

MINUTES OF THE SECOND MEETING OF CONSULTATIVE COMMITTEE OF COTTON ADVISORY BOARD HELD ON 31.03.2015 FOR THE COTTON SEASON 2014-15 IN THE CONFERENCE HALL OF THE OFFICE OF THE TEXTILE COMMISSIONER, MUMBAI-400020.

1. The Second meeting of Consultative Committee of Cotton Advisory Board for the Cotton Season 2014-15 was held under the Chairpersonship of the Textile Commissioner on 31.03.2015 (Tuesday) at 02.30 PM in the Conference Hall of the Office of the Textile Commissioner, Mumbai-20. The Joint Secretary (Cotton), Ministry of Textiles, Government of India has also attended the meeting.

The list of participants of the meeting is at **Annexure-I**.

- 1.1 At the outset, the Chairperson extended a warm welcome to all the members. The Chairperson informed that Consultative Committee is meeting second time in the current Cotton Season 2014-15 after the last meet held on 13.10.2014 to review the Cotton situation.
- 1.2 The Chairperson, thereafter, requested the Member Secretary to initiate the proceedings.
- 1.3 The Member Secretary informed that Ministry of Textiles, Government of India vide Resolution No. 1/23/2014-Cotton dated 28.01.2015 has reconstituted the Cotton Advisory Board (CAB) for a tenure of two years w.e.f. 01.01.2015. He further informed that the CAB, through a consultative process takes inputs from Cotton Textiles Mill Industry, the Cotton Growers and Cotton Traders. The Consultative Committee meet prior to the formal meeting of the CAB and provide inputs to the CAB.

2. **AGENDA ITEM NO.1**

CONFIRMATION OF MINUTES OF THE FIRST MEETING OF CONSULTATIVE COMMITTEE OF CAB HELD ON 13.10.2014.

- 2.1 The Member Secretary informed that no comments were received from any of the members. Therefore, the Consultative Committee of CAB confirmed the Minutes of the Meeting held on 13.10.2014.

3. **AGENDA ITEM NO.2**

PRICE TREND

- 3.1 **Kapas price:**

The Member Secretary requested CMD, Cotton Corporation of India (CCI) Ltd, Navi Mumbai to brief about the Kapas prices for the current cotton season 2014-15.

The CMD, CCI Ltd. briefed on Kapas prices and informed that the average opening prices of seedcotton (Kapas) for the current cotton season 2014-15 had been lower by around 19% to 30% as compared to the average opening Kapas prices of last season. He added that at present, the prevailing seedcotton prices are ruling at MSP level in all the Cotton growing states and are lower by around 15% to 24% as compared to last year. He further informed that as on 30.03.2015, the progressive Kapas arrivals for Cotton season 2014-15 are reported at 307.69 lakh bales as

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compared to 313.93 lakh bales arrived during the corresponding period of the previous year. He added that the CCI Ltd. has procured around 86.13 lakh bales under Minimum Support Price (MSP) operations as on 30.03.2015 in Cotton growing states and has sold around 3.10 lakh bales during the current cotton season 2014-15. The CCI Ltd has unsold stock of around 83 lakh bales.

The members in general raised various issues such as Minimum Support Price (MSP) operations of CCI, Sale (offloading) of purchased Cotton by CCI, constraints relating to the working capital for purchase of Cotton, etc.

Chairman, Confederation of Indian Textile Industry (CITI) and Secretary General, the Southern India Mills' Association (SIMA) requested CCI to avoid quoting higher prices than the market prices and opined that CCI needs to immediately commence selling of Cotton by e-auction directly to the actual users. Industry is facing constraints relating to the working capital for purchase of Cotton due to glut in yarn market. Shri B.K.Patodia, Chairman cum Managing Director, GTN Textiles Ltd. said that due to significant fall in Cotton prices, there has been sudden devaluation of inventories and thus industry is facing tough times. The President, Cotton Association of India appreciated the efforts made by the CCI Ltd for conducting massive MSP operation. Now, marketing part of procured cotton has to come. This is a challenge considering the volume of Cotton to be offloaded and period remaining in the current cotton season. He emphasized that if the entire quantity of Cotton held by the CCI is not offloaded during this season (i.e. by September, 2015); there is strong risk of triggering support price operations in the next season also.

CMD CCI Ltd responded saying that domestic prices of Cotton during initial months of current cotton season were on higher side in comparison to international prices and at present, international prices is higher by around 5 cents/lb. He further informed that if CCI had offloaded substantial quantity earlier that would have an impact on fall in prices which is detrimental to the Cotton farmers. He added that prices of Cotton are demand driven and sale policy of CCI is in the best interest of Cotton farmers and Textile industry.

