

TEXPROCIL

CCI policy set to derail "Make in India" campaign

The Cotton textiles industry is currently going through a serious situation due to non-availability of adequate quantity of cotton on account of the "Stop-Go" policy of the Cotton Corporation of India (CCI) inspite of holding high level of stock , Said Shri R.K.Dalmia, Chairman of the Cotton Textiles Export Promotion Council (TEXPROCIL) .

Shri Dalmia pointed out that Cotton Corporation of India (CCI) has procured 86 lakh bales of cotton under the Minimum Support Price (MSP) during the current season to protect the interest of the farmers. Out of this, CCI has offloaded only 3 lakh bales of cotton so far and is presently releasing between only 3000 to 5000 bales per day as against a stock of around 83 lakh bales. This is only resulting in steep rise in prices besides creating shortage of good quality cotton for the textiles sector which in turn is adversely affecting the exports of Yarn, Fabrics & Made ups, said Shri Dalmia. Further, the international prices are rising and speculators are profiting by hedging and hoarding to the detriment of the industry.

Shri Dalmia pointed out that the Council has been repeatedly suggesting to the Govt that CCI should offload cotton during Feb- June every year to meet the demand of the industry and also to prevent traders from acquiring cotton cheaply and hoarding it.

In a cotton surplus country like India, Shri Dalmia pointed out, the domestic cotton prices should remain lower than the international prices at all times. The CCI should follow a clear & transparent purchase & sale Policy & not make adhoc decisions, pointed out Shri Dalmia. As per its Charter, CCI's role is not only to procure cotton from farmers but also to ensure price stabilization.

"At a time when the industry is working towards realising the Hon'ble Prime Minister's goal of "Make in India" , we cannot succeed if our raw material prices are higher than the international prices & artificial price rise is created by restricting supplies of available cotton with CCI" , said Shri Dalmia.

The Chairman, TEXPROCIL urged the Govt to instruct CCI to immediately start releasing atleast 50000 bales per day for a period of 100 days through E-Auction directly to the actual users so that the prices stabilize both in the national & international markets besides ensuring availability of cotton to cotton textile exporters. By the end of 100 days the season will end and CCI will still be left with about 30 lakh bales of carry over stock, according to Shri Dalmia.