by Sir Dinshah Petit, the first Baronet, Cursondas Vallabhdas of the firm of Jivraj Balu, and Narandas Purshottamdas of the firm of Narandas Rajaram and Company, organized the Bombay Cotton Exchange Limited. The Company was started with a capital of Rs.25,000 in 500 shares of Rs.50 each. The Bombay Cotton Exchange and the Bombay Cotton Trade Association shared between them the control of the cotton trade from 1893 to about 1918. In an attempt to democratize the Association the latter issued in 1907 three new shares, of which two were given to Indians and one to a Japanese firm, at a valuation of about Rs.1,200 per share. Sir (then Mr.) Purshotamdas Thakurdas was the first Indian to act (in 1907) as Surveyor and a member of the Appeal Committee of the Bombay Cotton Trade Association.

There is not sufficient documentary evidence available during the period 1893 to 1918 to show how business in cotton was carried on and the risk attendant thereon borne by different sections in the trade. The membership of the Bombay Cotton Trade Association and the Bombay Cotton Exchange did not embrace the whole cotton trade. The former was a body of European merchants 75 per cent of whom were exporters and the rest importers. In the Bombay Cotton Exchange 25 per cent of the members were exporters and the rest importers. Besides these, there were shroffs who financed business, muccadums who gave and took delivery of cotton and the brokers who sold and bought in Futures, who were not members of either of these two bodies. The risk of trading in Futures was largely borne by the brokers' section of the trade. These useful sections greatly helped in the financing of business in ready cotton and carrying the risk in the forward market. Settlement of forward contracts being yearly, fluctuations in the market were wide and largely dependent upon yearly big Teji-Mandi operations. There was then nothing like the present system of Hedge Contracts or payment of differences on open contracts through settlement clearings. Delivery contracts were dealt in Akola/Khamgam, Amroati, Dholleras and Broach cotton with delivery period only once a year, i.e., March, and subsequently April.

In 1915 the Bombay Cotton Brokers' Association was formed with the object of "protecting the business morality of merchants and regulating the trade smoothly." This institution had to carry on its activities against difficulties, as its members had no voice in the management of either of the two bodies referred to above. The Association hired premises in the Marwari Bazaar and, in the Patia or Ring of this building, all forward business in cotton was carried on under the auspices of this body in the morning session of trading, the evening session being held at Colaba. Even when the Cotton Contracts Committee, appointed by the Government of India in June 1918 under the Defence of India Rules, came on the scene, forward business in cotton continued to be carried on in the Trading Hall of the Brokers' Association. On the recommendation of the Wiles Committee the control of this Ring for forward trading in the Marwari Bazaar was given over by the Bombay Cotton Brokers' Association to the East India Cotton Association, in August 1934.

It is interesting to note that the premises of this Trading Hall and two other adjacent buildings were purchased by the E.I.C.A., and in 1935 the present Cotton Exchange Building was erected on the site.

In spite of these piecemeal efforts to systematize and regulate the cotton trade, when the War broke out in 1914 the trade was in a rather anarchic condition. There was no single organization commanding the allegiance of the entire trade, with authority to frame and enforce rules. There were no well-defined Hedge Contracts and there was no system of periodical settlements, with the result that there was little which could distinguish genuine trading from speculation. In fact, there is evidence to show that the market was completely dominated by speculative interest. The Government which in the previous century had shown such great sensitiveness on the question of frauds and adulteration and had enacted stringent penal laws for their suppression, was completely apathetic to this equally vital question of the regulation of the cotton trade. The War, however, shook its complacence.

Prices of cloth were rising and it was felt that heavy speculation in raw cotton leading to an inordinate rise in prices of cotton was partly responsible for this. The price of the Broach contract for April 1918 settlement went beyond Rs.700 from Rs.400 a year before.

This gave an impetus to the question of Government regulation of the Cotton Trade.

The Cotton Trade at that time suffered from three grave defects: —

(1) absence of any system of periodical settlement;

(2) extreme narrowness of the forward contracts;

(3) absence of any controlling body with power to enforce its decisions.

