



GUJCOT TRADE ASSOCIATION

ANNUAL REPORT

2024-2025

In Service of Entire Textile Value Chain

On this joyous occasion of Diwali, the Gujcot Trade Association extends heartfelt wishes to all our valued members, partners, and well-wishers. May this Festival of Lights illuminate your lives with happiness, prosperity, and success.

As we welcome the New Year, let us continue to move forward with renewed energy, optimism, and unity—strengthening the cotton trade community and achieving new milestones together.

Wishing you and your family a sparkling Diwali and a prosperous New Year filled with peace, joy, and growth!

– Team Gujcot Trade Association

*Happy
Diwali*



President's Message – Eight Glorious Years of Gujcot Trade Association

Dear Members, Partners, and Friends,

As we celebrate the remarkable journey of **eight successful years of the Gujcot Trade Association**, I feel immense pride and gratitude for what we have achieved together. This milestone reflects not only our progress as an organization but also the collective spirit, dedication, and trust of our members and well-wishers.

Over these years, **Gujcot** has emerged as a credible and dependable platform serving the cotton trade community through its **daily Gujarat spot rate updates, crop surveys, weekly and monthly market reports**. These initiatives have empowered our stakeholders with transparent, timely, and data-driven information — strengthening confidence and decision-making across the value chain.

Our heartfelt appreciation goes to all **members, trade associations, and partners** who have stood by us in this journey. Your consistent support and collaboration have been the backbone of our success.

A special acknowledgment goes to the **Saurashtra Ginners Association (SGA)** for their invaluable partnership in gathering data from nearly 400 ginners and addressing the key concerns of the industry. This cooperation between Gujcot and SGA continues to be a cornerstone of our effectiveness.

We also extend sincere thanks to our **broker friends** who provide daily market inputs, enabling us to maintain a reliable and current information base, and to all **individual contributors** engaged in crop surveys and data collection — your dedication ensures our reports remain precise and insightful.

As we look ahead, **Gujcot remains committed to innovation, transparency, and service**. Our focus will be on expanding our offerings, embracing new technologies, and continuing to deliver trusted insights that guide the cotton trade toward greater stability and growth.

Together, let us continue to build on this foundation and take Gujcot to even greater heights in the years to come.

With sincere appreciation,

Akash Shah

President,

Gujcot Trade Association



Message from Secretary of Gujcot Trade Association

Dear Members and Esteemed Stakeholders,

As I look back on the remarkable journey of the Gujcot Trade Association over the past eight years, I am filled with a deep sense of pride and gratitude. What began in 2017-18 as a modest initiative with a blank slate has now evolved into one of the most comprehensive and reliable cotton trade information platforms in Gujarat.

Through consistent effort and teamwork, Gujcot has built a robust database that captures every dimension of the cotton industry. From Gujarat daily spot rates, Indian and international futures, and currency exchange trends, to long-term export-import statistics, MSP details, and CCI procurement data — our records now span nearly 15 years of valuable insights for the cotton community.

This milestone has been possible only because of the dedication and technical excellence of our team. I would especially like to acknowledge **Shri Hitubhai Vikani**, whose continuous guidance and commitment have helped us develop a seamless and dependable software system that forms the backbone of Gujcot's operations.

We also owe a debt of gratitude to our network of brokers, ginners, and friends in the trade who have consistently supported and trusted us. Their cooperation has enabled Gujcot to grow stronger each year and to serve the cotton sector with accuracy, transparency, and reliability.

This year's annual report is a reflection of that collective effort. It presents eight years of data — from arrivals and pressing to crop surveys, imports, and exports — compiled and analyzed month by month to assist our stakeholders in making informed decisions.

As we step into another year, our focus remains firm on innovation, service, and data-driven excellence. We are committed to continuously upgrading our systems and expanding our reach so that Gujcot remains a trusted knowledge hub for every participant in the cotton value chain.

I sincerely thank all our members, contributors, and well-wishers for their continued trust and encouragement. Together, let us move forward with the same spirit of collaboration and purpose that has defined Gujcot's journey so far.

