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## A STUDY ON FARMERS IN INDIA AMIDST COVID-19 AND ITS REPERCUSSION ON INDIAN ECONOMY

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### Abstract

The uncertain outbreak of novel Corona Virus has led the lives of farmers in dark shadow. Society has witnessed of several pandemics during the journey of their life, which have its impact not only in human lives but also had demolish the politics and economy of the country. The global pandemic is having a greater impact on India's farmers activity because during April to June farmers sold their crops which they have harvested earlier. The declaration of nationwide lock down had put the farmers in distress. They cannot go out to their paddy field which have affected the harvesting standing crops. This paper highlights the real pictures of farmers and their economic condition due to covid-19 and its impact on Indian economy. The researcher goes for secondary data such as from various websites, online news, articles, journals, etc. in order to gather the adequate information. The Corona Virus has affected various sectors from health, education, infrastructure, agriculture, etc. which is irreparable. The government is trying their level best so that to maintain the status of agricultural sector in India.

### Introduction

The farmers who are the benefactor for the whole nation play an important role in the Indian Economy. Among the various sector, agricultural sector is the second largest contributor to GDP. Agricultural sector contributed almost 18 percent in the first quarter of 2020-2021. Amidst Covid-19 all other sector have serious impact except agricultural sector which shows a positive trend. The 2/3rd population of the country is fully depends on agriculture to sustain their livelihood. But over the years, the dependency on agriculture is decreasing day by day, as per the Periodic Labour Force Survey (PLFS), it is almost about 50 percent in 2018-19. Apart from this, there is a negative trend in generating employment opportunities for the rural survival. There is downfall in both the gender i.e., male and female workers engaged in agricultural activities. The reason behind the decline in agricultural employment is due to lack of insufficient capital, irrigation facilities, lack of access to institutional credit, government policies relating to marketing, etc.

### Objectives of The Study

1. To study the real economic condition of Farmers
2. To study how the Covid-19 had affected the farmers and its impact on Indian economy.

### Research Methodology

The researcher collected the data from the secondary sources in order to fulfil the above said objectives. For this researcher will go for several journals, articles, books, websites, government policies, etc.

### Farmers in India

As farmers are regarded to be the anna data for the whole community in a country, who plough the land for several hours in a day to fill the empty stomach of the society. But still, they lives in debt and sometimes such circumstances arises where they commit suicide to escape from debt. The former prime minister, Lal Bahadur Shastri, gave a slogan infavour of the farmers, "Jai Jawan, Jai Kishan" because they are who feeds the nation. The real labour are the farmers whose works cannot be imagine and compared. The most of the farmers in India are poor, whose financial condition is not so good. In the parliament the agricultural minister Narendra Singh Tomar, said that the government do not have any data related to the financial condition of the farmers. However, the survey which was conducted by the NSSO (National Sample Survey Office) discloses that in 2013, rural India had about 90.2 million agricultural households, which constituted about 57.8 percent of the total estimated rural households in India and it was the last survey after which the government have no records about financial condition of the farmers. About 44% of agricultural household in India is having MGNREGA job card. The condition of the Indian farmers are marginal as agricultural supports about 60 percent of employment but it adds about only 17 percent to Gross Domestic Product. Besides taking the various measures by the government, the situation bound the farmers to commit suicide. The reason besides this may be as in the modern world though the technology has been updated but not the system. In the rural areas still, the moneylenders are acting as a banker whose rate of interest is more as a result of which the total amount of interest exceeds the principal amount sometimes. The farmers always hopes for the good cultivation but when there is good cultivation the price drops down. If the prices are good the middlemen sucks the blood of the hardworking farmers. Lack of irrigation and transport facilities are also a major problem for the farmers.

There are various schemes which are in favour of the farmers brought by the state and central government but very few of them are success to taste the schemes. The NDA government after coming into the power in central in 2014 lay down the various activity which has bring some hopes in the Indian farmers. The government have a clear objectives, mission and vision for the agricultural sector as well as for the farmers. The government is having a clear vision and moves ahead in the direction to double the



incomes of the farmers by 2022. Amidst Covid-19, the government brings the farmers bill with the hope that the bill will act as a new sunrise for the farmers.

### **Farmer Bill - A Big Concern for Farmers**

Bill once passed and signed by the president of the country it becomes law. It is always been observed that when a government passes a bill in the parliament the opposition parties are not in favour of their decision. The reason behind is that if the decision shows fruitful result the credit goes to the ruling party so the opposition parties never stand together with the ruling party. Recently, the central government has launched three famous farm bill which was passed in the parliament which is expected to play an important role in the agricultural sector. The farmers bill is concerned with making the farmers and buyers more independent in buying and selling of the farmers production outside the mandis without paying any state taxes which turn into competition and leads to receive a better price in the hands of farmers. Every coin has two side, if there is a problem there is some solution for the particular problem. In the bill if the farmers are in advantage by not paying the taxes then states are suffering as they could not receive their revenue. After passing the bill the farmers started protests against the bill. The three bills which is going to bring reforms in future in the agricultural sector are - a) Farmers Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020. b) Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, 2020. c) Essential Commodities (Amendment) Bill, 2020. A brief analysis of the bill –

**Farmers Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020** - This law gives the permission to the farmers to sell their production outside the government approved mandis (known as Agriculture Product Market Committees) i.e., anywhere in the country where the farmers are comfortable or satisfied with the price. However, the APMC provides Minimum Support Price to the farmers. The MSP is the price which is set by the government as a remunerative for a farmer for any crop. It means if the prices are too low then also the farmers will receive an MSP for their crops. But the prices over the MSP in the APMC are in the hand of the middlemen. and therefore, the farmers doesn't benefited with the excess price.

