

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

STARRED QUESTION NO:209
ANSWERED ON:27.08.2012
IMPORT OF COTTON
Paranjpe Shri Anand Prakash

Will the Minister of TEXTILES be pleased to state:

- (a) whether the textile mills have imported cotton during the last year and the current year;
- (b) if so, the details thereof and the reasons therefor along with the remedial measures taken by the Government to curb import of cotton;
- (c) whether there is an acute shortage of cotton in the country;
- (d) if so, the details thereof and the reasons therefor along with the steps taken by the Government to supply adequate quantities in the domestic market and also improve production of cotton in the country;
- (e) whether the Government has conducted any study to ascertain the improvements brought about by other countries in the matter of production of cotton; and
- (f) if so, the details thereof along with the outcome of the said study?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TEXTILES (SHRI ANAND SHARMA)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO. 209 TO BE ANSWERED ON 27.08.2012 BY SHRIANAND PRAKASH PARANJPE AND SHRI EKNATH M. GAIKWAD REGARDING IMPORT OF COTTON

(a) Yes madam, Cotton Imports in 2010-11 cotton season were reportedly 5 lac bales and in 2011-12 cotton season 4.8 lac bales till date.

(b) Traditionally Indian Textiles Industry imports 5 lac bales of extra long staple cotton not produced in India. In July 2012, India's cotton prices crossed world cotton prices making imports of other varieties of cotton more economical. Other reasons for India's rising cotton imports include availability of international credit finance at lower interest rates, savings in the carrying cost for textiles mills, higher yarn realization and better quality cotton. The Cotton Advisory Board has estimated that cotton imports in 2011-12 cotton season (which ends on September 30, 2012) at 12 lac bales of cotton imports including short staple cotton.

Government does not envisage any import curbs on cotton. Textiles mills are free to import cotton depending on commercial viability.

(c) No madam, there is no acute shortage of cotton in the country. As per the estimates of the Cotton Advisory Board held on August 23, 2012 closing stocks at 28.46 lac bales account for more than 30 days of inventory for textile mills.

(d) Government took many steps to ensure adequate domestic availability in cotton season 2011-12. These included close monitoring/ stringent conditions in export registration certificates, detailed assessment of production/ consumption estimates and creation of a buffer stock for textiles industry by Cotton Corporation of India.

To improve cotton production, Government implemented the Technology Mission on Cotton in the 11th Plan which resulted in India's emergence as the world's 2nd largest producer and exporter of cotton.

(e) & (f) India participated in the study on statistical best practices on cotton distribution in 10 major cotton producing countries undertaken by the International Cotton Advisory Committee. Based on the international best practices, the Cotton Distribution (Collection of Statistics) Bill 2012 was formulated. The bill seeks to collect information from the cotton value chain on a real time basis as also to ensure uniformity in quality practices. Government has also proposed to continue the Technology Mission on Cotton for Mini Missions III and IV aimed at modernization of Ginning and Pressing Factories and for modernization of Market Yards in the 12th Plan.