

**GOVERNMENT OF INDIA
TEXTILES
LOK SABHA**

UNSTARRED QUESTION NO:2628

ANSWERED ON:09.12.2005

PRICES OF COTTON

Kharventhan Shri Salarapatty Kuppusamy;Subba Shri Moni Kumar

Will the Minister of TEXTILES be pleased to state:

- (a) whether the prices of cotton have fallen sharply in comparison to international market and the farmers are not getting remunerative prices;
- (b) if so, the details and the reasons therefor;
- (c) whether the Cotton Corporation of India has proposed to set up Cotton Procurement Centers in various parts of the country;
- (d) if so, the areas identified and the objectives for setting up such centers; and
- (e) the steps taken by the Government to assist the cotton growers of the country?

Answer

MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA)

(a) & (b): No Sir. The international prices, as measured by Cotlook A index, which were ruling at 56.55 US Cents per lb at the beginning of October, 2005 firmed up for a short period to reach a level of 60.00 US Cents per lb on 17.10.2005 are now ruling at 55.55 US Cents per lb. The domestic cotton prices, which were under pressure in October, 2005 have now firmed by Rs. 1500 to Rs. 2000 per candy spot (i.e. 4 to 5 US Cents per lb). Similarly, the kapas prices, which were at Minimum Support Price (MSP) level upto first fortnight of November, 2005 are now ruling above the MSP by Rs. 100 to Rs. 200 per quintal in all the States except Gujarat. Presently, the domestic cotton prices are almost on par with international prices.

(c) to (e): Yes Sir, in order to ensure remunerative prices to the cotton farmers in the wake of prevailing kapas prices touching the MSP level, the CCI had drawn a contingency plan for conducting MSP operations in all the cotton growing States. The CCI has proposed to set up 255 procurement centers in all the ten cotton growing States. In order to assist the cotton farmers of the country for ensuring remunerative prices, the Government of India from the year 2004-05, besides CCI had also appointed National Agricultural Cooperative Federation of India Ltd. (NAFED) as the nominated agency for undertaking MSP operations.