

# Agro-Economic Alerts

*Aiding the future of India's farmers and agriculture*



(Photo Source: <https://bit.ly/2XkFYnN>)



For kind attention of:

The Hon'ble Prime Minister's Office,  
the Ministry of Agriculture and Farmers' Welfare,  
and all others interested

## Emerging Critical Situations and Threats in India's Agricultural Economy

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Compiled and Edited by  
Centre for Management in  
Agriculture (CMA)  
Indian Institute of Management  
Ahmedabad

Contact: Prof. Ranjan Ghosh  
Co-ordinator, or  
Prof. Sukhpal Singh  
Chairperson CMA, or  
Nicky Johnson  
Research Associate  
[cma@iima.ac.in](mailto:cma@iima.ac.in)  
Phone: +91-79-7152-4651

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## Farmer Distress in Kerala due to COVID-19

### Key highlights

- As the harvesting time for the season and COVID-19 lockdown happened in an overlapping manner, farmers are now staring at a huge loss mainly due to labour shortage for harvesting and lack of transportation.
- Although, farming activities do not fall under the purview of lockdown, that alone would not help the sector as it is almost completely dependent on the in-migrant workers from other states who are either afraid to work or have left the state already.
- The unexpected pandemic COVID-19 and associated nationwide lockdown may elevate existing distress among the farmers.

### Observations

- Major cash crops like spices crops, cashew nut, tea, coffee, and rubber in the state were at the peak stage of harvesting for the season, which is now nearly abandoned due to non-availability of labour.
- This sector is completely depended on in-migrant labour in the state, including those who migrate (commute) from Tamil Nadu daily. Due to lockdown and returning of migrants, the harvest is going to be unattended, which may result in a huge loss for the farmers.
- Horticulture was one of the few booming agricultural segments in the state, in the same fashion as spices. These crops were arriving at their exact harvesting time. Notably, crops like mango, jackfruit and banana are annual crops and require huge investment. If farmers are unable to find the markets to sell the produce, they incur a huge loss on their investment.

- Generally, Metro markets like Mumbai and Delhi were the main markets (Krishnakumar 2020) which are now shut or there is no transportation. Since the harvest is already in 'fruit' mode, it will soon perish if there is no other option.
- Coconut sector is highly depended on coconut climbing labour and milling labour. Labour shortage was already issue in the sector and now with the lockdown the situation may worsen. In addition, all other forms of value addition process, including neera tapping, are also paused.
- With almost no procurement system for paddy and no transportation availability, the paddy farmers may face problem. Similarly, poultry farming is facing a feed and fodder crunch, partly due to no harvest of paddy and allied agricultural fields, and partly due to stoppage of feed inputs from the neighbouring state of Tamil Nadu (Ibin 2020).
- Lack of additional storage or processing facility has forced cooperatives to stop procurement of milk from farmers. Although this excess milk (for now) can be processed into milk powder, the state would need to depend on Tamil Nadu for the technical support, which is currently problematic due to transportation hurdles (Simon 2020).

### Actions suggested

- Following the model of 'voluntary public task force' for disaster management in the state, the government should mobilize a task force in the agricultural sector to tackle the shortage of labour in the sector.
- The government should immediately start procurement of non-perishable agricultural products through cooperatives or should

assure the farmers about a better price in the future if they store it for now.

- In the case of perishable commodities, the government should make necessary arrangements to start mobile markets and online markets by using the existing mechanisms.
- Also, for products like fruits, the government should mandate the concerned departments to run processing units at their maximum capacity, to increase the procurement of horticultural harvest from the farmers.
- In the case of milk, a system for distributing unpacked raw milk (from cooperative societies) at the village level should be initiated. There should be an immediate tie-up with the processing units in the neighbouring

states for transportation and processing the excess milk.

For further details, contact:

**Ashraf Pulikkamath**, Research Assistant,  
ashraf.p@mariancollege.org, Mob: 8667846944  
Agro-Economic Research Centre, University of  
Madras, Chennai, Tamil Nadu.

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- ii. Krishnakumar (2020), Pineapple prices in Vazhakulam fall about 40% due to slack demand from major hubs, The Economic Times, March 2020.
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## COVID-19 and the Maldhari Pastoralists of Banni, Gujarat

### Key highlights

- Banni is a drought-prone area with a population of 35000. The Banni pastoralists of Kutch, known as Maldharis - live in 46 settlements of 2500 sq km. Banni has 18 village panchayats, 48 to 54 villages and has 15% of total population in Kutch.
- Literacy is very low among Banni pastoralists, with only 6.3% adult women and 23.9% men being literate.
- There are 50–55 grazing patches across 17 villages and 40-50 species of grass.
- Pastoralist movements are often fine-tuned migrations, involving hundreds of thousands of animals, and over long distances.
- Though many of the Maldharis are into settled animal husbandry now and migrating only within Banni, others still migrate for as long as 8-12 months a year with mostly non-milch

animals and return only during monsoon season. In Western and Eastern Banni, 70% pastoralists migrate with families whereas in Central Banni only 36% migrate with families, the latter being more conservative towards their women and there is strong resistance towards socialization of women with outsiders.

