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NATIONAL COOPERATIVE UNION OF INDIA



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EDITOR-IN-CHIEF **N. Satya Narayana** 

EDITOR Sanjay Kumar Verma

CONSULTING EDITOR Alok Kumar

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Contact: Sanjay Kumar Verma (Mobile No. 9871146034)

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or the countries that are confronted with COVID-19 pandemic, it is critical that the people have equal access to sufficient food and nutrition. Although at present there are abundant food reserves in the international market, everyone must remain vigilant. Trade restrictions can trigger shortages and inflate the prices of food items abruptly. Similarly, travel restrictions, suspended flight operations, border closures and labour shortages can also disrupt the food supply chains.

Protecting the food supply chain and guaranteeing movement of essential workers and food with necessary precautions will ensure stability in the supply of food commodities. Small and medium enterprises in the food sector, including retailers, which are highly vulnerable to economic shocks, have to be protected. These measures would help to preserve consumer trust in the availability of food at affordable price, which is a key element to stability in these difficult times.

The virus has resulted in mass unemployment and further threatens millions of jobs. Given the intrinsic link between poverty and food security, social protection measures have to be prioritized so as to safeguard the most vulnerable sections of the society, including those working in the informal economy and women who are also disproportionately affected.

COVID-19 will hit the most vulnerable populations hardest. Prior to the spread of coronavirus, there were 820 million people suffering from hunger, two billion people malnourished and 700 million people lived below poverty line. The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) has predicted that 100 million people would be in need of humanitarian assistance in 2020. These



# FOOD SECURITY AND COOPERATIVES

DR. T. PARANJOTHI & DR. C. PITCHAI

#### Following Covid-19 crisis, food security will be a major concern for the world including India and cooperatives can be very helpful in addressing it.

numbers are set to proliferate if the pandemic is not addressed properly, and in this regard, we have to take urgent multilateral action.

Unfortunately, the pandemic is already affecting the entire food system. Restrictions on movement within and across countries can hinder food-related logistic services, disrupt entire food supply chains, and affect the availability of food. Impacts on the movement of agricultural labour and on the supply of inputs will soon pose critical challenges to food production.

Currently, agriculture and its foodrelated logistic services should be considered as essential. Increased efforts are needed to ensure that food value chains function well and promote the production and availability of diversified, safe and nutritious food for all. In doing this, it is necessary to give precedence to the health of consumers and workers, adhering to safety measures, such as testing, physical distancing and other hygienic practices.

# SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The UN member states during September 2015 adopted the 2030 Agenda for Sustainable Development which comprises seventeen Sustainable Development Goals (SDGs) that aim to take forward the work begun in 2000 by the Millennium Development Goals (MDGs). The ambitious agenda sets a course to end poverty, protect the planet, and ensure prosperity for all by 2030. Out of 17 SDGs, Goal 2 is on 'Zero Hunger' and it focuses on 'End hunger, achieve food security, improved nutrition and promote sustainable agriculture'.

Director, Agricultural Cooperative Staff Training Institute (ACSTI), Trivandrum Professor in Cooperation, Gandhigram Rural University, Tamil Nadu

#### FOOD SECURITY AND COVID-19

The world is sliding rapidly towards recession. IMF Managing Director Kristalina Georgieva stated on March 23, 2020 that the outlook for global growth in 2020 is "negative." Recovery, if any, is expected only in 2021. The International Labour Organisation (ILO) states that the rise in unemployment could be up to 25 million worldwide because of COVID-19 (Ramakumar, 2020). The mandatory shutdowns of nonessential businesses and the confinement of billions of people to their homes, are revamping societies and economies. The impact is unevenly distributed for households, workers and businesses - further exacerbating inequalities that already exist. Cooperative and other SME enterprises, such as mutuals, associations, foundations and social enterprises, their workers and communities are also being affected, albeit asymmetrically, depending on the sectors and the stage of the spread of the virus in their region or country (ilo.org, 2020). Historically, during periods of crises, the values of cooperation, solidarity, and mutualism have a greater significance.

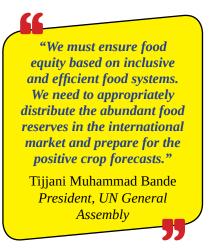
As the coronavirus crisis unfolds, disruptions in domestic food supply chains are emerging as a pressing issue in many countries. Labour shortages (due to morbidity, movement restrictions) will have an adverse impact on processors, traders, and logistics companies in food supply chains. Loss of income and jobs is reducing people's ability to buy food and compensate farmers for their production.

#### FOOD SECURITY AND COVID-19: SITUATION IN INDIA

The Food and Agriculture Organisation (FAO) expects global shifts in the supply of and demand for food. It warns of a world "food crisis" if countries do not protect vulnerable people from hunger and malnourishment, and removing food supply chains. Similarly, the United Nations has warned that the COVID-19 crisis could trigger "food shortages" around the world. The World Food Programme (WFP) has noted that the COVID-19 crisis is "threatening to affect millions of people already made vulnerable by food insecurity [and] malnutrition."