With warm regards,

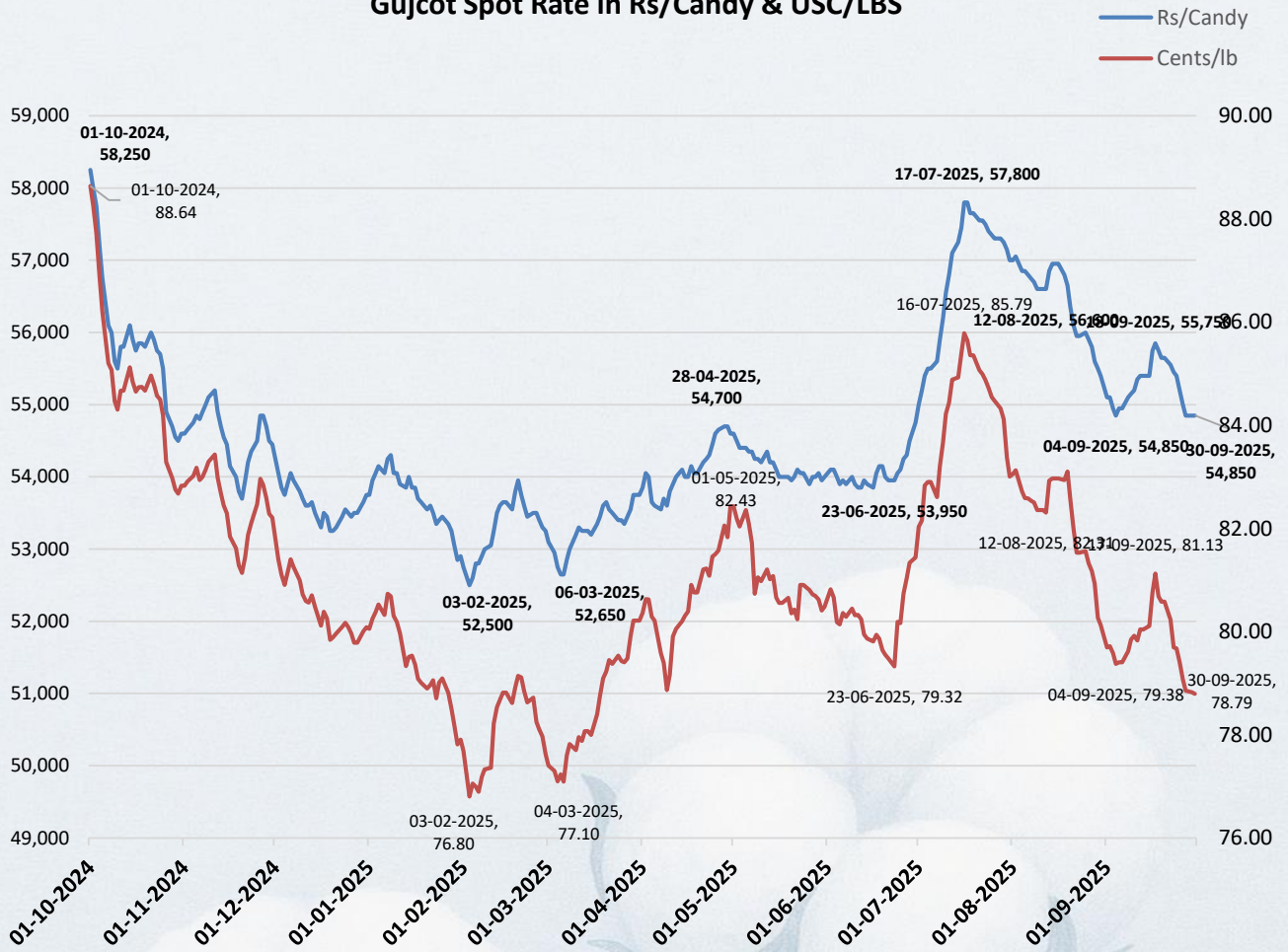
Ajay Shah

Secretary,

Gujcot Trade Association

S6 Spot Price Movement During the season

Gujcot Spot Rate in Rs/Candy & USC/LBS



GUJCOT SPOT RATE MONTHLY

Month	In Rs Per Candy			In Cents/LBS		
	High	Low	Average	High	Low	Average
Oct-24	58,250	54,500	54,500	88.64	82.68	84.91
Nov-24	55,200	53,700	53,700	83.43	81.14	82.49
Dec-24	54,050	53,250	53,250	81.40	79.78	80.45
Jan-25	54,300	52,850	52,850	80.73	77.81	79.42
Feb-25	53,950	52,500	52,500	79.14	76.80	78.10
Mar-25	53,750	52,650	52,650	80.21	77.09	78.53
Apr-25	54,700	53,550	53,550	82.43	78.86	80.64
May-25	54,600	53,900	53,900	82.43	80.24	81.03
Jun-25	54,750	53,850	53,850	81.44	79.32	80.24
Jul-25	57,800	55,000	55,000	85.79	82.03	84.14
Aug-25	57,050	55,400	55,400	83.13	80.13	82.19
Sep-25	55,850	54,850	54,850	81.13	78.79	79.80

NY Nearest Future – Cotlook Price Movement During the season

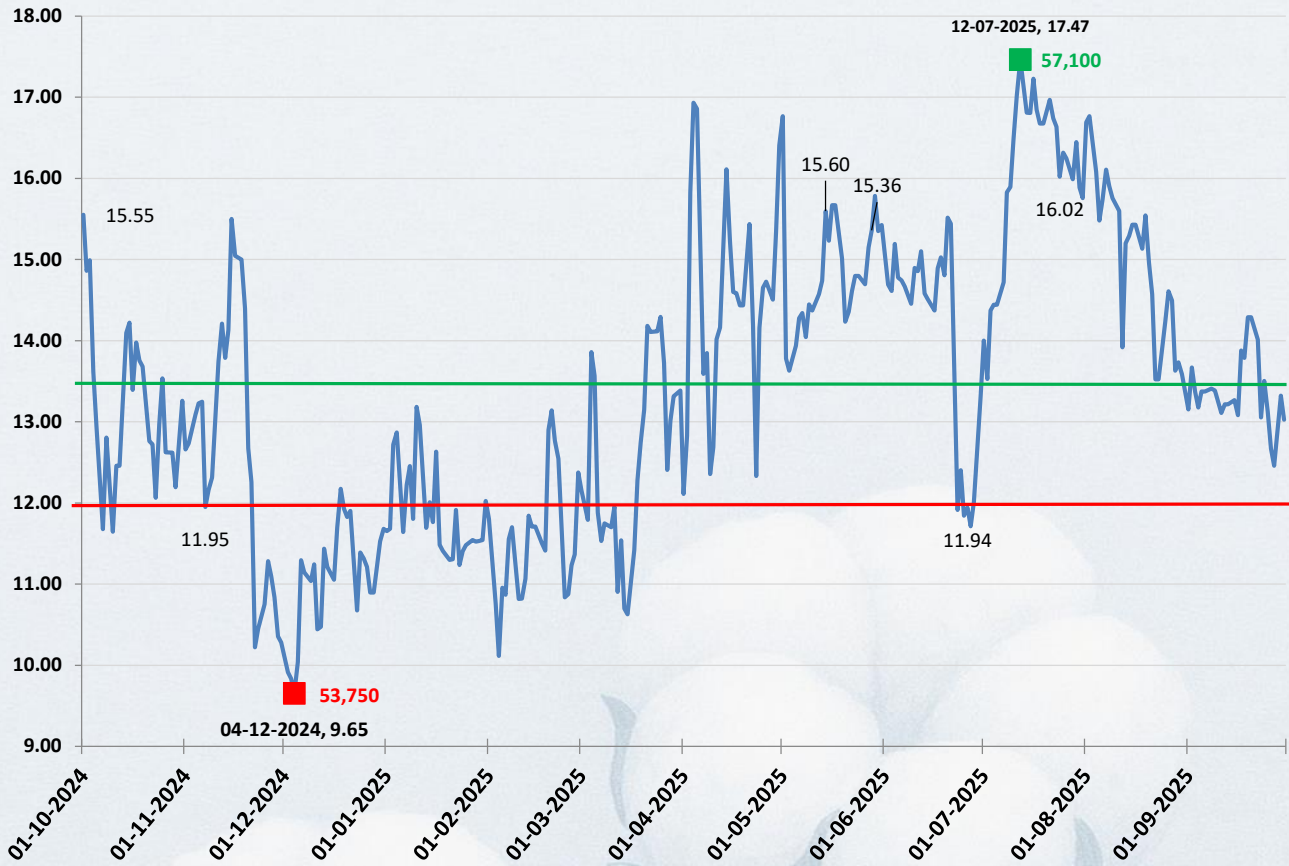


Foreign Indices

Month	NY Nearest Future			Cotlook		
	High	Low	Average	High	Low	Average
Oct-24	73.53	69.57	71.73	85.25	82.05	83.63
Nov-24	71.93	66.62	69.90	83.35	79.35	81.57
Dec-24	71.49	67.91	69.38	82.25	78.15	79.88
Jan-25	68.68	65.88	67.53	79.05	77.25	78.23
Feb-25	67.88	65.25	66.57	79.40	76.80	78.00
Mar-25	67.37	63.24	65.99	79.25	74.95	77.79
Apr-25	68.75	63.36	66.17	80.55	75.25	78.28
May-25	68.42	64.84	66.20	80.00	76.75	77.89
Jun-25	69.32	64.04	66.15	80.15	77.45	78.26
Jul-25	68.80	67.25	68.13	79.50	77.95	78.85
Aug-25	68.39	66.36	67.16	79.95	77.50	78.62
Sep-25	67.68	65.50	66.44	79.10	76.90	77.90

