## AGRI SECTOR

# HOW COVID HAS CHANGED THE RULES OF THE GAME

Covid disrupted supply chains across agriculture and its allied sectors. It prompted the need for reforms in the agri-sector and digital solutions to link farmers to markets, build wage safety nets, and ensure equitable working conditions at the farm level. For the horticulture industry, an opportunity exists to enhance and strengthen its value chains.

In order to make these value chains more flexible and effective, digital technology, including geo-tagging, digital profiles of farmers, communication and payments will play a crucial role. Indian agri-industry is on the brink of a massive transformation. More steps are necessary to reboot the industry and ensure it exits the crisis more robust than ever as experts suggest that a third and a fourth Covid wave in the waiting.

The crisis accentuates the country's prospects for strengthening our cold chain infrastructure along with agri-warehousing facilities. The lack of sufficient cold storage facilities in India force farmers to sell their perishable horticultural products at rates that are typically sub-standard. Decentralized cold storage infrastructure is the need of the hour to bring down the losses.

### Needed: Network of Cold Storage Facilities

A network of cold storage facilities across rural and urban India can allow farmers to store their horticultural produce for longer durations until market prices become suitable. Such facilities can even operate on alternative energy sources like solar energy. As this area is still germinating, it has huge potential for growth, given the large share of horticultural produce it can cater to. A mix of government and private partnership can further boost its pace of implementation.

In terms of the consumer, a significant impact of the pandemic has been that it has imprinted mass consciousness for hygiene and safety. People have become increasingly conscious of their health and the safety of the food they consume. There has also been a significant shift in the buying habits as consumers became wary of stepping out of their homes for in-store purchases produce during the pandemic. They rely more on e-commerce for home delivery. These trends opened up

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new segments and created opportunities for business expansion for agriculture and horticulture companies beyond their traditional routes.

Subsequently, Ag-tech solutions that offer quality and safety have gained significant attention. Companies are shifting focus from aspects such as trade traceability to consumer traceability, providing a transparent mechanism to track the journey of the produce from farm to fork. This has been further enhanced through tech-enabled solutions such as QR Code-based stickers for individual fruits, the latest consumer centric innovation adopted by the horticulture industry.

Consumers today can have access to real-time insights like where and who has grown the fruit, simply by scanning the dynamic QR code, and are willing to pay a premium to be able to do so. Packaging aims to retain food quality at its best. Companies continue to shift towards a 'Direct to Consumer' model. The emphasis is largely on providing the best 'experience' to the consumer, without compromising on quality.

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Covid pointed out the need to incorporate policy frameworks that can sustain and uphold a resilient supply chain. GOI's recent agri-reforms are expected to deregulate the market, a move that shall encourage greater competition and introduce best global agri practices. Keeping supply chains functioning well is crucial to ensure food security. It is crucial for farmers to have continuous access to markets, be it through private or government procurement mechanisms. The reforms are foreseen to revamp the Indian agri-food sector and empower farmers.

The above changes can materialise only if the health of the farmers is ensured. Agri companies can ensure that the farmers and the workers associated with them are vaccinated. Emphasis should also be placed upon the safety protocols at farms, citing the fact that the rural hinterlands have witnessed a spike in infection rates.

### Horticulture The Thriving Sector

As the lockdown continues to unfold across the country, horticulture is emerging as a thriving sector. Despite the challenges posed by the pandemic, the impact of this global crisis can be mitigated. The pandemic is a fertile pivotal point to transition from conventional agri-business models to innovative advanced tech-based models.

The future of farming will reconcile with domains that were earlier not associated with agriculture. The digitization of databases, real-time monitoring of the distribution supply chain, and logistical traceability will shape our agronomy while adding value to the commodity and produce.

As the pandemic continues to unfold, it is difficult to predict how long this ordeal will last, and to what extent its impact could be. Therefore, the sector will need to rethink and continue to adapt towards resilient, sustainable and *game-changing* agri-models to widen the horizons for the industry. It will also determine how well we cope with the ramifications of the pandemic in the times to come.