

COTTON IMPORT DUTY AND LOW PRICE

प्रविष्टि तिथि: 19 DEC 2025 6:29PM by PIB Delhi

The Government is aware that the exemption of 11% import duty on cotton has led to a softening of domestic prices. Since the duty exemption, international prices of equivalent S-6 cotton declined from about 79.15 US cents per pound prior to 19.08.2025 to around 73.95 US cents per pound in December 2025, indicating a downward global trend. Domestic cotton prices have softened correspondingly from about ₹57,000 per candy to around ₹52,500 per candy, broadly in line with international price movements. Domestic prices are influenced by global and domestic demand-supply conditions, exchange rate and quality considerations, while cotton imports constituted about 13.93% of total domestic consumption during the 2024–25 season. Since the exemption, prices have softened, currently ranging between ₹51,500–₹52,500 per candy, ensuring affordability for the industry while MSP-based support continues to protect farmers.

The Government supports cotton farmers through the Minimum Support Price (MSP) mechanism, which provides a minimum of 50 per cent return over the cost of production. For the 2025–26 season, MSP has been fixed at ₹7,710 per quintal for medium staple and ₹8,110 per quintal for long staple cotton, an increase of ₹589 per quintal over 2024–25. To prevent distress sales, the Cotton Corporation of India has procured about 31.19 lakh bales worth ₹13,492 crore under MSP operations as on 11.12.2025 through 570 procurement centres across 149 districts in 11 States.

Cotton imports from the United States of America (USA) have increased to meet the quality and supply requirements of the domestic textile industry, which consumes about 94% of India's cotton. During August–September 2025, including the period after the temporary exemption of the 11% import duty, imports from the USA aligned with industry needs. Overall, cotton imports in India rose from 15.20 lakh bales in 2023-24 to 41.40 lakh bales in 2024-25, helping bridge the demand–supply gap. These imports ensure the availability of specialized cotton varieties and support export-oriented production, thereby enhancing the global competitiveness of India's textile sector.

The Cotton Corporation of India (CCI) procures cotton under MSP to ensure remunerative prices for farmers. MSP operations continue to safeguard farmers against price volatility and ensure fair returns.

Statement showing quantity procured under MSP during the last five years, against the production, is given below:

Cotton Season	Production (Lakh Bales)	Quantity Procured under MSP (Lakh Bales)	Qty. procured (% of production)
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2025-26	292.15	24.92*	8.53*
2024-25	297.24	100.16	33.70
2023-24	325.22	32.84	10.10
2022-23	336.60	-	-
2021-22	311.17	-	-
2020-21	352.48	99.33	28.18

mnse. In Cotton Season 2021-22 & 2022-23, cotton prices were ruling above MSP. Hence, no MSP support required by farmers.

* upto 8.12.2025

This information was provided by THE MINISTER OF STATE FOR TEXTILES SHRI PABITRA MARGHERITA in a written reply to a question in Rajya Sabha today.

MAM/VN

(Rajya Sabha US Q. 2400)

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