

Productivity and Export Performance of Cotton in Indian Textile Industry



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India Textile Industry is one of the leading textile industries in the world. Though was predominantly unorganized industry even a few years back, but the scenario started changing after the economic liberalization of Indian economy in 1991. The opening up of economy gave the much-needed thrust to the Indian textile industry, which has now successfully become one of the largest in the world.

New innovations in clothing production, manufacture and design came during the Industrial Revolution - these new wheels, looms, and spinning processes changed clothing manufacture forever. Clothing manufactured during the Industrial Revolution formed a big part of the exports made by Great Britain.

Productivity of Cotton in India

India occupies 27% of total area in the world under cotton. Ranks first among other countries in cotton area and second in production. India made a laudable progress from 0.2 million bales with 88 kg/ha of lint productivity during early 50s to 14.2 million bales with 265 kg/ha of lint in 1996-97. The production of cotton which was 27.9 lakh bales only in 1947-48 has made spectacular progress to reach the level of 156.5 lakh bales in 1995-96 which constitutes a 460 percent increase. The production of cotton which was 27.9 lakh bales only in 1947-48 has made spectacular progress to reach the level of 156.5 lakh bales in 1995-96 which constitutes a 460 percent increase.

The import of cotton to meet the needs of the Indian mills which was a regular feature till 1978-79 and now India is a net export, of cotton exports about 5.15 lakh bales in 1996-97. National economy, Government of India has launched Technology Mission on Cotton (TMC) in February 2000 with the objective of improving production, productivity and quality of cotton so as to enable Indian cotton to compete globally in the free market economy under the WTO regime.

Leading producer countries Top ten cotton producers - 2009 (480-pound bales)

The current domestic market of textile in India is expected to be increased to US\$ 60 billion by 2012 from the current US\$ 34.6 billion. The textile export of the country was around US\$ 19.14 billion in 2006-07, which saw a stiff rise to reach US\$ 22.13 in 2007-08. The share of exports is also expected to increase from 4% to 7% within 2012. India textile industry is one of the leading in the world. Currently it is estimated to be around US\$ 52 billion and is also projected to be

People's Republic of China	32.0 million bales
India	23.5 million bales
United States	12.4 million bales
Pakistan	9.8 million bales
Brazil	5.5 million bales
Uzbekistan	4.4 million bales
Australia	1.8 million bales
Turkey	1.7 million bales
Turkmenistan	1.1 million bales
Syria	1.0 million bales

around US\$ 115 billion by the year 2012.

Following are area, production and productivity of cotton in India during the last six decades:

Year	Area in lakh hectares	Production in lakh bales of 170 kgs	Yield kgs per hectare
1950-51	56.48	30.62	92
1960-61	76.78	56.41	124
1970-71	76.05	47.63	106
1980-81	78.24	78.60	170
1990-91	74.39	117.00	267
2000-01	85.76	140.00	278
2001-02	87.30	158.00	308
2002-03	76.67	136.00	302
2003-04	76.30	179.00	399
2004-05	87.86	243.00	470
2005-06	86.77	244.00	478
2006-07	91.44	280.00	521
2007-08	94.39	315.00	567
2008-09	93.73	290.00	526

Cotton Exports from India

Cotton accounts for 60% of textile consumption. It exports ₹ 49816 crores in 2006-07. Cotton Constitutes 34% of total textile exports. There is sufficient stock of cotton in the country to meet the demand of the mills as well as export. The cotton production in the country has increased substantially from 158 lakh bales from the year 2001-02 to 295 lakh bales in the current cotton season 2009-10 (Oct.–Sept.). No proposal is under consideration for banning the cotton export at this stage.

The supply and demand for cotton, and the area, production and productivity of cotton in India for the five years has given by the Cotton Advisory Board are shown in figures 6.9 and 6.10

