

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:24
ANSWERED ON:05.07.2004
MINIMUM SUPPORT PRICE OF COTTON
Wagmare Shri Suresh Ganpatrao

Will the Minister of AGRICULTURE be pleased to state:

to the reply to Unstarred Question No.3357 dated August 18, 2003 and state:

- (a) whether the Government intend to raise the Minimum Support Price for cotton to about Rs.2800/-;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

Answer

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

(a): As mentioned in answer to the Unstarred Question No.3357 replied on 18th August, 2003, the Government fixed the Minimum Support Price (MSP) for cotton for 2003-04 season for F414/H-777/J-34 variety and H-4 variety at Rs.1725 and Rs.1925/- per quintal respectively. As in the case of other crops covered under MSP, the MSP for cotton is also fixed every season on the basis of the recommendations made by the Commission for Agricultural Costs & Prices.

(b)&(c): The Government decides on the support prices for cotton after taking into account the recommendations of the Commission for Agricultural Costs and Prices, views of the concerned State Governments and Central Ministries as well as other relevant factors. As the MSP so fixed may not always cover the weighted average C2 cost (actual expenses in cash and kind, rent for leased-in land, and imputed value of wages of family labour, rent for owned land, and interest on fixed capital), the price policy seeks to cover A2+FL (actual expenses in cash and kind, rent for leased-in land, and imputed value of wages of family labour) in high cost/less endowed states.