

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:3055
ANSWERED ON:20.12.2004
PRODUCTION AND IMPORT OF COTTON
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Will the Minister of AGRICULTURE be pleased to state:

- (a) the total production of cotton in the country during the year 2004;
- (b) the total quantity of cotton imported in the current financial year;
- (c) the total quantity of cotton permitted to be imported during the year 2004-05;
- (d) the present price of cotton; and
- (e) the steps being taken by the Government regarding the falling prices of cotton keeping in view the production of cotton in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a): As per the first advance estimates for the year 2004-05, the total production of cotton is estimated at 13.85 Million bales of 170 Kgs. each.

(b)&(c): The Cotton Advisory Board (CAB) has estimated cotton imports into the country during 2003-04 cotton season at 6.5 lakh bales of 170 Kgs. each. At present, cotton imports into the country are free and are placed under Open General License (OGL) with effect from 19th April, 1994. However, CAB has estimated imports during 2004-05 at 5.00 lakh bales as against 6.50 lakh bales during 2003-04.

(d): The price of cotton varies from month to month and from state to state depending on the variety. In 2003-04 while for medium staple/superior medium staple variety, the average price varied from Rs.2292 per quintal in Andhra Pradesh to Rs.2667 per quintal in Punjab, the average price for long staple/superior long staple varied from Rs.2408 per quintal in Andhra Pradesh to Rs.2604 per quintal in Tamil Nadu.

(e): In order to avoid distress sale due to fall in cotton prices below the Minimum Support Price (MSP), the Cotton Corporation of India (CCI), the nodal agency of the Government of India, enters the market to buy kapas at MSP fixed by the Government of India. In view of the fall in kapas prices below the MSP level, the Cotton Corporation of India has commenced its MSP operations in all the major cotton growing states (except Maharashtra) viz. Punjab, Haryana, Rajasthan, Madhya Pradesh, Gujarat, Andhra Pradesh and Karnataka. As on 15th December, 2004, the CCI has purchased 28.25 lakh quintals of kapas at MSP. In Maharashtra, the Maharashtra State Cooperative Cotton Growers Marketing Federation has commenced its procurement operations in the State under monopoly procurement scheme at guaranteed prices.