

THE KARACHI COTTON ASSOCIATION

(The Cotton Exchange, I.I. Chundrigar Road, Karachi)

EXECUTIVE COMMITTEES' REPORT COVERING ACTIVITIES OF THE ASSOCIATION FOR THE YEAR 2019-20 AND AUDITED ACCOUNTS OF THE ASSOCIATION FOR THE YEAR ENDED JUNE 30, 2020

The Executive Committee is pleased to present their Annual Report covering activities of The Karachi Cotton Association for the year 2019-20 and Audited Accounts for the financial year ended on June 30, 2020.

EXECUTIVE COMMITTEE'S REPORT:

Before discussing the local cotton situation, a brief review of the world cotton situation is presented for the year 2019-20 along with its prospects for the year 2020-21.

WORLD COTTON SITUATION (2019-20):

According to the USDA, the world cotton production in 2019-20 had been increased to 123.00 million bales (480 lbs. each) from 118.65 million bales in 2018-19 due to increase in production in India and USA. Production increased in India to 30.50 million bales from 25.80 million bales and USA to 19.91 million bales from 18.37 million bales.

The world cotton consumption declined to 102.40 million bales from 120.18 million bales in 2019-20. The ending global stocks for 2019-20 increased to 100.56 million bales from 80.23 million bales in 2018-19 i.e. 20.33 million bales higher than the previous year.

The New York Cotton Futures latest delivery month recorded at US¢ 61.84 per lb at the beginning of the season on 01.08.2019 and US¢ 62.30 per lb at the end of the season on 31.07.2020.

WORLD COTTON SITUATION (2020-21):

According to the USDA, world cotton production for 2020-21 is estimated to decline to 117.53 million bales (bale of 480 lbs.) from 123.00 million bales in 2019-20. Major decline in cotton production is projected in Brazil, China, India and USA where production is estimated to decline to 12.00, 26.50, 29.70 and 18.08 million bales from 13.40, 27.25, 30.50 and 19.91 million bales respectively.

World cotton consumption is estimated to increase to 113.05 million bales in 2020-21 against 102.40 million bales of actual consumption in 2019-20. In China, the cotton consumption is estimated to increase to 36.50 million bales in 2020-21 from 33.00 million bales in 2019-20. World exports for 2020-21 are estimated at 41.59 million bales as against 40.28 million bales in 2019-20.

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TARGET OF COTTON PRODUCTION IN PAKISTAN (2019-20):

The target of cotton production in Pakistan for 2019-20 (in terms of bales of 375 lbs. each) was initially fixed at 12.72 million bales (Punjab 7.90 million bales, Sindh 4.60 million bales, Baluchistan 0.20 million bales and KPK 0.02 million bales) from an area of 2.895 million hectares.

According to the Arrival Report of the PCGA for the year 2019-20 issued on 18.03.2020, the total arrivals of cotton in ginneries as on 15.03.2019 were 8.60 million bales.

COTTON PRODUCTION TARGET IN PAKISTAN (2020-21):

The target of cotton production for 2020-21 was fixed by the Government at 10.89 million bales (Punjab 6.00 million bales, Sindh 4.60 million bales, Baluchistan 0.291 million bales and KPK 0.0065 million bales).

The provinces-wise targets of area and production fixed for 2020-21 are as follows :-

COTTON AREA AND PRODUCTION TARGETS (2020-21)

<u>S.No.</u>	<u>Province</u>	<u>Area</u> (Million hectares)	<u>Production</u> (Million bales)
1.	Punjab	1.60	6.00
2.	Sindh	0.64	4.60
3.	KPK	0.01	0.0065
4.	Baluchistan	0.06	0.291
Total:		2.31	10.89

Source: PCCC

PCGA GINNING FIGURES (2019-20):

As per report of the Pakistan Cotton Ginners' Association (PCGA), arrivals of seed cotton, (Phutti) in ginneries crop 2019-20 as on March 15, 2020 were 8.6 million bales as compared to 10.76 million bales as on 15.03.2019 during 2018-19 as shown below:-

