



Chapter ~ VII

DIFFICULTIES INVOLVED IN THE MONOPOLY COTTON PROCUREMENT SCHEME

As stated in Research Design cotton growers and concerned officials of the scheme were interviewed. In the whole process it is observed that there are serious complaints of mismanagement and malpractices in the scheme. It is alleged that practices start from the very initial stage of cotton procurement at the collection and procurement centres and continues right up to the final stage of lifting of bales by the traders.

7.1 INITIAL STAGE:

Before cotton is brought to the Centres, loaded cart, tractor or truck of cotton are required to be brought by the cottongrowers to the APMC. According to a plan prepared for the purpose, cotton from a given group of villages alone is expected to be brought on certain specific days to a APMC & then taken to the attached centre. But it is found that the plan has remained only on paper & that cotton is tendred at a centre on the day of tendrer's choice. It was further learnt that it was not merely the culativtors who tendered cotton but even nonculativtors (especially cotton traders) also tendred it in substantial quantittes. Green cards which are required to be maintained at the village level are offen provided at the APMC (Near the Centres). A green card contains necessary information. It can prima facie be a reliable guide for operation the scheme at the procurement stage. A green card shows land holding of the cultivators, area under cotton, variety of cotton grown, expected yield etc. At the time of procurement it is expected that the information contained in the green card would serve as a guide for the quantum & variety of cotton to be procured at the centre. It has been found, in practice, that, the green card often

does not contain this information. Tendering has been done even by the non-cultivators & the quantum tendered is not related to the information on the green card. Infiltration of traders among the cotton growers at the time of tendering cotton is a disturbing phenomenon. It is also found that the APMC staff behave arrogantly to cotton growers than traders. As these traders have very close relation with them as they tender the cotton regularly and also on large scale with or without Green Card. A person who issues token to the cotton growers which denotes the serial number in which the cotton could be weighed are found to be partial.

STAGE OF WEIGHMENT, GRADING & HEAPING :-

It has been observed that hamal & mapari (Weighman) directly demands money from cotton growers for landing & weighment of cotton. It means number of malpractices yet exists at the stage of issue of token to cotton tenderers, weighment of cotton in time, grading process, assessment of variety of cotton, unloading of carts, tractors or trucks, etc.

At the centre, three important steps are involved in the procurement of cotton viz weighment, grading & heaping. Entries about weighment & grading are made in registers which are to be maintained by representatives of different organisation. In the process of collection of data & information about the scheme it is heard that the mapari (who makes the weighment), the hamals, the clerks who make entries in the register & the grader act in collusion which may be detrimental to the scheme. Sometimes their figures of weighment are wrong & inflated Grading is often wrong & on the higher side. Whereas heaps of different varieties are required to be kept separate, infact there is lot of mixing. Even from the record of Federation it found that in this regard the federation authorities have taken disciplinary action against

the defaulters. Hate committee also highlighted the same issue.

Grading is done on a subjective basis with hardly any objective tests or instruments to decide the grade or to check it up. The result is that the tenderer gets a higher grade than the actual by just making adjustment with grader. Majority of the cottongrower respondents reported the malpractices of Grader that few graders make a direct demand of bribe for upgrading to cotton, otherwise he issues the lower grade than the actual grade. Due to upgradation of cotton the tenderer becomes happy as in consequence he claims substantially more money from the federation. The excess payment is a clear loss finally to be borne by the scheme. This is an important stage where malpractices generally takes place.

On the other hand majority of the cotton growers are not satisfied with grades given to their product. Therefore there are complaints of grading malpractices, which can not be neglected. The expected ideal percentage of grading in super, quality is 20 to 25 % where as the actual percentage of grading in super grade ranges from 30 to 50% during some previous seasons (Refer Table No. 5.6) Ultimately the federation has to sustain the loss arising due to upgradation as well as the decisions of Disputes committees in favour of the cultivators.

Transportation Stage :-

It is the responsibility of the federation to transport cotton from the centres to the ginning & pressing factory. The zone offices of the federation draw up a plan, according to which the need for transportation would be minimised But it is understand that the plans were neither properly drawnup nor strictly implemented. The result was that the cost of transportation imposed heavy financial burden on the federation. The cotton is generally transported from :-

- 1) Non-Facility centres to facility centres.
- 2) One facility centres to another facility centres because of lack of adequate ginning facility at the former centre.
- 3) Facility centres to nearby Ginning, Pressing unit, due to, inadequate facility for Ginning & Pressing of that centre or due to excess procurement of cotton.
- 4) From Ginning Factory to pressing units. If the pressing facility is not available at the factory.
- 5) From collection centres to Facility Centres or Ginning pressing Factory.

