

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2515

ANSWERED ON:09.12.2005

PURCHASING OF COTTON

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Will the Minister of TEXTILES be pleased to state:

- (a) the total cotton bales purchased by Cotton Corporation of India during this season, State-wise;
- (b) whether all the cotton bales available in all the cotton markets have been purchased;
- (c) if not, the reasons therefore;
- (d) the rates at which the cotton bales have been purchased;
- (e) whether there has been any disparity in fixing MSP in Punjab as compared to Maharashtra and Gujarat; and
- (f) if so, the reasons therefor?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

- (a) State-wise, total cotton bales purchased by Cotton Corporation of India during cotton season-2005-06 is as under:-,

Qty. in bales of 170 kgs.

State Branch Quantity in bales

Punjab	Bhatinda	32045
Haryana	Sirsa	4285
Rajasthan	Sriganganagar	53179
	Bhilwara	5730
Gujarat	Ahmedabad	110901
	Rajkot	36826
Madhya Pradesh	Indore	33936
Maharashtra	Akola	6165
	Aurangabad	3639
Orissa	Rayagada	556
Andhra Pradesh	Adilabad	2639
	Warangal	3234
	Guntur	621

Total 3,13,756

(b) to (d): Whenever the market prices of kapas (seed cotton) falls to the level of Minimum Support Price (MSP) announced by the Government of India, the Cotton Corporation of India Ltd. undertakes support price operations. The CCI has been carrying out Minimum Support Price operations in all the cotton growing States where prices are ruling at MSP level. While carrying out MSP operations, the CCI has been purchasing the entire kapas of Fair Average Quality (FAQ) grade kapas offered by the cotton farmers. In order to help the cotton farmers, the CCI has also been purchasing kapas three stages below FAQ grade.

(e) & (f): No Sir, the MSP for cotton are fixed for basic two varieties (F414/H-777/J-34 and H-4 by the Government of India, Ministry of Agriculture based on the recommendations made by the Commission on Agricultural Costs & Prices (CACP). For other varieties, the MSPs are accordingly fixed by the Office of the Textile Commissioner, Mumbai based on market differentials. While fixing the MSP, the CACP takes into account the cost of production, cost of inputs like seeds pesticides plus a reasonable profit margin to the cotton

farmer. The MSP for J-34 for Punjab has been fixed considering the basic staple length 26.5 mm and Micronaire value – 3.7 to 4.7 mm.