

“COVID and Agriculture: What it means to be a Farmer during this Lockdown”

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Abstract:

The COVID-19 Pandemic has afflicted all sections of the society and has amplified destitution. Farmers have also suffered the brunt of this Pandemic and its accompanying restrictions. In this article, we will be analysing the impact of the lockdown measures taken by the Indian Government, on the farmers. In the first section, we will be studying the effect of the Pandemic on Indian agriculture in general, with specific emphasis to the difficulties faced in conducting the Rabi harvest. Through the second section, we will be detailing the impacts these lockdown measures have had on the personal lives of farmers. The looming prospect of a financial crisis, along with a reduced demand for agricultural products (primarily non-essential produce) has severely hit the financial stability of the farmers, at present and in the future. This section also details the hardships faced due to reduced prices, unavailability of transportation, scarcity of labour, inadequate storage facilities, non-repayment of loans and inaccessibility of farm inputs for the forthcoming Kharif season. The third section is a comprehensive analysis of the various measures taken by the Government to prevent starvation assuage the farmers' woes. We have also highlighted certain exemplary measures taken by different state governments which serve as paragons for the rest of the nation. In the final section, we have given a critical analysis of the governmental measures along with a list of original suggestions which could potentially alleviate the plight of the farmers and help them weather this Pandemic.

Introduction:

The novel Corona Virus (COVID-19) has brought normal life to a halt in most countries. Lockdowns and restrictions have been implemented in many of these countries including India. The poor and the marginalized have suffered the brunt of this more than the rest as is evident from the plights of contract labourers and migrant workers. This pandemic¹ has also adversely affected our agriculture industry and farmers. Through this article, we will be analyzing the impact of COVID-19 on the lives of farmers in a four-fold manner: *firstly*, the impact on agriculture and harvest; *secondly*, the hardships faced by the farmers; *thirdly*, the measures taken by the Governments to aid the farmers; and *fourthly*, a critical analysis of said measures and further suggestions.

¹ World Health Organisation (WHO), 'WHO Director-General's opening remarks at the media briefing on COVID-19' (WHO, 11 March 2020) <<https://www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020>> accessed 26 April 2020

Impact of the lockdown on the agriculture industry:

The lockdown has had various effects on the agriculture industry, ranging from scarcity of labour for harvest and lack of transportation, to a dip in the farm economy. These impacts can be grouped under these five categories:

Scarcity of Labour: The lockdown has resulted in many migrant workers travelling back to their native places in fear of both the virus as well as starvation. This has led to a severe shortage of labour for harvesting the winter (Rabi) crops.² As recognized by the International Food Policy Research Institute (IFPRI), this has adversely affected the harvest activities, especially in the northern and north-western states where it is the harvest season for wheat and pulses.³ Farmers are scrambling for harvest machines, which are in short supply in rural India thus delaying harvests. In some places, this has also resulted in the crops remaining unharvested. This shortage of labour is also likely to increase the wages to be paid for the available workers.

Lack of transport and disruption in supply chains: The restrictions on movements have made it difficult for farmers to transport the harvested crops to cities and markets. This led to disruptions in the supply chains, which was further compounded by the closure of wholesale markets and restaurants.⁴ As a result, perishable goods are rotting away in large numbers and other harvests are also stuck with the farmers.⁵ Though exemptions were made for agricultural purposes, a large number of small-scale farmers are still finding it difficult to transport or sell their produce.

Access to farm inputs for the Kharif season: The seeds for the Kharif season are usually prepared between March and May. India needs approximately 250 Lakh quintals of seeds every season.⁶ However, the processing of these seeds has come to a halt. The processed and tested seeds are also inaccessible to the farmers due to the travel restrictions, thus hindering cultivation.⁷ The shutdown of fertilizer and pesticide productions has also left the farmers without the essential supplies for pre-harvest procedures.⁸

² Pranvi Singh, 'Coronavirus: India's farmers face shortage of harvest labour amid COVID-19 lockdown' (*Deccan Herald*, 1 April 2020) <<https://www.deccanherald.com/national/coronavirus-lockdown-india-post-mobile-app-helps-deliver-masks-medicines-831318.html>> accessed 24 April 2020

