

Cotton procurement might hit record high this season

KOMAL AMIT GERA
Chandigarh, 20 January

The Cotton Corporation of India (CCI) is set to buy a record amount from the open market this season. About half the CCI's target of 10 million tonnes (mt) for this cotton season (October 2014-September 2015) has been met. So far, it has purchased 4.82 million bales (170 kg each) from areas where prices have fallen below the minimum support price.

This season, India is estimated to produce 40 million bales.

At a time when demand is substantially low, steady arrivals in states such as Gujarat are forcing CCI to procure more and hold stocks. Yarn spinners, too, aren't buying cotton and the yarn export window has shrunk considerably.

It is assumed a glut in the market is behind CCI's reluctance to release cotton in the open market.

Speaking to *Business Standard*, B K Mishra, chairman and managing director of Cotton Corporation, said, "CCI has not taken any stand on the liquidation of cotton." He added 4.8 mil-



lion bales had been procured and arrivals were in full swing in Maharashtra, Gujarat and Andhra Pradesh.

Daily arrivals stand at 250,000-300,000 bales.

Through a credit line guaranteed by the central government, the corporation has arranged warehouse facilities. "We plan to procure about 10 million bales; we can store this much comfortably. Considering the volume of procurement in the past few years, if we achieve the target, this will be the highest procurement. So far, the highest procurement was in 2008-09, when it stood at 8.9 million bales," Mishra added.

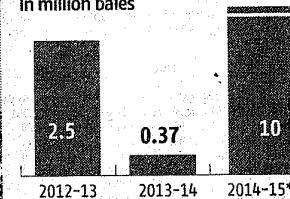
So far, CCI has spent ₹9,600 crore on procurement, at an average cost of ₹1,060 a quintal. It is wary of releasing the stock, as the prices are unlikely to be viable. It is likely CCI will consult the Union agriculture ministry before taking a decision on off-loading to millers.

An exporter said though prices in the global market were slightly higher, after accounting for freight, the margins were low.

While traders think liquidation by CCI at a certain price will create a benchmark in the market and help raise the prices, officials fear this might trigger a fall, as supplies will increase.

Mishra said there should be

COTTON PROCUREMENT
In million bales



*Estimates

Source: Cotton Corporation of India

an agriculture produce market committee (APMC) every 25 km and CCI should operate through these. If there weren't enough APMCs, states should streamline the process and help farmers, he added.

Monthly domestic cotton consumption stands at 2.2-2.4 million bales.

Hardyal Singh Cheema, senior vice-president, North India Textile Millers Association, said, "Domestic mills are in no hurry to stock cotton. They have some inventory."

When CCI commenced sales, smaller mills would be given a grace period to lift cotton, said a CCI official.

रवि किशन बनें ओरिएंट टेक्सटाइल्स के ब्रांड एंबेसडर

नई दिल्ली | नामी होजियरी कंपनी ओरिएंट टेक्सटाइल्स मिल्स ने अभिनेता रवि किशन को अपना ब्रांड एंबेसडर बनाया है। ये ओरिएंट टेक्सटाइल्स मिल्स के सबसे लोकप्रिय ब्रांड सिटीजन बूट और सिटीजन स्पोर्ट्स जिम वेस्ट को प्रमोट करेंगे। 54 वर्ष होजियरी कंपनी ओरिएंट टेक्सटाइल्स मिल्स की स्थापना वर्ष 1961 में कंपनी के संस्थापक मांगीलाल सारडा ने की थी। तब से कंपनी तिरुपुर वेस्ट बंगाल, राजस्थान, मध्य प्रदेश, उत्तर प्रदेश, बिहार, झारखंड में सफलतापूर्वक व्यापार कर रही है।