- On many occasions, Maldharis have not being allowed to enter local villages and grazing areas due to the potential fear of transmission of COVID-19 perceived by locals. Also, since they put up on the outskirts of villages in common lands, fields, and wastelands, they miss the local rations being supplied by the state and the NGOs.

### Observations

- Most families have buffaloes while some still rear cattle in some villages. Cattle population has reduced substantially over the years

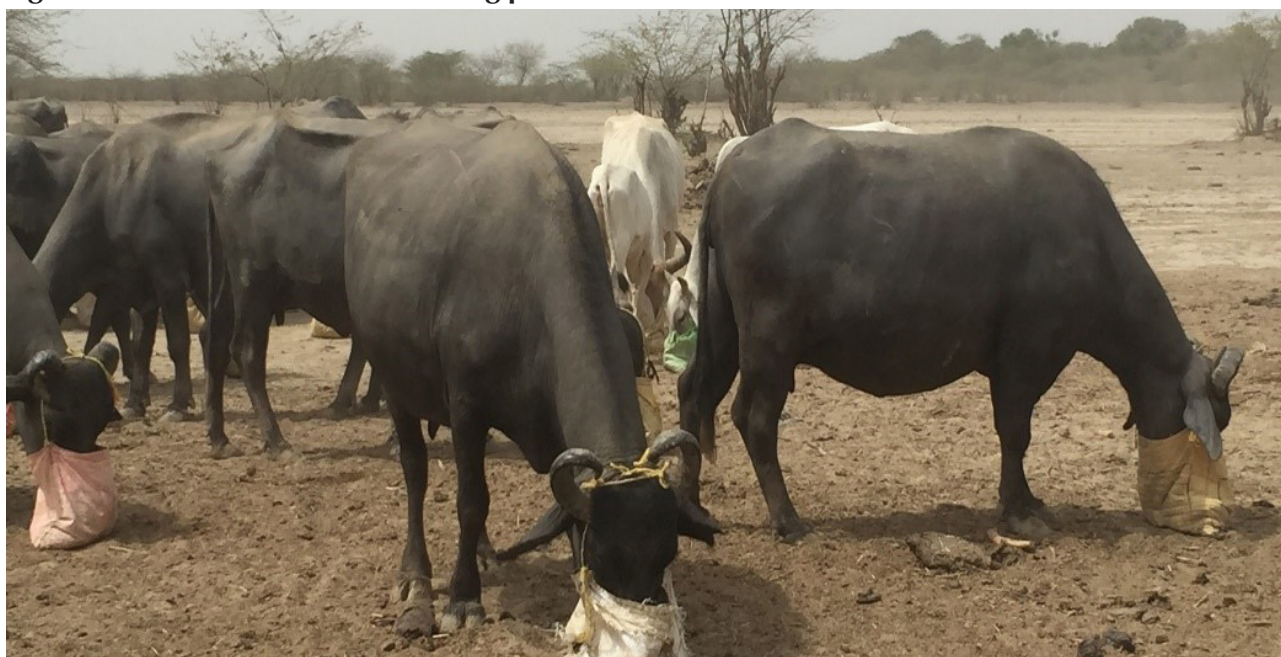
both in number of pastoralists keeping them and the herd size due to the propagation of *Prosopis juliflora*, locally known as gando baval (mad acacia) – which is not good feed for the cattle unlike the traditional ‘desi babul’- a variety of the same *Prosopis* species which was an excellent foraging material. It was introduced to stop salinity during the 1980s, and this invasive species has now taken over most grasslands in Banni.

- Due to COVID-19 lockdown, Maldharis are impacted as they stall-feed their animals (Fig. 1), by buying fodder from the market and selling milk. So, shortages of fodder supply and inability to purchase it are creating

problems.

- There is difficulty in selling milk to dairies or other bulk buyers and individual consumers due to the transport restrictions.
- Communities are finding it difficult to dispose of their cattle, and other animals as the markets for these animals are closed.
- In the past, pastoralists like Maldharis of Gujarat have suffered shortage of fodder during floods while they were on the move in other parts of the state. The fodder from fodder banks was denied to them as they were not local residents.

**Figure.1: Banni Maldhari (stall) feeding practice**



**Source:** Author

### **Actions suggested**

- Paddy straw supply has come to Banni for fodder purposes as part of some private initiatives (Fig. 2). A more collective purchase of fodder is much-needed intervention at the local level to reduce costs and ensure regular supply.
- Like the PDS ration card portability, which is

now operational across 17 states, the fodder entitlements of pastoralists like Maldharis need to be made portable and provided at their places of mobility as and when needed, from the local fodder banks run by the state agencies.

- Market access for their products needs to be facilitated so that they continue to earn some income to carry on with their daily lives.