3.2 **Cotton Lint Price:**

The Member Secretary requested President, Cotton Association of India (CAI) to brief about the lint prices prevailing in the current cotton season 2014-15.

The President, CAI informed that Cotton Lint prices during the Crop year 2014-15 are lower than those of the previous cotton season. He further informed about the trend in lint Cotton prices in detail. He added that the reduction in seasonal average Cotton Lint prices so far as compared to the corresponding months of the previous season is within the range of around 20% to 29%.

The Member-Secretary informed that the International Cotton Scenario have already been mentioned in the agenda circulated to all the members.

4. **AGENDA ITEM NO.3****COTTON SEASON 2013-14**(i) **INPUTS ON ESTIMATION OF STATE-WISE AREA UNDER COTTON AND COTTON PRODUCTION FOR THE SEASON 2013-14 FOR CAB**(a) **RECOMMENDATION FOR ESTIMATION OF STATE-WISE AREA UNDER COTTON CULTIVATION FOR COTTON SEASON 2013-14 TO CAB.**

As per the information made available by Director, Directorate of Cotton Development (DOCD), Ministry of Agriculture, Government of India, the Area under Cotton Cultivation has been finalized to 119.60 lakh hectares for the Cotton season 2013-14. The state-wise break up of final area is as detailed below:

(Area in lakh hectares)

Sr. No.	Name of the State	Area estimated by CAB on 13.10.2014	Area recommended to CAB on 31.03.2015
1.	Punjab	05.05	04.46
2.	Haryana	05.66	05.36
3.	Rajasthan	03.03	03.93
NORTHERN REGION		13.74	13.75
4.	Gujarat	26.91	25.19
5.	Maharashtra	38.72	41.92
6.	Madhya Pradesh	06.21	05.14
CENTRAL REGION		71.84	72.25
7.	Andhra Pradesh	22.69	23.89
8.	Karnataka	05.94	06.62
9.	Tamil Nadu	01.39	01.52
SOUTHERN REGION		30.02	32.03
10.	Odisha	01.34	1.24
11.	Others	00.33	0.33
TOTAL		117.27	119.60

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(b) INPUT ON ESTIMATION OF STATE-WISE COTTON PRODUCTION FOR THE COTTON SEASON 2013-14 FOR CAB

The Member Secretary requested CMD-CCI Ltd. and President, CAI to furnish state-wise pressed bale figures for the Cotton season 2013-14. The CMD, CCI Ltd. informed that as per the data collected from their branch offices, the CCI has arrived at a total pressed bale figure of 371.90 lakh bales (excluding loose lint). He further informed that taking into account loose cotton delivery of 26.10 lakh bales, CCI has arrived at a total production of Cotton at 398.00 lakh bales for the Cotton season 2013-14.

The President, CAI informed that the pressed bale data from its all up-country associations is yet to be received and is being compiled.

After detailed deliberations, the Consultative Committee recommended to retain the production of 398 lakh bales pending receipt of the pressed bale data from CAI for the Cotton season 2013-14. The state-wise break up of production is detailed below:

(In lakh bales of 170 kg each)

Sr. No	Name of the State	Estimated by CAB on 13.10.2014			Recommended production to CAB on 31.03.2015		
		Pressed Bales	Loose Cotton	Total	Pressed Bales	Loose Cotton	Total
1.	Punjab	18.50	2.50	21.00	18.50	2.50	21.00
2.	Haryana	21.00	3.00	24.00	21.00	3.00	24.00
3.	Rajasthan	12.90	1.10	14.00	12.90	1.10	14.00
NORTHERN REGION		52.40	06.60	59.00	52.40	06.60	59.00
4.	Gujarat	120.80	3.20	124.00	120.80	3.20	124.00
5.	Maharashtra	78.25	5.75	84.00	78.25	5.75	84.00
6.	Madhya Pradesh	18.30	0.70	19.00	18.30	0.70	19.00
CENTRAL REGION		217.35	09.65	227.00	217.35	09.65	227.00
7.	Andhra Pradesh	71.50	6.50	78.00	71.50	6.50	78.00
8.	Karnataka	21.90	1.10	23.00	21.90	1.10	23.00
9.	Tamil Nadu	2.80	2.20	5.00	2.80	2.20	5.00
SOUTHERN REGION		96.20	09.80	106.00	96.20	09.80	106.00
10.	Odisha	3.95	0.05	4.00	3.95	0.05	4.00
11.	Others	2.00	---	2.00	2.00	---	2.00
TOTAL		371.90	26.10	398.00	371.90	26.10	398.00