Craftsmanship at its best

OUR CORRESPONDENT

DLF PROMENADE is hosting the *Indian Handicrafts fair* organized by National Centre for Design and Product Development in cooperation with DLF Promenade and supported by Development Commissioner (Handicrafts), Ministry of Textiles, Government of India. The fair which commenced on January 16 is displaying and selling handicrafts from across the country. The 10 day long affair at DLF Promenade will also see live demonstration of handicraft making at the venue. The *Indian Handicrafts Fair* at DLF Promenade was inaugurated by Dinaz Madhukar (Senior Vice President and Mall Head of DLF Promenade and DLF Emporio), Pradeep Mukherjee (Shilp Guru award winner), R. K. Srivastava (Executive Director – National Centre for Design and Product Development,



WHEN: On till January 25
WHERE: DLF Promenade, Vasant Kunj

opment, Ministry of Textiles, Govt. of India) and Navraj Goyal (IRS, Additional Development Commissioner-Handicrafts) on January 17.

Shoppers and art enthusiasts of Delhi will experience 10 power packed days with 15 karigars hand picked from different states of the country showcasing their brilliant and unique skills. The fair demonstrates an exquisite collection of textile, art, craft,

and paintings showcasing the rich heritage of the country. Patrons get to explore intricate designs, hand crafted décor, rare handmade accessories and also gets a chance to interact with the artists involved in the creation of the same. From patch work and embroidery from Rajasthan, Dupattas and dress materials from Andhra Pradesh; Chanderi Sarees from Madhya Pradesh, Maheshwari Sarees and suits



Some of the products at the fair

from Madhya Pradesh and Sujani embroidery shawls from Kashmir among others adorns the fair.

The fair showcases stalls for stationery items made out of cloth and paper from New Delhi, bead jewellery from Uttar Pradesh, carpet and Durrus from Uttar Pradesh, paper crafts from Faridabad, Kites from Kite Maker Umar Daraz from Delhi. Art aficionados can find Madhubani or Mithila, a folk painting of North India practiced by women in villages at the ongoing fair. Silver Filigree jewellery from Orissa and Pattachitra paintings are displayed and are available for sale.

Low waterlogging relief upsets cotton farmers

BHARAT KHANNA

TRIBUNE NEWS SERVICE

MANSA, JANUARY 20

A "meagre" compensation of ₹5,000 for the loss of cotton crop hit by waterlogging has come as a dampener for the farmers in Mansa, who have vowed not to sow the crop next time.

The farmers regret the paltry relief came even as they had already suffered a double whammy of low yield, on account of delayed monsoon, and inferior quality crop fetching them poor prices.

The district administration has sought ₹5,000 per acre compensation for complete crop loss, ₹3,000 for 75 per cent damage and ₹2,000 for 50 per cent loss. The farmers, on the contrary, have been demanding ₹50,000 per acre. Besides, they have accused the administration of showing the damaged area "too less".

Jagtar Singh Brar, Mansa Chief Agriculture Officer, confirmed that dry weather conditions had checked the growth of cotton plants by 2-3 per cent. He said the Agriculture Department had assessed the losses following a tour to the affected villages.

Brar pointed out that the compensation would be sought on the basis of another survey, which would be done by the Revenue Department. The compensation amount, though, could remain the same as stated above.

In their survey, agriculture officials recorded crop loss on 6,587 acres in 14 villages of Mansa sub-division and 18 villages in Jhunir, which were hit by waterlogging in September last. The figures show 3,554 acres of land with 75 to 100 per cent damage, 2,274 acres in 50-75 per cent

category, 502 acres with 25-50 per cent and 257 acres with less than 25 per cent losses.

But the villagers contended that crop on more than 15,000 acres was damaged. "The delayed rains checked the crop's growth while waterlogging dealt the final blow.... The government figures are far below the actual losses," said an affected farmer.

The department has shown below-75 per cent damage on 54 acres of land, belonging to 15 farmers, in Musa village even though sarpanch Avtar Singh claimed the affected area was over 200 acres.

