

Lockdown results in steep fall of market prices of cotton

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For 53-year-old S. Govindarajan, a cotton farmer from Bogalur here, the coronavirus pandemic could not have come at the worst time. Despite having a good harvest from his two-acre farm, Mr. Govindarjan says that he is forced to sell the produce at lower rates.

“Since the outbreak of the pandemic, the demand for cotton has reduced and subsequently the market prices have crashed. I had pawned my wife’s jewellery to raise the crop. My wife and I toiled hard for the last six months to grow the crop. But, currently we have no money left to feed ourselves. So, we have no option left, but to sell them at any price that the traders pay us,” he says.

With the closure of textiles mills due to the lockdown, the demand for cotton has reduced, resulting in a steep fall in the market price of cotton. Farmers in the district say that prior to the lockdown, a kilogram of cotton at around Rs. 44. But, currently, the market price ranges between ₹ 30 and ₹ 32 per kg.

Joint Director (Agriculture) S.S. Sheik Abdullah says that currently cotton has been harvested on 2,000 hectares in the district. Two farmer producer companies- Ramnad Mundu Chilli Producers Company and Vaigai Farmers Producers Company- have been given a revolving fund of ₹ 3 lakh each, for procuring cotton from farmers, he added.

Usually, traders procure cotton from farmers and send it to spinning mills at Coimbatore, Tiruppur, Rajapalayam and Theni districts, says K. Kanthirajan, Director of Ramnad Mundu Chilli Producers Company. “But, currently the produce is either stocked at home by farmers or at godowns by traders, as the mills have been closed” he says.

“Farmers also have no option, but to sell the produce for any rate that the traders offer, as they need money to meet their everyday expenses. Also, it is not safe to store cotton in the open as it might get spoilt,” says S. Michael, another farmer.

Mr. Kanthirajan suggests that the government must fix a minimum support price for cotton and ensure that the traders adhere to it. “They can also extend loans to traders as they would also find it difficult to sell the produce during the lockdown,” he says.

“Most importantly, the Cotton Corporation of India must be encouraged to procure cotton from farmers in the district, as this will ensure good returns for the farmers,” he adds.

Collector K. Veera Raghava Rao says that the district administration has formed a special team and taken several steps to facilitate the procurement and transportation of agricultural produce. He adds that he would look into the issue and take steps to ensure that the farmers earn good returns.

Source: <https://www.thehindu.com/news/cities/Madurai/lockdown-results-in-steep-fall-of-market-prices-of-cotton/article31445661.ece>