

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:3562
ANSWERED ON:03.09.2012
PRICE OF COCOONS
Gandhi Shri Feroze Varun

Will the Minister of TEXTILES be pleased to state:

- (a) whether there has been a steep drop in the price of cocoons after the Government has cut the import duty on raw silk;
- (b) if so, the details thereof along with their impact on Indian silk farmers; and
- (c) the positive steps taken by the Government in this regard?

Answer

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

(a) & (b): The basic customs duty on import of raw silk has been reduced from 30% to 5% during Union Budget 2011 in order to safeguard the interest of the silk weavers of the country and to bring-in stability to the abnormal increase in the raw silk prices of both domestic & imported silk. During the period between April 2011 and March 2012, there was a significant drop in the prices of Cocoons in various Cocoon markets from about Rs.275/- per Kg. to about Rs.175/- per Kg. as a result of reduction in prices of raw silk in the domestic market. However, prices improved in the recent months and Cocoon prices have gone up to about Rs. 280/- per Kg.

(c): The Government through the Central Silk Board (CSB) is implementing a Centrally Sponsored Scheme viz "Catalytic Development Programme"(CDP) in collaboration with State Sericulture Department of all the States for development of sericulture and providing support to improve the reeling infrastructure to stabilize the price of cocoons and raw silk. The Government has taken steps to improve productivity of Cocoons and raw silk, strengthen the extension support to the farmers and develop improved seeds and host plants. Government has also permitted import of modern Automatic Reeling machines and Dupion Reeling machines along with their accessories and packages at concessional duty of customs to bring down cost of production and make the sericulture and reeling sector competitive.