

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

STARRED QUESTION NO:496

ANSWERED ON:29.04.2010

MSP OF COTTON

Pradhan Shri Nityananda;Singh Shri Bhola

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

- (a) the parameters adopted by the Government for fixing the Minimum Support Price (MSP) for cotton (Kapas);
- (b) the MSP announced by the Government for different varieties of cotton during crop seasons 2008-09 and 2009-10;
- (c) the criteria followed by the Cotton Corporation of India for procurement of cotton from the farmers;
- (d) whether reports of distress sale of cotton including suicides by farmers in the Vidarbha region of Maharashtra have been reported;
- (e) if so, the details thereof; and
- (f) the steps being taken by the Government for providing remunerative price of cotton to the farmers?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI DAYANIDHI MARAN)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO.496 TO BE ANSWERED ON 29.4.2010

(a): The Government of India has been fixing the MSP for two basic varieties of cotton viz. F-414 / H-777 / J-34 (medium staple) and H-4 variety (long staple), every year based on recommendation of Commission on Agricultural Costs & Prices (CACP). While considering MSP CACP takes into account the cost of cultivation per hectare, cost of production per quintal in various regions of the country, changes in input prices, demand and supply situation etc., plus a reasonable profit margin to the cotton farmers. Based on the support prices for these two basic classes of seed cotton and taking into account the quality differential, normal price differential and other relevant factors, Textile Commissioner fixes support price for other classes of seed cotton (kapas) of Fair Average Quality (FAQ).

(b): The details of two basic staple groups i.e. medium staple and long staple, range of staple length, micronnaire and MSPs fixed for 2008-09 and 2009-10 are given as follows:

Staple length in mm	value	Micronnaire	MSP fixed for 2008-09 (in Rs. per quintal)	MSP fixed for 2009-10 (in Rs. (in Rs. per quintal)
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Medium staple 24.5 - 25.5 4.3 - 5.1 Rs. 2500 Rs. 2500

Long staple 29.5 - 30.5 3.5 - 4.3 Rs. 3000 Rs. 3000

The prices fixed by Textile Commissioner for different classes of seed cotton (Kapas) for cotton season 2008-09 (Oct.-Sept) and 2009-10 are at Annex I & II respectively.

(c): When the prevailing kapas price touches MSP level, the Cotton Corporation of India enters the market to buy the entire quantity of kapas offered to it by the cotton farmers at Minimum Support Price announced by the Government of India. These purchases are made strictly from the cotton farmers in the premises of nominated Agriculture Produce Marketing Committee (APMC). The payment is made to the cotton farmers by way of Account Payee cheque only.

(d) and (e): No Madam.. Question does not arise.

(f): To ensure remunerative prices to the cotton farmers, Government during the cotton season 2008-09 had increased MSP for Long Staple (LS) and Medium Staple (MS) varieties of cotton (Kapas) at Rs.3000 per qtl. and Rs.2500 per qtl. respectively leading to a hike of 48% and 39% respectively over the previous years. The MSP for cotton season 2009-10 was kept at the same level.