**Farmers (Empowerment and Protection) Agreement of Price Assurance and Farm Services Bill, 2020** - This bill allow the farmers to make contract with the buyer regarding the price and quality of the crops. With this the farmers will receive a price assurance prior to the production or the crops get ready. The merchants need to pay 2/3rd of the whole amount and the rest within 30 days after delivery of the production. However, the farmers are against of it due to lack of storage facility and this disadvantage of the farmers will transfer the controlling power from the farmers to the big merchanters and farmer will only be a labor on his/her agricultural land.

**Essential Commodities (Amendment) Bill, 2020** - The objective of this law is breaking the chain of hoarding and the controlling power over the price. But as per the new law, the Central government wants to eliminate some the essential goods which are earlier in the list of essential goods with a believe that this stand will increase the competition and the farmers will get the right price for their efforts. However, the farmers are against of this bill because they view that this step of the government will benefit only to the large companies.

### **Impact of Covid-19 On Indian Farmers and Its Impact on Indian Economy**

The novel corona virus has affected to each and every individual irrespective of caste, religion, sex, geographic location. Its affect have been mostly realized by low class people who earn their bread and butter on daily basis and also by the middlemen who have no option on the either side. They are not in a position to take the assistance from the others and also not in a situation to assists other. India is a country where more than about 100 million smallholder farmers are cultivating their crops to feed the nation, which contribute near about 40% of the country production. The majority of the population were depended on agriculture to survive. Every year farmers are coming across various uncertain disasters and in 2020 they meet one new one as Covid-19. The sudden declaration of lockdown due to covid-19 to whole over the country by the central government hurts the farmers because during this period the farmers are harvesting their crop but the farmers fail to do that. The restriction was put on the mobility of individuals in order to break the chain of Covid-19. According to the Economic Survey 2019-2020 agriculture is the source of livelihood of around 54.6% of the population. The pandemic has put forward a huge block and disorganised the various essential activities in agriculture and supply chains. Increase in the supply of labors due to migration from the urban to rural areas has reduce the daily earnings. As per the data of Centre for Monitoring Indian Economy almost about 21 million salaried people have lost their jobs due to Covid-19 and at least 14 million added to the agricultural sector in August alone. But at the time of harvesting addition of labors is normal as in agricultural sector there are lots of disguised employment. The expenditure on fertilizers for cultivation shows downfall for the year 2020. Also, the agricultural borrowing by the households declined by 19% in the year 2020 as compared to previous year.

The agitation of the farmers Amidst covid-19 present a new road blockades in the supply chains and logistics. These protests may result to deprive the economy which is already struggling to recover from downward trend due to Covid-19 pandemic. Due to disruption in the supply chain the manufacturing industries are facing difficulties in meeting upto their needs. The effect of agitation



are mostly suffered by the hilly areas who are fully dependents on the roadways supply. The agitation is not only affecting the small and large industries but also the various sectors such as tourism, which is one of the major sources of revenue and livelihood for some of the protested states which is directly or indirectly have a significant impact on the Indian economy. The Reserve Bank of India predicted that the Indian economy will result by 9.5% contraction in the fiscal year 2020-2021. The expert and economist believes that the ongoing farmers agitation will upset and weak the economic situation. The break in the supply chain may rise the price of the goods which leads to inflation in the country.

### Conclusion

Farmers are the spinal code of our nation. Agriculture is the primary source of livelihood for the people in India as its an agricultural oriented economy. The novel Coronavirus had already pushed the India's economy towards downward and ongoing farmers agitation against the new agrian laws is something icing on the cake. The farmers wants to repeal the laws. But it should be noted that every reforms has it effects either positive or negative and if government has taken such steps by bringing the new agrian laws without judging and seeing both the sides of the coin one cannot say it to be ludicrous. And one should always remember that agitation is not the solution of every conflicts. India is a democratic country with a population of more than 130 crores plus and agitation have its effect on government little but its felt mostly by the low and middle class people. The present government have a big vision and objectives towards the farmers in India. The government have come up with various schemes which such as Pradhan Mantri Fasal Bhima Yojana, Pradhan Mantri Samman Nidhi Yojana, Transport and Marketing scheme, Pradhan Mantri Krishi Sinchai Yojana to provide irrigation facilities, etc. The Indian agricultural sector is going to achieve its target in the coming few years its only because of the government who never hesitate to take any initiatives which is in favor of farmers. If both the central and state government made equal efforts and co-ordination then its pave the way of doubling the farmers income by 2020.

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