ARRIVALS OF SEED COTTON IN GINNERIES

<u>Province</u>	<u>In bales</u> (170 kg)		
	<u>2019-20</u> (as on 15.03.2020)	<u>2018-19</u> (as on 15.03.2019)	<u>% change over 2018-19</u>
Punjab	5,097,282	6,613,251	(-) 22.92
Sindh	3,473,979	4,149,393	(-) 16.28
Total:-	8,571,261	10,762,644	(-) 20.36

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SEED COTTON PRICES:

The monthly average prices of seed cotton as well as lint during 2019-20 are as follows:-

**AVERAGE MARKET PRICE IN RS. PER 40 KGS.
OF SEED COTTON DURING 2019-20**

<u>S.No.</u>	<u>Month / Market</u>	<u>Hyderabad</u>	<u>RahimYar Kham</u>
1.	July, 2019	---	---
2.	August, 2019	3436.00	3919.00
3.	September, 2019	3657.00	4047.00
4.	October, 2019	3763.00	4440.00
5.	November, 2019	3730.00	4388.00
6.	December, 2019	3480.00	4216.00
7.	January, 2020	---	4477.00
8.	February, 2020	---	4129.00
9.	March, 2020	---	4000.00
		3613.00	4202.00

Source: PCCC

The following table shows month-wise average spot rates in rupees per maund of 37.324 kgs. at the Karachi Cotton Market for the season 2019-20 (Aug.-July):-

**MONTHLY AVERAGE OF THE KCA OFFICIAL SPOT RATES (EX-GIN PRICE) FOR
BASE GRADE 3 (THREE), STAPLE LENGTH 1-1/16"
MIC VALUE BETWEEN 3.8 TO 4.9 NCL.**

<u>S.No.</u>	<u>Month</u>	<u>(In Rs. per Maund) Monthly Average Ex-gin</u>
1.	August, 2019	7,952.00
2.	September, 2019	8,365.00
3.	October, 2019	8,939.00
4.	November, 2019	9,140.00
5.	December, 2019	8,804.00
6.	January, 2020	9,002.00
7.	February, 2020	9,054.00
8.	March, 2020	8,904.00
9.	April, 2020	8,800.00
10.	May, 2020	8,625.00
11.	June, 2020	8,204.00
12.	July, 2020	8,356.00
Yearly Average based on monthly averages		<u>8,679.00</u>

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LOCAL MILL CONSUMPTION FOR 2019-20:

The mill consumption of raw cotton during the year 2019-20 (Aug.-July) as reported by the Textile Commissioners' Organization would be around 14.70 million bales.

The following table shows month-wise mill consumption of cotton from Aug., 2019 to July, 2020:-

**MILL CONSUMPTION OF COTTON
FOR 2019-20 (AUG.-JULY.)**

S.No.	Month	(Bales of 375 lbs.)
1.	August, 2019	1,343,235
2.	September, 2019	1,342,353
3.	October, 2019	1,343,529
4.	November, 2019	1,341,912
5.	December, 2019	1,344,912
6.	January, 2020	1,345,000
7.	February, 2020	1,341,764
8.	March, 2020	1,077,941
9.	April, 2020	<u>538,235</u>
Total (Aug., 19 - April, 20)		<u>11,018,881</u>
Total based on annualized average:		<u>14,691,841</u>

Source: Textile Commissioner's Organization

DISPOSAL OF COTTON IN 2019-20:

According to the PCGA's report, the arrivals of cotton in the ginneries (Crop 2019-20) as on March 15, 2020, were recorded as 8.571 million bales as compared to 10.76 million bales against arrival for 2018-19. The total sales of 2019-20 crop to the mills, exporters and the TCP, as on March 15, 2020 were 8.06 million bales compared to 9.74 million bales as recorded on March 15, 2019 which will be seen from the following table:-

