

LOK SABHA
UNSTARRED QUESTION NO. 2280
TO BE ANSWERED ON 23.09.2020

SUBSIDIES FOR COTTON

2280. MS. S. JOTHIMANI:

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

- (a) whether the Government is planning to increase subsidies for cotton on par with rice or wheat, if so, the details thereof and if not, the reasons therefor;
- (b) whether the Government has formulated any proposal to mitigate the loss of jobs and reduction in market growth of cotton textile industry in the country, particularly in Tamil Nadu;
- (c) if so, the details thereof, State/UT-wise; and
- (d) whether the Government is planning to enhance the sales from the industry by introducing more FTAs or reducing import duties in order to make the prices more competitive and if so, the details thereof?

उत्तर

ANSWER

वस्त्र मंत्री (श्रीमती स्मृति ज़ूबिन इरानी)
MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a): Every year before commencement of the Cotton Season (October to September), Ministry of Agriculture, Government of India fixes the Minimum Support Price (MSP) of two varieties of seed cotton (kapas) to protect the interest of cotton farmers. While recommending MSPs, Commission on Agricultural Costs & Prices (CACP) considers important factors like cost of production, overall demand-supply conditions, domestic and international prices, inter-crop price, terms of trade between agricultural and non-agricultural sectors, the likely effect on the rest of the economy, besides ensuring rational utilization of land, water and other production resources and a minimum of 50 percent as the margin over cost of production in case of MSPs. Government has recently increased the MSPs for all mandated Kharif, Rabi and Commercial crops for 2020-21 season in line with the principle of providing atleast 50 percent return over all India weighted average cost of production. For cotton season 2020-21, Government has increased the Minimum Support Price (MSP) of Medium Staple Cotton from Rs. 5255/- to Rs. 5515/- and Long Staple Cotton from Rs. 5550/- to Rs. 5825/- per quintal.

(b) & (c): Government has taken number of measures/incentives to boost textile sector and generate employment in the country as a whole including Tamilnadu. Measures taken inter-alia include the following:-

(i) Government has launched a special package of Rs.6000 crore in 2016 to boost investment, employment generation of around 1.11 crore jobs and exports in the garmenting and made-ups sector with the components viz., (i) full refund is provided under Remission of State Levies (ROSL) to the exporters for the State level taxes; production linked additional incentive of 10% is provided under the Amended Technology Up-gradation Fund Scheme (ATUFS).

(ii) Amended Technology Upgradation Fund Scheme is being implemented to upgrade technology/machineries of textile industry with an outlay of Rs.17,822 crore during 2016-2022 which will attract investment of Rs.1 lakh crore and it is estimated to generate

employment for about 35 lakh persons in the textile sector. Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU): Ministry has also notified the Scheme for Production and Employment Linked Support for Garmenting Units (SPELSGU) under ATUFS to incentivize production and employment generation in the textile sector.

(iii) Scheme for Integrated Textile Park (SITP): Under the Scheme, Government provides 40% subsidy with a ceiling of Rs.40 crore to set up Textile Parks for infrastructure creation and employment generation.

(iv) A separate scheme for development of Knitting and knitwear has been launched recently to boost production in knitting and knitwear clusters which provide employment to nearly 24 lakh persons.

(v) Jute ICARE for increasing the income of farmers by at least 50% various incentive are given through promotion of certified seeds, better agronomic practices, use of microbial re-using of Jute plant, retting to produce quality of jute, increase productivity and to reduce the cost of jute production for the jute farmers. For modernization of Jute Industry an incentive of 20% of the cost of the new machinery for Jute Mill and 30% JDB-MSME unit is considered for reimbursement under the scheme, subject to maximum of Rs. 2.25 crore per unit. The new jute entrepreneurs are being engaged on job work basis in existing jute mills/MSME units for boost production of jute diversified products and start their own manufacturing units on self-employment basis and become self-sustenance.

(vi) Power Tex India: A comprehensive scheme for Powerloom sector was launched in April, 2017 with an outlay of Rs. 487 crores for three years. This scheme has components relating to Powerloom upgradation; infrastructure creation, concessional access to credit, etc. The scheme has been designed to attract investment of Rs. 1000 crores and employment to 10000 persons in the Powerloom sector.

(vii) SAMARTH:- The Scheme for Capacity Building in Textile Sector (SCBTS): A new scheme with an outlay of Rs 1300 crores has been approved recently in December, 2017 for providing employment oriented training to 10 lakh people in various segments in textiles including one lakh in traditional sectors.

(viii) SILK SAMAGRA:- Under this scheme, Government of India has been implementing a Central Sector Scheme “Silk Samagra” for development of sericulture in the country with components such as Research & Development, Training, Transfer of Technology and I.T Initiatives, support to seed organizations, coordination and market development and, quality certification Systems (QCS)/ Export Brand Promotion and Technology Upgradation. R&D efforts have also been initiated to evolve new products. It is estimated that employment is likely to be generated around 11 million persons by 2022.

(d): In order to boost exports in textile sector, Government has introduced the new RoSCTL (Rebate of State and Central Taxes and Levies) scheme w.e.f 7th March 2019. Government has also notified a special one-time additional ad-hoc incentive of upto 1% of FoB value to be provided for exports of apparel and made-ups to offset the difference between RoSCTL and RoSL + MEIS@4%, from 7.3.2019 to 31.12.2019. To boost exports in MMF sector, Government has removed anti-dumping duty on PTA, a key raw material for the manufacture of MMF fibre and yarn. Exporters are also provided assistance under Market Access Initiative (MAI) Scheme. Interest equalization rate for pre and post shipment credit for exports by MSMEs of textile sector has been enhanced from 3% to 5% w.e.f. 02.11.2018. Benefits of Interest Equalization Scheme has been extended to merchant exporters from 02.01.2019 which was earlier limited to only manufacturer exporters.
