

Bill No. 359 of 2019

THE COTTON GROWERS (WELFARE) BILL, 2019

By

SHRI DHAIRYASHEEL SAMBHAJIRAO MANE, M.P.

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BILL

to provide for measures to ensure welfare of cotton growers and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Cotton Growers (Welfare) Act, 2019.

Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

5 **2.** In this Act, unless the context otherwise requires,—

Definitions.

(a) "appropriate Government" means in the case of a State, the Government of that State and in all other cases, the Central Government;

(b) "cotton grower" means any person who cultivates cotton;

(c) "Committee" means the National Cotton Development Committee constituted under section 4;

(d) "prescribed" means prescribed by rules made under this Act; and

(e) "Scheme" means the Cotton Growers Welfare Scheme formulated under section 3.

Cotton
Growers
Welfare
Scheme.

3. The Central Government shall formulate a Scheme for the welfare of Cotton Growers to be known as the Cotton Growers Welfare Scheme. 5

4. (1) The Scheme shall be administered by a Committee to be known as the National Cotton Development Committee to be constituted by the Central Government in such manner as may be prescribed.

(2) The Committee shall consist of— 10

(i) Union Minister of Agriculture and Farmer's Welfare—Chairperson, ex-officio;

(ii) Union Minister of State for Agriculture and Farmer's Welfare—Vice-Chairperson, ex-officio;

(iii) two members, representing the Governments of Cotton growing States, to be nominated by the respective State Government in such manner as may be prescribed; 15

(iv) two members representing Cotton Association of India; and

(v) three Members of Parliament each from Cotton growing States.

(3) The Central Government shall appoint such number of officers and staff to the Committee as it deemed necessary for carrying out the purposes of this Act. 20

(4) The salary and allowances payable to, and other conditions of service of the officers and staff of the Committee, shall be such as may be prescribed.

Cotton
Growers
Welfare Fund

5. (1) The Central Government shall set up a Fund to be known as the Cotton Growers Welfare Fund for carrying out the purposes of this Act.

(2) The Central Government and the State Governments shall contribute to the Cotton Growers Welfare Scheme Fund in such ratio as may be prescribed. 25

Cotton
Farmers and
Growers
Welfare Fund.

6. The Fund shall be utilised for the following purposes, namely:—

(a) to provide financial assistance to cotton farmers and growers for purchasing cotton seeds, pesticides and fertilizers, and in case of low yields of cotton or loss of their crops due to rains, storms, floods, hailstorms and drought; 30

(b) to provide free health facilities for cotton farmers and growers and their families;

(c) to provide assistance to the cotton farmers and growers in the event of any disability;

(d) to compensate the farmer(s) and grower(s) suitably in case as yield being less than estimated; 35

(e) to provide technical and other kinds of specialized assistance to cotton farmers and growers;

(f) to create adequate procurement and storage facility for cotton and assistance for export of cotton and its products; 40

(g) to encourage research in cotton related fields;

(h) to provide electricity and water facilities to cotton farmers and growers at subsidized rate; and

(i) for such other purposes as may be prescribed by the Central Government.

5 7. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

Power to
make rules.

10 (2) Every rule made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making an modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

Cotton is one of the most important fibre and cash crop of India and plays adominant role in the industrial and agricultural economy of the country. It provides the basic raw material (cotton fibre) to cotton textile industry. The textiles and apparels industry in India is valued at around \$127 billion in size. Textile units in Ichalkaranji produce cloth for both domestic and overseas markets. Ichalkaranji has a rich legacy in the field of textile industry in the State of Maharashtra. Cotton in India provides direct livelihood to six million farmers and about 40-50 million people are employed in cotton trade and its processing.

In India, there are ten major cotton growing States which are divided into three zones, *viz.* northern zone, central zone and south zone. North zone consists of the State of Punjab, Haryana and Rajasthan. Central zone includes the State of Madhya Pradesh, Maharashtra and Gujarat Southern zone comprises the State of Andhra Pradesh, Telangana, Karnataka and Tamil Nadu. The latest United States Department of Agriculture (USDA) estimate for the marketing year 2019-20 has projected India's cotton crop at 305 lakh US bales (each of 217.7 kg), which works out to 390 lakh India bales (each of 170 kg). Last season in 2018-19, India's cotton crop was reported decade-low at 312 lakh bales by the apex cotton trade body, Cotton Association of India (CIA).

Cotton output in India was impacted last year due to drought in many cotton growing States including the States of Maharashtra, Telangana and Andhra Pradesh. The Government increased a mere two per cent in cotton minimum support price (MSP) for 2019-20 compared to five per cent and nine per cent in groundnut and soyabean respectively.

The monsoons and unseasonal rains in 2019 have led to huge crop losses and damages to the farmers. The Bill is aimed at creating a targeted scheme for welfare of cotton growers and farmers which will be administered by a committee to be headed by Minister of Agriculture and comprising members from varied fields relating to cotton production and supply.

The Bill also makes a provision to create a Fund to be managed jointly through funds of Central and State Governments to be used for a wide range of activities including insurance, electricity, technical assistance, research and health facilities which will aid in providing relief to the cotton farmers not only in the State of Maharashtra but across the country.

The Bill, if enacted, will protect the interests and promote the welfare of the cotton growers in the country.

Hence this Bill.

NEW DELHI;
November 6, 2019.

DHAIRYASHEEL SAMBHAJIRAO MANE

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for formulation of Cotton Growers Welfare Scheme. Clause 4 provides for the Constitution of National Cotton Development Committee. Clause 5 provides for setting up of a Cotton Farmers and Growers Welfare Fund to which the Central Government and the State Governments shall contribute in such ratio, as may be prescribed.

The Bill, therefore, if enacted, would involve expenditure from the Consolidated Fund of India. However, at this stage, it is not possible to quantify the actual expenditure at this juncture, it is estimated that a recurring expenditure of about rupees seven thousand crore may be incurred per annum from the Consolidated Fund of India.

A non-recurring annual expenditure of about rupees two thousand crore is also likely to be incurred.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 7 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. As the rules will relate to matters of details only, the delegation of legislative power is of normal character.

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connected therewith or incidental thereto

(Shri Dhairyasheel Sambhajirao Mane, M.P.)