³ S Mahendra Dev, 'Addressing COVID-19 impacts on agriculture, food security, and livelihoods in India' (International Food Policy Research Institute (IFPRI), April 8 2020) <<https://www.ifpri.org/blog/addressing-covid-19-impacts-agriculture-food-security-and-livelihoods-india>> accessed 26 April 2020

⁴ Dr. Chandrakant S. Pandav and others, 'COVID-19: Agriculture innovation to achieve food security & tackle malnutrition in India' (*The Week*, 20 April 2020) <<https://www.theweek.in/news/india/2020/04/20/COVID-19-Agriculture-innovation-to-achieve-food-security-tackle-malnutrition-in-India.html>> accessed 28 April 2020

⁵ Sayantan Bera, 'As buyers scramble for supplies, vegetables rot in India's biggest 'mandi'' (*Livemint*, 26 March 2020) <<https://www.livemint.com/news/india/as-buyers-scramble-for-supplies-vegetables-rot-in-india-s-biggest-mandi-11585161520729.html>> accessed 28 April 2020

⁶ Indra Shekhar Singh, 'Agriculture in the time of Covid-19' *The Hindu – Business Line* (Delhi, 3 April 2020) 2

⁷ *ibid*

⁸ Indra Shekhar Singh, 'Coronavirus Outbreak: With a stressed Rabi season, it's imperative to ensure speedy delivery of Zaid, Kharif seeds to farmers' (*Firstpost*, 29 April 2020)

Reduction in demand: One of the probable long-term effects of this pandemic, as recognized by the UN⁹, would be the decrease in demand because of the looming economic dip¹⁰. With people buying only the essentials, the demand for non-essential produce has decreased greatly. Further, the loss of financial prospects for most people will inevitably lead to a reduction in the future demand for agricultural produce as is evident from similar trends in the 2008 financial crisis.¹¹

Dip in farm economy: With farmers being unable to sell their harvested produce, they are being forced to sell it for any price. Lekhi Ram, a farmer from Khairpur Village of UP has lamented that he is forced to sell at ₹10/kg instead of the usual ₹40/kg due to scarcity of buyers.¹² These reduced selling prices have resulted in a dip in the farm economy.

Despite the moratorium on farm loans granted by the Government, the loss of income from the Rabi harvest has also dampened any hope for the repayment of these loans even in the future.¹³

The farmers' plight:

This crisis has severely restricted the seasonal income of all kinds of farmers leaving them in a state of panic. On the very first day of the lockdown, millions of perishable goods were dumped in large scales by farmers resulting in irreparable losses. This was followed by unseasonal rainfall and hail in places like Punjab and Haryana which further destroyed the standing crop and harvested crop.

Due to these obstacles, farmers have had to sell below the Minimum Support Prices (MSPs) which in turn creates unsustainable losses. For e.g., Tomato growers in Maharashtra are receiving less than Rs 2/kg and vegetable prices have also plummeted in states like Punjab. Fall in demand has also resulted in an aggregate loss of about 1000 crores among Grape growers. In Madhya Pradesh, Wheat prices have fallen by 30%.¹⁴ The misinformation about meat products spreading the virus has drastically reduced their demand.¹⁵

<<https://www.firstpost.com/health/coronavirus-outbreak-with-rabi-season-under-stress-delay-in-delivery-of-zaid-kharif-seeds-could-trigger-food-crisis-in-india-8182771.html>> accessed 27 April 2020

⁹ Food and Agriculture Organisation of the United Nations (FAO), '*Q&A: COVID-19 pandemic – impact on food and agriculture*' <<http://www.fao.org/2019-ncov/q-and-a/impact-on-food-and-agriculture/en/>> accessed 29 April 2020

¹⁰ Pandav (n 4)

¹¹ Subho Mukherjee, 'Global Financial Crisis and Its Impact on India's Growth' (Economics Discussion, 2005) <<http://www.economicsdiscussion.net/india/global-financial-crisis/global-financial-crisis-and-its-impact-on-indias-growth/10947>> accessed 25 April 2020