COTTON SEASON 2014-15**(ii) INPUTS ON ESTIMATION OF STATE-WISE AREA UNDER COTTON AND COTTON PRODUCTION FOR CURRENT COTTON SEASON 2014-15 FOR CAB****(a) RECOMMENDATION FOR ESTIMATION OF STATE-WISE AREA UNDER COTTON CULTIVATION TO CAB.**

As per the information on 2nd advance estimate made available by Director, DOCD, Ministry of Agriculture, Government of India, the Area under Cotton Cultivation has been revised to 129.71 lakh hectares for the Cotton season 2014-15. The state-wise break up of area is as detailed below:

(Area in lakh hectares)			
Sr. No.	Name of the State	Area estimated by CAB on 13.10.2014	Area recommended to CAB on 31.03.2015
1.	Punjab	4.50	4.50
2.	Haryana	6.39	6.39
3.	Rajasthan	4.16	4.54
NORTHERN REGION		15.05	15.43
4.	Gujarat	30.06	30.08
5.	Maharashtra	41.92	41.92
6.	Madhya Pradesh	5.79	5.78
CENTRAL REGION		77.77	77.78
7.	Telangana	16.51	16.92
8.	Andhra Pradesh	7.36	7.74
9.	Karnataka	7.60	8.55
10.	Tamil Nadu	0.70	1.73
SOUTHERN REGION		32.17	34.94
11.	Odisha	1.25	1.25
12.	Others	0.31	0.31
TOTAL		126.55	129.71

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(b) **AGENCY-WISE INPUT ON ESTIMATION OF STATE-WISE COTTON PRODUCTION FOR THE CURRENT COTTON SEASON 2014-15 FOR CAB**

The Member-Secretary requested agencies to place their production estimate before the committee. Accordingly, the inputs on estimation of State-wise Cotton production for the Cotton Season 2014-15 furnished by various agencies viz. Directorate of Cotton Development (DOCD), Cotton Association of India (CAI), Confederation of Indian Textile Industry (CITI), Cotton Corporation of India (CCI) Ltd and Indian Cotton Federation (ICF) are as under:-

(In lakh bales of 170 kg each)

Sr. No	Name of the State	CAB estimated as on 13.10.2014			Agency-wise input on estimation of production to CAB on 31.03.2015				
		Pressed Bales	Loose Cotton	Total	DOCD	CAI	CITI	CCI	ICF
1.	Punjab	11.50	2.50	14.00	18.52	13.00	13.00	14.50	12.00
2.	Haryana	22.00	3.00	25.00	23.00	23.50	25.00	24.00	23.00
3.	Rajasthan	15.90	1.10	17.00	15.00	17.00	18.00	17.50	17.00
NORTHERN REGION		49.40	6.60	56.00	56.52	53.50	56.00	56.00	52.00
4.	Gujarat	121.80	3.20	125.00	110.89	119.00	112.00	104.00	116.00
5.	Maharashtra	79.25	5.75	85.00	75.00	82.25	82.00	84.50	88.00
6.	Madhya Pradesh	17.30	0.70	18.00	17.50	18.00	18.00	17.50	18.00
CENTRAL REGION		218.35	9.65	228.00	203.39	219.25	212.00	206.00	222.00
7.	Telangana	49.40	0.60	50.00	40.00	54.00	50.00	58.50	50.00
8.	Andhra Pradesh	21.10	5.90	27.00	21.05	24.00	27.00	27.00	27.00
9.	Karnataka	26.90	1.10	28.00	22.05	32.00	32.00	30.00	23.00
10.	Tamil Nadu	2.80	2.20	5.00	3.71	7.25	5.00	5.00	7.00
SOUTHERN REGION		100.20	9.80	110.00	86.81	117.25	114.00	120.50	107.00
11.	Odisha	3.95	0.05	4.00	4.00	4.00	4.00	3.50	4.00
12.	Others	2.00	--	2.00	0.80	2.00		2.00	4.00
TOTAL		373.90	26.10	400.00	351.52	396.00	386.00	388.00	389.00

The state wise production estimates are inclusive of loose Cotton.

(iii) **INPUTS ON IMPORT, EXPORT AND CONSUMPTION OF COTTON FOR COTTON SEASON 2013-14 FOR CAB**

(a) **Input on estimation of Import and Export of cotton**

Directorate General of Commercial Intelligence and Statistics (DGCI & S), Kolkata has furnished the provisional data on Import of Cotton at 11.51 lakh bales and Export of Cotton at 116.87 lakh bales respectively for the Cotton season 2013-14.

