

LOK SABHA
UNSTARRED QUESTION NO. 4691
TO BE ANSWERED ON 30.03.2017

SUBSIDY TO COTTON FARMERS

4691. ADV. M. UDHAYAKUMAR:

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

- (a) whether the Government's plan to start transferring subsidy directly to cotton farmers through a pilot project without having to procure the fibre through State run agencies is unlikely to materialize, and if so, the details thereof;
- (b) whether the market prices are expected to stay above the State fixed benchmark rates and if so, the details thereof;
- (c) whether the cotton prices have been mostly higher than the Minimum Support Price (MSP) since the beginning of 2015-16; and
- (d) if so, the details thereof?

उत्तर

ANSWER

वस्त्र राज्य मंत्री (श्री अजय टम्टा)
MINISTER OF STATE FOR TEXTILES
(SHRI AJAY TAMTA)

(a): Yes, Madam. The Government of India through Government of Maharashtra made a proposal to implement direct transfer of funds to the accounts of cotton farmers in the cotton season 2015-16 through the Maharashtra State Co-operative Cotton Growers Marketing Federation Ltd. (MSCCGMFL) in Wardha district of Maharashtra on a pilot basis. Since most of the time, the market price of cotton had remained above the Minimum Support Prices (MSP), this was redundant during 2015-16.

(b): Ministry of Agriculture. Government of India based on the recommendations of its Advisory Board viz., Commission for Agricultural Costs and Prices (CACP) fixes the Minimum Support Price (MSP) for two basic staple groups of cotton i.e. medium long staple and long staple variety. Since beginning of the current cotton season 2016-17, kapas prices are ruling much above MSP level in all the cotton growing States. Presently, kapas prices are ruling above the MSP level by 30% to 50%. Statement showing average kapas

prices of major cotton varieties during cotton season 2016-17 are as follows:-

Month	J-34	H-4/MECH-1	S-6	Bunny Brahma	DCH-32
	MSP in Rs./Qntl				
	4010	4060	4110	4160	4560
Average Market Price of Kapas in Rs./Qntl					
Oct.	5098	5335	4623	5331	5602
Nov.	5204	5091	4703	5162	5835
Dec.	5197	5127	4854	5209	6280
Jan.	5722	5623	5275	5636	6461
Feb.	5936	5773	5418	5885	6487
March*	6040	5639	5820	5440	6403

*Upto 23rd March 2017

(c) & (d): Yes, Madam. During cotton season 2015-16, market price of raw cotton (kapas) were ruling much above MSP level except for a few parts of Telangana, Andhra Pradesh, Maharashtra & Gujarat where kapas prices touched the MSP level for a short period of time i.e. during November & December 2015. As a result, CCI could purchase kapas equivalent to 8.44 lakh bales under MSP Operations. Out of total MSP purchases by CCI, around 75% purchases were in Southern zone particularly in Telangana & Andhra Pradesh and the remaining 25% in Central zone. Monthly average kapas prices during cotton season 2015-16 are as under which shows that cotton prices had mostly been higher than the MSP's since the beginning of 2015-16:-

Month	J-34	H-4/MECH-1	S-6	Bunny Brahma	DCH-32
	MSP in Rs/Qntls.				
	3950	4000	4050	4100	4500
Market rate in Rs/Qntls					
Oct	4566	4168	4418	4058	5118
Nov	4415	4066	4298	4098	5209
Dec	4467	4250	4596	4110	5374
Jan	4738	4543	4766	4227	5355
Feb	4724	4444	4669	4145	5270
Mar	4698	4432	4684	4196	5006
April	-	4598	4804	4512	-
May	-	4679	5001	4828	-
June	-	4886	5618	5150	-
July	-	-	-	-	-
Aug	-	-	-	-	-
Sept	-	-	-	-	-