**FINAL POSITION OF GINNED/PRESSED BALES AND SALES
AS ON 15.03.2020 / 15.03.2019**

	(In Bales)	
	<u>2019-20 crop</u> (as on 15.03.2020)	<u>2018-19 crop</u> (as on 15.03.2019)
No. of bales ginned and pressed	8,564,040	10,754,527
Total Sales	8,067,803	9,743,545
- Sales to Mills	8,009,137	9,641,215
- Sales to TCP	----	----
- Sales to exporters	58,666	102,330
- Stock of unsold and unginning bales.	503,458	1,019,099

Review of Cotton Crop 2019-20:**Targets and Achievements of Cotton Crop: 2019-20****(Bale=170kg)**

Province	Area (000 hac.)		Production (million bales)		% age Against Target	
	Target	Achievement*	Target	Achievement*	Area	Production
Punjab	2145	1889.44	7.90	6.336	88.08	80.20
Sindh	640.0	598.71	4.60	2.746	93.55	59.70
KPK	10.0	0.213	0.02	0.00065	2.13	3.25
Balochistan	100.0	37.96	0.20	0.0987	37.96	49.35
Total	2895.0	2526.323	12.72	9.181	87.26	72.18

Source: Provincial Agriculture Crop Reporting Department. (Final Estimates)

The cotton crop has lots of challenges with competing crops especially sugarcane, rice, maize and international prices. Being a export oriented raw material of over 450 textile industries, maintaining lower prices competitive with international market and ensuring due profitability has been a great challenge for policy makers and industries to deal with. Other issues of domestic cotton production are seed quality, absence of new seed technology, heat waves and climate change, cotton leaf curl virus, pink bollworm and white fly. Cotton crop has lots of potential in KPK and Baluchistan to expand. At the moment 70% of cotton comes from the Punjab province and 29% from Sindh, KPK and Baluchistan contributing less than 1%. Great decline in area has been witnessed in Punjab during last decade.

The main reasons of decline in production are elaborated as under:-

1. Acute shortage of water particularly in lower Sindh, crop not achieve vegetative growth up to the mark as also balanced input could not apply.
2. Production decreased due to decrease in Area.
3. Heat waves and climate change.
4. Non availability of pure seed.
5. The pest/insects attack like cotton leaf curl virus, pink boll worm and white fly.
6. High input prices.
7. Untimely rains especially in the months of August and September.
8. Absence of new seed technology.

REVIEW OF COTTON CROP (2020-21):

TARGETS FOR AREA AND PRODUCTION FOR THE COTTON CROP YEAR 2020-21

PROPOSED TARGETS OF COTTON CROP DURING 2020-21:

Province	Targets 2020-21	
	Area (Million Hectares)	Production (Million Bales)
Punjab	1.60	6.0
Sindh	0.64	4.6
KPK	0.01	0.0065
Balochistan	0.06	0.291
Total	2.31	10.89

Source: Federal Committee on Agriculture.

SOWING POSITION OF COTTON CROP 2020-21 SEASON: (Million Hectares)

Province	Proposed Target 2020-21	Area Sown		% Change Over	
		2020-21	2019-20	Target	Last Year
Punjab	1.60	1.546	1.889	96.6%	-18.16
Sindh	0.64	0.615	0.599	96.1%	+2.7
Total	2.24	2.161	2.488	96.5%	-13.14

Source: First estimates, Agriculture Crop Reporting Service, Punjab & Sindh.

REASONS FOR DECLINE IN AREA DURING 2020-21 SEASON.

- Non availability of certified Seed.
- Germination problem.
- Competition of Alternate crops, like Sugar Cane, Rice and Maize.
- High prices of Inputs.
- Not satisfactory prices of seed cotton for farmers during last year.

EXPORT SALES OF 2019-20 CROP:

In the marketing year 2019-20 (August-July), the Export Sales of Cotton registered with the Trade Development Authority of Pakistan (TDAP) were approximately 56,000 bales as compared to 55,000 bales registered in the corresponding period last year.

IMPORTS:

The imports of cotton during the year 2019-20 were recorded about 560,000 M.T. as compared to 400,000 M.T. recorded during corresponding period last year as per data released by Pakistan Bureau of Statistics, Government of Pakistan. This helped in meeting the requirements of domestic mills.