Though the Broach settlement passed off without any calamity it created apprehension among many sections of the trade. The Bombay Millowners' Association approached the Government with a request to take steps to put the trade on a healthy footing. The Indian Cotton (MacKenna) Committee, which was at that time examining the question of extending the cultivation of long-staple cotton in India, submitted, in response to a special request by the Government of India, an interim report recommending the establishment of one central association in place of eight distinct bodies which at that time were interested in the cotton trade. The Government of India arranged a meeting for this purpose, which was attended by the President of the Chamber of Commerce and 24 other representatives of the different Associations connected with the cotton trade. The meeting unanimously emphasized the necessity of establishing a Government-sponsored controlling body and a system of settling accounts through a Clearing House. Acting on this recommendation, the Government of India issued in June 1918 Rules under the Defence of India Act constituting a Cotton Contracts Committee with the following duties : —

(1) to prescribe the classes of contracts in respect of which differences were to be paid through a Clearing House ;

(2) to establish a Clearing House for periodical settlement of differences;

(3) to prescribe a procedure for fixing and declaring market rates for cotton of various descriptions;

(4) to provide for the licensing of brokers.

No person could enter into a Clearing House contract except in accordance with the form, the conditions and the regulations prescribed by the Committee. Breach of rules was punishable with imprisonment extending to six months, or with fine, or with both.

A press note issued by the Government of Bombay made it clear that the rules under the Defence of India Act were enacted to meet a special occasion and were to be replaced by legislation. It was hoped that that legislation would lead ultimately to the establishment on a permanent basis of a Central Cotton Exchange in Bombay.

The Cotton Contracts Committee appointed by the Government of Bombay consisted of nine persons representing different sections of the trade, with Sir Gilbert Wiles as the Chairman. The form of contracts and rules under which transactions were to be made were framed. It may be interesting to note that the following five Hedge contracts were officially recognized: (1) Fully Good M.G. Bengal, (2)" Fully Good M. G. Broach, (3) Fine M.G. Fair Staple Oomra, (4) Fully Good M. G. Fair Staple Oomra, and (5) Good M. G. Good Staple Southerns. The Committee enrolled members and licensed brokers. A Daily Rates Committee, a Clearing House Committee and an Appeals Committee were constituted. Settlement rates were fixed and the first settlement clearing was held on 18th September 1918.

The Committee functioned till 25th January 1919. As already stated, the Cotton Contracts Rules under the Defence of India Act were intended to be temporary and were to be replaced by legislation. The Government of Bombay, accordingly, introduced in October 1918 a Bill "to provide for the control of dealings in cotton in the Presidency of Bombay." In the statement of Objects and Reasons it was pointed out that:

"The conditions which rendered possible the occurrence of the crisis of the present year were mainly two: the long period of the principal settlements and the narrow basis of the contract. The remoteness of the time of settlement leads to speculation to an extent which is not necessarily correlated in any way to the resources of the parties; while the custom of requiring performance of a contract in the particular variety of cotton contracted for leads to great fluctuations of rates, specially as speculative contracts are frequently made in respect of a particular variety of which the crop is small in quantity. The chief remedies required by the situation are therefore the substitution of short-term for long-term settlements and such a regulation of the conditions of contract as will render possible a broadening of the basis of contract. The Defence of India (Cotton Contract) Rules, 1918, proceeded on these lines. Some organization (technically known as a "Clearing House") to facilitate the settlement of differences, and an authority with power to fix the market rates for settlement and generally to regulate matters ancillary to the foregoing, are also required and have been provided for in the rules."

The Act was to remain in force during the continuance of the War and for a further period of not less than six months and not more than two years. It was pointed out that no provision was being made to transfer the duties and liabilities of the Board on the expiration of this Act, because it was anticipated that a permanent legislative measure, in such form as the working of the Act might indicate, would be placed upon the Statute Book before that date.

The provisions of the Bill were more or less identical with those of the Cotton Contracts Rules. The control, according to the Draft Bill, was to be vested in a Cotton Contracts' Board, consisting of a Chairman and eight other members, all nominated by the Governor-in-Council. There was, however, a strong feeling in favour of the introduction of the elective principle in the constitution of the Board, and the Select Committee recommended an amendment by which the Board was to consist of a Chairman and eleven members. The Chairman and six of the members were to be appointed by the Government. Of the other five, three were to be elected by the members of the Clearing House constituted under the Defence of India Rules, and two were to be elected by the Millowners' Association. Another important change was the omission of the penal clause and its substitution by one which made a contract contravening the regulations simply void. This, as we shall see later, gave rise to quite a crop of difficulties.

