

1. Reducing Farm Distress during a Pandemic

Context:

- Social distancing and living under a lockdown appear to be the only effective ways of dealing with the pandemic.
- As India lacks the resources to significantly ramp up testing, imposing a lockdown was the government's preferred option.

Pandemic – Impact on Agricultural Income:

- With the economy coming to a complete halt in most of the informal and formal enterprises in urban areas.
- The lockdown is also likely to affect the large population in rural areas, a majority of whom are dependent on agriculture. Even before the lockdown, rural wages were declining in real terms.
- In the short term, we will witness a **breakdown of supply chains of agricultural produce with no facilities for transportation of produce.**
- Those engaged in the production of fruits and vegetables, which are perishable goods and cannot be stored, will be severely affected.
- With horticultural production exceeding food grain production in the last decade, many farmers are likely to face uncertain or no markets for their produce.
- There will also be short-term impacts on food grains and other rabi crops that were ready to be harvested at the beginning of April.
- While the government has exempted operation of agricultural markets and mandis from the lockdown, it will be difficult for farmers to harvest the agricultural produce in the surplus States because of the absence of Migrant Labourers.
- April is the labour-intensive month. Labourers are required for packing, processing, transporting and selling the produce.
- In the absence of working labourers during the harvest and post-harvest season is likely to affect the prospect of higher incomes in agriculture.
- Some of the short-term impacts may affect price realisation by farmers. The slowdown in the economy domestically and the expected recession worldwide will contribute to lower demand for agricultural commodities.
- It is the decline in prices which is likely to hurt the income of farmers in the long run more than the short-run supply disruptions and labour shortages.

Measures needs to be taken by the Government:

- Government will stock up food grains, with the Food Corporation of India (FCI) reporting 77 million tonnes of cereals in stocks as against the buffer requirement of 21 million tonnes.
- With the lockdown forcing a humanitarian crisis and with most migrants heading back to the rural areas, it is also time for the government to release the food stocks through the public distribution system.
- The Central government has already announced that for the next three months, 5 kg of free grains will be distributed in addition to what people are entitled to under the National Food Security Act.
- This scheme should be extend to all residents, particularly migrants who may not be able to avail of free grain in urban areas.
- While raising procurements is desirable for Rabi crops, **government also reduce the input costs through existing schemes of subsidies such as the fertilizer subsidy and through price** reduction in petrol/diesel meant for agricultural purposes.
- In the short term, **farmers need to be compensated for the loss of income through the PM-KISAN scheme.**

Source: The Hindu