

**GOVERNMENT OF INDIA  
TEXTILES  
LOK SABHA**

UNSTARRED QUESTION NO:1070  
ANSWERED ON:17.07.2014  
. COTTON CORPORATION OF INDIA  
Dubey Shri Nishikant

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

- (a) whether the minimum support price of cotton procured from the farmers by Cotton Corporation of India (CCI) is below the market price and the farmers are facing losses as a result thereof;
- (b) if so, the details thereof; and
- (c) the steps taken/being taken by the Government to compensate the farmers in the country?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF TEXTILES (SHRI SANTOSH KUMAR GANGWAR)

(a): Every year, Government of India declares the Minimum Support Prices (MSP) of seed cotton (Kapas) to assure the cotton farmers that their produce will be purchased at the MSP, thereby preventing its distress sale. The MSP is recommended by Commission on Agricultural Costs & Prices (CACP) under Ministry of Agriculture taking into account the cost of cultivation, cost of inputs viz., seeds, pesticides, fertilizers, demand & supply situation for cotton domestically and internationally, inter-crop parity plus a reasonable profit margin to the cotton farmers. Government of India has nominated two nodal agencies viz., Cotton Corporation of India (CCI) and NAFED to procure the entire quantity of kapas offered by the cotton farmers in various APMC market yards without any quantitative limit in the event the prices of kapas touches the MSP level. During the Cotton Season 2013-14, cotton prices operated above MSP level and therefore, MSP operations were marginal.

(b) & (c): Question does not arise in view of (a) above.