



Cotton exports from India, the world's biggest producer, have nearly halted as local prices have rallied due to tight supplies because of drought, forcing key importers like Bangladesh, Pakistan and Vietnam to turn to other suppliers.

The freeze in Indian export will prompt Brazil, Australia and United States to raise shipments and has pushed global prices to near their highest since August.

The price rise could subsequently push up fabric and clothing prices and put pressure on the margins of garment makers.

"In last three-four weeks Indian exporters could not sign a deal. Our cotton is more expensive than Brazilian or Australian supplies," said Chirag Patel, chief executive officer at Jaydeep Cotton Fibers Pvt. Ltd, a leading exporter.

The landed cost of Indian cotton for buyers in Pakistan and Bangladesh is at 75 cents to 76 cents per lb compared to around 73 cents for Brazilian cotton, he said.