In Chehlanwala village, the government record showed losses below-50 per cent losses on 70 acres and 50-75 per cent damage on 85 acres. Sarpanch Balla Singh contended that the loss area

मिशेल को बनारसी साड़ी भेजने की तैयारी

वाराणसी/आगरा। अमेरिकी राष्ट्रपति बराक ओबामा की पत्नी मिशेल ओबामा को वाराणसी वस्त्रोद्योग संघ ने बनारसी साड़ियां भेंट करने का निर्णय लिया है। उन्हें बनारसी हस्तशिल्प के उत्कृष्ट नमूनों के रूप में कुछ अन्य ड्रेस मैटेरियल भी दिए जाएंगे। संघ के पदाधिकारियों का कहना है कि हमें पीएमओ की हरी झंडी का इंतजार है। वस्त्र मंत्रालय ने भी संघ के कुछ पदाधिकारियों से साड़ी भेजने की तैयारी किए रहने को कहा है। मिशेल ओबामा फैशन से जुड़े अंतरराष्ट्रीय आयोजनों में बनारस की बनी जकार्ड सिल्क साड़ी पहनने को प्राथमिकता देती हैं। जकार्ड सिल्क की डिजायनिंग उनके लिए ट्रैसी रीज और अलेक्जेंडर मैक्वीन जैसे डिजाइनर करते हैं। जकार्ड सिल्क साड़ियों के निर्माण में बनारस की विशिष्ट पहचान पूरी दुनिया में है।

Modi may gift 100 silk sarees to Michelle

Pawan Dixit

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VARANASI: Prime Minister Narendra Modi is likely to gift US first lady Michelle Obama 100 Banarasi sarees and Banarasi silk dress material. US President Barack Obama would be the chief guest at the Republic Day parade in India this year.

Michelle Obama's love for Indian silk is no secret. At several international events, the US first lady has been spotted wearing Jacquard silk dresses designed by international bigwigs Tracy Resse, Naeem Khan and Alexander McQueen. Jacquard silk is a specialty of weavers of Banaras, which is now PM Modi's constituency.

A recent missive from the

Prime Minister's Office for BJP leaders in Varanasi has asked for 100 best Banarasi silk sarees for Michelle Obama. "Banarasi silk sarees with old, unique designs and finest quality Banarasi dress material for the US first lady from PM's constituency is on its way to New Delhi," said a senior BJP leader of Varanasi, now closely associated with the PM.

The Varanasi Vastra Udyog Sangh, a body of silk traders of Varanasi, has been tasked with the responsibility of selecting and packaging Modi's gift.

The Union ministry of textile has also sent a separate request to the Varanasi Vastra Udyog Sangh with details about the Banarasi silk sarees and fabric to be presented to the US first lady.

For the Love of Khadi

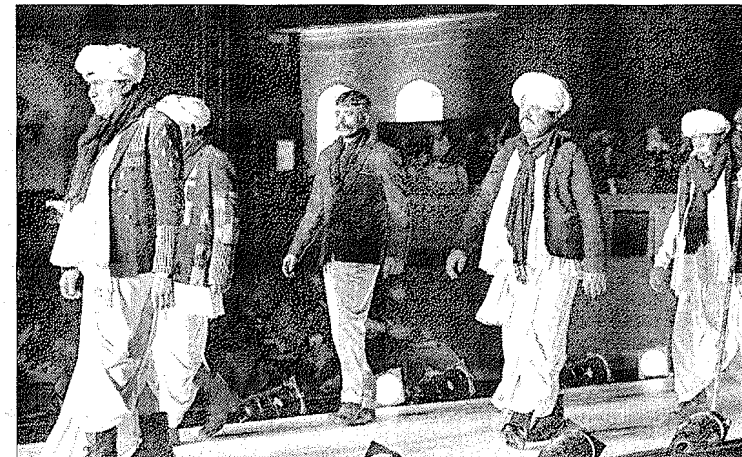
WITH the aim of promoting khadi, the Fashion Design Council of India (FDCI) recently collaborated with Gujarat State Khadi and Village Industries Board and curated a special fashion show in Ahmedabad called "From Huts to the High Street". Held at Sardar Patel National Museum, three of India's top designers — Anamika Khanna, Rohit Bal and Rajesh Pratap Singh — showcased exclusive collections that played with the fabric. "The showstopper of this fashion show was khadi. This is our way of making sure that it becomes more popular; it's our way of supporting the weavers who are so dependent on



this dying industry," says Sunil Sethi, President of FDCI.

