

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:1028

ANSWERED ON:12.08.2013

PROCUREMENT OF COTTON BY CCI

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Will the Minister of TEXTILES be pleased to state:

(a) the criteria/norms adopted by Cotton Corporation of India/other Government agencies for purchase of cotton under Minimum Support Price operations in the country;

(b) the details of cotton purchased by the Cotton Corporation of India (CCI) during the last three years and the current year, State-wise along with the funds allocated/spent by CCI in this regard;

(c) the loss/profit incurred on the purchase/sale of cotton procured by CCI/Government agencies along with any monitoring mechanism established by the Government to check such transaction and follow up action taken in this regard;

(d) whether the textile industry/exporters sought release of entire quantity of cotton procured by Government agencies/CCI into the domestic market to obviate shoot up of cotton prices; and

(e) if so, the details thereof along with cotton procured and sold by the CCI/Government agencies in the domestic market/exporters including steps taken by the Government to control the prices of cotton?

Answer

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

(a): Cotton Corporation of India (CCI) and National Agricultural Cooperative Marketing Federation of India Ltd, (NAFED) are the nodal agencies which have been mandated by the Government to procure the entire quantity of Fair Average Quality (FAQ) grade kapas offered by the cotton farmers in the nominated market yards of various states without any quantitative limit, in the event of prevailing seed cotton (kapas) touching the Minimum Support Price level.

(b): The details of cotton purchased by the Cotton Corporation of India (CCI) during the last three years and the current year, State-wise along with the funds allocated/spent by CCI in this regard is as follows:-

Table

State wise purchases of CCI under MSP during last three years including current year 2012-13

	2009-10	2010-11	2011-12	2012-13
State	IN	IN	IN	IN
Fund	IN	IN	Fund	IN
IN	IN	IN	IN	IN
Fund	IN	IN	Fund	IN
IN	IN	IN	IN	IN
Qntls. bales Allo	Qntls. bales Allo	Qntls. bales Allo	Qntls. bales Allo	Qntls. bales Allo
cated	cated	cated	cated	cated
/Spent	/Spent	/Spent	/Spent	/Spent
(Rs.in.Cr)	(Rs.in.Cr)	(Rs.in.Cr)	(Rs.in.Cr)	(Rs.in.Cr)
Punjab	734539	86597	125.25	
Haryana	112032	21763	30.56	
Rajas-	22817	4495	6.38	
than				
Gujarat	838	162	0.24	
M.P	42	10	0.01	18392 3551 7.17
Mahar-	2564	509	0.73	208806 41572 81.31
astra				
A.P	2355153	445589	704.85	39705 7570 13.02 115281742174886 4475.13
karna-	23379	4763	6.92	84420 16363 32.90
taka				
w.Ben-	716	137	0.21	834 152 0.25 555 116 0.21
gal				
Orissa	89004	16581	26.64	263713 50051 102.54
Grand				
Total	3060476	580596	901.79	834 152 0.25 40302 7696 13.24 121035052286423 4699.05

(c): The loss/profit incurred on the purchase/sale of cotton procured by CCI and National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) during the last three years are as under:-

Crop Year	CCI	NAFED
2009-10	211.70	5.50
2010-11	5.96	-
2011-12	4.53	-
2012-13	719.41	18.86

Projected.

Ministry of Textiles in December 2012, following comprehensive reviews of cotton procurement under MSP operations, issued guidelines to streamline procurement operations by formulation of a mandi operation plan, physical verification of stock by Vigilance teams, continuous procurement with available storage area, out-turn verification, moisture content verification and ensuring adequate documentation by Agricultural Produce Marketing Committees (APMCs) as also adequate fire prevention measures norms for inspection and supervision by senior management of Cotton Corporation of India. Vigilance supervision and Board level supervision were also strengthened. Cotton Corporation of India was directed to enhance coordination with State Government and District Collectors with APMCs being responsible for farmer identification.

(d) & (e): Some textiles industry associations have represented to Government that cotton stocks of Cotton Corporation of India may be released for consumption by the domestic textile industry. CCI has procured 22.86 lakh bales of cotton under MSP during current cotton season and is disposing off its stock in the domestic market. As on 6th August, 2013, Cotton Corporation of India has sold about 13.83 lakh bales of MSP cotton in the domestic market and is offloading the balance stock of 9.03 lakh bales in a gradual manner.