



A Conceptual Study Of Government Initiatives Through ‘Atmanirbhar Bharat Abhiyan’ To Support Indian Agriculture In The Covid-19 Pandemic World Health Crisis

Authors

Dr. LEENA S. SHIMPI

Assistant Professor, Department of Commerce, Babasaheb Bhimrao Ambedkar University

Prof. BIMAL JAISWAL

Department of Applied Economics, University of Lucknow, Lucknow, Uttar Pradesh, India.

Dr. SHIVA MANOJ

Associate Professor, Lal Bahadur Shastri Group of Institutions, Lucknow, India

ABSTRACT

The progressing wellbeing emergency around COVID-19 has influenced varying society. Today, everybody is talking about the impact of COVID-19, however simplest from a countrywide attitude or urban centric angle. Unfortunately, not an awful lot has been spoken approximately the impact of COVID-19 on the rural quarter, which constitutes a big part of the economic system and standard consumption across product categories within the country. The paper focuses on a conceptual study of impact of Covid-19 on Indian agriculture. This research is mostly descriptive in nature. Secondary sources of data have been used for this Secondary data has been collected from different published sources like books, journals, newspapers and magazines, and web sites.

Keywords: Covid-19, NABARD, Credit, cultivation, financial subsidies



INTRODUCTION

The progressing health emergency around COVID-19 has influenced varying society. The COVID-19 pandemic has resulted in immediate, serious, and worldwide human health issues. “Necessary counter measures to the virus, e.g. quarantines and other restrictions, will remain in place for many months and have uncertain end dates. International efforts to control the virus by limiting human movement is inevitably causing economic shocks and social costs that will affect the functioning of agricultural and food systems worldwide. We are already witnessing the indirect effects of the pandemic on agricultural systems across the globe. Massively decreased demand for restaurant and commercial food services in combination with restrictions in labour, processing capacity and/or storage has led to farmers discarding their output. Quarantine measures have severely affected labour availability for key time-critical farming from sowing vegetable crops to picking fruit. As the crisis develops, these impacts are likely to become more widely and deeply felt in agricultural sectors and national economies. Outbreak of coronavirus in India and the consequent lockdown, unfortunately, also coincided with the country’s peak harvesting time of a variety of crops of the season. This period saw another unprecedented development: the large-scale flight of labour from cities to their respective villages, fearing death by hunger as all economic activity came to a halt. This mass departure of the migrants to their homes has created serious paucity of farm labour in the states of Punjab, Haryana and Uttar Pradesh, which rely on farm labourers from eastern India. Agriculture continues to be the source of livelihood for majority of the population. Overall agricultural has a deep impact on every individual of the country, directly or indirectly. The start of the coronavirus pandemic had coincided with the peak harvesting season. As the markets were locked down, there was a threat to the crop in over 100 lakh hectares in the country.

The Mission aims and targets on the importance of promoting domestic products and commodities.. The mission is also expected to complement “Make in India” initiative which intends to accelerate manufacturing in India and generate more employment including agriculture sector which has a great potential. Agriculture definitely plays a very crucial role in Aatmanirbhar Abhiyan which can be successful only if local support is there.



LITERATURE REVIEW

S. Mahendra Dev and Rajeswari Sengupta,(2020) in their paper entitled “Covid-19: Impact on the Indian Economy” On the health risk in rural areas, it is true to currently the problem is much more solemn in inner-city areas since of high compactness. But, it can spread to 70% of the India’s inhabitants who live in rustic areas. Some migrant workers have already gone back to rural areas. There is a risk of Covid-19 dispersion to the grower, agricultural laborers, workers and others working throughout the food supply chains. The wrap up material used for agricultural merchandise can also carry the virus. The cultivation and rural inhabitants have to be sheltered as societal aloofness will be experienced comparatively less in rural areas.

As per an article on a portal (www.financialexpress.com) by T Nanda Kumar, Aatmanirbhar package for agriculture is sowing half-reforms Out of the eleven other components, eight are schemes, and three are changes in the regulatory environment. The scheme(s) for creation of infrastructure (warehouses, cold chains, processing facilities, et al) are critical. These are designed to support farmer producer organisations (FPOs), cooperatives (co-ops), etc, and will be financed by Nabard. How these are rolled out, and the time taken will be key. Also these are loans, albeit at a lower rate of interest, and FPOs and co-ops are better advised not to ‘over-invest’ in their exuberance.(May , 2020)

Another study on a portal (<https://www.businesstoday.in>) reviews the Atmanirbhar package in a more intensive way. The agrarian distress is palpable in rising farmer suicides. Many farmers still have to depend on moneylenders and the informal sector. It is time to review the agrarian problems and possible solutions in a holistic manner.” The immediate goal can be to double farmers' income, which can only be possible by increasing production and productivity.