Due to above causes the federation has unnecessarily to spend a great amount. (Refer Table 5.4)

7.2 DAMAGE DUE TO UNSEASONAL RAINS:

As far as unseasonal rain fall is concerned it has two effects viz. rainfall at picking stage, rainfall at procurement & Ginning pressing stage. Excessive rainfall at picking & cultivation stage adversely affects the cotton yield to great extent e.g. during the year 1997-98 there was an unseasonal, heavy & continuous rain fall, definitely it must have affected the cotton yields, but at this stage federation is not the sufferer but the cotton growers are the ultimate sufferer. As against this after the cotton has been procured at the centres, if there is unseasonal & heavy rainfall, can turn into huge damage to the federation only.

During 1985-86 unseasonal rains were usually heavy, and the volume of procurement was phenomenal and as storage facility available was not adequate. Ultimately this had damaged huge stock of cotton & cotton bales. The figure of loss during 1985-86 on account of unseasonal rains was as follows :-

(Vide Table No. 6.21)

Raw cotton & cotton bales	-	Rs. 24.06 Crores
Cotton Seed	-	Rs. 11.75 Crores

Total	-	Rs. 35.81 Crores

Source : MSCCGMF, Mumbai

In modern times, accurate weather from insat picture accurate whether forecasts are available & yet adequate & prompt measures have not been taken to protect cotton, cotton seed and pressed bales from being damaged by the rains. The federation has to direct the efforts to prevent damage on account of rains because they cause losses. Atleast under adverse weather conditions it is necessary to suspend procurement for temporary period to avoid damage to the cotton that is procured. But it was known from the District authorities that they could not suspend the procurement as it is beyond their control and the decision requires to be taken by the head office

7.3 FIRE:

Fire is another significant cause of damage, which can turn the federation in to heavy, losses. These losses could be reimbursed more or less by insurance, but the federation has to pay insurance premium with substantial amount. Though the loss may be reimbursed but the gravity of this matter should be minimised since it is a national loss.

From the Report of High level committee it appears that some of the incidents of fire may not have been accidental but were cases of arson. The allegation is that some staff members of the federation had vested interest in destroying the evidence of their mischiefs & that in many cases of fire there was either arson or grave negligence. One of the

methods of deliberately setting fire to stocks is by placing wet phosphorus under the cotton heaps, which ignites as soon as it becomes dry. Fire also takes place due to the following reasons :-

- 1) Short circuit caused by defective wiring.
- 2) Sparks which come out the silencer cause fire, while the trucks are taken near the heaps for unloading of cotton
- 3) The iron hoops used for pressing of bales sometimes break & give out sparks which sets fire to the bales.
- 4) Trapaulins get blown due to whirlwind & touch the electric supply wires & the electric supply wires get entangled to strong winds resulting in fire.
- 5) Crackers & tikali which sometimes get mixed in the cotton give out sparks due to friction with the ginning knife.
- 6) Sometimes smoking of bidi, cigarettes can set fire to the cotton heaps.

The Federation being the affected party, should take adequate precautions to prevent fire. Although some incidents of fire were accidental, but the suspicion about malpractice persisted.

Table No. 7.1 highlights cases of fire, seasonwise % of losses to the value to procurement & % of losses to premium. The damages during the season 1985-86 were Rs. 11.14 crores as against Rs. 90 lakh in 1993-94. Although the number of fire since 1986-87 have declined considerably, which may be due to the care taken by federation authorities. In the cotton season 1974-75 & 1985-86 number of fire recorded were 462 & 355 respectively & the losses amounted to Rs. 2.26 crores & 11.45 crores respectively. The fire loss in 1985-86 has sky-rocketed. While very less incidents of fire were recorded in 1987-88 & 1990-91 i.e. 23 & 27 respectively. In the cotton season 1992-

93 through 79 cases of fire, the loss amounted to Rs. 3.50 crores, its percentage to values of cotton was 0.42, while as a part of insurance coverage the federation has paid a premium of Rs. 10.13 crores, its % of loss to premium was 34.54. As against that in the season 1993-94 only 33 incidents fire were reported with a loss of Rs. 90 lakh, the share of loss to the value of cotton was only 0.11%, unfortunately for covering this loss the Federation had paid an insurance premium at Rs. 7.00 crores. There was tremendous gap in premium paid & amount of loss due to fire so the % of loss to premium paid was only 12.86. There was the only exception in 1985-86 where the amount of loss exceeds the insurance premium paid by the Federation.

