



# Rural Manipur in Corona Times



राष्ट्रीय कृषि और ग्रामीण विकास बैंक

National Bank for Agriculture and Rural Development

मणिपुर क्षेत्रीय कार्यालय, इम्फाल

Manipur Regional Office, Imphal

April 2020



## दृष्टि

ग्रामीण समृद्धि के लिए राष्ट्र का विकास बैंक

## ध्येय

सहभागिता, संधारणीयता और समानता पर आधारित वित्तीय और गैर-वित्तीय सहयोगों, नवोन्मेषों, प्रौद्योगिकी और संस्थागत विकास के माध्यम से समृद्धि लाने के लिए कृषि और ग्रामीण विकास का संवर्धन

## Vision

Development Bank of the Nation for Fostering Rural Prosperity

## Mission

Promote sustainable and equitable agriculture and rural development through participatory financial and non-financial interventions, innovations, technology and institutional development for securing prosperity.

# **Rural Manipur in Corona Times**

**Edited by:**

**K. J. S. Satyasai**

**R. Ravi Babu**



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## Contents

Preface	vii
Agriculture in Manipur – Problems and Prospects K J S Satyasai	1
Manipur Agriculture amidst the Corona Pandemic K J S Satyasai	10
Manipur and the Covid-19 Pandemic: A Few Mitigation Measures G. Thangchinkhup and R. Ravi Babu	14
Leveraging Rural Credit System for Pandemic Situation and after K.J.S.Satyasai and R. Ravi Babu	18
Farmers Producer Companies of Manipur as Coronavirus Warriors K J S Satyasai and Kiran Singh Thokchom	25
Strong Self-Help Groups Network Help Fight Crisis Better Dr. K.J.S. Satyasai and Premjoy Singh Irungbam	28
Manipur Handlooms and Handicrafts during the Pandemic K.J.S. Satyasai, G.Thangchinkhup and Boicha Phukrambam Meitei	31
Post COVID-19: The need for re-skilling and up-skilling Felix Jajo	42
Epilogue	

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The views expressed in the articles are those of the authors alone. Usual disclaimers apply.

## **Preface**

The world is passing through difficult times due to corona pandemic with most countries in lockdown. India too has declared total lockdown since 25 March 2020. Agriculture cannot remain insulated from the present pandemic situation though farmers and farm labourers are exempted from lockdown. In fact, agriculture sector is contributing to the successful lockdown because of comfortable food grains stock and record food grains production during the current year. Otherwise, the situation would have been out of control as the government would have to handle an additional and formidable challenge of non-availability of food in face of near impossibility of food import amidst worldwide lockdown. Now, only challenge is ensuring supply of food to the people. Once food is ensured, handling other issues can be relatively easier.

Agriculture per se has been affected by the pandemic and stories of the adverse impact on farmers' incomes, employment and current agricultural operations which may influence future farm supplies are pouring in on daily basis. Food and Agricultural Organisation (FAO) has compiled the potential disruptions, policy responses, their pros and cons, minimum conditions and governance issues in areas such as development and transformation, emergencies, nutrition priorities, incentives and expenditure, and social protection systems in greater details drawing cross-country experiences during earlier crises as well as the corona pandemic.

Several scholars in India are writing on the impact of corona and strategies to address the adverse impact on various sectors of the economy and on how to support various players in the post-corona for a faster bounce back. NABARD, Manipur has collected responses from the field through its District Development Managers (DDMs) and officers have written a few articles articulating the situation and possible strategies in the short run to address the immediate problems and medium to long run strategies or interventions to resurrect the agriculture and rural economy. The topics covered are rural economic situation in the state, agriculture amidst corona pandemic, mitigation measures for Manipur agriculture in the wake of Covid 19 pandemic, rural credit system and how to gear it to face the crisis now and after, role of FPOs, role of SHGs in the current times, Manipur

handloom/handicraft sector and measures to protect the artisans, and re-skilling and upskilling in post-COVID-19 times. All the articles are with specific reference to Manipur agriculture and rural economy. They brought out specific vulnerabilities of Manipur agriculture and how some of the interventions of NABARD such as Farmers Producer Companies (FPCs), Self-Help Groups (SHGs), rural marts, rose to the occasion in the present crisis, though in a limited way. The articles bring out the importance of building local grassroots level community institutions and networking with various levels of governance in peace time for better preparedness in crisis time.

These articles, by no means, can be claimed to be comprehensive blueprints of policy and strategy. They are, at best, stubs to further build ideas on. This booklet is a compilation of 8 articles meant for wider dissemination and generating discussion among stakeholders. Views expressed in the booklet are personal and do not reflect those of NABARD.

I thank all the contributors for instantly responding to the call to reflect on the impact of the crisis and come out with ideas. I thank Dr. R. Ravi Babu, DGM, NABARD, Manipur office for contributing the articles and co-editing the booklet with me. I thank Mr. Felix for excellent cover page design. I also thank all staff of NABARD, Manipur for their contribution to various development initiatives of NABARD in the state.



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## **Agriculture in Manipur – Problems and Prospects**

K J S Satyasai

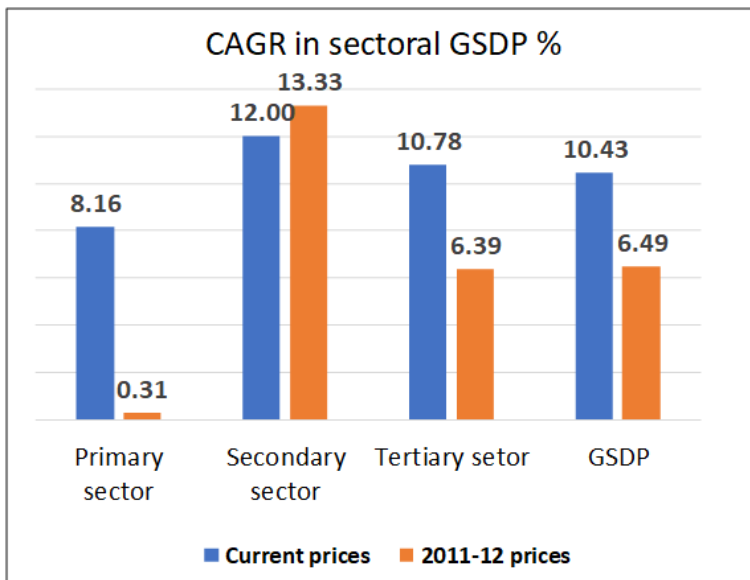
Manipur, one of the North-Eastern states of India, is known as the Jewelled Land. It has vast potential for development with its abundant natural resources, locational advantage and enterprising people who made their mark in various fields including sports. It has 16 districts distributed into two distinct topographical zones, viz., hills and valley. Hills account for 90% of the geographical area and about 35% of population of the state. The state has 66 Sub-divisions with 2515 inhabited villages.

Manipur accounts for 0.70% of the area and 0.22 % of the population of the country. But it is strategically located with 352 kms long international border with Myanmar making it the fulcrum of the Act East Policy of the Government of India as it can provide land route to South Asia through Myanmar. The 125 km railway line presently under construction between Jiribam and Imphal, which once extended up to Morey (Myanmar border) in the second phase can explode the economic activity in the state. Thus, Manipur is full of possibilities and promise.

### **Agriculture is still the mainstay**

The Gross State Domestic Product (GSDP) of Manipur for 2018-19 at current prices is estimated to be ₹.25,870 crores growing exponentially at 10.43% annually from ₹.12,915 crores in 2011-12. The primary (equivalent to agriculture), secondary and tertiary sectors contributed 18.11%, 16.23% and 65.66% of GSDP in 2018-19. The share of agriculture has declined over time as the GSDP from agriculture has remained stagnant since 2011-12. Growth in agriculture is dismal, in real terms (Chart 1). These do not bid well given that nearly 53% of the main workers in Manipur are engaged as cultivators and agricultural labourers and the entire population depends for its food security.

Chart 1. Annual growth rates in GSDP from different sectors



Settled agriculture is practiced in the valley districts while terrace and *jhum* cultivation are practiced in pockets of the hill districts. The yields of paddy are lower in *jhum* fields compared to valley perhaps due to lower level of adoption of HYV, besides other factors. Rice is the staple food in the state and given the demand-supply gap in food grains (rice accounts for lion’s share) production in the state, paddy yields need to increase by 25% instantly if the state must achieve self-sufficiency. This is a formidable job though may not be impossible. Studies find that paddy cultivation is not profitable in pockets of Manipur. Besides, several other problems such as inadequate flow of institutional credit, smallholdings, absence of proper land records, lack of infrastructure, poor marketing and processing infrastructure, etc., are restricting farm growth. Increasing farm production in the state is urgently needed for at least two compelling reasons. One, farmers’ incomes are low and must increase to improve their living standards. Two, an analysis of nutritional standards by The World Food Programme and Ministry of Statistics and Programme Implementation (MOSPI), Govt. of India brought out that nutritional standards in Manipur are worrisome as it is one of the very few states where the intake of energy, fat and protein have declined over time and fell below Recommended Dietary Allowance. To address both these issues, increasing the farm production and diversification of the production basket are effective strategies. Diversification, in fact, must be towards,

horticulture, animal husbandry, fisheries, poultry within agriculture and away from agriculture, towards secondary and tertiary sectors, of course, keeping the agriculture-industry linkages with a view to tap synergies.

Future growth in agriculture can come through enhancing productivity only. This raises demand for investment in and for agriculture. Three-fold strategy for achieving higher growth in agriculture and better incomes for the farmers include: (i) Enhancing farm production and productivity, (ii) Value addition, agro-processing & post-harvest management, and, (iii) Adoption of technology. Production and productivity can come through higher cropping intensity, extensive cultivation to a limited extent, adopting micro-irrigation systems to improve water productivity, better crop management practices such as System of Rice Intensification (SRI); adoption of technology, diversification towards high value market oriented horticultural crops such as vegetables and fruits, adoption of integrated farming systems that include crop and livestock components, among others. Hill districts are suitable for horticultural crops and good quality fruits, vegetables and spices like orange, kiwi, pineapple, ginger, turmeric, passion fruit, litchi are produced in the state.

Manipur has high demand for animal products due to dietary habits. However, livestock population in the state has declined severely over the years as successive quinquennial Livestock Census, latest being in 2017, revealed. Also, expectantly, production of meat, milk and eggs have declined over time. Fish production, however, has increased at an annual compound growth rate of 5.83%. The growth, however, is inadequate since fish production of 36 thousand tonnes is well below the demand of over 50 thousand tonnes. Similarly, milk production is around 40% of the demand. Thus, Manipur has potential for growing various crops and go for allied sector activities. It also has high local demand for various food items.

### **Farmers' income in Manipur**

The policy focus, of late, has shifted away from increasing agricultural output to enhancing farmers' income, which the Government of India's resolve to double farmers' income by 2022 reflects. It will have a direct impact on more than 50% of the Manipur's population involved in agriculture. An average Manipuri agricultural household earned ₹.8,842

per month in 2012-13 as per NSSO's 70<sup>th</sup> Round survey (All India: ₹.6,426). About 3 years later, i.e. in 2015-16, an agricultural household in the state earned an average income of ₹.9,861 (All India: ₹.8931)<sup>1</sup>. More than 4/5<sup>th</sup> of the income usually goes for consumption leaving very little surplus for reinvestment or absorbing shocks. Thus, we need to create more opportunities and avenues to farmers in agriculture as well as beyond, for augmenting incomes. It is laudable, in this context, that Manipur is one of very few states who prepared a road map for doubling farmers' income.

