

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:2687

ANSWERED ON:28.08.2012

MSP FOR COTTON

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Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the cotton growing farmers of the country are not getting adequate remunerative price for their produce;
- (b) if so, the details thereof;
- (c) whether the Government is considering to increase the minimum support price of cotton; and
- (d) if so, the details thereof?

Answer

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

(a) & (b): The Government of India fixes Minimum Support Price (MSP) for certain agricultural commodities including Raw Cotton on the recommendations of the Commission for Agricultural Costs and Prices (CACP) to ensure remunerative prices to the growers for their produce. The CACP, while recommending MSP considers all the relevant factors including the overall demand-supply situation, cost of production, changes in input prices, input/output price parity, trends in market prices, inter-crop price parity, effect on general price level, etc. The Minimum Support Price (MSP) fixed by the Government is in the nature of a minimum guaranteed price for the farmers offered by the Government for their produce in case the market prices fall below that level. If the market offers higher price than the MSP, the farmers are free to sell their produce at market price. The MSP of two basic varieties of Cotton of Medium Staple Length of 24.5mm-25.5 mm (Micronaire value 4.3-5.1) and Long Staple Length of 29.5mm-30.5mm (Micronaire value 3.5-4.3) are fixed at Rs. 2800 and Rs. 3300 respectively for 2011-12 season. However, the All-India weighted average cost of production for Raw Cotton is worked out by CACP at Rs. 2528.37 per quintal for 2011- 12 season.

(c) & (d): The Government has already increased the Minimum Support Price (MSP) for medium staple length of 24.5mm-25.5 mm (Micronaire value 4.3-5.1) from Rs. 2800 per quintal for 2011-12 to Rs. 3600 per quintal for 2012-13, which is higher by Rs. 800 per quintal (or 28.6%) as compared to previous season. Similarly for long staple length of 29.5mm-30.5mm (Micronaire value 3.5-4.3) it has been increased from Rs. 3300 per quintal to Rs. 3900 per quintal, which is higher by Rs. 600 per quintal (or 18.2%) as compared to previous season