Till 1993-94 total number of fire claims were 3655 with a total loss of Rs. 42.50 crores, as against the Federation has paid Rs. 103.67 crores towards insurance premium. These figure reveals that excluding the year 1985-86, the amount of claim has always been less than premium paid.

It is observed that cotton which had been destroyed & damaged by fire amounted to crores of rupees. No doubt the losses on this account have been reimbursed, but the federation has paid insurance premium to tune of Rs. 103.67 crores for 22 cotton seasons, its overall % of losses to premium paid was 41. But one thing which should be kept in mind is that there was an overall loss of a country through these fire accidents. Hence with greater vigilance, better management, sincere efforts with due care can minimise the seriousness of loss.

Since the inception of the scheme, the amounts of Rs. 103.67 crores paid towards the premium to insurance companies, while the amount of fire loss claim amounted to Rs. 42.50 crores only. Thus over a period of last 22 years only 41% of the premium paid recovered by way of

claim & therefore premium payment is not justified. Table No. 7.1 reveals that excluding the year 1985-86 the amount of claim has always been less than the premium paid. The federation therefore should evolve its own 'Self Insurance Scheme'. Such a scheme is in force in the Bombay Port Trust, Mumbai Electricity Supply & Transport Undertaking, Maharashtra State Road Transport Corporation. If the Federation could have evolved the self Insurance scheme. Since inception it could turn into the cumulative saving of Rs. 248.95 crores (including saving in premium & interest on such saving). This has been reflected in Table No. 7.2 While through Table No. 7.3, efforts are made to compute tentative saving in premium if 'Self Insurance Scheme' could be created from the season 1994-95 for the next Ten seasons. Nodoubt this computation has been made on certain assumptions, which are listed at the bottom of the Table No. 7.3. it reveals that after Ten years the "Self Insurance Scheme Fund" would result in the expected cumulative balance of Rs. 159.19 crores. Thus the amount saved in premium & cumulative balance of the said fund could be utilised for training of personnel & providing fire fighting equipment in the Ginning & Pressing factories & also at procurement centres, so that they are fully equipped within a few years.

7.4 SALE OF COTTON SEED:

In the course of the study, responsible honest officers pointed out that, some officials show samples of inferior variety but actually the seed sold is of a superior variety, at the price of sample shown. In this process, concerned officials receives something in kind or in rupee from the purchaser of cottonseed.

While selling heaps of cottonseed the whole heap would be sold as if it were fully damaged, infact only a part of the heap is so damaged. Hate Committee has also pointed out a notable thing about the auction

of cotton seed that bidders forms a ring by which the price can be lowered. To remedy this the base for bidders should be widened by making the heaps small enough to fetch the price.

7.5 INTERSTATE FLOW OF COTTON:

According to Maharashtra Raw cotton Act 1971, the State Govt. alone is authorised to purchase the entire raw cotton produced within the state through its chief agent namely, MSCCGMF. Further, as per the provisions of the Maharashtra Raw cotton Act, movement of cotton out of the state & inflow into state is prohibited.⁴⁹ Green cards are required to be maintained. At the time of procurement of raw cotton by the federation, it is expected that the information contained in the green card would serve as guide for quantum & variety of cotton.

The cotton growers normally tender raw cotton i.e. kapas to the scheme. After weighing & grading, the kapas is ginned & pressed into bales by private as well as co-operative ginning & pressing factories. Since the provisions of the scheme prohibited inflow & outflow of kapas into & out of state. Theoretically it is expected that the cotton produced in the state must be equal to the cotton procured by the federation except for loss of cotton by the fire accidents in the procurement centres & Ginning Pressing.

