

Speech by
Shri Atul S. Ganatra
President
at the
100th Annual General Meeting
held on Friday, the 23rd December 2022
in Mumbai

Dear Members,

I feel privileged to welcome each one of you to what I consider a milestone – **CAI's 100th Annual General Meeting!**

I wish to congratulate each and every member of the Association on this historic occasion.

The Directors' Report, the Annual Accounts giving a brief summary of the activities and the working results of the Association for the year ended 31st March 2022 have already been circulated to you all well in advance. With your kind permission, I take them as read.

Before we proceed to deal with the official agenda of this Annual General Meeting, I would like to share some of my thoughts on the Indian cotton scenario.

COTTON AN IMPORTANT CASH CROP AND STILL A PRIME RAW MATERIAL FOR TEXTILE MANUFACTURING

India is predominantly an agriculture based economy and 54.6% of the country's total work force is engaged in agriculture. Our textile industry is primarily cotton based and the ratio of use of cotton to non-cotton fibres in India is around 60:40 whereas it is 30:70 in the rest of the world. Cotton is thus one of the most important cash crops in India.

India has the largest acreage under cotton in the world – around 36% of the world's total cotton acreage to be precise. We are the largest producer of cotton, the second largest consumer and the third largest exporter of cotton in the world. Cotton is immensely important for enduring sustainability in the agrarian economy of the country and improving the livelihood of our vast cotton farming community as it provides sustenance to about 60 million people in the country including 6 million cotton farmers and workers involved in the cotton industry right from production, processing, trade and textile manufacturing. As India produces about 6 million tons of cotton every year which is about 23% of the world's total cotton production, the country has also achieved the distinction of being a regular supplier of cotton to the world.

Apart from the fact that cotton is an important agri-commodity and prime raw material for textile manufacturing in India, India also happens to be the only country in the world which grows all the four commercially cultivable species of cotton. India has been producing cotton for thousands of years and in fact, our country used to be recognised as the cradle of cotton industry for over 3000 years.

CONSTRAINTS AND THE WAY FORWARD

LOW COTTON PRODUCTIVITY

Despite an enviable growth of Indian cotton sector over the years that has carved a niche for itself in the world cotton economy, cotton productivity in India continues to be amongst the lowest in the world. As against the world's average cotton productivity mark of 744 kgs. per hectare, our cotton productivity is merely 468 kgs. per hectare. This is below the cotton productivity of some of the smaller countries like Bangladesh, Syria, Sudan, etc.

Mini Missions I & II of erstwhile Technology Mission on Cotton had played a key role in improving cotton productivity of the country. All stakeholders including CAI have time and again made repeated representations to the Government to revive Technology Mission on Cotton and the matter is receiving active attention of the Government.

NEED FOR INNOVATION & IMPLEMENTATION OF RESEARCH BASED AGRONOMY IN COTTON CULTIVATION

Introduction of Genetically Modified cotton technology in India had provided the much needed thrust to increase cotton productivity from 307 kgs. per hectare in 2001-02 to 566 kgs. per hectare in 2013-14. The yield of cotton in India which took five decades for increase in productivity of 200 kgs. per hectare prior to introduction of GM cotton technology in India took merely five more years to achieve another 200 kgs. per hectare increase thanks to GM cotton technology in India. Therefore, it is imperative to provide policy support to scientists and technology providers to undertake such initiatives as the country desperately needs more GM cotton like revolutions. Popularising High Density Planting, farm mechanisation and giving a thrust to research-oriented agronomy are some other important way-

forwards to increase our cotton productivity atleast to the world cotton average productivity mark.

In order to create awareness about modern agro-techniques of cotton cultivation amongst farmers and to provide them training, our Association has set up a farmers training centre in our Cotton Green campus.

Apart from creating awareness and imparting training to cotton farmers, CAI has distributed pheromone traps and lure to cotton farmers and also taken a number of other pro-active measures. We have also committed to the Government distribute hand-held kapas plucker machines to cotton farmers in a bid to promote farm mechanisation.

PROMOTION OF EXTRA-LONG STAPLE COTTON

Another concern area which we need to address is to increase production of extra-long staple cotton in the country. We require around 20 lakh bales of extra-long staple cotton to cater to the requirement of our domestic textile industry. However, we produce around 5 lakh bales and import the balance quantity of ELS cotton from countries like Egypt, USA, Australia, etc. Since production of ELS cotton requires extra care, our farmers need to be adequately compensated. Therefore, we have recommended to the Government to identify regions suitable for cultivation of ELS cotton, provide good quality cottonseed and policy support (including additional MSP to cotton farmers for increasing the production of ELS cotton in the country).

