

## Navigating the Impact of COVID-19 on Agriculture Supply Chain in India

---

The ongoing COVID-19 as a health catastrophe has affected all ways of life. In this pandemic, protecting people's lives as well as the frontline facilities is now the current priority for both the State Governments and the Central Government. Both the Governments have rolled-up their sleeves for getting into actions to tackle this health disaster which also led to impose a nation-wide lockdown from March 24<sup>th</sup> – May 31<sup>st</sup>, 2020 that created massive disruptions across agri-food supply chains (Rawal, 2020). The unplanned and sudden policy shocks affected all segments of food supply chains i.e. from production, to procurement and processing, transport and logistics and final demand. Although, in principle, the nation-wide lockdown allowed free movement of “essential” commodities and allowed food markets to function without impediments, in reality, people who are involved in agriculture supply chain faced enormous challenges, including closure of wholesale markets for agricultural produce (Rawal and Kumar, 2020) and restrictions and disruption on movement of vehicles, both across state borders and within cities. The restoration of supply chains to their pre-lockdown levels will require prompt policy interventions and effective co-ordination among Central and State governments (Narayanan, 2020). The early evidence at farm gate level suggested that the quantity arrivals in Mandis fall by 42% post the lockdown for commodities which are produced farther (Mahajan and Tomar, 2020).

Farm production has been affected by bottlenecks created with respect to farm inputs and most notably labour. In the first few weeks, farmers were unable to get fertilizers and pesticides for their crops. As per the [FICCI \(2020\)](#), the seed industry witnessed 15-20% drop in sales during the lockdown. 30% of the cotton & maize hybrid seed replacement market is lost for the Kharif season. Irrigation sector is also affected by the uncertainties. Installation of micro-irrigation system reduced by more than 40% in the current Kharif season. During the lockdown period, the country witnessed the exodus of migrant workers who comprise of a significant proportion of the agricultural workforce. This led to unavailability of labour for agricultural related work at the time of harvesting, processing and transporting goods to market, more noticeable was major disruption to the harvesting and processing of wheat. The number of mandis reporting arrivals of wheat fell from 746 in the week ending March 22 to just 235 in the week ending March 29. Apart from that, the shortfall in market arrivals was 73% for chickpea, 61% for mustard, 48% for potato (Rawal & Verma, 2020).

The procurement was also affected severely and got delayed by several weeks because of the nation-wide lockdown. The Central and State government agencies were able to procure less than 1% of the wheat produced in Bihar in the rabi marketing season of 2020-21. In Bihar, this year, farmers were projected to produce 61 lakh metric tonnes of wheat, but the government was only able to procure 5000 tonnes of total estimated production ([The WIRE, 2020](#)). The prices of wheat in major mandis in different States, shows that wheat was being sold at prices considerably below the MSP; this was because of delay in public procurement (Rawal and Verma, 2020). Although the government increased the MSP of wheat for 2020-21 rabi marketing season by 4.61%, it is still the lowest in the last five years (FICCI, 2020). Narayanan and Saha (2020) in their recent study showed that overall, there were a decline in demand, especially in urban areas - leading to a substantial fall in producer prices. Producer price index suggested that after a brief rise, prices crashed to almost a third of the pre-lockdown prices by the end of May. On price changes during this period it is analysed that the consumer prices rose on average while producer prices crashed.

In times like the current pandemic and with the recent announcements on agriculture reforms related to farm bills 2020, it becomes all the more important to create a space for having the necessary dialogues around the issue of agriculture supply chain in India. To walk the talk on this issue, International Growth Centre (IGC) of London School of Economics (LSE) and Asian Development Research Institute (ADRI) is organising a webinar on 'Navigating the Impact of COVID 19 on Agriculture Supply Chain in India' on **19<sup>th</sup> October 2020 at 3 PM.**

**Zoom Link:** <https://us02web.zoom.us/j/84154849632>