1st MEETING OF COTTON CROP ASSESSMENT COMMITTEE FOR 2019 - 20 SEASON HELD ON 04.10.2019 AT ISLAMABAD.

The Federal Government constituted a Committee on Cotton Crop Assessment for the year 2019-20 to assess the size of the Cotton Crop on a realistic footing so as to make available factual estimates of the Cotton Crop and to avoid confusion. Chairman, the KCA was also included as one of the members of the Committee.

The 1st meeting of Cotton Crop Assessment Committee (CCAC) was held on 04.10.2019 in the Committee Room of Ministry of NFSR. The meeting was chaired by Chaudhry Mohammad Ayub, Additional Secretary, Ministry of NFS&R to assess the Cotton Crop volume in the Country and other related issues. Representatives from APTMA, PCGA, KCA, TCP, PCCC, Met Department, FSC&RD, DPP, Sindh Agriculture Department, Punjab Agriculture Department, Grower members from Sindh and Punjab provinces also attended the meeting. Khawaja M. Zubair, Chairman, KCA attended the meeting.

In his opening remarks, Additional Secretary, NFSR explained the objectives and significance of this meeting and Dr. Khalid Abdullah, Cotton Commissioner dilated upon the overview of cotton production scenario in the country.

The committee discussed challenges being faced by the cotton crop especially high input prices, insect pests pressure and high temperature. It was informed that the country had missed sowing target by over 6 percent. Cotton was sown on 2.658 million hectares against the target of 2.785 million hectares. The Committee was informed that due to increased

sugarcane cultivation in cotton areas, delay in harvest of wheat and shortage of water were main reasons for decline in cotton sowing in the country.

After thorough discussion, the house unanimously agreed the First estimates of Cotton Crop 2019-20 as below:

Province	Production estimate (Million bales of 170 kg.)
Punjab	6.200
Sindh	3.900
Balochistan & KPK	0.100
Pakistan	10.200

**2nd MEETING OF COTTON CROP ASSESSMENT COMMITTEE
FOR 2019-20 SEASON HELD ON 19.12.2019 AT ISLAMABAD.**

The 2nd meeting of Cotton Crop Assessment Committee (CCAC) was held on 19.12.2019 in the Committee Room of NFSR. The meeting was co-chaired by Federal Minister for Food and Security & Research Makhdoom Khusro Bukhtiar and Secretary Muhammad Hashim Popalzai, to assess the cotton crop volume and other related issues. Representatives from APTMA, KCA, PCCC, Met Department, FSC&RD, DPP, Sindh Agriculture Department, Punjab Agriculture Department, Grower members from Sindh and Punjab provinces also attended the meeting. Khawaja M. Zubair, Chairman, the KCA attended the meeting.

In his opening remarks, Federal Minister welcomed the participants and explained the objectives and significance of this meeting. Dr. Khalid Abdullah, Cotton Commissioner presented the current situation of cotton crop and said that missing the sowing target, pests attacks as well as unfavorable weather led to revising downward the crop production target.

It was agreed in the meeting that the actual cotton production expected would be 9.45 million bales. The committee was informed that the country had missed cotton sowing target by over 6 percent. Cotton was sown on 2.658 million hectares against the target of 2.785 million hectares.

After lengthy discussion on different aspect, the house unanimously agreed the Second estimates of Cotton Crop 2019-20 as below:

Province	Production estimate (Million bales of 170 kg.)
Punjab	6.671
Sindh	2.682
Balochistan & KPK	0.098
Pakistan	9.451

**ANNUAL MEETING OF THE API'S
COMMITTEE ON COTTON 2020-21 CROP
HELD ON 24.02.2020:**

The meeting of the API's standing Committee on seed cotton (Phutti) 2020-21 crop was held in the Committee Room of API's, Islamabad on 24th February, 2020.

The meeting was attended by the representatives of Growers Associations, Chambers of Agriculture, TCP, Progressive Growers, Cotton Experts, and Officials of Federal and Provincial Governments concerned with cotton production and marketing. Khawaja M. Zubair, Chairman, The KCA attended the meeting referred to above.