Issues pertaining to marginalised sections such as landless labour and sharecroppers/tenants need to be studied in depth. “A few areas that need immediate attention are--land reforms, consolidation of fragmented holdings, clarity on titles, ownership, and possession of land resources and digitalisation, etc.(Hari Hara Mishra, 2020)

Agriculture emerged as a key focus area in the government’s stimulus package announced in May. As a force multiplier, the government last month unveiled a new central sector scheme to direct credit of Rs 1 lakh crore to bolster infrastructure for the post-harvest phase. National Bank for Agriculture and Rural Development (NABARD) is to be a key channel in directing money to the rural economy.(Govinda Rajulu Chintala, 2020)



OBJECTIVES

- To study the challenges of the agriculture in COVID 19 scenario.
- To study and interpret the core objectives and prospective impact of Aatmanirbhar Bharat package on agriculture sector.

METHODOLOGY

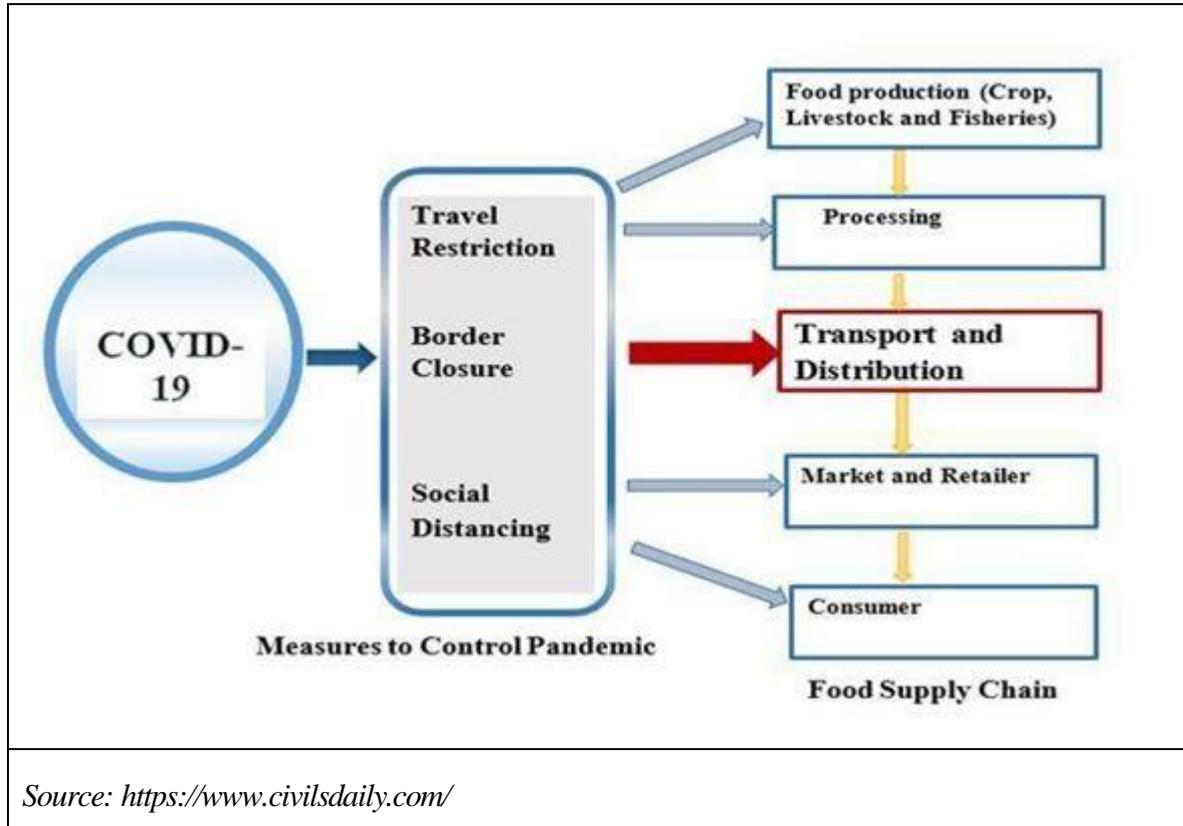
This research is mostly descriptive in nature. Secondary sources of data have been used for this. Secondary data has been collected from different published sources like books, journals, newspapers and magazines, and web sites.

