



Sustainability of small and marginal farmers during Covid -19

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Abstract:

Sustainable agriculture conserves land, water, and plant and animal genetic resources, and is environmentally non-degrading, technically appropriate, economically viable and socially acceptable. Sustainable agricultural maybe be possible with the help of macroeconomic policy and allocation of land to any corporate entities. But the sustainability of the farmer is the most challenging job before the state. India's own only 33 percent of total cultivated land and produce 41 percent of the country's food grains. The productivity of these small farms is somewhat higher than that of medium and large sized.

The term farmer will refer to a person actively engaged in the economic and or livelihood activity of growing crops and producing other primary agriculture commodities and will include all agricultural operational holders , cultivators, agricultural laborer, sharecroppers, tenants, poultry and livestock reares, fishers, beekeepers, gardeners, pastoralists, Non-corporate planters and planting laborers, as well as person engaged in various framing related occupations such as sericulture, vermiculture and agro-forestry. The term will also include tribal families / persons engaged in shifting cultivation and in the collection, use and sale minor and non-timber forest produce. the small and marginal holdings taken together (0.00-2.00 ha) constituted 86.08% of the total land holdings in 2015-16. The all- India average size of holding is 1.08 ha. (Source: Agriculture Census, 2015-16).

(Keywords: small and marginal farmers, Sustainability, Contribution, Challenges)

Agriculture with its allied sectors, is the largest source of livelihoods in India. 70 percent of its rural households still depend primarily on agriculture for their livelihood, with 86 percent of farmers being small and marginal. In 2017-18, total food grain production was estimated at 275 million tons (MT). India is the largest producer (25% of global production), consumer (27% of world consumption) and importer (14%) of pulses in the world. India's annual milk production was 165 MT (2017-18), making India the largest producer of milk, jute and pulses, and with world's second-largest cattle population 190 million in 2012. It is the second-largest producer of rice, wheat, sugarcane, cotton and groundnuts, as well as the second-largest fruit and vegetable producer, accounting for 10.9% and 8.6% of the world fruit and vegetable production, respectively. It means major portion of the rural economy run by small and marginal farmers.

The impact of COVID-19 on smallholder farmers in India. COVID-19's economic influence in developing countries continued with an event focused on India, where the pandemic reveals the increasing vulnerabilities of smallholder farmers and an agricultural market. Nearly 90% of India's agricultural sector is made up of small and marginal farmers. These farmers are particularly vulnerable to economic shocks, include those sparked by COVID-19 lockdowns.

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Smallholder contributions in food security and poverty alleviations are thus dis-appropriately high and increasing. Smallholders constitutes more than half of the national population. Having a greater role in supplementing nation's food requirement, smallholders are hit hardest due to the Covid-19 pandemic and the subsequent lockdowns.

We've seen the organized milk value chain function, even during the lockdown. For this, the co-operative sector deserves credit. What has been overlooked. Ninety per cent of these farmers end up buying more grains just for their sustenance, but they also sell a part of their produce for cash needed to buy groceries and other essentials.

The minimum support price (MSP) announced by the government, and the government's procurement system helped these farmers get a moderate price for crops such as paddy and wheat. Otherwise, right after harvesting, the market price falls to such an extent that farmers do not even get the price equal to the cost of production.

That's how the market operates when many farmers want to sell the same produce in large quantities, prices fall. Most of these farmers fall in the Below Poverty Line (BPL) category and get food grains (paddy or wheat) from the Public Distribution System (PDS) at a much subsidized rate. So, they sell paddy or wheat at a higher price, taking advantage of the MSP and government's procurement system, and then purchase the same at a much subsidized rate from PDS, as they are treated as priority households.

PM Kisan is a Central Sector scheme with 100% funding from Government of India. It has become operational from 1.12.2018. Under the scheme an income support of 6,000/- per year in three equal installments will be provided to small and marginal farmer families having combined land holding/ownership of up to 2 hectares. Definition of family for the scheme is husband, wife and minor children. State Government and UT administration will identify the farmer families which are eligible for support as per scheme guidelines. The fund will be directly transferred to the bank accounts of the beneficiaries. There are various Exclusion Categories for the scheme.

