







# Covid 19 corollaries

## Arrivals low in mandis, yet prices aren't high

April 22, 2020

There has been a sharp decline in arrivals in the first two weeks of April across agriculture commodities. While there are four primary reasons for this – delayed rabi harvest, labour shortage, lack of transport, and reduced mandi operations – grains are also said to be hoarded by farmers/traders to be sold at a later date when mandi operations and logistics normalise. But in the case of perishables such as fruits and vegetables, farmers are bearing the brunt of the crash in demand because of the lockdown. Exports of grapes and mangoes are also halted. The upshot is that prices of fruits are 10% lower domestically despite an 85% fall in arrivals.

### Agri-commodities take a hit on labour, logistics woes

Crop category	Mandi arrivals (April 1-12 on-year comparison)	Mandi prices (April 1-12 on-year comparison)	Market dynamics
 <b>Rabi crops</b>	(lakh tonne) 51 <b>-98%</b> 1	Rs/quintal 2108 2712	<ul style="list-style-type: none"> <li>Delayed rabi harvest amid lack of labour availability has impacted arrivals</li> <li>Impact to be more severe on large landholding states of Punjab and Haryana</li> <li>Going forward, bumper crop output, lower industrial demand and limited exports to exert downward pressure on wheat prices</li> </ul>
 <b>Paddy &amp; grains</b>	5.1 <b>-68%</b> 1.6	1781 1742	<ul style="list-style-type: none"> <li>Arrivals have fallen due to restrictions on inter-state movement of goods and non-availability of logistics partners</li> <li>Decline in industrial and animal/poultry feed demand for coarse grains is estimated to have led to a decline in mandi prices</li> </ul>
 <b>Pulses &amp; oilseeds</b>	8 <b>-93%</b> 0.5	3946 5047	<ul style="list-style-type: none"> <li>Higher demand for pulses, due to hoarding amid the lockdown and limited availability of fruits and vegetables, has led to a surge in mandi prices</li> </ul>
 <b>Fibre crops</b>	1 <b>-99%</b> 0.01	5730 3958	<ul style="list-style-type: none"> <li>Mandi prices have logged a sharp decline despite significantly lower market arrivals due to lower domestic and export demand for cotton crop</li> </ul>
 <b>Fruits</b>	1.8 <b>-85%</b> 0.3	4273 3893	<ul style="list-style-type: none"> <li>Mandi prices have declined due to lower exports of seasonal crops such as mango and grapes and limited domestic offtake amid the lockdown</li> </ul>
 <b>Vegetables</b>	12 <b>-75%</b> 3	955 1755	<ul style="list-style-type: none"> <li>Mandi prices have increased sharply on-year as arrivals have plunged due to restricted market access to farmers</li> <li>However, middlemen estimated to be procuring at much lower prices from farmers given their limited bargaining power due to perishable nature of commodities</li> </ul>

● Percentage represents decline in in y-o-y arrival    
 ● April 19    
 ● April 20    
    Percentage represents change in y-o-y price

**Fruits:** Apple, Banana, Mango, Grapes;  
**Vegetables:** Onion, Potato, Tomato, Brinjal;  
**Fibre:** Jute, Cotton