IMPACT OF COVID-19 LOCKDOWN ON INDIAN AGRICULTURE

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Abstract

WHO characterized the outbreak of COVID 19 as a pandemic on 11th March 2020 advising all the countries to implement robust containment measures to combat the spread of the virus. As a response to the corona virus pandemic, Honorable Prime Minister of India announced a 21 days nationwide lockdown from 25th March in the initial phase which was subsequently extended thrice. Though this lockdown is intended to combat the corona virus spread, severe contractions in the money circulation due to halt in the economic activity is expected to have significant impact on different sectors of the economy in the long run with agriculture being no exemption. Despite the government’s efforts of permitting many agricultural operations from harvesting to the movement of agricultural produce across the country, farmers bore the hardest brunt of lockdown due to movement restrictions. The impacts of lockdown on farmers in the short and long run were dealt in the paper. The measures to be taken up by the central and state government to mitigate the ill effects of Covid 19 lockdown on farmers have also been highlighted.

Keywords: COVID-19, Lockdown, Farmers, Impact, Mitigation.

INTRODUCTION

World Health Organisation declared the outbreak of novel corona virus disease as a pandemic. At the end of 2019, WHO was informed by china about the incidence of cluster of cases of pneumonia of unknown cause in the city of Wuhan in Hubei Province which was later called as SARS-CoV-2. At the mid of January, 2020, first case of the novel corona virus was detected outside china after which WHO calls for active monitoring and preparedness in other countries. Subsequently as the virus spread to few more countries in the world, WHO declared the outbreak of novel corona virus a Public Health Emergency of International Concern on 30 January, 2020 noting that early detection, isolation and treatment, contact tracing and social distancing to curtail the virus transmission. The novel corona virus disease was named COVID-19 by WHO on February 11, 2020 as the disease could not refer to any geographical region, animal, individual or group of people. As the pace of virus spread is unprecedented, the virus had foothold in many countries within a month and the WHO characterized the COVID 19 as a pandemic on 11th March 2020 advising all the countries to implement robust containment measures to combat the spread of the virus (www.who.int).

As a response to the corona virus pandemic, Honorable Prime Minister of India called for a 14-hour voluntary curfew on 22nd March, 2020 followed by the announcement of 21 days nationwide lockdown from 25th March in the initial phase which was subsequently extended thrice considering the lives of people at its highest priority leaving aside the nations’ economy. The lockdown was enforced to maintain social distancing to contain the spread, provide adequate time to get prepared in terms of arranging necessary medical infrastructure, and explore the effective treatment options available to reduce the mortality rate. The lockdown restricts the inter district and inter-state movement of people across
the country with all transport services viz., road, rail and air was suspended with only exemptions for essential goods, medical emergency and frontline workers. Though this lockdown is intended to combat the corona virus spread, severe contractions in the money circulation due to halt in the economic activity is expected to have significant impact on different sectors of the economy in the long run with agriculture being no exemption. Despite the government’s efforts of permitting many agricultural operations from harvesting to the movement of agricultural produce across the country, advance release of Rs.2000 to farmers bank accounts under PM Kisan scheme to carry out agricultural activities without any interruption, around 58 % of India’s population (IBEF, 2020) who depend on agriculture for their livelihood were bound to bear a significant impact by corona pandemic induced lockdown due to movement restrictions. Therefore, this paper attempts to showcase the impact of lockdown on farmers and agriculture as a whole. The paper is synthesized based on the review made from various published sources like newspapers, reports, magazines, blogs, etc.