Often, major health shocks or heavy expenses on education by households can impoverish them. NSSO Survey, 75<sup>th</sup> round, revealed that expenditure on hospitalisation, per case, either in public or private facility in Manipur, is 56% higher than the national average. Losses due to crop failures, death of animals, market failures, etc., can impair the economic activity.

### **Hi-tech agriculture can be a game changer**

For enhancing farmers' income, besides steps like effective timely input supply, ensuring efficient markets, and so on, adopting hi-tech agriculture can be a game changer. It can increase crop yields by 5 to 8 times while saving precious resources like water, nutrients and ensuring lower use of pesticides. Further, we can produce off-season crops for tapping lucrative markets and bring areas hitherto not considered suitable for cultivation under plough. In several parts of the country, hi-tech agriculture is practiced successfully, and Manipur farmers too need to be given exposure for such techniques. Potential areas for Hi-Tech Agriculture are: Urban and peri-urban areas to meet requirements of fresh produce like vegetables, fruits and flowers round the year; areas with limited land, water resources, natural hardships, and small and marginal land holdings for adopting intensive production technologies.

### **Exploit agricultural-industry growth linkages**

Unless we forge effective growth linkages between different sectors of the economy, especially agriculture and industry, the synergies cannot be reaped for mutual benefit of the sectors. Manipur offers lot of scope for

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<sup>1</sup> As per NABARD All India Rural Financial Inclusion Survey (NAFIS), 2016-17.

such linkages- agriculture capable of providing a wide range of raw materials for the industry, educated and technical work force available in the state to operate the industrial jobs, industry and service sectors providing additional sources of incomes and a never-seen-before variety of items for consumption for the people of Manipur. For example, Hill districts produce various horticultural products like fruits, vegetables, and spices and condiments besides various medicinal herbs, which can provide raw material for the agro-processing industry. Overall, there will be pervasive welfare gains. It is heartening to note that the growth of Non-Agricultural Enterprises in food processing sector in Manipur has been very impressive, at the rate of 15% per annum as per NSSO surveys. The Mega Food Park recently sanctioned for Manipur, once completed, can transform the processing landscape in the state.

Manipur, like other North-Eastern states, has scope for developing industries around its cultural and traditional skills such as handlooms and handicrafts. Manipur has natural advantage in developing bamboo-based industries. NABARD and other agencies have been conducting skill trainings and extending marketing support, which of course, needs to grow in scale. Considerable potential is also available for establishment of cane and bamboo based industrial units for manufacture of a variety of household and office furniture items, partitions, decorative items, bamboo-mat boards, bamboo-mat flooring, etc. An effective intervention for skill up-gradation, appropriate product designing, quality control and organized marketing and raw material supply arrangements will transform this traditional sector into a highly remunerative market-oriented activity, generating more employment and income in the state.

Animal husbandry is an integral part of our culture and agriculture. It is one of the identified avenues available for farmers to for enhancing income and bring income stability besides bringing synergies through better by-product utilisation. Milk supply in Manipur at 82 tonnes per annum is way below the demand of 200 tonnes. Since a decline in livestock population of 21% has been observed in 20<sup>th</sup> Livestock Census - 2017, this high demand for milk can only be met with increase in productivity. Availability of quality animals has been a major issue in Manipur in this regard. The state has 5.5 lakh livestock and 59 lakh poultry birds. The state has potential for piggyery due to local demand. Livestock infrastructure, establishing and equipping animal health centres, enhancing availability

of quality animals, encouraging more dairy farms, are some of the urgent measures. Since the state is the birthplace for polo, demand for ponies and related veterinary services is there. Manipur with water bodies in plenty has high potential for upscaling fish production and the demand is much higher than present supply.

### **Together, they can**

The average size of holding has remained small at 1.14 ha through 2015-16. Thus, farms tend to be unviable due to small scale. Also, due to low volume of production, bargaining power of these small holders is an issue that can deprive them of fair prices. In this context, Farmer Producers' Organisations have emerged as an effective mechanism to transform small-holder agriculture into a viable agri-business enterprise and to increase the net income of farmers, particularly the small and marginal. Governments, Apex financial institutions such as NABARD, private donor organizations, financial institutions and many other institutions are supporting the FPOs to enable their emergence as successful business enterprises.

NABARD's experience shows that significant capacity building and handholding is required before the POs attain organizational, financial and commercial sustainability. It requires a gestation period of three to five years for generating meaningful benefit to the members. NABARD has promoted 11 FPOs in recent times and envisage many more to come up.

### **NABARD's initiatives in Manipur**

In cognizance of the above observations, NABARD has been implementing various programmes and interventions. Some of them are listed below:

- Farmers' Producers Organisation (FPO): Five Farmers Producers Organization (FPOs) have been promoted under Produce Fund with a coverage of more than 2000 famers undertaking cultivation of black rice, organic vegetables, spices, processed bamboo shoots and fisheries. The FPOs have been registered as Farmer Producer Companies. Registrations have been completed for all the FPOs. A 3-days training programme for FPOs have been organised with technical support from Yuva Mitra, Nashik, Maharashtra. Further, two CEOs also participated in a 3-months Certificate course

organised by NABARDs training Centre, BIRD Lucknow in Guwahati and two attended short course in MANAGE. The FPOs have started marketing their products procuring seeds, fertilizers and other raw material in bulk to minimize the cost of production.

- Tribal Development Programme (TDF): NABARD has been closely associated with tribal development and sustainable livelihoods through orchard-based farming systems. As an integral component of NABARD's Natural Resource Management (NRM) policy of providing sustainable livelihoods, NABARD laid special emphasis on providing support for holistic development of tribal communities with orchard establishment as the core element. Based on the successful experience of Adivasi Development Programmes, NABARD embarked upon an ambitious program of replicating the wadi model across the country. In this direction, NABARD created a Tribal Development Fund (TDF) with a corpus of ₹. 50 crore, out of its profits for 2003-04. The corpus was augmented from time to time. All projects under TDF are implemented by partnering with State Governments, Government of India, NGOs and Corporates. In Manipur there are 5 on-going wadi projects encouraging tribals to raise orchards of various fruit crops. Fruit crops like pomegranate, orange, avocado, litchi, kiwi and amla are being grown in these wadis. Since these wadis are raised on Jhum lands, the environmental benefits of these projects will be huge. These projects with an outlay of Rs.793 lakh consisting of Rs.651.31 lakh of grant and Rs.20 lakh of loan from NABARD, will benefit 1300 families.
- Spring-shed Based Watershed Programme: Due to adverse impact of climate change in the recent past in the region, the springs, which are the lifeline in the NER are getting dried up, affecting agriculture and livelihood of rural community. To address the issue, NABARD is promoting innovative and integrated concept of Spring-shed based participatory watershed development programme in NER, including Sikkim on a pilot basis with financial support under WDF. The programme was launched in January 2017, and the entry point activities are being undertaken in the programme area. The approach is expected not only to address drinking water scarcity in the region but also, help farmers doing farming during off-season as well, for the alternate livelihood. We are implementing 4 projects

NABARD, Manipur

during the current financial year in the identified areas in Ukrul, Senapati, Noney, and Churachandpur. Together they cover over 1100 families and 2100 ha area.

- NABARD also organised field visits of farmers to successful projects to create awareness. We also sponsored pilot project to demonstrate in low-cost *Ishingkom* (water harvesting structures).

### **SWOT analysis for Manipur agriculture**

The Manipur agricultural sector has several strengths and equal or more number of weaknesses. Due to demand-supply gap for many agricultural items, state depend on imports and this vulnerability came out openly during the lockdown following the corona pandemic outbreak. Despite several opportunities, the growth of agriculture and improvement in farmers' welfare remained slow and exposing the unpreparedness to ensure food security for facing any crisis. The following chart summarises the SWOT analysis.

The agricultural sector has certain weaknesses because of which the impact of disasters such as corona pandemic will be more pronounced. However, since there is lot of scope for making agriculture vibrant, efforts are needed towards strengthening the sector and the farmers.



Chart 2. SWOT analysis for Manipur agriculture

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<ul style="list-style-type: none"> <li>• Rich Natural Resource base and major biodiversity hotspot in India</li> <li>• Educated youth &amp; Entrepreneurial nature-2nd rank among smaller states in innovation index</li> <li>• Start-up activity in agri &amp;MSME is abuzz</li> <li>• Varied Climate - Plain &amp; hills suitable for growing a variety of crops</li> <li>• Water resources- well distributed rainfall</li> <li>• Art &amp; craftsmanship among people</li> <li>• Good demand for animal products</li> <li>• Stronger community institutions and growing number of FPCs and SHGs</li> </ul>	<ul style="list-style-type: none"> <li>• Low level of technology and Input availability – is a problem</li> <li>• systematic water harvesting not there</li> <li>• Inadequate agri marketing within and beyond state - logistic constraints &amp; expensive- no APMC act</li> <li>• Lower crop productivity</li> <li>• Limited double cropping</li> <li>• declining livestock numbers</li> <li>• demand far exceeding supply for many food items</li> <li>• inadequate agri/food processing capacity</li> <li>• Credit flow is tardy</li> <li>• Weak financials of the state</li> <li>• Poor infrastructure</li> <li>• Hill-plain dichotomy</li> <li>• No railway connectivity</li> <li>• Weak supply chains</li> <li>• Limited organised retailing of farm products</li> <li>• Inadequate Rural health care</li> </ul>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<ul style="list-style-type: none"> <li>• Strategic location</li> <li>• Act East policy -higher impact on Manipur and scope for larger border trade</li> <li>• Potential for horticulture- variety of fruits and vegetables can be produced in the state</li> <li>• Potential for border trade</li> <li>• Scope for Agri &amp; industrial linkage</li> <li>• Scope for handicrafts and handlooms</li> <li>• Food processing opportunities</li> <li>• Good scope for MSME growth</li> </ul>	<ul style="list-style-type: none"> <li>• Political uncertainty</li> <li>• Law &amp; order situation</li> <li>• Porous borders / international</li> <li>• Hill-plain divide &amp; ethnic issues</li> <li>• Imbalance in composition of production and consumption baskets enhancing vulnerability in food security</li> <li>• Heavy import orientation for essentials</li> <li>• Inadequate disaster preparedness, and supply of essentials may get affected in case of crisis and blockade</li> <li>• Limited health facilities across the state</li> <li>• Falling Nutritional intake</li> </ul>

## **Manipur Agriculture amidst the Corona Pandemic**

K J S Satyasai

Crisis is a great teacher. It is a path changer too as it can throw many opportunities besides challenges. This is true even in the present corona virus pandemic which ushered in a global crisis. It has thrown many challenges for governments, civilians, businesses, supply chain systems, farmers and consumers alike. The immediate challenge to governments is to ensure strict quarantine, which led to countrywide lockdown of over 3 weeks in our country. This resulted in breakdown in supply chains of daily essentials like milk, vegetables, fruits, and grocery items leading to panic stock piling by a few consumers even of non-essentials like toilet paper. Consumers are apprehensive of the availability of these essentials and government machinery too is facing challenge in streamlining and rebalancing the supply chains, as they are not prepared for such situation. All along, we are used to managing floods, droughts and not such a pandemic. In case of other crises, we can get supplies from other states or countries. Now these options are not available at all. We have now to gear up local supply chains and change business models and rebalance consumption and production patterns. In such situation, agriculture plays an immense role and we should redefine the roles of stakeholders in reorienting it. This article shares a few thoughts in this direction in the context of Manipur agriculture.