However despite the provisions laid down in the Maharashtra Raw cotton Act, banning inflow & outflow of cotton, there appears to be indirect evidence that interstate flow of cotton, particularly in border areas does seem to exist. This surreptitious movement of cotton could either boost up the availability of cotton in the state if there is an inflow or reduce the availability of cotton in case cotton moves to other states. In this case, the production of cotton will naturally diverge from the quantity of raw cotton procured by the federation & further ginned

& pressed into bales. The cause for movement of cotton across the border is mainly the farmers want to take advantage of any price differentials that exist between Maharashtra & border states and in some cases also to avoid re-paying co-operative dues.

For administrative convenience, the cotton growing districts in Maharashtra are divided into 12 zones & these zones are further divided into 81 sub-zones. Table No. 7.4 Shows zone-wise procurement of cotton by the Federation & compared it with the production of cotton in that zone. In the season 1985-86, the procurement of cotton far exceeded the production of cotton in the state of Maharashtra. During this season the total quantity procured was 145.08 lakh quintals as against the production of 99.49 lakh quintals it means there was an inflow of about 45.59 lakh quintal of cotton from the adjoining states. This may be to take the advantage of price differentiation, as the prices offered by the Federation might have been comparatively higher.

In the season 1992-93 there was an inflow of unauthorised & illegal cotton in Maharashtra. The figures denote that the Federation has procured 94.77 lakh quintals of cotton against the estimated production of 90.38 quintals. Also it is observed that the production of cotton for 1993-94 was 131.27 lakh quintals (26.25 lakh bales) but actually the Federation has procured only 65.11 lakh quintals (13.22 lakh bales) which means, the Federation procured only 50% of the state production of cotton & rest share of the cotton was possibly moved to border areas, barring a few fire accidents & damages due to unseasonal rains. During the 1991-92 season procurement of cotton is found to be below the production figure. Means there was an outflow of 6.67 lakh quintals of cotton to adjoining states. In the year 1985-86 almost in all the zones the procurement of cotton has exceeded the production of cotton.

In 1993-94 cotton season, in Jalgaon zone only 32.93% of the total

production was procured under the scheme, with a production & procurement of 12.66 & 4.17 lakh quintals respectively. In Dhule zone only 4.05% of total cotton production is found procured by the federation, Jalgaon & Dhule zone borders Madhya Pradesh. While Nanded zone which borders Andhra Pradesh where only 11.17% cotton production was procured. Yeotmal zone procured only 23.73% cotton production it is also observed that only in Nagpur zone, virtually the entire production was procured by the federation, while in Aurangabad zone the procurement was greater than the production of cotton; apparently cotton moved from other centres to Aurangabad zone.

As mentioned earlier, that in 1985-86 the procurement of cotton was exceeded by 45.59 lakh quintals than the production figure. Hence to clarify it properly, figures of cotton procurement at certain centres laying the border were taken into consideration. (Refer to Table No. 7.5)

It can be observed from Table No. 7.5 that the purchase of cotton at border centres was abnormally high in the season 1985-86 & is indicative of unauthorised & illegal inflow of cotton in Maharashtra. Figures of procurement of all these centres shows a quicker jump in 1985-86 specially the centre like Pandharkawada, Ghatanji in Yeotmal zone, Shirpur in Dhule zone & Chopda in Jalgaon zone procured more than one lakh quintals cotton.

As outflow of cotton reduces the availability of cotton in Maharashtra which is detrimental not only to the proper functioning of the scheme but at times also to the mills, if they decide to increase their stocks of cotton which may not be readily available due to outflow to other states. On account of large outflow of raw cotton, the Ginning & Pressing factories get's less work during the season & as a consequence

the factory employees gets reduced employment. The municipal Councils lost considerable Sums by way of Octroi. The APMCs also lost a large amount by way of market cess. Finally, the recovery of crop loans reduced considerably due to the outflow of kapas.

Consequently, the capacity of the scheme to earn profit during good years & recover the deficit of lean years, is adversely affected. It is also observed that such outflows of cotton from the state are not mainly caused by the small farmers but by the traders also.

