

Indian cotton price owing to its inferior quality parameters (Contamination, Trash and High-short fibre content) has been ruling on par with NYF prices, while International cotton prices were fetching 10-15 cents premium when compared to Indian cotton.

After the imposition of 11% import duty the Indian cotton prices has also been ruling 5-10% higher during the season and 8-15% higher during off-season, as the cotton trade including MNCs who cover 2/3rd volume of cotton speculate the prices during off-season. Hence the Industry has been demanding to remove import duty at least during off-season to improve global competitiveness and achieve a reasonable growth if not the ambitious growth set by the Government and remain financially healthy.

The Government has kind enough to realize the acute shortage of ELS cotton thereby brought a separate HSN Code and exempted the same from 11% import duty with effect from 20th February 2024.

Since the country has become cotton deficit and MoT has set a target to increase the business size from USD 172 Billion to USD 350 Billion the raw material requirement has to be increased by two-fold to achieve the vision by 2030. Cotton has been the engine of the growth for the Indian textiles industry and still India has sizeable share in yarn, fabric, garments and made-ups markets globally despite several challenges including high cotton price.

Now it has become essential to remove the 11% duty to ensure smooth supply of quality cotton, nominated cotton buying by the global brands, fully utilized the highly capital intensive production facilities that created during the last decade, sustain the export orders to prevent production stoppage and further closure of textile units across the value chain.

It takes 7-12 years to develop and commercially multiply any cotton seed to suit particular agro-climatic conditions and therefore, the country might become self-sufficient in cotton only beyond 2030.

Against this background the Hon'ble Minister for Agriculture & Farmers Welfare, Shri Shivraj Singh Chouhan and Hon'ble Minister for Textiles Shri Giriraj Singh, Government of India, convened a full-day stakeholder's consultation meeting at ICAR Breeding Institute, Coimbatore on 11th July 2025. The stakeholders across the cotton value chain right from Cotton Scientists, Seed Producers, State and Central Government Officials, Policy makers, Cotton farmers, Ginners, Cotton agricultural implements manufacturers, Cotton trade and the user industry.

In the morning prior to the meeting SIMA Former Chairmen, Mr Ravisam, (Vice-Chairman - TEXPROCIL) and Mr T Rajkumar, Immediate Past Chairmen - CITI, Dr K Selvaraju, Secretary General, SIMA, Mr. Rajesh Chopra, Sr.Vice President and Mr Sushil Jheimp, Director

Raw materials from Vardhman group met the HMoA, submitted a memorandum and impressed upon the immediate need for removing 11% import duty on cotton. Copy of the memorandum is attached.

After giving a patience hearing HMoA stated that the Government had to balance the interest of cotton producers (Farmers) and the user industry to have a win-win situation. He stated that he would consider the demand of the industry after having a consultation with the entire stakeholder's during the course of the day.

HMoA, in his opening remarks during the consultation meeting highlighted about the Mission for Cotton Productivity and also stated about the demand made by the industry to remove the 11% import duty on cotton. Few farmers during the discussion requested the Government to retain the duty. However, after listening to the views given by Dr K Selvaraju on behalf of the industry, HMoA appreciated the immediate needs of the industry and stated that imports might be inevitable under the current scenario to mitigate the cotton shortage, import quality cotton and nominated cotton to sustain the growth of the industry and exports.

He stated that the country would become self-sufficient in cotton by 2030 due to the Mission on Cotton Productivity. It may be noted that the Union Government has already enhanced the fund for Mission for Cotton Productivity from Rs.2,500 Cr to Rs.5,900 Cr by enhancing the allocation for Mini Mission -I (Seed Technology and Agronomy Practice from Rs.1,200 Cr to Rs.4,600 Cr) realizing the urgent need for the cotton seed technology up gradation and implementing Global best agronomy practices. The Government would be liberal in enhancing the budget allocation and enable to increase the production, productivity and farmers income by 2030.

Dr K SELVARAJU
Secretary General