

Chapter 11

Indian Agriculture During COVID–19: Prospectus and Challenges

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ABSTRACT

The purpose of this chapter is to summarize the initial evidence based on various research articles and sources. The results show that the effects of the agricultural epidemic can be categorized into supply, demand, labor, food security, food safety, and trade. COVID-19 by affecting the supply chain, demand and liquidity, firms, and by affecting the supply of labor, consumption of goods, and services and especially by reducing the income of consumers and producers of agricultural products in the short- and long-term affects the household economy as well as influences the economy of the agricultural sector. The market for some products in other countries has also been weakened, and part of the export of agricultural products has been affected both directly and indirectly. This chapter examines the impact of the Corona crisis on India's agricultural sector. The effect of the shock caused by the corona crisis on the supply chain of agricultural products, including consumption, production, distribution, and trade, as well as other economic effects are examined.

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INTRODUCTION

The agricultural and allied sector carries immense importance for the Indian economy. It contributes nearly one-sixth to the Indian national income and provides employment to nearly 50% of the workforce. It is fundamental for ensuring food security of the nation and also influences the growth of secondary and tertiary sector of the economy through its forward and backward linkages. The performance of agricultural sector greatly influences achievements on many other fronts. For instance, World Development Report 2008 released by World Bank emphasises that growth in agriculture is, on average, at least twice as effective in reducing poverty as growth outside agriculture. Agricultural growth reduces poverty directly, by raising farm incomes, and indirectly, through generating employment and reducing food prices. In other words, a thriving agricultural sector is a boon for most sectors of the Indian economy.

The economic implications of the novel Coronavirus (COVID-19) pandemic have brought the agricultural sector into sharp focus and heightened its responsibility to feed and employ thousands who might have lost livelihoods. At this time when most sectors of the economy are reported to be under significant stress, the agricultural sector continues to be promising and cushioning the economy. The area sown under all major kharif crops is expected to be higher than corresponding period during the last year. Since the agricultural sector continues to be one of the bright spots amidst this pandemic, there is a need of prioritising agricultural sector during this time to ensure speedy economic recovery of the country.

Undoubtedly, the outbreak of the Corona virus is one of the most universal phenomena in human history, the dimensions of which have affected everyone on the planet. It can be argued that today, the concern of all governments around the world is to plan to control this disease and manage its economic consequences. According to the World Health Organization, as of Nov 09, 2020, more than 50,266,033 people worldwide have been infected with the disease including 1,254,567 deaths, with India accounting for 8,553,657 and the number of deaths from this disease in the country has been 126,611 until that date (WTO, 2020). This has led to one of the most unprecedented government controls on day-to-day operations around the world. Fear of the spread of the virus has left many economic activities in a coma. Estimates show that the shock caused by the disease was far greater than the Great Depression of 2007-2008 and could largely lead to a change in economic thinking, as did the Great Depression of 1928 (Arumugam, Kanagavalli, & Manida, 2020).

The agricultural sector is of special importance in the country's economy due to providing food security and providing a livelihood for a part of the country's population directly and indirectly. Examining the consequences and actively preparing for them is one of the most important ways to reduce anxiety and stress about crises (Odisha, 2020). COVID 19 is a negative event for the economies of most countries in the world, and most of the problems created or predicted in India are similar to those in other parts of the world. However, due to the period of several months since the outbreak of this disease in the world and about two months in India, it is not enough time to make a definite statement about the effects and possible damages of this disease (Jain, Baghla, & A, 2020). Although some assumed that the prevalence of COVID 19 had no effect on the agricultural sector and its producers due to the constant human need for food, which accounts for the bulk of agricultural production, but this crisis has affected the activities of the agricultural sector as well as has affected other economic sectors. The COVID 19 crisis on the agricultural sector of the country, in a situation where this sector is facing major problems and challenges such as lack of investment, low productivity, market inefficiency, and production, increases the severity of the vulnerability of this sector (Rawal, Kumar, Verma, & Pais, 2020).

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