

Cotton exports in India

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Abstract

Cotton plays an important role in the development of the Indian economy. The Indian textile Industry is primarily cotton based. In this paper, a modest attempt has been made to study the Cotton Consumption by Organized Sector Textile Mills (Non-SSI Mills) and Small Scale Spinning Mills (SSI) Units, Cotton production of India, Cotton Export Performance of India, and destination of Indian Cotton exports. The secondary data has been collected from Agriculture Processed Food Products Export Development Authority (APEDA) and Cotton Export Promotion Council. Cotton production is decreasing trend and it is registered a CAGR of -0.74 per cent. Yield per Hectare is increasing trend and it is registered CAGR of 1.74 per cent. Cotton exports in India is increasing trend and it is registered a CAGR of 11.36 per cent. The total export is fluctuating trend and it is registered a CAGR of 6.99 percent. The share of Cotton export is increasing trend and it is registered a CAGR of 4.08 per cent. Bangladesh is the major destination of Indian Cotton Exports and it is registered a CAGR of 16.92 per cent, followed by Pakistan.

Keywords: cotton, consumption, exports

Introduction

Cotton is one of the principal crops of the country and is the major raw material for domestic textile industry. It provides sustenance to millions of farmers as also the workers involved in cotton industry, right from processing to trading of cotton. The Indian textile industry consumes a diverse range of fibres and yarn, but is predominantly cotton based. Indian Textile Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textile industry also plays a pivotal role through its contribution to industrial output, employment generation and the export earnings of the country. It contributes about 14% to the industrial production, 4% to the GDP and 13% to the country's export earnings. The textile sector is the second largest provider of employment after agriculture. Hence, growth and all around development of cotton and cotton industry has a vital bearing on the overall development of the Indian economy.

Cotton Products

1. Cotton Fibre: India is the world's largest producer of organic cotton and has an annual production of over 75,000 tons, undoubtedly encouraged by the increased use of organic fibre in everything from personal care items (sanitary products, make-up removal pads, cotton puffs and ear swabs), to home furnishings (towels, bathrobes, sheets, blankets, bedding), children's products (toys, diapers), all kinds of apparel (including work wear, sportswear and other uses), and even stationery and note cards^[1].

- 2. Cotton Yarn:** The world's most renowned Indian Cotton Yarns are available as greige, bleached, mercerized, gassed, twisted, dyed or an endless range of fashion yarns like mélange, stretch, blends, high twist and so on to meet the different applications in fashion, clothing, home textiles, hosiery and industrial fabrics. India can meet every customer requirement whether large or small, regular or customized, premium or basic. The current scenario, Indian yarn is widely accepted in International markets as the exporters here regularly meet the needs of Importers with unmatched efficiency and economy in countries like USA, Italy, Spain, Japan, China, South Korea, Taiwan, Bangladesh, Vietnam etc^[2].
- 3. Cotton Woven Fabrics:** India has today transformed into a high-tech global manufacturing hub for exquisite fabrics. India's strengths in the areas of organic, healthy textiles and eco-friendly fabrics are now recognized globally. India's fabric range is vast and diverse from fashion fabrics like voiles, prints and embroideries to a variety of shirting, heavy bottom weight and denim fabrics, wide width range for home textiles, industrial fabrics and high performance special fabrics, India has them all. India is uniquely positioned as a provider of end-to-end sourcing solutions for finished garments, Madeups and other consumer products in cotton textiles. With an uncompromising commitment to design and innovation, India today enjoys the trust of the world's leading retailers, premium brands and designers seeking to differentiate their new collections in highly competitive

¹ <http://www.texprocil.org/cotton-fibre-accessed on 26/07/2017>

² <http://www.texprocil.org/cotton-yarn- accessed on 26/07/17>

global markets [3].

4. Cotton Home Textiles: Indian Home Textile products have become synonymous with luxury, comfort, design innovations and high quality in all sophisticated international markets. With continuous investments in wide-width weaving, processing and specialized technology, India has acquired considerable strengths in this sector over the last decade. Indian home textile is one of the fastest growing textile export segments from India and enjoys universal popularity even in the most demanding markets like USA, EU and Japan [4].

Methodology

The study is based on secondary data. The data are collected from, Cotton Export Promotion Council, Agriculture & Processed Food Products Export Development Authority and Reserve Bank of India (RBI). The period of study is 2011-12 to 2016-17.

Table 1: Cotton Consumption by Organized Sector Textile Mills (Non-SSI Mills) and Small Scale Spinning Mills (SSI) Units Qty.in Lakh Bales.

Year	Non-SSI mills		SSI mills	
	Average consumption			
	Cotton consumption	Monthly consumption	Cotton consumption	Monthly consumption
2011-12	223.58	18.63	22.12	1.84
2012-13	251.74	20.97	23.59	1.97
2013-14	268.03	22.34	25.2	2.1
2014-15(P)*	278.55	23.21	26.28	2.19
2015-16 (P)*	274	22.83	27	2.25
2016-17(P)*	275	22.92	28	2.33
Average	261.82	21.82	25.37	2.11
CAGR	3.510	3.514	4.007	4.013

Source: [http://www.cotcorp.gov.in/statistics.aspx?pageid=3#cotton*\(P\)P*Provisional](http://www.cotcorp.gov.in/statistics.aspx?pageid=3#cotton*(P)P*Provisional)

The table 1 shows that Cotton Consumption of Organised Sector Textile Mills and Non-SSI units. Cotton consumption of Non-SSI Mills are increasing trend, it is increased from 223.38lakh bales in 2011-12 to 275lakh bales in 2016-17 and it is registered a CAGR of 3.510 per cent. The monthly Consumption of Non-SSI is increasing trend, it is increased from 18.63lakh bales in 2011-12 to 22.92lakh bales in 2016-12 and it is registered a CAGR of 3.514 per cent. The Consumption pattern of SSI mills are increasing trend, it is increased from 22.12lakh bale in 2011-12 to 28lakh bales in 2016-17 and it is registered a CAGR of 4.007 per cent and monthly consumption also increasing trend it is registered CAGR of 4.103 per cent.

