

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary Public

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India

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Seed Cotton Bonus Payment for Gujarat Growers

Report Categories:

Cotton and Products

Agriculture in the Economy

Agriculture in the News

Trade Policy Monitoring

Policy and Program Announcements

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Report Highlights:

On October 23, 2017, the State of Gujarat announced a bonus of about 3.5 cents per pound (Rs. 500 per 100 kg) be paid to farmers for seed cotton. The payment is for farmers that sell their seed cotton to state procurement agencies and is in addition to the minimum support price (MSP) announced by the Government of India.

General Information:

Effective November 1, 2017, the State of Gujarat will provide an additional Rs. 500 per 100 kg to farmers as extra compensation for seed cotton. The bonus amount of Rs. 500 per 100 kg roughly equates to 3.5 cents per pound above the MSP announced by the Government of India. The bonus amount is the same for all cotton varieties grown in the state.

The MSP announced for the most popular cotton variety, Shankar 6, is Rs. 4,270 per 100 kg. With the bonus, farmers in Gujarat will receive Rs. 4,770 per 100 kg or 33.3 cents per pound for their seed cotton. According to the first advance estimates published by the state government, the area planted under cotton is nearly 2.7 million hectares, with an estimated production of 7.4 million 170 kg bales (5.7 million 480 lb. bales / 1.25 mmt).

Disclaimer: This summary is based on a cursory review of the subject announcement and therefore should not be viewed under any circumstance, as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests.

Details of Notification:

- **Type of Regulation:** Announcement
- **Public Notice Date:** October 23, 2017
- **Proposed Date of Adoption:** Effective November 1, 2017

Products Affected: Cotton

Agency in Charge: State Government of Gujarat, Department of Commerce, Ministry of Commerce & Industry, and Ministry of Textiles, Government of India

A list of documents referenced in this latest announcement follows:

MSP Order, Textile Commissioners Office, Government of India	September 14, 2017
Twitter Announcement - Government of Gujarat	October 23, 2017
Gujarat - First Advance estimates of Area, Production and Yield 2017/18	August 31, 2017

Figure 1. Bonus Announcement for Cotton farmers on Chief Minister's Twitter Account

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1 નવેમ્બર 2017 થી
કપાસની ત્રણેય જાત ઉપર રાજ્ય સરકાર ટેકાના ભાવ ઉપરાંત
મણ દીઠ 100 રૂપિયા બોનસ આપશે

❖ મુખ્યમંત્રી શ્રી વિજયભાઈ રૂપાણીનો કિસાન હિતકારી નિર્ણય

❖ કપાસ ઉત્પાદક ખેડૂતોને પોષણક્ષમ ભાવ સાથે આ વધારાનો લાભ પણ મળતો થશે.

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