TRACEABILITY & BRANDING OF INDIAN COTTON

In order to make cotton marketable, seed cotton has to pass through the process of ginning and pressing. The biggest challenge lies in establishing the identity of bales after the process of ginning and pressing is complete as in India, there is no legal obligation on the ginning and pressing factories to put their press marks and / or other sign whereby the identity and / or ownership of the bale can be established. However, the Government is now keen to implement traceability norms and turn Indian cotton into a brand. Hon'ble Union Minister of Textiles, Shri Piyush Goyal ji has advocated the need for the cotton industry to work on the principle of self-regulation by taking the responsibility of branding and certifying Indian premium cotton, Kasturi. The Hon'ble Minister has also exhorted the need for implementation of Cotton Bales Quality Control Order under Bureau of Indian Standard (BIS) Act 2016 to standardise cotton bales in terms of technical quality parameters and identification of quality bale traceability for the benefit of all stakeholders.

IMPORT DUTY ON COTTON

The Government has imposed 11% import duty on cotton from 2nd February 2021. Due to this, imported cotton has become costlier, prices of Indian cotton are ruling way above the competing international growths. This has drastically eroded the competitiveness of our value-added products in the international markets and our textile industry, which is the second largest employment provider in the country, is now constrained to work with only 50% of its installed capacity. Imposition of import duty is a retrograde measure not in consonance with the decades-old free trade policy of the country and it sends a wrong signal to the world cotton community. Therefore, we have urged the Government to kindly consider removing 11% import duty levied on cotton.

CAI TO LOOK BEYOND THE MILESTONE

Friends, as you all know, CAI has completed 100 years of glorious service to the Indian cotton value chain participants and in order to commemorate this momentous occasion, decided to organise year-long celebrations comprising a series of events / conferences across India. The centenary celebrations began on 17th October 2022 with a welcome cocktails and dinner and cultural show at Hotel Sahara Star, Mumbai. The mega inaugural event was held on 18th October 2022 at Jio World Convention Centre, Mumbai, which was attended by over 1300 delegates across India. I on behalf of all my team members whole-heartedly thank our members for their unstinted support and cooperation in making this event a grand success. The CAI plans to organise three more events as part of its centenary celebrations - one each in the states of Gujarat, Telangana and Maharashtra.

In our endeavour to serve the cotton trade and textile industry more efficiently and on the eve of entering into a new century, we have finalised a vision statement, *inter alia*, setting out goals of working on increasing the cotton production and productivity and bringing the new seed technologies to get cotton productivity to reach atleast the world cotton productivity mark; fulfilling the dreams of our Hon'ble Prime Minister Shri Narendra Modi ji to double the farmers' income; providing training to cotton farmers; improve ginning practices to reduce contamination and trash in our cotton; starting a farmers' training school; upgradation of our Bye-laws; implementation and popularising the CAI-CITI All India Model Cotton Contract; improve the dispute redressal mechanism to provide faster and cost-effective dispute resolution; adoption of better trade practices; to provide more reliable crop data and cotton balance sheets; work closely with research institutes like

CICR, CIRCOT, etc. for innovation of new cotton products; promote technical textiles, coloured cotton and to encourage other natural fibres, etc.

We intend to pursue the above goals with the help and guidance of the Government and other stakeholders. I sincerely believe that this will pave way for better and efficient cotton trade in days to come.

RENOVATION OF COTTON GREEN BUILDING & LANDSCAPING THE PERIPHERY

As is known to you all our Cotton Exchange building is a Grade IIB heritage structure. Being over 95 years old, the structure of our building needs to be re-strengthened and refurbished. Therefore, we approached the Mumbai Port Authority (Mb. PA) and I am happy to report that Mb. PA has granted us permission not only for undertaking the much needed repairing and renovation work but also for landscaping the courtyard, footpath adjoining our building and the entire periphery to provide a pleasant working experience at our Cotton Green campus. However, with our limited resources, we shall have to undertake repairing and landscaping work in phases. Our Building Committee is working on the finer details and we shall keep you all posted about further developments in this regard.

ACKNOWLEDGEMENTS

During my tenure as the CAI President, I have received whole-hearted support from the Ministries of Textiles, Agriculture and Farmers' Welfare, Commerce & Industry, Finance, Office of the Textile Commissioner, Textiles Committee, Cotton Corporation of India, Directorate of Cotton Development, Central Institute for Research on Cotton Technology, Central

Institute for Cotton Research, the Bombay Textile Research Association and I convey our sincere thanks to them all.

I sincerely thank all our members, my colleagues on the CAI Board, members of statutory and non-statutory Committees of the Association, upcountry cotton trade associations and cooperative cotton marketing societies for their active participation in the decision making process at the CAI.

I was also fortunate enough to have received invaluable support and guidance from elders like Shri Sureshbhai Kotak and Shri P.D. Patodia and all my predecessors, who always blessed us with their wise counsel from time to time for which I sincerely thank them.

I also wish to convey our sincere thanks to my fellow office bearers, Shri Bhupendra Singh Rajpal, Shri Vinay Kotak, Shri Shyam Makharia and our senior Director, Shri Arun Sekhsaria, for their invaluable support and cooperation.

I also thank the Secretary and other staff of the Association for discharging their duties diligently and with a sense of responsibility.

Last but not the least, I sincerely thank the press and media for excellent coverage to the activities of the Association throughout the year.