(b) **Input on estimation of Cotton Consumption**

Economics & Statistics Section of Office of the Textile Commissioner has furnished the provisional data on consumption by Non-SSI units at 267.87 lakh bales and consumption by SSI units at 25.19 lakh bales respectively for the Cotton season 2013-14.

(iv) **INPUTS ON IMPORT, EXPORT AND CONSUMPTION OF COTTON FOR COTTON SEASON 2014-15 FOR CAB**

(a) **Agency-wise input on estimation of Import and Export of cotton**

DGCI& S, Kolkata has furnished the data on import and export of cotton from October, 2014 to February, 2015 as 04.96 lakh bales and 32.78 lakh bales respectively for the Cotton season 2014-15.

(b) **Agency-wise input on estimation of Cotton Consumption**

Economics & Statistics Section of Office of the Textile Commissioner has furnished the provisional month-wise consumption data for the four months i.e. October, 2014 to January, 2015 for Non-SSI units and SSI units as 92.21 lakh bales and 08.62 lakh bales respectively for the Cotton season 2014-15.

5. **AGENDA ITEM NO. 4**

ANY OTHER MATTER

The meeting, thereafter, ended with a vote of thanks to the Chair.

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ANNEXURE-I**LIST OF PARTICIPANTS IN THE SECOND MEETING OF CONSULTATIVE COMMITTEE OF COTTON ADVISORY BOARD (CAB) HELD ON 31.03.2015 FOR THE COTTON SEASON 2014-15 IN THE CONFERENCE HALL OF OFFICE OF THE TEXTILE COMMISSIONER, MUMBAI-400020**

Sr.No	Name & Address	Sr.No	Name & Address
1.	Smt. Kiran Soni Gupta Textile Commissioner, Government of India, Ministry of Textiles, Mumbai. Tel.No.022-22001446, Fax No.022-22004693 <i>txc-otxc@nic.in; kiran.soni.gupta@gmail.com</i>	----	Chairperson
REPRESENTING CENTRAL GOVERNMENT			
2.	Shri Sujit Gulati Joint Secretary (Cotton), Ministry of Textiles, Udyog Bhavan New Delhi- 110 107. Tel:011- 23063192 <i>sujitgulati59@gmail.com; gulatis@nic.in</i>	3.	Shri B.K.Mishra, Chairman-cum-Managing Director, Cotton Corporation of India Ltd, Kapas Bhavan, Plot No.3/A, Sector No.10, CBD Belapur, Navi Mumbai- 400 614. Tel: 022 27576044, Fax No. 022 27576030 <i>cmd@cotcorp.com</i>
REPRESENTING STATE GOVERNMENTS			
4.	Smt. G.D. Priyadarshani Director (Marketing), Government of Telangana, Opp. Lal Bahadur Stadium, Hyderabad – 500001. <i>pri.sec.agri.telangana@gmail.com; agriculture.telangana@gmail.com;</i> <i>nfsm.cda.tg@gmail.com</i>		
REPRESENTING TEXTILE INDUSTRY			
5.	Shri Prem Malik Chairman, Confederation of Indian Textile Industry (CITI), 6 th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi- 110 001. Tel.No.011- 24957000, <i>mail@citiindia.com;</i> <i>premmalik07@hotmail.com</i>	6.	Shri Siddhartha Rajagopal TEXPROCIL, Engineering Centre, 5 th floor, 9, Mathew Road, Mumbai-400 004. Tel: (022) 2363 2910 – 13, <i>ed@texprocil.org;</i> <i>info@texprocil.org</i>
7.	Dr. K. Venkatachalam Chief Advisor, Tamilnadu Spinning Mills Association (TASMA), #2,Karuru Road, (Near Beschi College), Modern Nagar,Dindigul-624001, Tamilnadu. Tel:0451- 6454666, 6454667, 6454668; Fax:0451 - 2433637 <i>chiefadvisor@tasma.in</i>		
REPRESENTING COTTON TRADE			
8.	Shri Dhiren N. Sheth President, Cotton Association of India, 2 nd Floor, Cotton Exchange Bldg, Cotton Green, Mumbai-400 033. Tel.No.30063400, Fax: 23700337 <i>cai@caionline.in;</i> <i>dhiren.n.sheth@galiakotwala.com</i>	9.	Shri Atul Asher Secretary, Indian Cotton Federation (ICF) P.B.No.3310, 477, Kamarajar Road, Uppilipalayam Post, Coimbatore - 641015 Tel. 0422-2573018; Fax 0422-2572115; <i>sicacoimbatore@eth.net;</i> <i>trade@rsasher.com;</i> <i>thulasidharan@rajaratna.com</i>

