

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2956

ANSWERED ON:12.12.2011

POWERLOOM INDUSTRIES

Bapurao Shri Khatgaonkar Patil Bhaskarrao;Gaikwad Shri Eknath Mahadeo;Gavit Shri Manikrao Hodlya;Paranjpe Shri Anand Prakash

Will the Minister of TEXTILES be pleased to state:

- (a) whether the spinning mills and the powerloom industries are facing difficulties due to fluctuation in cotton and yarn prices;
- (b) if so, the details thereof;
- (c) whether the Government of Maharashtra has requested the Union Government to bring cotton and yarn under Essential Commodities Act;
- (d) if so, the details thereof alongwith the reaction of the Government thereon; and
- (e) the time by which both cotton and yarn and likely to be brought under the said Act?

Answer

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

(a): Yes Madam.

(b): The details of fluctuation in cotton and yarn prices are as under:-

Cotton Price :

The cotton price during the previous cotton season i.e.2010-11 (Oct.2010 to Sept.2011) witnessed wide fluctuation both in domestic as well as international market upto April, 2011. The domestic prices in respect of few popular lint cotton varieties for the previous cotton season is given below:

Average Spot rates of Lint Cotton (Rs./Qt1.)

Month J-34 LRA-5166 H-4/ MECH-1 S-4/S-6 DCH-32

Cotton Season 2010-11

Oct 10236 10854 11135 11389 13301

Nov 11389 11586 11980 12345

Dec 11136 11108 11220 11727 14595

Jan 12056 12099 12469 12597 17673

Feb 15287 15072 15442 15671

Mar 16702 15651 16297 16790 23328

Apr 16073 14371 15137 16128 22405

May 12649 10013 11401 12991 20210

June 11019 8957 10481 11658 18486

July 9078 7822 8655 9439 16415

Aug 9561 8674 9230 10004 15601

Sept 10731 9762 10329 11097 15145

From April 2011, the trend was reversed with the prices moving down till July 2011, but prices moved up again in August, 2011 and September, 2011. The earlier downtrend was caused by the drying up of demand from spinners and exporters. The spinning industry was adversely impacted by the high cotton cost as against a declining trend in yarn prices. Mills were obliged to suffer losses in the sale of yarn produced from high cost cotton.

In comparison to the previous year, the prices of J-34, S-4/S-6 and DCH-32 have decreased around 14.39%, 8.21% and 0.60% respectively. The relevant data are given below:-

VARIETY Average Spot Rate of Lint Cotton (Rs./qtl.) in the month
of Oct, 2011 to 20th Nov., 2011

2010-11 2011-12 % Change

J-34 10813 9257 (-) 14.39

H-4/MECH-1 11585 -

S-4/S-6 11881 10906 (-) 8.21

Bunny Brahma 10871

DCH-32 13906 13822 (-) 0.60

Yarn prices:

The fluctuation in cotton yarn prices from October 2010 to November 2011 (month-wise) is enclosed at Annexure-I which indicates that there were very high fluctuation in cotton yarn price in all varieties i.e. Hank, Cone & Hosiery, which affected weaving industry adversely.

(c): No Madam.

(d) & (e): Do not arise in view of (c) above