

COTTON SEASON 2012-13

Due to delayed monsoon, cotton sowing for kharif was delayed by 15-20 days as a result of which, the acreage under cotton had decreased by around 6% to 114.44 lac hectares as per DOCD estimates as against 121.78 lac hectares in the previous year. The Cotton Season 2012-13 began with a poor outlook for cotton. International prices were lower than the domestic prices. It was widely expected that the domestic prices will hit MSP levels as soon as cotton arrivals in the mandis begin increasing.

2. The Cotton Balance Sheet for 2012-13 shows estimated crop size of 340 lac bales, consumption of 287 lac bales, exports of 81 lac bales and a closing stock of 37 lac bales. India placed cotton exports on Open General Licensing category on October 1, 2012 and the policy continues. Director General of Foreign Trade continues to register the export contracts.

(Data Source: Cotton Section, Website updated on 13-08-2013)

MSP OPERATIONS BY CCI DURING COTTON SEASON 2012-13

Every year before the commencement of the Cotton Season (Oct to Sept), the Ministry of Agriculture based on the recommendations of Advisory Board viz., Commission for Agricultural Costs and Prices (CACP) fixes the MSP with a view to give incentives to the cotton farmers of the country.

Accordingly, taking into consideration of the recommendation of CACP the Ministry of Agriculture had fixed MSP for two basic varieties of cotton viz. Medium Staple length cotton having staple length of 24.5 mm to 25.5 mm with micronaire value of 4.3 to 5.1 and long staple length having 2.5% staple length of 29.5 to 30.5 mm with micronaire of 3.5 to 4.3 of new crop of seed cotton (kapas) of Fair Average Quality (FAQ) for cotton season 2012-13. The support price for medium staple length cotton has been fixed at Rs. 3600/- per quintal and for long staple at Rs. 3900/- per quintal. Based on the support Price of these two basic varieties of kapas seed, the MSP for other classes is fixed by the Textile Commissioner.

The Cotton Corporation of India Ltd. (CCI) is the primary agency of the Government for undertaking MSP operations. Cotton Corporation of India (CCI) has undertaken total MSP purchases of 22.65 lac bales from the months of October 2012 to February, 2013 in Cotton Season 2012-13 with maximum cotton procurement of 21.55 lac bales in Andhra Pradesh. The Cotton Corporation of India Ltd. has started selling cotton in the domestic market and has since sold about 10.11 lakh bales of MSP cotton upto 11th July, 2013.
