

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:7042

ANSWERED ON:08.05.2015

EXPORT POLICY FOR COTTON

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the policies made and works done for export of cotton reportedly benefit the industrialists /traders and cause loss to the farmers;
- (b) if so, the facts thereof;
- (c) whether the Government declare its export policy days after the harvest of cotton crop;
- (d) if so, the details thereof and the reasons therefor;
- (e) the number of days after the harvesting of cotton crop, the Government declared the said policy during the last three years;
- (f) the criteria laid down for declaring the said policy; and g) the measures taken by the Government to encourage export and reduce import of cotton and its products?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a) to (f): No, Madam. The policy for export of cotton is not announced on seasonal or annual basis. Export of cotton has all along been "Free" except for the brief periods of

(i) 21.05.2010 to 30.09.2010 when it was "Restricted" and (ii) 05.03.2012 to 11.03.2012 when it was "Prohibited". With effect from 16.12.2010 export of cotton was allowed subject to registration of contracts with DGFT. Prior to 16.12.2010, export of cotton was permitted subject to registration of contract with Textile Commissioner, Mumbai. With effect from 08.12.2014, the requirement of registration for export of cotton has also been dispensed with.

(g) : To promote exports, Government has kept the export of cotton from India under free category. The import of cotton in India is meagre and accounts for only 1%-3% of cotton production in India. The import of cotton in India mainly comprises of Extra Long Staple (ELS) cotton, where the domestic production is less than the consumption requirement. Further, for safeguarding the interests of cotton growers in general and to boost export/disposal of cotton to be procured under the Minimum Support Price (MSP) operations in particular, Ministry of Textiles has written to Indian High Commissions/Embassies in cotton deficit countries like Bangladesh, Vietnam, Indonesia, Turkey, Thailand to explore new avenues for export of cotton for stabilizing cotton prices in India.