The Bill was ably supported by Sir Puishotamdas Thakurdas. He traced the entire history of cotton legislation since 1829. He dispelled the apprehension that the consequences of such a legislation might be the same as those of the Frauds Act of 1863, by pointing out that while the Act of 1863 caused interference in the trade by the Government, the object of the proposed legislation was the unification of the trade and its regulation by the representatives of commercial interests only. He, however, pleaded for an enlargement of the Board and for the introduction of the elective principle. As already mentioned, the Bill was suitably amended to accommodate this point of view. After a rather tedious legislative process, requiring the sanction of the Governor and the Governor-General, the Bombay Cotton Contracts Control (War Provisions) Act, 1919, was published on 25th January 1919 in the Bombay Government Gazette.

The Cotton Contracts Board began to function from this date. The Board had to carry out a strenuous and onerous task. The discipline of the Clearing House was jarring to some traders who were accustomed to the freedom of the good old days. The speculative element found it difficult to shed their attachment to the old-type contracts for specific grades and to take to the "wider" Hedge contracts. The device of the Clearing House was new to the trade and the Board had to surmount many obstacles and difficulties before all the desiderata of fixing of rates, tendering of cotton, and payment of differences could be properly co-ordinated.

(To be Continued)

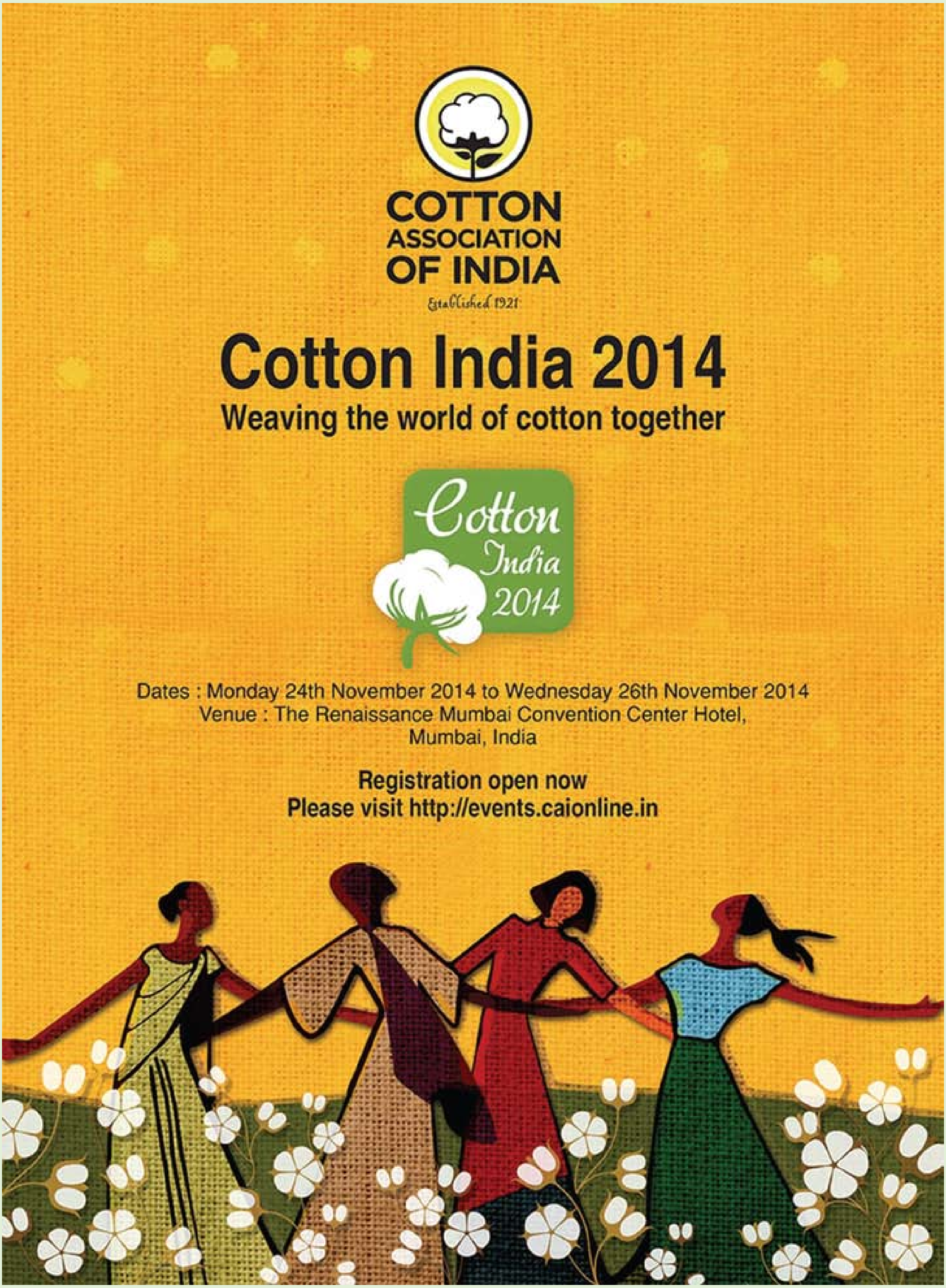
Production of Fibres

(In Mn. Kgs.)

As on	Raw Cotton (Oct.-Sept.)	Synthetic			Cellulosic	Sub Total
		PSF	ASF	PPSF	VSF	
			2012-13 (P)			
2000-01	2380	566.42	99.43	2.26	236.17	904.28
