

**Cotton Trade (Development and Regulation) Bill**

778. SHRI PALVAI GOVARDHAN REDDY: Will the Minister of AGRICULTURE be pleased to state:

- (a) whether it is a fact that the Ministry has sent its responses on the Cotton Trade (Development and Regulation) Bill, 2012 to the Textiles Ministry;
- (b) if so, the details of each of the response sent on the above Bill to the Textiles Ministry; and
- (c) how the proposed Bill is retrograde and brings back Cotton Control Order, 1986 as opined by the Ministry?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HARISH RAWAT): (a) Yes, Sir.

(b) The comments of Ministry of Agriculture on Cotton Trade (Development and Regulation) Bill, 2012 sent to Ministry of Textile is given in Statement (*See* below).

(c) The provisions in the Cotton Trade (Development and Regulation) Bill, are felt retrograde in view of following:—

- (i) It was a conscious decision of the Government in 2007 to remove raw cotton and textile items from the purview of Essential Commodities Act, 1955 (EC Act) so as to free the cotton trade and the processing industries from the stringent provisions of the EC Act and Cotton Control Order, 1986 which was issued under the EC Act. This decision has helped growth of cotton production and trade in the country, as a result of which India has emerged a major exporter of cotton. The proposed Bill would bring the cotton trade and processing industry within a framework of controls and regulations which are more stringent compared to erstwhile Cotton Control Order, 1986.
- (ii) The Bill proposes allotment of press mark to the existing and new ginning and processing factories by Textile Commissioner (Clause 5 of the Bill), to be used for marking the cotton bales that would be produced by the ginning and processing factories. There is stiff penalty provision for removing any unmarked bales from the factory for sale or otherwise (Clause 7). Hence effectively, without allotment of press mark by Textile Commissioner, no ginning and processing factory can continue production and sale of cotton bales. This is akin to indirect licensing of the industry. No such provision was in Cotton Control Order, 1986.
- (iii) Textile Commissioner is authorized to specify standards for packing cotton in finished/pressed bales (Clause 6 of the Bill). Cotton Control Order had specified the standard cotton bales as containing 170 kg. of cotton upto a tolerance of 5 kg. on either side, with power to Textile Commissioner to relax in individual cases in case of difficulty. Such a standard has been well

established in the national and international markets. But the proposed Bill empowers Textile Commissioner to not only change this specification, but specify additional standards. Such power to Textile Commissioner is excessive and may work against the interest of the ginning and processing industry, which ultimately affects the interest of farmers.

- (iv) There is no provision of appeal in the Bill if anyone is aggrieved by any order of the Textile Commissioner.

***Statement***

*Comments of the Department of Agriculture and Cooperation on the draft  
Cotton Trade (Development and Regulation) Bill, 2012*

The Department does not support the draft Bill on following grounds:—

- (i) Perusal of the Statement of Objects and Reasons of the draft Bill indicates that an attempt is being made to bring raw cotton as well as Ginning and Processing (G&P) industries under a regulatory framework on the lines of Cotton Control Order 1986 issued under Essential Commodities Act 1955 inspite of conscious decision of the Government to remove raw cotton from the list of list of essential commodities. This decision has helped growth of cotton production and trade since 2007 as a result of which India has now become a major exporter of cotton. The provisions in the proposed Bill provide for inspection of G&P factories by designated officers and punishment for failure to provide requisite information. The proposed provisions are retrograde steps which will hinder growth of cotton trade in the country adversely affecting the cotton growers.
- (ii) Economic Planning (Agriculture Economics and Statistics) which includes estimation of agriculture production including cotton is the subject matter of this Department as per Allocation of Business Rules. Directorate of Economics and Statistics (DES) under this Department has the mandate to carryout estimation of cotton production. DES will continue to estimate cotton production, which is the official estimate of all major crops (including cotton) production for all purposes including drawing of balance sheet by Cotton Advisory Board. There cannot be any parallel mechanism in the Ministry of Textiles for this purpose. Hence, the observations in the statement of Objects and Reasons of the proposed Bill regarding assessment of production of raw cotton in the country by this Department are uncalled for.
- (iii) The CAB has been biased in its functioning as it has a predominance of representatives from the Textile mills as pointed out earlier by this Department. This affects its assessment of cotton situation leading to decisions which have the effect of curtailing/disrupting free trade of cotton including export. Due to lower estimate of production and higher estimate of consumption by CAB,

appropriate and timely decision on exportable quantity of cotton could not be taken resulting in huge loss to cotton sector in the last season. Therefore, the Ministry of Agriculture had earlier suggested revamping of CAB with Agriculture Commissioner/Additional Secretary of Department of Agriculture and Cooperation as Chairman instead of Textile Commissioner. The solution for more accurate compilation of information pertaining to production, consumption and stock of cotton lies in reconstitution of CAB as suggested by this Department instead of a retrograde legislation, which can take cotton trade and processing industry back to control and license era.

Keeping in view the above, this Department strongly opposes the draft Bill.

#### **Ban on 'Kesari Dal'**

†779. SHRI VIJAY JAWAHARLAL DARDA: Will the Minister of AGRICULTURE be pleased to state: (a) whether demand is being made to remove the ban imposed on Kesari Dal in some States;

(b) whether Government of Maharashtra has allowed sale and storage of Kesari Dal by issuing an Ordinance on 28 May, 2008;

(c) whether Department of Health has not found any concrete proof of its deleterious effects in those regions where Kesari crop is consumed; and

(d) whether keeping in view the above mentioned facts, Central Government is considering to remove the ban on sale and storage of Kesari Dal imposed throughout the country on 2 February, 1961 with the advice of State and UT Governments?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HARISH RAWAT): (a) Yes, Sir.

(b) The Government of Maharashtra has lifted the ban on sale of Kesari Dal on 28.5.2008 which was imposed by them in 1961.

(c) Kesari Dal was banned following the incidence of lathyrism in 1961. Recently, a study is being conducted by National Institute of Nutrition for determining threshold levels of the Kesari Dal.

(d) No, Sir.

#### **Assistance to drought hit States**

†780. SHRI MOHAN SINGH: Will the Minister of AGRICULTURE be pleased to state:

(a) the deficiency in rainfall due to average monsoon across the country;

(b) the details of States where total rainfall has been much below the average; and

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†Original notice of the question was received in Hindi.