

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:5203

ANSWERED ON:29.04.2005

COTTON IMPORT

Adhalrao Patil Shri Shivaji;Patil Smt. Rupatai Diliprao Nilangekar;Satpathy Shri Tathagata

**Will the Minister of TEXTILES be pleased to state:**

- (a) whether a large scale import of cotton coupled with abundant production of cotton this year has led to crash in prices of cotton;
- (b) if so, the details thereof;
- (c) whether the Government proposes to impose restriction on import of cotton; and
- (d) if not, the other steps taken / proposed to be taken to save the domestic cotton growers?

**Answer**

MINISTER OF TEXTILES ( SHRI SHANKERSINH VAGHELA )

(a) & (b) Due to higher domestic as well as global production, cotton prices during the current cotton year (October 2004-September 2005) are ruling lower than the prices prevailed during the corresponding period last year. Domestic cotton production during the current year is estimated at an all time high of 232 lakh bales as against 177 lakh bales in the last year. Global cotton production in 2004-05 is estimated at 25.91 million tons as against 20.7 million tons in 2003-04. Import of cotton is likely to decrease from 7.21 lakh bales to 6 lakh bales during the current cotton year.

(c) To enable the user textiles mills to procure raw material of desired quality parameters at a competitive price import of cotton is free subject to the payment of customs duty (presently 10%). At present there is no proposal for imposing any other restrictions on import of cotton.

(d) The Government has launched the Technology Mission on Cotton to improve the quality and productivity of cotton so as to make available quality cotton at a competitive price domestically. Moreover, to protect interests of the cotton growers the Government announces Minimum Support Price (MSP) of kapas (seed cotton) and whenever the market prices of kapas touches the MSP level the Cotton Corporation of India undertakes MSP operations and purchases kapas without any quantitative restrictions. During the current cotton year the CCI has procured a record 138.35-lakh quintals of kapas equivalent to lint cotton of 26.98 lakh bales.