

REVIVING INDIAN AGRICULTURE: AFTER COVID-19

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Abstract

COVID-19 has caused a great impact in Agriculture and its allied Sectors, there is an acute shortage of farm labour for cultivation and post-harvest handling. Commercial crops are drastically affected as manpower and transport system is malfunctioning and as a result perishable crops streaming from different parts of the country are not able to reach the destination market on time and destroyed either in farmers field or in transportation. Some mitigation measures are taken by the government to help the farmer community like financial packages from the central government; ICAR has issued state-wise guidelines, RBI has also announced specific measures to address the 'burden of debt servicing' etc. The hit of COVID-19 on the economy is no doubt disastrous. No sector has escaped its impact. Their repercussion on agriculture is nexus and diversified. This impact will reverberate across the larger economy and will stay longer than a few months.

Key Words : Covid-19, Crop loans, Harvest

Challenges faced by Agriculture sector during Pandemic COVID-19

There is huge and never ending list of problems in agriculture focusing on labour availability and inability to access markets for produce due to issues in transportation as well operation of markets. Commercial crops are drastically affected as they tend to be more dependent on migrant labour for their production on large scale and marketing (Lakshman, 2020). Consequently, the shortage of migrant labor has resulted in a sharp increase in daily waged for harvesting crops. In many areas, the rise is high as 50%, making it unremunerated for producers since prices have collapsed due to either lack of market access including the stoppage of transportation and closure of borders (Thomas, 2020). This is in contrast to areas where migrant laborers have returned home from urban area and this has led to a sharp decline in agricultural wages.

The rise in labour cost and lack of access means that farmers are staring at huge losses and hence allowing crops to rot in the fields. Large buffer stocks in paddy and wheat mean that food grains shortage due to poor harvest is unlikely, at least this year. But the case of commercial crops and vegetables is more complex. A collapse in return means that farmers are likely to shift to another crop thereby substantially altering supply dynamics and with it prices. This, in turn, may have a bearing on food inflation (Dev, 2020).

Mitigation measures to ensure a sustainable food system

The end of the lockdown will not end the problems. On the contrary, they are compounded at the onset of the new agricultural sowing season. The most important issue that farmers have to face is the problem of repaying their crop loans and gold loans at least for those who have borrowed from the formal banking sector. There are some mitigation measures taken by government to help the farmer community which is listed below:

- Immediately after the nation-wide lockdown was announced, the Indian Finance minister declared an INR.1.7 trillion package, mostly to protect the vulnerable section (including farmers) from any adverse impacts of the Corona pandemic. The announcement, among a slew of benefits, contained advance release of INR 2000 to the bank accounts of farmers as income support under PM-KISAN scheme. The government also raised the wages for workers engaged under the NREGS world's largest wage guarantee scheme. Under the special scheme to take care of the vulnerable populations, Pradhan Mantri Garib Kalyan Yojana (Prime Minister's scheme for welfare of the poor), has been announced. Additional gain allotments to registered beneficiaries were also announced for the next three month. Cash and food assistance to persons engaged in the informal sector, mostly migrant labourers, have also been announced for which a separate PM CARES (Prime Minister Citizen Assistance and Relief in Emergency Situations) fund has been created.
- The Indian Council of Agriculture Research (ICAR) has issued state-wise guidelines for farmers to be followed during the lockdown period. The advisory mentions specific practices during harvest and threshing of various rabi (winter-sown) crops as well as postharvest, storage and marketing of the farm produce (<https://icar.org.in/>).
- The Reserve Bank of India (RBI) has also announced specific measures to address the 'burden of debt servicing' due to COVID-19 pandemic. Agricultural term and crop loans have been granted a postponement of three months (till May 31st) by banking institutions with 3% concession on the interest rate of crop loans up to INR 300,000 for borrowers with good repayment behaviour (<https://rbi.org.in/>).
- E-commerce and delivery companies and startups need to be energized with suitable policies and incentives to sustain the demand for agricultural commodities. The small and medium enterprises, running with raw materials from the agriculture and allied sector or otherwise, also need special attention so that rural economy does not collapse.
- To obviate the immediate concerns of scarcity of the farm labour, policies must facilitates ease availability of machinery through state entities, Farmer Producer Organizations (FPO) or custom hiring centers (CHCs) with suitable incentives. It is also suggested to explore leveraging NREGS funds to pay part of the farm labour to lessen the monetary burden on the farmer, while ensuring wage employment to the landless laborers and workers.
- Relaxation of the norms by Agricultural Produce Market Committees (APMCs) allowing farmers to sell their products beyond the designated *mandis* will certainly ease the burdens of farmers. State Governments must gear up their machineries for smooth procurement operations of farmers marketable surpluses at MSP (minimum support price) or through other price support schemes.

Conclusion

With the burgeoning population, there is the corresponding rise in food demand in India. It is thus desirable to switch over to a suitable model with a far stronger nutrition focus where diets are more diverse. A post- COVID situation offers that unique opportunity to repurpose the existing food and agriculture policies for a healthier population.

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