

India's Cotton Sector, Production, Key Challenges, MSP

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Cotton occupies a strategic position in India's agricultural and industrial economy. India has the world's largest area under cotton cultivation and ranks among the leading countries in production and consumption. The crop supports millions of farmers and provides raw material to the textile industry, making it an important link between agriculture, manufacturing, employment and exports. However, declining productivity, climate variability, pest attacks, quality concerns and growing domestic demand have created the need to strengthen the entire cotton value chain.

Cotton Production in India

India ranks first globally in cotton cultivation area and second in cotton production and consumption.

India is the **only country cultivating all four recognised cotton species.**

- *Gossypium arboreum* and *Gossypium herbaceum*, commonly known as **Asian cotton**.
- *Gossypium hirsutum*, commonly known as **American upland cotton**.
- *Gossypium barbadense*, commonly associated with **Egyptian cotton**.

India's cotton cultivation is spread across **three major agro-ecological zones.**

- **Northern Zone:** Punjab, Haryana and Rajasthan.
- **Central Zone:** Gujarat, Maharashtra and Madhya Pradesh.
- **Southern Zone:** Telangana, Andhra Pradesh and Karnataka.

Cotton is also cultivated in states such as Odisha and Tamil Nadu.

A major structural feature of Indian cotton cultivation is its **dependence on rainfall, with a substantial share of the crop grown in rain-fed areas.**

India's Cotton Sector Importance

Cotton is often referred to as **“white gold”** because of its wide economic significance.

- **India ranks first globally in cotton cultivation area and second in cotton production and consumption.**
- It supports the **livelihoods of around 6 million cotton farmers** and provides employment to millions more in ginning, spinning, weaving, garment manufacturing and trade.
- Cotton provides the **principal natural fibre base for India's large textile and apparel industry** and contributes significantly to exports and foreign exchange earnings.
- The sector **connects farmers with the wider industrial value chain** through the 5F framework of Farm, Fibre, Factory, Fashion and Foreign.
- Cotton also generates **valuable by-products** such as cottonseed oil, oilcake, linters and cotton stalks, which support the edible oil, livestock feed, healthcare and rural energy sectors.

Thus, the importance of cotton extends well beyond the farm and textile mill; it is closely linked to rural incomes, industrial growth, employment and India's export competitiveness.

Major Challenges Facing India's Cotton Sector

India's cotton sector has a large cultivation base and a strong textile industry, but its full potential is constrained by low productivity, climate risks, pest attacks, quality concerns and gaps across the value chain.

- **Low Productivity:** India has the world's largest cotton cultivation area, but its productivity remains relatively low, making it necessary to increase output from existing land rather than expand cultivation. This is particularly important because cotton production was provisionally estimated at 290.91 lakh bales in 2025-26, against domestic consumption of 328 lakh bales, highlighting the need to raise productivity and ensure adequate domestic availability.
- **Shortage of High-Quality ELS Cotton:** India's inadequate domestic production of Extra-Long Staple (ELS) cotton increases the textile industry's dependence on imports of superior-quality cotton, affecting the competitiveness and value addition of Indian textiles.
- **Climate Vulnerability:** Around **62% of India's cotton is cultivated in rain-fed areas**, making farmers vulnerable to irregular monsoons, prolonged dry spells, excessive rainfall and rising temperatures, which can affect sowing, crop growth, pest incidence and cotton boll formation.
- **Pest and Disease Attacks:** The resurgence of pests such as pink bollworm and whitefly, along with diseases such as cotton leaf curl virus and boll rot, can reduce yields and increase cultivation costs.

- **Declining Soil Health:** Continuous cotton cultivation, inadequate crop rotation and excessive use of chemical inputs can deplete soil nutrients and reduce long-term productivity, making sustainable soil and nutrient management essential.
- **Poor Cotton Quality and Contamination:** Contamination during harvesting, storage, transportation and ginning reduces the quality and market value of Indian cotton, affecting its competitiveness in global textile markets.
- **Gaps in the Value Chain:** Despite India's strong textile base, gaps in modern ginning, storage, quality testing, processing and value addition limit the conversion of raw cotton into high-value yarn, fabrics and finished textile products.

Therefore, India's central challenge is to increase productivity and quality while reducing climate and pest-related risks and strengthening the entire cotton value chain.

Government Initiatives to Strengthen the Cotton Sector

Despite these challenges, a range of government initiatives has been introduced to strengthen India's cotton sector by improving productivity, protecting farmer incomes, promoting technology adoption, enhancing cotton quality and improving the efficiency of the overall value chain.