Table 2: Area, Production and Productivity of Cotton in India.

Year	Area In lakh hectares	Production In lakh bales of 170 kgs	Yield kgs per hectare
2011-12	121.78	367	512
2012-13	119.78	370	525
2013-14	119.6	398	566
2014-15	128.46	386	511
2015-16	118.77	338	484
2016-17	105	351	568
Average	118.90	368.33	527.67
CAGR (%)	-2.44	-0.74	1.74

Source: <http://www.cotcorp.gov.in/statistics.aspx#area>

The table 2 shows that area, production and yield per hectare during the period of 2011-12 to 2016-17. The cotton production area is decreasing trend it is decreased from 121.78lakh hectare in 2011-12 to 105lakh hectare in 2016-17 and CAGR of -2.44 per cent. Cotton production is decreasing trend during the study period it is registered a CAGR of -0.74 per cent. Yield per Hectare is increasing trend it is increased from 512kgs per hectare in 2011-12 to 568kgs per hectare in 2016-17 and it is registered CAGR of 1, 74 per cent.

Table 3: Cotton Exports in India.

Year	Cotton Exports	Total Exports	Rs. in Billion
			Share of Cotton Exports in Total Exports
2010-11	346.72	11429.22	3.03
2011-12	430.73	14659.59	2.94
2012-13	525.44	16343.18	3.22
2013-14	670.99	19050.11	3.52
2014-15	659.11	18964.45	3.48
2015-16	661.29	17144.24	3.86
Mean	549.05	16265.13	3.34
CAGR (%)	11.36	6.99	4.08

Source: <https://www.rbi.org.in/scripts/PublicationsView.aspx?id=17262>

The table 3 reveals that cotton exports in India, it is increasing trend and it is increased from Rs.346.72 billion in 2010-11 to Rs.661.29 billion in 2015-16 and it is registered a CAGR of 11.36 per cent. The total export is fluctuating trend and it is registered a CAGR of 6.99 percent. The share of Cotton export is increasing trend and it is registered a CAGR of 4.08 per cent.

Table 4: Destination of Indian Cotton Export Rs. in Crore

Year	Bangladesh	Pakistan	China	Vietnam	Indonesia
2011-12	2048.29	325.22	17273.69	394.63	348.38
2012-13	3316.09	2141.73	12071.99	904.58	321.9
2013-14	4266.05	2090.54	11805.22	1344.3	614.28
2014-15	3544.76	645.55	4542.98	1488.38	251.8
2015-16	4474.67	4312.27	1289.39	1112.42	491.7
Average	3529.97	1903.06	9396.65	1048.86	405.61
CAGR	16.92	67.69	-40.49	23.03	7.13

Source: Directorate General of Commercial Intelligence and Statistics (DGCIS)

The table 4 shows that major destination of Indian Cotton Exports. Bangladesh is the major destination of Indian Cotton Exports, it is increased from Rs. 2048.29crore in 2011-12 to

³ <http://www.texprocil.org/cotton-fabrics-> accessed on 26/07/17
⁴ <http://www.texprocil.org/cotton-home-textiles-> accessed on 26/

Rs.4474.67crore in 2015-16 and it is registered a CAGR of 16.92 per cent, followed by Pakistan it is increased from Rs.325.22crore in 2011-12 to Rs.4312.27crore in 2015-16, China is a declining trend for the it is decreased from Rs.17273.69crore in 2011-12 to Rs.1289.39crore in 2015-16 and it is registered a CAGR of -40.49 per cent. Cotton exports in Vietnam is increasing trend and it is registered a CAGR of 23.03 per cent, Indonesia is registered a CAGR of 7.13 per cent.

Conclusion

Cotton industry plays vital role for the development of Indian economy. Cotton consumption of Non-SSI Mills are increasing trend, and it is registered a CAGR of 3.51per cent. The monthly Consumption of Non-SSI is increasing trend, and it is registered a CAGR of 3.51 per cent. The Consumption pattern of SSI mills are increasing trend, and it is registered a CAGR of 4.00 per cent and monthly consumption also increasing trend it is registered CAGR of 4.10 per cent. Cotton production is decreasing trend and it is registered a CAGR of -0.74 per cent. Yield per Hectare is increasing trend and it is registered CAGR of 1.74 per cent. Cotton exports in India is increasing trend and it is registered a CAGR of 11.36 per cent. The total export is fluctuating trend and it is registered a CAGR of 6.99 percent. The share of Cotton export is increasing trend and it is registered a CAGR of 4.08 per cent. Bangladesh is the major destination of Indian Cotton Exports and it is registered a CAGR of 16.92 per cent, followed by Pakistan.

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