

EVERYTHING CAN WAIT, BUT NOT AGRICULTURE IN THE TIME OF COVID-19



In this blog, Dr R M Prasad argues for taking urgent steps in India to support agriculture as the lockdown imposed to combat the COVID-19 pandemic disrupts agricultural value chains.

CONTEXT

The full impact of the coronavirus on food security and agricultural food systems globally is not yet known, which will unravel as the spread of the virus continues to evolve differently in different countries. But, it is evident that the impact of movement restrictions and disease containment efforts are negatively affecting all in the food supply chain, from producers to processors, marketers, transporters and consumers.



Impact on production and marketing

In India, the impact is felt at both the supply and demand sides. On the supply side, though there is no supply shock felt in terms of availability, restrictions on the movement of food has already slowed arrival of agricultural commodities in major markets. The transport restrictions and quarantine measures impede farmers' access to input and output markets, curb productive capacities and increase risks of post-harvest losses. Increased levels of food loss and wastage are being witnessed in the supply of perishable commodities like fruits and vegetables.

At the consumer end, the food market is witnessing increased demand in both staple and ready-to-eat food that can be stored with a similar trend seen on e-commerce platforms. These trends make it difficult to sell fresh produce and increase loss of perishable produce, particularly vegetables and fish leading to income loss. Media reports indicate that the closure of hotels and restaurants during the lockdown has already reduced sale of milk and milk products. Fishers are badly affected due to lack of refrigeration, marketing and logistic

support. Poultry farmers are also badly hit due to misinformation, particularly on social media, about chicken being carriers of coronavirus.

Impact on farm labour

The lockdown has come at a hard time as India's peak farm activity occurs between April and June. This is when winter crops are harvested and sold, and is also the peak season for fruits. It is when farmers start sowing the rain-fed crops. The shortages of labour disrupts production and processing of food, mainly that of labour-intensive crops.

The migrant seasonal workers constitute 27% of the agricultural working force. Their services in farming in Punjab, Haryana, Telangana, Maharashtra and other states is significant. The workforce mainly hails from eastern Uttar Pradesh, Bihar and parts of Madhya Pradesh. In the present situation, this workforce cannot move through villages to reach the states where they work. Entry points are blocked to stop movement for fear of COVID-19. Media reports indicate that many labourers are either staying home or leaving for their hometown, fearing police action. In West Bengal, it is reported that most of the labourers hailing from Bihar and Jharkhand have returned to their hometowns fearing coronavirus.

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The general feeling is that the Centre should have created conditions for farmers to continue farm activities and should have calibrated the lockdown in such a way that the supply chain, from the farmer to the market, was cared for. Unfortunately, this did not happen. The government could have allowed flow of goods and the supply chain to continue taking safety measures in rural areas. The government only granted exemptions and relaxations for agriculture and allied sectors after a lapse of time (Box 1) by when some losses had already occurred.

Box 1. Government Notifications providing relaxations during the lockdown

The notification by the Ministry of Home Affairs dated 24-03-20 exempted the following farming operations from lock down.

- i) Procurement of agricultural products including MSP operations
- ii) Mandis run by the agriculture marketing committees or as notified by the state government
- iii) Farming operations by farmers and farm workers in the field
- iv) Custom hiring centres related to farm machines
- v) Manufacturing and packaging units of fertilizers, pesticides and seeds
- vi) Intra and inter-state movement of harvesting and sowing related machines.

The recent notification of Ministry of Home Affairs dated 15-04-20 lists out other activities related to agriculture that will be permitted after April 20. They include:

- i) Movement of cargo
- ii) Fisheries: Operations of the fishing (marine and inland)/ aquaculture industry, including feeding and maintenance, harvesting, processing, packaging, cold chain, sale and marketing; hatcheries, feed plants, commercial aquaria; movement of fish/shrimp and fish products, fish seed/ feed and workers for all these activities.
- iii) Plantations: Operations of tea, coffee and rubber plantations, with maximum of 50% of workers; processing, packaging, sale and marketing of tea, coffee, rubber and cashew, with maximum 50% workers.
- iv) Animal Husbandry: Collection, processing, distribution and sale of milk and milk products by milk processing plants, including transport and supply chain; operation of animal husbandry farms including poultry farms and hatcheries.

