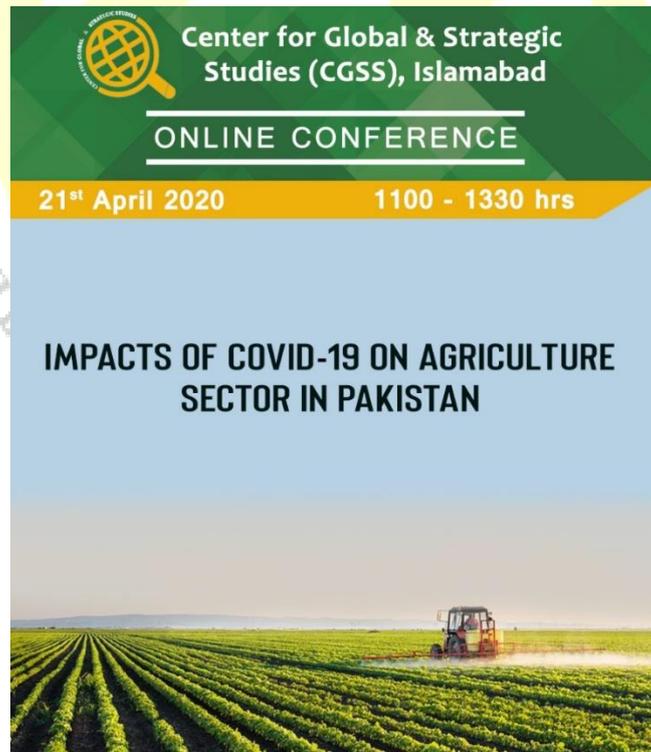




Online Conference Report

“Impacts of COVID-19 on Agriculture Sector in Pakistan”



Organized by

Center for Global & Strategic Studies (CGSS), Islamabad

21st April 2020

Brief of the Conference

On 21st April 2020, Center for Global & Strategic Studies (CGSS), Islamabad organized an “Online Conference” on the topic “Impacts of COVID-19 on Agriculture Sector in Pakistan”. The session aimed to discuss the current situation of the agriculture sector and to comprehend the harmful impacts of the COVID-19 lockdown on the agribusiness. The conference was attended by 30 participants including prominent experts from Pakistan’s Agriculture industry and Academia as panelists including the following:

- Prof Dr. Asif Ali, Vice-Chancellor, MNS-University of Agriculture, Multan
- Mr. Mumtaz Mohammad Khan Manais, Former Minister Livestock, and Dairy Development, Punjab
- Dr. Yusuf Zafar T.I, Former Chairman, Pakistan Agricultural Research Council (PARC)
- Dr. Umer Farooq, Member Social Sciences, Pakistan Agricultural Research Council (PARC)
- Dr. Waqas Ashraf, Assistant Professor, Department of plant and pathology, University College of Agriculture & Environmental Sciences, Islamia University, Bahawalpur

Current Situation of COVID-19 in Pakistan:

The panelists discussed the ongoing situation in Pakistan due to the novel Coronavirus, it is impossible to ignore the socio-economic impacts of the lockdown which has been imposed in Pakistan. A countrywide lockdown has been in practice since the first few cases emerged and social distancing is also being followed but with Ramzan approaching it will be difficult for the authorities to put restrictions on the general public.

Strict preventive measures have flattened the curve of COVID-19 in Pakistan but there must be an effective policy plan to further reduce the numbers of rising cases.

Impacts of COVID-19 on the Agriculture Sector of Pakistan

There is no doubt that COVID-19 is first and foremost a health crisis but the undeniable effects it has on the socio-economic situation across the globe and also in Pakistan shouldn't be avoided at any cost.

Agriculture is the backbone of Pakistan's economy and an inevitable and integral part to ensure food security and economic uprise of the country. About 68% of the population is engaged in farming directly or indirectly through the production, processing, and distribution of major agriculture commodities. Unfortunately, agriculture in Pakistan is already in deep problems. Agriculture GDP growth is continuously on a downward trajectory, in 2017-18 it was 3.8% which came down to 0.8% in 2018-19.

As a nation-wide lockdown has entered its fourth week, to control the spread of the pandemic, the most mission-critical sector of the country, after Health, is believed to be Agriculture that will further deteriorate the condition due to the issues arising in sowing, harvesting, and transportation.

As the agriculture sector largely contributes to the export industry of Pakistan and our top export items including textile and food are also primarily linked to the agriculture industry the impacts of COVID-19 can be seen.

