COVID-19: Its instant impacts upon the agrarian economy of Bangladesh

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ABSTRACT

The COVID-19 is a contagious viral disease first detected in Wuhan, in China in the last December 2019 and soon it has taken a pandemic form. The impacts of COVID-19 or coronavirus upon the agrarian economic growth of Bangladesh witness an alarming slanting down. Farmers, workers, entrepreneurs related to agro-based products are likely to confront an irreparable loss and identity crisis. Bangladesh government has opted for some practical measures including financial and logistic supports and incentive for the vulnerable people to stimulus to cope with the catastrophes because of this pandemic. The study period covered 8 March to 25 April, 2020.

Key words: Agro-economy, Bangladesh, COVID-19, coronavirus pandemic, lockdown.

INTRODUCTION

Right now COVID-19 has got its connotation as the worst health upset around the world. Being an extemporaneous contagious viral disease its adverse impacts upon almost all sectors of living marks distressing. Considering its emergent devastation, World Health Organization’s (WHO) has already declared it as a pandemic. Bangladesh, an emerging developing country, however is not at all free from this pandemic situation. COVID-19, a virus of CORONA generation, in the form pneumonia of unknown cause detected in Wuhan, China was first reported to the WHO Country Office in China on 31 December 2019 (WHO: Rolling update of coronavirus update, COVID-19). Since then it has spread in 210 countries around the globe where the reports up to 24 April, 2020 confirmed 2,750,877 cases of infection, 192,208 deaths and 757,972 recoveries (Source: https://www.worldometers.info/coronavirus/, last updated April 24, 2020, 13:09 GMT). The symptoms for Coronavirus disease (COVID-19) are yet to be completely determined. Nevertheless in most of the cases it occurs with high temperature, acute pains in gullet area and from mild to severe respiratory complications to the clinically diagnosed patients. The people who get infected with the COVID-19 virus without any acute respiratory syndrome may have a recovery following some particular health rules and strategies. The elderly people possessing the histories of diabetes, cancer, hyper tension, heart diseases, asthma or other chronic symptoms might be the worst vulnerable ones showing the least possibility of recovery and survival (WHO, 2020). The most common carriers of COVID-19 virus are human discharges of droplets from the nose and mouth, saliva, cough or phlegm etc. These human discharges however can be transmitted through the air when an infected person coughs, sneezes, yawns or even speaks up to three to nine miters. The best way to protect and slacken the quick transmission of corona virus requires making people know clearly how this disease comes about and how it spreads from person to person first. Making people aware of observing the common norms while approaching any incident of discharge either in private or public atmosphere is crucial. By breaking the chain of protein molecule of the Covid-19 virus using soap or hand sanitizer has been an effective measure according to the WHO. Since Covid-19 finds human eyes, nose and mouth as its entry points contagion, these areas must not be touched before getting sanitized properly. Since its medication and immunization procedures are yet to come all over the world, lockdown or social distancing has been recommended by WHO to be followed strictly. As a river
basin and most densely populated country, Bangladesh is located in the delta of two rivers Padda and Jamuna coming down from the south western part of the Himalayas. Since its liberation in the year 1971, Bangladesh has witnessed and effectively encountered numerous natural disasters: recurrent floods, cyclones, manmade artificial distresses: the Asian financial crisis of 1997 and global economic recession of 2008 etc. But the catastrophe of COVID-19 is unforeseen one and therefore posing threats of beyond speculation. The World Economic Forum (2020) assumes a serious threat to the health sectors of Bangladesh and the resultants mess will succumb to the country’s economy dreadfully. Bangladesh detected its first coronavirus case on 8 March 2020. As one of the effective preventive measures, Bangladesh government declared the first phase of lockdown for 10 days, which took effect from 26th March to 4th April, 2020. Now it has been observing its third phase from 25th April 2020 to 5th May 2020 while it observed the second lockdown dated from 25th to 22nd April 2020. Meanwhile, the country has confirmed more than 4,689 of its people infected with this mortal virus and recorded 131 deaths due to Covid-19 on 24 April, 2020. Lockdown strategy under this situation is a must due to its life saving remedy for a short term basis, but it can never be a panacea to Covid-19 for a long term. Lockdown strategy involves close down of boarders, restrictions of movement, break in supply chain in production mode and marketing procedures, closure to small enterprises, such as restaurants, grocery, dairy or dairy based product etc., which are directly exploited from the agrarian sources (Roy, 2020).