To prevent unauthorised entry of cotton into state, Police checkpoints have been established along the border as shown below

- * 12 posts in Nanded Dist. along Andhra Pradesh Border.
- * 9 posts in Yeotmal Dist. along Andhra Pradesh Border.
- * 7 posts in Jalgaon Dist. along M.P. Border.
- * 8 posts in Dhule Dist. along M.P. Border.
- * 8 posts in Nagpur Dist. along M.P. Border.
- * 12 posts in Dhule Dist. along Gujarat Border.⁵⁰

Although 56 Police Checkposts were setup, only a negligible quantity of cotton viz 554 quintals was Seized & confiscated while entering into Maharashtra from the neighbouring states in 1992-93. The physical barriers & the police checkpoints which were expected to prevent the inflow proved ineffective & this needs to be investigated by the Govt.

7.6 SHORTAGES:

During the procurement & processing operations of cotton, occurrence of shortages in small measures is natural & the possible reasons therefore are as under :-

- 1) After procurement, cotton is required to be stored in the open for

- some time before ginning, which can result in loss of moisture.
- 2) Removal of leafy & other foreign material etc.
 - 3) Dispersal of cotton fibres during ginning operations.
 - 4) Removal of fly, leaf etc. when the lint undergoes pala operations & when it passes through the opener before pressing.
 - 5) Lint lying in the open compound is exposed to the Sun before it is pressed.
 - 6) Seed lie in the sun open compound for some days before they are finally sold & delivered.
 - 7) Cotton lint is required to be transported for processing from one centre to another.
 - 8) When the seeds get wet due to rains & are not quickly sold, mould formation in the seed reduces oil content.

In addition to above mentioned reasons there are some causes for abnormal shortages, which are as under :-

- 1) Inflation in weight at the time of procurement.
- 2) Giving excess quantity of seeds to buyers at the time of its delivery.
- 3) Pilferage of cotton & lint during transit & its unauthorised sale.
- 4) Theft of cotton from procurement centre

Zone wise shortage percentage during last Ten years has been demonstrated in Table No. 7.6. this brings out that, during 1990-91 & 1993-94 seasons shortage in excess of 1.5% were noticed. While during 1984-85, 85-86, 86-87 & 89-90 the shortage percentage was reported to below 1%.

It can be observed from the figures depicted in Table No. 7.6 that during the 1990-91 & 1993-94 season the shortage percentage has marked the highest of 1.91 & 1.58 respectively. It has been seen that during the same seasons shortage in excess of 1.50% were noticed

in Nagpur, Wani, Yeotmal, Amaravati, Khamgaon, & Nanded Zones. In the remaining 6 zones the percentage were marked below 1.48% but above 1%. The overall state percentage of shortage fluctuates with a low percentage i.e. 0.48 in the season 1984-85 & highest shortage of 1.91% in 1990-91 season, while going through the figures of shortages during the 1985-86 seasons instead of shortage gain in weight has been noticed in Aurangabad, Nanded & Parbhani zones. Whereas in general shortages are known to occur during transportation, storage & processing, But as a matter of fact these zones shows gain insted of shortage. Therefore the possible reasons for gain in the weight in the above 3 zones need to be investigated. Pertaining to this interestingly it was known that in these zones weighment was customarily done through the traditional weighing scales. But even in respect of the total shortage, there are large variations from zone to zone.

On an average the maximum shortage has been accepted at 1.5% in the procurement & processing operations taking into account the net pressed weight of lint & the net weight of seed. However the above % of shortage is not based on any scientific study, while arriving at the percentage of shortages, the proportion of fly & saleable cotton waste should be kept below 20% if the shortage in excess of permissible limit is noticed, the concerned person in charge & the staff at the centre should be held responsible. For shortages in excess of 1.5%, recovery of the value of abnormal shortage should be made from the commission payable to the federation. A marked decline in shortage percentage has been noticed as seen from the figures of 1986-87 & 1989-90 seasons, as against the highest % in 1990-91 i.e. 1.91%.

However the federation has contacted the following institutions to ascertain the standard or ideal shortage percentage as well as to find

out whether any scientific norms have been prescribed for computing the same :-

- 1) The Bombay Textile Research Asso., Mumbai.
- 2) The CCI, Mumbai.
- 3) Cotton Technological Research Laboratory Mumbai.
- 4) Ahmedabad Textile Industries Research Institute (ATIRA), Ahmedabad.
- 5) The Gujarat State Co-operative cotton marketing federation, Ahmedabad.

