

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:415
ANSWERED ON:06.08.2013
MSP OF COTTON
Lagadapati Shri Rajagopal

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether it is true that cotton farmers are demanding for keeping the MSP of cotton at Rs. 5000 per quintal in view of increase in input costs;
- (b) if so, the details thereof;
- (c) whether it is also true that the Commission for Agricultural costs and prices has recommended an increase of just Rs. 100 and fixed the rate at Rs. 4000 per quintal;
- (d) if so, the facts thereof; and
- (e) the steps taken by the Government to provide adequate remunerative price to the cotton farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (SHRI TARIQ ANWAR)

(a) & (b): Government received various representations for enhancing Minimum Support Price (MSP) of cotton. Details of MSP for cotton recommended by various state governments for 2013-14 season are as under:

(Rs. per Quintal)			
States	Cotton	Long Staple organic	Long staple Medium staple
Andhra Pradesh		7158	6575
Gujarat	4100-4600		3900-4400
Haryana		4200	
Himachal Pradesh		3900	3600
Madhya Pradesh			4200
Odisha		5000	4500
Punjab	4674		
Rajasthan	4500		
Tamil Nadu		4500	4000

(c) & (d): The Commission for Agricultural Costs and Prices (CACP) in its report on Price Policy for Kharif Crops for 2013-14 has recommended to fix 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) at Rs.3700 and Rs.4000 respectively for 2013-14 season. While recommending the MSPs for various agricultural commodities including cotton, the CACP holds consultations with different stakeholders including farmer representatives and considers a number of important factors which include costs of production, changes in input prices, input/output price parity, trends in market prices, demand-supply situation, inter crop price parity etc.

(e): Government fixes Minimum Support Price (MSP) for two basic varieties of cotton of Fair Average Quality viz., Medium staple Cotton and Long Staple Cotton. The MSP ensures remunerative price to the farmers for their agricultural produce. The Government organizes purchase operations through its designated agencies i.e., Cotton Corporation of India (CCI) and the National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) for undertaking procurement operations under Price Support Scheme (PSS) as and when the market prices fall below the MSPs fixed by the Government.