

Agriculture during the COVID-19 Pandemic: Problems and Prospects

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Abstract

The current COVID-19 pandemic sweeping across the globe is expected to have a disastrous impact on the world economy. Indian economy is also expected to face severe headwinds. Indian agriculture remains a bright spot though. The real gross domestic product (GDP) from agriculture & allied activities is expected to maintain a robust growth rate of 3% in 2020-21, which in turn can help the overall growth in GDP. The factors on supply side appear to be largely adequate with robust foodgrain production and sufficient stocks. The prices of most of the food commodities have shown a decline in the month of March both at wholesale and retail levels. However, major problem could arise on the demand side due to disruption of livelihoods during the lockdown period leading to lower incomes for farmers, agricultural labourers and seasonal migrants. This negative impact on rural income is likely to derail the economy, which was already reeling with demand contraction even before the crisis. Hence, several safety nets, such as direct cash payments, free distribution of grains, etc., are needed.

These safety nets are needed for at least six months. Immediately after the lockdown period, the activities in agricultural market are likely to increase. The measures of social distancing and hygiene need to be strictly enforced at this time. The supply of inputs, labour and machinery for the upcoming kharif season needs to be ensured with adequate health safeguards. In the wake of fears of a second wave of COVID-19 around November, the recent initiative of selling and transporting directly from the warehouses and FPOs, without passing through the APMC mandies, needs to be strengthened. Also, a robust system of direct payments and grain distribution to the vulnerable sections needs to be continued. Given the satisfactory state of domestic food supplies, restrictions on exports need to be avoided as it could hamper our global food markets.

Keywords: COVID-19, agriculture, GDP growth, supply, demand.