**Impact of COVID-19 lockdown on farmers**

Impact of COVID-19 lockdown on agriculture is complex and varies widely across different regions, among producers and diverse segments that form the agricultural value chain. Differential impacts on farmers based on crops grown by them are presented here under the following subheads:

**Impact on farmers growing food grains**

India’s peak farm activity happens between April and June. This is when the rabi crops such as wheat, rice, pulses and mustard were ready to get harvested and taken to markets and the preparatory activities for sowing of kharif crops commences. As the ongoing lockdown coincides with the rabi harvesting season, it has interrupted the harvesting of crops as well as the procurement operations. COVID19 induced Lockdown has ensured delayed harvesting of the rabi crop due to the following reasons:

- Shortage of labour in some areas of the country especially in the north eastern states as they depend on migrant labourers for harvesting of the crop. Internal migrant workers constitute 20 per cent of India’s workforce and seasonal workers employed in agriculture and allied activities were one category of migrant labourers as per the estimates based on 2016-17 Economic Review (Ranini, 2020). It is estimated that Punjab involves one million migrant workers and Haryana about 0.6 million workers during this rabi season, of whom belong to the state of Bihar (www.cmie.com). Due to lockdown, a lot of migrant labourers got back to their hometowns increasing the demand for agricultural labourers.

- Shortage of drivers to transport the produce

- Restrictions in the movement of agricultural commodities across the country. Though the government has waived restriction in the movement of agricultural commodities, in reality, the situation doesn’t exist.

- Lack of private traders to purchase the farm harvests

- Limited market access

  - Functioning of APMC mandis are limited to only twice or thrice a week.

  - Complete shutdown of retail agricultural markets

As a result, farmers were left with the only option to let the crops destroy in their fields itself. There have also been cases of farmers committed suicide after being unable to sell the harvest because of lockdown (News18 India, 2020).

**Impact of farmers growing perishable commodities**

Farmers growing perishable commodities that don’t have much of shelf life and require immediate transportation to the market got hit badly. Among which, the floriculture sector was hit harder. With all social and religious gatherings cancelled, demand for flower crops in the market is almost nil.

Fruits and vegetables farmers who sell their produce in outside markets away from their locality got hit badly during the first three to four weeks of the lockdown due to disruption in the supply links brought about by restrictions in inter district and inter-state transportation. Despite the relaxations in the transportation restrictions
announced by the government to ensure smooth supply of agricultural commodities, traders were reluctant to collect the harvested produce from farmers’ field due to corona virus panic. But farmers those who were somehow able to take their produce to the markets were greeted with lack of demand for the produce, resulting in unprecedented dip in prices. This situation forced farmers either to return home with their produce or sell them at negligible costs. A farmer in UP stated that the price of chilli stood at Rs. 10 when he sold whereas the normal selling price ranges from Rs 40 to Rs. 45 a kilo when they sell on quintal basis. In Karnataka, tomato prices crashed by over 50%, from Rs 1,290 a quintal last year to Rs 560 and the price of ladies fingers were also down by nearly 40%. In Punjab, green chillies, cucumber, capsicum and cabbage were dumped at mandis for lack of buyers. (News18 India, 2020).

In case of farmers normally selling their produce directly in local markets usually use public transport to get their produce to the markets. Due to lack of public transport and limited operational market timings forced farmers to sell their produce to the market intermediaries who offered lowest prices for the harvested produce, yet consumers are often paying more. Even resourceful farmers were reluctant to go to markets due to risk of corona virus infection. Further, due to the halt of manufacturing activities, there is a shortage in the availability of farm inputs which resulted in rise in price of the inputs brought about by decline in the supply. Ultimately, the incomes of the farmer’s especially small and marginal farmers got reduced drastically.

Expected Impact Post Lockdown:

- Post lockdown, farmers may unable to get started for the next season of cropping as they require money for carrying out field preparations for raising crops. Farmers may run out of cash in their hands due to poor returns realized in the preceding season from prices collapses during lockdown.

- Delay in sowing of kharif crop accompanied by lack of timely access to quality inputs at optimum cost is likely to adversely affect the agricultural output of Kharif season. Hence, supply constraint may eventually manifest itself much after India expectedly emerges out of the coronavirus pandemic (News18 India, 2020).

- Further, farmers may not be able to repay their crop loans as they are starring at huge losses. This will result in increased rate of indebtedness among farmers leaving them in distress.

