

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:248
ANSWERED ON:03.12.2007
MINIMUM SUPPORT PRICE FOR COTTON
Jadhao Shri Prakash B.;Tripathi Shri Chandramani

Will the Minister of AGRICULTURE be pleased to state:

- (a) the minimum support price of cotton fixed by the State Governments particularly Maharashtra during the current year alongwith the cost of production of cotton in different areas;
- (b) the extent to which farmer's interests have been safeguarded thereunder; and
- (c) the details of cotton production during the last three years, State-wise?

Answer

MINISTER OF AGRICULTURE (SHRI SHARAD PAWAR)

(a) to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO. 248 DUE FOR REPLY ON 3RD DECEMBER, 2007

(a) & (b): The Minimum Support Prices (MSPs) of cotton are fixed by the Union Government and not by the State Governments.

Government of India fixes MSPs for two basic varieties of cotton viz. medium staple cotton (i.e. J-34/F-414/H-777) and long staple cotton (i.e. H-4) on the basis of recommendations of the Commission for Agricultural Costs and Prices (CACP) at the country level. While recommending the MSP, the CACP takes into account the relevant factors including the cost of production of cotton. The projected costs of production (measured in terms of A2 + FL cost viz. all expenses in cash and kind including rent paid for leased-in land and imputed value of wages of family labour) of cotton for the country and the MSPs for those basic varieties for the 2007-08 season are as follows:

Items Cotton season 2007-08

Weighted average A2 + FL cost (in Rs. per Quintal) 1528.11
MSP for medium staple (F-414/H-777/J-34) (Rs. 1800
per Quintal)
MSP for short staple (H-4) (Rs. per Quintal) 2030

After the Government fixes the MSP for aforesaid two basic varieties of cotton, the Textile Commissioner, Ministry of Textiles fixes the MSP for other 26 varieties of Fair Average Quality with regard to their quality differentials, normal price differentials and other relevant factors.

The Government also arranges the procurement of cotton through the designated agency viz. the Cotton Corporation of India (CCI). During the year 2006-07, the CCI has purchased 11,78,455 bales (of 170 Kgs. each) of cotton.

(c): The State-wise details of cotton production during the last three years are shown below:

(Production in lakh Bales of 170 Kg each)

States 2005-06 2006-07 2007-08

Andhra Pradesh	2108.0	2127.0	2097.0
Gujarat	6772.0	8787.0	9000.0
Haryana	1499.0	1814.0	1912.0
Karnataka	554.0	440.0	258.0
Kerala	3.5	2.0	0.0
Madhya Pradesh	745.1	829.0	425.0

Maharashtra 3160.0 4950.0 5805.0
Meghalaya 7.8 0.0 0.0
Orissa 144.8 108.0 146.0
Punjab 2395.0 2678.0 2440.0
Rajasthan 880.5 747.0 763.0
Tamil Nadu 213.3 174.0 82.0
Uttar Pradesh 5.2 1.0 0.0
West Bengal 6.0 23.0 0.0
Others# 4.8 16.0 14.0
All India 18499.0 22696.0 22943.0

Others include Assam, Chattisgarh, Himachal Pradesh, Mizoram, Nagaland, Tripura and Pondichery.