

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:234
ANSWERED ON:27.02.2007
PROCUREMENT POLICY
Rao Shri Sambasiva Rayapati

Will the Minister of TEXTILES be pleased to state:

- (a) Whether the Government has laid down any procurement policy in respect of produce used in textiles;
- (b) if so, the details thereof;
- (c) if not, the reasons therefor; and
- (d) whether the Government proposes to review the problems being faced by the textile sector?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGO VAN)

(a) & (b): Yes Sir. The Commission on Agriculture Cost & Prices (CACP) takes into consideration the various inputs for estimating the cost of production of Cotton and Jute and recommends appropriate Minimum Support Price (MSP) for natural fibres like Cotton and Jute. Based on the recommendations of the CACP, the Central Government (Ministry of Agriculture) fixes the MSP of basic varieties of cotton (viz. H-4 and F-414/H-777/J-34) and Raw Jute (TD-5) every year. Thereafter, the Textile Commissioner, Mumbai and the Jute Commissioner, Kolkata fixes the MSP for the various other grades of Cotton and Jute respectively on the basis of parameters like location and market price differentials etc. The prices are notified in the Official Gazette. The Government of India has nominated the Cotton Corporation of India Ltd. (CCI) and the Jute Corporation of India (JCI) as the nodal agencies for conducting MSP operations in Cotton and Jute respectively. Government of India had also nominated National Agricultural Cooperative Federation of India Ltd. (NAFED) as the second agency to undertake MSP operations in cotton from the cotton season 2004-05.

(c): Does not arise.

(d): The Working Group on Textiles and Jute for the Eleventh Five Year Plan (2007-2012) while drawing up its plan for the textile industry has critically examined the Strength, Weakness, Opportunities and Threats (SWOT) of the textile industry and had extensive interaction with all the major segments of the textile sector to obtain their views and had submitted the report to the Planning Commission, Government of India in December, 2006 for its consideration.