- Changes in cropping pattern is expected to occur as farmers may shift to less labour intensive crops such as maize which may affect the agriculture sector in two ways viz., increasing supply of less labour intensive crops and increase in demand for perishable crop. A sharp spike in the price of vegetables and other commercial crops due to increased demand is expected to occur as growing of perishable crops in the upcoming season is found to reduce substantially. This is because farmers might have realized poor returns in the preceding season due to labour shortages and disruptions in supply chains, so they are likely to shift to another crop thereby substantially altering supply dynamics (Ananth, 2020).

- Decline in the consumption expenditure of the common public continue to prevail even for few months as the purchasing power of the consumers had reduced due to set back in their earning prospects. This may likely to result in the drop of demand for food products which may further aggravate the distress of farmers.

- Contraction of GDP from agriculture in the current fiscal year. However, the expected drop in GDP will not be much in case of agriculture sector as it was brought under essential goods and services. Further, ministry of agriculture has linked more than 11.37 lakh trucks & 2.3 lakh transporters on e-NAM for uninterrupted supply of essential commodities across the country during lockdown (Ministry of Agriculture & Farmers welfare, 2020).

Opportunities and threats ahead

Opportunities

The Covid 19 induced lockdown has brought about some of the unintended benefits that seems
to be opportunistic to boost agriculture sector in the long run are dealt hereunder.

❖ Restrictions have been imposed on export of agricultural commodities by some of the leading countries. Hence, India might use this opportunity to become the global leader by the export of surplus commodities through conducive agri-export policies.

❖ Now-a-days farmers had started to bid online through e-NAM portal as ministry of agriculture has enabled farmer producer organizations to upload produce from collection centers with picture/ quality parameter and also avail bidding facility without going to mandis and facilitate farmers to sell their produce from Warehousing Development and Regulatory Authority to decongest wholesale market and to make supply chain agile (Ministry of Agriculture & Farmers welfare, 2020). It was reported that a total volume of 33.9 million metric tonnes worth Rs 1 lakh crore involving 228 mandis across 12 states was traded on the eNAM platform as of March-end, benefiting more than 11.8 million farmers (The economic times, 2020).

❖ Covid 19 lockdown has brought about changes in the lifestyle and dietary pattern of people. Manufacturing of processed local traditional foods items may emerge as an alternative to the westernized foods.

❖ Corona virus induced lockdown has increased the prospects for improving the status of farm mechanization in India. Punjab government has already initiated efforts to encourage farmers to shift from rice cultivation to maize for its greater mechanized operations (Dilasha and Sanjeeb, 2020). It was also reported that due to the restrictions on labour movement under lockdown, farmers were compelled to carry out mechanized harvesting operations to save their crop yields (Navpreet and Amanpreet, 2020).

The unanticipated consequences of lockdown that restrain agricultural growth are presented hereunder:

❖ Reverse migration is a major threat to agriculture as farmers in some states of India depend on migrant labourers to carry out agricultural activities from planting to harvesting to loading and unloading. Panic created by lockdown pushed lot of migrant labourers to return back to their hometowns. Further, when the lockdown ends, migrant labourers who got stuck in the states other than the places of their residence will get back to their villages. This will result in the shortage of labour for farm operations. FAO noted that “Migrants play a substantial role in the agri-food systems. Measures affecting the movement of people (internally and internationally) and resulting labour shortages will have an impact on agricultural value chains, affecting food availability and market prices globally” (Food and Agricultural Organisation, 2020).

❖ Labour charges are likely to rise due to demand for labourers to carry out farm operations.

❖ Disruptions in the food supply will be a major threat to nation’s food security.

Measures to mitigate the impacts of COVID-19 Lockdown

The government has taken tireless efforts to mitigate the impact posed by covid lockdown on farmers. Keeping that in consideration, the suggestions proposed by various experts dealing with development of agriculture sector to revive the agricultural growth were consolidated and presented in a comprehensive manner.

The measures to be taken by the central government are as follows:

❖ To sustain the demand for agricultural commodities, supply chain must be revived. Hence, start-ups on e-commerce need to be encouraged with suitable policies and incentives.
Investments in small and medium enterprises, running with raw materials from the agriculture and allied sector must be encouraged.

Financial assistance at subsidized rates may be provided to encourage indigenous manufacturing of farm implements.