Small and marginal farmers are facing tremendous challenges both in pre-production and post-production like access to production technology, quality inputs at reasonable prices, credit, custom hiring, seed production, value addition, processing, investments and most importantly markets.

Though is that the far bigger, unorganized fruit and vegetable sector has also continued to function.

When we consider the larger farms, the ones that serve the food needs of the nation, the critical input is going to be capital. While non-banking financial companies (NBFCs) are becoming significant lenders in the agricultural space, we don't have the luxury of getting into fresh mobilization and experimentation with new models of credit at the moment. That can be a medium-term outcome.

Today, however, it is absolutely critical that the government delivers finance directly to the farmers through the primary agricultural co-operative societies, commercial banks, a special line of credit, and Kisan credit cards.

If we need to excite rural producers to invest in their farms, we will need to look beyond the local, rural economy. And given that today, internally, we are a surplus market on all food products (except maybe oilseeds) we should look outward.

This means that much of the migrant labor—which is usually employed in these sectors in urban India—will likely remain in their villages for at least the next 18-24 months. This supply of labor in rural India should be seen as an opportunity to upgrade our rural infrastructure.

The final and most important step in reviving the rural economy is an integrated policy package which looks at the entire rural situation holistically. While agriculture is certainly the primary engine of the rural economy, India is home to about 120 million smallholder farmers who contribute over 40% of the country grain production, and over half of its fruits, vegetables, oilseeds and other crops. Much of the global share of food staples such as rice and wheat from India, and almost half of the population in India depends on agriculture for their livelihood.

PM Garib Kalyan Yojana. Subsequently in June 2020 the scheme was extended till end of November 2021. In what came as a major, and instant relief to millions, the Government announced that the first installment of Rs 2000 to farmers due in 2020-21, covering 8.7 crore farmers, would be front-loaded and paid in April under the PM Kisan Yojana.

The state of Haryana, located in the northwestern plains of India, is an extensively irrigated tract where the dominant winter crop is wheat, typically harvested in the first three weeks of April. Farms in Haryana are on average twice as large as in the rest of India, and mechanization is common in sowing and harvesting of Wheat. Most agricultural labor comes from other northern Indian states or Nepal. Central government agencies engage in large-scale procurement of wheat, and wheat is protected by a floor price or minimum support price (MSP) announced annually by the state government and is marketed at licensed market yards (mandis). Farmers access these markets through licensed commission agents (arhtiyas) with whom they have personal rapport and financial relationships.

The state of Odisha exhibits a more diverse cropping system. Prominent winter crops in Odisha include paddy, pulses, and oilseeds. With smaller landholdings and uneven terrain, yields are low, subsistence farming is common, and there is more reliance on manual labor than machinery, particularly for pulses and oilseeds. Winter black gram, a pulse that our respondents in Odisha were growing prior to the lockdown, is harvested manually during March and April. While this crop is protected by minimum support prices, public procurement is announced only in years when the market price falls below the declared floor price or as determined by state government agencies. Instead, pulses are typically sold by farmers to private traders at the farmgate, who in turn aggregate and sell produce in the open market. In addition, an important portion is retained for self-consumption.

Magnitude of Change of Production at the State level.

A) Agriculture:

In the agriculture subsector, most of the states have witnessed a decline in production. States like Chhattisgarh (13%) and Himachal Pradesh (15%) have witnessed a sharp decline in agriculture production. However, some large agricultural states like Telangana (23 % increase), Punjab (5%), Rajasthan (4.4%) and Gujarat (6.7%) have actually shown an increase in agricultural production which may be attributed to the fact that Rabi season had witnessed a bumper crop production and harvesting of the crops had been completed in many of the states before the onset of the pandemic and the lockdown.

B) Horticulture:

Horticulture being a perishable crop was adversely affected during the lockdown even though there was no restriction on sale of fruits and vegetables in the market, except ban on operations of rural haats. All states except Gujarat (5%), Rajasthan (2.5%) and Karnataka (1.7%) have witnessed a decrease in production in the horticulture sector. Amongst the larger states, Himachal Pradesh, Chhattisgarh and Tamil Nadu faced the highest decline of 18%, 17.9 and 13.9% respectively.

