



## TamilNadu Fabrics Manufacturers Association (TNFMA)

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### Cotton Corporation introduces lock-in period for prices

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Chairman and Managing Director of the Cotton Corporation of India, Pradeep Kumar Agarwal, said the facility has been introduced to ensure price security for textile mills

The Cotton Corporation of India (CCI) has permitted those who buy cotton from it through e-auctions, to lock in the cotton prices.

Chairman and Managing Director of the CCI, Pradeep Kumar Agarwal, said the facility has been introduced to ensure price security for textile mills.

Textile mills can buy cotton in multiples of 100 bales through e-auctions, and lock-in the cotton price for 30 days without any charge. The units can lock-in the prices for 60 days from the date of contract by paying ₹250 more for each bale; for 90 days by paying ₹500 for each bale.

The mills will have to inform the CCI corporate office by mail on the day of the auction and, the payment should be made within the lock-in period.

The National Committee on Textiles and Clothing had pointed out that cotton prices shot up from ₹35,000 a candy to ₹43,000 a candy in three to four months. In order to bring stability in prices, the CCI should offer lock-in periods for mills based on the volume of cotton procured. The CCI should revise the prices only once a month, it had said.

According to T. Rajkumar, convenor of the committee, though it had asked for a lock-in period based on the quantity of cotton purchased, the system introduced by the CCI would also bring stability to cotton prices and was a welcome move.

The South India Hosiery Manufacturers Association said the CCI should fix prices once in three months for the cotton it sells to the mills and should set up godowns in Tamil Nadu. Currently, the textile units in the State pay huge amounts to transport the cotton from the northern States, it said.