

Impact of Covid-19 on Indian Economy

Prashant Vikram^{1*}, Nitesh Singh², Nivedita Singh³, Hifzurrahman⁴

¹Bioseed Research India Pvt Ltd
Hyderabad, India

²University Institute of
Biotechnology, Chandigarh
University, India

³Department of Botany,
University of Lucknow, India

⁴International Center for
Biosaline Agriculture, UAE



*Corresponding Author

Prashant Vikram*

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INTRODUCTION

A production oriented thrust in agriculture in sixties brought India from begging bowl to the surplus in food production. However, the gains could not be sustained for long. Food production has shrunken over the last decade. Farming has become non-profitable enterprise. 40 percent want to quit farming, 27 percent feel it is unprofitable and 8 per cent find it too risky. Farmers are under stress. Every 40 minutes, a farmer commits suicide. Where have we gone wrong? What are the reasons of present crisis? Are our policies in right direction? What should be the strategies to make farming more sustainable in future? All these issues have been highlighted in the present communication. The reasons for the present ailing agriculture are

- (1) Stagnancy/decline in food grain production
- (2) Shrinking of land available for cultivation
- (3) Rising cost of cultivation
- (4) High post-harvest losses
- (5) Lack of opportunities for assured and remunerative marketing, poor infra-structure and transport facilities
- (6) Lack of institutional credit and insurance in agriculture and allied sector
- (7) Poor linkage with resource organizations
- (8) Ineffective extension and delivery system.

Production oriented green revolution technologies could not be sustained for long. For sustainable gains in agriculture, the efforts should not only be to enhance productivity but enhancing profitability, employment opportunities, knowledge empowerment and enrichment of environmental and social values as support system are equally important. There are many players in the field of agriculture development like farmers, researchers, extension workers, environmentalists, corporate houses, bankers, panchayati raj institutions and policy makers.

Lack of synergy in the working of different players which has resulted in sub-optimal use of available re-sources is the main reason of agrarian crisis. Agriculture -corporate sector partnership to develop synergy between departments/stake holders are healthy initiatives in recent years for increasing productivity, value addition, better quality of produce, marketing and improved extension services. Partnership also helps in investment support in infrastructure development, storage capacity and hi-precision technologies and to provide quality inputs such as seeds, water and fertilizers. Corporate leaders help in timely access to loans from the banks and insurance schemes to protect farmers from the vagaries of weather. A few areas where working in partnership mode may deliver results are described below.

Processing and Value Addition of Farm Produce

Processing and value addition of farm produce, be it cereals, pulses, fruits or vegetables including live-stock products are important aspects of income enhancing. About 15-30 percent of farm produce are damaged while on its way from the farm to the consumer. Farm to fork formula should be used to harness resources better. Pilot processing plants can be established at cluster level where farmers may bring farm produce, process them, add value to their produce and fetch higher price or alternatively farmers may link themselves with processing centers and bring their produce for processing and value-addition.

Marketing: Marketing by establishing farm fresh outlets has twin advantages:

- (1) Farmers to get better returns for their produce
- (2) Consumers to get better quality produce at reason-able price. Farm fresh outlets may build refrigerated storage structures to store unsold perishable farm produce like livestock products, fish, fruits and vegetables.

Agricultural entrepreneurs may facilitate marketing of farm produce.

Agri-mart: Agri-mart facilitates forward linkage of farmers and market organizations. It is an end-to-end supply chain from production to marketing. Agri-marts preferably located at block level can be managed by producer organizations. Agri-marts are profit making entities having source of revenues like income from input sale, service fee for credit and insurance facilitation and fees for facilities for value added service.

Storage of Farm Produce: India losses about 15-30 percent of farm produces due to lack of refrigerated transport and cold storage facilities. During bumper crops/glut in production particularly of perishable farm produce like potato, tomato and apple in past few years, farmers are compelled for distress sale at a rate even less than the production cost due to inadequate storage facilities. Cold storage facilities are meager in our country. There is need for augmenting the existing storage facilities at least 3-4 fold with public-private partnership. Damage of 5 million tons of cereals in 2010-11 for want of storage facilities is an eye opener crime due to poor planning and management.

Micro-credit: Micro finance took root in India in 1992-93 with launch of Self-Help Group-Bank Linkage Programmed by NABARD. With launch of this programed, the farmer had easy access to institutional credit that relieved them from the clutch of moneylenders in phases. There is need to set up credit cooperatives at village level and development of self-help-group- bank linkage system as a supplementary mechanism for bringing the rural poor into the formal banking system. The system will improve banks outreach and the credit flows to the poor in an effective and sustainable manner.

Contract Farming: Contract Farming is a type of farming where farmer works in a partnership mode with the corporate sector under a contract. Contract farming benefits both corporate sector and farmer. The corporates are benefited by 1) cultivation of high quality produce, 2) direct purchase of produce from the farmers, 3) eliminating middlemen, 4) source better and uniform quality agricultural produce and 5) assured source of niche agricultural products. The farmer is assured of a price and marketing and gains from the capital employed to improve the quality of his/her produce. It will also provide investment support in infrastructure development, storage capacity, high precision technology, grading and selection of quality produce. The corporate sector may also tie up with companies for quality inputs such as seeds, fertilizers and pesticides and with banks for providing loans to farmers. To protect farmers from the vagaries of the weather, tie up with insurance schemes may also be developed.

Formation of Self-Help Groups (SHGs): Formation of a team of farmers as SHG is important. The SHGs and their strong linkage with the resource organizations ensure continuity of the developmental process. The self-esteem, technological capacity and socio-

economic upliftment of community inculcated through a team spirit also ensure long-term sustainability. SHGs may have their own market linkages and get out of middlemen. Village punchayat may earmark a plot of land in a town to be used as sale outlet by SHGs where farmers can sell their produce directly to the consumer. Separate self-help groups for women are important. Agricultural entrepreneurs may start Kisan Sewa Kendras in Panchayats for input supply as well as diagnostic farm advisory services to farmers, SHGs and rural unemployed youths. E-Choupal is a pioneering initiative which apart from imparting know-how, is fast becoming a two way distribution channel for goods and services.

Revitalization of Extension System: The fast changing agricultural scenario calls for revitalization of extension system. The extension system should be made farmer responsible and farmer accountable. There should be close relationship between KVKs, NGOs, farmer's organizations, cooperatives, corporate sectors and para-technicians in agricultural extension. KVKs should be equipped with facilities for training on different aspects of agriculture and allied areas. Knowledge centers should be established in each village.