But it was known that neither any standarder shortage percentage nor any norms for computing the same have been developed by the above institutions. As on date, 1.5 % has been accepted as the maximum permissible shortage,⁵¹ which may not have any scientific base.

To put a check for minimising abnormal shortage, the following measures may be adopted :-

- 1) Procured cotton should be heaped on the same day.
- 2) Before ginning, it is necessary to determine heapwise, standarder lint percentage.
- 3) Vigilance staff should conduct surprise checks at the centres.

Table No. 7.1

Cotton Monopoly Procurement Scheme (INSURANCE)

STATEMENT SHOWING SEASONWISE % OF LOSSES TO THE VALUE OF PROCUREMENT AND % OF FIRE LOSSES TO PREMIUM *

Sr. No.	Cotton Season	Procurement of Bales (in Lacs)	Value of Cotton Proc. (Rs. in Crores)	No. of Claims	Amount of Loss (Rs. in Crores)	% of Losses to the Value of Cotton	Premium Paid (Rs. in Crores)	% of Losses to Premium Paid
1	2	3	4	5	6	7	8	9
1.	1972-73	11.41	133.67	285	0.98	0.73	1.96	49.66
2.	1973-74	1.80	24.96	48	0.32	1.28	1.71	18.78
3.	1974-75	17.66	291.63	462	2.26	0.78	3.08	73.39
4.	1975-76	8.20	113.11	292	2.01	1.78	3.11	64.59
5.	1976-77	8.13	110.75	128	0.06	0.06	1.91	3.29
6.	1977-78	1.54	25.63	41	0.01	0.05	0.45	2.76
7.	1978-79	9.75	171.10	200	0.27	0.16	2.13	12.89
8.	1979-80	17.41	339.56	258	1.23	0.36	4.93	24.91
9.	1980-81	12.61	326.96	243	0.68	0.21	4.95	13.79
10.	1981-82	14.83	384.34	228	2.19	0.57	4.52	48.41
11.	1982-83	18.18	438.09	310	5.09	1.16	5.53	92.03
12.	1983-84	7.69	223.31	150	1.10	0.49	3.12	35.22
13.	1984-85	17.85	493.11	271	1.91	0.39	4.67	40.92
14.	1985-86	29.91	815.81	355	11.45	1.40	10.68	107.23
15.	1986-87	13.00	323.54	94	1.79	0.55	4.55	39.36
16.	1987-88	12.58	318.17	23	0.45	0.14	5.12	8.85
17.	1988-89	11.77	325.65	34	1.14	0.35	4.31	26.45
18.	1989-90	20.92	659.46	61	3.93	0.60	8.81	44.64
19.	1990-91	13.56	550.00	27	0.50	0.09	6.00	8.32
20.	1991-92	10.69	541.43	33	0.73	0.13	5.00	14.51
21.	1992-93	19.94	838.62	79	3.50	0.42	10.13	34.54
22.	1993-94	131.25	843.60	33	0.90	0.11	7.00	12.86
	TOTAL	292.68	8292.50	3655	42.50	0.51	103.67	41.00

Source : Cotton Marketing federation Ltd. Bombay.

TABLE NO.7.2
STATEMENT SHOWING SAVINGS IN PREMIUM IF "SELF INSURANCE SCHEME" WAS INTRODUCED
SINCE THE INCEPTION OF "MONOPOLY COTTON PROCUREMENT SCHEME."

SR. NO.	COTTON SEASON	PREMIUM PAID RS. IN CRORES	CLAIMS RECEIVED RS. CRORES	SAVINGS IN PREMIUM RS. CRORES	INTEREST ON SAVING RS. CRORES @ 15%	CUMULATIVE SAVING RS. CRORES
1.	1972-73	01.96	00.98	0.99	00.00	000.99
2.	1973-74	01.71	00.32	1.39	00.15	002.52
3.	1974-75	03.08	02.26	0.82	00.38	003.72
4.	1975-76	03.11	02.01	1.10	00.56	005.38
5.	1976-77	01.91	00.06	1.85	00.81	008.03
6.	1977-78	00.45	00.01	0.44	01.21	009.68
7.	1978-79	02.13	00.27	1.85	01.45	012.99
8.	1979-80	04.93	01.23	3.70	01.95	018.64
9.	1980-81	04.95	00.68	4.27	02.80	025.70
10.	1981-82	04.52	02.19	2.33	03.86	031.89
11.	1982-83	05.53	05.09	0.44	04.78	037.11
12.	1983-84	03.12	01.10	2.02	05.57	044.70
13.	1984-85	04.67	01.91	2.76	06.70	054.16
14.	1985-86	10.68	11.45	-0.77	08.12	061.51
15.	1986-87	04.55	01.79	2.76	09.23	073.50
16.	1987-88	05.12	00.45	4.66	11.02	089.18
17.	1988-89	04.31	01.14	3.17	13.38	105.73
18.	1989-90	08.81	03.93	4.88	15.86	126.47
19.	1990-91	06.00	00.50	5.50	18.97	150.94
20.	1991-92	05.00	00.73	4.27	22.64	177.86
21.	1992-93	10.13	03.50	6.63	26.68	211.17
22.	1993-94	07.00	00.90	6.10	31.68	248.95
		103.67	42.50	61.17	187.80	