¹² Neeta Lal, 'COVID-19: India's Harvests also Locked Down' (Inter Press Service, 24 April 2020) <<https://www.ipsnews.net/2020/04/covid-19-indias-harvests-also-locked/>> accessed April 28 2020

¹³ R. Ramakumar, 'The Covid-19 Pandemic and Indian Agriculture: A Note' (Foundation for Agrarian Studies, 6 April 2020) <<http://fas.org.in/blog/covid19-and-indian-agriculture/>> accessed 27 April 2020

¹⁴ *ibid*

¹⁵ 'Covid-19 impact: Buyers chicken out; demand drops 60%' (The Economic Times, 12 March 2020) <<https://economictimes.indiatimes.com/news/economy/agriculture/covid-19-impact-buyers-chicken-out-demand-drops-60/articleshow/74586871.cms?from=mdr>> accessed 28 April 2020

Farmers in Kerala and Tamil Nadu are suffering from a delay in harvest of plantations. Floriculturists in Tamil Nadu may lose up to ₹64,800 lakhs due to the coincidence of the lockdown and the peak of the flowering period.¹⁶ Within the state, egg prices at one point fell by half at the poultry hub of the country (Namakkal).¹⁷ Small-scale fisherfolk have also been adversely affected by the lockdown. The consecutive ban periods will put a halt to their activities for at-least three months.¹⁸

This crisis has in general severely restricted the seasonal income of all kinds of farmers leaving them in a state of panic. These huge losses have left most farmers without adequate financial support for even their daily needs. It has amplified starvation and poverty amongst them as most of them do not have access to the relief funds either.

The inaccessibility to seeds and farm inputs for the Kharif season has also dampened the prospects of any income in the near future, rendering them unable to repay debts or even sustain themselves. Unable to overcome these losses, some farmers have taken their own lives. A 60 year old farmer committed suicide in the Tumakuru district of Karnataka as he could not sell the crop and already had a debt of about ₹4.4 lakhs.¹⁹ In U.P.'s Banda district, a farmer committed suicide due to the inability to find labourers for harvest.²⁰ These examples illustrate the plight of majority of the farmers in India during this lockdown.

Government measures:

The central as well as state governments have taken many steps to ensure proper harvesting and handling of the Rabi crops. After an initial confusion, the government has made exemptions for the agricultural sector including farm operations, fertiliser and pesticide production, movement of farm equipment and veterinary services.²¹ States have also been instructed to relax restrictions under the APMC Act to allow farmers to sell directly in order to overcome logistical problems and use government warehouses as mandis.²²

¹⁶ 'Livelihoods of smallholder farmers engaged in floriculture in Tamil Nadu' (M.S. Swaminathan Research foundation) <www.mssrf.org/content/livelihoods-smallholder-farmers-engaged-floriculture-tamil-nadu> accessed 29 April 2020

¹⁷ R. V. Bhavani, 'Livelihoods of smallholder farmers engaged in floriculture in Tamil Nadu' (Observer Researcher Foundation, 20 April 2020) <www.orfonline.org/expert-speak/impact-covid19-rural-lives-livelihoods-india-64889/> accessed 29 April 2020

¹⁸ 'COVID-19 impact on livelihoods of marine fishing communities' (M.S. Swaminathan Research foundation, 7 April 2020) <www.mssrf.org/content/covid19-impact-livelihoods-marine-fishing-communities-0> accessed 29 April 2020

¹⁹ 'Unable to Sell Produce Due to Lockdown, Farmer Commits Suicide in Karnataka' (News18-India, 9 April 2020) <www.news18.com/news/india/unable-to-sell-produce-due-to-lockdown-farmer-commits-suicide-in-karnataka-2571783.html> accessed 28 April 2020

²⁰ 'COVID-19 lockdown Farmer commits suicide after no labourers to harvest crop' (The Week, 12 April 2020) <www.theweek.in/wire-updates/national/2020/04/12/des9-up-lockdown-suicide.html> accessed 28 April 2020