Hans Timmer, World Bank Chief Economist for South Asia in an interview to 'The Hindu' mentions that "the lockdown is necessary, but not sufficient. It has to be complemented with food distribution, temporary work programmes and a system of testing and tracing, which is needed to reopen the economy. The temporary work programme could focus on food delivery, production of protective equipment, disinfection of public spaces and on the testing and tracing system" (20th April 2020)

As India has moved from regulations and controls to a total lockdown which has been extended with removing of restrictions in certain areas, the impact of the COVID-19 pandemic on the economy is becoming ever more acute. The Indian economy, which was already facing a sharp downturn by the end of 2019, will surely record an extraordinarily poor growth rate for the months of March, April, and May 2020 (though they technically fall into different quarters of the financial year). If the lockdown continues, the impact is likely to be even more severe – on the working people and on the economy as a whole (Ramakumar, 2020).



# COOPERATIVES: COPING WITH THE CRISIS

The need for a community-based economic model is vital in these moments. Cooperatives, a model serves its people, communities and finds its strength in the support of those very same people and communities.

Despite the difficulties, the cooperatives are demonstrating their ability to reorganize themselves, to reinvent themselves and to cooperate. In this context, worker and social cooperatives are carrying on doing what they have always done – protecting their workers, responding to the needs of society and acting at the local level.

The following collection of initiatives that have been put in place by cooperatives in the industry and service sector in India enables us to reflect, as well as learn for the future.

#### **COOPERATIVES AND COVID-19**

In total, about one billion people are involved in cooperatives in some way, either as members/ customers, as employees/participants, or both. Cooperatives employ at least 100 million people worldwide. It has been estimated that the livelihoods of nearly half the world's population are secured by cooperative enterprises. The world's 300 largest cooperative enterprises have collective revenues of USD 1.6 trillion, which are comparable to the GDP of the world's ninth largest economy – Spain.

As value-based and principle driven organizations, cooperative enterprises are by nature a sustainable and participatory form of business. They place emphasis on job security and improved working conditions, pay competitive wages, promote additional income through profit-sharing and distribution of dividends, and support community facilities and services such as health clinics and schools. Cooperatives foster democratic knowledge and practices and social inclusion. They have also shown resilience in the face of the economic and financial

#### **GSCU DONATES RS.11 LAKH TO CM RELIEF FUND**

Gujarat State Cooperative Union (GSCU) has contributed a sum of Rs. 11 lakh towards Chief Minister's Relief Fund. The employees of GSCU also contributed one day salary. Both the cheques were presented to Shri Vijaybhai Rupani, Hon'ble Chief Minister of Gujarat by Shri Ghanshyambhai Amin, Vice President, NCUI and Chairman of GSCU at CM's residence in Gandhinagar.

crises. Hence, cooperatives are highly relevant and important in the realization of the implemented Sustainable Development Goals.

The Sustainable Development Goals (SDGs) set out a vision for countries to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind. Of all the cooperatives in the world, 32 per cent operate in the food and agriculture sector, meaning that they have an important presence among rural communities. They help small agricultural producers overcome many challenges faced by them as individuals.

### SDG'S FOOD SECURITY AND COOPERATIVES

Cooperatives contribute to food security by helping small farmers, fisher folk, livestock keepers, forest holders and other producers to solve numerous challenges that confront them in their endeavours to produce food. Farming and agriculture is where the cooperative business model is most widely utilised.

Agricultural cooperatives help the farmers by offering their members a variety of services such as group purchasing and marketing, input shops for collective purchases, and warehouse receipt systems for collective access to credit and market outlet. Cooperatives build small producers' skills, provide them with



knowledge and information, and help them to innovate and adapt to changing markets. Importantly, they facilitate farmers' participation in decision-making processes and help small producers' voice their concerns and interests, and increase their negotiating power to influence policy making processes. In the food supply chain, consumer cooperatives facilitate access to safe food.

#### COOPERATIVES AND SUSTAINABLE DEVELOPMENT GOALS IN INDIA

India has played an important role in shaping the Sustainable Development Goals (SDGs) as the country's national development goals. Reflecting the country's commitment to the SDG agenda at the highest levels of the government, Indian Parliament organised several forums focusing on the elimination of poverty, gender equality, climate change and resource mobilisation for SDGs. The cooperatives in India pledge to focus on the four areas as identified by ICA out of the 17 SDGs. The ICA's first focus was on the Poverty Eradication. Zero Hunger that includes food security. Cooperatives in India allow people to help themselves by creating their own economic opportunities and turning individual risk into collective risk. As food security is concerned, agriculture cooperatives help their producer-members access inputs, infrastructure, markets, better prices, training and technologies, through the power of the collectives.