Approximately 70 models walked the runway on January 17

at the venue, and Kutch-based folk musician Samandar Khan provided the background score to the event as he performed with 29



(Left) Anamika Khanna, Rohit Bal and Rajesh Pratap Singh with Sonam Kapoor; men from the Rabari tribe of Gujarat

members of his troupe. "Raju (Pratap) was already working on his denim-khadi collection and he got on board a few men from the Rabari tribe of Gujarat to walk the ramp. He made denim khadi jackets for them. Anamika too has been working with khadi and she created a new range for this show. Bal was given the brief of creating a

collection very similar to his last show in Delhi at the Quli Khan tomb," says Sethi.

Fashion icon and actor Sonam Kapoor walked the ramp in an ensemble that comprised a khadi blouse with gold embroidery by Khanna, a lehenga skirt with floral motifs by Bal, and a long jacket by Pratap.

EFS

कदम उठाए गए हैं।

गरवी गुर्जरी शिल्प मेला होगा 23 से

वडोदरा, 20 जनवरी (भाषा)। गुजरात सहित देश के हथकरघा और हस्तशिल्प उत्पादों के प्रदर्शन और कारीगरों को एक मंच पर लाकर खरीदारों के साथ सीधे बातचीत करने और उनके व्यापार की संभावनाओं को बढ़ाने के मकसद से गुजरात सरकार 23 जनवरी से यहां एक सप्ताह तक चलने वाला राष्ट्रीय शिल्प मेला और सम्मेलन आयोजित कर रही है।

ATDC HONOURED BY ASSOCHAM

The Apparel Training and Design Centre (ATDC) was awarded *Best Institute: Innovation* by The Associated Chambers of Commerce and Industry of India (ASSOCHAM) at Summit-cum-Awards on Skilling India on January 20, 2015. The ATDC has received this award for their exemplary contributions in introducing new innovative skill develop-

ment training courses for youth and having different verticals to work with Ministry of Textile.

Speaking on the occasion Hari Kapoor, ATDC VC said: "I would like to thank ASSOCHAM for bestowing us with this award which rightfully belong to entire ATDC team members who have contributed to its growth and success in India."

The chief guest was Bandaru Dattatreya, Minister of State (IC) for Labour and Employment. Other dignitaries present on the occasion were, Alok Kumar (IAS), DG, Ministry of labour and Employment, Gaurav Goyal (IAS) director, Employment, Government of Rajasthan, S Ramadoria, chairman, NSDA, Dilip Chenoy, MD, CEO, NSDC and other dignitaries.

MUKTA PATIL

The cotton market in India is in a flux. The country is set to become the world's largest producer of cotton in 2014-15. India's cotton production was estimated to touch 6.8 million tonnes between September and December 2014, says a press release of the Cotton Advisory Board (CAB) under the textiles ministry. But there is uncertainty about the bumper stock. With global stockpiles of cotton rising and prices falling in both the domestic and international markets, exports are likely to plummet. The fears are confirmed by China—the biggest importer of cotton from India and the US.

China has been cutting back on cotton imports since September last year. In 2013-14, the country allowed imports of 1.5-1.7 million tonnes. This year, it will reduce this to about 0.9 million tonnes. Such a measure is aimed at offloading its stockpile to an optimum level and boosting domestic demand in the long run. The Chinese government will also provide direct subsidies to cotton producers, announced an official of the National Development and Reform Commission in China in September 2014.

Struggling to find a market

China's drastic measure is likely to impact the cotton markets both in the US and India, but the latter will struggle a lot more to compensate for the loss. This is evident from the latest report of the United States Department of Agriculture (USDA).

