

PM's reform panel scrambles for a new cotton price formula

LAHORE: Prime Minister's Reform Committee has launched a belated move to determine cotton price at a time when the commodity's supplies to market have entered their second month since harvest, officials said on Tuesday.

The committee in an official notification titled "Consultation on indicative price of cotton 2019-20" announced a meeting focusing on the issue was scheduled for July 17 (today) at Prime Minister House under the chairmanship of Minister for National Food Security & Research (MNFS&R).

The statement said the meeting aimed to have consultation of stakeholders on a formula to determine the local seed cotton price in relation to international cotton prices or import parity price.

The Prime Minister's Reform Committee is reportedly headed by Jahangir Khan Tareen, claimed sources, hailing from South Punjab, the core cotton producing area of the country.

This exercise should have been carried out about three to four months back in order to give a positive signal to farmers about good prospects in terms of marketing of the produce, a senior official said. More astonishingly, The News has learnt that Ministry of National Food Security had already determined Rs4,000/40 kg as the price of seed cotton for this year, while taking into consideration various factors.

The ministry is also vying to involve Trading Corporation of Pakistan (TCP) for buying one million bales if the price of cotton is reduced below Rs4,000 mark.

The move of the ministry, however, did not get the attention of minister of finance and textile due to reasons better known to power corridors of federal government, sources said. Moreover, the Parliamentary Committee on Agriculture has also proposed setting price of cotton for farmers and buying of cotton through TCP.

An invitee of the consultative meeting said on the condition of anonymity that Prime Minister's Reform Committee would in fact derail the move of MNFS&R for ensuring better price of cotton for farmers by launching a new process for determining rates.

Furthermore, the meeting-goer claimed that there was no mechanism to push the powerful lobby of All Pakistan Textile Mills Association (APTMA) for maintaining cotton price in relation of international rates. It was simply a non-starter and hence an exercise in futility, he observed.

Meanwhile, Pakistan Kissan Ittehad (PKI) alleged that some vested interests in the government were proposing anti-farmers policies and some ministers were taking advantages of such policies and making fortunes at the cost of growers.

They also asserted these groups were very active during the budget preparation and had been able to get every proposal/demand for incentivising cotton cultivation thrown out of the window.

The National Assembly passed a resolution on the imposition of duty on cotton import, but it was vetoed by commerce advisor Razaq Dawood, resulting in reduction of price by Rs1,800-Rs2,000 in local market, the PKI officials accsued.

The growers' body further said National Assembly had also passed a resolution to announce a support/indicative price of cotton, which, despite a passage of more than three months was still lying in limbo between ministries and departments.

Rather ministry of commerce, headed by Dawood, continued to allow illegal import of cotton from Torkhum Boarder, leading to massive influx of diseases- and pests-prone cotton, the PKI claimed.

Alleging that cotton was intentionally being ignored by some quarters, the PKI said the federal government had announced an 'Agriculture Emergency' but it failed to add cotton in this crucial programme due to unknown reasons.

They demanded that duty be imposed on cotton import, while support/indicative price of cotton be announced immediately. Moreover, cotton should be included in the Agriculture Emergency Program while giving it top priority, the growers' body urged.

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