INDIAN BASIS WITH NEAREST NY FUTURE

Period 01-Oct-2024 to 30-Sep-2025



Indian Basis With Nearest NY Future

Month	High	Low	Average
Oct-24	15.55	11.64	13.18
Nov-24	15.50	10.22	12.59
Dec-24	12.17	9.65	11.07
Jan-25	13.18	11.24	11.89
Feb-25	13.14	10.12	11.53
Mar-25	14.29	10.63	12.54
Apr-25	16.93	12.11	14.48
May-25	16.77	13.63	14.84
Jun-25	15.51	11.71	14.09
Jul-25	17.47	13.53	16.01
Aug-25	16.77	13.52	15.04
Sep-25	14.29	12.46	13.36

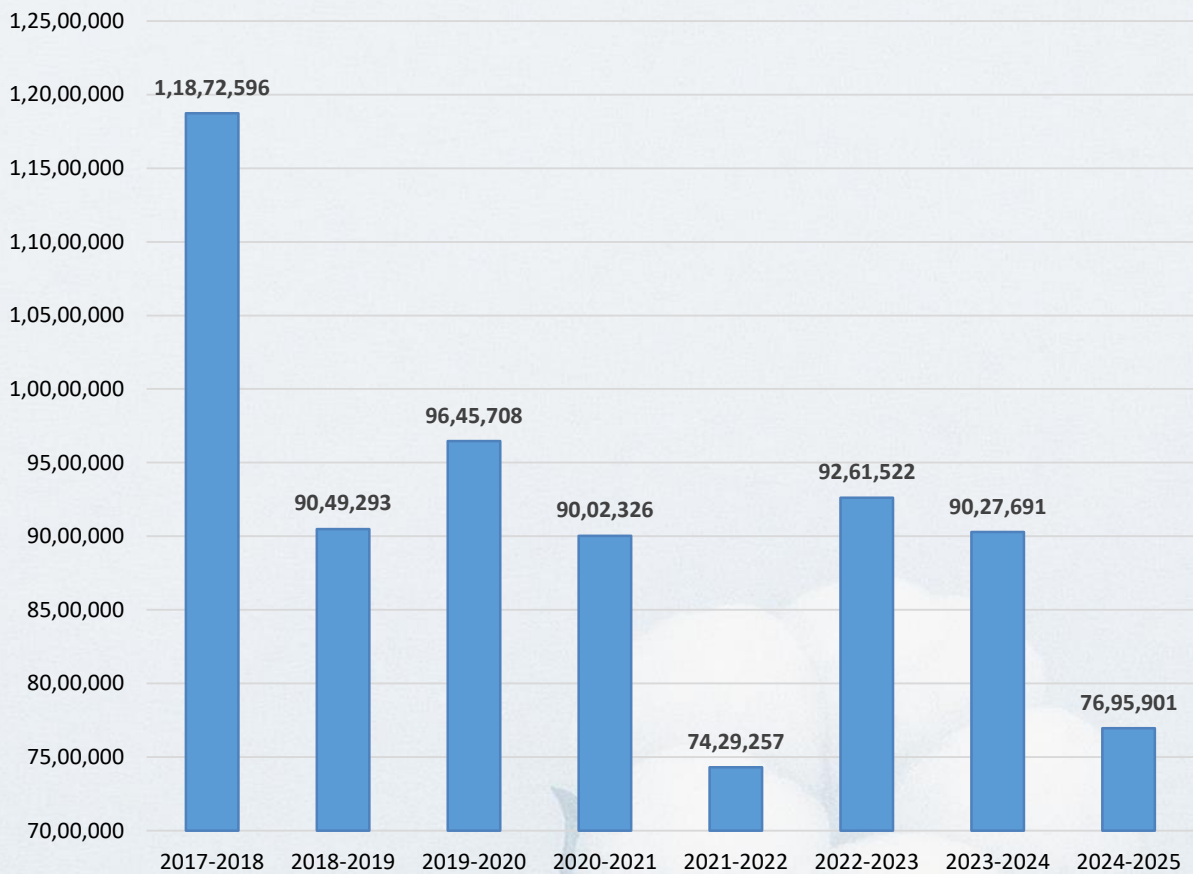
Gujarat Cotton Monthly Pressing 2024-2025



GUJARAT COTTON MONTHLY PRESSING 2024-2025 170 Kg Bales

Month	Pressing
Oct-24	4,39,912
Nov-24	8,53,679
Dec-24	12,27,968
Jan-25	12,64,663
Feb-25	9,80,104
Mar-25	10,13,179
Apr-25	9,98,567
May-25	5,31,879
Jun-25	2,47,875
Jul-25	61,659
Aug-25	40,630
Sep-25	35,787
Total	76,95,901