**Figure 2: Dry fodder (paddy straw) from another state for sale in a Banni village**



Source: Author

For further details, contact:

**Sukhpal Singh**, Professor and Chairperson,  
sukhpal@iima.ac.in, Mob: 9824467270  
Centre for Management in Agriculture, Indian  
Institute of Management Ahmedabad, Gujarat.

#### Information sources:

- i. Banni Besieged, a documentary by Paras Singh, 2019.
- ii. Field visit to Banni in July, 2019.
- iii. Interviews with experts in the field.

## Impact of COVID-19 on Strawberry Growers

### Key highlights

- Maharashtra is a horticultural state, and besides being a major producer of grapes, pomegranates, and mangoes, it is well known for the production of strawberries. This crop has a negligible share in the area under horticultural crops, mainly because it requires a temperate climate.
  - In Maharashtra, strawberries are mainly cultivated in Mahableshwar-Panchgani-Wai belt of Satara district and contribute about 85% of the production in the country. This crop is soft and highly perishable but has enormous nutritional value, including antioxidant properties.
  - Presently, the area under strawberry cultivation in the western belt grown by about 4000 farmers is about 1250 hectares.
- On average, each farmer cultivates 0.75 acres under strawberry from which a yield of approximately 13 tonnes per acre is reaped. On average, the rate is Rs. 50,000 per tonne and the gross returns are Rs 6.5 lakh per acre.
  - A marginal farmer who usually cultivates 0.75 hectares thus receives a net return of Rs 3.15 lakh. This income has certainly changed the economic status of strawberry growers who are mainly marginal farmers.
  - However, the average earning at present was barely Rs 32,500, resulting in a net loss of Rs 1.42 lakh. The pandemic has thus caused immense economic hardships to the strawberry growers.
  - The pandemic caused by COVID-19 led to a nationwide lockdown and harvesting ceased as there were no buyers.

- This crisis was accentuated because the monsoon during the season was prolonged and hence planting and harvesting were also delayed. Therefore, the crop began to arrive in the market only in December 2019.
- Local processors such as Mapro Foods Pvt Ltd had already exhausted their capacity to purchase, by February 2020, and sales to other processors, organized retail, and distant markets came to a sudden halt in March when the lockdown was announced.

### Observations

- Discussion with major strawberry stakeholders in Mahableshwar - Panchgani revealed that the produce in about 90% of the area was wasted due to adverse weather and the gross receipts for the season were barely Rs 20 crore as against a normal gross return of Rs 200 crore.
- Mother plants of several varieties of strawberries such as *Sweet Charlie*, *Camarosa*, and *Nabila* are imported from countries such as USA, Italy, Spain and other countries. These countries are equally impacted by the pandemic and hence importing the mother plants for 2020-21 season may not be possible.
- The fruit has competitiveness in global markets and a huge amount of family labour is involved in the cultivation of this crop.
- The mother plant costs typically Rs 30, and, farmers plant them to prepare runners for propagation. From each mother plant, around 15 runners are produced and sold for about Rs 6 each. Hence this process generates employment and income for the locals in the region. However, while this activity

seems bleak for the forthcoming season, the farmers are making all-round efforts to save the standing plants to yield fruit.

- At present, only 10-15% of the production is processed. The crop is not suitable for cultivation in the country as the climate in most parts is by and large hot and humid. However, hill stations such as Mahableshwar - Panchgani, have made every possible effort to promote the crop, even earned *Geographical Indication* tag and besides meeting domestic requirements are even attempting exports.

### Actions suggested

- The strawberry growers may require financial support to enable them to overcome the crisis. It is recognized that the government has adopted several measures to salvage the situation somewhat.
- Strawberry has tremendous potential for processing into wide variety of products such as jams, jellies, ice-creams, yogurt, desserts, etc. This generates a huge demand for the produce which is normally in short supply.
- There are several local processors, including major ones such as Mapro Foods Pvt Ltd. and discussions with some of them stated that they had a pressing need for packhouses and cold chains so that the shelf life of the produce can be increased and processing activities can be scaled up, as markets widen.
- Priority should be given to all logistics involved in horticultural produce, which is highly perishable, more so in case of soft fruit like strawberry, would be beneficial not only to strawberry growers but for a substantial forward linkage ahead.

**Figure 1: Strawberry punnets**



*Source:* <https://bit.ly/2Lmkm4A>

**Figure 2: Strawberries**



*Source:* <https://bit.ly/2WKuh9q>

For further details, contact:

**Sangeeta Shroff, Professor,**  
sangeeta@gipe.ac.in; Mob: 9923063688  
Agro-Economic Research Centre, Gokhale Institute  
of Politics and Economics, Pune, Maharashtra.



**CENTRE FOR MANAGEMENT IN AGRICULTURE (CMA)**

Indian Institute of Management Ahmedabad (IIMA)

Vastrapur, Ahmedabad, Gujarat 380015

**e-mail:** [cma@iima.ac.in](mailto:cma@iima.ac.in) | **Phone:** +91-79-7152-4650, 7152-4651, 7152-4652

**Web:** [www.iima.ac.in](http://www.iima.ac.in)