

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2958

ANSWERED ON:07.12.2001

COTTON PRICES

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Will the Minister of TEXTILES be pleased to state:

- (a) whether the cotton crisis has deepened further with the prices hitting the lowest level in 15 years on the New York Cotton Exchange at the weekend of September, 2001;
- (b) if so, whether this situation has worsened the market situation of the country;
- (c) if so, the details thereof;
- (d) the steps taken / propose to be taken by the Government to meet the cotton crisis both in India as well as in international market; and
- (e) to what extent these cotton crisis have affected India?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAYA KUMAR)

- (a) to (c): The decline in international cotton prices, has had an effect on the prices of domestic cotton also. During the current cotton season 2001-02, market prices of some of the varieties of cotton have touched the Minimum Support Prices (MSP). Consequently the Cotton Corporation of India has undertaken the support price operations in some areas of Andhra Pradesh, Gujarat, Madhya Pradesh and Rajasthan. However, the domestic prices of cotton are still higher than the international prices.
- (d) to (e): The Government announces the Minimum Support Prices (MSP) for different variety of kapas (seed cotton) every year to protect the interest of the cotton growers. Government have launched Technology Mission on Cotton (TMC) to improve the productivity and quality of cotton and reduce the cost of cultivation thereby ensuring good quality of indigenous cotton to the industry and remunerative returns to the cotton growers.