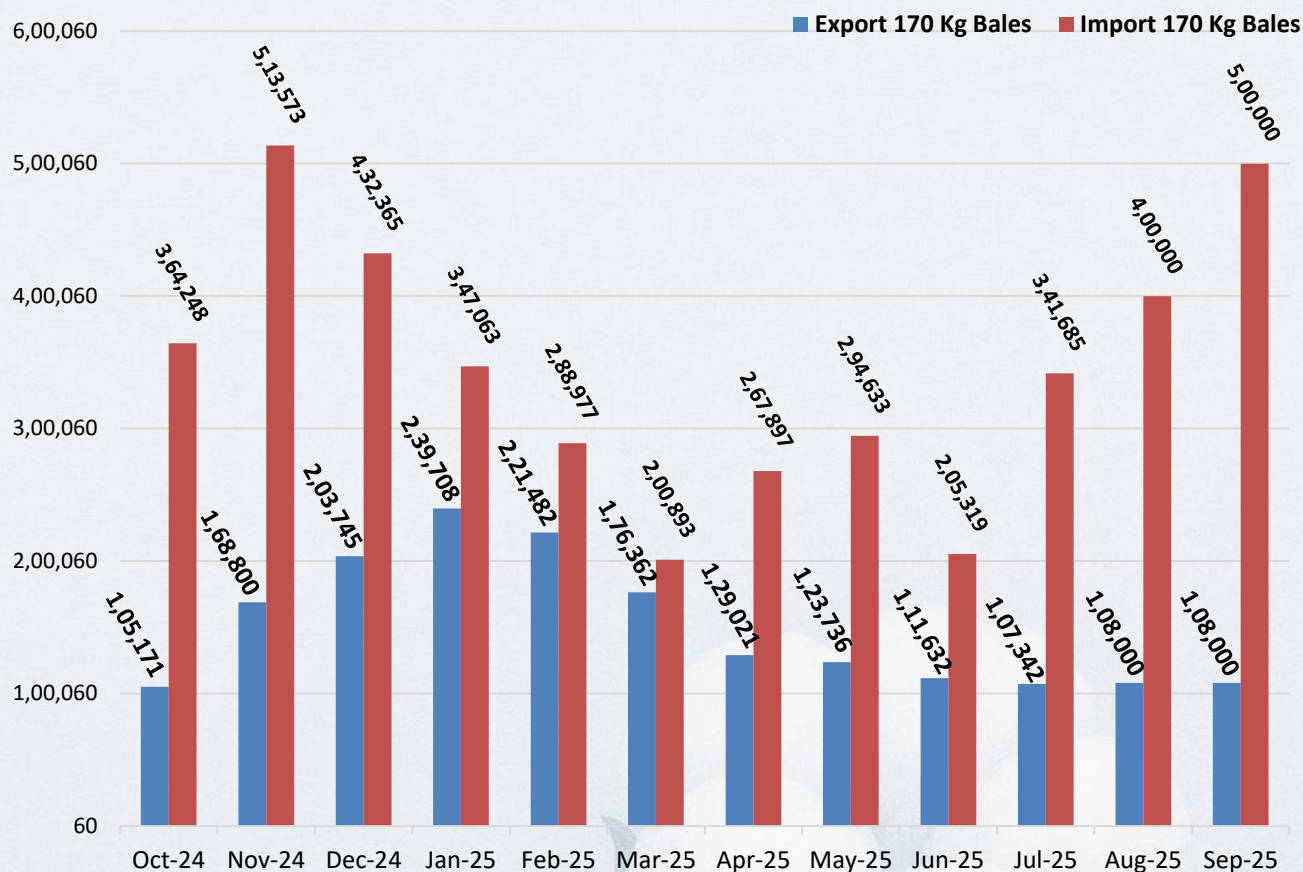
Gujarat Cotton Final Pressing



GUJARAT COTTON FINAL PRESSING 170 Kg Bales

Season	Pressing
2017-2018	1,18,72,596
2018-2019	90,49,293
2019-2020	96,45,708
2020-2021	90,02,326
2021-2022	74,29,257
2022-2023	92,61,522
2023-2024	90,27,691
2024-2025	76,95,901

Raw Cotton Import Export



From 01-Oct-2024 to 31-Aug-2025

Month	Export		Import	
	in Tonnes	170 Kg Bales	in Tonnes	170 Kg Bales
Oct-24	17,879.11	1,05,171	61,922.24	3,64,248
Nov-24	28,695.95	1,68,800	87,307.40	5,13,573
Dec-24	34,636.57	2,03,745	73,501.98	4,32,365
Jan-25	40,750.36	2,39,708	59,000.66	3,47,063
Feb-25	37,651.95	2,21,482	49,126.05	2,88,977
Mar-25	29,981.57	1,76,362	34,151.77	2,00,893
Apr-25	21,933.56	1,29,021	45,542.48	2,67,897
May-25	21,035.16	1,23,736	50,087.59	2,94,633
Jun-25	18,977.44	1,11,632	34,904.29	2,05,319
Jul-25	18,248.10	1,07,342	58,086.49	3,41,685
Aug-25	*18,000.00	*1,08,000	*68,000.00	*4,00,000
Sep-25	*18,000.00	*1,08,000	*85,000.00	*5,00,000
Total	3,05,789.77	18,02,999	7,06,630.95	41,56,653

Source : - Ministry of Commerce and Industry

*Note:- Upto July is Final, Aug & Sep are Estimated by Market Source

Gujarat Area, Production, Yield

Area: “00” Ha., Prod: “00” Bales, Yield: Kg/Ha
Source: Directorate of Agriculture

Irrigated

Season	Area	Production	Yield
2019-2020	18,793.09	67,824.84	613.54
2020-2021	16,693.22	59,825.78	609.25
2021-2022	16,867.95	61,553.64	620.36
2022-2023	20,131.51	87,528.05	739.13
2023-2024	21,490.01	80,367.03	635.76

Unirrigated

Season	Area	Production	Yield
2019-2020	7,753.27	18,418.48	403.85
2020-2021	6,011.81	12,344.16	349.06
2021-2022	5,590.47	12,327.29	374.86
2022-2023	5,360.90	12,479.65	395.74
2023-2024	5,343.23	12,110.26	385.30

Total

Season	Area	Production	Yield
2019-2020	26,546.36	86,243.33	552.29
2020-2021	22,705.03	72,169.93	540.36
2021-2022	22,458.42	73,880.93	559.24
2022-2023	25,492.41	1,00,007.71	666.92
2023-2024	26,833.24	92,477.30	585.88

COCPC Area, Production, Yield Last 5 Years

Season	Area	Production	Yield
2020-2021	132.85	352.48	451.05
2021-2022	123.71	311.17	427.60
2022-2023	129.27	336.60	442.65
2023-2024	126.88	325.22	435.75
2024-2025	114.47	294.25	436.99

COCPC Balancesheet Last 5 Years

	2021-2022	2022-2023	2023-2024	2023-2024	2024-2025
Opening Stock	71.84	39.48	61.16	61.16	47.10
Crop	311.17	336.60	325.22	325.22	294.25
Import	21.13	14.60	15.20	15.20	25.00
Total Supply	404.14	390.68	401.58	401.58	366.35
Mill Cons	284.93	197.80	214.83	214.83	210.00
SSI Cons	21.48	99.83	95.29	95.29	92.00
Non-Mill Cons	16.00	16.00	16.00	16.00	16.00
Export	42.25	15.89	28.36	28.36	18.00
Total Demand	364.66	329.52	354.48	354.48	336.00
Closing Stock	39.48	61.16	47.10	47.10	30.35

Gujarat Cotton Sowing

Gujarat Districtwise Cotton Sowing Till 13-October-2025			
Kutch	778	Saurashtra	14,802
Kutch	778	Surendranagar	3,837
		Rajkot	1,186
North Gujarat	1,693	Jamnagar	869
Banarsakantha	191	Porbandar	41
Patan	439	Junagadh	303
Mehsana	278	Amreli	2,663
Sabarkantha	422	Bhavnagar	2,127
Gandhinagar	174	Morbi	2,081
Aravali	189	Botad	1,531
		Gir Somnath	114
Middle Gujarat	2,194	Devbhumi Dwarka	50
Ahmedabad	397		
Anand	5	South Gujarat	1,498
Kheda	170	Surat	24
Panchmahal	86	Narmada	485
Dahod	7	Bharuch	880
Vadodara	662	Dang	0
Mahisagar	85	Navsari	0
Chota Udaipur	781	Valsad	0
		Tapi	108
TOTAL			20,965
TOTAL (Last Year)			23,715
SUMMARY			
Zone	2025-26	2024-25	Change
Kutch	778	776	2
North Gujarat	1,693	1,933	-240
Middle Gujarat	2,194	2,804	-610
Saurashtra	14,802	16,657	-1,855
South Gujarat	1,498	1,545	-47
TOTAL	20,965	23,715	-2,750
All Figures in '00 Hectares			
Source :- Agriculture, Farmers Welfare and Co-operation Department Government of Gujarat			