SOURCE : MSCCGMF, MUMBAI.

Table No. 7.3

STATEMENT SHOWING TENTATIVE SAVING IN PREMIUM IN "SELF INSURANCE SCHEME" FUND
IF CREATED FROM SEASON 94-95 FOR NEXT TEN YEARS.

	AVERAGE GUARANTEED PRICE	EXPECTED PROCUREMENT IN LACS QTLs.	PROCUREMENT COST IN CRORES	PREMIUM @ 1.00% RS. IN CR.	EXPECTED LOSS AMT. 35% OF PREMIUM RS. IN CRORES	DIFFERENCE IN PREMIUM & LOSS AMT. I.E. SAVING RS. IN CRORES	INTEREST @ 15% ON CREDIT BALANCE OF FUND RS. IN CR.	EXPECTED BALANCE IN FUND RS. IN CR. (CUMULATIVE)
1994-1995	1100	65	715.00	7.15	2.50	4.65	NIL	4.65
1995-1996	1210	75	907.50	9.08	3.18	5.90	0.70	11.25
1996-1997	1331	70	931.70	9.32	3.26	6.06	1.69	19.00
1997-1998	1464	90	1317.60	13.18	4.61	8.56	2.85	30.41
1998-1999	1610	70	1127.00	11.27	3.94	7.33	4.56	42.30
1999-2000	1771	80	1416.80	14.17	4.96	9.21	6.35	57.86
2000-2001	1984	85	1686.40	16.86	5.90	10.96	8.68	77.50
2001-2002	2143	65	1392.95	13.93	4.88	9.05	11.63	98.18
2002-2003	2357	90	2121.30	21.21	7.42	13.79	14.73	126.70
2003-2004	2593	80	2074.40	20.74	7.26	13.48	19.01	159.19

ASSUMPTIONS : 1. Average guaranteed price for 1993-94 is around Rs. 1000/-, Generally A.C.P. is increased by 10% per year. Hence A.C.P. for season 1994-95 is assumed as Rs. 1100/-.

2. There is no base for expected procurement of kappas, as it depends totally on rainfall (nature) and cultivator's tendency to sell their product out of State.

3. Rate of 1% premium is based on actual average.

4. Average loss for last 22 seasons is 4% hence proposed loss is taken 35% as the efficiency will improve.

5. Rate of interest taken @ 15% and interest calculated on total expected saving at each season. hence no interest is calculated for first season.

TABLE NO. 7.4

Zonewise production & procurment of Cotton

(fig. in lakh qtl.)

