

Voluntary Report – Voluntary - Public Distribution

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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, Sharon Sonali Kalsi, Arundhati Sawant, Prashant Patil, and Uma Patil

Approved By: Jeanne Bailey

Report Highlights:

Weekly report as of June 12, 2020, of COVID-19 impact on India's food retail sector.

INDIA

COVID-19 in India: Food Retail Update



- 1. Mumbai:** As part of the relaxation of the lockdown, Mumbai area shops can remain open throughout the day (as long as it doesn't violate the night curfew of 9:00 PM to 5:00 AM), as per an order by the Brihanmumbai Municipal Corporation (BMC) on June 9. Local food retailers welcomed this decision, but expressed concern over the shortage of staff. Most workers have not returned from their home villages, hurting food retailers' ability to remain open for 12 hours or more.
- 2. Hyderabad:** According to one retail chain, only half of its stores are operational while the other half are closed. The non-operating stores are located in corporate parks where firms remain closed. All store staff are now able to report to work, compared to only 30 percent at the beginning of the lockdown. The retail chain reports that 90 percent of products are available, including fruits and vegetables, whose prices are expected to stabilize given the new lockdown relaxations. While the supply chain situation has improved and distributors are able to make direct deliveries, procuring imported food products remains a challenge. Consumer purchasing patterns are returning to normal, in contrast to the panic buying that occurred multiple times throughout the lockdown. This chain also supplies to local restaurants, which have begun to reopen gradually.
- 3. New Delhi:** Shopping centers and malls reopened on June 8 to lackluster footfall due to COVID-19 fears and stringent sanitary measures.
- 4. Chennai:** Koyambedu Foodgrains Market merchants are demanding that local authorities reopen the market. These merchants claim that the ongoing market closure is leading to increasing losses and spoiled stocks. This closure has also resulted in rising grain retail prices for consumers as food retailers are unable to procure new supplies. Koyambedu merchants believe these prices will not stabilize until the market reopens. As of June 11, municipal authorities continue to disinfect market premises.
- 5. Pune:** According to local reports, two-thirds of the city's farmers markets are resuming operations. These markets played a vital role in the distribution of fruits and vegetables when formal markets (mandis) were closed in many parts of the city during the lockdown.
- 6. Bengaluru:** The prices of food grains and pulses have declined in wholesale markets while they remain elevated at the retail level. According to the Federation of Karnataka Chamber of Commerce and Industry, the margin between wholesale and retail markets is usually 15 percent. However, recent pulse prices demonstrate a margin of 40 percent. Local retailers claim that they have had to raise or maintain prices due to volatile demand during the lockdown.
- 7. Kolkata:** Media reports that chicken and potato prices are rising, while mutton prices have declined. In West Bengal, chicken prices experienced a 75 percent increase, as consumers have begun to return to pre-lockdown consumption levels while supplies remain constrained. The rise in potato prices by 9 percent is the result of greater demand from returning migrant laborers. Mutton prices are returning to normal due to greater supplies, as more farmers are delivering goats to city markets.

Attachments:

No Attachments.