

LOK SABHA
UNSTARRED QUESTION NO. 4497
TO BE ANSWERED ON 20.03.2020

Cotton Corporation of India

4497. SHRI V.K. SREEKANDAN:

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

- (a) whether the Government has taken note of the persistent demand by Textile industry that the Cotton Corporation of India (CCI) should be selling cotton at the market price, if so, the reaction of the Government thereto;
- (b) whether the Government is contemplating to increase the export of cotton through CCI, if so, the details thereof and if not, the reasons therefor;
- (c) whether CCI is expected to sell its entire cotton stock this season owing to the quality of its cotton; and
- (d) if so, the details thereof?

उत्तर

ANSWER

वस्त्र मंत्री (श्रीमती स्मृति ज़ूबिन इरानी)

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a): The textile industry has been demanding for sale of Cotton at market prices by Cotton Corporation of India (CCI) Ltd. In this regard, it is stated that it has always been the endeavour of CCI to ensure availability of good quality cotton at competitive rates to domestic textile industry including Micro, Small and Medium Enterprises (MSME) units, Co-operatives and Institutional buyers. CCI conducts e-auction every day and makes the cotton available to the industry. In such e-Auction, mills are at liberty to buy even a lot of 100 bales. Further, in order to enable the mills to procure cotton at competitive prices, CCI has introduced bulk discount scheme for 2018-19 stock which is applicable on purchase of minimum quantity of 500 bales. MSME, KVIC and Co-operative mills are entitled to avail discount on buying a minimum quantity of even 100 bales. Under this scheme, the mills can avail discount of Rs. 3200 per candy to Rs. 5000 per candy depending upon quantity purchased.

(b): The CCI always gives preference to the domestic sale over exports. During current cotton season 2019-20, CCI has not exported any quantity so far. However, whenever exports are viable and fetch more revenue than domestic rates, CCI can export cotton as it is under Open General Licence (OGL).

(c): The CCI is undertaking Minimum Support Price (MSP) operations when prices of Fair Average Quality (FAQ) grade kapas fall below the MSP level and procures entire quantity of FAQ grade kapas offered by the cotton farmers in various Agricultural Produce Market Committee (APMC) yards at MSP rate. During current cotton year 2019-20, as on 11th March 2020, CCI has procured around 78.97 lakh bales under MSP operations in all the cotton growing states which is around 30% only of total kapas arrivals of around 258.19 lakh bales. CCI is making all out efforts to dispose-off its stocks within the season only. However, actual sale will depend on demand & supply of cotton fibre and yarn in both the domestic and international markets.

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