

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:1234

ANSWERED ON:29.11.2011

MSP OF COTTON .

Ahir Shri Hansraj Gangaram;Bhoi Shri Sanjay;Gaikwad Shri Eknath Mahadeo;Mahendrasinh Shri Chauhan ;Mohan Shri P. C.

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

- (a) the estimated cotton production for the current year;
- (b) whether there is any proposal to increase the Minimum Support Price (MSP) for cotton in view of its higher production cost;
- (c) if so, the details thereof;
- (d) whether the demand for cotton is getting lower in the country;
- (e) if so, the reasons therefor;
- (f) whether the low demand of cotton is likely to have a negative impact on the MSP of cotton; and
- (g) if so, the details thereof and the reaction of the Government thereto?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE, FOOD PROCESSING INDUSTRIES AND PARLIAMENTARY AFFAIRS (SHRI HARISH RAWAT)

(a): As per 1st Advance Estimates for 2011-12 released on 14.09.2011, total production of cotton in the country is estimated at 36.10 million bales (170 kgs. Each).

(b) & (c): The Minimum Support Price (MSP) for Medium Staple cotton has been increased from Rs. 2500 per quintal in 2010-11 to Rs.2800per quintal in 2011-12. The MSP for long Staple cotton has also been increased from Rs.3000 per quintal to Rs.3300 per quintal.

(d) & (e): As per assessment of Cotton Advisory Board (CAB), total demand of cotton for 2011-12 is estimated to be marginally lower at 250 lakh bales as compared to the demand of 253 lakh bales for the previous year, i.e., 2010-11. The lower estimation of demand is due to slowdown in the domestic as well as international market. The demand for cotton is moderate and buying is slow in the domestic market. Lower textile shipment to the US and Europe have forced domestic textile industry to cut down production by around 10%.

(f) & (g): The Government offers to procure cotton at MSP through designated Central, State and Cooperative Agencies. However, the farmers are free to sell their produce at a higher price if the market offers better return.