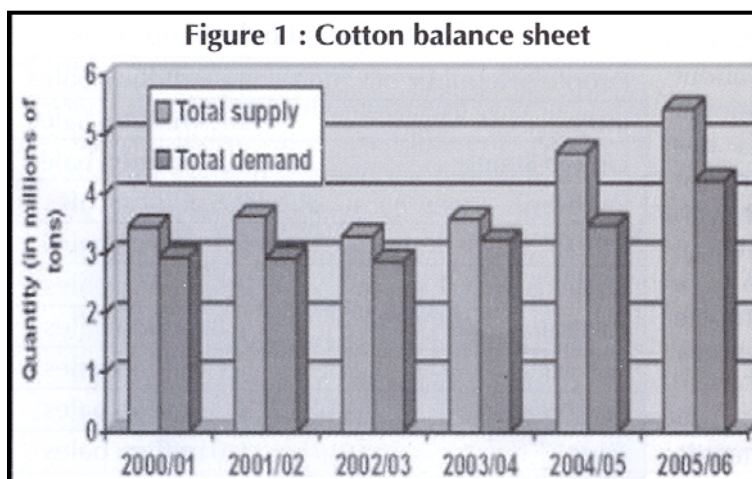
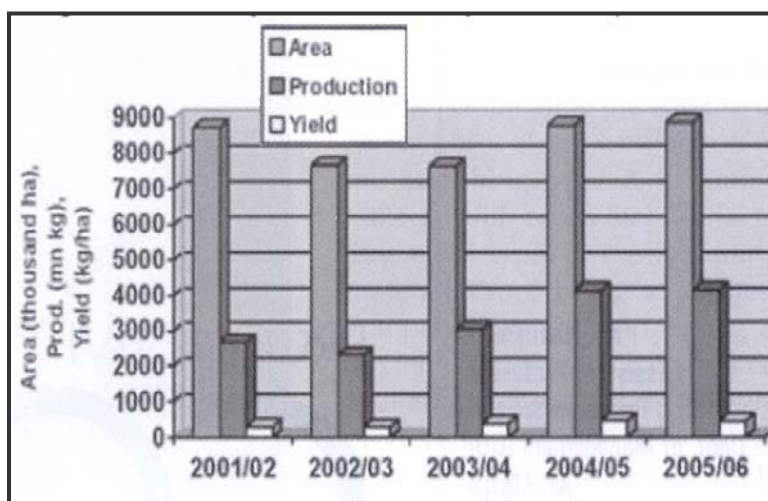


Fig 2: Area, production and productivity of cotton



Cotton Exports from India
From 1996-97 Onwards

Year	Quantity (in lakh bales of 170 kgs)	Value in Rs/Crores
1996-97	16.82	1655.00
1997-98	3.50	313.62
1998-99	1.01	86.72
1999-00	0.65	52.15
2000-01	0.60	51.43
2001-02	0.50	44.40
2002-03	0.83	66.31
2003-04	12.11	1089.15
2004-05	9.14	657.34
2005-06	47.00	3951.35
2006-07	58.00	5267.08
2007-08	85.00	8365.98
2008-09*	50.00	N.A.

Source: Cotton Advisory Board for Quantity figures

Cotton in Indian Textile Industry: Fact

The productivity of cotton which was growing up over the years has decreased in 2008-09. Substantial increase of Minimum Support Prices (MSPs) couldn't pick up cotton exports owing to disparity in domestic and international cotton prices. Imports of cotton were limited to shortage in supply of Extra Long staple cotton.

Indian government has been actively participating in the growth of cotton industry and government agencies like Cotton Corporation of India (CCI) and state marketing federation, committees and institutions like Genetic Engineering Approval Committee

(GEAC) and Central Institute of Cotton Research (CICR) play an active role in the development of cotton industry.

In the changing global scenario, the export performance has increased from 11.16 percent to 12.41 percent during April'09-Feb'10 as against April'08- February'09. The Ministry of textiles, in consultation with textile industry/textiles export promotion councils, has fixed an export target of US\$25 billion for 2011-11 as against US\$ 19 billion achieved in 2009-10.

Important Policy Decision on Export of Cotton

1. As per notification of the may 2010, the Directorate general of foreign trade has restricted exports under raw cotton and permitted them only under license.
2. Due to diplomatic reasons, it was decided in an inter ministerial meeting convened by the minister of commerce to allow export of raw cotton to Bangladesh and Pakistan

Conclusion

The Indian cotton cultivation sector has not only been increasing its productivity, but also has been undergoing a drastic improvement in terms of quality of cotton. Latest production technology and plant protection technologies, adaptation of scientific, research and development in cotton are all responsible for the present drastic change in Indian cotton scenario. India, with ample stocks and higher production, is expected to continue to expand its share of the global export market.

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