DISCUSSIONS

ISSUES SURFACED AFTER COVID PANDEMIC

In spite of all the measures and in view of continuing restrictions on movements of people and vehicular traffic, concerns have been raised regarding negative implications of COVID19 pandemic on the farm economy. The immediate problems in agriculture at the moment are primarily categorized under two heads:

A. Impact on Global Agriculture:



1) Crop production and availability of seeds

For crop production, the largest part of the seeding process will be almost unaffected between now and the summer.

2) Fertilizers shortage

Due to global trade disturbance, farmers are facing the shortage of agricultural inputs like fertilizer and pesticides. In a shorter span, there is little shortage to be expected. In the longer term, the delivery of fertilizer via international markets may become a problem since some of the production plants in China have been shut down.

3) On food production and distribution

Most of the countries have taken measures such as home confinement, travel bans and business closure to control the rate of infection. Agriculture produce is mostly perishable and perishable products lose their quality and value over a specified time even when handled correctly



throughout the supply chain. So farmers are forced to hold their unsold produce for a longer period of time. This has led to a deterioration in food quality as well as an increase in the cost of production.

4) On livestock

Different agricultural sector such as livestock and fishery have been hit hard by the pandemic. In India, COVID-19 has caused a higher impact on livestock farming due to **limited access to animal feed and a shortage of labour**. For example, the travel ban has affected the **delivery of breeding stock** of poultry.

5) On workers

- Agricultural workers in low and middle-income countries **lack proper health services and social protection** and due to little saving or no saving. Many informal workers in agriculture are **obligate to work for their sustenance** despite the self-isolation protocol during COVID-19 pandemic.

6) Impact on food demand and food security

- A very important result is observed that demand for food has been affected due to **reduction in income and purchasing capacity and obviously** many consumers are **stock piling the foods** which in turn has negatively affected the food availability and price. Due to the decline in international trade, disturbance in food supply chain and food production, food insecurity may arise.
- B. Impact on Indian agriculture specifically:
- *Over 70 per cent of the rural households depend on agriculture. Agriculture is an important sector of Indian economy as it contributes about 17% to the total GDP. Agriculture, with its allied sectors, is the largest source of livelihoods in India. 70 percent of rural households still depend primarily on agriculture for their livelihood.(Source: PIB India).* As the spring sets in and season change the harvest season is around the corner the time when the crops are ready to harvest, time to wake up from the fogs of long winter spell. Farmers across north India, at this peak period of harvesting wheat, are in urgent need of combine harvesters. However, during the national lockdown imposed to curb the spread of COVID-19, there is no system in place for transporting these giant combine harvester machines that move across states which mostly



come from Punjab. Due to the restrictions on movement, neither the machines nor the operators are able to reach farmers. The Indian economy, much like many other economies today, is likely to suffer quite severely due to the ongoing COVID crisis. Agriculture is hit from multiple fronts: demand slump both domestically and exports, as well as negative global and domestic supply chain disruptions involving both forward and backward linkages. So, this is a story of a vicious cycle of demand and supply bringing each other down perpetually. The highly volatility prevailing in the ecosystem, and the aggressive lock down measures put forth by the several countries across the globe is predicted to strain not just India, but several leading economies making a long lasting dent. Farmers across country are in panic because ripening fruit and vegetables will rot because mandi operations have almost stopped, labour cannot reach farms and orchards and due to transport bottlenecks a totally disturbed market linkage.

1) Peak harvest with no procurement

This was the peak of Rabi season in India and crops like wheat, gram, lentil, mustard, etc. (including paddy in irrigated tracts) were at a harvestable stage or almost reaching maturity. But lockdown didn't give proper opportunities to the farmers to carry out their operations.

2) Labour unavailability

The non-availability of labour hampered operations in many parts of the country. The shortage of migrant labour resulted in a sharp increase in daily wages for harvesting crops. Availability of workers at factories and trucks for transportation remain key challenges to meet demand. The migration of workers from fewer parts to their native places has also triggered panic buttons, as they are of the essence for both harvesting operations and post-harvest handling of produce in storage and marketing centres.

