Containing COVID-19 impacts on Indian agriculture

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The ongoing health crisis around COVID19 has affected all walks of life. Protecting lives of people suffering from the disease as well as frontline health responders have been the priority of nations. Governments have swung into actions since the Corona virus attack created an unprecedented situation. India declared a three-week nation-wide lockdown till mid-April in the initial phase, which has subsequently been extended till May 3 for achieving satisfactory containment of the virus spread.

During these challenging times, how does Indian Agriculture respond to the crisis and how do government measures affect 140 million farm households across the country and thereafter impact the economy of a very important country in the developing world? We assess the immediate challenges that COVID19 has posed to the farm sector and suggest mitigation measures to ensure a sustainable food system in the post-crisis period.

Immediately after the nation-wide lockdown was announced, the Indian Finance Minister declared an INR 1.7 trillion package, mostly to protect the vulnerable sections (including farmers) from any adverse impacts of the Corona pandemic. The announcement, among a slew of benefits, contained advance release of INR 2000 to bank accounts of farmers as income support under PM-KISAN scheme. The Government also raised the wage rate for workers engaged under the NREGS, world’s largest wage guarantee scheme. Under the special scheme to take care of the vulnerable population, Pradhan Mantri Garib Kalyan Yojana (Prime Minister’s scheme for welfare of the poor), has been announced. Additional grain allotments to registered beneficiaries were also announced for the next three months. Cash and food assistance to persons engaged in the informal sector, mostly migrant laborers, 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 Agricultural 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 post-harvest, storage and marketing of the farm produce.

The Reserve Bank of India (RBI) has also announced specific measures that address the “burden of debt servicing” due to COVID19 pandemic. Agricultural term and crop loans have been granted a moratorium of three months (till May 31) by banking institutions with 3 percent concession on the interest rate of crop loans up to INR 300,000 for borrowers with good repayment behavior.

Immediate Challenges

In spite of all these measures and in view of continuing restrictions on movements of people and vehicular traffic, concerns have been raised regarding negative implications of COVID19 pandemic on the farm economy. This is the peak of rabi season in India and crops like wheat, gram, lentil, mustard, etc. (including paddy in irrigated tracts) are at harvestable stage or almost reaching maturity. This is also the time when the farm harvests reach the mandis (market yards) for assured procurement operations by designated government agencies. Moreover, any severe disruption to the supply of perishable fruits and vegetables, dairy products, fish, etc. having mobilized to meet the increasing demand from a bulging middle class as well as urban and rural consumers, may create irreparable damage to all actors in the supply chain. The migration of workers from few parts to their native places has also triggered panic buttons, as they are crucial for both harvesting operations and post-harvest handling of produce in storage and marketing centers. The Union Home Ministry, in a very significant move, has notified to exclude movement of farmers, farm laborers and harvesting and sowing-related machines from the purview of lockdown. Read more..