

# Global Garment Buyers Back in Tiruppur as Prices Dip

Exporters start getting orders again from the likes of Walmart and Primark as falling yarn and cotton prices make their products competitive

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**Kolkata:** After three months of continuous slide in orders from global markets, garment manufacturers in Tiruppur have started getting orders from global brands like Primark and Walmart as their prices have become competitive due to fall in cotton and yarn prices.

Exporters said that countries like Vietnam, Thailand, Bangladesh were quoting much lesser prices for their garments compared to India which impacted India's export orders. Indian exporters were facing problems over rising cotton and yarn prices in the domestic market and the small and medium units who are into garments exports suf-

fered from a liquidity crisis.

"The export situation has started improving. Recently, yarn prices in India have decreased by 10-15% and this is going to benefit mainly India, not much the competitor countries. Currency depreciation is also in our favour. So we are also hoping that some orders from Vietnam and Bangladesh will also come to us. Big global brands like Primark, Walmart and others have started placing orders with us," said K N Subramanian, president, Tiruppur Exporters Association (TEA).

Tiruppur has 3,000 garment manufacturing units that employs around 18 lakh people. The annual exports of Tiruppur ranges between ₹33,000-₹35,000 crore.

Indian cotton spot prices have sof-

## A Stitch In Time

Yarn prices in India said to have fallen by 10-15%



Likely orders from Vietnam & Bangladesh



Currency depreciation also in India's favour



## TIRUPPUR

Has 3,000 garment manufacturing units

Employs 18 lakh people

₹33,000-₹35,000 cr Annual exports

tened by about 6.21% in October to date to trade near ₹32,508 per bale (170 kg) as cotton arrivals have picked up. Cotton prices have been

losing on higher domestic production estimates for the crop year 2022-23. "We now expect prices would fall to ₹32,000/₹30,000 per bale

in the coming days while it can slip to ₹25,000 in the medium-term," said Tarun Satsangi, research analyst with Origo Commodities.

Cotton demand remains sluggish while lower prices can boost the market sentiment as Indian cotton has now become cheaper than Pakistan, which will up Indian cotton demand in the international market. Further, the Chinese yarn that is banned by the US is now finding its way into the Indian market at cheaper rates, Satsangi added.

Cotton prices had gained 40% during the period May-June and were at an 11-year high due to a demand-supply mismatch.

Barath Raj, managing director of Tiruppur-based Selvanganpathy Amman Garments said that the demand for garment has gradually

started coming from Germany and Russia, where they are major suppliers. "The demand is up for kids-wear and maternity wear," he said.

The TEA president said that they have also urged the government to sign the Free Trade Agreement (FTA) with UK so that exports from Tiruppur can go up to ₹50,000 crore by FY25. "Apparel manufacturers have been losing business to countries such as Vietnam, which has recently ratified its FTA with the EU. It is much cheaper for the European companies to place orders with Vietnamese vendors because they don't have to pay duties, whereas duties are between 9% and 16% for imports from India," he added.

The overall export of ready-made garments stood at \$16 billion in FY22.

# Rice procurement up 12% on early start but drops 60% in UP

**MAKING UP.** Punjab, Haryana and Tamil Nadu help in lifting rice purchases

**Prabhudatta Mishra**  
New Delhi

Rice procurement has increased 12 per cent to 114.33 lakh tonnes (lt) during the first month of the current procurement season (October-September), thanks to Punjab and Haryana. The grain's purchase is up by 8 per cent in these two States compared with the year-ago period. Uttar Pradesh, the biggest grower of paddy in the kharif season, has seen purchases slide by 60 per cent to 22,557 tonnes.

Though the Centre said it will likely miss the 40 lt procurement target in Uttar Pradesh, the meagre purchase from the State could potentially drag the pan-India procurement down as any steep fall is unlikely to be offset by other States. The target of kharif-grown rice procurement has been fixed at 518 lt for the current season against the procurement of 510 lt in 2021-22.

## HARYANA NEAR TARGET

According to the latest available data, the procurement in Punjab reached 71.8 lt until October 31, up from 66.3 lt a year ago. The Punjab government has assured the Centre that its target of 125 lt will be achieved, sources said. Haryana has seen rice procurement reaching 35 lt against 32.3 lt whereas its target is to buy 37 lt for the Central pool.