C) Poultry:

This sector was most strongly impacted in all states (except Arunachal Pradesh where production was reported to increase by 25%) with production declining by a significant amount. The decline in production levels was the sharpest in the states of Haryana (37.2%), Madhya Pradesh (34.2%) and Uttar Pradesh (31.9%). The fall in the production levels in poultry could be directly attributed to the lower demand for poultry products due to the widespread fear prevailing that COVID-19 virus may spread through the poultry birds.

D) Dairy:

The dairy sector was one of the least adversely affected sector after crop production as the demand for the dairy products was relatively stable and the supply chain also did face large scale disruption during the lockdown. At the all-India level, the overall dairy production declined by 6.6%, but this decline was of similar small magnitude across most major states. The States of West Bengal (11.9%), Jharkhand (13%) and Chhattisgarh (11.5%) reported the largest decline in the dairy sector mainly due to decline in demand for milk products as most of the restaurants, sweet shops remained closed during April 2020.

E) Fisheries:

The full range of activities required to deliver fish and fish products from production to the final consumer is subject to indirect impacts of the pandemic through changing consumer demands, market access or logistical problems related to transportation and border restrictions. This has led to serious disruptions in the fisheries supply chain. witnessed a 14% decline in fisheries production. Amongst the

larger states, those which faced the biggest decline were Maharashtra (23.5%), Madhya Pradesh (22.7%) and Andhra Pradesh (21.7%).

F) Pig/Sheep/Goat:

This sector had also been impacted adversely by the pandemic, but to a much lesser extent. One of the reasons for this was that in some regions there has been an increase in Pig/Sheep/Goat consumption as it is being considered a safer alternative to poultry. Telangana and Arunachal Pradesh have seen an increase in production levels by 10% and 25%, respectively. Rest of the states have seen a decline in the production levels with Nagaland (25%), Haryana (17%) and Madhya Pradesh (16.3%) reporting the highest decline.

With markets, restaurants and hotels being close, bulk demands reduced and prices went down which affected the small and marginal farmers who grow perishables, especially fruits, vegetables, and animal produce. With developed and structured markets,

As temples were closed and social ceremonies were not being held, the horticulture sector was considerably affected and the demand for flowers reduced significantly.

Bihar is the highest producer of maize in India, and even with good productivity the price went down this year due to a lack of demand during the pandemic. Farmers were forced to sell maize for maximum of Rs. 1,200 per quintal compared to Rs 2,200 per quintal which was the price last year.

smallholder farmers are not homogeneous but rather a diverse set of households with varying farm and household characteristics. Smallholder farm systems are also not permanent, and some are subsistence oriented. Smallholder farmers' practices are dynamic and vary according to the constraints they face and the stage of economic transformation.

The income of small farmers is very little – almost 1/10th of large farmers. The economic impact of Covid-19 on rural areas is much lower than the urban areas. Early evidence suggested that the rural economy is reviving, and the performance of agriculture will be much better than manufacturing and services. As per the prediction the growth rate in the agriculture sector will be 2.3 – 3% – India is likely to have a bumper crop this year. However, early evidence suggested that during Covid-19 lockdown, perishable agri-products have incurred severe losses as compared to the non-perishables. As per data collected by Azim Premji University, 37% of the farmers were unable to harvest, 37% of the harvest was sold at reduced prices, and 77% of the households surveyed consumed less food during the nationwide lockdown.

Conclusion

The slow growth of opportunities in the non-farm employment sector has led to the proliferation of tiny and economically non-viable holdings. Increase in small farm productivity and creating multiple livelihood opportunities through crop-livestock integrated farming systems as well as agro-processing would be supported for increasing farmers' incomes. Some measures can be benefit the small and marginal farmers for gaining efficiency and economies of scale in their farming operations. Likes Cooperative Farming and Service Cooperatives, Group Farming by SHGs which will be supporting micro-enterprises operated by women with the help of micro credit have been highly successful. Expanding the agricultural financial base with the inclusion of crop insurance. Small and marginal farming is continuous process have a need a strong base for to sustain the farming. Therefore, collectivization of such producers to leverage the benefits of economies of scale in production & marketing through formation of their organizations such as FPOs is critical to make production cost effective and enhance farmers' income.

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