

IMPACTS OF COVID-19 ON INDIAN AGRICULTURE SECTOR AND FOOD SUPPLY

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ABSTRACT

Agriculture sector is vital for India in view of the food and nutritional security of the nation as well as the fact that the sector remains the principal source of livelihood for more than 58% of the population though its contribution to the national Gross Domestic Product (GDP) has declined over the past years and has reached 14.2% in 2010-11 due to higher growth experienced in industries and services sectors (GOI, 2011). Indian agriculture is dominated by small and marginal farmers as Small and marginal holdings (below 2.00 ha.) taken together constituted 83.29 percent of the total number of holdings in 2005-06 (the latest available data) against 81.80 in 2000-01 (GOI, 2011). This paper will present a study on Impacts of COVID-19 on agriculture sector and food supply in India.

Keywords: *Nutritional, Livelihood, Industries, GDP (Gross Domestic Product).*

Introduction

Agriculture has been the backbone of Indian economy since independence and before that, right now with nearly 12 percent of the world's arable land, India is the world's third-largest producer of food grains, the second-largest producer of fruits and vegetables and the largest producer of milk; it also has the largest number of livestock. Add to that a range of agro- climatic regions and agri-produce, extremely industrious farmers, a country that is fundamentally strong in science and technology and an economy which one of the largest in the world with one of the highest growth rate and you should have the makings of a very good harvest. Yet the comprehensive outlook for Indian agriculture is far more complex than those statistics might suggest.

Corona viruses are a group of related viruses that cause diseases in mammals and birds. In humans, corona viruses cause tract infections that can range from mild to lethal. A novel corona virus (COV) is a new strain of corona virus. The disease caused by the novel corona virus first identified in Wuhan, China, has been named corona virus disease 2019 (COVID-19). On 22 March 2020, India observed a 14-hour voluntary public curfew at the instance of the prime minister Narendra Modi. The government followed it up with lockdowns in 75 districts where COVID cases had occurred as well as all major cities. Further, on 24 March, the prime minister ordered a nationwide lockdown 1.0, lockdown 2.0, lockdown 3.0, lockdown 4.0 for 68 days, affecting the entire 1.3 billion population of India.

Review of Literature

An elaborate policy framework has been implemented in the country with the objective of providing timely, adequate and reasonably priced (affordable) credit. Agricultural credit also forms an important segment of the 'priority sector lending' of scheduled commercial banks (SCBs) and target of 18 per cent of net bank credit has been stipulated for the sector since 1968 (RBI, 2011) .

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Objective of Study

The objective of the study was analysis of impact of Covid -19 on Agriculture and food supply in India. There is basically two most important objective of the study:

- To assess the importance of supply chain in Indian Agriculture.
- To explore the issues, importance and scope of further research in Indian Agriculture.

Impact of Corona on Agriculture and Food Supply

These major problems face by Indian Farmer due to Corona virus:

- Farmers unable to cut crops on time.
- Farmers did not receive fair price of their crops in market.
- Farmers did not receive seeds of crops of jayad season due to lockdown.
- Their economy condition very poor so they can't repay their KCC (Kisan credit card) loan.

Agriculture and Supply Chains

COVID-19 is disrupting some activities in agriculture and supply chains. Preliminary reports show that the non-availability of migrant labor is interrupting some harvesting activities, particularly in northwest India where wheat and pulses are being harvested. There are disruptions in supply chains because of transportation problems and other issues. Prices have declined for wheat, vegetables, and other crops, yet consumers are often paying more. Media reports show that the closure of hotels, restaurants, sweet shops, and tea shops during the lockdown is already depressing milk sales. Meanwhile, poultry farmers have been badly hit due to misinformation, particularly on social media, that chicken are the carriers of COVID-19.

Here are some measures are required to keep the agricultural sector and supply chains working smoothly, The government has correctly issued lockdown guidelines that exempt farm operations and supply chains. But implementation problems leading to labor shortages and falling prices should be rectified.

Issues and Opportunities in Agricultural Supply Chain

Agriculture is inherently a fragmented and unorganized sector involving a diverse range of distinct stakeholders such as inputs supplier, farmers, traders, commission agents, processors and distributors. As compared to developed countries, the Indian agriculture supply chain is far more complex and difficult to manage because of its unorganized nature and a large number of intermediaries (Sachan et al., 2005). The enormous wastage of agri- produce annually is due to gaps in basic infrastructure, which leads to instability in prices and low realization of prices by the farming community. Another important reason for inefficient supply chain is the inadequacy of logistics infrastructure, that is, roads, railways, airport, seaports, information technology, telecommunications and energy production, which is poor as compared to other developed and developing countries (Sahay and Mohan, 2003). The agriculture supply chain suffers from inefficiency at every stage. Lack of proper infrastructure for procuring agricultural produce from the farm gate to the consumer has led to huge losses in transit. The farmer hardly benefits by any price rise while the many layers of intermediaries enjoy high margins. Even when farmers are forced to sell their produce at throwaway prices in times of bumper crops, prices at retail level remain higher by many multiples. This has also led to large mark- ups in pricing due to extra layers of intermediaries. Cumulative wastage in agriculture supply chain is estimated to be around US\$ 11 billion, or 9.8 percent of the agricultural component of the GDP (Ahya, 2006). About 25-30 percent of agricultural production gets wasted due to improper handling and storage, pest infestation, poor logistics, inadequate storage and lack of transportation infrastructure (Sachan et al., 2005). Apart from this, only a small quantity of agricultural production is processed for value addition. Efficiency in food production is very low and this is mainly due to inefficient sourcing of raw material, which is the major part of processing costs (Ali and Kapoor, 2005). To assess the critical issues at each level of agricultural supply chain, the agricultural system can broadly be categorized into five sub-systems- agri-cultural input, agricultural production, food pro-cessing, distribution and marketing, and consumer demand.

Conclusion

Corona virus has not only effected the Indian economy but has also disturbed the economy of entire world economy. Lock down in different stages in country to stop spreading of corona virus resulted in downfall in industrial and agriculture sectors which lead to unemployment, poverty and inflation in Indian economy. It seems that upcoming situation will be very tuff for Indian economy and it will required on government part to take certain measures to bring the country out of economic recession.

If the government is mainly focused on the position and welfare of poorer farmers, then greater attention would need to be given to alternative informal mechanisms and improving their efficacy. Aspects like cold chain needs to be given more consideration as it could results in the reduction of losses and retention of the quality of horticultural produce. While the introduction of a cold chain facility nationwide due to some institutional, structural and financial constraints may not be immediately possible in India, attempts must be made to develop a cool chain.

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