

Covid-19 & Agriculture in Asia-Pacific- Role of Mechanisation

Sri Lankan Context

Lasantha Wickremesooriya

**President Agriculture Machinery & Manufacturers
Association of Sri Lanka**

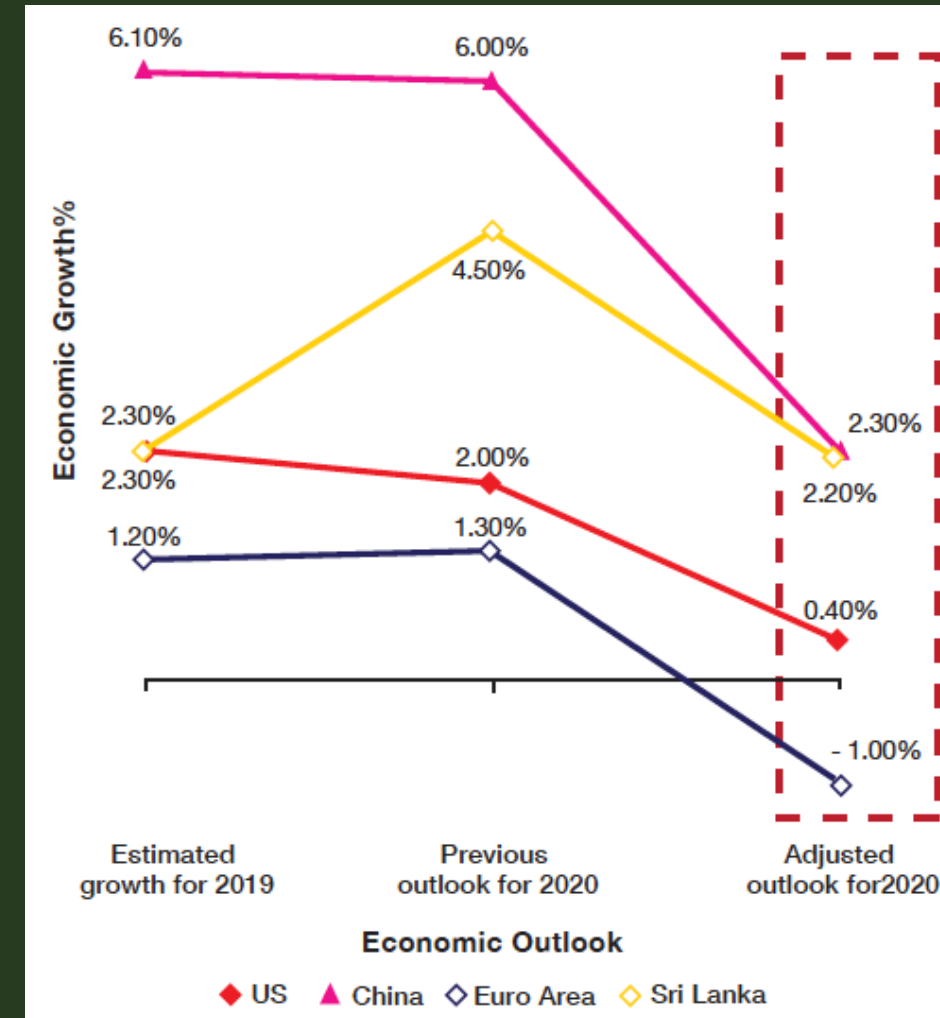
Economic Impact to Sri Lanka

- **Decline of foreign exchange earners:**

- Foreign employment remittances
- Exports (Major Apparel & Textiles)
- Tourism

- **Other significant sectors**