### **Long lockdown**

The Novel Corona pandemic and 21-day lockdown in the first phase and another 19-day in second phase can take a heavy toll on agriculture and rural economy. Ministry of Home Affairs (MHA) has released a set of guidelines during the first phase and series of amendments to exempt agriculture and related sectors, marine segment, and farm operations to bring relief to farmers whose crops are ready to harvest. Second phase guidelines are released on 15 April 2020 which specified exemptions for

agriculture and financial sectors, among others. Relevant items are listed in Annexure. All essential agriculture and financial transactions are exempted. Many news reports are there highlighting that migrant labour walked back to their states or in quarantine centres, because of which farmers are not able to harvest their crops on time. Overall, in spite of exemptions and other steps, agriculture is likely to bear the brunt of lockdown.

### **Disrupted supply chains**

Manipur is a net importer of many agricultural commodities especially vegetables and is not self-sufficient in fish, milk, pulses and oilseeds. There will be shortage of these items for a few days and people, who are accustomed to consuming a diverse basket of items, will suffer a loss of welfare. Added to this, last year due to drought Manipur paddy production suffered a big jolt. However, a lesson for future is that we shall plan for diversity in our production basket. Manipur is blessed with diverse agro-climatic conditions and adequate rainfall and water resources and thus, diversifying its agriculture is possible. Also, there is potential to enhance cropping intensity, especially with additional irrigation capacity created under Thoubal and Dolaithabi projects, funded by Jal Shakthi Minsitry and NABARD, and distributed micro-water harvesting structures, known as *Eishingkom (jal kund)*. Further, protective cultivation techniques are available for even growing off-season and exotic vegetables besides enhancing yields.

Another issue is paralysed supply chains due to restrictions on vehicle and labour movement. Developing local supply chains is an answer to this. How quickly local producers adopt to the surge in local demand is important. In Manipur, three Farmer Producer Companies (FPCs)- M/s Yumbi Agro FPC, Mangjil Agro FPC, and, Fidam FPC, have jumped into the fray to supply vegetables and other farm produce and obtained permission to home deliver. This is an exemplary initiative by these FPCs representing several hundreds of farmers. Thus, the farmers' produce, which would otherwise perish, can be sold. These FPCs can tap larger customer-base due to closure of *Emas* markets across the state. Farmers will not lose their incomes, and in fact, may even earn more. This also protects consumers' interests and at the same time, FPCs can get new customer-base, which they can consolidate even beyond the crisis period.

Only, the FPCs should understand the needs of the consumers to retain them in future.

Livestock economy is crucial for Manipur and the present crisis hits it severely by reduced demand for poultry birds and higher cost of feed and concentrates. Integrated livestock farming with inbuilt supply chains for feed and fodder is a viable but medium run solution. Investments under various components of National Livestock Mission should be scaled up in next couple of years.

### **MSME is not spared**

Most of the small businesses (MSME) will face the brunt due to the lockdown as they find it difficult to pay the workers and other fixed costs. They may lose client base. This is the opportunity for these units to rethink about their business models, choice of technology, degree of automation, delivery systems, raw material sourcing decisions, market outreach, e and so on. Banks need to come out with bridge loans to tide over the cash shortage once these establishments open after a few weeks. Several measures announced by RBI such as moratorium on EMIs, protection of downgrading the loan account on account of deferment of interest payment, relaxing working capital margin, measures to infuse more liquidity into system, lower repo rate, etc, will address some of the issues. However, these are at macro level and their impact can be felt at ground level only when banks are responsive to local needs. Workers laid off during these periods and migrant workers in the construction and other informal sectors will have hard time and may not be reemployed even after reopening of the establishments. Certain reskilling and rehabilitation programmes may have to be organised under DDU-GKY or similar programmes.

### **Low level of financial inclusion**

Financial inclusion, especially digital penetration, in Manipur is very low and in the present situation, this is proving a handicap in smooth transition. The overload on banks because of avoidable cash handling and excess time spent and risk in ATM hunting by customers. This is another lesson from this crisis that more the digital penetration, smoother will be transition. Also, various support measures of governments such as

transferring certain amount to the daily wage workers, women and other needy people and making payments out of such transfers would be seamless in case of higher digital penetration.

Even after ending the lockdown and getting free from the pandemic, it may take several months of readjustments in the business models and, of course, certain hard decisions impacting incomes and employment, before we bounce back. However, the present crisis will help us understand the importance of agriculture, identify the fault lines in the present production, distribution, and marketing systems and highlight localisation of supply and demand for essentials.

## **Manipur and the Covid-19 Pandemic: A Few Mitigation Measures**

G. Thangchinkhup and R. Ravi Babu

Manipur is land-lock state located in in the eastern-most corner of Northeast India. The state shares borders with other north-eastern states of Nagaland, Mizoram & Assam & the neighbouring country of Myanmar. As the state is endowed with its wealth of flora and fauna, Manipur is described as a ‘flower on lofty heights’, ‘a jewel of India’ and ‘Switzerland of the East’. The key industries of the state are handlooms and handicrafts, sericulture, food processing, bamboo processing and mineral-based products.

Agriculture and Allied activities being the main occupation of the people of Manipur, it has an important place in the economy of the state. The primary sector continues to be the backbone of the state’s economy. It contributes a sizeable share to the State Domestic Product. Nearly 53% of the main workers in Manipur are engaged as cultivators and agricultural labourers. Permanent cultivation is generally practiced in the valley districts while terrace cultivation is practiced in some pockets of the hills where jhum or shifting cultivation is widely adopted in most of the hills.

### **Adverse Impact**

The economic activities have been stopped due to the outbreak of COVID-19 Pandemic. In the present scenario, strict COVID-19 preventive measures adopted by the Government have stopped village farmers from doing their daily farming activities and all agricultural-related movement like transportation of seedlings, roots, saplings, fertilizers, equipment, etc., have come to a grinding halt. The off-farm sectors of the economy are no exemptions. The COVID-19 Pandemic has caused severe adverse impact on rural livelihood for daily wage earners, farmers and micro small

business enterprises resulting in no household income or decrease in income. Scarcity of essential commodities and food items in the rural /hills of Manipur is increasingly felt as the days are passing. Disruptions in the supply chain of farm produce, vegetables and in livestock are resulting in loss of farm income and farmers are compelled to go for distress sale.

The Pandemic has severe adverse impact on livelihoods. It has been noticed that there was less and no economic activities among the rural poor, there is lower overall rural consumer demand. Livestock sub-sectors such as poultry, dairy farming, piggery, etc. and agricultural activities badly effected due to lack of supply of inputs especially concentrated feed for livestock, medicines for livestock, seeds, fertilizers, saplings, and other inputs in agriculture. Further, due to non-availability of raw materials many micro, small and medium enterprises are forced to shut down as most of the raw materials are imported from outside the state. Handloom Sector which is the 2<sup>nd</sup> largest employment provider in the state is affected due to scarcity of raw materials. Due to lack of transportation and lockdown, the rural people could not access banking services which led to cash crunch in the rural economy as the rural people still depend on hard cash.

Lack of supply caused low level of nutrition thereby adverse effect on the health of rural poor. The poor health infrastructure in rural areas and also due to travel restrictions, the Rural Population /farmers could not access medical and health services at urban centres. Children of many Manipuris are stuck in other cities for education and are facing financial hardships due to lockdown. Parents back home lost their earning opportunities.

### **Mitigating Measures in the context of Manipur**

NABARD Interventions in both farm and off farm should be intensified as interventions only through participatory approach may not be sufficient due to the impact of COVID-19 pandemic. NABARD in partnership with line departments, NGOs/Agencies and through its promoted FPCs/FPOs can provide and also take up various mitigation measures with plausible and suggested actions. The State Government needs to involve SHGs, NGOs and FPOs/FPCs in sharing the mitigation measures through enabling instructions/framing up policies.

The production of feeds for livestock- Poultry, Fisheries, Dairy is limited in the state. Presently, the gap in feed requirements are met through import from other states. Self-sustaining in Feed production within the state is required for sustainable livestock farming. The FPOs /FPCs and SHGs may take up as part of business plan/income generating activities. The same may also be supported to entrepreneurs through new scheme Rural Business Incubation Centres of Off-Farm Development Department of NABARD. The farmers and other rural people are travelling long distance to avail banking services. The rural and poor farmers find it difficult to access basic banking services due to lack of transportation and lockdown. As the rural people could not access banking services, there is severe cash crunch in the rural economy. This is a major limitation for any economic activity/transaction in the rural areas as the rural people still depend on hard cash. Utilizing the support under Financial Inclusion Fund (FIF) of NABARD, Banks may establish of CSP with limited capital expenditure in village cluster level. The capital expenditure may include equipment for CSP. Additional Mobile ATMs may be supported in the rural areas under FIF so that the banks premises are not crowded. The mobile ATMs, which are already in place should be put to use especially for the benefit of rural masses.

The farmers experienced lack of supply of inputs, especially seeds, fertilizers, saplings, and other inputs in agriculture have long-term adverse impact. Local or Village Seed Banks may be set up at the Cluster level under Farm Sector Promotion Fund (FSPF) of NABARD and other Government schemes. For sustainable farming, organic and bio-fertilisers and bio-pesticides may be manufactured locally as Innovative Interventions for which eligible agency may be scouted among FPO/POPIs/NGOs/KVKs. Under Farm Sector Promotion Fund / Grameen Vikas Nidhi/Producer Organization Development Fund (PODF), transport vehicle support for supplying farm produce from village market to urban centres /district headquarters shall benefit the farming community and avoid distress sale. This will increase direct and indirect income to the farmers. Working capital for local production of organic manure/ fertilizer/marketing of farm produce may be provided and made easily accessible to FPOs/FPCs. Greater involvement of banks to finance FPOs/FPCs is required at this crucial period. SHG members engaged in Weaving, handloom sector may be provided interest free working capital from Banks through Government intervention. To get critical inputs and



to carry out operations, financial assistance needs to be provided to good and working Primary Weavers Cooperative Society (PWCS) by banks. Support for basic infrastructure and capacity building of functionaries may be provided under Cooperative Development Fund (CDF) of NABARD.

Human Capital Development through basic health services is essential for productive workforce. Community Health Programme for farmers on health, nutrition and sanitation may be supported under Gramin Vikas Nidhi (GVN), a fund created by NABARD for off farm sector intervention which will supplement Government Interventions. The available funds under TDF – health component may also be used. A resilient rural economy in general and agricultural economy which feeds billions is important. The Government of India has declared agriculture activities and marketing of farm produce as essential services. However, due to cooperative federalism, different states may have different approach within the broad framework of following advisories from the Central Government. The Government may formulate concrete Policy on Disaster/Pandemic Management with special focus on Agriculture and allied activities providing enough space for using services of NGOs, FPC/FPO and SHGs network. The disaster management framework may include SHGs and their federations in health and disaster management, promoting *Swasthya Sakhis* among SHG women and training in emergency response system and providing them with basic equipment.