All India Cotton Sowing

All India Cotton Sowing

As on 11-10-2025

STATE	(Area in Lakh Hectare)			
	2025-26	2024-25	Change	
Punjab	1.200	1.000	0.200	20.00%
Haryana	4.000	4.760	-0.760	-15.97%
Rajasthan	6.288	5.195	1.093	21.04%
North India	11.488	10.955	0.533	4.87%
Gujarat	20.965	23.666	-2.701	-11.41%
Maharashtra	38.525	40.860	-2.335	-5.71%
Madhya Pradesh	5.810	6.149	-0.339	-5.51%
Central India	65.300	70.675	-5.375	-7.61%
Telangana	18.594	17.709	0.885	5.00%
Andra Pradesh	4.560	3.890	0.670	17.22%
Karnataka	7.499	6.840	0.659	9.63%
South Zone	30.653	28.439	2.214	7.79%
Orissa	2.394	2.377	0.017	0.72%
Tamil Nadu	0.195	0.500	-0.305	-61.00%
Others				
All India	110.030	112.947	-2.917	-2.58%

Cotton Market Overview: Season 2024–25

The 2024–25 season can be characterized as a **low-volatility year** for the cotton market.

International Market (ICE & Cotlook)

- At the beginning of the first quarter, cotton prices were relatively higher in **ICE futures**, the **Indian physical market**, and the **Cotlook A Index**. Trade participants initially anticipated strong demand.
- However, the **global macroeconomic situation did not improve**, and ongoing geopolitical tensions such as the **Russia–Ukraine conflict** and the **Israel–Gaza war** continued to weigh on sentiment.
- As a result, ICE nearby futures, which started around **74 cents**, fell below **70 cents by December**. Thereafter, the market moved in a very **narrow range of 65–68 cents**.
- Prices attempted to cross this boundary on a few occasions but were quickly pulled back into the range, reflecting a lack of fresh triggers. The market largely ignored both bullish and bearish news, remaining range-bound.
- Similarly, the **Cotlook A Index** stayed mostly between **78–80 cents**, further underlining the stability and low volatility in international cotton trade.

Indian Physical Market

- The Indian market began the season with a **higher Minimum Support Price (MSP)**, which created an expectation of firm domestic rates throughout the year.
- However, by December, the Indian market followed the global downtrend. The **Gujcot Spot Rate**, which started around **₹58,000 per candy**, fell below **₹55,000 per candy** by the end of the first quarter.
- From January to June, the market continued in a **narrow range**, mirroring the behavior of ICE futures.
- In the last quarter, a **liquidity crunch** in the system pushed Indian spinners to aggressively procure cotton from the **Cotton Corporation of India (CCI)**, which resulted in a short-lived upward movement in prices.
- But from mid-August, after the **Government of India removed the import duty on cotton**, prices eased again, returning below **₹55,000 per candy**.

Crop & Weather Conditions

- The **monsoon performance was generally good and timely** across most cotton-growing regions, supporting crop development.
- However, in **September**, excessive rainfall caused **localized damage in parts of North and South India**, which may affect quality and yields in those areas.
- In terms of sowing, **South India recorded a marginal increase**, while **Central India lagged behind last year's levels**. Overall, India's sowing was slightly lower than the previous year, but unevenly distributed.

Duty-Free Import of Cotton – A Step to Counter U.S. Tariff Impact

The imposition of heavy tariffs by the U.S. on Indian textile products has adversely impacted the Indian textile industry. To counter this challenge and provide relief to spinners, the Government of India (G.O.I.) has allowed duty-free imports of cheaper cotton until December. This decision is expected to give some level of parity to the industry against global competitors.

Historical Context

For a long period, India was one of the largest producers of cotton, with production levels exceeding domestic consumption. Indian spinners enjoyed access to the cheapest cotton in the world, creating a highly favorable situation for the entire textile value chain.

However, the scenario has changed over the last four years:

- Cotton yield in India has declined.
- Domestic production is no longer sufficient to meet consumption needs.
- In the current year, India is expected to **import nearly 41 lakh bales** of cotton, while exports may remain limited to **around 18 lakh bales**.

This shift has transformed India into a **net importer of cotton**, with an inflow of nearly **24 lakh bales**.

Challenges

1. **Price Disadvantage** – Cotton prices in India remain significantly higher than world prices. With the Minimum Support Price (MSP) system in place, farmers are protected from raw kapas prices falling below a threshold. However, this results in Indian spinners buying costlier cotton compared to their international rivals.
2. **Competitive Pressure** – When the industry is forced to spin expensive cotton, there is little scope to compete with global players. The U.S. tariff burden further aggravates the situation, threatening the survival of the textile value chain.

Government's Response

Recognizing this imbalance, the G.O.I. has permitted **duty-free imports of cheaper cotton** to create a level playing field for the Indian textile value chain. While industry associations have often argued that duties on raw material are counterproductive, this relief measure is expected to ease immediate challenges.

Long-Term Vision for Indian Cotton & Textiles

To sustain and grow exports, India must ensure that raw material costs are competitive with global standards. The following steps are critical:

1. Increase Productivity

- Encourage farmers to remain in cotton cultivation by ensuring fair returns.
- Introduce high-yield and pest-resistant seeds.
- Provide subsidized fertilizers, modern farm equipment, and training to farmers.
- Promote better agronomic practices to bridge the gap between potential and actual yields.

2. Efficient Cotton Management

- Ensure that Cotton Corporation of India (C.C.I.) sells its procured stock in a timely manner and at prices aligned with international levels.
- Avoid holding large inventories that distort market prices and competitiveness.

3. Incentives for Exporters

- Provide fiscal incentives to encourage textile exports.
- Support Indian manufacturers with schemes to enhance global visibility of Indian textile products.

4. Level Playing Field

- Continue policies that allow access to duty-free cotton when domestic prices are uncompetitive.
- Maintain parity with rival countries where input costs are lower.

Conclusion

Duty-free import of cotton is a **short-term relief** and a **wise step** by the Government of India to safeguard the textile value chain against tariff shocks and uncompetitive raw material costs. However, the **long-term survival and growth** of the industry depends on enhancing cotton productivity, ensuring fair farmer returns, and creating a globally competitive ecosystem.

Only through such integrated measures can India achieve its vision of becoming a **leading exporter of textile products** while protecting the interests of both farmers and industry stakeholders.

Ajay Shah

How to Keep Indian Cotton Basis in Line with Global Competitiveness

However, the Government of India has allowed duty-free import of cotton until 31st December, which provides only temporary relief to the textile value chain. While this short-term measure helps the industry cope with immediate challenges, it is not sufficient to ensure sustained growth and competitiveness in the global market.

