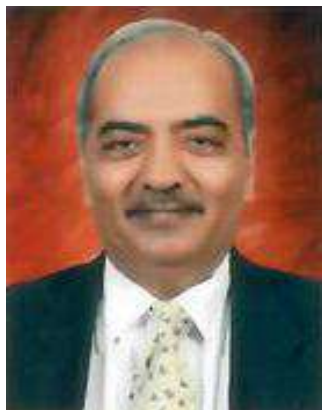




MSP increase in line up inflation is a necessity

Mr. Vinay Kotak, Director, Kotak Ginning & Pressing Industries, in Q&A with Tecoya Trend



Tecoya Trend: How do you assess the performance of Indian cotton during the 2024–25 season so far? What are your updated production and consumption estimates?

MR. VINAY KOTAK:

Indian Cotton has remained range bound within 5%. Ginners who have given lease their factory to CCI has remained profitable. Whereas those ginning factories who tried to run themselves most

of them made losses. Spinning mills suffered from very slow demand throughout the year with weak price trend.

Tecoya Trend: India, the world's second-biggest cotton producer, has extended the exemption on the 11% import duty on cotton until December 31, 2025. How do you see this move impacting domestic prices, imports, and the overall cotton value chain?

MR. VINAY KOTAK: Extension of exemption on Import Duty of 11% until 31st December 2025, is a welcome move. Additional Imports by Spinning mills will be between 10 to 15 Lakhs in the Quarter ending 31st December 2025. Spinning and Weaving mills will be able to remain competitive due to exemption in Duty upto 31st December 2025. Domestic prices have fallen only marginally due to CCI marketing policy.

Tecoya Trend: What are the biggest challenges and opportunities you foresee for the cotton industry in the current season?

MR. VINAY KOTAK: The Biggest challenge during current season is to face impact of USA Tariff on Textiles. The Biggest Opportunities will be to divert marketing in domestic market and diverting – selling to U.K and EU Countries.

Tecoya Trend: MSP on cotton has been steadily increasing. Do you feel this will make Indian cotton less competitive globally and impact downstream spinning and textile sectors?

MR. VINAY KOTAK: MSP increase in line up inflation is a necessity, failing which farmers will divert from cotton to other crops resulting into big deficit in cotton supply and spinning mills will be only at the mercy of Imported Cotton. Present method of MSP operations makes our cotton very costly as compared to International price and impact in downstream – Spinning and Textile Sector

Cotton Procured under MSP should be marketed at an

average price between Index A and Indian spot price. This will help spinning and textile mills to become competitive.

Tecoya Trend: How do you view India's current cotton import-export policy? What policy changes do you recommend to balance farmer welfare with textile industry competitiveness?

MR. VINAY KOTAK: The present Import – Export policy is not stable and it is uncertain. Recommendation for the policy is that it should be long-term policy for at least 3 years. Policy should be Free Export and import free of Duty between April to September. For other months Duty should be reduced to 5% in order to remain competitive in export market for our textile goods. **Tecoya Trend:** Global brands are seeking more certified sustainable cotton. How ready is India to meet this demand, and what changes are needed in certification, traceability, and branding?

MR. VINAY KOTAK: We are well equipped in BCI cotton. For certification, traceability and branding, International renounced agency and Government should join hands. Farmer producer companies should be encouraged to join this requirement.

Tecoya Trend: Kasturi Cotton was launched as a national cotton brand. In your opinion, how successful has it been so far, and what more should be done to establish it globally?

MR. VINAY KOTAK: Kasturi Brand has started getting popularity, but still long way to go. Government should give special subsidy to textile mills for developing products made out of Kasturi Cotton for marketing domestically as well as in International market.

Tecoya Trend: Cotton yields in India remain far below global benchmarks, at 450–500 kgs per hectare against >1,500 kgs in some countries. Do you see India reaching 1,000 kgs per hectare soon? What key steps are needed?

MR. VINAY KOTAK: India call easily reach 1000 /kg per hector within 2-3 years.

Educating Farmers for protection of the crop from insects and appropriate agriculture management. Will help increase in yield soon in short term. Government should also ensure that duplicate seeds are not sold to farmers.

Tecoya Trend: Farmer incomes remain stagnant despite rising cotton prices. What measures would you recommend to improve profitability at the farm level?

MR. VINAY KOTAK: Profitability at the farm level can be increased only by increase in productivity. Farmers production

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companies should be encouraged for availing better seeds and marketing of cotton.

Tecoya Trend: *On the global front, how do you view India's cotton export performance in 2025? Which markets hold the biggest opportunities and risks?*

MR. VINAY KOTAK: During 2025, cotton export is about 15 lakh bales. 90% has gone to Bangladesh due to locational advantage. Bangladesh market holds biggest opportunity but risk of payments.

Tecoya Trend: *With FTAs being finalized with the UK and under negotiation with the EU, how do you see trade dynamics playing out for Indian cotton and cotton textiles?*

MR. VINAY KOTAK: Indian Garments and Home Furnishing products will start getting share in U.K. as well as EU market. However, there will be some time lack.

Tecoya Trend: *Given the increasing role of polyester and MMF in India's textile roadmap, where do you see cotton's place in the long-term fibre mix?*

MR. VINAY KOTAK: In my opinion cotton share in the total fibre consumption is reaching bottom. NGO's and cotton association in the world are having plans to educate consumers about micro plastics harming health of the consumers out of Man-Made-Fibre.

Cotton consumption can be increased if the use in non-textile products is encouraged.

Tecoya Trend: *What should be the growth mantra for India's cotton and textile value chain over the next five years?*

MR. VINAY KOTAK: Integrate right from procuring cotton from organised FPO up to garments and established brand relying on diversified marketing in Domestic as well as international market.