Sr. No.	Zone	1985-86		1990-91		1991-92		1992-93		1993-94	
		Prod ⁿ .	Procu.	Prod ⁿ .	Procu.	Prod ⁿ .	Procu.	Prod ⁿ .	Procu.	Prod ⁿ .	Procu.
1.	Jalgaon	06.42	10.31	09.48	02.07	05.58	03.09	10.07	07.70	12.66	04.17
2.	Dhule	02.05	02.55	02.69	00.06	01.87	00.16	03.25	01.20	04.19	00.17
3.	Amaravati	10.55	17.80	12.70	09.48	08.62	07.64	12.69	11.87	18.82	07.08
4.	Akola	13.00	16.34	13.02	08.98	05.79	06.87	12.05	11.09	18.98	09.19
5.	Nagpur	12.74	15.18	11.80	10.38	07.93	07.64	06.38	09.72	09.44	08.75
6.	Yeotmal	17.17	24.26	22.85	10.64	10.20	04.79	16.04	09.80	23.47	05.57
7.	Khangaon	08.52	13.14	08.45	03.37	03.59	02.70	07.23	07.12	10.61	04.15
8.	Nanded	07.71	13.04	06.52	03.39	04.15	01.33	07.38	06.54	09.31	01.04
9.	Aurangabad	09.17	13.70	09.42	06.50	05.91	05.41	07.76	07.47	09.02	09.07
10.	Pardhani	10.60	17.11	06.53	10.83	04.57	08.94	07.96	15.19	15.26	13.19
11.	Phaltan	00.70	01.32	00.44	00.14	00.48	00.07	00.63	00.37	00.36	00.19
	Total	99.49	145.08	94.01	65.85	57.75	51.08	90.38	94.37	131.27	65.11

Source :- Annual Cotton Statistics, 1993-94, Page 58

TABLE NO. 7.5
Procurement of cotton at centres laying on the border of the state.

Sr. No.	Zone	Name of the centres	Distance Border(Km.)	Cotton procured (in qtls)			
				from 1982-83	1983-84	1984-85	1985-86
1	Yeotmal	PandharKawada Mukutban	22	95065	29384	90123	142529
				38761	29063	38274	063328
2	Amravati	Ghatanji Warud	40	59816	33833	73566	111181
				51508	27218	54203	070298
3	Dhule	Shirpur Shahada	55	24756	00956	07817	144969
				34507	00400	11438	072947
4	Nanded	Degloor Isalpur	05	15895	00438	02594	034178
				08432	N.A	07100	032307
5	Jalgaon	Wani Kinwat	50	15377	19832	04614	034118
				34185	12437	28406	053717
5	Jalgaon	Bhokar Himayat Nagar	35	25660	05069	18067	061760
				29624	03928	26092	053877
5	Jalgaon	Dharmbad Mandvi	20	04356	N.A	00672	011101
				13318	N.A	13706	028801
5	Jalgaon	Umri Mahur	20	37129	04652	28844	072263
				04762	01983	06613	022874
5	Jalgaon	Chopada Faizpur	45	47428	02612	16695	144163
				05092	00126	N.A	012554

SOURCE :- Report of High level committee, Page 67

TABLE NO. 7.6
Statement Showing zonewise percentage of shortage during the
season 1984-85 to 1993-94 Under the MCP Scheme.

Sr. No.	Zone	S E A S O N S											
		84-85	85-86	86-87	87-88	88-89	89-90	90-91	91-92	92-93	93-94		
1.	Nagpur	1.44	1.73	1.79	1.84	1.55	0.99	2.29	1.37	1.44	1.87		
2.	Wani	-	-	-	-	-	-	-	1.17	1.18	1.89		
3.	Yeotma	1.06	1.25	0.90	1.35	1.25	1.08	2.52	1.50	1.83	2.86		
4.	Akola	0.70	0.34	0.43	1.27	1.09	0.45	1.73	1.14	1.33	1.43		
5.	Amarawati	1.61	0.69	0.82	1.70	1.56	0.81	2.33	1.90	1.44	2.20		
6.	Khamgaon	0.64	0.38	0.63	1.73	1.52	0.83	1.98	0.87	1.30	1.80		
7.	Aurangabad	0.83	+0.38	0.00	0.83	0.17	0.29	1.33	0.58	0.73	1.32		
8.	Parbhani	0.27	+0.40	0.13	1.00	0.50	0.55	1.35	0.60	0.31	1.05		
9.	Nanded	0.28	+0.07	0.53	0.58	0.52	0.32	1.50	0.39	0.12	2.33		
10.	Jalgaon	0.59	0.20	0.00	0.66	0.61	0.57	1.46	0.68	0.11	1.12		
11.	Dhule	0.89	0.37	0.37	1.33	1.03	0.97	1.95	1.08	1.46	1.07		
12.	Phaltan	0.00	0.08	0.00	0.31	0.00	0.00	0.00	0.18	0.00	0.00		
	State	0.82	0.48	0.63	1.24	1.01	0.68	1.91	1.18	1.07	1.58		

SOURCE :- MSCCGMF, Mumbai