²¹ Mishika Nayyar, 'COVID-19 and Agriculture: Strategies to mitigate farmers' distress' (Invest India, 15 April 2020) <<https://www.investindia.gov.in/team-india-blogs/covid-19-and-agriculture-strategies-mitigate-farmers-distress>> accessed 18 April 2020

²² Rituraj Tiwari and Jayashree Bhosale, 'States told to let farmers sell directly during lockdown' *The Economic Times* (Pune, 14 April 2020) 1

The Indian Council of Agricultural Research has also issued an advisory on how farmers may go about with the resumption of agricultural operations while ensuring social distancing.²³

The RBI has instructed banks to not impose any penalty on farmers. Accordingly, they have made an extension of the benefit of 2% Interest Subvention and 3% Prompt Repayment Incentive for short term crop loans up to 3 lakhs.²⁴ A moratorium of 3 months has also been granted for all loans including short term crop loans by implementing an injection of 3.74 trillion liquidity into the system.²⁵

The government also declared a 1.7 lakh crore relief package for the poor to help them face the disruption caused by the lockdown.²⁶ The Government, as a part of the Garib Kalyan package, has also begun transferring ₹2000 as a first instalment under the PM-KISAN scheme due in 2020-21 to each of the 8.69 crore farmers by April 2020.²⁷ The PM Garib Kalyan Ann Yojana will ensure food security to 80 crore Indians. This would help landless labourers in the agricultural sector who are not beneficiaries under the PM-KISAN scheme. Farmworkers will also benefit from an increase in MGNREGA wages by ₹20/day.

After the third continuous lockdown, the Government has also announced several other measures through the third tranche of the Aatma Nirbhar Bharat Special Package including a further outlay of 1.63 lakh crore of the relief package.²⁸ The primary focus is the development of farm-gate infrastructure that mitigates post-harvest losses. Sustainable development of marine and inland fisheries is envisioned through a stimulus of Rs. 20,000 crores. Rs. 15,000 crores have been allotted for the development of Animal Husbandry infrastructure.²⁹ The Essential Commodities Act has been amended to remove various crops from its purview in order to create an income boost for farmers.³⁰ Barriers to interstate trade have been removed and a framework for e-trading of agricultural produce has been made.

²³ Indian Ministry of Agriculture and Farmers Welfare, *ICAR Advisory to farmers for Rabi crops* (PIB Release ID 1609604, 20 March 2020)

²⁴ Reserve Bank of India (RBI). *Interest Subvention (IS) and Prompt Repayment Incentive (PRI) for Short Term Crop Loans during the years 2018-19 and 2019-20: Extended Period on account of Covid-19* (FIDD.CO.FSD.BC.No.24/05.02.001/2019-20, 21 April 2020)

²⁵ Shreya Nandi, 'Covid-19: Steps taken by RBI to help small businesses, farmers, says PM Modi' (Livemint, 17 April 2020) <<https://www.livemint.com/politics/news/covid-19-steps-taken-by-rbi-to-help-small-businesses-farmers-says-pm-modi-11587134462228.html>> accessed 20 April 2020

²⁶ Ministry of Finance (India), '*Finance Minister announces Rs 1.70 Lakh Crore relief package under Pradhan Mantri Garib Kalyan Yojana for the poor to help them fight the battle against Corona Virus*' (PIB Release ID: 1608345, 26 March 2020)

²⁷ 'Govt to transfer ₹2,000 under PM-KISAN scheme to 8.69 crore farmers in April 1st week' (The Hindu Business Line, 26 March 2020) <<https://economictimes.indiatimes.com/news/economy/policy/govt-to-transfer-rs-2000-under-pm-kisan-scheme-to-8-69-crore-farmers-in-april-1st-week/articleshow/74827334.cms>> accessed 26 April 2020

²⁸ Ministry of Finance (India), '*Finance Minister announces Government Reforms and Enablers across Seven Sectors under Aatma Nirbhar Bharat Abhiyaan*' (PIB Release ID: 1624661, 17 May 2020)