The Indian textile value chain, being the second-largest employer after agriculture, requires long-term policy measures to strengthen its foundation. To maintain competitiveness abroad, India needs consistent and supportive strategies such as:

Maintaining the competitiveness of Indian cotton in the international market requires a comprehensive approach that addresses both supply-side challenges and trade policy reforms. Over the years, Indian cotton has often traded at a higher basis compared to other origins, primarily due to structural inefficiencies, rising Minimum Support Price (MSP), and policy-induced distortions. To ensure that India remains a reliable and competitive supplier of cotton and cotton-based products, the following strategic measures are recommended.

1. Support to Farmers for Yield Improvement

The foundation of cotton competitiveness lies at the farm level. India's cotton yields remain significantly lower compared to major cotton-growing nations such as the U.S., Brazil, and Australia. The continuous rise in MSP, without corresponding improvements in productivity, pushes domestic cotton prices above international levels. To correct this imbalance, the focus must shift toward yield enhancement.

- **Seed Technology and Quality Control:**
 - Farmers must be provided with high-yielding seed varieties that have a higher lint percentage from kapas, pest resistance, and climate adaptability.
 - Government should **ban lower outturn seeds** and strictly allow only higher outturn seed varieties. This step will directly boost lint recovery, benefiting both farmers and ginneries.
- **Extension Services and Irrigation Support:**
 - Agricultural extension programs should focus on modern crop management, optimal use of fertilizers, pest control, and irrigation techniques.
 - Training programs for farmers on scientific practices should be expanded to bridge the knowledge gap at the grassroots level.
- **Impact on Competitiveness:**
 - Higher yields per hectare will ensure increased domestic supply, reducing pressure on MSP interventions.
 - This will allow Indian cotton to remain price-competitive with global origins while securing farmers' incomes in a sustainable way.

2. Import Quota with Export Obligation

India's mills and exporters need consistent access to competitive raw material. A carefully designed **import quota with export obligation** can provide this balance.

- **Mechanism:**
 - Textile mills and units may be permitted to import cotton at prevailing international prices, provided they commit to exporting finished goods of equivalent or greater value within a defined time period.
- **Export Incentives:**
 - Units operating under this mechanism should be entitled to benefits such as **RoDTEP (Remission of Duties and Taxes on Exported Products)** and **duty drawback**, which are currently denied under the advance license scheme.
- **Benefits:**
 - Mills gain access to cost-effective raw material.
 - Exporters remain competitive in global textile markets.
 - The nation benefits from enhanced foreign exchange earnings.

3. Removal of Barriers to Import

Currently, India levies import duties and maintains trade barriers on raw cotton. These restrictions make domestic cotton artificially expensive, resulting in an inflated basis compared to global benchmarks.

- **Proposed Measures:**
 - Eliminate import duties and non-tariff barriers on raw cotton.
 - Streamline import procedures to allow smooth inflow of cotton from international origins.
- **Impact on Market Dynamics:**
 - Mills will be able to procure cotton at globally competitive prices.
 - Domestic prices will automatically align with international levels, thereby reducing the basis.
 - Free trade will promote efficiency in both farming and textile manufacturing, positioning India as a more reliable global supplier.

4. Creation of Buffer Stock with CCI

Price volatility in cotton markets directly impacts competitiveness. Sharp spikes in domestic prices often make Indian cotton unviable for export contracts. To stabilize the market, the **Cotton Corporation of India (CCI)** should adopt a proactive role in maintaining buffer stocks.

- **Operational Framework:**
 - CCI should maintain reserves of both **domestic and imported cotton**.
 - Cotton can be released through regular auctions whenever domestic prices move significantly above international levels.
 - In periods of shortage, buffer stocks can prevent sudden price surges.
- **Benefits to Mills and Exporters:**
 - Ensures raw material availability at predictable and reasonable rates.
 - Provides stability for long-term export contracts.
 - Reduces volatility-driven risks, keeping India's cotton aligned with international competitiveness.

5. Cottonseed Policy for Edible Oil Utilization

Cottonseed, a by-product of ginning, has untapped potential to enhance farmer incomes and strengthen the cotton economy. India is a major importer of edible oils; developing cottonseed oil as a domestic edible oil source can address both agricultural and trade objectives.

- **Policy Recommendations:**
 - Government should promote establishment of **refineries for cottonseed oil** with financial incentives.
 - Encourage the utilization of cottonseed oil as an edible oil through regulatory approvals and consumer awareness campaigns.
- **Economic Impact:**
 - Higher demand and value for cottonseed will ensure sustainable kapas prices.
 - Farmers will receive better returns for their produce.
 - Ginning units will benefit from higher outturn and improved profitability.
 - India's dependence on imported edible oils will reduce, strengthening domestic food security.

Additional Enablers for Competitiveness

- Ensure affordable raw material availability to protect mills from supply shocks.
- Encourage investment in technology and infrastructure to reduce costs.
- Facilitate workforce training and skill development to improve efficiency and quality.
- Support research and innovation for value-added products with higher global demand.
- Provide stable trade policies and consistent export incentives.

Conclusion

By addressing farm productivity, reforming trade policies, removing import barriers, stabilizing prices through buffer stocks, and promoting cottonseed utilization, India can realign its cotton basis with global competitiveness.

These measures will ensure:

- **Farmers** benefit from higher yields, sustainable prices, and better cottonseed returns.
- **Mills** gain reliable access to competitively priced raw material.
- **Exporters** remain competitive, enhancing foreign exchange inflows.
- **The Cotton Economy** grows sustainably, balancing the interests of farmers, ginner, mills, and traders.

With coordinated efforts by government, industry, and farmer organizations, India can consolidate its position as a leading global cotton supplier while keeping its basis aligned with international benchmarks. Long-term reforms are essential not only to strengthen the sector but also to protect millions of livelihoods dependent on it.

Ajay Shah

Myth and reality of Cotton and its Value chain : A Comprehensive Look at Its Sustainability

In recent years, Cotton slowly and steadily is losing its charm and shine. All of a sudden specially post covid cotton is facing roadblock and has become hate target which led to lesser preference of Cotton as fiber. There has been a systematic rise in anti-cotton propaganda, often driven by vested interests in favour of alternate fibers including synthetic fibers. However, cotton remains a natural, eco-friendly fiber that provides significant environmental and economic benefits. Contrary to the myths surrounding its production, cotton plays a crucial role in the livelihoods of millions of people globally and offers sustainable alternatives to chemical fibers.