2001-02	2686	551.42	94.84	2.38	185.28	833.92
2002-03	2312	582.13	105.27	2.46	224.61	914.47
2003-04	3043	612.58	117.00	2.74	221.01	953.33
2004-05	4131	644.16	127.61	2.88	247.95	1022.60
2005-06	4097	628.15	107.81	3.08	228.98	968.02
2006-07	4760	791.99	97.13	3.52	246.83	1139.47
2007-08	5219	879.61	81.23	3.43	279.90	1244.17
2008-09	4930	750.12	79.50	3.44	232.75	1065.81
2009-10	5185	872.13	90.45	3.38	302.09	1268.05
2010-11	5763	896.33	79.48	3.74	305.10	1284.65
2011-12	5899	829.74	77.71	4.08	322.64	1234.17
2012-13	--	848.05	73.59	4.26	337.49	1263.39
2013-14 (P)	--	845.95	96.12	3.71	361.02	1306.80
			2012-13 (P)			
April	--	70.10	5.06	0.35	27.50	103.01
May	--	73.24	6.21	0.35	28.49	108.29
June	--	67.59	6.40	0.38	27.41	101.78
July	--	73.08	6.35	0.36	24.35	104.14
August	--	71.87	6.37	0.39	27.94	106.57
September	--	71.21	5.71	0.40	27.51	104.83
October	--	73.95	6.53	0.41	29.73	110.62
November	--	70.14	6.36	0.34	28.83	105.67
December	--	67.03	6.78	0.41	29.74	103.96
January	--	74.11	6.22	0.33	29.98	110.64
February	--	66.89	5.58	0.26	26.43	99.16
March	--	68.84	6.02	0.28	29.58	104.72
			2013-14 (P)			
April	--	65.66	8.26	0.27	26.39	100.58
May	--	70.67	8.54	0.31	30.80	110.32
Jun	--	71.56	8.08	0.30	30.51	110.45
Jul	--	72.26	7.78	0.34	30.97	111.35
August	--	74.67	8.26	0.32	31.44	114.69
September	--	72.29	8.58	0.22	29.58	110.67
October	--	72.67	8.63	0.28	30.98	112.56
November	--	68.28	8.28	0.31	29.96	106.83
December	--	70.68	8.62	0.31	30.88	110.49
January	--	70.40	6.76	0.32	30.86	108.34
February	--	64.87	7.01	0.33	27.61	99.82
March	--	71.94	7.32	0.40	31.04	110.70
			2014-15 (P)			
April	--	70.24	8.52	0.38	29.91	109.05
May	--	70.79	7.48	0.36	31.30	109.93
June	--	70.62	8.32	0.36	28.62	107.92
July	--	81.56	6.26	0.33	30.72	118.87
August	--	74.63	8.67	0.36	30.68	114.34

P - Provisional

(Source: Office of the Textile Commissioner)