Procurement of paddy began on October 1 in both States. It is scheduled to end on November 15 in Haryana and November 30 in Punjab. The official purchase in Bihar, Odisha, Madhya Pradesh and West Bengal started on Tuesday (November 1). The pro-



**FINGERS CROSSED.** The target of kharif-grown rice procurement has been fixed at 518 lt for the current season against 510 lt procured in 2021-22.

curement in the eastern region of Uttar Pradesh, too, began on Tuesday and will continue through February. "Uttar Pradesh contributed nearly 44 lt to the Central pool last year. Due to a drought-like condition in several districts during the transplantation period, the yield has been affected and the output may also be lower. It is just the beginning of the season and if the situation warrants the procurement period can be extended. But the deficit needs to be contained within 30 per cent (or 12-13 lt), otherwise, it will be difficult to match last year's 510 lt level," said a source involved in procurement.

## PROBLEMS IN UP

Uttar Pradesh faced a severe rainfall deficit during the first

## Promising purchase

(In lakh tonnes)

	2022-23	2021-22	% chg
Punjab	71.80	66.3	8.4
Haryana	35.00	32.3	8.3
Tamilnadu	5.38	1.20	344.7
Uttar Pradesh	0.22	0.56	-59.8
Telangana*	21	87	-75.4
All India	114.3	102.2	11.8

Source: Food Corporation of India, \* in tonnes, Rice procurement year runs from Oct to Sept

three months of the monsoon season and ended up with the area under paddy being lower by 2.2 lakh hectares.

Production in the State has been pegged at 124.8 lt for the 2022-23 kharif season, down from 152 lt year-ago. The Food Ministry last month said paddy

procurement across the country would be normal, except for Uttar Pradesh.

The procurement in Tamil Nadu has surged over four times at 5.38 lt until October 31 as rice purchases started a month earlier from September 1 and will continue until March 31. The State has set a target to buy 20 lt of rice from the kharif season, same as last year.

According to experts, the rice procurement is significant as any release of rice under the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) next year will depend on the current season's purchase.

The government has already decided to distribute free-of-cost foodgrains to those below poverty line, for nine months in FY 2022-23.

# Govt allows duty-free paddy export to Nepal

**Subramani Ra Mancombu**  
Chennai

The Centre has permitted duty-free exports of six lakh tonnes (lt) of paddy (rice in husk) to Nepal in a move that is seen as helping the Himalayan nation meet its food security. In a notification issued on Monday night (October 31), the Ministry of Finance said the quantity permitted will be from the date of notification — October 31, 2022. A trade analyst said the move could be a political one as part of India's efforts to get Nepal away from further strengthening its ties with China.

## RELIEF FOR EXPORTERS

The notification should come as a relief to exporters since shipments of rice, particularly steamed rice, got held up after India restricted the grain's exports from September 9.

In a notification issued on



**STRATEGIC MOVE.** The export of 6 lt of duty-free paddy could be part of efforts to wean Nepal away from China

September 8, the Centre banned exports of fully broken rice and imposed a 20 per cent export duty on non-basmati white (raw) rice. Basmati and parboiled (boiled) rice have been exempted from any shipment curbs. Nepal is a major consumer of steamed rice and it imports nearly 10 lt of the variety annually. Its shipments had got held up after

Customs authorities treated it as white rice. However, the Food Corporation of India clarified that steamed rice does not fall under the category of raw rice since it was being treated.

In another significant development, the Finance Ministry has permitted duty-free exports of organic non-basmati rice. The analyst said this was a move to promote

the export of organic products by the Centre.

## REMOVING AMBIGUITIES

The notification said such organic rice consignments should be accompanied by transactional, including provisional, certificates from an organisation authorised by the National Accreditation Body for Organic Products under the National Programme for Organic Production.

The Finance Ministry notification has removed all ambiguities on permitting exports of rice, which are banned or attract export duty. It said broken rice shipments would be permitted if the exporter had obtained a letter of credit (LoC) before September 9. However, The Rice Exporters Association (TREA) said the notification had missed a crucial issue by not adding "or" in the notification that allowed duty-free permits of shipments.

