

**GOVERNMENT OF INDIA  
AGRICULTURE  
LOK SABHA**

UNSTARRED QUESTION NO:777  
ANSWERED ON:10.12.2013  
MSP OF COTTON  
Solanki Shri Makhansingh

**Will the Minister of AGRICULTURE be pleased to state:**

- (a) whether declaration of support price for cotton is under consideration of the Government;
- (b) if so, the details thereof;
- (c) whether the Government is formulating any policy to compensate the losses being incurred by the cotton growing farmers; and
- (d) if so, the details thereof?

**Answer**

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

(a) & (b): The Government of India has already announced the Minimum Support Price (MSP) of cotton for the current cotton 2013-14 season. The MSP of cotton has been increased for medium staple from Rs.3600 per quintal in 2012-13 to Rs. 3700 per quintal in 2013-14. Similarly for long staple it has been increased from Rs.3900 per quintal in 2012-13 to Rs. 4000 per quintal in 2013-14.

(c) & (d): 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 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 Government organizes purchase operations through its designated agencies. The designated central nodal agencies intervene in the market for undertaking procurement operations with the objective that the market prices do not fall below the MSPs fixed by the Government. Cotton Corporation of India (CCI) and the National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED) are the designated nodal agencies of the Government of India to undertake procurement of Cotton under Price Support Scheme (PSS).