COTTON ASSOCIATION OF INDIA
Established 1921
Cotton India 2014
Weaving the world of cotton together
Cotton India 2014
Dates : Monday 24th November 2014 to Wednesday 26th November 2014
Venue : The Renaissance Mumbai Convention Center Hotel, Mumbai, India
Registration open now
Please visit http://events.caionline.in

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) 2014-15 Crop OCTOBER 2014					
Sr. No.	Growth	Grade Standard	Grade	Staple	Micronaire	Strength /GPT	13th	14th	15th	16th	17th	18th
1	P/H/R	ICS-101	Fine	Below 22mm	5.0-7.0	15	10404 (37000)	10404 (37000)		10517 (37400)	10461 (37200)	10376 (36900)
2	P/H/R	ICS-201	Fine	Below 22mm	5.0-7.0	15	10545 (37500)	10545 (37500)	H	10657 (37900)	10601 (37700)	10517 (37400)
3	GUJ	ICS-102	Fine	22mm	4.0-6.0	20	7114 (25300)	7058 (25100)		7030 (25000)	7030 (25000)	7030 (25000)
4	KAR	ICS-103	Fine	23mm	4.0-5.5	21	7508 (26700)	7452 (26500)	O	7424 (26400)	7339 (26100)	7339 (26100)
5	M/M	ICS-104	Fine	24mm	4.0-5.0	23	9026 (32100)	8970 (31900)		8942 (31800)	8858 (31500)	8858 (31500)
6	P/H/R	ICS-202	Fine	26mm	3.5-4.9	26	9336 (33200)	9280 (33000)		9223 (32800)	9026 (32100)	8942 (31800)
7	M/M/A	ICS-105	Fine	26mm	3.0-3.4	25	8183 (29100)	8183 (29100)	L	8183 (29100)	8155 (29000)	8099 (28800)
8	M/M/A	ICS-105	Fine	26mm	3.5-4.9	25	8520 (30300)	8520 (30300)		8520 (30300)	8436 (30000)	8380 (29800)
9	P/H/R	ICS-105	Fine	27mm	3.5.4.9	26	9476 (33700)	9420 (33500)	I	9364 (33300)	9167 (32600)	9083 (32300)
10	M/M/A	ICS-105	Fine	27mm	3.0-3.4	26	8408 (29900)	8408 (29900)		8408 (29900)	8380 (29800)	8323 (29600)
11	M/M/A	ICS-105	Fine	27mm	3.5-4.9	26	8886 (31600)	8886 (31600)		8886 (31600)	8802 (31300)	8745 (31100)
12	P/H/R	ICS-105	Fine	28mm	3.5-4.9	27	9645 (34300)	9589 (34100)	D	9533 (33900)	9336 (33200)	9251 (32900)
13	M/M/A	ICS-105	Fine	28mm	3.5-4.9	27	9195 (32700)	9139 (32500)		9055 (32200)	8970 (31900)	8914 (31700)
14	GUJ	ICS-105	Fine	28mm	3.5-4.9	27	9280 (33000)	9280 (33000)	A	9195 (32700)	9111 (32400)	9083 (32300)
15	M/M/A/K	ICS-105	Fine	29mm	3.5-4.9	28	9589 (34100)	9589 (34100)		9561 (34000)	9476 (33700)	9448 (33600)
16	GUJ	ICS-105	Fine	29mm	3.5-4.9	28	9505 (33800)	9505 (33800)		9476 (33700)	9392 (33400)	9364 (33300)
17	M/M/A/K	ICS-105	Fine	30mm	3.5-4.9	29	9870 (35100)	9842 (35000)	Y	9729 (34600)	9645 (34300)	9617 (34200)
18	M/M/A/K/T/O	ICS-105	Fine	31mm	3.5-4.9	30	10151 (36100)	10123 (36000)		10039 (35700)	9954 (35400)	9842 (35000)
19	A/K/T/O	ICS-106	Fine	32mm	3.5-4.9	31	10573 (37600)	10404 (37000)		10320 (36700)	10236 (36400)	10123 (36000)
20	M(P)/K/T	ICS-107	Fine	34mm	3.0-3.8	33	12795 (45500)	12654 (45000)		12513 (44500)	12345 (43900)	12123 (43500)

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