# Agri exports surge 25% to \$13.7 bn in H1

SANDIP DAS

New Delhi, November 2-

**EXPORTS OF AGRICULTURAL** and processed foods rose 25% to \$13.7 billion during the first half of the current financial year, compared to the same period last year driven by a spike in shipments of rice, fruits and vegetables, livestock and dairy products.

According to provisional data released by the Directorate General of Commercial Intelligence and Statistics, basmati rice exports rose 37% in H1FY23 to \$ 2.2 billion, while the shipments of non-basmati rice registered a growth of 8% to \$ 3.2 billion.

Non-basmati rice exports are, however, likely to decline in the second half of the current fiscal, as India has imposed a ban on broken rice exports and imposed a 20% export tax on white rice.

Wheat export registered an increase of 136% on year to \$ 1.4

## Agricultural & processed food products exports

	(April-Sept 2022-23) (\$ billion)	% change (y-o-y)
Non-basmati rice	3.2	8
Basmati rice	2.2	37
Meat, dairy & livestock	2	10
Cereals preparations	2.1	29

\*including other products; Source: APEDA

billion in April-September. India banned shipment of wheat in May while still allowing only those consignments aimed at meeting food security needs of developing countries. In the current fiscal, India has exported 4.5 million tonne (mt) of wheat so far while 7 mt of grain was shipped in FY22. For the current fiscal, an export target of \$ 23.5 billion has been set by Agricultural and



Processed Food Products Exports Authority (APEDA).

Exports of products under APEDA basket was \$ 25.6 billion in 2021-22, which was around 51% of the country's total agricultural goods exports of more than \$ 50 billion. The agri-exports in previous fiscal was close to 20% more than FY21. Exports of meat, dairy and poultry products rose by more than

10% \$ 2 billion in the first half of the current fiscal compared to previous year. The poultry products alone registered a growth of 83% to \$ 57 million during the same period. Similarly, dairy products recorded a growth of 58% \$ 342 million in the first half of current fiscal. "We have been working with all the stakeholders such as farmers, exporters, and processors to ensure that quality agricultural and processed food products are exported from the country." M Angamuthu, Chairman, APEDA, said. The rise in the export of agricultural and processed food products is the outcome of the centre's initiatives for export promotion of agricultural and processed food products such as organising B2B exhibitions in different countries, exploring new potential markets through product-specific and general marketing campaigns by the active involvement of Indian Embassies.

# India aims to end urea imports from 2025: Minister

Reuters

NEW DELHI

India aims to end imports of urea from 2025 as the nation boosts its local production capacity with the commissioning of new plants, fertilisers minister Mansukh Mandaviya said on Wednesday.

“We are aiming for ending our dependence on imported urea by 2025... our five new plants will be commissioned by then,” he told reporters.

Production of indigenous local urea containing nanoparticles of the crop nutrient would rise to 5 MT by 2025, he said, adding PM Narendra Modi will inaugurate the Ramagundam plant on November 12.

# India wheat export doubles to \$1.48 billion in April-Sept.

## Press Trust of India

NEW DELHI

The country's wheat exports more than doubled to \$1.48 billion during April-September as compared with the year-earlier period, the Commerce Ministry said.

Though the government banned wheat exports in May, some shipments are allowed to meet food security needs of the countries that request for it.

"Wheat export rose to \$1,487 million in April-September from \$630 million in April-September 2021," the Ministry said.

### Supply disruption

The global wheat supply has been seriously disrupted because of the Russia-Ukraine war. Both nations



are major wheat producers.

The Ministry also said exports of agricultural and processed food products rose 25% during the six-month period of the fiscal.

The overall export of Agricultural and Processed Food Export Development Authority (APEDA) products increased to \$13.77 billion in April-September 2022 from \$11.05 billion in the year-earlier period.

For 2022-23, an export target of \$23.56 billion has been fixed by APEDA and export of \$13.77 billion has already been achieved in the six-month period.

### Fresh fruit exports

Similarly, export of fresh fruits increased to \$313 million from \$301 million a year earlier. Export of lentils rose from \$135 million to \$330 million.

Basmati rice exports, too, increased to \$2.28 billion from \$1.66 billion a year earlier. Shipments of non-basmati rice registered a growth of 8% to \$3.20 billion.

Similarly, export of poultry products increased 83% to \$57 million, while shipments of dairy products climbed 58% to \$342 million.