## **Leveraging Rural Credit System for Pandemic Situation and after**

K.J.S.Satyasai and R. Ravi Babu

### **Agriculture still matters**

Agriculture continues to be the backbone of the state's economy supporting livelihoods of more than half of the workforce directly and many more indirectly. Though the state has diverse agro-climatic conditions suitable for a variety of crops, *jhum* cultivation is still prevalent in hills cultivating paddy with low productivity. While Manipur has high literacy rate and people are entrepreneurial, unemployment among youth too is significantly high. Inadequate infrastructure, poor logistics, lack of cheaper and faster transport facilities from hills, predominance of small holder producers, inadequate processing facilities, lack of efficient storage and marketing facilities, lack of cold chains for perishables, lack of major industries within the state, and poor access to credit are a few constraints to tap much avowed high growth potential of the state. Presently, agriculture GDP hardly grew in real terms over last few years. Goals like doubling farm incomes, diversification of economic growth, protecting farmers from risks, providing employment to all, ensuring food and nutrition security to all, and providing basic universal health care, remain distant dreams unless both public and private investments take place, new enterprises emerge and old ones expand, adequate input supply is ensured, agricultural extension system is geared up, marketing facilities are created, infrastructure and other bottlenecks eased through investments, and so on.

### **Credit is due**

One common factor running through all these measures is ensuring adequate and rightly priced credit supply to primary producers, entrepreneurs, marketing agencies such as wholesalers and retailers, dealers, infrastructure developing agencies, and governments at different

levels. Credit plays an important role in the development of any sector, especially for agriculture sector which has the predominance of small and marginal farmers. With network of 212 bank branches spread across the state, the aggregate deposits of the commercial banks, Regional Rural Banks (RRBs) and cooperative banks put together in the state as on 31<sup>st</sup> March 2019 stood at Rs. 10091.61 crore registering a growth rate of 5.74% over the corresponding period of the previous year. The aggregate loans outstanding as on 31<sup>st</sup> March 2019 stood at Rs. 5742.62 crore, registering a growth rate of 27% over the corresponding period of previous year. The total advances are showing a healthy growth over a period of last five years. The Credit-Deposit Ratio of the banks as on 31 March 2019 stood at 57%, as against the stipulated RBI norm of 60%.

However, there certain major concerns about the financial system in the state about its outreach as most blocks are still unbanked or inadequately served and people depend heavily on informal sources of credit. There are still 15 unbanked blocks in the state. The branch network is very thin, especially in hills where there is extremely low bank branch density. Financial exclusion is high and share of institutional credit in total credit availed is considerably low in Manipur as various surveys revealed. Another concern is declining share of agricultural advances (outstanding) to total from 19% in 2014-15 to 8% in 2018-19 against stipulated target of 18% as per priority sector lending policy guidelines of RBI. The agricultural advances grew negligibly during this period.

One of the reasons can be poor health of MnSCB and MRB which are major lenders to agriculture in the state. Manipur State Cooperative Bank (MnSCB) has been all along in red and only recently turned around, meeting the regulatory requirements of banking. Most of the Primary Agricultural Cooperative Societies (PACS) operating at the grassroots level at the bottom tier below MnSCB are defunct crippling ground level credit flow. Manipur Rural Bank (MRB) has dangerous levels of accumulated losses and is under Prompt and Corrective Action (PCA) framework. Commercial bank branches operating in the state are more concentrated in valley and that too in Imphal. All these agencies have recorded poor recovery and huge Non-Performing Assets (NPAs) in their portfolio choking their credit lines. Thus, the financial system in the state may not be able to make a sizeable difference to credit flow, in the short run at least. However, due to recent turnaround, MnSCB could avail refinance from

NABARD. Similarly, with recent capital infusion, Manipur Rural Bank (MRB) is expected to meet the regulatory requirements and qualify for NABARD refinance during 2020-21. By leveraging low cost refinance from NABARD, they may lend more to agriculture and allied activities and micro & small business units.

### **Challenges to financial system galore**

The situation, thus, was grim for credit flow to agriculture and other rural sectors even before the COVID-19 pandemic played spoil sport in the crucial last quarter of 2019-20. Now a lockdown imposed will add to this. The question that crop up in this context is: How does corona pandemic change the situation in the real sectors of the economy and how shall the financial sector respond? Amid predictions of low/negative economic growth and rise in unemployment due to Corona pandemic, fall in both demand and supply of goods and services can be noticed. FAO is sending alarming signals of imminent food crisis unless we de-clog the food supply chains urgently. Both supply and value chain networks are significantly affected by the on-going lockdown. In a situation where corona pandemic and the lockdown from March 2020 has disrupted primary production and supply chains both in agriculture and MSME sectors, impairment of health of financial institutions due to lockdown comes as a double blow. For, financial support from banks is very much required during such times when incomes drop, and commitments rise. The financial system, thus, has multiple, often nested, challenges. First, it must improve its performance and credit dispensation to agriculture and rural development and cover the lost ground to make an impact. Second, it should understand the lockdown impact on its own being and protect itself. Third, it should gear up to meet the emergent financing needs of various sectors. Fourth, it should understand the impact of lockdown on the real sector and design products to suit the newfound needs of the sectors. Fifth, it should chalk out the credit plan in post-corona times for next 3 years. Sixth, it should offer a bouquet of financial products including insurance which can impart risk absorption capacity.

### **Policy and proactive measures by higher age ncies**

Government of India, RBI and NABARD have been closely monitoring the impact of corona pandemic on various sectors of the economy and

announcing series of measures from time to time. NABARD has come out with refinance policy circulars providing relaxation to banks in meeting the eligibility requirement.

The Reserve Bank of India (RBI), on 27 March 2019, announced a few measures aimed at minimising the damage from Covid-19. The measures are expected to inject Rs.3.7 trillion liquidity to the system. These measures include:

- Repo rate cut by 75 bps from 5.15% to 4.40% and reverse Repo rate reduced by 90 bps from 4.90% to 4.00%
- Auctions of targeted term repos of up to three years tenor of applicable sizes for a total amount of up Rs.1 trillion to be conducted at a floating rate linked to policy repo rate.
- Cash reserve ratio (CRR) of all banks reduced by 100 basis points to 3.0 per cent of net demand and time liabilities (NDTL) with effect from 28 March 2020 till 26 March 2021.
- Requirement of minimum daily CRR balance maintenance reduced from 90 per cent to 80 per cent effective from 28 March 2020 to 26 June 2020.
- Under the marginal standing facility (MSF), banks can now borrow overnight by dipping up to three per cent into the Statutory Liquidity Ratio (SLR). This will be applicable up to 30 June 2020.
- All banks permitted to allow moratorium of three months on payment of instalments in respect of all term loan EMIs outstanding as on 1 March 2020.
- Lending institutions permitted to allow deferment of three months on payment of interest in respect of all working capital facilities outstanding as on 1 March 2020.
- Moratorium will not adversely impact the loan account status or the credit history.

RBI has further announced on 17 April 2020 new set of measures to mitigate the impact of covid-19 pandemic on the economy.

- the reverse repo rate has been reduced by another 25 basis points to 3.75%. Banks deposited ₹4.9 lakh crore net surplus liquidity with RBI on 16 April. Lower rates encourage banks to lend rather than keep deposits with RBI.
- RBI has now announced a ₹50000 crore targeted liquidity injection for NBFCs and MFIs. Scheduled Commercial Banks have lent NBFCs over ₹7 trillion, but more may be required.
- ₹50000 crore of refinance facility has been extended to NABARD, SIDBI, and NHB, which will be used for on-lending to regional rural banks, MSMEs and HFCs.
- States have seen their revenue streams shrink. Markets anticipate states to borrow to meet their spending needs. RBI has further increased WMA limit for states to 60%, from 30%, over March 2020 levels. This will give states room to pace out borrowings and bring yields lower.
- RBI has allowed customers availing moratorium to be exempt from the 90-day asset classification norm, which is extended to NBFCs borrowers also.
- For the commercial real estate sector, RBI had earlier allowed banks an additional year of moratorium before classifying these loans as non-performing. The same has been extended to borrowers of NBFCs as well.

### **What can bankers do?**

In the present volatile climate, with skeletal staff manning the bank branches to look after basic activities, the advances especially to agriculture and allied activities are bound to receive a major hit. The farming operations usually commence by this time and early showers are received in April month. Agriculture credit is vital in this period. The revised guidelines of Ministry of Home Affairs on 15<sup>th</sup> April 2020 allowing Agriculture and allied activities including procurement and marketing of produce with effect from 20 April 2020 amid COVID pandemic is a welcome move. This emphasizes imminent need to take stock of emerging credit needs and ensuring availability of cash in bank branches and ATMs.

In this background, at present and post -COVID lockdown, banks need to intensify efforts especially in the following directions:

- Providing moratorium for the loan repayments as per recent RBI circular
- Immediate finalization of Scale of Finance of crops, working capital for Animal husbandry activities including Poultry and Fisheries, etc., for the year 2020-21 by SLTC
- Finalizing unit cost of investment activities under Agriculture and allied activities by State Level Unit Cost Committee
- Coverage of all PM-KISAN beneficiaries with KCC and ensuring their saturation
- Extending KCC to farmers/entrepreneurs involved in AH and fisheries activities and GCC for artisans and other entrepreneurs
- Term loans for agriculture and allied activities
- Financing for fish feed and animal feed supply chains
- Encouraging formation of Joint Liability Groups among lease land/tenant/ oral lessee farmers and financing JLGs.
- Financing for investment activities (especially under Area Based Schemes focussing on fisheries, horticulture, dairy and piggery)
- Financing SHGs and providing working capital loans to FPOs/FPCs
- Access to insurance products should be enhanced to take care of asset and income loss in disaster times
- Conducting village level meets to identify the farmers left out of formal bank credit and building data base for their coverage
- Exploring alternative to land ownership rights in hills such as government issued land utilization certificate to farmers/cultivators without proper ownership records. On-line access to land records (where Manipur Land Reforms & Revenue Act is applicable) will greatly facilitate bank loans to farmers.
- Intensive monitoring by controlling offices of banks, bankers' committees at different levels.
- Close coordinating with line departments for appraisal of loan needs and recovery.
- Use of mobile ATMs for making availability of cash to the needy rural people
- Intensifying financial literacy camps mainly to promote digital transactions

Banking system cannot meet the above challenges alone in isolation. Also, credit flow cannot increase autonomously independent of technology adoption, expansion in irrigated area, better supply of inputs and extension, innovation, better skills and entrepreneurship, increased public capital formation, and improved connectivity. This requires support from government, RBI and NABARD and other stakeholders. NABARD, on its part, is supporting government initiatives for completing Dolaithabi and Thoubal multi-purpose projects, which may bring about 40000 ha under irrigation. Further recently sanctioned Loktak lift irrigation project is likely to irrigate 12600 ha in the coming five years. Several road and bridge projects as also social sector projects like primary health care centres have been supported by NABARD loans. The mega food park sanctioned under PM Kisan Sampada Yojana of MoFPI and Food Processing Fund (FPF) of NABARD are likely to enhance the much-needed food processing capacity in the state. Further, NABARD has been funding skill development programmes for rural youth and SHG women. Several other initiatives in skill formation are being implemented by various players. All these efforts of multiple agencies should be coordinated to standardise and deduplicate the efforts.

