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Editorial

Raw Cotton Production: The Partition of India and the compulsory curtailment of cotton acreage during the war have very adversely affected the raw cotton production of the Indian Union. Recent reviews of cotton stocks and the distress appeals preferred by the Textile Industry for the improvement of the tight raw cotton supply position to mills are sufficient pointers to indicate that we are heading towards a cotton famine. The factual position for the cotton year 1948-'49 as announced on the floor of the parliament placed the mill consumption at 46 lakh bales and extra factory consumption at 2.7 lakh bales. The total requirement of 48.7 lakh bales was proposed to be met from the domestic production of 26 lakh bales, carry over stocks the extent of 10.9 lakh bales, Pakistan supply of 6.5 lakhs, East African imports of 2 lakhs and supplies from U. S. A., Brazil, Egypt and Sudan amounting to 3.3 lakh bales. These arrangements would help us in tiding over the present crisis but the rate at which we are eating into the carryover stocks would only put off the evil day. In fact it is apprehended that we will be unable to tide over the period between September and December 1949 without adequate imports.

The policy of the Government in regard to raw cotton has been criticized by the trade who hold the view that looked at from any angle, the policy has miserably failed. The ceilings fixed by Government remain only on paper and business on lint has considerably thinned. The market for cotton is one of trading in seed cotton which can be purchased at substantial premiums over the ceiling parity without infringing the law. Many mills have been forced to adopt this device and sacrifice part of their manufacturing margins. The less resourceful smaller mills are compelled to notify closure or curtail employment of labour.

The Government reviewed the cotton production and price structure for the ensuing year at a recent meeting in Delhi where all interests were represented. The target of cotton production for 1949-'50 has not yet been announced but plans are afoot to raise the acreage by about two million without in any manner affecting the

Food programme. It is also stated that an expert committee is working out the differentials in prices between different varieties of cotton on the basis of merits, and that their decisions will be made known by the end of this month.

There is a case for raising the ceilings of cotton so as to bear a fair relationship to the cost of imported cotton. The very fact that many of the mills are able to pay prices higher than the controlled rates proves that an upward price revision is quite possible. There is plenty of force in the remarks of the President of the East India Cotton Association who stated "to make frantic efforts to depress the price of Indian Cotton and to send Cotton Missions abroad for the purchase of cotton at relatively much higher prices is an absurdity." Unless a sound cotton policy is framed, India will be forced to expend her sterling and dollar exchange for a commodity which as exportable surplus helped her to maintain a favourable balance of trade in pre-war years.

An analysis of the post-war needs of the Mill Industry in Madras, would place the ultimate consumption at 425,000 bales in each of American and *desi* cottons. Madras will be obliged to double her production, increase the output of quality American and convert all short-staple into medium staple cottons. In such a drive, the gaps in production can either be made up by higher yields per acre or increase in acreage. The methods must suit the conditions of peasant farmers who form the bulk of the cotton growers in the province and whose joint contribution even at small levels of increase will ultimately result in a substantial over-all production without the need for providing vast amounts for capital expenditure or special equipments. There are certain tested cultural practices and crop mixtures which if extended to both the cotton and the non-cotton growing regions, will affect to a very large degree the production deficit. Improvement of irrigation sources in cotton areas where the lands are subject to intensive cropping will materially augment production. Utilisation of rice fallows in deltas and rainfed regions is a long range plan which is likely to yield a good dividend. Madras with the sanction of four new breeding schemes and plans for increasing the acreage and the supply of certified seeds to the cultivators will eventually be able to draw her full requirements from the internal growths. This together with plans for extension of area under irrigated cotton in East Punjab, (including the adjoining states) and Mysore will it is hoped raise India to her former place in the cotton growing countries of the world.