

**Voluntary Report** – Voluntary - Public Distribution

**Date:** May 08,2020

**Report Number:** IN2020-0037

**Report Name:** COVID-19 in India - Weekly Food Retail Update

**Country:** India

**Post:** Mumbai

**Report Category:** Agriculture in the News, Agricultural Situation, Retail Foods

**Prepared By:** Lazaro Sandoval, Dhruv Sood, Sharon Sonali Kalsi, Arundhati Sawant, Prashant Patil, and Uma Patil

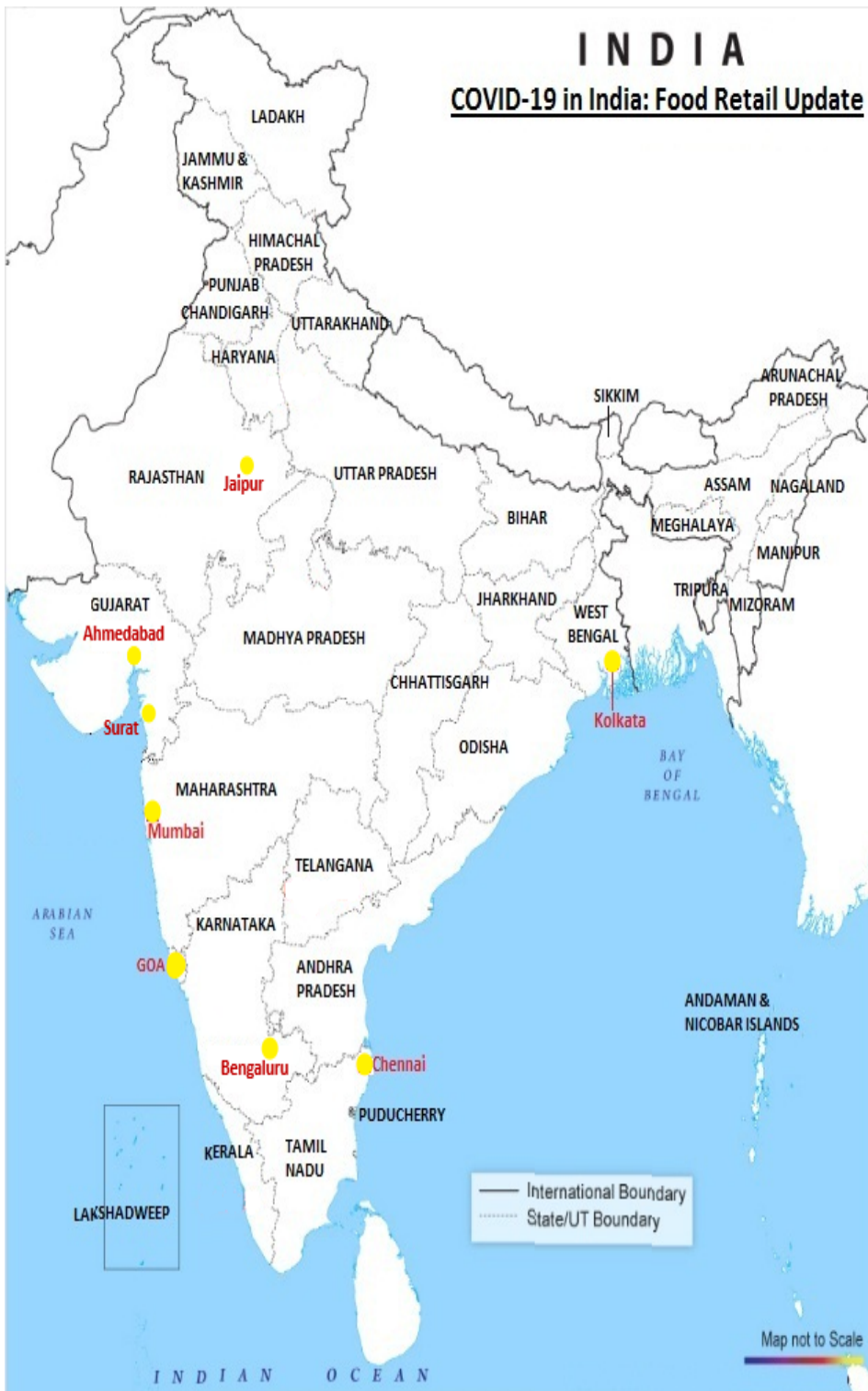
**Approved By:** Jeanne Bailey

**Report Highlights:**

Weekly report as of May 8, 2020, of COVID19 impact on India's food retail sector.

## India Food Retail Update as of May 8, 2020

### INDIA COVID-19 in India: Food Retail Update



- Mumbai:** Local reports indicate that consumer expenditures for essential goods at neighborhood shops (kirana), nationwide, have increased by 40 percent since the lockdown has been in place. Analysts believe the agility and close proximity of these stores has allowed them to grow in popularity during the lockdown. Kirana stores represent 90 percent of grocery sales in India, while modern retail outlets and e-commerce represent 8 and 2 percent, respectively.
- Ahmedabad:** Due to a persistent rise in COVID-19 cases, beginning on May 7, the city will be under a complete lockdown for a week that will ban the sale of fresh produce and basic household goods within municipal limits, except for milk and medicines.
- Surat:** On May 9-14, all shops selling fruits and vegetables will be shut down as part of a robust lockdown placed by municipal authorities to contain the spread of COVID-19.
- Goa:** Due to the low occurrence of COVID-19 cases, the Panaji municipal market complex reopened on May 7 after six weeks.
- Chennai:** Media reports that food retail revenues have fallen by 30-40 percent due to supply chain issues, the lack of labor, and a fall in customer footfall. This sector is facing significant liquidity challenges which may contribute to greater unemployment. Retailers complain that banks and the government have not provided enough financial support/options to maintain salaries.
- Kolkata:** In an effort to curb the spread of COVID-19 in the city's main wholesale hub of Burrbazar-Posta, the state government is looking for alternative locations to direct trucks delivering food commodities. Given the recent detection of COVID-19 at Raja Katra, the city's wholesale market for pulses and spices, which led to the closure of multiple wholesale markets and shops, the government is working to ensure goods can still enter the city safely to avoid shortages and an escalation of prices. However, media reports that relocating an entire wholesale hub will be a "mammoth" task that could take months. Moreover, the Posta and Raja Katra markets have at least 5,000 traders that will have to be involved in this relocation effort.
- Bengaluru:** Local kirana stores report greater supply chain difficulties and soaring prices. Shop owners report that only 20 percent of farmers from surrounding areas are allowed within city limits, leading to a reduction in the supply of fruits and vegetables. At the same time, traders face constraints in receiving cargo as mills and factories do not have enough laborers to process goods, leading to lighter truck loads and higher costs that are passed on to retailers and customers. Staple food prices have increased by 5-10 percent.
- Jaipur:** Municipal authorities are limiting the number of fruit and vegetable vendors in every ward of the city and requiring them to wear special caps issued by authorities. Out of approximately 3,000 produce vendors, only 1,050 are now permitted to sell. Media reports that the aim of this initiative is to monitor vendors who previously had no fixed route and to facilitate the tracing of potential new COVID-19 cases.

**Attachments:**

No Attachments.