3) Fall in prices

Agricultural prices had severely collapsed due to lack of market. The rise in labour costs and lack of access means that farmers were staring at huge losses and hence allowing crops to rot in the fields, a better 'stop-loss' mechanism. Prices of agricultural commodities such as perishable vegetables, grapes and sugar had fallen 15-20% as bulk demand from hotels and restaurants had nosedived and there is uncertainty over exports.



4) Scarcity of public goods

The most critical challenge for the government was making the food grains, fruits and vegetables and other essential items available to consumers, both in rural and urban regions. During a lockdown essential services like grocery stores, pharmacies and banks are allowed to serve the public. The nation-wide shutdown has had a significant impact on the supply chain network. There was supposed to be a communication gap among authorities, especially at the local level. Although the lockdown allowed for essential items to be available to the public, the government had announced certain other exemptions under the current lockdown. These don't seem to have been communicated to local authorities, which made the people panicked.

5) Restrictions on Sale

There were self-imposed restrictions on the inter- and intra-State movements of farmers/labourers, as well as harvesting and related farm machines.

6) Disruptions in supply-chain

The absence of transport facilities clubbed with vigilant blocking roads has a limiting effect on the movement of migratory harvest labour and agri-machinery. This is also the time when the farm harvests reach the market yards for assuring procurement operations by designated government agencies. Moreover, any severe disruption to the supply of perishable fruits and vegetables, dairy products, fish, and so on vaving mobilized to fulfill the increasing demand from a bulging middle class as well as urban and rural consumers, may create irreparable damage to all actors in the supply chain.

REFORMS IN THE AGRICULTURE SECTOR UNDER ATMANIRBHAR BHARAT ABHIYAN

- **Concessional Credit Boost to farmers:** Farmers will be provided institutional credit facilities at concessional rates through Kisan Credit Cards. This scheme will cover 2.5 crore farmers with concessional credit worth two lakh crore rupees.
- **Agri Infrastructure Fund:** The Modi government announced that it will immediately create a Rs 1 lakh crore Agri-Infrastructure Fund for farm gate



infrastructure for farmers. Rs 1 lakh crore will be dedicated for aggregators, primary agriculture societies for strengthening the farmgate infrastructures, which includes cold chains, storage centres, yards, etc.” A fund of one lakh crore rupees will be created for development of agriculture infrastructure projects at farm-gate and aggregation points (such as cooperative societies and Farmer Producer Organizations).(timesnow news)

Emergency working capital for farmers: An additional fund of Rs 30,000 crore will be released as emergency working capital for farmers. This fund will be disbursed through NABARD to Rural Cooperative Banks (RCBs) and Regional Rural Banks (RRBs) for meeting their crop loans requirements. “This fund is expected to benefit three crore small and marginal farmers. This is in addition to the financial support of Rs 90,000 crore that will be provided by NABARD to RCBs and RRBs to meet the crop loan demand this year. NABARD on its part is playing an active role by stepping up the availability of timely refinance to banks, providing financial assistance to state governments and corporations for the creation of the much needed rural infrastructure sector and providing loans to various state-owned corporations for their procurement operations. NABARD has also provided a special liquidity facility (SLF) to RRBs, cooperative banks, and NBFC-MFIs during the pandemic period to enable them to carry out their operations in an unhindered manner. As part of the second tranche of Atma Nirbhar Bharat Abhiyan relief measures, Finance Minister Nirmala Sitharaman announced that additional credit support will be given to farmers through NABARD and the Kisan Credit Card facility. Under the scheme, the national agri-financing agency NABARD will extend an additional Rs 30,000 crore of refinance support for Regional Rural Banks (RRBs) and Rural Cooperative Banks, which are the main source of credit for small and marginal farmers. The measure will help 3 crore farmers, mostly small and marginal ones, to get enough liquidity to meet post-harvest costs for the just-ended Rabi season and sowing costs for the upcoming Kharif season.

