

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2633
ANSWERED ON:25.11.2010
COTTON PRICING
Meghe Shri Datta Raghobaji

Will the Minister of TEXTILES be pleased to state:

- (a) whether it is a fact that the Government has refused to pay more price for cotton procurement;
- (b) if so, the reasons therefor;
- (c) whether industry will buy most of the stock of cotton if the prices are not increased even by the State Governments as well; and
- (d) if so, the steps taken by the Government to ensure that the farmers may not suffer any loss because of Government's policy on cotton price?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SMT. PANABAACA LAKSHMI)

(a): No Madam.

(b): Does not arise in view of the (b) above.

(c) & (d): Prices of cotton are determined by market fundamentals. The Government fixes a Minimum Support Price (MSP) for cotton every year on the recommendation of the CACP (Commission on Agriculture Cost and Prices). Domestic consumption is estimated at 266 lac bales for 2010-11 cotton season against a production of 325 lac bales. In the cotton season 2010-11, market prices have been well above the MSP level.