Following are some of the major impacts of COVID-19 on the Agriculture Sector of Pakistan

1. Agri-Production during COVID-19 period

- Depressed demand for perishable agriculture products, especially fruits and vegetables like tomatoes, in the long and short-run will affect the production decisions. Entire crops of tomatoes have gone to waste due to the lockdown restrictions and farmers are not given even their cost of production.
- The rapid downward slide of Pak rupee against the US dollar resulted in higher input costs for fuel, fertilizers, hybrid seed, pesticides, machinery, and other resources necessary for farmers, making agriculture a non-profit venture.
- Due to logistics problems our winter production has been affected largely as the exports and inter-country mobility of farmers and their produce is also restricted. Due to the loss encountered in winter vegetables, summer production will also be affected which indicates the long-lasting impacts of COVID-19 lockdown on the agribusiness.
- Moreover, the problems faced by our skilled and unskilled labor force in the near future will also affect the agriculture sector. Labor force, in huge numbers travels from Punjab to Sindh to work in mango fields, but considering the risk of COVID-19, transportation has been restricted and our skilled labor will not reach in time for the harvest season irreversibly affecting the Mango production.
- Furthermore, the prices of fertilizers and pesticides have increased impacting the agri-production as there are trade restrictions. There is not enough storage of these resources which are essential for crops like cotton, consequently, farmers will use less of the pesticides and insecticides compromising the quality of crops.

- The fluctuation of fuel prices due to the impacts of COVID-19 on the global economy, should also not be ignored, as the majority of our agribusiness is fuel oriented, there would be a significant decrease in fuel price, which would reduce the cost of production but would further deteriorate water use efficiency.

2. Impacts on Supply Chain Management:

- The value addition has constantly been unfavorable due to COVID-19, which results in low productivity in agriculture impacting the farmers and their profits. Greater threats can be observed on Supply Chain in Agri. Businesses due to inadequate transportation, and issues arising in packing, processing, and value addition due to limited skilled labor available.
- Furthermore, due to fewer facilities available in the rural areas they have become urban dependent, as the rural population is also buying agri-commodities from urban markets (mostly 60-70%, from traditional Food Supply Chains), any disruption in the system could threaten their immediate food security status.
- Export Supply Chains will be affected by logistic restrictions as well as standardization, as many of our local production is not being exported due to the global situation of COVID-19.

3. Impacts on Food Security

- The COVID-19 pandemic has taken Pakistan into an unprecedented challenge with deep economic consequences, including compromising food security and nutrition. The two main areas of concern are the

Access and the availability of sufficient food supply keeping in view the Urban and Rural population of Pakistan.

- Projections of the economy going into recession has already threatened the food security status of more than 10 million people in Pakistan. It has been analyzed that a greater threat lies in the access of food as compared to the availability of it because of COVID-19 restrictions of mobility and transport.
- As far as food availability is concerned, import restrictions may make it difficult to fulfill the needs of, edible oil (Palm, Soybean), tea, and dry milk. Moreover, the effects are also prevalent through panic buying of oil, pulses, cereals and other food items which have resulted in poor availability of food items for daily wage earners and the underprivileged sector of society
- COVID-19 lockdown has jolted the business of restaurants and caterers, directly affecting the poultry and meat industry leaving them with near to zero profits. This has also affected the poultry feed prices which have surged further aggravating the situation for this sector of Agriculture industry.
- The overall disruption in food security, its access and availability will intensify the looming threat of Malnutrition of individuals, especially those who are already living under the poverty line.

4. Impacts from the restrictions on Agricultural Trade:

- The UN Conference on Trade and Development (UNCTAD) has noted that Pakistan would be one of the few countries to face dreadful crises including, a potential deflationary spiral as COVID-19 brought with it trade restrictions which have impacted our Agricultural exports.

- Pakistan's major trade partners like China, USA, UK are some of the worst-hit countries of COVID-19. Any economic downturn the economies of these countries would face will directly affect our exports/import as our overall GDP that is heavily dependent on Agriculture.
- The impact on Mango production is also an important aspect in terms of trade, as Pakistan exports Mangoes to many countries including Central Asia, England, Japan, China, and Europe. But due to the spread of COVID-19, the Mango trade will be inconsistent causing a major reduction in the revenue generated through international trade. Similarly export of oranges to Iran/Afghanistan/ Central Asia has also suffered.
- As Pakistan's economic stability depends on the Agriculture industry, it is estimated that a 10% reduction in the trade of Pakistan could result in a 2.3% decrease in GDP. (PIDE, 2020).