**MEETING ON "COTTON INTERVENTION PRICE"
HELD ON 18.05.2020.**

In continuation of Consultation process on Indicative Price / Cotton Intervention Price, a meeting on the subject cited above was held on 18.05.2020 in Islamabad, under the chairmanship of Syed Fakhur Imam, Minister, NFS&R. The Agenda was a consultation of Stakeholders on different aspect to determine the local Seed Cotton Price and its impact on farmer's interest. For convenience and following social distancing in the wake of COVID 19, a video link option was also available .

However, Khawaja M. Zubair, Chairman and Mr. Muhammad Atif Dada, former Chairman, the KCA joined the meeting via Zoom link along with other Stakeholders.

Minister for National Food Security and Research, Syed Fakhr Imam discussed in detail the minimum intervention price for procurement of cotton through the Trading Corporation of Pakistan (TCP) in the meeting.

Foreign Minister Shah Mehmood Qureshi also pleaded the farmers' case for a minimum intervention price to improve their cash flows and encourage them to grow more crop.

**24th MEETING OF THE EXECUTIVE SUB-COMMITTEE
OF PCCC HELD ON 08.07.2020:**

The Meeting of Executive Sub-committee of PCCC was held on 08.07.2020 in the Committee Room of Ministry of National Food Security & Research, Islamabad under the chairmanship of Dr. Khalid Abdullah, Vice-President, PCCC. Due to pandemic COVID-19 and instructions issued in this regard, some members opted to join via Zoom link. Khawaja M. Zubair, Chairman, the KCA joined meeting through Zoom link on behalf of the KCA.

The Vice-President, PCCC welcomed the participants of the meeting and informed that committee has to consider for approval the Revised Estimates 2019-20 and Budget Estimates 2020-21.

The chair informed the participants that keeping in view the deaden financial position of PCCC and due to the industry's unwillingness to pay the cess since 2016, the research activities were reduced to a minimum level and a strict financial emergency was imposed. The participants unanimously agreed to the Revised Estimates 2019-20.

While discussing Budget Estimates 2020-21, the chair said that the above Budget Estimates were prepared very judiciously due to the cranky financial position of PCCC. Funds have been allocated only for indispensable heads of account. Even the funds for pay and pension arrears for 2018 and 2019 have not allocated. He also informed that although court cases have been decided, APTMA is not willing to pay cess since 2016. The situation was made more worsened due to COVID-19, and due to such reasons, the cess collection dropped significantly.

Khawaja M. Zubair, Chairman, KCA inquired about the status of recovery of the receivable amount of cess. He was informed that an amount of Rs. 250 million out of Rs. 1.82 billion is proposed in the Budget Estimates 2020-21. The Chairman, KCA, also inquired about the bifurcation of funds for Establishment and Operational or for research activities. The Chair said that an amount of Rs. 227.57 million is allocated for Establishment, Rs. 139.54 million for Operational / research activities and Rs. 221.75 million for pension in the Budget Estimates 2020-21.

The participants approved the Revised Estimates for 2019-20 and Budget Estimates for 2020-21.

**MEETING ON “QUALITY BASED CONTRACTUAL TRADING”
HELD ON 06.08.2020 VIA ZOOM.**

WWF along with KCA has arranged an Engagement meeting of Ginners and Textile groups under its Boll to Bale Project focusing on “quality based contractual trading of Cotton” was held on 06.08.2020 Via Zoom..

Khawaja M. Zubair, Chairman, the KCA, Mr. Muhammad Atif Dada, former Chairman, Khawaja Tahir Mahmood, former Chairman, Mr. Rizwan Iqbal Umer, former Vice-Chairman and Mr. Muhammad Ali, Assistant Secretary (Stats), the KCA had joined the meeting referred to above.

Mr. Muhammad Atif Dada briefed the participants about the revised template for quality based trading devised by the KCA as Sales / Purchase Cotton Contract Form and Arbitration matters.