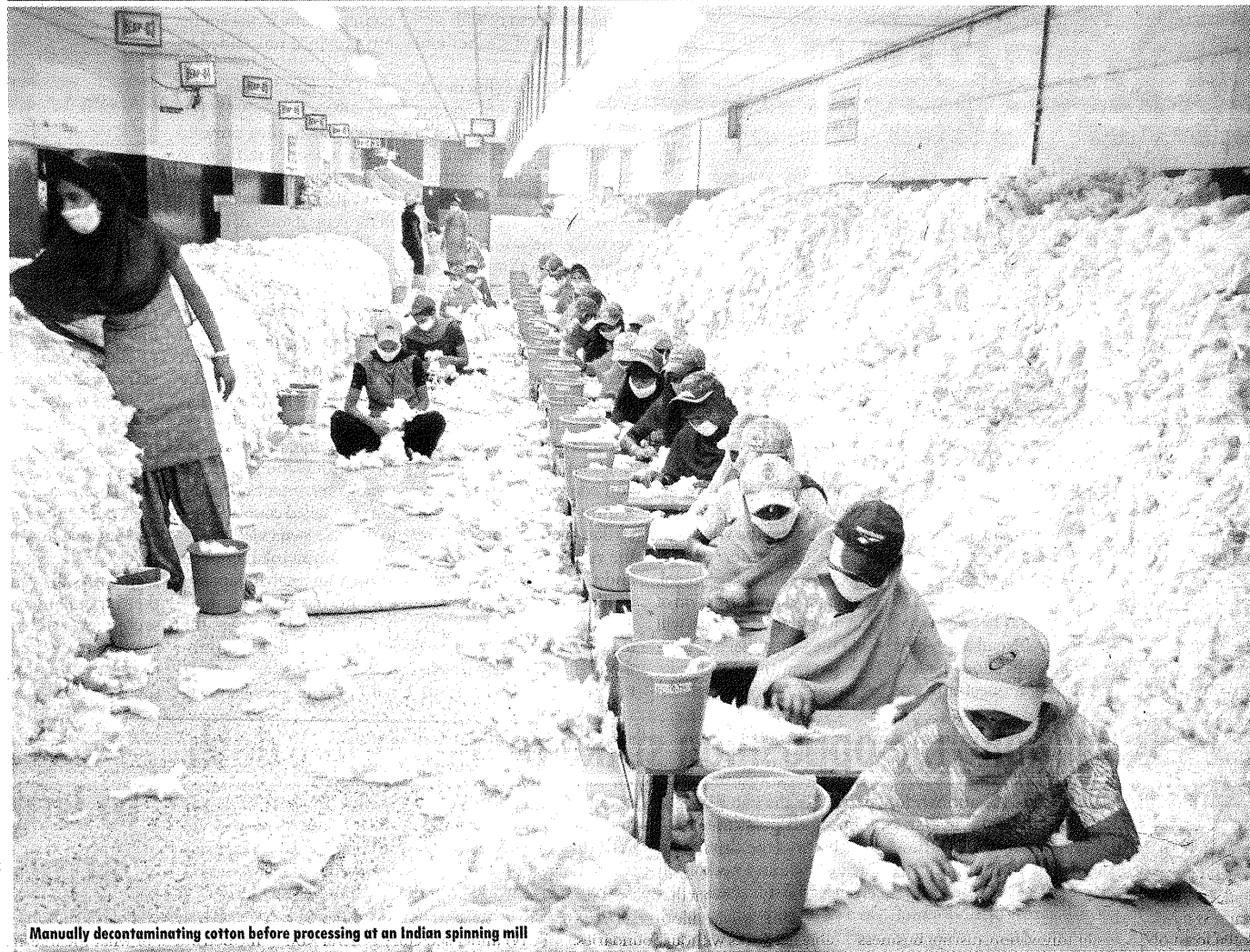
According to the report, during 2013-14, 26 per cent of the US' cotton export went to China, while for India it was almost 55 per cent of its cotton exports. This also indicates that the US has a wider reach in the international market for cotton. Its share of global cotton exports during 2014-15 is estimated to be around 2.2 million tonnes as opposed to India's 1.1 million tonnes.