²⁹ Abhinav Sahay, 'In Nirmala Sitharaman's Covid-19 package, 10 interventions for farm sector' (Hindustan Times, 15 May 2020) <<https://www.hindustantimes.com/india-news/nirmala-sitharaman-s-3rd-installment-of-special-covid-economic-pkg-has-10-interventions-for-the-farm-sector/story-Ike4F5zEetdEyS8M4kbmmN.html>> accessed 18 May 2020

³⁰ Priscilla Jebaraj, 'Coronavirus package | What are the measures announced by the government to deal with the farm crisis?' *The Hindu* (Delhi, 17 May 2020) 1

These measures are intended to make farmers more competitive.³¹ Overall, the recent measures are focussed on reform and long-term investments rather than any immediate relief or stimulus. Apart from these the government is also planning to ensure credit to farmers under the Kisan Credit Scheme.³²

The Andhra Pradesh Government has set up 471 additional farmers markets and 451 mobile farmers markets.³³ This has ensured supply of essentials to remote locations and has also benefitted the farmer financially. Extensive data analysis is also being done to identify pockets where goods are sold below the MSP and to remedy the same. It has set up 700 procurement centres to reduce travel for farmers.³⁴ In the case of Banana growers, the government procured it from farmers facing difficulty and began selling it to households at a fraction of the price. 22,000 YSR Janata Bazars are also being established to provide farmers the infrastructure to tide the current crisis.³⁵

The U.P. Government has also taken a very farmer friendly approach by ensuring that the lockdown does not bring the farm operations to a halt. They have also ensured availability of seeds, fertilisers and pesticides for the Kharif season.

The Punjab government is providing 17,000 combines along with sanitizers for the Rabi harvest. It has undertaken scheduled procurements at APMC markets, which prevents overcrowding of farmers thus avoiding the risk of contamination. Sanitizers, masks and thermal scanners have also been provided at these markets. The Haryana Government has also taken a similar measure.

A critical analysis of the Government's measures and further suggestions:

While the second addendum to the G.O.³⁶ exempted farmers and other agriculture related workers from the purview of the restrictions of the lockdown, improper implementation of these relaxations has been a primary barrier for the farmworkers.³⁷ Despite such exemptions,

³¹ 'With three major agri-market reforms, Modi govt finally bites the bullet' (Financial Express, 15 May 2020) <<https://www.financialexpress.com/economy/agri-market-reforms-nirmala-sitharaman-stimulus-package-covid-economic-package-essential-commodities-act-latest-news/1960548/>> accessed 19 May 2020.

³² Ministry of Finance (India), 'Presentation of details of 3rd Tranche by Union Finance & Corporate Affairs Minister Smt. Nirmala Sitharaman under Aatmanirbhar Bharat Abhiyaan to support Indian economy in fight against COVID-19' (PIB Release ID: 1624104, 15 May 2020) <<https://pib.gov.in/PressReleasePage.aspx?PRID=1624104>> accessed 20 May 2020

³³ Ashish Pandey, 'Coronavirus in India: Andhra Pradesh govt forms farmer-centric Covid-19 agricultural plan' (India Today, 15 April 2020) <<https://www.indiatoday.in/india/story/coronavirus-in-india-andhra-pradesh-govt-forms-farmer-centric-covid-19-agricultural-plan-1667219-2020-04-15>> accessed 28 April 2020

³⁴ Samdani M N, 'Farmer-centric Covid-19 agri plan yields results in Andhra Pradesh' *The Times of India* (Amaravati, 15 April 2020) 2

³⁵ P V Ramana Kumar, 'Covid-19: Andhra Pradesh to Set Up Over 20,000 'YSR Janata Bazaars' to Help Farmers Avail Essential Services' (News18, 14 April 2020) <<https://www.news18.com/news/india/covid-19-andhra-pradesh-to-set-up-over-20000-ysr-janata-bazaars-to-help-farmers-avail-essential-services-2576987.html>> accessed 29 April 2020

³⁶ Government of India - Ministry of Home Affairs, 2nd Addendum (Order No. 40-3/2020-DM-I(A), 24 March 2020) para C

