

LOK SABHA
UNSTARRED QUESTION NO.3720
TO BE ANSWERED ON 08.12.2016

RE-SALE OF COTTON STOCKS

3720. SHRIMATI K. MARAGATHAM:

Will the Minister of TEXTILES वस्त्र मंत्री
be pleased to state:

- (a) whether the Cotton Corporation of India (CCI) proposes to start re-sale of cotton stocks available with it to small and medium scale textile mills so as to keep the prices under control and if so, the details thereof;
- (b) whether the CCI has purchased 8.4 lakh bales of cotton at minimum support price this year and if so, the details thereof;
- (c) whether the cost of cotton purchased from CCI will be lower than the current market price and the CCI proposes to sell cotton at just minimum support price so that the small textile units can survive; and
- (d) if so, the details thereof and the steps being taken by the Government in this regard?

उत्तर

ANSWER

वस्त्र मंत्री (श्रीमती स्मृति जूबिन इरानी)

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a) & (b): During cotton season 2015-16 (1st October, 2015 to 30th September, 2016), CCI purchased seed cotton (kapas) equivalent to 8.44 lakh bales at Minimum Support Price (MSP). The statement showing state-wise procurement under MSP during 2015-16 is annexed. During cotton season 2015-16, cotton prices in the country abnormally increased in the month of May/July 2016 due to damage by white fly pests in Northern region & pink boll worm attack in Gujarat region and panic buying by the mills to cover their lean season requirement. In such situation, in order to safeguard the interest of the textile Industry including Micro, Small and Medium Enterprises (MSMEs), Government of India, Ministry of Textiles decided in July, 2016 to sell the balance unsold stock available with CCI to MSME units through e-sale so as to provide them some relief from cotton price volatility in the market and stabilize the market prices. Accordingly, all the cotton stocks of CCI has been sold.

(c): No, Madam. CCI sells its cotton stocks at market driven rates through e-auction.

(d): Does not arise, in view of (c) above.

Annexure

State	Procurement under MSP by CCI during Cotton Year 2015-16 (in bales)
Telangana	5,95,159
Maharashtra	1,16,799
Gujarat	51,501
Andhra Pradesh	39,967
Madhya Pradesh	29,104
Odisha	11,633
West Bengal	368
Total	8,44,531
