



COVID 19 REVIVAL VIA AGRICULTURE

Dr. RITA GHOSH (GUIN)

PROFESSOR

ECONOMICS

GOVT. P.G. COLLEGE, MAIHAR, INDIA

ABSTRACT: - The only sector which is still operating amidst continuous forty days lockdown is the farm sector. We have a very resilient farm enterprise base, which is run by the owner-managers of these farms. Therefore our only hope is Agriculture and the Indian economy is left with only Agriculture to depend upon because there is only one demand that can easily revive- that of food. Agriculture contributes 16 percent of the GDP. India is expecting record food grain production of 298.32 million tons this year which is 2 percent more than the record yield. Because of COVID -19 fears countries across the world are planning to move their supply chains out of China and this will definitely benefit India. Following the nationwide lockdown 50 million migrant labours are expected to have returned or are still returning to their native places from cities. They can be significantly employed in labour intensive sectors and this will help to develop rural economy. Also women migrant farmers should be given subsidized bank credit. E-NAM needs to be implemented widely. A regenerating agriculture alone has the ability to reboot the economy.

KEY WORDS –Agriculture, rural economy, e-NAM, migrant laborers, lockdown.

Since its Independence India is now facing its greatest crisis. To enforce self distancing in order to prevent the spread of COVID-19 the Government had enforced 2.0 complete lockdowns and the economy was on complete bed rest. There was an acute liquidity shortage in India's economy during the first two phases of nationwide lockdown. Since liquor is an important source of earning for both the states and the centre that's why the states were clamoring for relaxing liquor sale norms. The Central Government earns approximately Rs 2.48 lakh crores from excise duty on liquor and though the incomes of states from liquor vary but still it is among top earners. Now lockdown 3.0 is in place and it has kicked in on 4th May 2020 with partial relaxations. The economic engine that was practically switched off on March 25th 2020 will be restarted. In green and orange zones the manufacturing units have started functioning with some restrictions. A Survey by a Confederation of Indian Industry (CII) suggests that economic normalcy in India is not going to return before six months or even more. The only sector which is still operating amidst continuous forty days lockdown is the farm sector. We have a very resilient farm enterprise base, which is run by the owner –managers of these farms. This enterprise has a readymade production base and a readymade market for that production. Therefore our only hope is Agriculture and the Indian economy is left with only Agriculture to depend upon because there is only one demand that can easily revive-that of food. 35-40 percent of the expenditure of an Indian household is on food and for poor household it is about 50 percent.

OBJECTIVE - The objective of this article is to revive the economy which is at a static halt due to COVID-19 via agriculture and to find out solutions for the revival of Indian agricultural sector. Also to find out how Agro Marketing can help in the revival of Indian Agricultural Sector.

AGRICULTURE A HOPE - India has about 3 percent of global land and less than 5 percent of the world's water resources but it supports about 18 percent of global population, and over 15 percent of livestock. The per capita availability of resources is about four to six times less as compared to the world average. Yet, we are one of the largest agrarian economies of the world and among the largest producers of rice, wheat, sugar, cotton, spices, fruits and vegetables in the world. In over 6 lakh villages, there are about 145 million rural households. Of the total landowners, 82 percent are small and marginal farmers. As compared to 500 hectares average holdings in U.S. ours is around 1.5 hectares. With declining and fragmenting land holdings the situation of Indian farmers becomes more vulnerable and risk prone. Indian agriculture is the largest employer of our national workforce. 55 percent of the labour is engaged in agriculture, supports two third of the population of India and contributes 16 percent of the GDP.