5. Impact on Agriculture due to Import Restrictions.

- As Pakistan imports, a huge portion of pesticides from abroad, next season of our rice and cotton harvest will suffer terribly due to the unavailability of pesticides.
- Seeds are the most important and basic unit of agriculture. Unfortunately, one of the most affected areas is the import of hybrid seeds. Pakistan imports 40% of its pea seeds from USA which is currently the worst affected country in the world. Seeds of tomatoes, radish, lettuce leaf seeds, and bell pepper as well are not being

imported which will affect the planting of these crops for next harvest season.

Suggestions and Way Forward

The novel pandemic COVID-19 has hit the world when technological advancements have reached to such an extent where maximum efforts are being made to lessen the impact of this contagious disease on different sectors of society.

But, when it comes to the impacts of COVID-19 on the Agriculture Sector, a policy framework is needed to effectively address the concerns of the Agriculture industry, farmers, skilled and unskilled labor, and the overall Agriculture sector of Pakistan.

Below are some of the suggestions given by subject experts from the Agriculture Industry .A scientific, holistic and technically sound survey/assessment must be made to ascertain the impact of COVID 19 on the agriculture industry of Pakistan. Without sound data and statistics future planning is not only difficult but imperfect. It is essential to monitor food prices and markets and to transparently disseminate information

- As the lockdown is being extended, access to food resources must be made available through technological Supply Chains like, converting to online sales and home deliveries in urban and rural areas both. This way not only the general population will be provided with food essentials but our agriculture industry and its products will be utilized locally.
- Agriculture industry and labor associated with them are amongst the most affected due to COVID-19, they must be provided with compensation and financial support as their livelihood is solely

dependent on their agribusiness. This sector, including, small scale farmers, landless peasantry, agriculture workers requires immediate help and support.

- Special relief packages and task forces should be designed and promptly executed by concerned authorities for Agriculture based industries and workers i.e. poultry, fruits, and vegetables, etc.
- Due to restrictions on export this is the prime time to prioritize and give preference to our products and goods to fulfill the requirements of our general population. A mechanism to deliver and supply perishable fruits and vegetables - during lockdown- so they can be utilized and our farmers can be given profit.
- Pakistan has abundant and qualified human resources of scholars and experts, their opinions should be given due weightage while policy formulation for the Agriculture sector. Mandatory investment in the Research and Development (R & D) for the agribusiness and problems related to it should be considered to save this sector of our society from present and future crises.
- The majority of the rural population is dependent on Agriculture and services related to it. Special access to social protections of any kind, and formation of food-based safety nets to facilitate farmers and owners of small and medium enterprises.
- Proper arrangements should be made to ensure the availability of fruit and vegetable seeds, keeping the current scenario of COVID-19 lockdown is expected to last longer. Instead of relying on imports of seeds government should immediately invest in enhancing the locally produced seeds with greater potential.

- Lawful strict action to be taken against individuals who are surplus buying. Hoarding of pulses and flour must be strictly prohibited to ensure the availability of these items equally for all citizens.
- Two third of the national consumption and production is from the Rural areas, it is important to initiate awareness programs for farmers and other people from the agriculture industry who are residing in rural areas. A workable plan and strategies to deal with this epidemic must be communicated to them.
- Utilizing electronic media to promote the traditional preservation and use of our local production. If Mangoes are not being exported, they can be used locally in various ways, this way farmers will at least receive their due share and their perishable products will not go in waste.
- Promotion of Kitchen Gardening to provide instant aid to dwellers by self-produced fresh vegetables benefiting the masses and encouraging urban agriculture. This Kitchen gardening should also be introduced in rural areas to save them from supply – chain shock in the Kharif crop (Monsoon) season.
- Given the low purchasing power, it is being predicted that our storage of wheat and rice would be compromised, in that case, financing the import of wheat (in case of shortage) should be given preference.
- There is a strong need to monitor and regulate the wild animal trade as well as their consumptions to avoid any form of viruses and diseases being spread.

Overall unity amongst all sectors of society and making the general population realize their social responsibility during a pandemic is necessary. The agriculture sector is the foundation of Pakistan's

economy and a concrete framework must be formulated to deal with any unforeseen situation.