LITERATURE REVIEW

The demand for basic food items is on the increase during this period of Covid-19 pandemic. Due to the restrained public mobility and shut downs of schools, colleges, offices, traffics and transportations, more than half of the daily production at the local enterprises remains unsold. Procurement of milk or dairy stuffs has been hindered seriously. At present, the country’s daily milk production is about 2.20 crore liters, 14 lakh liters of what are collected by milk possessing companies while the remaining volumes are provided to the different types of sweets and deserts shops and to the local people for daily consumption (Habib, 2020).

Khan and Khan (2020) found that the farmers who cultivate vegetables or other immediately consumable crops are on the verge of serious losses because of the countrywide shutdown during this corona-virus pandemic. They are in a serious dilemma whether to collect and sell their products or not. Owing to the scarcity of consumers, they have been encountering a high loss in terms of the necessary physical labour for collecting vegetables and the monetary investment during cultivation. As a result, a major proportion of their cultivated products are getting spoiled in the fields.

The investigation of Sarkar (2020) shows that the corona-virus outbreak around the world has devastated the normal flows of secular life. The entire world is going to fall in a great economic crisis as the creeping pandemic has been carrying out an onslaught upon the whole system of economy leaving a numbing sloth in the workforce throughout world.

Roy (2020) asserted that around 820 million people are experiencing awful hunger. The scarcity of food supply and insufficiency of balanced diets might bring about a double folds health hazard for these people, whose immune system is to decline and turn themselves vulnerable for Covid-19 attack. Furthermore these people are at the threat of losing food and economic safety for a long term basis. The landless or petty farmers comprise the worst sufferers having been restrained from land oriented small endeavours and earnings from local markets. COVID-19 therefore can show a serious slanting impact in the demand and supply due to reduce income and formation of a frugal habit of consuming less than necessary for healthy and energetic living. Since food demand is related to income, the least earnings of the majority of people will be the worst inverse impact it will pose eventually.

Bangladesh and China have been maintaining the largest business partnership for a long time (Khatun, 2020). In the year 2018, 18.94 percent of the total trade occurs between Bangladesh and China. The emerging garments (RMG) and medicine sectors in Bangladesh depend high to exploit raw materials and other necessary spare parts from China. If the lockdown lingers the ultimate impact will be frustrating.

According to Rabbani (2020) at least 12 villages of Bandar Upazila under the district of Narayanganj have tremendously been affected by the present pandemic. These villages are mainly involved in flower productions and selling. The ongoing lockdown has greatly hampered the income generation to a total 500 families who are directly engaged in flower cultivation. Since there are hardly any customers to purchase flowers, they are blooming, growing and dropping on the dust soon. All the cultivators and the others involved in flower enterprises are indeed in a great mess.

Bhuyan (2020), referring to the presumption of Bangladesh Flower Society, concluded that the ongoing COVID-19 pandemic has severely affected the cultivation and marketing of flowers in the entire Bangladesh with an estimated loss of Tk. 250 crores. The president of the Society, Abdur Rahim said that at least 20,000 farmers working in floriculture in Bangladesh are to encounter the imminent sufferings from unemployment.

The study of Kamol (2020) shows that the ongoing cultivation and harvesting activities for ‘boro rice’, potato, onion and maize are at risk. The law and enforcement authority along with the social and political volunteers
have been active enough to make people follow the government's directive on restriction of mobility and earning oriented activism. Scarcity in agro related labour forces, instruments, fuel etc., has really been deteriorating. The farmers of seven north-eastern districts of this country known as the haor region are in fear of losing their ripe boro paddy due to floods which tend to occur in advance this year.

Salam (2020) demonstrates that the epidemic has also been hampering the harvest of ‘boro’ paddy in the northern part of the country. Especially the farmers of Dinajpur district are in serious shortage in necessary manpower while the crops are ready to be harvested. Their miseries have increased twice since they cannot even afford harvesting machines during this lockdown. An advance flood due to the monsoon may leave behind a long insolvency for them.

Shaon (2020) showed that the pandemic has badly affected the poultry business in Bangladesh. The owners of the poultry hatcheries are counting huge losses. Due to the strict observation of social distancing and time restriction for daily necessary raw food items and groceries, there have been a decrease even in poultry or poultry related food consumption. The price of the poultry meat has fallen extremely to a further extent in the fear of chickens being infected with Covid-19.

UNB (2020) reported that farmers in Jashore, a famous district of large production of vegetables, are in great troubles as the prices of their vegetables have declined greatly due to the difficulties in marketing process.

Kumar (2019) concluded that the agro-business sector in Bangladesh remains underdeveloped and underprivileged. For significant betterment of it, institutional, technical and financial supports are necessary for an urgent basis.