## FOOD SECURITY: ROLE OF COOPERATIVES IN INDIA

Cooperative societies in India are playing a significant role in ensuring food security and are more active in the country. Few examples are presented for better understanding on the role of cooperatives in food security.

- In Tamil Nadu, around 94 per cent of all fair price shops run under the public distribution system are managed by cooperatives.
- Mother Dairy is a cooperative that sells milk and vegetables at fixed rates decided by the Delhi Government.
- Amul is one of the most successful cooperatives in India and gave a tremendous boost to milk production leading to white revolution in India. Amul not only encourages dairy farming, but also provides a variety of milk products.
- The Academy of Development Studies (ADS) in Maharashtra is a society devoted to welfare of tribals and rural communities. ADS has set up grain banks in tribal and rural areas with the help of local NGOs to provide food security.
- The members of the grain bank can make deposits of surplus grain after harvest and make withdrawals during lean periods. Grain bank members can also take loans in the form of grain and repay the loans with interest at the time of the next harvest.

During the pandemic, corona virus has made the people to lockdown in their homes and large numbers of people have lost their job/work and food has become a problem. There are a number of cooperatives in India which have come up with various efforts on food security front during the COVID-19 crisis.

The corona pandemic is threatening the state of Gujarat, as happening in the other parts; the cooperatives of the state are doing yeomen service to the poor and helpless people. Two cooperatives viz., Gujarat State Cooperative Bank and Ahmedabad State Cooperative Bank are not only distributing food packets among the needy in different parts of Ahmedabad but also making contributions towards the relief funds. The banks distributed grocery items and vegetable packets to the needy. These banks have set a target to distribute one-lakh packets from the established number of centres, where these household kits are being prepared.

The banks have made a provision of crore of rupees to help the poor families in all possible ways. Directors and employees of the banks have prepared the list of the needy. One of the directors, Kamlesh Tripathy, Director, ADC Bank said, "Each representative takes 25 kits and distributes them among the people. For the past several days, we are in the process of distributing kits".

Earlier, the Gujarat State Cooperative Bank has contributed Rs 1.51crore each towards the CM relief fund and the PM Cares fund. Besides, Rs. 5 lakh has been given by the employees from their one day's salary towards the CM relief fund.

Ahmedabad District Cooperative (ADC) Bank has donated Rs 1.01 crore each towards the CM Relief Fund and the PM Cares fund. Besides, Rs 21 lakh has been given by the employees from their one day's salary to the CM relief fund. Besides these two banks, there are a number of other cooperatives in the state which are doing their best to help the needy. The milkmen connected with Banaskantha District Cooperative Milk Producers' Union Ltd., (Banas Dairy) have contributed more than Rs. 7 crore to the PM Cares Fund.

# SUPPLY OF PULSES TO HOUSEHOLDS BY NAFED

The central government will provide one kilogram of pulses to 20 crore households for three months in the country, under the PM Garib Anna Yojana and Nafed has been entrusted this massive operation. NAFED is supposed to lift unmilled pulses from godowns and warehousing corporations and get them milled for transportation to the states. The total amount required for distribution is 5.88 lakh MT of milled pulses. Each month, 1.96 lakh MT of pulses will be distributed under the national food security Act to households through rations shops.

#### ULCCS: PUTSTHEWORKER BEFORE PROFIT

"The construction works stopped even before the nationwide lockdown was announced. The labourers are in the camps for the last 10 days. They will be helped and taken care of in all possible means," said Remeshan Paleri, Chairman, Uralungal Labour Contract Cooperative Society (ULCCS).

When coronavirus struck, the manner in which India's oldest construction cooperative treated its migrant workers stood in sharp contrast to the Indian government's apathy. Before Prime Minister announced the 21-day lockdown on 24 March springing a surprise for the dailywage workers who were now left with two choices, either to remain destitute in the city for that period or walk hundreds of kilometres to their homes. ULCCS had booked three buses that arrived in Malda, West Bengal with daily-wage labourers who had been working in Kerala. More than 2750 kilometres were

estimated to Kolkata on a journey of three days. Food and water along with masks and sanitizers for three days were arranged for a safe and comfortable journey.

The COVID-19 cases were rising in Kerala and worksites were closing. That's when a few of the 2500 guest workers employed by ULCCS said they would like to return home. The trains were full, so the cooperative arranged the buses. The others stayed back in Kerala in the accommodation provided by ULCCS, which also provides them with free food.

ULCCS sheltered their 2500 migrant labourers in about 30 camps spread across Kerala. It provided food, water, medicines and created awareness for taking precautionary measures amongst its workers. Further, the workers who have the membership will be granted their PF, ESI, gratuity, bonus, medical insurance and other benefits as well. Rest of the non-members will also be granted the bonus and insurance of about 20 lakhs.