All prominent clothing brands of world are moving with more blends and more fusion fabrics. Past Summer seasons of 2024, worldwide 100% cotton garments are not trending, instead fabrics like Viscose, Polyester, Filament Yarn, Modal, Bamboo, Blended Yarn of Cotton-Viscose, Cotton – Polyester, Cotton – Modal etc. are more in the racks of brands. This is mainly due to fluctuating of Cotton price. Paradigm shifts has occurred post covid and especially during March 2022 to September 2022, where cotton prices touched Rs. 1 Lakh per Candy (1 Candy = 355.618 Kg) entire cotton value chain was enjoying the bull ride, but at the same time all brands made huge loss in cotton textiles. Now suddenly cotton being super expensive fiber the garment retailers were not able to pass these sky rocketing prices of Cotton and cotton yarn to cotton garments, and thus entire brands across the world started demoting cotton fabric to match the profitability of the value chain. Finally, this is how brands launched alternate fiber to their kitty and started avoiding Cotton.

Due to this avoidance and neglect of cotton from brands and retailers, cotton value chain started feeling pressure. From November 2022 Cotton value chain including Spinners, weavers, knitters, processor started making losses. To top up the trouble of cotton value chain, new fake narrative started rolling about Cotton being the most pollutant fabric giving sustainability angles, Green House Gas emission, Water stress etc. These situations of cotton started facing competition from synthetic fibers, Viscose fibers, filament yarn which are cheaper and easy to maintain.

Historically Cotton is preferred fabric because it is skin friendly, 100% natural and it gives soothing effect to body especially in India which has all variety of weather and temperature. Because of hot weather and heat, cotton was and is always considered as a rich fabric and has maintained its class which as a trend is diminishing, which is a big worry. To effectively counter the misinformation against cotton, it is essential to adopt a balanced, evidence-based approach. Let's explore the key points regarding cotton's

sustainability, its role in the global economy, and how sustainable farming practices are transforming cotton production.

1. Addressing Claims About Cotton's Water Consumption

Claim : Cotton consumes huge amounts of water and is Water guzzler crop. 1 Kg of Cotton consumes 20000 litre of water.

a) Exaggeration of Water Usage:

Cotton plant basically is desert plant, grows in arid climate regions fundamentally it does not require large volume of water. Cotton crop only requires water at critical stages only. While cotton cultivation does require water, the idea of it being a “water guzzler” is often overstated. As per International Cotton Advisory Committee research, cotton requires only 1214 litres of Blue water to produce 1 Kg of Lint Cotton. Rest other water requirement is Green Water i.e. natural seasonal rain water and not irrigated water

The water footprint of cotton depends significantly on where it is grown. Many cotton-growing regions use efficient irrigation techniques, such as drip irrigation, or rely on natural rainfall, minimizing water consumption. More than 60% of the water cotton 'consumes' is 'green water' that simply falls from the sky and is returned to the environment as part of the natural life cycle.

Also, there is argument that Cotton processing needs huge amount of water when converted into fabric or garment. But latest technology and Zero Litre Discharge (ZLD) technology is game changer and almost 92 - 94 percentage of water usage is recycled and reused again, saving precious water.

b) Comparison with Synthetic Fibers:

The production of synthetic fibers like polyester also requires considerable amounts of water, especially during the chemical processing stage. Polyester production, unlike cotton, relies on fossil fuels, making it far less sustainable in comparison. Research shows that cotton degrades 95% more than polyester in wastewater. Synthetic fibres, are made from oil and are the cause of unsustainable microfibre pollution in the world's waterways.

c) Efficient Farming Practices:

Advancements in agricultural practices, including rain-fed farming, are increasingly minimizing cotton's water footprint.

2. Debunking the Myth: "Cotton is Not Environmentally Friendly"

Claim: Cotton is not environment friendly.

a) **Biodegradability:**

Unlike synthetic fibers such as polyester, cotton is a natural fiber that decomposes rapidly, without releasing harmful microplastics into the environment. Polyester, by contrast, contributes to microplastic pollution in oceans, rivers, and soil.

One of the most significant advantages of cotton is its biodegradability. While synthetic fibers like polyester can take hundreds of years to decompose, cotton breaks down within weeks to months, leaving no harmful residues behind. This rapid decomposition is vital in reducing pollution in waterways and landfills, making cotton a far more sustainable choice than synthetic fibers.

b) **Sustainable Farming Practices:**

Many cotton farmers now adopt sustainable practices, such as organic farming, integrated pest management, and regenerative agriculture. These practices reduce the environmental impact of cotton farming.

c) **Long Lifecycle:**

Cotton products tend to be durable and long-lasting, reducing the overall environmental impact compared to synthetic alternatives that often wear out more quickly and end up in landfills. Cotton plant can be grown in harsh condition. Cotton plant is a tough, hardy, flexible plant that is indeterminate in nature.

3. Addressing Soil Degradation Concerns about over using pesticides and Agro Chemicals: The Shift Toward Sustainable Practices

Claim: The overuse of Agro chemicals and Pesticides degrades soil and harms ecosystems.

Cotton farming has seen significant advancements in recent years toward sustainability. Key trends include:

a) Reduced Chemical Fertilizer Use

Farmers are increasingly optimizing fertilizer use, minimizing chemical inputs, and enhancing soil health through better practices. Due to innovation in fertilizers and plant nutrient management system, now a days excess usage of fertilisers is being monitored and avoided.

b) Usage of Pesticides.

Lot of Myth about Cotton prevails are excessive usages of pesticides to produce fibre, which will increase pesticides. But as per ICAC, With a mere 1 kg of pesticides, cotton produces enough fibre to make 600 t-shirts. Also huge research is going on to reduce the pesticide usages, and similar seeds technology is invented which reduces the usages of pesticides.

c) Organic Cotton:

Organic farming avoids synthetic pesticides and fertilizers, relying instead on crop rotation, composting, and biological pest control.

d) Better Cotton Initiative (BCI):

BCI promotes sustainable cotton production, with a focus on reducing water and chemical use while ensuring improved working conditions for farmers.

e) Fair Trade Practices:

These practices ensure that cotton farming is both environmentally and socially responsible by focusing on fair wages and better working conditions.

4. Cotton is 100% Recyclable.

Cotton is often hailed as a fully recyclable and multi-purpose crop. Unlike synthetic fibers, cotton is biodegradable and completely usable and consumed at all levels. Raw Cotton includes mainly two parts Cotton Seed and Cotton. Now Cotton seeds are processed into cottonseed oil, a valuable edible oil that is widely consumed across the globe. Additionally, the leftover cottonseed meal, which is the byproduct of oil extraction, is used as a nutritious cattle feed. And it is evident that by consuming this cotton seed meal (Khol) all milking cattle gives more milk. Thus, virtually no part of the cotton plant goes to waste.

Now cotton is used in textile industries and probably a best fiber. This stands in stark contrast to chemical fibers, which often leave behind harmful and non-degradable waste products.

5. Cotton's Role in the Global Economy

Cotton plays a vital role in the global economy, providing income and employment for millions of people around the world, particularly in developing countries.