³⁷ Rahul Tripathi, 'Govt issues fresh guideline on exemption for agriculture operations' *The Economic Times* (New Delhi, 27 March 2020) 1

farmers are unable to find adequate workforce for harvest. The relief to be paid to the farmworkers, out of the 1.7 lakh crores relief package, does not include any additional funds to the farmers. It merely provides for the front-loading of the ₹2000 which they would have received even otherwise as a part of the PM-Kisan Scheme.³⁸ Thus, no additional benefits have been provided to the farmers. Moreover, the PM-Kisan scheme does not cover landless agriculture workers who constitute about 55% of the farm workforce.³⁹ Another hurdle for such relief schemes is that the money does not reach the intended persons. In most cases, it is the middlemen who benefit. The free rations and cooking gas for three months, which were a part of the relief package, also do not reach some of the poor rural farmers who do not hold Aadhar linked accounts or digital resources.⁴⁰

Suggestions:

1. A separate public fund, similar to the Prime Minister's National Relief Fund, should be set up dedicated solely for agricultural purposes which would allow the common man to donate towards the farmer's betterment.
2. Additional relief funds should be provided to the farmers outside of the redirected PM-Kisan funds. The funds allotted to other departments such as Highways, PWD, Tourism, etc., which are not immediate necessities for the coming year, should be partially redirected towards the welfare funds for farmers among other marginalized people.
3. Proper implementation of the relief funds to ensure that the money reaches even the most remote farmers. The exemptions in lockdown for farm activities should also be implemented better by creating more awareness.
4. Government aided transport facilities for safe transportation of the harvested produce to markets and cities, and for bringing the processed seeds to the farmers for Kharif season.
5. Farmer's markets should be set up by local authorities such as VAOs, while ensuring social distancing and other safety precautions.
6. To address the issue of inadequate labour, mechanized harvest should be funded by the Government involving harvest combines which can be rented by the farmers, as has been done by the Punjab Government.

³⁸ Yogendra Yadav, 'India's farmers can keep economy running in Covid crisis. But who will tell the Modi gov that?' (The Print, 22 April 2020) <<https://theprint.in/opinion/india-farmers-can-keep-economy-running-in-covid-crisis/406642/>> accessed 28 April 2020

³⁹ Prasanna Mohanty, 'Coronavirus Lockdown V: Three ways govt can help farmers, migrant workers overcome the current crisis' *Business Today* (Mumbai, 9 April 2020)

⁴⁰ Vikrant Nair, 'Coronavirus pandemic - Govt relief package may not reach the poor - here is why' (Moneycontrol.com, 31 March 2020) <<https://www.moneycontrol.com/news/business/economy/coronavirus-pandemic-govt-relief-package-may-not-reach-the-poor-here-is-why-5089641.html>> accessed 25 April 2020

7. Barter system should be encouraged by the local governments in rural areas as has been practiced in some villages in Tamil Nadu,⁴¹ until the lockdown is lifted. This will ensure that the rural farmers get adequate food supplies.
8. A longer extension/waiver on loans should be provided to farmers since their income is seasonal and they will not get a stable income even post-lockdown due to the failed Rabi harvest.
9. Supply chains, especially of perishable goods and dairy products, should be restored immediately and effectively.
10. Special compensations should be provided for severely hit farmers such as floriculturists and farmers of non-essential crops.
11. False information about meat based products being COVID hosts should be curbed and correct information should be published and spread by the Government to ensure that the poultry farmers and cattle farmers do not face further losses due to misinformation.
12. In order to ensure that agricultural villages and towns remain unaffected by spread of the virus, stricter border control measures should be in place, which will restrict outsiders while providing more freedom of movement to the farmers inside their villages or towns.

⁴¹ Kumar Chellappan, 'Tamil Nadu Villages return to barter system amid lockdown' (The Pioneer, 28 April 2020) <<https://www.dailypioneer.com/2020/india/tamil-nadu-villages-return-to-barter-system-amid-lockdown--.html>> accessed 29 April 2020