

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO. 1265
TO BE ANSWERED ON THE 3RD DECEMBER, 2024

MINIMUM SUPPORT PRICE FOR COTTON

1265. SHRI MATHESWARAN V S:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

- (a) the details on the measures taken to address the Minimum Support Price (MSP) issue for cotton farmers in the State of Tamil Nadu, considering the recent drop in cotton prices;
- (b) the reasons for the drop in cotton prices; and
- (c) whether the Government has taken any steps to ensure that cotton farmers in Tamil Nadu receive fair prices for their produce, if so, the details thereof and the manner in which the MSP will be implemented to mitigate post-harvest losses?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री (SHRI BHAGIRATH CHOUDHARY)

(a): Every year, Government fixes Minimum Support Prices (MSPs) for 22 mandated agricultural crops including cotton for the country as a whole based on the recommendations of Commission for Agricultural Costs & Prices (CACP), after considering the views of State Governments and Central Ministries/Departments concerned.

The Union Budget for 2018-19 had announced the pre-determined principle to keep MSPs at levels of one and half times of the cost of production. Accordingly, Government had increased MSPs for all mandated Kharif (including cotton) , Rabi and other Commercial crops with a minimum return of 50 percent over all India weighted average cost of production from year 2018-19 onwards.

(b): Cotton, being an industrial raw material, its' prices largely depend on domestic and international demand & supply situation.

(c): MSP scheme provides a safety net as farmers are assured of getting at least minimum support in the event prices of kapas fall below the MSP declared by the Govt. of India.

Additionally, Government has set up adequate marketing infrastructure i.e. 21 procurement centres in 13 districts under its' Branch Offices at Coimbatore to protect the interest of cotton farmers of Tamil Nadu.