Participants representing various textile groups, Ginners and cotton consultancy firms took keen interest in the final review of the KCA Sales / Purchase Cotton Contract Form.

The meeting was well coordinated through video link organized by the WWF and all the participants of the meeting appreciated the efforts of WWF and KCA in this regard.

**7th MEETING OF APPROVALS COMMITTEE FOR SPECIAL
ECONOMIC ZONES (SEZs) HELD ON 13.08.2020 AT ISLAMABAD.**

7th Meeting of Approvals Committee was held on 13.08.2020 in the Board Room of Board of Investment, Prime Minister’s Office, Islamabad. The meeting was chaired by Minister of State / Chairman, Board of Investment. Khawaja M. Zubair, Chairman the KCA joined the meeting through Video link.

The committee discussed the following Agenda items in details.

1. Evaluation of following applications for award of status of Special Economic Zones (SEZs) in Punjab & Sindh.
 - a. Allama Iqbal Industrial City (AIIC) SEZ – Punjab (Public – FIEDMC)
 - b. JW-SEZ China-Pakistan SEZ- PUNJAB (Private-JW SEZ Pvt. Ltd.)
 - c. Dhabeji SEZ - Sindh (Public)
2. Inclusion of IT, Hi-Tech, Health & Education / Research parks in the SEZ Regime.
3. Exemption of Minimum Turn Over Tax.
4. Constitution of SEZ Committees for the following SEZs.
 - d. AIIC
 - e. Hub SEZ
 - f. Bostan SEZ
5. Finalization of “Sole Enterprise Special Economic Zone Policy”
6. Evaluation and review of bi-annual reports for period ending June 2020.
7. Any other business with permission of the chair.

**88TH MEETING OF PAKISTAN CENTRAL
COTTON COMMITTEE TO BE HELD
ON THURSDAY, 10.09.2020:**

88th meeting of Pakistan Central Cotton Committee was held on Thursday, 10.09.2020 at Islamabad under the chairmanship of Syed Fakhar Imam, Federal Minister for National Food Security and Research, Government of Pakistan. Khawaja M. Zubair, Chairman, the KCA joined attended the meeting. For convenience and in the wake of COVID 19, a video link option was also available. Khawaja M. Zubair, Chairman, the KCA joined the meeting via Zoom link. Federal Minister welcomed the participants and briefed about the objectives of the meeting in his opening remarks. The Committee discussed in detail, the following Agenda items.

1. Confirmation of the minutes of 87th meeting of the PCCC held on 26.04.2019.
2. Implementation Status of the decisions made in 87th meeting.
3. Approval of Revised Estimates 2018-19, Budget Estimates 2019-20, Revised Estimates 2019-2020 and Budget Estimates 2020-2021.
4. Adoption of / ratification of decisions of 23rd & 24th meetings of Executive sub-Committee of the PCCC held on 15.07.2019 & 08.07.2020 respectively.
5. Adoption of Prime Minister Family Assistance package for Families of PCCC Employees who die in service.

**2-WEEK COTTON GRADING AND CLASSIFICATION COURSE
ORGANIZED BY THE KARACHI COTTON ASSOCIATION (KCA)
IN-COLLABORATION WITH PAKISTAN COTTON STANDARDS
INSTITUTE (PCSI)**

As decided by the Executive Committee, the KCA organized a 2-week Cotton Grading and Classification Course in collaboration with PCSI from March 09, 2020 to March 20, 2020 in the premises of the Association to impart training in the field of Grading and Classification of Raw Cotton / Lint Cotton.

In response to the advertisement of the course released in newspapers, positive response was received and about 20 applications were received from the candidates to participate in the above referred training course.

In the 2-week Cotton Grading and Classification Course, besides the practical training regarding Cotton Grading and Classification was provided to the participants of the course, lectures on various topics of the cotton trade were delivered by the speakers and visit to a Textile Mills were also arranged for the participants of the course.

After completion of the training course, Certificates were awarded to the participants of the course in a formal Certificates Distributions Ceremony held in the KCA on 20-03-2020 by Khawaja M. Zubair, Chairman, and Khawaja Tahir Mahmood, Former Chairman, the KCA.