- Construction & engineering
- Retail & consumer
- Banking & finance



Implications

Imports > Exports = Trade Deficit

Fall in foreign exchange rate

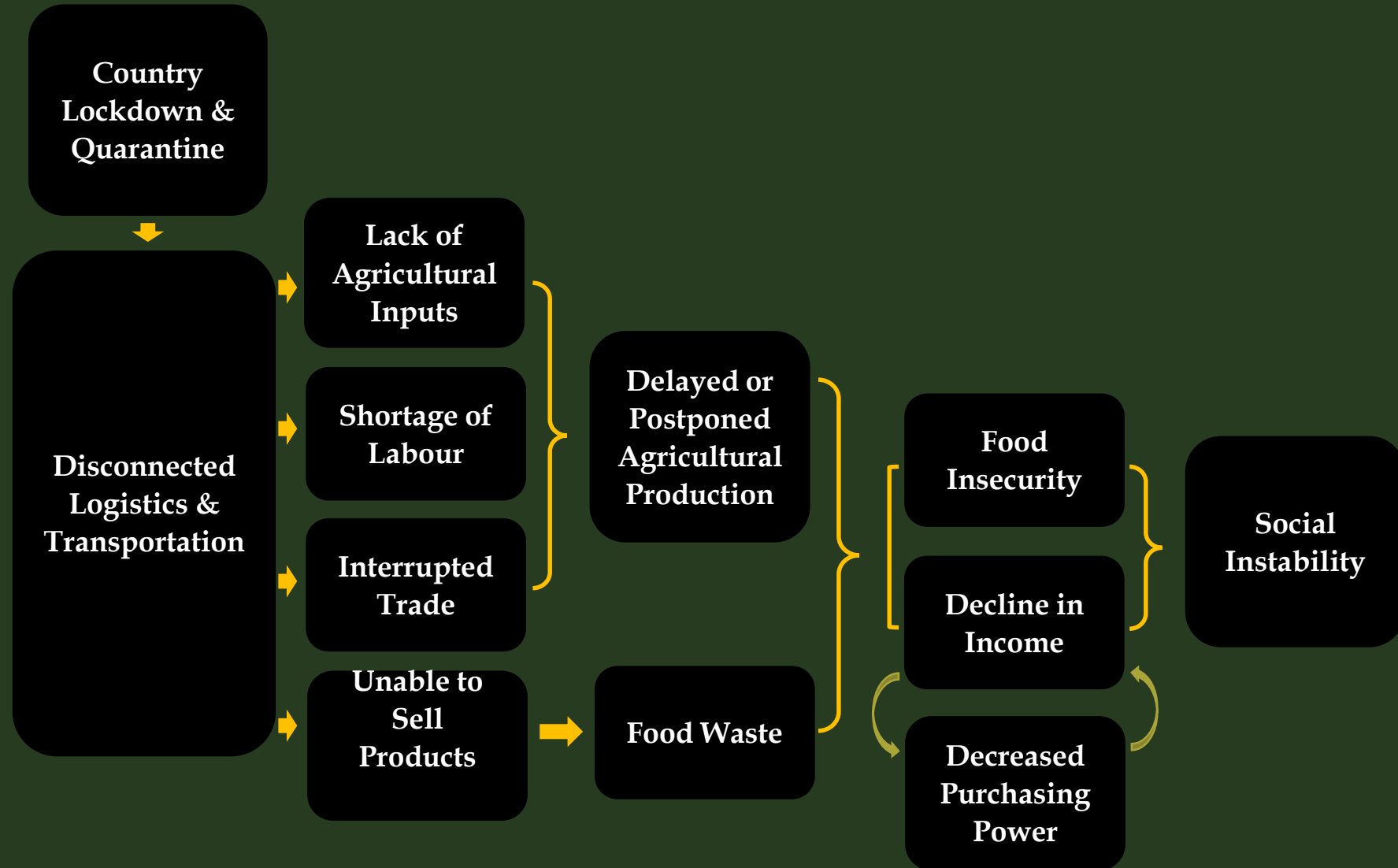
Increases BoP deficit

Government Introduces Import restrictions

Erosion of foreign reserves

→ Pressure on 'SL Rupee'

Potential Risks Associated with Agriculture



Timing (Sri Lankan context)

