

GOVERNMENT OF INDIA

MINISTRY OF TEXTILES

LOK SABHA

UNSTARRED QUESTION NO: 4136

ANSWERED ON:30.04.2012

BAN ON COTTON EXPORT

RAJIV RANJAN (LALAN) SINGH

- (a) whether the cotton textile, spinning and garments manufacturers are likely to be benefitted due to recent ban on cotton export;
- (b) if so, the Government has assessed the likely impact on the cotton growers who are not getting reasonable Minimum Support Price (MSP) of their produce and exports of cotton;
- (c) whether the Cotton Corporation of India (CCI) is purchasing cotton at different rates from the States;
- (d) if so, the details of MSP of cotton, State-wise alongwith the reasons for varying the prices amongst the States during the last two years;
- (e) whether the exports of cotton to China and other neighbouring countries have increased significantly during the last three years; and
- (f) if so, the details thereof, countrywise during the above period alongwith steps taken by the Government to enhance the production and export of cotton/yarn during the next year?

Will the Minister of TEXTILES be pleased to state:-

ANSWER

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SMT. PANABAACA LAKSHMI)

(a):The cotton export ban was in place from March 6 to March 12, 2012. On March 12 cotton exports were notified as free. During this period domestic prices of cotton fluctuated between Rs. 35200/candy (USD 87.40 cents/lb) to Rs. 34800/candy (USD 84.82cents/lb) and international prices between USD 98.90 cents/lb and 96.70 cents/lb. There was no apparent price advantage to domestic cotton consumers.

(b):Government convened meetings with stakeholders for firming up its views. Seed Kapas prices were 40% above MSP prices in Gujarat and 25% above MSP prices in Maharashtra. Only in Guntur and Warangal Mandis of Andhra Pradesh did domestic cotton prices witness a fall and CCI commenced MSP operations. Stable market conditions well above MSP prices are witnessed after March 12, 2012.

(c):Government has mandated CCI to create a buffer stock of 10 lac bales for which commercial operations are being undertaken by CCI in States of Gujarat, Maharashtra and Andhra Pradesh.

(d):The details of MSP of cotton for the last two years as announced by the Government of India are at Annexure-A. MSP for two basic varieties of cotton viz., Medium Staple length cotton having staple length of 24.5 mm and long staple length cotton having 2.5% staple length of 29.5 to 30.5 mm for cotton season 2011-12 have been fixed at Rs.2800/- per quintal and Rs.3300/- per quintal respectively. State-wise procurement data is not collected by Government.

(e):Cotton Exports in 2009-10 were 83 lac bales, 2010-11 were 78 lac bales and 2011-12 stand at 115 lac bales. The exports are predominantly to China.

(f):Cotton Exports to China were 67 lac bales in 2009-10, 62 lac bales in 2010-11 and 95 lac bales in 2011-12. Government is implementing the TUFS Scheme for increasing production of Cotton Yarn. For increasing Yarn exports, Textile Export Promotion Council has been given significant allocations for export promotion schemes under Market Access Initiative Scheme.