

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:752
ANSWERED ON:31.07.2006
GLOBAL BOOM IN COTTON PRODUCTION .
Gadhavi Shri Pushpdan Shambhudan

Will the Minister of AGRICULTURE be pleased to state:

- (a) Whether as a result of global boom in cotton production, the prices of cotton in the domestic market have slashed and the stocks of cotton in the country are piling up, resulting in a very critical situation for the Indian cotton growers;
- (b) Whether the present situation has brought down the prices even below the minimum support price level; and
- (c) If so, the steps proposed to be taken to safeguard the overall interests of domestic cotton growers?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE
(SHRI KANTILAL BHURIA)

(a) to (c): As can be seen below, average wholesale market prices (WP) of important varieties of cotton at select States/Centres are higher than their Minimum Support Prices (MSP) during the year 2004- 05 and 2005-06 except for S-6 variety at Broach market in Gujarat.

MSP and WP of Cotton (Rs./Quintal)				
State/Centre/Variety	2004-05		2005-06	
	MSP	WP	MSP	WP
Andhra Pradesh/Warangal/MECH	1885	1858	1885	1947
Tamil Nadu/Tirupur LRA	1835	1877	1835	2031
Punjab/Bhatinda/American	1815	1830	1835	1989
Gujarat/Broach/S-6	1960	1839	1985	1875

Domestic cotton prices have shown increasing trend despite of 19% increase in production of cotton in 2005-06, while the world cotton production has recorded a 6% decline during 2005-06.

To safeguard the interests of cotton growers and to avert distress sale in the market, the Cotton Corporation of India (CCI) has been purchasing the cotton of Fair Average Quality (FAQ) grade and also below FAQ. Further, to intensify the procurement operations of cotton, National Agricultural Cooperative Marketing Federation of India Limited (NAFED) has been nominated as the second agency from 2004-05.