



CHALLENGES AND ISSUES FACED BY ORGANIC AND INORGANIC FARMERS AMIDST COVID-19

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Abstract: The research paper focusses on effect of COVID-19 on Indian farmers community by emphasizing on challenges and issues faced by both organic and inorganic farmers in the segment of vegetables and fruits. Few Initiatives taken by government to help farmers amidst these corona virus spread is also included to provide insights on the topic. The research paper also covers solution and road ahead to assist various farmers, farmers association and institutional bodies to come up with comprehensive plan to support both organic and inorganic farmers.

Keywords: COVID-19, Corona Virus, GDP, MSP, Impact, USA, U.K, Organic farmers, Agriculture etc.

Introduction:

Today, World has come together to fight against corona virus(Covid-19) which has affected many lives globally including developed nations like USA and U.K. World statistics shows that more than 85,000 people in USA and apx 33,000 people in U.K have died due to COVID-19. Comparatively, India has done much better by containing it using on time lockdown and restricting mortality figure to 2,548 [10]. When India is considered as Super Model by WHO and other nations in the fight against COVID-19 due to effective and on-time implementation of lockdown in entire country at the same time, Side effects of it are clearly visible with increase in Unemployment rate, rise in food inflation and forecast of reduction in Indian GDP. It will take considerable time to bring the country back on track. Although, Essential goods (which includes agriculture produce) and Pharmaceutical sector were excluded from lockdown, Farmer's community in India are facing tough challenge with surplus produce, limited logistics, migrating labour and rotting vegetables & fruits. With Lock down 4.0 already announced to minimise the spread of corona virus in India, Solution on above mentioned challenges and support from govt. may give some relief to vegetable farmer's community.

Objectives:

- ✓ To find out various issues and challenges faced by organic and inorganic vegetable growing farmers
- ✓ To study initiatives taken by govt. to help farmers.
- ✓ To discuss possible solution and trends to subdue financial difficulty faced by organic and inorganic vegetable growing farmers

Literature Review:

Agriculture ministry has already contributed INR. 15,841 crores stimulus package under “Pradhanmantri Kisan Yojana” which has aided 7.92 crores farmers in India [1]. Agriculture term and crop loans have been granted a moratorium of 3 months (till May 31) along with concession of 3% interest on loan up to INR. 3, 00,000 for borrowers with good track record [2].

Govt. is also providing subsidy on Energy, Crop Seeds, Fertilizers, agriculture tools and Equipment’s to support farmer’s community.

Whereas on negative side, Rating Agency Moody’s has recently forecasted that India’s GDP may touch as low as 0.2% (Earlier predicted at 2.5%) in coming financial year as severe economic impact is expected on all the business [3]. Nomura have also lowered forecast of Indian GDP to -5% for financial year 2021 [4]. In the Current fiscal, Market borrowing requirement will increase by 53% to INR 12, 00,000 lakh crores due to rising expenses and falling revenues. These may lead to widening of our fiscal deficit to 7% [5].

Agriculture Sector contribute 15% in Indian GDP and employs 50% of the workforce [7]. Demand of vegetables and fruits have reduced by 40% and 70% farmers have been affected due to COVID-19 widespread and lockdown [9]. Direct benefit Transfer of INR 6,000 in 3 parts to the farmers account will provide immediate relief to affected farmers [8]. Central govt. has announced 3, 00,000 crores stimulus package for Micro, Small and Medium Enterprises in India [6]. Many Small and medium size enterprises which are related to agriculture and allied activities along with food processing industry will also have significant impact on their current and next business cycle due to Logistical issues, Unavailability of migrant workers and Volatility in prices.

Research Methodology:

Exploratory research is used in writing these research paper as limited information is available on ongoing COVID-19 and its effect on farmers. Various articles, websites and govt. reports are referred to study measures taken by govt. and in identifying gap present in supply chain. Creative suggestions are given based on analysis in related area of study to provide insights on further roadmap.

Result Discussion and Analysis:

Logistics Challenges:

Most of the farmers in India are small and marginal, they grow only 2 or 3 types of vegetables which are transported through private and public mode. Organic farmers in Nasik District of Maharashtra too are facing the same conundrum because of lockdown. Recently govt. has allowed trucks carrying essential goods to enter in various zones (red, orange and green) to sell their produce in local and state APMCs. However, increased price of transportation in Corona affected area has put an additional burden on Organic farmer’s financial returns.

Effect of Agriculture Labour:

In India, more than 131 million people (based on govt. data) are engaged in agriculture labour which includes harvesting crops and selling it in Mandis (market). As most of these population is moving from working state to home state, harvesting will also get affected in Post lockdown recovery period. During these Rabi crop season, agriculture labour from U.P and Bihar move to other states of India for harvesting activity. It is impossible to meet these requirement in short span of time which will further deteriorate the situation of both Traditional and Organic farmers.

Upward Price Movements:

India’s biggest wholesale and fruit market has initiated separate shift system (4 to 5 hrs. each) to sell vegetables and fruits till lockdown ends. Shortage of Vegetables in the market because of disruption in the transport system and limitation on the entry of retail buyers have resulted in surge in prices. In Mumbai, there is 40% hike in seasonal vegetables such as Tomato, Spinach, Okra and capsicum. Prices of Potato and Onion have also increased by 30 to 40% in retail market. Tragedy of this upward price movement is that it does not reach to farmers. Since, Hotels and restaurants are closed, demand of seasonal vegetables have also declined and thus escalating the problem of farmers who does not have facility, market and time to stock and sell such perishable goods.

Upcoming trends and Solution:

Veggies basket(Mix of Vegetables and fruits to meet weekly requirement of kitchen) which has started in metro cities in India will grow their market further as people will avoid going to crowded place like Vegetables market (Post Covid-19 effect) and better hygiene standards. Many state governments have also permitted farmers to sell their produce directly to end user which in turn may boost Community Buying in urban region and residential areas. Online Pre-order booking through app or website will also boost organic farmer's income and will produce as per demand. These will also narrow down demand-supply gap if any exists in current market environment. They will be more self-sufficient to not only meet their daily necessities but also to repay their loans on time.

Conclusion:

It is evident that COVID-19 has adversely affected our economy and farmer's community which includes both organic and traditional farmers, its impact on vegetable farmers is more as they are perishable goods. Various challenges and issues such as Logistics, Labour and Upward Price movement has increased their difficulties in terms of financial viability of their agriculture produce. Although Govt. has taken certain initiatives to subdue its short to medium term financial and agriculture loss, more initiatives such as increase in Minimum support Price, Well Designed Distribution program and Effective Supply Chain to support organic farmers is crucial.

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