

CAI President,
Mr. Dhiren N. Sheth
Speech
at
COTTON INDIA 2016-17,
Inaugural Session

Distinguished Delegates, my Colleagues and Friends,

It gives me immense pleasure to extend a very warm welcome to you all at this COTTON INDIA 2016-17 summit and to say how grateful we are to all of you for graciously accepting our invitation and sparing your invaluable time to travel long distances to be here with us today.

As you all are well aware, the Indian sub-continent particularly India has an important place in the world cotton economy and the cotton scenario of the Indian sub-continent is under keen scrutiny by everybody in the international cotton fraternity. As the largest producer of cotton in the world, the second largest exporter of cotton next only to USA and the second largest consumer of cotton next only to China, it is only befitting that India provides a platform to the world cotton community every year to review the cotton scenario of the Indian Sub-continent. That platform is our Cotton India conference, which allows all of us to share thoughts and exchange ideas and to learn from each others' experiences.

In keeping with the promise that I made to you all, I have made COTTON INDIA conferences a regular feature of our yearly cotton calendar and this COTTON INDIA 2016-17 is the third conference in the COTTON INDIA series.

Friends, it is a matter of the greatest pride for me that not only have you all appreciated our earlier two conferences viz. COTTON INDIA 2014 held in Mumbai and the COTTON INDIA 2015-16 held in Goa but also extended your whole-hearted support by participating therein most enthusiastically.

This time also, delegates from 19 countries are present here today and I can't thank them enough for having acceded to my request.

We have chosen Mumbai as the venue for this Conference. And for very good reasons! Not only because Mumbai is the financial capital of India; but because Mumbai has a very rich cotton history that many of you may not be aware of. The first Indian cotton mill, 'The Bombay Spinning Mill', was opened way back in 1854 in then Bombay by Cowasji Nanabhai Davar.

Before the American Civil War, the mills of England imported only 20% of their cotton from India. Cotton exports grew during the American Civil War, when supplies from the USA were interrupted. With the blockade of the Confederate ports, Indian cotton prices rose. By 1865, when General Lee's army surrendered, Mumbai has earned 70 million pounds sterling in the cotton trade! This triggered a boom in the textile industry. At the end of 1895 there were 70 mills; growing to 83 in 1915. These mills were owned by former traders like the Tatas, Petits, Wadias, Currimbhoys, Thakerseys, Sassoons, Khataus, Goculdas and others. At their peak in 1980, the mills employed no less than 300,000 workers. No wonder Mumbai was once referred to as the Manchester of the East!

Even today, if you have had the opportunity of visiting the historic CAI premises at Sewree, glimpses of that once glorious past are very visible.

But coming to the present, we have amongst us today, a galaxy of unmatched speakers and I am indeed indebted to each one of them for acceding to my requests most graciously and sparing their invaluable time. Friends, it is gratifying that we have been successful in getting more and more eminent speakers on board and thus improving the quality of the conference year after year. The agenda of this Conference includes eight business sessions and the topics included in the agenda including the topic of 'Combining the Sub-continent Statistically' are of utmost importance and relevance to all of us. I have purposely included a session on the Cotton's History in the agenda to make our younger generation realise the pride and importance cotton hold in shaping up the world's history. The next two days are therefore going to witness some very exciting discussions and I urge each one of you to participate whole-heartedly to make the sessions livelier.

The cotton economy in India has witnessed challenging times during the last couple of years. The rainfall had been deficient. The country, which went through a massive support price operation in 2014-15 and witnessed one of the largest closing stocks in the history, witnessed a reduction in acreage of over a million hectare in 2015-16. The acreage under cotton in India which was 12.84 million hectares in 2014-15 plummeted to 11.87 million hectares owing to the lower realisation of prices by the farmers. There was also a severe fall in cotton production in 2015-16 due to the poor rainfall and the pest attack in the northern parts of the country especially Punjab and Haryana. The production of cotton which was about 40 million bales of 170 kgs. each in 2014-15, witnessed a fall of about 6 million bales to 34 million bales in 2015-16- the lowest in the last 5 years. The cotton production in India is estimated at 34.5 million bales in 2016-

17. However, the arrivals have not yet picked up fully this year possibly due to the liquidity crunch in the market as a consequence of the demonetisation measures implemented by the government recently. The prices ruled higher almost during the entire 2015-16 season and are expected to remain firm till the arrivals pick up.

The yields are more or less stagnant and the scientists are mulling over various options on how best to increase productivity. The Government is also extending its fullest cooperation and we hope that soon, a solution to this continuing and vexing problem of low productivity will be found. India has the largest acreage under cotton in the world and increase in productivity at least to the world average productivity mark will boost the production of cotton in India manifold. This would be in the best interest of the entire cotton value chain.

Friends, I would now like to brief you about some of the initiatives of the CAI. Those of you attending our conferences are familiar with the CAI's drive to provide cotton testing and research facilities in the all major cotton growing and consuming regions of the country and I am happy to report that CAI has already set up 10 cotton testing and research laboratories across the country and two more laboratories in Guntur (Andhra Pradesh) and Adilabad (Telangana) are in the pipeline.

This network of laboratories set up by the CAI also doubles up as its regional centres providing services to the cotton value chain locally and collecting data, in order to arrive at accurate crop numbers. CAI has worked arduously to streamline the process of arriving at the crop estimation on a regular basis. The CAI has also paid a lot of emphasis in streamlining the processes of fixing spot prices, which are used as reference prices by the CAI in dispute redressal, government agencies and

the Reserve Bank of India in framing policies and insurance companies in settling claims.

CAI has another unique feature of preparing and maintaining grade standard boxes for all major growths of Indian cottons. CAI is also pursuing the goal of setting up of a cotton school and a cotton museum in India and for these we seek the support and cooperation from all of you. CAI has already successfully completed the pilot of its School Contact Programme (SCP). This received an overwhelming response from the schools visited and now the second phase of the SCP is in the pipeline. The CAI has also developed the brand Suvin Ratna to promote Suvin cotton, which is arguably the best cotton in the world. There are several other initiatives by the CAI for the benefit of cotton value chain and we at the CAI, have always given and will continue to give the utmost priority to serve the cotton community better.

Friends, we have strived to make your stay here in Mumbai enjoyable. Hotel JW Marriott has all the amenities to ensure an unparalleled experience. We hope you all will enjoy your stay here.

Lastly, Friends, I want to make an announcement that as per our slot, the next COTTON INDIA 2017-18 conference will be held on the first Monday, Tuesday and Wednesday of December 2017 i.e. on the 4th December 2017 to 6th December 2017 and we have zeroed on Kolkata as the most likely location for this Conference.