Minimum Support Price and Cotton Corporation of India

The **Minimum Support Price** (MSP) provides a price floor for cotton farmers when market prices fall below the announced MSP.

- For 2026-27, the MSP was fixed at ₹8,267 per quintal for medium-staple cotton and ₹8,667 per quintal for long-staple cotton.

The **Cotton Corporation of India (CCI)** acts as the central nodal agency for undertaking MSP procurement operations and purchases cotton when market prices fall below the MSP level.

- During the 2025-26 cotton season, CCI procured 105.09 lakh bales valued at around ₹41,530 crore through MSP operations.

The MSP mechanism therefore performs two important functions:

- It provides income protection to farmers during periods of depressed market prices.
- It ensures continued cultivation of cotton, which is important for the domestic textile industry.

However, MSP procurement must be complemented by productivity enhancement because price support alone cannot resolve structural production challenges.

Mission for Cotton Productivity

The **Mission for Cotton Productivity** is the most important recent intervention aimed at addressing the structural weaknesses of the sector.

Approved with an outlay of ₹5,659.22 crore, the mission seeks to increase cotton productivity from around 440 kg of lint per hectare to 755 kg per hectare and raise production to 498 lakh bales by 2031. It is expected to benefit around 32 lakh farmers across 140 districts in 14 cotton-producing states.

The mission focuses on:

- Development of high-yielding, climate-resilient and pest-resistant cotton varieties.
- Promotion of High-Density Planting System, closer spacing and other improved production technologies.
- Expansion of Extra Long Staple cotton production.
- Use of advanced breeding and biotechnology tools.
- Strengthening of research, extension services and farmer training.
- Improvement of ginning and processing infrastructure.
- Reduction of contamination and improvement of cotton quality.

The mission is important because it seeks to address cotton production through a combination of research, technology, extension, quality improvement and value-chain development rather than relying on a single intervention.

Special Project on Cotton under NFSM

The Special Project on Cotton under the **National Food Security Mission (NFSM)** promotes region-specific technologies to increase cotton productivity through field demonstrations.

It focuses on:

- High-Density Planting System (HDPS) to increase the number of plants per unit area.
- Closer Spacing Planting System to improve crop productivity through better plant arrangement.
- Production technology for Extra-Long Staple (ELS) cotton to improve the availability of high-quality cotton.

The project helps farmers see and adopt improved technologies in real field conditions. The productivity gains recorded through these demonstrations show that region-specific technology and better farming practices can help bridge India's cotton productivity gap.

Digitalisation of Cotton Procurement

The **Kapas Kisan App** seeks to make cotton procurement more transparent and farmer-friendly. The platform enables:

- Self-registration of cotton farmers.
- Advance booking of procurement slots.
- Aadhaar-linked payments.
- Real-time SMS updates.
- Reduction in waiting time and long queues at procurement centres.

Digital procurement can improve transparency and reduce transaction costs, although its success will depend on digital access, awareness and support for farmers who face technological barriers.

Kasturi Cotton Bharat

The **Kasturi Cotton Bharat** initiative seeks to improve the global image and market value of Indian cotton through branding, certification and traceability. The initiative uses:

- QR-based certification.
- Blockchain-enabled traceability.
- Quality testing through accredited agencies.
- Registration of ginners and supply-chain participants.

This is important because global textile markets are increasingly demanding quality assurance, traceability and sustainability.

By moving from the export of largely undifferentiated raw cotton towards certified and branded cotton, India can capture greater value in international markets.

Way Forward

India's cotton sector must move from area expansion to productivity, quality and value addition.

- **Increase productivity:** Expand high-density planting, improved seeds, climate-resilient varieties and better agronomic practices.
- **Build climate resilience:** Strengthen water management and promote drought- and heat-resilient cotton, especially in rain-fed areas.
- **Improve pest and soil management:** Promote integrated pest management, crop rotation, soil testing and balanced nutrient use.
- **Enhance cotton quality:** Reduce contamination through better harvesting, storage, ginning and testing practices.
- **Strengthen the value chain:** Modernise ginning and processing and promote greater value addition in yarn, fabrics and finished textiles.
- **Promote Extra-Long Staple (ELS) cotton and traceability:** Increase the production of cotton with a fibre length of 32.5 mm and above to reduce import dependence for premium textiles, while expanding Kasturi Cotton Bharat for certification, branding and end-to-end traceability.
- **Ensure farmer-centred growth:** Combine MSP support, digital procurement, technology, credit, insurance and market access to improve farmer incomes.

The goal should be to produce more cotton from existing land, improve quality and capture greater value across the cotton value chain.

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