Economic Impact:

a) Global Trade:

Cotton is a significant agricultural commodity, with countries like India, China, the USA, and Brazil leading in production and export. It is essential to the agricultural economies of many nations.

b) Contribution to GDP:

Cotton farming and its related industries make substantial contributions to the GDP of several countries.

c) Job Creation:

Cotton provides jobs at various stages of production, from farming and ginning to spinning, weaving, dyeing, and garment manufacturing. Countries like India, China, Bangladesh, Vietnam, and Turkey are major producers of cotton-based textiles, providing millions of jobs in cotton value chain.

d) Regional Focus:

- i. **Africa:** Smallholder farmers in Africa rely heavily on cotton cultivation, providing economic support in regions with challenging climates and economic conditions.
- ii. **Asia:** Asia is not only a major producer but also a significant consumer of cotton, with extensive textile manufacturing industries.
- iii. **Latin America:** Cotton production in Latin America is growing, with a focus on sustainable practices that minimize environmental impacts.

6. Consumer Awareness and the Shift Toward Sustainable Fashion

The demand for sustainably produced cotton is increasing, as consumers become more aware of the environmental and ethical impacts of their choices. This has led to a rise in the popularity of sustainable cotton certifications and eco-friendly fashion.

Ethical Fashion:

a) Fair Trade and Eco-Labels:

Many consumers now seek products that are certified as organic, fair trade, or produced with sustainable practices. Cotton, with its growing availability in these categories, offers a natural alternative to synthetic fibers in ethical fashion.

b) Fast Fashion's Impact:

While fast fashion encourages the rapid consumption of cotton, it also raises awareness about the need for more sustainable production methods, including the use of organic cotton and eco-friendly manufacturing processes.

Conclusion

Cotton is undeniably an eco-friendly and economically crucial natural fiber. While challenges in its production do exist, such as water usage and pesticide application, the industry is undergoing significant improvements through sustainable farming practices, certifications, and innovations in textile production. When compared to synthetic fibers, cotton remains a more environmentally responsible option, offering biodegradability, supporting millions of livelihoods, and contributing to global economies.

The claims made in anti-cotton propaganda tend to focus on narrow and misleading perspectives. Cotton, as a natural fiber, plays an essential role in the textile industry and offers multiple benefits for both humans and the environment. When compared to synthetic alternatives, cotton is biodegradable, recyclable, and fully usable. Its byproducts contribute to human nutrition and animal feed, while the plant itself can help reduce carbon emissions. The ongoing efforts to make cotton farming more sustainable make it a vital resource for a green economy. In the long run, cotton's positive attributes far outweigh the concerns promoted by anti-cotton rhetoric.

To counter the narrative pushed by vested interests in favor of chemical fibers, it is essential to focus on scientific evidence, data on sustainable farming practices, and cotton's socio-economic impact. By embracing cotton's strengths and acknowledging its challenges, we can continue to support a sustainable, eco-friendly, and economically vital industry.

So let's start to Defend our Cotton, Our natural fibre! When you see myths being told about cotton, point them out as Education is the key to change.

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(Disclaimer: All views are personal and the references are taken as per our best knowledge, Inputs of International Cotton Advisory Committee, various cotton reports, GOI references etc.)

Indian Cotton Spinning Industry Outlook

The Minimum Support Price (MSP) policy on cotton in India has historically ensured fair returns to farmers but often results in higher raw material costs for domestic textile mills compared to their global competitors. Because of this cost disadvantage, Indian cotton mills are pushed to walls, alternate fibre like viscose, polyester, MMF etc. has found advantage cutting overall cotton consumption.

Domestic textile market has shifted its cotton based to other blends and henceforth Indian cotton spinning industries is struggling, last year almost 2 million cotton spindles has been shut and another one million spindles has shifted to alternate fibres. That is reason in spite of lower cotton production still there is no demand if Indian cotton making cotton balance sheet with large stocks carry forward.

In spite of instability in Bangladesh — driven by political unrest and dollar shortages — and a decline in cotton production in Pakistan, Indian Spinning industries faces a great challenge because of higher domestic cotton price. Indian cotton prices is still higher by 8-10% Especially MSME Spinning mills are in great danger. Large mills and corporate have explored options of import of cotton to certain extent, but largely international price of cotton yarn is linked to Newyork exchange and this is the reason, why Indian spinners are non competitive compared to international prices. Remarkably, large and corporate Indian spinners have managed to explore and establish new export destinations, enabling India's cotton yarn exports to remain broadly aligned with their five-year average levels.

Additionally, the government's decision to allow duty-free import of cotton until December, combined with the presence of substantial opening stocks, may support mill operations during the first quarter of the new marketing season in terms of cotton availability, but still margins are under tremendous pressure as Indian cotton yarn is highly expensive compared to yarn produced by other competitors.

However, If the Cotton Corporation of India (CCI) commences its sales early and maintains pricing in line with international market trends, the overall market sentiment may ensure stability. But if CCI starts their sales operation late than Spinning industries will be pushed to boundary and even face further closure. This is strange situation, there will be plenty of Cotton

available but because of high price consumption may see further hit. Import window is closing on 31st Dec 2025, which will make situation bad to worse.

Looking ahead, Spinners need improvements in skill development, adoption of modern machinery, and supportive government policies will help the Indian textile sector recover from the tariff shocks imposed by the United States and enhance its global competitiveness. Indian spinners only can survive if we get local cotton at international price, Brazil is dominating cotton market because of high yield and better seeds.

With a strong foundation, technological advancement, and a dedicated industry approach, Indian mills still struggle because of higher cotton price. Indian cotton spinners have to discover new markets and strengthen their presence in the global textile value chain. The resilience and innovation of Indian cotton spinners will struggle because of higher price disparity of Indian cotton compared to world cotton.

Today as on second week of October 2025 Yarn is struggling for its demand and export prices still have 10-15 cent difference which is 10 Rs difference per kg. Even at 53000 per candy, 30CCH Yarn manufacture cost comes at Rs 232 per kg, making cash loss of 4-5 Rs per kg. Situation will worsen in the month of December 2025.

Cotton Yarn Export		
Season	In Tonnes	
2020-21	11,81,313.11	Final
2021-22	8,99,310.59	Final
2022-23	9,27,062.33	Final
2023-24	10,91,582.60	Final
2024-25	10,50,000.00	Est.

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Special Appreciation from Team Gujcot

Team Gujcot extends its sincere gratitude to our esteemed sponsors for their generous support during the 2024–25 and 2025–26 seasons. Your valuable contribution plays a vital role in enabling us to achieve our objectives and continue serving the cotton trade community with dedication and excellence.

We deeply appreciate your partnership, trust, and commitment, which remain integral to our ongoing growth and success. Thank you for being an essential part of the Gujcot journey.



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