- v) Cold storage and warehousing services at ports, airports, railway stations, container depots, individual units and other links in logistics chain.
- vi) Industries operating in rural areas, including food processing industries; construction of roads, irrigation projects, buildings and industrial projects in rural areas; works under MNREGA. These activities will create job opportunities for rural labour, including the migrant labour force.

ICAR has also issued an agro-advisory to maintain hygiene and social distancing by instructing farmers to take general precautions and safety measures during harvesting, post-harvest operations, storage and marketing of rabi crops. KVKs have translated these advisories in local languages and are disseminating them through ICTs.

APEDA has now resolved various issues related to transport, curfew passes and packaging units. Indian Railways introduced 67 routes for running 236 parcel specials to facilitate farmers, FPOs and traders for continuity of supply chain across the country.



Addressing the problem of marketing

The main problem with farmers is that they are unable to sell their produce, which is a distribution nightmare on a national scale. However, some state governments have adopted certain measures for marketing of farm produce (Box 2).

Box 2. State level initiatives to address the problems faced by farmer in marketing

- Meghalaya has adopted a business model that is partly subsidized by the government to help farmers in marketing using iTEAMS, which has a fleet of 17 Agri Response Vehicles to provide logistic support and provide market linkage, besides providing advisories to farmers.
- Kerala has successfully roped in the Department of Agriculture and associated agencies such as the Vegetable and Fruit Promotion Council and Horticultural Development Corporation to make extensive arrangements to procure vegetables and fruits from village level eco-shops and existing cluster markets. Innovative measures such as Pineapple Challenge promoted by the

Agricultural Officers' Association have successfully mitigated the market glut of pineapple through online trading and door-to-door delivery. KVK, Ernakulam, has done commendable service in the marketing of fish and meat, and is also arranging door delivery of ready-to-cook cut vegetables in packs to urban consumers.

- In Telangana, Sahaja Aharam Producer Company, a federation of farmers' co-operatives promoted by Centre for Sustainable Agriculture, Hyderabad, has helped farmers in marketing of organic produce, particularly vegetables, during the crisis period.
- Ahead of the mango harvest in the coming days, the Tamil Nadu government waived off cold storage fee for fruits and vegetables.
- Farmers' groups in Maharashtra have started selling fruits and vegetables directly to homes, doing away with middleman. To connect producers with buyers, Maharashtra Cooperative Development Corporation acted as a bridging agent to bring Housing Cooperative Societies and Producer Cooperatives and Producer companies onto a single platform for direct marketing through social media, mainly WhatsApp.
- The Karnataka government permitted farmers to market their farm produces directly at apartment complexes, Nandini milk booths and Hopcoms stores across Bengaluru. The Karnataka State Mango Development and Marketing Corporation has made arrangements to supply mangoes to consumers through post offices. The consumers can order mangoes on <http://karsirimangoes.karnataka.gov.in> directly from farmers.

Public procurement and social distancing

April-May is the period when wheat procurement starts in India. With COVID-19, the need to streamline and manage the flow of arrivals into *mandis* and procurement centres in line with protocols for social distancing is a big challenge. The *mandis* usually witness large crowds of farmers, which can undo all efforts at social distancing. Various governments have suggested measures to minimise crowding and contact (Box 3).

Box 3. Crowd Management in Agricultural Markets

Madhya Pradesh had used SMS-based pre-registration systems fairly successfully in the past to regulate arrivals and manage logistics. These systems will be deployed and further strengthened.

The Punjab Government intends to arrange 5000 mandis with shelters and other service units. Each mandi is to be allocated around three villages to organize the crowd and decrease the risk of infection during weighing and selling of wheat. The government plans to allot farmers specific days with a token system with official hologram to avoid misuse and to ensure social distancing to procure harvest in a staggered manner. Providing incentives to farmers who delay harvest to avoid crowding is another plan.

Telangana government intends to procure all non-perishable crops at the village level itself, freeing farmers of the responsibility of arranging storage or transport to the mandis.

The Gujarat government suggested dividing market yards in the state into separate segments for different commodities, assigning specific date and time in advance for trading produce. Direct purchase by traders and commission agents from farmers at the farm level is also planned.

