

Speech by
Shri Atul S. Ganatra
President
at the
96th Annual General Meeting
held on
Friday, the 28th December 2018
in Mumbai

My Dear Members,

I extend a hearty welcome to each one of you to this 96th Annual General Meeting of our Association.

You already have with you the annual accounts of the Association together with the Auditors' Report thereon, Directors' Report covering various activities of the Association and other information which we have circulated to all the members well in advance as required under the law. With your kind permission, I take the same as read.

I would like to share my thoughts on the Indian cotton sector.

COTTON IS AN IMPORTANT CASH CROP IN INDIA

Agriculture is the primary source of earning for about 58% of India's population. Cotton is an important cash crop in India which provides employment to over 60 million farmers and other connected with the production, processing and marketing of cotton in India.

India is playing an ever-important role in the world cotton market. It is the world leader in terms of the acreage under cotton. Over 1/3rd of the total cotton acreage in the world is in India. India is the largest cotton producer, the second largest exporter next only to USA and the second largest consumer next only to China.

India also has a huge textile industry which is mainly cotton based and we have huge opportunity of value addition. India also has a large import market.

CHALLENGES AND OPPORTUNITIES

Productivity of cotton in India had largely increased over the years but it is not increasing now during the last few years. As against the world average productivity mark of over 770 kilos per hectare, productivity of cotton in India is still at the low level of only about 500 kilos per hectare.

Friends, as you all know, there is hardly any scope for further increase in the acreage under cotton in India and therefore, the only way to match the increasing consumption of cotton domestically is to increase productivity. I am worried that if the situation is not improved quickly, the day is not far off when the consumption of cotton in India will surpass production, and India which is today a nett cotton exporter country, will become a nett cotton importer country.

INTERNATIONAL COTTON SCENARIO

In its latest estimate, the International Cotton Advisory Committee (ICAC), has projected the world cotton production for 2018-19 season at 26.12 million tons which is lower by 0.63 million tons, compared to the previous season, due to a reduction in planting area, water availability and limited improvement in yields. The world cotton consumption estimated by ICAC at 26.8 million tons is likely to outpace production. Stock levels in China and elsewhere in the world are expected to decrease from 18.8 million tons to 18.2 million tons, due to the huge decrease in stocks held by China.

THE ROLE OF CAI IN FUTURE

As you all are aware, the CAI is no longer a commodity exchange and therefore it had to re-orient its role to continue to be relevant for the continuous growth of the cotton sector. CAI has given importance to serving the cotton economy better and more efficiently.

CAI has set up cotton testing and research laboratories in various cotton growing regions of the country. CAI has allocated two large rooms in its Cotton Exchange building, at Cotton Green and allotted a sum of Rs. 1.25 crore during a period of 5 years, for setting up of a cotton farmer training school. The purpose of such a cotton school in the CAI premises in Cotton Green is to educate cotton farmers about modern agro-techniques and best management practices suited for growing cotton through correct use of inputs in different agro-climatic zones across India.

We have set up a Members' Lounge on the 2nd floor of the CAI building, where we have provided all the modern amenities for the facility of CAI members.

I request all the members to use this facility.

CAI has achieved another landmark step by tying up with India's biggest exchange, that is, BSE - Bombay Stock Exchange, for developing the futures cotton contract.

This BSE-CAI developed contract, will help the cotton trade to provide a much-needed ideal futures trading platform to the entire cotton trade in India.

During this one year, the Association has organised an annual dinner at Mahalaxmi racecourse in Mumbai.

This annual dinner was highly appreciated by all the members, and on suggestion of all the members, we would like to continue this tradition this year and hopefully, for many years to come.

I very happily wish to inform and invite each one of the members to our annual dinner for this year, which will be held in the 3rd week of January.

The exact date and time will be informed to all the members shortly.

My colleagues of the CAI board, CAI members and I together have organised two very successful domestic conferences. The first conference in Mumbai in April was attended by more than 500 trade people, and the second conference held in October in Aurangabad was attended by around 1000 trade people.

Both the conferences were appreciated by the entire cotton trade people. In future, we will continue organising domestic conferences.

Also, I wish to inform all the members that from 6th March to 8th March, 2019, we have organised an international cotton conference at Hotel Trident in Mumbai. I request all the members to attend this international conference organised by CAI in large numbers.

I thank my colleagues of the CAI board, and all the CAI members, who have helped me in organising these successful conferences.

I can also proudly claim to have received unconditional support and co-operation from each one of you, for which I am greatly thankful!

Friends, during my tenure as the CAI president, I have received the whole-hearted support from the Ministries of Textiles, Agriculture and Cooperation, Commerce and Industry, Office of the Textile Commissioner, Cotton Corporation of India, Directorate of Cotton Development, CIRCOT and CICR and I deeply thank them all.

I also had the privilege of having the invaluable guidance of elders like Shri. Sureshbhai Kotak and Shri. P. D. Patodia who always blessed us with their wise counsel from time to time for which I am deeply thankful to them.

I am fortunate to have received the support of the most dedicated bunch of directors and the members of various committees. I whole-heartedly thank each one of them for their continuous efforts in bringing our new ideas to life.

I also thank all the members without whose support; it would not have been possible for me to discharge my duties as the CAI president. It is my humble request to all the members to continue lending similar support and cooperation to the activities of the CAI in future as well.

I also express our sincere thanks to all upcountry cotton trade associations and cooperative cotton marketing societies, for their invaluable support and assistance.

I also wish to convey our sincere thanks to my fellow office bearers, Shri. Bhupendra Singh Rajpal (Pappubhai), our Vice-President; Shri. Vinay N. Kotak, our Additional Vice-President; Shri Shyam Makharia, our Hon. Treasurer and our Senior Director, Shri. Arun Sekhsaria, for their invaluable support and guidance to me.

The Secretary, Managers and entire staff of the Association have worked very hard and with a sense of responsibility throughout the year. I truly appreciate their efforts.

Last but not the least; I sincerely thank the press and media for providing excellent coverage to various press releases and the activities of the Association throughout the year

Thank you

Thank you very much

All the best

◇◇◇◇◇◇◇◇◇◇