The ICAC Recorder

Challenges to Cotton Value Chain during Pandemic COVID-19

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The COVID-19 pandemic has been having different impacts on agriculture in developed countries and developing countries. Developed countries have large-farm-size holdings and agricultural operations are mechanised whereas in developing countries the farm holdings are small, and operations are dependent on hired labourers or by pooling labourers. While large-holding-mechanised farms appear to have been least affected by COVID-19, the preventive lock-down and social distancing has had a very crucial effect on the day to day field operations in developing countries, especially since the farm operations and rural economy are largely dependent on labour participation.

Due to the lockdowns in different developing countries, a vast section of the population that was slightly above the poverty line slipped down below the poverty line and the Government had to support a larger number of people; more than it had expected. The load on governments was diluted slightly, thanks to philanthropists and social workers who came out and supported a substantial number of families with their resources.

The Government of Pakistan has been keen to ensure a seamless supply of food items — especially of perishables like vegetables and dairy products. The Government introduced the Anti-Hoarding Ordinance and other regulations mainly to discourage opportunists and hoarders, thereby ensuring that the prices were stable. The Prime Minister has been closely monitoring the food security situation as a result of which buffer stocks of each essential food items were maintained. Imports of foodstuff were facilitated at ports and in transportation so that the consumers could get a consistent supply of food items. Agriculture is in general an integrated and diverse business in Pakistan. Small and medium-size farm holders do not rely on a single crop but depend on vegetables, livestock and horticulture for regular income and livelihood. The lockdown and closures of main businesses like restaurants, catering services, and wedding halls reduced the food demand drastically and had a very severe impact on the prices of perishable produce like vegetables and dairy products. For example, the retail price of fresh tomatoes dropped to Rs. 15 per kg from Rs. 60. Most of the producers were unable to recover the harvesting or transporting costs. On the other hand, the demand for dry food items spiked up because of panic buying.

COVID-19 has severely impacted agriculture including cotton sowing operations in Pakistan. In many countries of the northern hemisphere, wheat harvesting starts from the second fortnight of March and lasts until July. In Pakistan, wheat harvesting had just started in Sindh province, in early April when the first lockdown was announced by the provincial Government of Sindh followed by other provinces. All agricultural operations were affected due to the lockdown. Farmers were facing issues of transport, movement of harvesting machinery, repair workshops, spares stores, etc. The most serious challenge was the movement of farm laborers, as local transport was also shut. However, the government soon granted a special permission for the movement of agro-machinery, exemption for the opening of workshops, and auto stores to ensure the supply of spare parts. The special permission came with strict guidelines on social distancing, personal protection and other standard operating procedures (SOPs). Wheat harvesting is quite a labour-intensive activity. Severe weather conditions and lack of awareness in farm labourers may lead to

poor compliance of the recommended protective measures against COVID 19.

The Agriculture Department initiated special training programs on safe agricultural production practices, social distancing, washing hands frequently and how to deal with COVID-19 patients or suspected patients. Farmers' training in variety selection, weed management, production technologies, and pest scouting were performed before the cotton season. Similarly, refresher courses on cotton production strategies were conducted for field staff of Agriculture Department. Farmers training sessions were performed online, whereas the field staff was also trained either online or in small groups. Social media awareness campaigns and Tele-Cotton SMS based message service for growers have become very popular during the lockdown period and the recovery phase. Various social media platforms generated healthy interactive discussions, especially through interactive guidance by experts and researchers.

About 70.0% of the cotton crop area is in Punjab and the rest in Sindh province. Cottonseed distributors were facing difficulty for the movement of seed and it's marketing. However, a few companies facilitated door delivery to circumvent the problem. The overall pace of cotton sowing was normal and COVID-19 did not have any impact in sowing except un-expected rains that caused delays in some areas of Punjab. Since cotton is sown after wheat harvest on more than 70% of the area, any delay in wheat harvesting has an impact on cotton sowing. Late sown cotton results in low yields due to increased vulnerability of the late sown crop to insect pests and diseases. More importantly, studies showed that delayed sowing of cotton makes the crop prone to the dreaded Cotton Leaf Curl Virus (CLCV); therefore, early sowing is considered to be the better. Timely availability of pesticides is crucial for pest management, especially to control the most damaging whiteflies. China is the main source of pesticides in Pakistan. When COVID-19 was at its peak in China in March, pesticide manufacturing/formulating industries and importers in Pakistan anticipated shortage of raw material and formulated pesticides for cotton, sugarcane, and rice. However, China opened its markets in April and with ease in supplies from China, the private sector secured adequate fertilisers, pesticides and also raw materials that were required to manufacture pesticides and fertilisers of pesticides needed for major Kharif crops. Pesticide and fertiliser dealers received an exemption from the lockdown and were able to provide services by following stringent personal protection measures.

The textile value chain had been hit very badly because of lockdowns and the subsequent isolation measures to combat COVID-19. The supply chain and value chain industry suffered from cancelation of orders, and non-compliances mainly because transport and ports were shut. Labour shortages and workers' safety emerged as key challenges to the manufacturing sector and exporters. Export-oriented industries were given special permission to operate with very strict SOPs for safety and social distancing. The industry made provisions of 'work-from-home' for their workers to complete orders and to keep their buyers intact. Slow industrial production and decline in demand have been having an impact on the cotton textile market, thereby resulting in lower prices and grower decisions for next year's cultivation.

The Government initiated several measures to help the farming community to combat COVID-19. It announced relief in three-month electricity bills for small business and SMEs, reduced 9% in interests for agri-loans for one year; price support of whitefly specific insecticides and PB Ropes and price support in certified cottonseed, and fertilisers. The government provides about US$ 400 million to support agriculture in the country. It is expected that the government could consider providing more relief in taxes and duty reductions in its budget that is formulated and announced in June for the fiscal year starting July 2020.