NABARD has been funding small orchards (known as *wadi*) by tribals in 5 locations, development of springsheds in seven locations, and 11 Farmers Producer Organisations (FPO) which are associations of farmers. All these projects, reaching to thousands of families, have potential to increase the farm production and thereby investment demand for processing facilities and logistics. And, of course, demand for credit is likely to increase. This adds to the challenges of the financial system.

In these testing times, financial system, though being one of the affected segments, has the potential to help the real sector bounce back faster. Government of India, Reserve Bank of India, and NABARD are bringing out proactive policy changes. Perhaps, credit guarantee system is needed to give confidence to lenders. Eligibility of banks for receiving refinance and other assistance, recent relaxations given by NABARD notwithstanding, may pose some hurdles in reaching the policy intent and package announced to the ultimate people. However, it is the banking system, which knows the ground realities, that can help the farmers and entrepreneurs out there ready to roll the Juggernaut once again.



## **Farmers Producer Companies of Manipur as Coronavirus Warriors**

K J S Satyasai and Kiran Singh Thokchom

Corona virus pandemic forced the mankind to test its preparedness and resilience in the face of such events and relook into the fundamentals of its existence on this beautiful planet. When most of us are in lockdown not to catch the infection, there are many warriors who are out there to protect and serve us. Health workers including doctors, police, sanitation workers, essential service providers and bankers are in the forefront. There are, of course, many more unsung heroes such as farmers and Farmer Producers Organizations (FPOs) who are trying to keep the supply lines for food and essentials running. Government of India rightly exempted farmers and farm labourers from lockdown.

### **Closure of markets led to distress selling**

The lockdown in Manipur started earlier as the state government closed the Ima Keithel, Asia's largest all women's market, and all women markets across the state from 21 to 25 March 2020. Due to this the Sajibu Cheiraoba festival lost its fervour this year. The lockdown can be more serious for Manipur since it is a net importer of many essential commodities including fruits and vegetables and its supply chains of such commodities can choke faster as borders are sealed and transport is banned. Even for the available supplies reaching them to consumers is a challenge as the system of home delivery is very nascent and limited to small pockets. As of now, the officials have twin challenge of ensuring effective lockdown and ensuring supply of essentials to public. On the other hand, many farmers are resorting to distress selling of farm produce.

### **Farmers' organisations can help**

In such situations, farmers organisations have great role to play though Manipur has very few of them. Farmers Producer Organisations/

Companies are formed by a group of farmers who come together and register as a society or company to reap the benefits of aggregation and gain scale and scope economies. Four Farmers Producers Companies (FPCs) viz. Yumbi Agro Farmer Producers Company Ltd, Mangjil Agro Farmer Producers Company Ltd and Fidam Farmer Producers Company Ltd, Iramdam United Food Producer Company Limited, Kakching, promoted by NABARD, Manipur came forward and obtained approval from state government to home deliver. NABARD has extended grant support to some NGOs and FPCs to open rural marts and rural *haats* where the products of farmers and artisans can be sold. In Manipur, NABARD is supporting 7 rural marts and 9 rural *haats* which can be networked to serve as sale points for all FPCs and SHG/artisan products from across the state. Government may exempt all these rural outlets from lockdown to enable direct marketing by producers.

For Yumbi Agro Farmer Producers Company Ltd and Mangjil Agro Farmer Producers Company Ltd, it was the first business after they got registered as FPC in February 2020. Although, both the companies have not made any profit as on date, but it is certainly an experience for the newcomers and an opportunity to serve the people while protecting the interest of producers. The challenges faced by the FPCs are ensuring quality, ensuring timely delivery, keeping the price affordable, managing logistics and keeping the delivery costs low, and more importantly fight the mind-set of consumers who are new to home delivery concept. Since the FPCs have ventured into a new business model for the first time and that too unprepared, they may incur losses especially so since they do not resort to rent seeking to exploit the situation. Hence, it is imperative on the state and other stakeholders to compensate the FPCs. If such compensation is promised more FPCs may come forward to benefit farmers and consumers. It appears that the FPCs tend to think of withdrawing from home delivery as government is not giving any support. However, FPCs are more of business organisations and the present crisis is an opportunity for them to develop niche market for their members' products. Hence, we argue that FPCs should think of ways towards viability the new business model than retracting for want of government support.

While in the short run, we may rope in the existing FPCs (there are less than 20 now in the state) and the network of direct sale points of

producers, we should saturate the state with as many FPCs as feasible, sooner than later. Further, the FPCs should help farmers adopt new product lines and help build localised value chains for essentials. When Manipur has fertile land, ample water resources, and conducive agro-climatic conditions that support diverse cropping pattern, developing localised value chains is possible and building viable farmers organisations and leveraging network of direct sale points is an effective strategy to attain preparedness to fight crises in future.

## **Strong Self-Help Groups Network Help Fight Crisis Better**

Dr. K.J.S. Satyasai and Premjoy Singh Irungbam

During crisis times, stronger grassroots institutions can make a difference for the better. Self-help groups (SHGs) are such institutions successfully partnering in combating the corona pandemic. Widely circulating news across social media is that 65936 SHG *didi* (sisters) from 14,522 SHGs manufactured 1.32 million facemasks. In fact, SHG women can do much more than this.

### **SHGs to empowerment**

Manipur has about 31000 SHGs, as per SLBC data as on 31.03.2019, of which 13935 SHGs have received bank credit of ₹ 7564.23 lakh. SHG is a small informal group of 10-20 persons with affinity, voluntarily coming together for a mutual benefit. The members use savings, credit and social involvement as instruments of empowerment. They follow 5 principles, i.e., '*Panchasutra* - regular meetings, regular savings, regular inter-lending, timely repayment, and up-to-date books of accounts. The SHG movement in the country spread across fast since the launch of Self-Help Group Bank Linkage Program (SBLP) by NABARD in 1992 duly supported by policy framework provided by Government of India and RBI. SHGs significantly improved the economic and social conditions of members and their families.

SHGs in the state have evolved as people's perception of the groups is changing. They are no more mere channels of government schemes for them. NABARD together with Manipur State Rural Livelihoods Mission (MSRLM), North East Community Resource Management Project (NERCORMP) and partner NGOs, could drive home the real concept of SHG movement in the state. The attitude of banks and other partners also has been improving. However, the spread of SHGs is limited mainly to a few districts. Assuring enough, the programme can be far more successful

in the state as the SHG concept is not unknown to Manipuri society. It is akin to the practice of *marup* of 16<sup>th</sup> century AD which served the social and productive needs of people based on mutual support and reciprocity.

As we know, Manipuri women have played a very significant role in socio-economic development of the Manipur society which only intensified wherever they associated themselves with SHGs. They have undertaken unconventional livelihood activities such as auto drivers, butchers, besides the traditional ones such as cultivation of crops, handloom and handicrafts, food processing, livestock rearing and marketing of its products, trading of basic essential commodities, etc. Some SHG members are working as bank *sakhis*, *bima sakhis*, animators of EShakti project, and local delivery persons.

Due to the present lockdown for 21 days to combat the spread of the COVID-19 pandemic, SHGs are facing lot of difficulties such as discontinuation of meetings, savings and credit activities; loss of wage labour, economic activities and, hence, income for many members; and, loss of regular contact with partners like MSRLM or NABARD. However, in spite of their hardships, a few SHGs, from Imphal East, Imphal West, Chandel, Churachandpur, and Ukhrul districts, are doing their bit for the society by making facemasks and hand sanitizers at lower than market prices, distributing essential commodities to the poor from the corpus fund of SHGs, collective marketing of vegetables and food grains, and taking part in fair distribution of essential commodities by Government of Manipur to the public.

### **Leverage ‘Ema’ power for relief work**

Since the SHG members belong to local communities, their involvement in delivery of public services in times of crisis tend to be more efficient, cost effective, well targeted and fairer. Hence, state government may think of involving more SHGs in crisis management as they can reach out to more people at lower cost. Unfortunately, spread of SHGs is limited to a few districts only. Further, hardly 50% of the existing SHGs are active. Hence, while in the very short run we may rope in the services of more of existing SHGs, post-COVID-19 period, it should be our priority to spread the SHG promotion to all districts and revive the defunct ones. Also, we shall train a few members across the state as *swasthya sakhis* who can

supplement the efforts of health machinery in normal times by spreading health awareness among the community and work as informed volunteers in times of epidemics such as the present one. A few members should also be trained in disaster management to be used during disasters. There is evidence from different states of the country about the active role played by SHGs during disasters.

### **Help SHGs to help others**

Inadequate linkage with bank credit, low level of financial inclusion and digital penetration are the ubiquitous problems of SHGs which have, in fact, limited their ability to access funds and the role they could play in present crisis. NABARD initiated the EShakti project for digitization of SHG record to provide platform to alleviate these problems. Encouraged by results of pilots elsewhere, NABARD implemented it in Imphal East district from December 2017 and Imphal West district from November 2019. It is a matter of pride that Manipur is ahead in the programme implementation in the country. As a result, the flow of bank credit to SHGs has improved in Imphal East during the last year.

Since SHGs and their members are also affected by lockdown now, we should formulate an effective contingency plan to ensure that they bounce back faster post-COVID-19. Reimbursing interest burden of least 3 months, expanding health care facilities, involving SHGs to build localised value chains for essentials, incentivising for adopting digital financial services, providing additional one-time community investment fund, scaling up capacity building, skilling, and creating a trained cadre of *swasthya sakhis* among SHG members are some of the measures needed.

While SHGs in Manipur are contributing their mite in the current crisis, they can be carved for much larger role in near future. They should be empowered, scaled up in number and capabilities. As someone rightly stated, SHGs and their federations can act as an operating system, such as Windows or Android, that can allow onboarding of multiple development programmes.

## **Manipur Handlooms and Handicrafts during the Pandemic**

K.J.S. Satyasai, G.Thangchinkhup and Boicha Phukrambam Meitei

Handlooms and handicrafts industry reflects rich culture and heritage of India. It preserved and maintained the ancient craft till today. The key industries of the state are handlooms and handicrafts, sericulture, food processing, bamboo processing and mineral-based products. Manipur is land-lock state located in in the eastern-most corner of Northeast India. The state shares borders with other North-Eastern states of Nagaland, Mizoram & Assam & the neighbouring country of Myanmar. As the state is endowed with its wealth of flora and fauna, Manipur is described as a 'flower on lofty heights', 'a jewel of India' and 'Switzerland of the East'.

### **Handlooms and handicrafts in Manipur**

Manipur has the highest number of handicrafts units as well as the highest number of craft persons comprising skilled and semi-skilled artisans in the entire North-Eastern region. Handlooms is the largest cottage industry in Manipur and the state ranks among the top five in terms of the number of looms in the country. It is a traditional cottage industry providing avenues of employment opportunities to the people of Manipur. It is a labour-intensive family occupation in which all the members of a family can participate. Majority of the handloom weavers in the state are self-employed artisans who are carrying on their profession in their own homes with the assistance of their family members in pre-loom and post loom process. Manipur ranks the third position in terms of the number of looms in the country. Therefore, handloom, textiles and handicrafts sectors give second largest employment in the state next to agriculture sector.

