



Impact of Covid-19 on Indian Agriculture Sector: A Study

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Abstract

Agriculture is the primary business activity of the Indian Economy. It has not only contributed to the GDP but also helps in generating employment and export. The present rapidly developing situation with COVID-19 has posed various challenges in agriculture sector. It has not only disrupted many activities in agriculture and supply chains but also the problems of non-availability of labor, transportation facility and market because of lockdown that resulted in non-fear of spread of Virus. It was observed that the agriculture sector all over the world have also affected, particularly the livestock farming and shortage of inputs because of global trade disturbances. During this crisis, the priority of government is to protect the lives of people, who are suffering from the disease as well as those who are not suffering. This paper analyses the impact of COVID-19 on Indian Agriculture sector and discusses the various measures taken for the survival of Agriculture in the Country.

Keywords: Agriculture, Indian Economy, COVID-19, Lockdown, Challenges and measures

Introduction:

In India, majority of the people live in the rural area and the primary business is the agriculture and allied activities. Further this sector contributes 17 per cent to Indian GDP. The present health crisis of COVID19 has affected to all walks of life. It has not only affected the lives of the people around the world but has also affected the economic activities all over the world. It was observed that the agriculture sector all over the world have also affected particularly the livestock farming and shortage of inputs because of global trade disturbance. During this crisis, the priority of government is to protect the lives of people who are suffering from the disease as well as

those who are not suffering. With this priority the government has created lockdown of all the economic activities throughout the nation except few essential services. The only purpose behind lockdown was to control the spread of Corona virus.

At the beginning the corona virus spread to urban areas only but later on it also spread in rural areas. During these hard time the farmers has faced unprecedented challenges. It was because all farming and farm related business activities including transportations were close. Later on some relaxation were given to farm sector, still this sector facing the problems of labour etc. Agriculture is the at most important for the economy and ensuring the smooth operation of agriculture activities including sustainable food system in the post-crisis period shall be the priority of the government.

Government Package

The government of India during the lockdown period has announced the various measures in the form of packages to agriculture sector. Along with central government, the respective state government has also announced the special packages for agriculture sector. The government under PM-KISAN scheme has release Rs. 2000 to Bank account of the farmers along with this the government has also raised the wage rate for workers who are engaged in the NREGS. The Government through The Indian Council of Agricultural Research has also issued the guidelines for farmers which have to be followed during harvest as well as post-harvest, storage and marketing of the farm produce. Further the Reserve Bank of India has also granted a moratorium of three months with extension for Agricultural term and crop loans.

Challenges

The present crises will last for longer period and there is certainty of lockdown in some hot zone area. The measures taken by government to improve the condition of the farm sector will be more concerns due to labour problems. In the *rabi* season which is generally started in June –July in India, the farmers starts the harvesting activities and in most of the part it will be at maturity stage. In the same season the farm produced reached to the market yard for sale. Moreover, there was damage to supply chain due to stoppage of transportation. However the government allowed the transportation for essential services including agriculture but there is huge rise in the rent of the carriers. In the same line the farm sector facing the problems of labour due to migration of workers which triggered panic to farmers. The farm workers play an important role in harvesting operations and post-harvest handling of produce. Keeping in view with the importance of agriculture, the government relaxed and allowed the movement of farmers and farm related workers. The agriculture and related products including dairy are of paramount importance to consumers and making available it to the final consumer are the most critical challenge for Government machinery due to shortage of workforce and transport issues. It is the role of government to ensure the smooth functioning of the supply chain while ensuring availability of laborers with adequate safety measures and monitored.

The measures taken by government:

It is a fact that, the vulnerable section of the society particularly the poor people who are the daily wage earners either in urban area or landless farm laborers etc. in rural are the most hit by any disaster or pandemic situation. Most of the people of these categories have lost their income from employment for long-term basis. Therefore in order to bring them in the mainstream of the economy the government shall take the sincere efforts towards

implementation of the measures for them and protect the lives of every citizen. Somewhere the government has provided the cash transfer to overcome the situation but to make the sustainable demand for agriculture commodities, the government should have the policies for investment in various infrastructures, logistic, supply chain including companies particularly small and medium enterprises that depends on raw material of agriculture and related sector or engages in such activities.

The government further shall address the issue of scarcity of farm labor by facilitating the easy availability of labor with suitable incentives to the landless laborers and workers. Further the government shall also ensure that, for agricultural activities shall be effectively carried-out in the rainy/wet season facilitated for smooth and sufficient flow of credit and Agri-inputs. The state government shall ease the burdens of farmers by gear up their machineries of designated mandis and price support schemes.

The policy makers shall explore the Structural reforms by supporting the agriculture sector with land leasing, contract farming and private agricultural markets and bring out the investments into the agriculture sector to push its growth. The government shall focus on the transformation of food overall food system by designing the post-COVID agriculture policies that must include raising farmers' income through enhancing farm productivity.

Smallholder farmers

The smallholder farmers who work with limited resources and income play an important role in the total grain production including fruits, vegetables, oilseeds and other crops. The COVID-19 pandemic has brought new risks to such farmers that threaten their livelihoods as well as food security along with regular risk such as low rainfall, price volatility and rising debts. Most of the problems faced by the farmers were for harvesting due to shortage of labor or if available then with more expensive labor and equipment because these farmers most of the times rent harvesting equipment. Further there is no regular functioning of the transport and markets. The government shall positively take adequate measures to protect the Smallholder farmers.

Discussion:

The COVID-19 pandemic has significant impact on the Agriculture and Allied activities in India affecting more than 80% threat to the crop in different regions. Though there is no impact on seed availability but if the pandemic continues then in future seed availability can be an issue. It has also been observed that, there is a shortage of agricultural inputs like fertilizer and pesticides due to global trade disturbance. Most of the farmers and traders have held the produce with them for longer time and this may create the situation where the prices of foods will rise while food quality will reduced. The most affected area is the livestock is fishery because of the limited access to animal feed and a shortage of labour. It has also been observed that there is sharp fall in the prices of some crops in some regions. Thereby farmers face the problem of repaying their crop loans. With respect to measures taken by the both Central and state government in India, it has been observed that both the government have started helping the farmers and crop production in the form of subsidies, cash transfer, crop insurance to farmers, agricultural credit etc. further the government has also introduced the technology in the Agriculture Market that is e-NAM which is a National Agriculture Market platform and Kisan Sabha App.

Conclusion

The Agriculture and allied activities are the backbone of any economy and particularly of India where majority of the people live in the rural area having primary business undertakings like agriculture and allied activities. It is also called a primary sector which generates huge employment and contributes nearly 17% to the GDP. The present COVID-19 crises have severely affected the agriculture sector during lockdown period and it may have impact in future too. During lockdown and unlock period the farmers have faced not only production related problems but also the distribution related issues. During this hard time farmers are facing problems like: pricing, storage, along with lot of corruption in the market. So there is a greater need to protect the farmers from such a situation. Though the government has already taken several steps to protect the farmers and agriculture sector but some measures are also needed in mandies, alternative market channel, direct-to-home delivery, farmers' groups and reforms in APMCs. Further the government should encourage e-commerce, delivery companies and start-ups.

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