WAY FORWARD

⇒ **Strengthen local food systems:** The period of social distancing and border closures may be an opportune time to strengthen local food systems, reducing the distance between production and consumption, wherever feasible. This will also help in reducing food miles. Food security policy and research should focus on a resilient society in which the population is able to fend for itself. Community-oriented activities like community gardens, community markets, community kitchen, etc. need to be promoted as a part of strengthening local food production system. Urban and peri-urban farming can be promoted. PRIs may plan for local governance of food systems in the country.

- ⇒ **Linking producers with consumers:** Securing good quality food in sufficient quantities starts with an integrated food system—from production, distribution and processing to consumers. Such a food system can function effectively only with sufficient knowledge about all the stages and inter-system linkages. Traditionally, the focus on food security is on linking production with distribution and processing industries, and less on retailers and consumers, which needs to change. In this respect, there is a need to strengthen village markets. In place of malls in urban areas, malls in rural areas may be set up to sell fresh and processed produce of farmers.
- ⇒ **Strengthen decentralized procurement:** It is time to devise policy measures about how we can support and protect our vast, interconnected agricultural production with a marketing system that is fair and safe, particularly during crisis situations. There is a need for establishing more collection and procurement centres at village level in place of centralized procurement. FPOs have to be strengthened and policy guidelines for retail marketing of farm produce have to be developed. Small poultry and dairy farmers, and fishers, need more targeted support as their pandemic-related input supply and market access problems warrant attention.
- ⇒ **Strengthen public and private transport of agricultural produce:** There is a need for focus on both public and private food distribution systems to ensure that they work as equitably as possible. Transportation networks should be enabled for timely and safe movement of food. A significant proportion of agricultural produce, especially fresh produce, moves locally and regionally every day through public transport. If these systems remain closed for long (as is the case due to COVID-19), alternative transport has to be made available. The scope and potential of private transport services for movement of farm produce have to be explored.
- ⇒ **Promote future markets:** Without appropriate market linkage, farmers fear losses due to poor market access. Futures markets need to be developed to serve as an alternative marketing channel for farmers, linking them to exchanges through FPOs. With an online marketing platform, the agricultural produce can also be traded at a location or with a buyer of choice. Electronic Warehouse Receipts (eNWRs) can break barriers and promote a national market in agricultural goods for the benefit of farmers. Farmers may be encouraged to use e-NAM facilities and hedge through futures and increased use of warehouse receipts.
- ⇒ **Safety nets and support for intermediaries in the agricultural value chain:** The governments of Minnesota and Vermont in the United States have classified grocery clerks as “emergency workers”, entitling them to state-funded childcare services and other benefits so that they can continue to serve in stores. It is time to think about our own vast, largely informal networks of traders, wholesalers and retailers, and take concrete steps to support them as they keep working during shutdowns. Safety nets and support mechanisms for them have to be formulated.
- ⇒ **Strengthen direct cash transfer:** Existing policy measures to ensure income and credit flows such as direct procurement, direct cash transfers to farmers as well as landless labourers and interest subvention through cash transfers may be strengthened. The direct income support under the Prime Minister Kisan Nidhi scheme may be given to farmers in toto at the earliest, instead of three instalments.

- ⇒ **Promote mechanisation in farming.** This is important as labour supply is an important impediment in production. Harvesting is almost 80 percent mechanised in Punjab and Haryana. These states have fairly succeeded while other states face problems due to labour shortage during the crisis situation. There is a need to encourage adoption of small farm machineries by our farmers for which a well-defined strategy has to be developed.
- ⇒ **Strengthen MGNREGA:** Labourers returning to villages due to lockdown can cause a sudden rise in rural unemployment levels. As a safety net, MGNREGA guidelines have to be modified and permission given to use the programme's labour in farm related marketing activities. The huge number of migrants that have returned home due to lockdown (resulting in reverse migration) should also be provided opportunities to work as labourers under MGNREGA.
- ⇒ **Strengthen capacities of Extension and Advisory Services (EAS):** Though the extension system has taken many pro-active measures to help farmers, there is a need for more involvement and formulation of innovative practices to enable them to address marketing challenges. Organizing capacity development programmes for extension personnel and farmers to empower them to overcome challenges can be taken up.

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