The dairy farms, along with the farmers and other beneficiaries related to these in the Chittagong regions, have been struggling seriously for their survival throughout the ongoing long-holidays and lock-down cycles purposed to prevent the deadly spread of coronavirus (Hussain, 2020). The Chittagong Divisional Dairy Farmers Association stated that around 50% of their produced milk has remained unsold in the last few weeks, bringing huge loss for the farmers. If the situation continues, the dairy sector of the whole country and the entrepreneurs will be clutching insolvency.

Bashar and Atik (2020) stated that at least 350,000 dairy farmers of Bangladesh are struggling to protect their existence. They think that the upsurge of countrywide Covid-19 contagion and ongoing lockdown will disarray their businesses. Approximately 27,000 tonnes of milk remains unsold every day. The farmers are at a loss and they cannot even waste away this bulk amount of milk in vain. In some areas, the price of milk has fallen to such an extent that they afford prices for the necessary feed and medicine for their cattle. To keep these sectors reviving, intellectuals recommend the authority to provide immediate cash incentives to farmers and urge processing companies to turn their dairy products into powdered milk.

The exports of crab and eel to China have been closed since the last week of January 2020 immediately after the dreadful outbreak of this virus. Uttom and Rozario (2020) show that crabs are usually sold Tk.700-1000 (US 8-12$) per kg whereas the present rate has decreased to Tk. 100-150 per kg. In Bagerhat district, a coastal area of Khulna division, about 5000 workers are related to crab or crab oriented business, fishing etc., but they are going through extreme hardship currently. Shaha discloses that just before the packaging of crabs ready for exporting to China, they observed that 70% of them have perished and the remaining are about to expire. Therefore, the amount of loss in this case multiplies invariably.

Objectives of the study

On the basis of the above literature and determining the research gap, the present study finds its objective which is – to find out the impacts of COVID-19 on agrarian economy of Bangladesh. This study also intends to provide some plausible suggestions for policy implications as well.

METHODOLOGY

The current study has been built on the basis of the case study approach and its attempt is to find out the effects of corona virus COVID-19 pandemic on agro-economy of Bangladesh. Primary and Secondary sources were used to collect the data. For collecting primary data researcher used observation and interview method. The researcher tries to observe the degrees and manners of activities of the farmers in common. In addition, the study strives to realize the present scenario of activism during this COVID-19 pandemic. On the other hand, the researcher interviewed some farmers’ to understand the present condition of agro-economy. The secondary data were collected from the published journals, periodicals, published research papers and recent COVID-19 related articles which are being published in various newspapers. Farmers’ interview that appeared in the daily newspapers was consulted. The collected data were processed. Thereafter, they were analyzed and feasible solutions were made accordingly.

Conceptual framework of the study

The conceptual framework was developed on the basis of the findings from literature review. It aims at determining the variables that may affect the agro economy of Bangladesh owing to corona virus pandemic. It is conjured up that COVID-19 Pandemic indicates inevitable threats to agro economy of Bangladesh. Figure 1 shows the
conceptual framework of the study.

**ANALYSIS OF DIFFERENT FARMERS’ OPINIONS**

**Interview from vegetable farmers**

The all out immobility for Covid-19 contagion has made normal living almost impossible. The regular activities in schools, colleges, universities, offices, courts, etc., have come to a complete close. Human mobility, transportation of goods, marketing of products etc., have been reduced. As a result, the farmers of different perishable agro-products, for example vegetables, fruits, flowers etc., are selling their products at cost less than their production cost. In this connection, Saad Mia, a farmer from Haripur village in Meghna Upazila under Comilla district, shared that he could not obtain the estimated cost he expected for the bitter melon he ploughed in his 45 decimal of lands. While comparing between the usual market prices for bitter melons according to the market prize in Shyambazar wholesale market, Dhaka and now during the pandemic affected market prices, his reflection comes to a complete dissatisfaction. Farmer Rabiul Islam Robi from Noapara Upazila under the district of Jashore, mentions that in producing *patal* (palwal), the usual market price of 40 Tk per Kg. has now declined to 28 Tk. per Kg. Farmer Sukkur Ali from the same district, opined that a continuation to this situation might see a decrease in palwal cultivation (https://www.thedailystar.net. April 12, 2020).
Shukur Ali from Boro Hoibatpur village complained about the price diminishing market price for cabbage. Due to lockdown situation, the current price is around 6 Tk. per piece which remains far less than the total production expense, let alone profit making. May wholesalers of vegetables argued that a great many of people’s leaving Dhaka for their own hometowns has been one of the significant reasons for this fall in market prices. Anwar Hossain, a wholesaler from Kaliganj Upazila, Jhenidah pointed that he had to sell gourd with a loss of 7 Tk. per Kg., that is, 25 Tk. per Kg. instead of 32 Tk. purchase rate per Kg. Restrictions in transportation has witnessed an additional charge for vegetables transportation. Abdur Rahman mentioned that he had to pay an additional 6000 Tk. for his trip to Dhaka which was 12,000 only before Covid-19 emergence. An agricultural government officer of deputy assistant rank, Mr. Jakir Hossain from Churamonkati, Jashore mentioned that the farmers of this area are at stake with their products since the wholesalers are collecting fewer volumes of vegetables now in this changed situation. Dr Aktaruzzaman, a deputy director in the Department of Agricultural Extension office in Jashore, reported that the farmers of this area are the highest producers of vegetables. Normally they produce 8,000 metric tons vegetables in this season every year. Farmers are now perplexed at this unprecedented experience (Source: https://unb.com.bd, 4 April 2020).