Sr.No	Name & Address	Sr.No	Name & Address
10.	Ms. Usha Pralhad Pol Forward Market Commission, Everest, 3 rd Floor, 100, Marine Drive, Mumbai-400 002. Tel.22815818. usha.pol@nic.in; chairman.fmc@nic.in	11.	Shri D.G. Mathane Maharashtra State Co-operative Cotton Growers' Marketing Federation Ltd., Khetan Bhavan, J. Tata Road, Churchgate, Mumbai 400020 Tel: 22 835878. mahacotstock@gmail.com
REPRESENTING GINNING & PRESSING SECTOR			
12.	Shri A.K. Chowdhury All India Cotton Seed Crushers Association (AICOSCA), Khetan Bhavan, 6 th Floor, 198, Jamshed Tata Road, Churchgate, Mumbai-400 020. Tel.No.022 22821935; Fax No. 022 22872151 info@aicosca.com; aicosca1@gmail.com		
COTTON SEED MANUFACTURER			
13.	Shri Raju Barwale Managing Director, Maharashtra Hybrid Seeds Company (MAHYCO) Ltd., Resham Bhavan IV Floor,78, Veer Nariman Road, Mumbai - 400 020. raju.barwale@mahyco.com		
MEMBER – SECRETARY			
14.	Shri O.M. Prabhakaran Joint Textile Commissioner (Cotton) & Member-Secretary, Office of the Textile Commissioner, Mumbai-400020. Tel. 022-22031508, Fax: 22004693 otxccotton@gmail.com; prabhuom@yahoo.com		
INVITIES			
15.	Shri Suresh Kotak Chairman, Kotak Ginning & Pressing Ind. Ltd. Navasari Building, 240, Dr. D.N. Road, Mumbai – 400 001. Tel. 022-2207 3331, Fax No. 022-22072267 suresh.kotak@kotakco.com	16.	Shri B.K.Patodia Chairman & Managing Director M/s.GTN Textiles Ltd., 228, Nariman Point, Mumbai-400 021. bkpatodia@gtn textiles.com mumbai@gtn textiles.com
17.	Dr. K. Selvaraju Secretary General The Southern India Mills' Association (SIMA) , 41, Race Course, P.B.3783, Coimbatore-641 018.Tamil Nadu. Tel: 0422-4225333; Fax:0422-4225366 sg@simamills.org; simaselvaraj@gmail.com	18.	Shri Nayan Mirani Vice President, Cotton Association of India, 2nd Floor, Cotton Exchange Bldg, Cotton Green, Mumbai-400 033. Tel. 30063400, Fax: 23700337 nayanmirani@gmail.com
19.	Shri Binoy Job Secretary General Confederation of Indian Textile Industry (CITI), 6 th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi- 110 001. binoyciti@gmail.com	20.	Shri P.K. Agarwal Director (Finance) Cotton Corporation of India Ltd, Kapas Bhavan, Plot No.3/A, Sector No.10, CBD Belapur, Navi Mumbai- 400 614 pka131313@gmail.com; df@cotcorp.com

Sr.No	Name & Address	Sr.No	Name & Address
21.	Shri M.M. Chockalingam Director (Marketing), Cotton Corporation of India Ltd, Kapas Bhavan, Plot No.3/A, Sector No.10, CBD Belapur, Navi Mumbai- 400 614. <i>m.mchockalingam@yahoo.in;</i> <i>dmktg@cotcorp.com</i>	22.	Shri Amar Singh Cotton Association of India, 2 nd Floor, Cotton Exchange Bldg, Cotton Green, Mumbai-400 033. Tel.No.30063400, Fax: 23700337 <i>amarshingh@caionline.in</i>
23.	Ms. Sudha B Padia Cotton Association of India, 2 nd Floor, Cotton Exchange Bldg, Cotton Green, Mumbai-400 033. Tel.No.30063400, Fax: 23700337 <i>sudha.padia@caionline.in</i>		
OFFICE OF THE TEXTILE COMMISSIONER			
24.	Shri S.P. Verma Director, Office of the Textile Commissioner, Mumbai-400020. <i>spverma64@gmail.com</i>	25.	Shri Sourabh Kulkarni Deputy Director, Office of the Textile Commissioner Mumbai-20 <i>sourabh.kulkarni@nic.in</i>
26.	Smt. Vaidehi Joshi Assistant Director, Office of the Textile Commissioner, Mumbai- 400 020.	27.	Shri U. K. Sharma Technical Officer, Office of the Textile Commissioner, Mumbai-20

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