Shields were also awarded to the Trainers of the Course belong to PCSI as well as Secretary General of the KCA for conducting the training course / making all arrangements of the training course remarkable manners.

**PUBLICATION OF MONTHLY REVIEW BY
THE KARACHI COTTON ASSOCIATION:**

The Chairman and Executive Committee has been pleased to share that the KCA has added one more Publication named "MONTHLY REVIEW" w.e.f. January, 2020. The Review has been issued with guidance of the Chairman, the KCA under the supervision of Assistant Secretary (Stats.), The KCA.

Monthly Review consists of National & International Cotton scenarios with graphical Presentation. This initiative was very much appreciated and innovative ideas have been received to make more & more useful and informative for the Cotton Community.

**DEVELOPMENTS IN THE KCA AND
THE COTTON EXCHANGE:**

1. Board Room of the KCA:

Due to Global Pandemic situation, National & International Business dealings have been changed and switching towards digital & smart way for execution of the Work.

Keeping in view the present scenario, it was suggested to install following equipment at the KCA for better interaction among Executive Committee and other committees members through Online meetings, as well etc.

- 1) Smart LED TVs in the Board Room.
- 2) New Broad Band Connection.
- 3) Laptop.
- 4) Cameras and Sound System.

Chairman and Executive Committee of the KCA for the year 2019-20, have been pleased to share with members that the Board Room of the Association has been renovated & modified with the excellent guidance of Chairman, the KCA. Three LED Smart TVs along with one Laptop have been installed with necessary software and State of the Art KCA Board Room is ready to serve the Cotton Trade.

Special Appreciation to Mr. Muhammad Ali, Assistant Secretary (Stats.) for looking after the installation and modernization of the Board Room, as far as this System is concerned.

2. We have also renovated KCA Offices; Secretary General Room and Assistant Secretary's Room, Cotton Exchange Dispensary upgradation and other offices / premises of the Association.

3. Project of renovation / construction of parts roof of Cotton Exchange Building is under final stage and necessary work has been started under supervision of Contractor.

GOVERNMENT NOMINEES ON THE EXECUTIVE COMMITTEE FOR THE YEAR 2019-20

As per the requirement of the KCA's Executive Committee, the following officials from the respective Ministries were nominated on the Executive Committee of the KCA for the year 2019-20:-

- i) Ministry of Commerce and Textile (Commerce Division), Government of Pakistan, Islamabad vide their letter dated 18-10-2019 nominated Director, Textile and Clothing Division, Trade Development of Pakistan, Karachi (Mr. Mr. Sabz Ali Khan,) to represent the Commerce Division on the Executive Committee of the KCA for the year 2019-20.
- ii) Ministry of Commerce and Textile (Textile Division), Government of Pakistan, Islamabad vide their letter dated 14-10-2019 nominated Mr. Muhammad Liaqat Ch., Deputy Secretary, Ministry of Commerce and Textile (Textile Division) to represent the Textile Division on the Executive Committee of the KCA for the year 2019-20.
- iii) The Finance Division, (External Finance Wing) Government of Pakistan, Islamabad vide their letter dated 16-10-2019 nominated Mr. Shahid Raza, Deputy Secretary, EF (Budget)) to represent the Finance Division on the Executive Committee of the KCA for the year 2019-20.

COTTON EXCHANGE DISPENSARY:

The Cotton Exchange Dispensary provided medical facilities to the members/ Licensed Cotton Brokers of the KCA including their staff members and staff of the Association and their family members. During the year 2019-20 (July-June), a total No. of 2,357 patients attended the Cotton Exchange Dispensary as compared to 2, 699 patients attended last year and 7,260 units were dispensed to patients as against 8,530 units dispensed during the last year.

Blood Sugar testing facility has also been provided to the patients visiting the Cotton Exchange Dispensary. During the year 2019-20, 87 patients availed Blood Sugar testing facility from the Cotton Exchange Dispensary.