This is despite the fact that India produced almost double the amount of cotton than the US during 2013-14, claims USDA.

This has raised concerns in India about finding new markets for its cotton produce. Sidhartha Rajagopal, executive director of the autonomous Cotton Textile and Export Promotion Council, reassures that measures have been thought of to deal with this volatility. "We are looking at other emerging markets like Vietnam, Bangladesh and Myanmar to make up for the deficit. While cotton might have taken a hit, export of value-added products

COTTON QUANDARY

As China, the world's biggest cotton buyer, restricts imports, the US aggressively competes with India for global market. Can India stay in the race and rescue its struggling cotton industry?



like yarn and fabrics will see a rise," he says.

However, it is unlikely that new markets will be able to make up for the deficit created by China's lack of demand.

P T Pillevar, chief general manager of the Cotton Corporation of India (CCI), responsible for price support operations of cotton under the Ministry of Textiles, says, "We already procured 0.3 million tonnes of cotton from farmers between October and December 2014 at a minimum

The Indian government has been aggressively pushing cotton production in the past two decades. Given the current vagaries of the market, it is time to re-think this strategy focusing instead on protecting farmers and reducing the acreage under cotton to more sustainable and remunerative farming

support price (MSP) of Rs 4,050 for the long, staple variety." This is just the beginning. USDA estimates suggest that this year CCI might procure

close to 0.8 million tonnes of cotton to support farmers in Telangana, Andhra Pradesh and Maharashtra, where market prices are below MSP. The fact that

CCI has stepped in to purchase cotton from farmers shows that cotton producers are already going into losses in the open market.

Kavitha Kuruganti, convenor of Association for Sustainable and Holistic Agriculture, says, "My conversations with farmers indicate that MSP for cotton will be Rs 500-1,000 less than last year. It was predictable that this situation would arise because China had been stockpiling. But we made no provisions to safeguard our farmers. The ultimate burden of this

market fluctuation will be borne by the small farmers." Under such circumstances, the push to increase cotton production in the country makes little sense. Kuruganti adds that the government must stop making decisions solely in favour of industry without protecting the producers.

While farmers are bearing the brunt of falling prices, the fate of textile mills and affiliated industries does not look promising either. "We had been exporting a large portion of our cotton produce to China, but since it is not buying, there will be a surplus and prices are bound to fall," says R K Dalmiya, president of Century Textiles, a cotton mill in Gujarat.

Textile owners do not prefer buying cotton from CCI as they cannot be sure of quality at CCI auctions. "Contamination with coloured threads or materials like polypropylene is already a major concern," Dalmiya adds.

Another problem is the plummeting cost of artificial fibres like polyester due to the fall in global petroleum prices. "Cotton is not the only thing we should look at. We are trying to promote and market more blended fabrics and polyester-cotton mix exports. This will ease the pressure on the textile industry," Rajagopal says.

America's covert agenda

The US, however, is manipulating India to opt for pure cotton, not blends. An ad campaign by the Cotton Council International urges consumers to "check the label" on apparel to ensure they buy 100 per cent cotton. The ad tells Indians to go back to the basics, because "we have been spinning, weaving and dying it since ancient times".

What is hidden is that the Council is the export promotion arm of the National Cotton Council of America "dedicated to increasing US exports of cotton, cottonseed and their products". An expert on textiles, who does not wish to be named, reveals this is part of the US' strategy to ensure that cotton produced in India is consumed here itself, leaving other markets to the US. Cotton Council International did not respond to repeated queries from Down To Earth about its campaign.

The Indian government has been aggressively pushing cotton production in the past two decades. Given the current vagaries of the market, it is time to re-think this strategy, focusing instead on protecting farmers and reducing the acreage under cotton to more sustainable and remunerative farming. India must ensure that it is not given the short end of the stick in the international market. DOWN TO EARTH