- **Support to fishermen and Animal Husbandry infrastructure development:** The Pradhan Mantri Matsya Sampada Yojana (PMMSY) will be launched for integrated, sustainable, and inclusive development of marine and inland fisheries. Under this scheme, Rs 11,000 crore will be spent on activities in Marine, Inland fisheries and



Aquaculture and Rs 9,000 crore will be spent for developing infrastructure (such as fishing harbours, cold chain, markets). An Animal Husbandry Infrastructure Development Fund of Rs 15,000 crore will be set up, with the aim of supporting private investment in dairy processing, value addition, and cattle feed infrastructure. Incentives will be given for establishing plants for export of niche dairy products. In allied sectors, Animal Husbandry, Dairy, Fisheries, Apiary, etc. play a vital role in enhancing the supplementary income of the farmers. Additionally, a new scheme to provide interest subvention of 2% per annum has been launched for the dairy cooperatives. Similarly, 2% interest subvention on prompt payment has been announced. This scheme will float Rs. 5000 crore additional liquidity benefitting 2 crore farmers. Similarly, procedural relaxations during COVID19 have been announced to benefit fisheries.

- **Employment push using CAMPA funds:** The government will approve plans worth Rs 6,000 crore under the Compensatory Afforestation Management and Planning Authority (CAMPA) to facilitate job creation for tribals/adivasis.² Funds under CAMPA will be used for: (i) afforestation and plantation works, including in urban areas, (ii) artificial regeneration, assisted natural regeneration, (iii) forest management, soil and moisture conservation works, (iv) forest protection, forest and wildlife related infrastructure development, and wildlife protection and management. Note that the CAMPA funds are currently used for protection of forest and wildlife management.
- **Amendments to the Essential Commodities Act:** The Essential Commodities Act, 1955 empowers the central and state governments control the production, supply and distribution of certain commodities to avoid scarcity in the country. The Act will be amended to deregulate food items including cereals, edible oils, oilseeds, pulses, onions and potato. This is expected to allow better price realisation for farmers by attracting investments and enabling competition in the sector **Agriculture marketing reforms:** A central law is to be formulated to provide adequate choices to farmers to sell their produce at remunerative prices and barrier free inter-state trade.
- **Agriculture Produce Pricing and Quality Assurance:** A facilitative legal framework will be created to enable farmers to engage with processors, aggregators, large retailers, and exporters in a fair and transparent manner. Risk mitigation for farmers, assured returns, and quality standardisation will form an integral part of the framework.



- **Promotion for Herbal cultivation:** To promote Herbal Cultivation in India, the Modi government announced to commit Rs 4000 crore. This particular step targets to cover 10 lakh hectare under herbal cultivation in 2 years(Source: PIB India) which is really commendable. The support will generate income of Rs 5,000 crore for local farmers engaged in this cultivation, said Finance Minister. National Medicinal Plant Board will undertake 800 hectares of areas in the corridors of river Ganga for growing of herbal and medical plants. India is a home to a variety of herbal medicinal species. It has got a huge export potential.

KEY STATISTICS OF MEASURES TAKEN BY RESERVE BANK OF INDIA

- Almost 3 crore farmers with agricultural loans of Rs. 4.22 lakhs crore availed the benefit of three months loan moratorium. (Source: PIB India)
- Refinancing of Rs.29,500 crore provided by NABARD, to Cooperative Banks & Regional Rural Banks in March,2020. (Source: PIB India)
- Support of Rs. 4,200 crore provided under Rural Infrastructure Development Fund (RIDF) States during March, 2020 for rural infrastructure.
- A special drive to provide concessional credit to PM-KISAN beneficiaries through Kisan Credit Cards.
- Will inject additional liquidity of Rs 2 lakh crore to 2.5 crore farmers.
- Special drive to be undertaken to provide concessional credit to PM-KISAN beneficiaries through Kisan Credit Cards
- Fishermen and Animal Husbandry farmers will also be included.

Recommendations for better results:

1. Production & marketing practices must adapt to changing times. Farmers should be encouraged to adopt mechanization of farming processes and domestic companies should be incentivized to produce farming implements at affordable rates to minimize human interface.
2. Farmers should be pushed to sell their produce through e-NAMs.
3. Technologies like blockchain and cloud computing must be harnessed to ensure food traceability in food chains.
4. More infrastructure needs to be facilitated to minimize post-harvest losses like hermetic storage, investing in cold storages and refrigerated transport. Relevant incentives for



the food processing industry will help grow the share of value added products like pickles, jams, ketchups, wine, dairy products and so forth.

