

assistance of Rs. 1199.68 crores from National Calamity Contingency Fund (NCCF) and 22.50 lakh MTs of foodgrains for relief employment. This was considered by the High Level Committee (HLC), in its meeting held on 6th December, 2004, and the HLC approved Rs. 141.47 crores (subject to adjustment of balances in the CRF of the State, as determined by the Ministry of Home Affairs) and 2.20 lakh MTs of foodgrains for relief employment. The entire Central share of Calamity Relief Fund (CRF) for 2004-05 amounting to Rs. 180.56 crores has been released to the States.

Decline in prices of Cotton and Potato In Punjab

1612. SHRI VARINDER SINGH BAJWA: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that there is a huge decline in the prices of cotton and potato in Punjab;

(b) if so, the reasons therefor;

(c) what steps Government have taken so far, to increase the price when the quality of these commodities are better in international market; and

(d) whether Government are intending to allow export of these commodities?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA): (a) to (c) The prices of kapas in Punjab excepting Bengal Desi variety have declined during Cotton season 2004-05. The fall in prices has been caused by relatively higher production both within the country and outside coupled with relatively low demand for cotton in domestic and international markets. In order to protect the farmers, the Cotton Corporation of India (CCI) has already started procurement operation in all the cotton growing States, including Punjab. 1.20 lakh quintals of kapas were procured by CCI upto 13.12.2004.

As regards potato the prices for Punjab variety are currently ruling in

the range of Rs. 185 to 250 per quintal in the Azadpur (Delhi). There has been no request from the Government of Punjab for procurement of potato under the Market Intervention Scheme (MIS). In general, the prices of potato have remained at a higher level in recent months during the current year compared to last year. The Wholesale Price Index (1993-94=100) in respect of potato increased by 41.2% during the year ended 27.11.2004.

(d) India has been exporting both cotton and potato. During 2003-04, 167.05 thousand tonnes of cotton (cotton raw, including waste) valued at Rs. 811.47 crore was exported. Similarly, during 2003-04, 67.74 thousand tonnes of potato valued at Rs.27.79 crore was exported.

Fall in cotton prices

1613. SHRI SHARAD ANANTRAO JOSHI: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that the prices of cotton are falling unprecedentedly;

(b) if so, the reasons therefor and the action proposed by Government to arrest this fall;

(c) whether Government intend to rope in Cotton Corporation of India to purchase cotton at MSP; if not the reasons therefor; and

(d) whether Government intend to compensate the cotton farmers who have sold their produce at distressed prices?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA): (a) and (b) Due to relatively higher production both within the country and outside coupled with relatively low demand for cotton in domestic and international markets, prices of cotton have declined significantly. In order to protect the cotton farmer, the Cotton Corporation of India (CCI) has started procurement of kapas at Minimum Support Prices fixed by the Government.

(c) and (d) CCI procured 25.16 lakh quintals of kapas (seed cotton) equivalent to 4.78 lakh lint bales upto 13.12.2004. In order to avoid distress sales by farmers, the CCI, besides purchasing Fair Average Quality (FAQ) grade kapas, has also been purchasing below FAQ grade kapas after making appropriate adjustment in MSP for below FAQ quality.