Covid-19 : Lock down period: 17th March to 6th June

17th Mar- 31st
Mar

1st April – 30th April

1st May – 31st May

To 6th
June

Tail end of
'Maha'
Harvesting

Commencement of
'Yala' Cultivation
Season

Agriculture – Farmer’s Perspective

Production factor	Difficulties	Implication
Cultivation operations	No restrictions were imposed by the Government	None
Maintenance Support for Agri machinery	Delays experienced due to curfew restrictions	Some delays in machine downtime
Financing	<ul style="list-style-type: none">• Repayment of seasonal instalments• Inability to procure new machinery, due to non-granting of new facilities	<ul style="list-style-type: none">• Pressured by Finance institutions to repay, farmers are in further debt with limited inflow of funds• Affects productivity
Marketing of Produce	Disposing of harvest (Mostly fruit & vegetables)	<ul style="list-style-type: none">• Income reduction

Agriculture – Agricultural Machinery Importer/Distributors Perspective

Supply Chain	Difficulties	Implication
Incoming Logistics	Temporary suspension of imports	Delays in importing machinery & parts for the new season
Operations	Inability to mobilise staff due to curfew restrictions	Delays in going to market
Output Logistics	Restricted distribution due to curfew restrictions	Delays in making products available in the market
Sales & Services	<ul style="list-style-type: none">• Restrictions in staff mobilisation and travel restrictions• Inability to secure financing for machinery	<ul style="list-style-type: none">• Delays in attending to service requirements• Inability to meet new demand / provide new machinery for farmers

Positive Government response and policy support for agriculture

- Sri Lankan Government's prioritised response to agriculture
 - Removed the barriers and allowed farmers to go about with their cultivation work, irrespective of the curfew
 - Mobilised the tri-services, state administration & private sector to ease logistics
- Government responded positively to AgMMA's requests for certain relief measures on suspension items (parts)
- Suspended import of 16 agricultural crops (seeds & pulses) and are promoting the cultivation of same in the country

“Defeat Corona
Let’s Win the Food War”

Ministry of Agriculture



“ කොරෝනා පරදවූ ආහාර අර්බුදය ජය ගනිමු ”



දේශීය ආහාර අවශ්‍යතාව සපුරාගැනීම සඳහා 2020 යලි කන්නයේ වගා කල හැකි සෑම බීමකම පහත සඳහන් බෝග වර්ග වගා කිරීමට ඔබත් එක්වන්න.

- මිරිස්
- මුං අැට
- කුරක්කන්
- රටකපු
- කවිපි
- බඩ ඉරිඟු
- උඳු
- සෝයා බෝංචි
- ලොකු ලෞණු
- රතු ලෞණු
- තල
- අර්තාපල්
- කහ
- ඉඟුරු

ඔබ ප්‍රදේශයේ ගොවිජන සේවා මධ්‍යස්ථානය මගින් අවශ්‍ය පොහොර සහ සම්බන්ධීකරණය සඳහා කෘෂිකර්ම පර්යේෂණ නිෂ්පාදන සහකාර සහාය ලබා ගන්න


වගාවට අවශ්‍යවන බීජ වර්ග හා තාක්ෂණික උපදෙස් ලබා ගැනීම සඳහා ඔබ ප්‍රදේශයේ කෘෂිකර්ම උපදේශක/ තාක්ෂණික සහායක/ මහවැලි කේන්ද්‍ර නිලධාරී අමතන්න



Recommendations for agricultural mechanization

- Exporters of machinery to support our importers and comply with the Government regulation to provide 90 to 120 days credit for the relevant items
- Urgently promote farm machinery for the non-paddy segment as a matter of priority
- Such machinery should take into consideration;
 - That non-paddy segment involves small scale land holding (less than 2 hectares)
 - Female work force engaged in this sector and therefore gender friendly machinery

Recommendations for agricultural mechanization

- A sustainable solution for financing agri machinery in the long run
 - Manufacturers to consider establishing assembly operations, storage facilities in proximity to markets; this will ease the pressure created in logistical issues, particularly when goods cross borders
 - A contingency plan to face situations of similar nature in the future with the objective of minimising loss in food production
- 

Thank You!

Contact details:

Email: lasantha.wick@gmail.com

Mobile: 00-94-711283533