5. Need to ensure that food supply is not disrupted to the countries to which India exports agricultural commodities. This can be done only if appropriate biosecurity arrangements are in place.
6. There is a requirement to promote genetic heterogeneity. This will help to preserve and cultivate a range of varieties, be it of potato or other crops, and keep viruses, bacterial and fungal infections at bay. This will also help in ensuring food and nutrition security. However, it is essential to ensure that seeds are made available to farmers who are preparing for kharif sowing in adequate quantity.

CONCLUSION

The third tranche of the stimulus package also included plans to strengthen infrastructure in food processing, fisheries, animal husbandry, horticulture, herbal cultivation and beekeeping with total funding of ₹50,000 crore, including funds allocated earlier in the budget. The package is divided into four tranches, where each tranche has their own focus areas. Tranche 3-sets of relief measures are worth Rs 1,50,000 crore. The core focus of these measures is on the agriculture and allied sectors like dairy, animal husbandry, and fisheries so as to strengthen the overall farm sector. The fiscal assistance will focus on improving the farm gate infrastructure like warehousing, cold chains, post-harvest management infrastructure, dairy infrastructure along with investment in cattle feed, beekeeping and herbal and medicinal plants. National Bank for Agriculture & Rural Development (Nabard) will provide financing facility for funding agriculture infrastructure projects at the farm gate and for cluster formation across all levels. It will also focus on formulating agricultural marketing reforms like barrier-free inter-state trading, the choice to sell produce at attractive prices, and also provide an e-trading platform for agricultural produce. All in all the clear focus on enhancing the investments in agricultural infrastructure, bridging the gaps in the agricultural value chain and creation of an enabling environment for animal husbandry, fisheries, dairy and other allied activities is clearly aimed at enhancing the incomes of the farmer.” The challenge of COVID 19 is being converted into an opportunity to rectify the long standing problems of Indian Agriculture. These measures will not only sustain the farmers in the short run but will also revive the overall agriculture in the long run.



REFERENCES

M. Alaguraja, Dr G.Nedumaran, M. Manida, Performance of Khadi and Village Industries Commission through Micro, Small, & Medium Enterprise, AEGAEUM JOURNAL, Volume 8, Issue 3, Pages 677-68, 2020/3

S. Mahendra Dev and Rajeswari Sengupta, Covid-19: Impact on the Indian Economy, Indira Gandhi Institute of Development Research, Mumbai April 2020

Kareemulla, K., Ramasundaram, P., Kumar, S., & Ramarao, C. A. (2013). Impact of national rural employment guarantee scheme in India on rural poverty and food security. *Current Agriculture Research Journal*, 1, 13–28.

Padhee, A. K. and Pingali, P. 2020. Lessons from a pandemic to repurpose India's agricultural policy, *Nature India* (published online 12 May), <https://www.natureasia.com/en/nindia/article/10.1038/nindia.2020.83>

Retrieved from <https://www.thehindubusinessline.com/economy/atmanirbhar-bharat-third-tranche-to-focus-on-agriculture-sector-says-finance-minister/article31592961.ece>

[https://timesofindia.indiatimes.com/blogs/the-interviews-blog/nabard-is-active-in-](https://timesofindia.indiatimes.com/blogs/the-interviews-blog/nabard-is-active-in-implementing-)

[implementing-](https://timesofindia.indiatimes.com/blogs/the-interviews-blog/nabard-is-active-in-implementing-) Retrieved from [atmanirbhar-bharat-schemes-the-silver-lining-has-been-agricultures-performance/](https://timesofindia.indiatimes.com/blogs/the-interviews-blog/nabard-is-active-in-implementing-)

Retrieved from <https://www.agrovistaprofits.com/2020/08/atmanirbhar-krishi-aatmanirbhar-bharat.html>

Retrieved from <https://www.moneycontrol.com/news/business/economy/atmanirbhar-bharat-heres-a-complete-list-of-reforms-announced-by-fm-nirmala-sitharaman-under-rs-20-lakh-crore-financial-package-5277891.html>

Retrieved from <https://theprint.in/opinion/india-can-be-atmanirbhar-if-technology-is-its-new-religion-tmc-mp-dinesh-trivedi/424166/>

Retrieved from <https://www.dnaindia.com/blogs/column-modinomics-unplugged-aatmanirbhar-bharat-2825351>