AWARENESS SESSION ON COVID-19 AT THE KCA:

Awareness sessions on COVID -19 were held by Dr. Tabassum Khalique, Medical Officer, The KCA for the staff of the Association on 12.05.2020 and on 21.05.2020 which were very much appreciated.

PROGRESS OF KCA's FIBER TESTING LABORATORY:

The KCA provided facility for testing of cotton through the State of Art Uster HVI 1000 M1000, mostly to exporters at a concessional rate to earn more foreign exchange. During the year 2019-20 (Aug., to July), 1,424 samples were tested, whereas 2,865 samples were tested during the corresponding period last year i.e. August, 2018 to July, 2019.

102 Samples were also tested through Trash Analyzer during the year 2019-20 i.e. August, 2019 to July, 2020.

STATUS OF KCA LABORATORY IN CSITC ROUND TRAILS 2019-20:

The KCA laboratory participated in CSITC Round Trails. Results of CSITC Round Trails on Combined Properties Basis during 2019-2020 are as follows:

Years	CSITC Round Trails No.	Evaluation of KCA's HVI-1000 on Combined properties basis.	Out of Instrument of the World.
2019	3	36	133
2019	4	80	131
2020	1	33	104
2020	2	50	87

NUMBER OF MEMBERS OF ASSOCIATION AND BROKERS IN 2019-20

The position regarding members of the Association and Licensed Cotton Brokers for the year 2019-20 was as under:-

Strength of Members as on 30-06-2019	156
<u>Less:</u>	
Ceased to be members	<u>01</u>
	155
Resigned	<u>01</u>
	154
<u>Add:</u>	
Admission (upto 30-06-2020)	<u>07</u>
Total strength as on 30-06-2020	<u>161</u>
- Strength of Brokers	
- Total strength of licensed Cotton Brokers	320
- Number of Brokers renewed	291
- Number of Brokers renewal Pending	07
- Number of Brokers expired	12
- Vacant	NIL
- Ceased / Cancelled	10
- Number of Brokers Licences transferred/fresh issued during the year 2019-20 (upto 13-09-2020)	03

THANKS AND GRATITUDE:

We place on record our deep thanks and gratitude to all members of the Association, members of the various Committees set up by the Executive Committee, as well as, members of the Broker's Advisory Committee for extending their full co-operation, support and assistance in offering their valuable suggestions on all matters relating to the trade. These have helped the Association to carry out its responsibilities and obligations, which resulted in better performance of its functions.

We also place on record our deep thanks and gratitude to members of the Rates Committee for performing their duties carefully to fix spot rate of cotton on daily basis.

Thanks are due to Federal Minister for National Food Security & Research, and Federal Minister for Commerce, Secretary and Joint Secretary, Ministry of National Food Security & Research and Ministry of Commerce, Chief Executive, Secretary, Trade Development Authority of Pakistan, Chairman, FBR and Chairman, TCP for their co-operation and assistance to this Association from time to time in matters concerning cotton trade.

Thanks are also due to the Collector of Customs (Exports) for their co-operation and assistance provided to the Association / members of the KCA. Thanks are further due to Cotton Commissioner & Vice-President, PCCC for their valuable guidance on cotton crop monitoring and their support and co-operation extended to this Association from time to time.

The Executive Committee like to place their appreciation on record for the efficient and dedicated services rendered by Mr. Aftab Alam, Secretary General, Mr. Muhammad Ali, Assistant Secretary (Stats), Mr. Hassan Haider, Accounts Officer, Sh. Abdul Qadir Ahmed, BA/MO and other officers and staff of the Association during the year under review.

Thanks are also due to Lady Medical Officer and Staff of the KCA Dispensary for attending Patients during global pandemic COVID-19 at Cotton Exchange.

We are confident that the new Executive Committee for the year 2020-21 would successfully meet the challenges which lay ahead in all matters relating to marketing of cotton and would strive to enhance the image of the Association further in the coming years. We wish them all the success.

The Cotton Exchange
Karachi: 24.09.2020

Sd./-
(KHAWAJA M. ZUBAIR)
Chairman
The Karachi Cotton Association