Manufacturing of value added products from flower crops may be encouraged to revive the floriculture sector.

To keep the supply chains functioning in the long run, state government should ensure farmers’ continued access to markets. Government procurement should be expanded to all the farmers at MSP. If not, assurance of MSPs declared by the centre to all the farmers who sell their produce other than procurement centres.

Minimum support price of crops that has major scope for farm mechanization may be increased to encourage farmers to grow such crops.

A committee of experts to be made to assess the economic impact of covid lockdown on farmers and accordingly a special relief package higher in quantum and of wider coverage for most affected farmers should be announced.

Inclusion of landless agricultural labourers and increasing the quantum of amount from Rs. 6000 to at least Rs.15000 under PM Kisan for a year or so and releasing the first installment before kharif (Bhavani, 2020).

Encourage private investments and support in the development of export- supportive infrastructure and logistics to boost farmer’s income in the long run (Peter and Arabinda, 2020).

As there may arise the crisis for availability of work, NREGS workers may be diverted to farm work on roster basis to ensure the smooth conduct of agricultural operations and wage has to be paid to every labourer regardless of work until the crisis gets resolved. This may reduce the monetary burden on the farmer, while ensuring wage employment to the landless laborers and workers.

As farmers may not be able to repay the loans promptly, government may either extend the period for repayment or convert the existing loans to long-term loans (Ananth, 2020).

The Government should consider waiving the interest costs of all outstanding crop loans and ensure a fresh flow of credit to small and marginal farmers for the kharif season of 2020 (Ramakumar, 2020).

Getting back the migrant workers to jobs after the lockdown through providing incentives.

Increase investment in the establishment of warehouse and storage facilities.

The measures demanded from state government to mitigate the ill effects of lockdown are as follows:

- The government must facilitate timely availability of adequate quantities of quality seeds/ saplings and fertilizers for next sowing season with monetary assistance.

- Facilitate E-Commerce activities in agriculture: Nationwide strengthening of e-NAM can ensure smooth flow of goods in the supply chain and control inflation. Hence, state government should develop strategies to encourage farmers and farmer producer organization to trade their goods through e-NAM which will cut down the cost of logistics and avoid gathering of farmers at the markets amidst the threat of Covid infection.

- Farmers may be incentivized to modify the cropping pattern so as to satisfy the local demands until the crisis situation gets resolved.

- State department of Agriculture along with the technical support of the state agricultural universities should organize training programmes for production of valued added products from flower and vegetable crops.
• An IVRS facility may be developed to address the grievances of farmers who do not possess smartphones.

• Deployment of farm machineries may reduce the demand for manual labour to some extent. Hence, suitable incentives may be provided to the Farmer Producer Organizations (FPOs) or custom hiring centers (CHCs) to facilitate farmers’ access to farm implements.

• As it is difficult to maintain social distancing at markets, state department of agriculture may directly procure the perishable commodities from farmers and distribute to the local retail shops through mobile vans. State government must ensure the safety of those employed in these operations.

• Open more procurement centres.

• State government should ensure the use of amount transferred to the farmers through PM Kisan for agricultural activities to stop diversion of agricultural credit.

• Encourage participation of NGOs and private sector organizations in the distribution of foods for communities below poverty line to avoid food insecurity (Deepanshu, 2020).

• Distribution of food grain supplies should be extended for few more months

• State government should follow the guidelines of testing and social distancing of labourers while ensuring their availability for critical farm operations.

CONCLUSION

The drastic move of Indian government to lockdown the nation to contain the spread of corona virus outbreak had caused greater inconvenience to the common public and in particular to the farmers. Lockdown has affected the economic activities of the farmers in the short run and is expected to pose a significant impact on the agriculture sector in the long run. However, post lockdown the use of digital platforms like e-NAM by farmers to market their produce has increased which seems to be a positive sign towards overcoming the market inefficiencies. Hence, it is proposed that the government should focus attention on the measures highlighted in the paper to mitigate the ill effects of covid 19 lockdown on farmers.

REFERENCES


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