

LOK SABHA
UNSTARRED QUESTION NO. 1189
TO BE ANSWERED ON 28.6.2019

PROCUREMENT OF SILK BY COTTON CORPORATION OF INDIA

1189. SHRI BHARTRUHARI MAHTAB:
SHRI RAHUL RAMESH SHEWALE:

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

- (a) whether the Cotton Corporation of India has procured cotton from farmers of various States at Minimum Support Price during each of the last three years and the current year;
- (b) if so, the details thereof, State-wise and if not, the reasons therefor;
- (c) whether the Government has increased the MSP of cotton in proportion to rate of inflation and rise in input costs during the said period;
- (d) if so, the details thereof and if not, the reasons therefor;
- (e) whether the cotton growers are getting adequate price for their produce during the said period to enable them to repay their loans and meet their household expenses;
- (f) if so, the details thereof, State-wise and if not, the reasons therefor; and
- (g) the steps taken/being taken by the Government to give remunerative price of cotton to the farmers?

उत्तर

ANSWER

वस्त्र मंत्री (श्रीमती स्मृति जूबिन इरानी)

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a) & (b): Yes, Sir. The Cotton Corporation of India (CCI) is undertaking Minimum Support Price (MSP) operations when prices of Fair Average Quality (FAQ) grade kapas fall below the MSP level and procure entire quantity of FAQ grade kapas offered by the cotton farmers in various Agricultural Produce Market Committees (APMCs) market yards at MSP. Statement showing procurement of cotton under MSP by CCI during last three cotton years (1st October to 30th September) and current cotton year is given below:-

(Quantity in Lakh bales of 170 kg each)

	2015-16	2016-17	2017-18	2018-19 (As on 23.6.2019)
Punjab	-	-	-	-
Haryana	-	-	-	-
Rajasthan	-	-	-	-
Gujarat	0.515	-	0.951	0.08
Maharashtra	1.168	-	0.146	1.96
Madhya Pradesh	0.291	-	0.078	0.51
Telangana	5.952	-	2.635	7.77
Andhra Pradesh	0.400	-	0.065	0.05
Karnataka		-	0.003	0.08
Orissa	0.116	-	0.020	0.25
West Bengal & Others	0.004	0.005	0.004	-
Total	8.445	0.005	3.902	10.70

Note: During cotton season 2016-17, since beginning average seed cotton prices were ruling above MSP level. Hence, there were no offers of cotton at MSP from farmers, though CCI remained present in the market yards throughout the cotton season for procuring cotton at MSP.

(c) & (d): Yes, Sir. The MSP fixed by the Ministry of Agriculture for the last few years is given below:-

(Rs. Per quintal)

Cotton Season	Medium Staple	Long Staple	% increase over previous year	
			Medium Staple	Long Staple
2015-16	3800	4100	1.3	1.2
2016-17	3860	4160	1.6	1.5
2017-18	4020	4320	4.1	3.8
2018-19	5150	5450	28.1	26.2

Based on the Support Price of these two basic varieties of Seed cotton (Kapas) and taking into account the quality differential, normal price differential and other relevant factors, the MSP for other staple varieties of cotton are fixed by the Textile Commissioner, Mumbai.

(e) & (f): Yes, Sir. Cotton growers are getting adequate price for their produce. Statement showing comparison between market rates & MSP of major cotton varieties during last three years and current year is attached herewith at Annexure which shows that during last three years and current year, most of the time market rates of kapas have been ruling higher in comparison to MSP.

(g): With a view to give remunerative price of cotton to the farmers, Government has taken following initiatives:-

- i) Ministry of Agriculture, Government of India fixes the Minimum Support Price (MSP) of two varieties of seed cotton (kapas) every year before commencement of the Cotton Season (October to September). In order to ensure better productivity and production and to protect the interest of farmers, Government of India has increased the MSP for 2018-19 by 28% and 26% for Medium Staple Cotton and Long Staple Cotton respectively.

- ii) Nominated the Cotton Corporation of India (CCI) as nodal agency to undertake MSP operation in all cotton growing States, in the event when prices of seed cotton (kapas) touches the MSP level, to purchase entire quantity of kapas (FAQ grade) offered by the cotton farmers in various APMC market yards at MSP rates.
- iii) Around 350 procurement centres have been opened in all the cotton growing States. CCI Procurement Officials remain present at procurement centres right from the beginning of the cotton season to ensure minimum support prices to the cotton farmers wherever the prevailing kapas prices fall below MSP.
- iv) Disseminating the necessary information regarding MSP rates to cotton farmers by displaying banners in APMCs, advertisements in newspapers, distribution of pamphlets to individual farmers etc.
- v) Initiated electronic generation of purchase bill/ takpatti against the cotton procured from farmers in APMCs to avoid delay in releasing the payments to the cotton farmers.
- vi) Implemented 100% payment of kapas purchased under MSP to the cotton farmers directly in their bank account through online.
- vii) Developed a farmer friendly mobile app, “Cott-Ally” to have direct interaction and outreach with the cotton farmers and to keep the cotton farmers informed about various information related to Minimum Support Price operations, tracking of payments status etc.