Interview from dairy farmers

Mohammad Rajib, a dairy farmer of Comilla expressed his fears and frustrations because of Covid-19 crisis. He possesses a cattle farm where he has been collecting milk from 14 cows. His regular customers including sweetmeats and desserts shops, and local household customers have suggested to him not to continue the supply of milk for the time being. Since 164 Corona cases have been recorded positive and already 17 patients have expired in the first week of April, 2020, people got panic as well. “Where will I sell all these pails of milk?” asks the dairy farmer with big and deep sighs. Probably a dairy farmer ever expects to throw away buckets of milk to the manure pit everyday (Source: https://www.thedailystar.net. April 08, 2020).

Mr. Kashem Ali, owner of ‘Marsh Agro’ at Boalmari, Faridpur describes the miseries of his dairy farms. His farm comprises 20 cows, four bulls and a few calves. He pointed out that none of these customers, the sweetmeats and desserts producers or the common daily consumers, are purchasing milk. He has tried his level best to create alternative markets for his products but did not work. The cycles of shutdown have made people confined in home, therefore marketing of dairy products see no immediate possibility (Source: https://bdnews24.com, 13 April 2020).

Bangladesh Dairy Farmers Association (BDFA) mentioned that due to the pandemic period of coronavirus, every day about 120-150 lakh liters of milk remains unsold. BDFA president Imran Hossain stated that on an average the gross daily earning from the dairy sector comes around Tk. 57 crore that gets Tk. 1,710 crore in a month. Therefore, this sector now has been counting a gross loss of Tk. 1,710 crore per month (Source: http://www.theindependentbd.com, 26 March 2020).

The dairy farmers’ association of Chittagong projected a gross Tk. 1,287 crore loss till April 14 2020. The organization requested the government to sanction directives to bank authorities so that they might be allowed extended time to repay the installments for the bank loan they had taken without any penalty. They have also urged for reschedule loan facilities and diminish interest rate accordingly. Malik Mohammad Omar, Secretary of the Association expresses that all of them, the farmer or entrepreneurs, really have been passing through serious hard time due to coronavirus catastrophe (Source: https://www.dhakatribune.com, 10 April 2020).

Interview from flower traders and farmers

Both the flower cultivators and vendors of Kalagachi union in Bandar Upazila, Narayanganj generally provide earnings for a total of 500 families living in the neighbouring 12 villages. Since the marketing of their products have been slanting down since 26 March 2020 they have fallen into a serious scarcity of liquid money. Haramoti, an elderly woman of this village, mentions that they have been taking meals two times a day instead of three as they have lost their works and income. They added that they were preparing themselves mentally for one meal a day on an extension to this closed all situations. About 100 bighas of land of Bangladesh Railway across these villages are used commercially to produce different types of flowers which include kath malati, rakta joba (China Rose), kath golap (wood rose), cherry blossoms, marigolds, dahlias, chrysanthemums, gladioli, China marigold, calendula etc. Mr. Sumon, a dealer of flower, narrated that for his 13 bighas of land for flower cultivation, he spent Tk. 4, 00,000/ borrowed from a bank. He estimated at least Tk. 7, 00,000/- from selling flowers but went in vain (Source: https://en.prothomalo.com/business, 7 April 2020).

President of Bangladesh Flower Society, Mr. Abdur Rahman opines that about twenty thousand farmers are associated with flower cultivation. On the occasion of Bangla New Year (nababarsha) the market of flowers remains throbbing. Since the government has ordered to celebrate Bangla New Year in home confinement there is a plunging demand for flowers this year. As a result, flower market is to count loss worth Tk. 2 crore.

