

REPORT OF THE
AGRICULTURAL PRICES COMMISSION
ON PRICE POLICY FOR RAW COTTON
FOR THE 1973-74 SEASON

MAY 1973



GOVERNMENT OF INDIA
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Agricultural Prices Commission

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IN THIS REPORT the Agricultural Prices Commission offers its views on the price policy for raw cotton for the 1973-74 season. It recommends that—

- (a) the process of technological breakthrough which has recently begun to unfold itself in the cultivation of cotton be strengthened and carried forward through, among other things, the maintenance of a favourable price climate;
- (b) the minimum support price for *kapas* of fair average quality of 320-F variety be raised from the current level of Rs. 142 per quintal to Rs. 170 per quintal for the 1973-74 season and the corresponding prices for other varieties be fixed on the basis of the normal price differentials between 320-F and other varieties;
- (c) should the need to provide support to the prices of cotton lint arise, recommended prices may be suitably translated into lint prices for the respective varieties by applying a lint-*kapas* price ratio of 2.1—2.5:1;
- (d) in order that a fair share of the lint price may accrue to the grower, open market purchases be undertaken on a requisite scale by the Cotton Corporation of India; and
- (e) with a view to maintaining the tempo of cotton development, the spatial scope of the operations of the Cotton Corporation be extended even to areas not endowed with a well-developed infrastructure in respect of the ginning, pressing and marketing facilities.

2. Despite unfavourable weather conditions at the time of sowings in some of the important cotton growing States, the acreage under the fibre in 1972-73 is reported to have remained at about the same level as in the preceding year. True, the long dry spell which followed is said to have depressed the per hectare yield and hence the size of the crop. But the compensating factors of a large carry-over stock at the beginning of the year and the planned imports of about 5 lakh bales seem to have left the availability of cotton during 1972-73, at a comfortable level. Further, in view of the slackness in mill demand during the current year, the closing

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1. Area, Production and Yield of Cotton.
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