

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:6399
ANSWERED ON:15.05.2012
COTTON EXPORT POLICY
Annayagari Shri Sai Prathap

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether cotton farmers are suffering from frequent changes in the export policy of the Government;
- (b) if so, the details thereof;
- (c) whether a recent decision of the Government to cut the exports of cotton has adversely affected the cotton farmers in the country;
- (d) if so, the details thereof;
- (e) the recommendations of the Commission for Agricultural Costs and Price made in this regard; and
- (f) the steps being taken by the Government to ease the cotton farmers to resist the setback?

Answer

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

(a) to (d): Policy on export of cotton is decided/reviewed from time to time, keeping in view production, demand and price of cotton and interest of all stakeholders. For the cotton season 2011-12, policy on export of cotton had been announced in advance and the export of cotton had been placed under OGL vide DGFT's Notification dated 12th September, 2011. However, taking into account the quantity already exported and available for exports, it had been decided vide DGFT Notification dated 12th March 2012 to suspend the issue of new registration certificates for export of cotton and to allow export against valid registration certificates as on 5th March, 2012. Now, suspension of registration for export of cotton has been withdrawn vide DGFT Notification dated 4th may 2012. India's Cotton exports have touched an all time high of 115 lakh bales indicating no impact of export ban.

(e): The Commission for Agricultural Costs and Prices has made no formal recommendation in the matter.

(f): To ensure that farmers get remunerative Prices, government announces Minimum Support Price (MSP) every year keeping in view the cost of production. In case prices fall below MSP, designated Government agencies carryout procurements at MSP. There have been very few cases of MSP operations by Government agencies as prices of cotton have been generally above MSP in the current cotton season.