As a part of global pandemic offices and factories were closed but crops standing in fields kept growing and farmers contributed to tend them. The cooperative sectors deserve credit because during the lockdown the organized milk value chain functioned smoothly and the unorganized fruit and vegetable sector has also continued to function. In fact COVID-19 has made us realize the importance of local traders that has helped the country to sustain during the lockdown. This crisis has taught India the importance of local manufacturing and supply chains. In fact COVID-19 has remained an urban outbreak in India till now. The only good news and the silver line in the dark is that India is expecting record food grain production of 298.32 million tons (149.92 MT Kharif + 148.4 MT Rabi) this year that is two percent more than the record yield. It is expected that the bumper harvest might help to steer the economy out of the slowdown caused by the COVID -19 crises. Now the Government has to ensure to pick up all food grains that farmers want to sell in the market. If 100 percent procurement happens it will revive private consumption demand which was the main cause of economic slowdown in pre corona time in India. At present the country is facing an economic slowdown and whenever it faced a situation like this it was the rural India that came to the rescue by spending more and helping the revival.

TRADE OF AGRICULTURE PRODUCTS – Because of COVID -19 fears countries across the world are planning to move their supply chains out of China and this will definitely benefit India. Twenty one agricultural products including honey, potatoes, grapes, soybeans and groundnuts which were exported from India worth \$4445.9 million in 2018. In the same period Chinas global export of the same products amounted to \$ 5488.6 million and now because of China responsible for the spread of pandemic India now could grab a part of Chinas market share and the opportunities may raise more in case some countries impose restriction on Chinese goods. Japan, America and even other countries are expected to move out their manufacturing operations outside China to not risk putting all their eggs in one basket. Vietnam, USA, Japan, U.K., Phillipines, Malaysia, Russia and Korea are some of the major countries which currently buy these products from China-natural honey, onions and shallots, chilies , potatoes, vegetables, guava, mangoes, grapes, tamarinds, cashew apples, leeches', black fermented tea, spices, groundnuts, soya beans, paddy, sesamum seeds, vegetable seeds for sowing and plants used in perfumery or pharmacy. Since all the above mentioned agricultural products are also produced in India we should grab the opportunity to woo countries wanting to exit China and are on the lookout for suitable destinations. Also India has a very large segment of small and medium seed companies that works very hard to be competitive. In this frightful situation the Government needs to roll out a special stimulus package for the seed industry mainly interest free loans with special focus for the small and medium seed firms. Major initiatives should be taken in the areas of public private partnership in new seed research. India itself exported agricultural items worth \$191 million to China during 2018-19 including capsicum, isabgol and cumin seeds.

India imported agricultural items worth \$109.74 million from China in 2018-19. Only two items that is, bamboo and kidney beans are imported in bulk from China which represents 35.5% and 41.2% of India's total imports from the world. In the case of import of these two items India is striving for self sufficiency through the

Bamboo Mission and National Food Security Mission. Former FICCI President Naina Lal Kidwai said that our market is very important and the need is that we should substitute Chinese imports with domestic manufacturing.

Export of major farm products such as rice, meat, groundnut, and processed food, and poultry, dairy and organic products has started after the measures taken by the Government to resolve the issues related to transportation and packaging in the wake of lockdown.

On demand, Agriculture Cooperative NAFED has exported 50,000 tons of wheat to Afghanistan and 40,000 tons of grains to Lebanon under G2G arrangement. In fact state Governments involvement in agriculture exports should be remarkable and should also provide infrastructure and logistic support to agriculture.

MIGRANT LABOURERS - A BOON - The current pandemic has posed a bigger challenge to the Government to provide livelihood to the lakh of returnee migrants. Major employees of migrant workers are the construction industries, manufacturing, trade, transport and hospitality sectors. Many also work as domestic helpers, handyman and street vendors. They constitute informal sector of the economy, earning \$2 on a good day. Following the nationwide lockdown from March 24th 2020 an estimated 50 million migrant workers that is, 11% of the non self employed labour force are expected to have returned or are still returning to their native places from cities. They can be significantly employed in labour intensive sectors like in marine fishing, post harvest activities, managing livestock's, in marketing and in the creation of agricultural infrastructure and food processing which have not developed over the years. In fact, India should make use of its demographic dividend, failing to do so mean failure of human development. The Government should work on the strategy to boost veterinary and animal husbandry sector and programmes such as Make in India and skill development should get a boost, of course with proper measures of social distancing.