Arifur Rahman, a flower grower in Savar, implies, he cultivates gerbera, gladiolus and tuberose in 6 bighas of land. In this critical situation, he assumes that he is going to count a heavy loss in his investment and income levels. A
Interview from crops farmers

A maize cultivator Zahid Hasan of Kushtia district informed that the maize cultivators of this area could not harvest their crops due to scarcity labour forces. The panic of coronavirus has turned them reluctant to work in the maize field. Dulal Mondol, a farmer of Mirpur Upazila, revealed that they are likely to face the scarcity of ‘diesel’ for irrigation. On the other hand, Mizanur Rahman, owner of Tamanna Rice Mill in the same Upazila, argued that the unavailability of vehicles has been hampering their production and marketing process to a great extent (Source: https://www.newagebd.net/article, 8 April 2020).

Interview from poultry farmers

Poultry farmer Salina Parvin at Tongi in Gazipur, recollected that she had to count a loss of Tk. 10 lakh while selling 2500 chickens laying eggs a few days back. She added that there was a rise in cost of poultry feed whereas both prices for chickens and eggs started sloping down. Also, the total cost of a chick counting from hatching is about Tk. 32 per piece where the price reduced to Tk. 01 per piece, yet there were no buyer for them. The most deplorable news in this regard goes that every day about 2 lakh chickens are dying in the hatcheries across the country (Source: https://www.jagonews24.com, 28 March 2020).

Interview from crab farmers

Sadhon Kumar Saha, a crab and eel exporter of coastal district Bagerhat describes their miseries. He says he has to pass a miserable life due to coronavirus. The usual price for per Kg of crab is around 700-1000/- Tk. but it is available now at Tk. 100-150/- per Kg. Besides, the exports of crab have been fully closed because of COVID-19. He had to witness 70% of crabs perished in his farm while another 30% of these are at a very numbing condition. It is found that in Bagerhat, about 5000 people in crab business, fishing and working in the related enterprises have been passing very deplorable life. Mr. Saha bids for immediate supports for these affected people from different NGOs, government authorities or any philanthropic organizations (Source: https://www.ucanews.com, 4 March 2020).

FINDINGS

On the basis of analysis reports collected through the interviews and the outcomes of the different studies accomplished recently, it can be stated that COVID-19 pandemic demonstrates an instant impact upon the agrarian-economy of Bangladesh. The instant direct impacts include farmers of different rapidly perishable products. For examples vegetables, flowers, poultry, harvestable boro rice, maze, poultry and dairy products in Bangladesh are on the risk of serious monetary loss. The three successive cycles of lockdown have broken the cohesion and coherence in supply and demand balance, supply chain break up, customers’ habit of consumption, relationship between the producers and workers etc. Almost every sphere balance between production cost and estimated return has been impaired. While complying with the government policy to cope with the Covid-19 pandemic, people related to agro-based activities or entrepreneurship are at an uncertain and perplexed condition. Covid-19 contagion however poses a long term impacts upon the agro-economy as well. Since most of these farmers are the marginalized ones here in Bangladesh, they have to depend on different NGOs, Government or non-institutional supports and loan for an effective progress in their business. The giant losses they have been confronting will essentially go beyond their control and worth. Many of them will lose their present identities and turn to be unemployed in the long run.

IMPLICATIONS AND CONCLUSION

Bangladesh is an agro-based country. Agriculture is the highest employment sector in Bangladesh and it performs a great role in economic development to this country. It has a good impact on the country's gross domestic product. Coronavirus, that is, COVID-19 is disrupting the activities of agriculture and agro-economy of Bangladesh. Most of products have been left unsold. For this reason, the prices of agro-products have declined to a frustrating level. The disrupted transportation and communication system has made production-supply-service cycle intricate and unachievable. Farmers are to encounter massive losses, threats of losing identities either as a producer, worker or entrepreneurs. Now it is time for concerned agencies to provide adequate financial, logistic and motivational supports so that they might keep courage and reinvest in their work places accordingly. Bangladesh government has taken some practical initiatives. Especially the right honourable prime minister has announced incentive packages of Tk. 5,000 crore for providing financial support for the farmers in the rural areas for boosting up
Nevertheless, agricultural production. A grass root level coordination, monitoring, and proper distribution of cash support for the poor farmers etc., require being implemented. Otherwise, the mess originated due to COVID-19 will remain an unyielding and devastating one.

RECOMMENDATIONS FOR FUTURE STUDY

This study provides several recommendations and it opens a new window for investigation of the future researchers. In future, the current study can be further developed through collecting data from a large sample size. The present lockdown situation itself is a great impediment for collecting large sample size data, respondents' interviewing, surveying, analysis etc. This type of study would be interesting if it could be extended by conducting a large survey including developed variables and using different types of statistical tools.

REFERENCES


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