

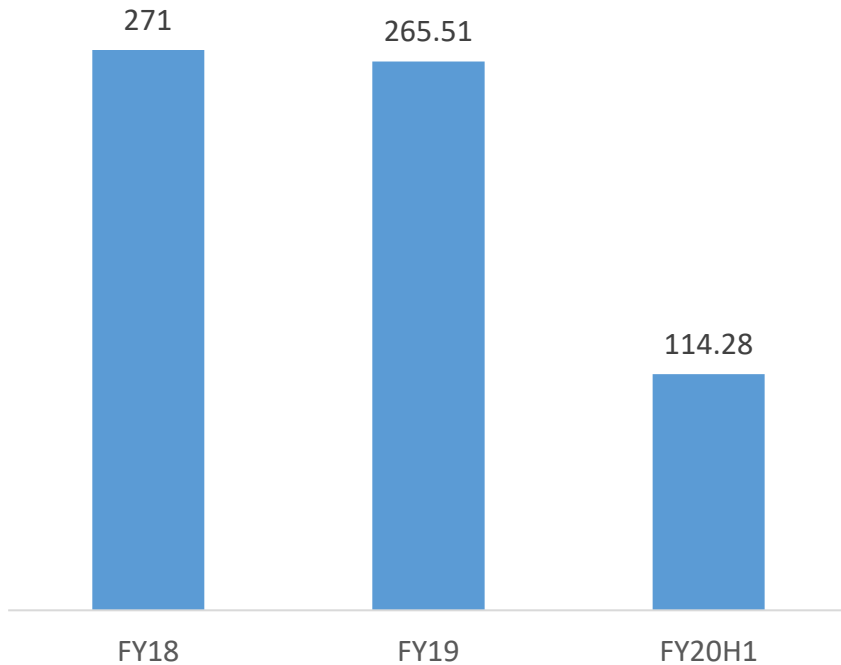


**Policy Recommendations for Revival**

# IMPACT of COVID-19 on Agriculture

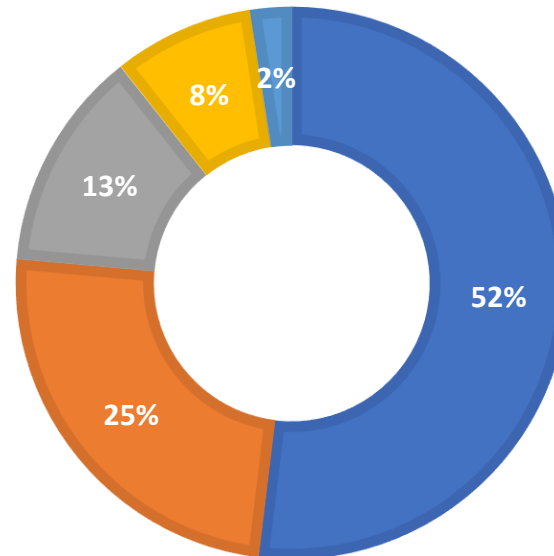
# Market Size and Sector Composition

**Gross Value Added by Agriculture and Allied Activities (US\$ billion )**



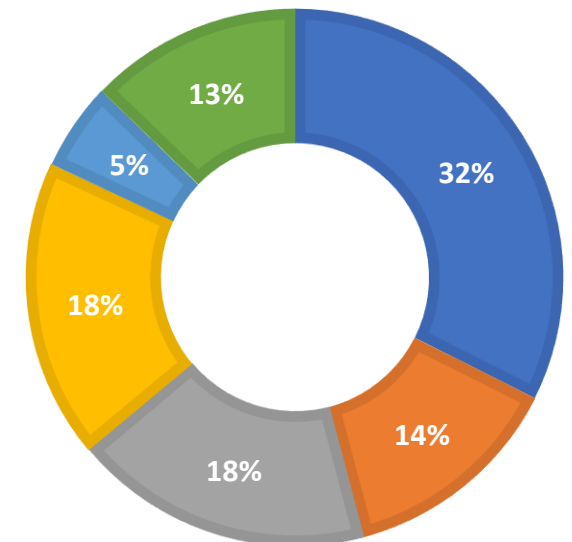
**RABI AREA SOWN IN 2019-20 (MILLION HECTARES)**

■ Wheat ■ Pulses ■ Oilseeds ■ Coarse Cereals ■ Rice



**KHARIF AREA SOWN IN 2019-20 (MILLION HECTARES)**

■ Rice ■ Pulses ■ Coarse Cereals  
■ Oilseeds ■ Sugarcane ■ Cotton



# Issues Faced by Agricultural and Supply Chain

- COVID-19 is disrupting activities in agriculture and supply chains.
- The **non-availability of migrant labor is interrupting some harvesting activities, particularly in northwest India** where wheat and pulses are being harvested.
- There are disruptions in supply chains because of transportation problems and other issues. **Prices have declined for wheat, vegetables, and other crops, yet consumers are often paying more.**
- **India's \$14 billion (or Rs 1 trillion) poultry market has begun a culling exercise** as consumers have started keeping off chicken products for fear of catching coronavirus.
- **Weak demand from the poultry sector has resulted in a sharp decline in feed prices too**, with both soybean and maize prices falling by **nearly 25 per cent in the past two months**. The poultry market consumes around half of soybean and maize production in India. **Industry estimates peg the loss to the market at Rs 1,000 crore.**
- With the mango season just starting and **nearly 40 per cent produce is sent to foreign countries**. Due to **closure of exports farmers will suffer huge losses**.



# Policy Recommendations



- There should be an **immediate expansion (Tenant farmers should be included) of the Pradhan Mantri Fasal Bima Yojana (PMFBY)** to ensure compensation payments to farmers affected by the Covid-19 pandemic.
- **MSPs for farmers in the 2020-21 seasons** should be substantially **raised to 1.5 times the cost of production**. Procurement should also be significantly expanded.
- Encourage better functioning food markets through improved regional political and economic integration and better functioning for trade in food
- **Temporarily reduce VAT and other taxes**
- Reduce post harvest crop losses and improve food stocks along the value chain
- **Remove artificial constraints** to domestic trades throughout the food supply chain **in order to link smallholders farmers to markets**
- Ensure that **local purchases of food and food components for humanitarian purposes are exempt from restrictions**
- **Hold down core inflation and inflation expectations**
- **Assess and comprehensively cost** all fiscal measures taken in response **to the rise in food prices**
- Protect basic consumption needs of vulnerable populations
- **Scale up nutritional support** and support management and prevention of undernutrition