The water bodies of the rural areas should be renovated by engaging migrant laborers under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and the renovation should include construction or strengthening of water inlets and outlets and afforestation in the catchment areas around the water bodies.

The safe drinking water availability scheme has to be followed up in rural areas .Bringing piped water to each village household remains a major challenge and also this venture can create jobs for the migrant labours .

To provide larger employment to the youth in rural areas investments need to be made in agricultural infrastructure, food processing industries, handicrafts and handlooms industries. Through cluster development programmes, the Government has given incentives for the development of the handloom and handicraft sector, but more needs to be done.

There is a need to widen the scope of the reach of India's rural products and allocation needs to be made to promote rural exports and encourage investments in this segment. India could also become the manufacturing hubs for products taking advantage of the trade deficit in China.

By imparting required training to the migrant workers the Government can procure horticulture products from the doorstep of farmers for a smooth supply chain. Skilling the rural population through cooperatives can be a big leap in solving the problem of rural unemployment. Increase participation of women in cooperative movement will strengthen economic activity in rural areas. Also women migrant farmers should be given subsidized bank credit by facilitating issuance of Kisan Credit Cards in their name because according to some estimates the country can experience increase of 2.5 to 4 percent in agricultural output and yields can be

increased by as much as 30 percent per household if women farmers are provided the same resources as their male counterparts.

MARKETING OF AGRICULTURAL PRODUCE - Agricultural Produce Marketing Committee (APMC) mandis currently levy a market fee on farmers who wish to sell their produce, making it an expensive deal. In addition farmers have to bear the cost of transport and fuel in order to transport their produce from their farms to their nearest mandis. Transparent pricing mechanism in the mandis and e-NAM (National Agricultural Market) needs to be implemented widely. e-NAM will allow prices to be governed by market forces by keeping the middleman at bay allowing buyers and sellers a fair price. Since its inception in 2016, the share of e-NAM in India's total food grains production is only 8.6 percent on average. Activation of e-NAM will help in addressing supply and farm income security.

SHARE OF e-NAM IN TOTAL FOOD GRAIN PRODUCTION

YEAR	Total Food Grain Production (+oilseeds) Tons	Share of e-NAM*
2015-16	141,790,000	0.00%
2016-17	159,853,600	5.82%
2017-18	161,472,500	5.84%
2018-19	162,196,000	14.40%

Source-Ministry of Agriculture Acute Knowledge Centre *Acute Estimate

There should be also transparency in crop insurance. Start Ups can offer a fresh perspective and ideas to help farmers resolve issues of capital and market reach.

In fact the COVID crisis is a blessing in disguise as it provides an opportunity to re-imagine a New Normal where agriculture becomes economically viable and sustainable. This could be a game changer for India and certainly needs a national level effort. This crisis has taught India the importance of local manufacturing and supply chains. Modiji's mantra "Be Vocal about Local" products and help them become global is the key to reboot the economy. Hence this is the ideal moment to focus on regenerating our rural economy to save the economy hit hard by the corona virus lockdown.

REFERENCES

Can agriculture revive the rural economy-Pravesh Sharma

Indian Economy in Corona time: Agriculture only bright spot-Prakash K.Dutta

India should consider a big stimulus to revive Covid -19 hit economy-Abhijit Banerjee

India begins export of major farm items amid Covid-19 lockdown-Government

Covid-19 outbreak could help agriculture exports-Agriculture Ministry Analysis-Vuthika Bhargawa and Priscilla jebaraj

Agriculture offer lifeline amid pandemic-Devinder Sharma

Corona virus crisis: Government hopes good harvest will help revive economy-Anirban Bhoumik

Rural income growth key to reviving economy-Santosh Kumar Das

Rural sector needs stimulus to revive demand and economy-Jayshree Sengupta

A road to economic revival runs through agriculture-Monica Ranglani