Annexure

Statement showing comparison between market rates of major cotton varieties
and MSP during last three years and current year

Average Kapas Prices (Rs./ Quintal)

Date	2018-19			2017-18			2016-17			2015-16		
	Market Rate	MSP	% increase/ Decrease in market rates over MSP	Market Rate	MSP	% increase/ Decrease in market rates over MSP	Market Rate	MSP	% increase/ Decrease in market rates over MSP	Market Rate	MSP	% increase/ Decrease in market rates over MSP
	Bunny Brahma variety (30 mm) (Gujarat, Maharashta, MP, AP, Telangana, Karnataka, Odisha)											
1-Oct	5250	5450	-3.8%	4375	4320	1.3%	4500	4160	7.6%	4200	4050	3.6%
31-Oct	5500	5450	0.9%	4250	4320	-1.6%	4650	4160	10.5%	4000	4050	-1.3%
30-Nov	5350	5450	-1.9%	4250	4320	-1.6%	4850	4160	14.2%	4070	4050	0.5%
31-Dec	5320	5450	-2.4%	4800	4320	10.0%	5100	4160	18.4%	4250	4050	4.7%
31-Jan	5400	5450	-0.9%	4700	4320	8.1%	5450	4160	23.7%	4270	4050	5.2%
28-Feb	5408	5450	-0.8%	4650	4320	7.1%	5425	4160	23.3%	4150	4050	2.4%
30-Mar	5596	5450	2.6%	4650	4320	7.1%	5400	4160	23.0%	4160	4050	2.6%
30-Apr	5850	5450	6.8%	4600	4320	6.1%	5350	4160	22.2%	4715	4050	14.1%
31-May	5970	5450	8.7%	4650	4320	7.1%	5150	4160	19.2%	5003	4050	19.0%
	S-6 variety (28.5 mm)(Gujarat)											
1-Oct	5650	5400	4.4%	4100	4270	-4.1%	5650	4110	27.3%	4325	4000	7.5%
31-Oct	5625	5400	4.0%	4625	4270	7.7%	5050	4110	18.6%	4275	4000	6.4%
30-Nov	5550	5400	2.7%	4575	4270	6.7%	5075	4110	19.0%	4375	4000	8.6%
31-Dec	5475	5400	1.4%	4950	4270	13.7%	5300	4110	22.5%	4775	4000	16.2%
31-Jan	5465	5400	1.2%	4740	4270	9.9%	5700	4110	27.9%	4700	4000	14.9%
28-Feb	5425	5400	0.5%	4750	4270	10.1%	5775	4110	28.8%	4700	4000	14.9%
30-Mar	5855	5400	7.8%	4625	4270	7.7%	5850	4110	29.7%	4700	4000	14.9%
30-Apr	6050	5400	10.7%	5000	4270	14.6%	5700	4110	27.9%	4825	4000	17.1%
31-May	6025	5400	10.4%	5050	4270	15.4%	5675	4110	27.6%	5200	4000	23.1%
	J-34 variety (27.5mm) (Punjab, Haryana, Rajasthan)											
1-Oct	5150	5350	-3.9%	4275	4220	1.3%	5325	4060	23.8%	4520	4000	11.5%
31-Oct	5270	5350	-1.5%	4625	4220	8.8%	5150	4060	21.2%	4645	4000	13.9%
30-Nov	5400	5350	0.9%	4630	4220	8.9%	5270	4060	23.0%	4370	4000	8.5%
31-Dec	5450	5350	1.8%	5240	4220	19.5%	5390	4060	24.7%	4770	4000	16.1%
31-Jan	5410	5350	1.1%	5110	4220	17.4%	5830	4060	30.4%	4680	4000	14.5%
28-Feb	5417	5350	1.2%	4950	4220	14.7%	5990	4060	32.2%	4720	4000	15.3%
30-Mar	5840	5350	8.4%	4600	4220	8.3%	6000	4060	32.3%	4650	4000	14.0%
30-Apr	6115	5350	12.5%	4860	4220	13.2%						
31-May	5990	5350	10.7%	5130	4220	17.7%						