Dr. Thomas Isaac, Finance Minister of Kerala tweeted on 28 March: "Pictures of exodus of migrant worker families trekking homeward is [sic] reminiscent of partition days. Compare it with the action of ULCCS, the largest construction coop, that transported them in [sic] special bus to Kolkata ..." The minister has co-authored, with Michelle Williams, a book on ULCCS titled Building Alternatives: The Story of India's Oldest Construction Workers' Cooperative (Leftword, 2017).

#### SEWA COOPERATIVE FEDERATION: SERVICE TO INFORMAL WOMEN WORKERS

Due to lockdown, SEWA had to face significant losses around the following areas:

- Many farmers were not able to sell their produce, given that many of the main markets were shut down.
- Some local shopkeepers took advantage of the situation by hiking

prices for hygiene products and other daily needs and this affected the women who do not have any work.

- Many domestic workers and cleaners could not have guaranteed paid leave for the duration of the shutdown. The work of cleaning cooperative - Saundarya
  comprising of women of the most vulnerable castes among their members, stopped, severely affecting their income.
- Childcare centres run by the health care cooperatives have been closed, but the members are distributing one meal a day to children who live in close proximity from the centres. Raw materials bought in may last till Mach and the centres may drain of stock of raw materials or source of revenue.

The SEWA active essential services cooperatives include 65 milk cooperatives and SEWA Bank and health cooperative, 'Lok Swasthya's Medical Shops', however, primary healthcare including health education and awareness has been affected by the lockdown. Therefore, SEWA Federation has been actively seeking support of 11 cooperatives (including agriculture, handicrafts, services, and finance), with a total membership of 6300 informal women workers. These do not qualify as essential services and are looking at severe losses.

#### INTERVENTION OF SEWA COOP FED.

The lives of SEWA members, the informal women workers, are characterised by insecurity of work and income and food, as well as limited or no access to social security. At this stage of the pandemic in India, the required social distancing is likely to worsen the situation for the members. Therefore, the need for immediate intervention is particularly crucial to ensure income, social protection and health security. SEWA Federation adopted a three-fold strategy of safeguarding health, livelihood restoration and extending social protection and food security.

SEWA's immediate response involves distribution of food. Despite the government's announcement, the experience suggested that there will be more people left out, like those without ration cards. As the migrant workers' ration cards are from their home states, so they may not get food in Gujarat. There is also a possibility of insufficient stock, and also inadequate quantities may be given to the households ignoring the size.

**Health kits:** Due to small homes with many members, social distancing will be difficult for many. To prevent the spread of the virus, SEWA will distribute five 2-layered, washable cloth face masks to each household. SEWA will also distribute hand sanitizer or neem soap. Cash transfer for sustenance: The COVID-19 outbreak and the lockdown measures have imposed restriction on scale of production and activities, impacting revenue for many enterprises. This has a direct impact on SEWA members. Therefore, to ease the inevitable economic pressure, SEWA proposes a direct cash transfer.

SEWA's long-term response is working towards the development of a health cadre (trained personnel) to respond to this pandemic and creation of a livelihood restoration fund for cooperative recovery. One of the principles of the cooperatives is 'Concern for Community' and it is also one of the values, adhered from the inception of the cooperative concept. Whenever and wherever, people are under distress, cooperatives will be the first institutions helping them. Now also when people are suffering due to COVID-19, cooperatives have lent their helping hand. Even though, cooperatives are a business enterprise, the motive of the cooperatives is to take care of the well being of its members first and profit next.

The cooperatives that have contributed benevolently in the form of food, shelter, transportation, finance etc., demonstrate it. Time and again, the cooperatives have proved that they are the saviour of the people during the times of distress, irrespective of their economic and social status.

#### **COSMOS BANK DONATES RS 55 LAKH**

In the wake of Coronavirus pandemic, Cosmos Co-operative Bank Ltd has contributed a sum of Rs.55 lakh – Rs.35 lakh to the Chief Minister Relief Fund and Rs. 20 lakh to PM Cares Fund, informed Cosmos Bank's Chairman, Shri C A Milind Kale. Besides, during the lockdown, the Bank has assisted more than 250 needy persons with food, water, clothing, etc.

Considering the financial liquidity stress on businesses due to COVID-19 pandemic, Cosmos Bank has provided additional 10% working capital credit line to all its existing



Cosmos Bank's Chairman CA Milind Kale, Managing Director Suhas Gokhale & Staff Representative Umesh Datar handing over the donation cheque for Prime Minister and Chief Minister Relief Fund to Pune Divisional Commissioner Dr. Deepak Mhaisekar

borrowers for a period of 6 months beginning 21st March 2020. Moreover, the Bank has made available

all the relaxations declared by Reserve Bank of India to its borrowers, informed Shri Kale.