Most of the weavers who are famous for their skill and intricate designing are from Wangkhei, Bamon Kampu, Kongba, Khongman, Utlou etc. in respect of fine silk items. The rest of the villages of the state producing all varieties of fabrics. Tribal shawls are made of all types of fabrics. Tribal

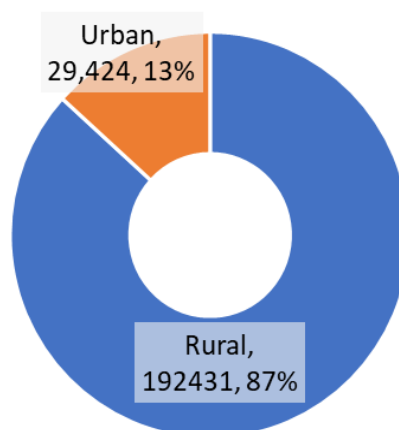
shawls with exotic designs and motifs are the products of hill districts of the state.

Today, major handloom production activities are undertaken by three government organizations namely:

- i) Manipur Development Society (MDS)
- ii) Manipur Handloom and Handicrafts Development Corporation (MHHDC)
- iii) Manipur State Handloom Weavers Co-operative Society (MSHWCS).

As per the 4<sup>th</sup> All India Handloom Census 2019-20, a total of 25,45,312 weaver households have been enumerated in the country. The total number of weavers in these households are 26,73,891. Four states of India account for 18 lakhs of all weaver households in the country. These states are Assam (10.9 lakhs) households, West Bengal (3.4 lakhs), Manipur (2.1 lakhs) and Tamil Nadu (1.7 lakhs). In Manipur 87% of the weaver households are in rural areas (see Chart 1).

Chart 2. Distribution of weaver HH by location



Most of the weavers (94%) are female in the state as against around 72% in the country (Table 1). In urban areas, more of weaver workers are female in Manipur while two-fifths of the handloom workers are male. Gender composition in rural areas is like that at the national level.

Among the 2.1 lakhs weavers enumerated in the state, the average number of person days of engagement in weaving activity is 218 days. The production and consumption of raw materials has been estimated at about 8.64 million meters of handloom fabrics and consuming one million kg of yarn per month. Of this, about 30% of the total weavers are under Co-operative fold and 70% are outside the cooperative fold. There are various types of worker weavers in the state, which are fulltime worker, part time workers, independent workers, hired workers.



Table 1. Distribution of handloom workers

Location/ State	Male		Female		Transgender		Total No
	No	% share	No	% share	No	% share	
Rural							
Manipur	12698	6.51	182412	93.48	16	0.01	195126
All India	778772	25.50	2274516	74.48	403	0.01	3053691
Urban							
Manipur	621	2.10	28915	97.82	22	0.07	29558
All India	196961	42.01	271769	57.97	91	0.02	468821
Total							
Manipur	13319	5.93	211327	94.06	38	0.02	224684
All India	975733	27.70	2546285	72.29	494	0.01	3522512

Source: 4<sup>th</sup> All India Handloom Census 2019-20, Ministry of Textiles, GoI, New Delhi

The economic condition of handloom worker households is not very bright as reflected by income distribution data (Table 2). About 80% of the households in Manipur received less than Rs.5000 per month and another 16% received income between Rs.5000 to Rs.10,000 income from handloom related activities. Very miniscule proportion of households (0.13%) had incomes above Rs.15000. The distribution at all India level is not quite different as 98% of the households earned an income of less than Rs.10,000 from handloom activities.

When the income from all sources are considered, the distribution of handloom worker households according to income earned improved especially for Manipur (Table 3 and Chart 2). About 41% of households in the state have earned between Rs.5000 and Rs.10000 compared to mere 16% households when income from only handloom activities is considered. At all India level, only 26% households reported in this class compared to 16% when only handlooms income considered. The big jump, of 40 percent points, in the frequency in this class was observed for urban handloom worker households of Manipur compared to 23 percent points for rural Manipuri handloom worker households and 10 percent points for all locations at all India level. That is, Manipuri handloom worker households are counting on incomes from other sources.

Table 2. Distribution of handloom worker households according to income from handloom activities

Income class (Rs.'000)	Manipur				India			
	% rural HH	Rural (%)	Urban (%)	Total (%)	% rural HH	Rural (%)	Urban (%)	Total (%)
<5	86.09	78.96	83.46	79.55	88.95	83.61	72.01	82.14
5- 10	87.23	16.03	15.35	15.94	79.37	14.39	25.93	15.84
10-15	96.92	4.90	1.02	4.38	89.50	1.55	1.26	1.51
15-20	86.98	0.10	0.10	0.10	85.62	0.18	0.21	0.19
20-25	59.46	0.01	0.05	0.02	67.20	0.11	0.38	0.14
25-50	42.86	0.00	0.03	0.01	86.00	0.16	0.18	0.16
50-100	100.00	0.00	0.00	0.00	68.06	0.01	0.02	0.01
>100	-	0	0	0	68.93	0.01	0.02	0.01
Total HH	86.74	100	100	100	87.40	100	100	100

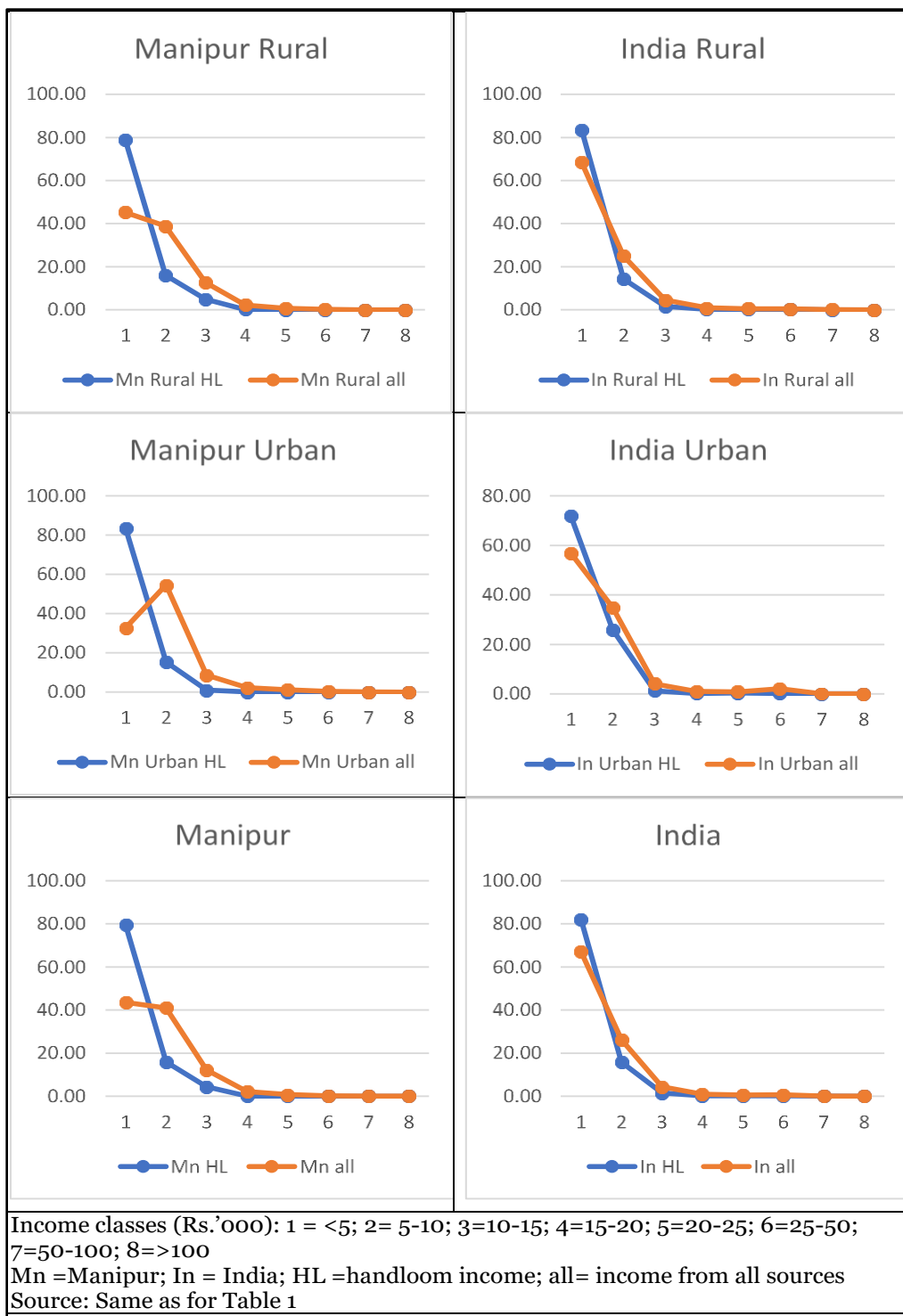
Source: Same as for Table 1

Table 3. Distribution of handloom households according to income from all sources

Income class (Rs.'000)	Manipur				India			
	% rural HH	Rural (%)	Urban (%)	Total (%)	% rural HH	Rural (%)	Urban (%)	Total (%)
<5	90.04	45.21	32.71	43.55	89.30	68.54	56.96	67.08
5- 10	82.32	38.91	54.66	41.00	83.20	24.95	34.92	26.20
10-15	90.53	12.71	8.70	12.18	88.58	4.53	4.05	4.47
15-20	86.73	2.22	2.22	2.22	85.94	0.94	1.06	0.95
20-25	79.87	0.72	1.19	0.78	81.27	0.52	0.83	0.56
25-50	74.56	0.20	0.45	0.23	58.22	0.42	2.08	0.63
50-100	70.77	0.02	0.06	0.03	88.96	0.09	0.08	0.09
>100	83.33	0.01	0.01	0.01	85.01	0.02	0.03	0.02
Total HH	86.74	100	100	100	87.40	100	100	100

Source: Same as for Table 1

Chart 2. Income distribution of handloom worker households



Around one-fourth of the handloom worker households in Manipur possessed bank account and nearly 97% had Aadhaar card. Hardly 3% of the households in the country have reported debt while 1.19% i.e. very insignificant proportion of handloom worker households have reported debt in Manipur (Table 4). Urban households are shade better than their rural counterparts. About 43% of Manipuri handloom households took loans for handloom activities while 40% took for other purposes. Remaining households took loans for both purposes. At all India level, almost 60% households availed loan for other purposes. Higher proportion of rural households in Manipur took loans for handloom activities while most of their urban counterparts took loans for other purposes. At all India, the scenario is contrary to this where most rural households took loans for other purposes and more of urban households availed loans for handloom purpose.

Table 4. Debt status of handloom worker households

State	Location	Hand-loom	Other purposes	Both	Total	no of HH	% HH with debt
Manipur	Rural	1,065	880	289	2,234	192431	1.16
		(47.67)	(39.39)	(12.94)	(100.00)		
	Urban	76	179	145	400	29424	1.36
		(19.00)	(44.75)	(36.25)	(100.00)		
	Total	1,141	1,059	434	2,634	221855	1.19
		(43.32)	(40.21)	(16.48)	(100.00)		
All India	Rural	25,045	48,042	2,471	75,558	2748445	2.75
		(33.15)	(63.58)	(3.27)	(100.00)		
	Urban	11,002	6,721	920	18,643	396394	4.70
		(59.01)	(36.05)	(4.93)	(100.00)		
	Total	36,047	54,763	3,391	94,201	3144839	3.00
		(38.27)	(58.13)	(3.60)	(100.00)		

Source: Same as for Table 1

About 82% of the households in India reported debt from formal sources while the proportion is extremely low at 8.5% (Table 5). The situation for Manipur is better for urban households as nearly one-third of the households reported debt from formal sources compared to just 4.65% in rural areas. At the all India level, the difference across locations is not much.

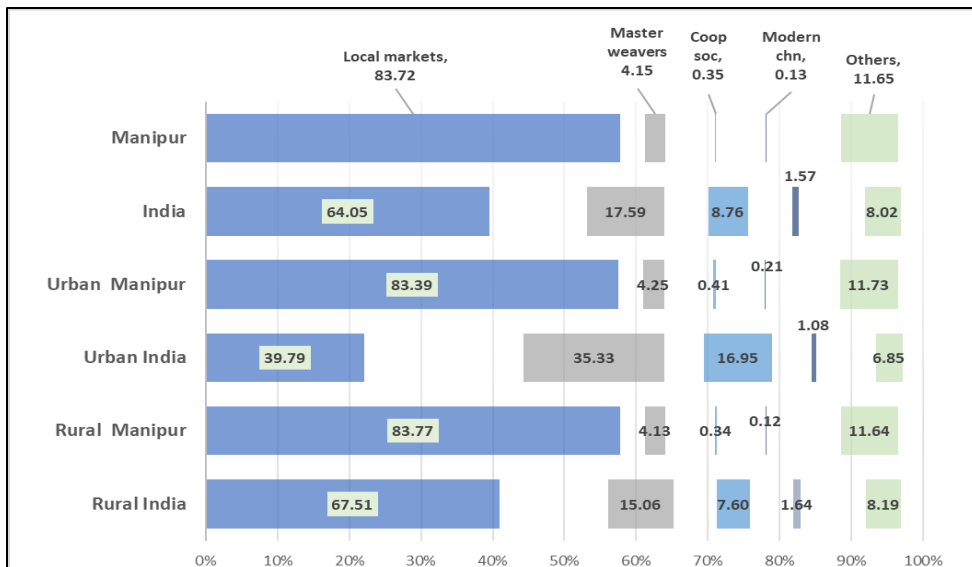
Table 5. Distribution of handloom worker households as per source of loan

Location	Rural		Urban		Total	
Source	Manipur	India	Manipur	India	Manipur	India
Cooperative societies	0.96	30.81	16.29	42.85	3.11	34.45
Commercial banks	0.81	23.93	8.60	21.88	1.90	23.31
Government	1.70	20.21	2.26	11.37	1.78	17.54
SHGs	1.18	7.59	4.98	4.19	1.71	6.56
<b>Formal sources</b>	<b>4.65</b>	<b>82.54</b>	<b>32.13</b>	<b>80.29</b>	<b>8.5</b>	<b>81.86</b>
Master weavers	1.11	6.24	4.98	13.07	1.65	8.31
Friends relatives	76.59	5.24	27.15	1.89	69.65	4.23
Money lenders	15.66	4.00	33.03	2.43	18.10	3.52
Others	1.99	1.98	2.71	2.32	2.10	2.08
<b>Informal sources</b>	<b>95.35</b>	<b>17.46</b>	<b>67.87</b>	<b>19.71</b>	<b>91.5</b>	<b>18.14</b>
Total	100.00	100.00	100.00	100.00	100.00	100.00

Source: Same as for Table 1

The incomes for weavers depend on the marketing of their products. Almost 84% of the Manipuri households sold their products in the local market itself (Chart 3).

Chart 3. Distribution of HH by source of output sale



Source: Same as for Table 1

As against this, 64% of households in the country sold in the local market. Other marketing channels included master weavers and cooperative societies. Modern marketing channels such as trade fairs, exhibitions, export and e-commerce, which may fetch better prices are used by very small proportion of households.

The insurance penetration is very low among weaver households at 3.8% in the country. Most of the weavers are the bread earners of the family. Thus, the life of the weaver is too important for weaver's family. Hence, the Mahatma Gandhi *Bunkar Bima Yojana*, implemented through the Life Insurance Corporation (LIC) of India assumes importance. It provides enhanced insurance cover to the handloom weavers in the case of natural as well as accidental death and in cases of total or partial disability and scholarship to the children of parents who are covered under the scheme. Thus, it is important to spread awareness about all the procedures right from the enrolment to the settlement of claims so that the weavers and their family reap the intended benefit.

### **Handicrafts**

Besides handlooms, handicrafts are very important economic activities in the state engaging many people, especially women. Manipuri handicrafts use a variety of raw material and skills (see Box). Some of them are even sold on e-commerce platforms like Amazon and command domestic and export market. They are highly creative and have aesthetic appeal. Different categories of Manipur handicrafts are: cane and bamboo crafts, *Kauna* crafts, pottery, Weaving (Hand-woven and embroidered textiles), woodcarving, block printing, and natural fibre crafts.

**Box: Crafts of Manipur**

Cane and bamboo crafts of Manipur are widespread due to the wide availability of the raw material. Moreover, the constant demand for this craft in the international market is another reason for the same. There are large number of artisans pursuing this craft. Product range include sofa sets, stools, mats, basketry, tray, chairs, tables, flower vases, ashtrays and many other decorative and utility articles.

Different shapes and sizes of baskets with different designs are manufactured for domestic and ritualistic use. *Heijing Kharai*, *Phiruk* and *Lukmai* are exclusively meant for ceremonies such as wedding, birth and death. For domestic purposes baskets like *Likhai*, *Sangbai*, *Chengbon*, *Meruk*, *Morah*, etc. are made. Again, there are fishing equipment made of cane and bamboo. They are *Longup*, *Tungbol*, etc. People of Maring tribe inhabiting the Chandel District are the main manufacturers of these types of basket. Other tribes and the Meeteis also contribute a lot to the production of baskets.

Pottery is a traditional craft in Manipur. Most of the pots are handmade and are of different colours (red, dark red and black). It is prevalent in Andro, Sekmai, Chairen, Thongjao, Nungbi and parts of Senapati district. Chakpa women are good potters and they make different types of pots for ritualistic and ceremonial purposes. Black stone pottery from Ukhrul is sold on e-commerce platforms too and comes out with creative designs.

Stone carving is a very old traditional craft in the hill areas of Manipur. At present, the crafts persons in Bishnupur district in Manipur are making many utility items like bowls, candle-stands, grinders, flower-vases, plates, etc

Hand block printing is one of the most favourite in Manipur. The warriors and village chiefs were presented with *Khamen Chatpa* (handblock-printed towel) by the Maharajah as a token of recognition of their courage and leadership. This type of dress is also used in the religious ceremony. Printing on pillow-covers and bedsheets are now very common in Manipur.

**Impact of the pandemic**

The handloom and handicraft sectors have been vibrant and showed resilience and survived the law and order problems and frequent strikes, bandh and economic blockade. However, with the spread of COVID-19 and declared as pandemic, the government has declared nation-wide lock down which severely affected the handloom sectors as well. First, the workers and raw material cannot reach the artisans and hence, production activity halted. Second, the finished products cannot reach the markets. Manipuri artisans earned fame and name in markets outside and

successfully sold in various melas and exhibitions. Due to lockdown artisans lost huge market. Third, loss of gainful employment and hence, income will hit the weaver and artisan families. Fourth, even after lifting of the lockdown the market may not be favourable due to loss of incomes of other people and therefore, their purchasing power. Major negative and adverse impact caused by COVID-19 pandemic, apart from generic issues like ban on movement of labour and material, are listed here:

- Although, the industry is household and cottage industry, non-availability of raw materials such as yarn, fabrics, dyes and chemicals to the handloom sector left many weavers unemployed
- The present market system is through Marketing under the Co-operative Organisations, marketing under Govt. undertaking/owned Corporation and department, marketing by independent weavers and marketing under Master Weavers. The existing handloom products could not be marketed by the weavers
- Export of handloom products could not be undertaken due to closure of interstate borders, and domestic flights
- Technology upgrades, improved access to subsidised raw materials are not available
- Lack of access to low interest credit for short- and medium-term capital from banks due to disruptions in the working environments of banks
- Low demand of handloom products due to priority setting among the consumers between essentials and non-essentials
- Absence of strong Weavers Cooperatives, Off-Farm FPCs make the matter worst for the weavers

### **Suggested Measures**

Measures to mitigation the shock and impact of COVID-19 pandemic in Handloom Sector:

- SHG members engaged in weaving, handloom sector may be provided interest free working capital through banks.
- Critical inputs and financial assistance may be provided to good and working Primary Weavers Cooperative Society (PWCS)
- The concerned department in the state government may take efforts for un-interrupted availability of raw materials required for the Handloom sector in association with Manipur Handloom and



Handicrafts Development Corporation (MHHDC) and Manipur State Handloom Weavers Co-operative Society (MSHWCS)

- Off-Farm Handloom FPO may be supported in the clusters where there are good number of weavers' population.
- Concessional credit/interest free loan under MUDRA Weavers Scheme should be extended to eligible weavers.
- SHG members should engage in making of mask to fight COVID-19
- In the immediate period following the lockdown, the demand may not be regained quickly. Hence, if need be some alternative livelihood options may have to be explored and necessary reskilling and upskilling may be needed.
- Since physical markets may not function for some time, artisans may be trained to go for online marketing and be given special assistance to have their own online sale outlets and/or for selling through other online portals.

The handloom and handicraft sectors are particularly important and strategic for the Manipur economy and people. While Manipur is among top ranking states in terms of number of handlooms households their access to credit is exceptionally low. Hence, they are heavily dependent on high cost borrowing from informal sources. Cooperatives need to be strengthened while in the meanwhile SHGs and Producer Companies need to be promoted. Agencies like Manipur Apex Handloom Weavers & Handicraft Artisans Coop. Ltd. and Manipur Handloom & Handicrafts Development Corporation Ltd., need to take proactive role in filling confidence in the handloom and handicraft artisans and stand by them through the present times till the restoration of market. Perhaps, exploiting modern marketing channels, changing business models and adopting better organisation models are required.

## **Post COVID-19: The need for re-skilling and up-skilling**

Felix Jajo

The whole world is fighting a pandemic and the fight seems to be taking a longer period than expected. With the increasing number of cases in India, the Govt. of India had taken the decision to lock down the whole country for 21 days and then for another 19 days till 3 May 2020. But even before the lockdown began, in some of the cities which had confirmed cases of COVID-19, certain precautionary measures were put in place to contain the spread of the disease.

No doubt, the entire populace is affected by the lockdown due to the COVID-19 and there is fear in the minds of every individual. Having said this, we are also seeing one of the worst amongst the many, ***the reverse migration***, which is happening from the cities to their own villages. The large groups of laborers in the unorganized sector in the city are from rural areas that migrated to cities in search of livelihoods. Now, with their jobs and income stopped abruptly due to the lockdown, they have no options but to go back to their villages where they hope to get at least a proper shelter and piece of meal.

The situation is not different for Manipur. Many of our youth are working in big cities like Delhi, Mumbai, Bangalore, Kolkata etc. and majority of them are in the service sector. Due to the lockdown and its negative impact on the economy, many of these youth might lose their job and would be in no means to sustain themselves in the cities. It would be tougher for them to find new jobs because many of them are either unskilled or low skilled. They would have no alternative but to come back to their state in order to survive.

The state is already facing problem of high unemployment amongst the educated youth. The reverse migration would increase the pressure of unemployment and would push the unskilled youth to take up cultivation

as one of a temporary means. But out of the total geographical area of the state, only 7.41 percent is used for cultivation.<sup>2</sup> Therefore, there comes the need for the youth of the state to acquire new skill or to re-skill or to up-skill themselves to become relevant to the test of the time. The youth need to become flexible in order to meet the challenges of the modern-day situation, be it in cultivation, in start-up business or in any other form of self-employment.

Since, Manipur doesn't have the capacity and facilities to absorb these semi-skilled youth who would return from the cities, we may think of getting these youth get skilled at least to become a sustainable cultivator. Sustainable farming is the need of the hour. With the daily increase of demands and less supply, the state is facing a deficit in almost every grocery. Sustainable agriculture will focus on producing perennial crops and livestock while having minimal effects on the environment. It also focuses on maintaining economic stability of farms and helping farmers improve their techniques and quality of life. The use of modern techniques and high yielding variety of seeds will help increase the produce, income of the farmers and help reduce the state's dependency on other states.

Various skill training programs implemented through different Ministries and Departments can focus on the agriculture related short term training programs to enable many of the youth to engaged themselves into input supply, food production, fruit and vegetable production, protected cultivation of high value crops, nursery for supply of quality seedlings/plant saplings, feed supply units, mushroom cultivation, sericulture, entrepreneurship, rural enterprises, agri-information management, landscaping, soil health management, watershed management, commodity management, dairy, poultry, farm mechanization, fisheries, post-harvest supply chain management etc. The present pandemic has deprived of employment to many while it is going to create new jobs and hence, new skills. As new business models, new supply chains and new delivery arrangements may emerge, different kinds of skills may be demanded. Skilling agencies must understand the emerging markets for skills while designing courses.

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<sup>2</sup> [http://manenvis.nic.in/Database/Agriculture\\_2720.aspx](http://manenvis.nic.in/Database/Agriculture_2720.aspx)

These training programs can be customized to suit the different levels of the youth based on their education, acquired skills, their intuition & interest and the need for the state. Accordingly, they can get skilled or reskilled or upskilled. To be skilled is to get trained and acquire new set of skills which will help him to earn a living. And when we speak of reskilling, it means to identify those persons who might have had a training related to agriculture or other management studies. These persons can be trained to take up rural entrepreneurship, landscaping, soil health management, supply chain management etc. to help the already existing farmers to increase their yields, help in storage, supply and selling. The upskilling will help those who are already working in the agri-related field but due to the changes in the technology, new methods of farming and new variety of seeds and pest control system, may be required to upskill themselves to be able to bring forth sustainable farming and meet the demands of the state up to certain level.

However, the most difficult part would be to re-orient the mindset of the educated youth to take up agriculture or related field as a career. High-tech agriculture can attract and retain youth in farming. And therefore, it is important for the educational institutions and the various vocational & skill training institutions to make the youth aware that agriculture related field does not mean, only tilling the soil and sowing the seeds. A proper counselling, awareness and motivation would come handy in these times of difficulties and unforeseen circumstances.

## Epilogue

The articles in the booklet are quick impressions based on feedback from the field and the authors knowledge of the rural economy. Detailed analysis is required to arrive at respectable estimates of losses or outlays needed to revive the rural economy. Several scholars are writing on the subject and institutions/research networks like IRMA, Society for Social and Economic Research, New Delhi, and Revitalising Rainfed Areas (RRA) Network are compiling the feedback from villages across the country on impact of lockdown on agriculture and rural society. Their research questions are: what are the problems faced and what are the coping strategies adopted? Several webinars are conducted to exchange information and solutions.

As the lockdown entered second phase from 15 April 2020 which would continue till 3 May 2020, the adverse impact on the economy is likely to widen and deepen further. Social impact and more prominently psychological impact would be more intractable as the full picture would get unveiled only by next one or two quarters. Though the emphasis now is to save lives, and rightly so, we all should continue churning the ideas and crystallising our strategies for putting the rural economy back on track. Any strategy or solution to be effective, needless to add, should be evolved and implemented through people's participation. Hopefully, the rural economy once revived post-COVID-19 would be vibrant, inclusive and better prepared for future shocks. Who knows, on a positive note, perhaps, Corona gave us an opportunity to reset the rural economy.

## **Annexure**

### **List of exhaustive guidelines for agriculture, financial system and related rural segments**

The government, on 15 April 2020, issued a fresh set of guidelines as India entered the second phase of a nationwide lockdown till 3 May 2020 meant to contain the spread of the novel coronavirus. Some conditional relief may be seen in areas that are not hotspots for the novel coronavirus from April 20.

#### **1. Activities that will continue to remain prohibited except the exempted purposes across the country until May 3, 2020:**

- i. All travel
- ii. All industrial and commercial activities
- iii. Hospitality services

#### **2. Operation of guidelines in hotspots and containment zones**

#### **3. Selected permitted activities allowed with effect from April 20, 2020**

#### **4. Strict enforcement of the lockdown guidelines to be done**

#### **5. All health services (including AYUSH) to remain functional, such as:**

i. Veterinary Hospitals, dispensaries, clinics, pathology labs, sale and supply of vaccine and medicine.

#### **6. Agricultural and related activities to be functional as below:**

##### **A. All agricultural and horticultural activities to remain fully functional, such as:**

- i. Farming operations by farmers and farm workers in field.
- ii. Agencies engaged in procurement of agriculture products, including MSP operations.
- iii. 'Mandis' operated by the Agriculture Produce Market Committee (APMC) or as notified by the state/ UT Government (e.g., satellite mandis). Direct marketing operations by the state/ UT Government or by industry, directly from farmers/ group of farmers, FPOs' co-operatives etc. states/ UTs may promote decentralized marketing and procurement at village level.
- iv. Shops of agriculture machinery, its spare parts (including its supply chain) and repairs to remain open.
- v. 'Custom Hiring Centres (CHC)' related to farm machinery.

vi. Manufacturing, distribution and retail of fertilizers, pesticides and seeds.

vii. Movement (inter and intra state) of harvesting and sowing related machines like combined harvester and other agriculture/ horticulture implements.

**B. Fisheries - the following activities will be functional:**

Operations of the fishing (marine and inland)/ aquaculture industry, including feeding & maintenance, harvesting, processing, packaging, cold chain, sale and marketing.

ii. Hatcheries, feed plants, commercial aquaria.

iii. Movement of fish/ shrimp and fish products, fish seed/ feed and workers for all these activities.

**C. Plantations- the following activities will be functional:**

i. Operations of tea, coffee and rubber plantations, with maximum of 50 per cent workers.

ii. Processing, packaging, sale and marketing of tea, coffee, rubber and cashew, with a maximum of 50 per cent workers.

**D. Animal husbandry - the following activities will be functional:**

i. Collection, processing, distribution and sale of milk and milk products by milk processing plants, including transport and supply chain.

ii. Operation of animal husbandry farms including poultry farms & hatcheries and livestock farming activity.

iii. Animal feed manufacturing and feed plants, including supply of raw material, such as maize and soya.

iv. Operation of animal shelter homes, including Gaushalas.

**7. Financial sector: following to remain functional:**

i. Reserve Bank of India (RBI) and RBI regulated financial markets and entities like NPCI, CCIL, payment system operators and standalone primary dealers.

ii. Bank branches and ATMs, IT vendors for banking operations, Banking Correspondents (BCs), ATM operation and cash management agencies.

**a.** Bank branches be allowed to work as per normal working hours till disbursement of DBT cash transfers is complete.

**b.** Local administration to provide adequate security personnel at bank branches and BCs to maintain social distancing. law and order and staggering of account holders.

iii. SEBI, and capital and debt market services as notified by the Securities and Exchange Board of India (SEBI).

iv. IRDAI and Insurance companies.

**8. Social sector: following to remain functional:**

iv. Operation of Anganwadis - distribution of food items and nutrition once in 15 days at the doorsteps of beneficiaries, e.g., children, women and lactating mothers. Beneficiaries will not attend the Anganwadis.

**9. Online teaching/ distance learning to be encouraged:**

**10. MNREGA works to be allowed:**

i. MNREGA works are allowed with strict implementation of social distancing and face mask.

ii. Priority to be given under MNREGA to irrigation and water conservation works.

iii. Other Central and State sector schemes in irrigation and water conservation sectors may also be allowed to be implemented and suitably dovetailed with MNREGA works.

**11. Public utilities will remain functional:**

**12. Movement, loading/ unloading of goods/ cargo (inter and intra-state) is allowed**

**13. Supply of essential goods is allowed, as under:**

i. All facilities in the supply chain of essential goods, whether involved in manufacturing, wholesale or retail of such goods through local stores, large brick and mortar stores or e-Commerce companies should be allowed to operate, ensuring strict social distancing without any restriction on their timing of opening and closure.

ii. Shops (including Kirana and single shops selling essential goods) and carts, including ration shops (under PDS), dealing with food and groceries (for daily use), hygiene items, fruits and vegetables, dairy and milk booths, poultry, meat and fish, animal feed and fodder etc, should be allowed to operate, ensuring strict social distancing without any restriction on their timing of opening and closure.

iii. District authorities may encourage and facilitate home delivery to minimize the movement of individuals outside their homes.

**14. Commercial and private establishments, as listed below, will be allowed to operate:**



- i. Government-approved Common Service Centres (CSCs) at Gram Panchayat level.
- ii. E-commerce companies. Vehicles used by e-commerce operators will be allowed to ply with necessary permissions.
- iii. Courier services.
- iv. Cold storage and warehousing services, including at ports, airports, railway stations, container Depots, individual units and other links in the logistics chain.
- v. Hotels, homestays, lodges and motels, which are accommodating tourists and persons stranded due to lockdown, medical and emergency staff, air and sea crew.
- vi. Services provided by self-employed persons, e.g., electrician, IT repairs, plumbers, motor mechanics, and carpenters.

**15. Industries/ Industrial Establishments (both Government and private), as listed below, will be allowed to operate:**

- i. Industries operating in rural areas, i.e., outside the limits of municipal corporations and municipalities.
- ii. Manufacturing and other industrial establishments with access control in Special Economic Zones (SEZs) and Export Oriented Units (EoUs), industrial estates, and industrial townships.
- iii. Food processing industries in rural areas, i.e., outside the limits of municipal corporations and municipalities.
- iv. Manufacturing units of packaging material.
- v. Jute industries with staggered shifts and social distancing.
- vi. Brick kilns in rural areas i.e., outside the limits of municipal corporations and municipalities.

**16. Construction activities, listed as below, will be allowed to operate:**

- i. Construction of roads, irrigation projects, buildings and all kinds of industrial projects, including MSMEs, in rural areas, i.e., outside the limits of municipal corporations and municipalities; and all kinds of projects in industrial estates.
- ii. Construction of renewable energy projects.
- iii. Continuation of works in construction projects, within the limits of municipal corporations and municipalities, where workers are available on site and no workers are required to be brought in from outside (in situ construction).





राष्ट्रीय कृषि और ग्रामीण विकास बैंक

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