



Agriculture during Pandemic

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Received: September 21, 2020

Published: October 21, 2020

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Introduction

The year 2020 since its inception has started with a situation different from normal. The outbreak of the epidemic in several countries simultaneously led to the creation of the pandemic declared worldwide by the WHO itself. This change came unexpectedly. At the center of world attention was health. The social and economic life of mankind around the world changed suddenly. The prolongation of the pandemic created the belief that isolation was no longer a solution but a choice of the moment. For all sectors to be revitalized and continue their activity they had to adapt to new conditions of physical distancing. But some activities much needed for basic needs could not be accomplished in this form. One of them is also agricultural and livestock activity. The supply of consumers with agricultural and livestock products and products had to continue normally, especially in this period when the demand would be higher due to two factors; first, people had enough time to consume food at home, and; second, the closure of restaurants, bars and hotels. An additional supply had to respond to the increase in demand. But if the pandemic increased demand, the same cannot be said for supply. Not only is the supply of such products, as of any other product, limited in the short term, but also because exchanges of goods and products between countries were temporarily suspended. For net exporting countries supply could not have a significant difference from demand. For net importing countries traders had to find other resources to meet demand. Such places where demand remained undiscovered turned their eyes away from domestic production. This situation was presented as a golden opportunity for local producers who had to guarantee the sale of their agricultural and livestock products.

Development of agriculture in pandemics, supply

All producers of the agricultural sector had to find the most appropriate way to successfully realize the production of the year, although in a pandemic period. Not all agricultural sector is equally

developed in terms of technological development. A good part of small producers are family yards. For these economic micro-communities, physical distance did not cause a problem as they are place where all family members work all the time and without a schedule. A positive factor for job continuity is near to family property. So, these units the working ritual was the same. The only problem with such activities was trading. The interruption of transport, the creation of red zones and the interruption of the trade chain created in front of these families the need for canning of products. While the interruption of food supply to the population was never requested. This situation was rectified by means of scheduled controlled transport and declared employees who were traveling for work and with permission from regulatory authorities.

Another part of agricultural and livestock production was provided by large farms and the processing industry. Two branches have been established here, one group being large farms which not only provide the raw material but also follow the processing process; and the other group are farms who sell their products as raw material for processing to other enterprises. Both of these types of farms have in common the advanced use of technology for securing agricultural and livestock products. Unlike family yards, these farms employ genuine staff who are not necessarily familiar with each other. Physical distancing between employees became a necessity which continued beyond the period of isolation. This distancing is continuing in the autumn of the year, when the isolation started in the spring. This led many businesses to adapt to reduced staffing and shifting staff, but in no case could the activity be discontinued. Except for the administrative staff who could follow the work from home, the rest of the employees could not follow the processes remotely from the workplace.

For developing countries which are mainly net importers, meeting the market needs with agricultural and livestock products

makes it possible to absorb all domestic production with these products, especially in terms of human and logistical constraints. And despite adapting to the new requirements of the conditions to work again a part of the employees turned out to be unemployed. This is because businesses in general, and the agricultural sector in particular, were affected by two factors which negatively affected the suppliers. First, the lack of liquidity; and second, the increase in the level of risk. Liquidity is the first and foremost gear that drives the entire transmission chain in the economy. A business even if it has a satisfactory expected profit, if there is no liquidity goes bankrupt tomorrow, even if its profit is the day after tomorrow. This type of activity, although it was safe to sell again, delays in transportation, falling demand and consumer savings made the required production provide less liquidity than in a normal situation. Liquidity liabilities, on the other hand, did not change. Liabilities to suppliers, employees, lending institutions and tax liabilities to the state. An important source of funding for agriculture were also grants, which with the onset of the pandemic became highly conditional.

Another equally important factor that influenced supply was risk, of all kinds. Already the whole of humanity changed the way of thinking and acting, changed the general social and economic orientation. The offer had to adapt to this new orientation. In this business situation if there were many uncertain factors, in conditions of pandemic its very existence became uncertain. The business of continuity was no longer an axiom but a big question mark. The most appropriate strategy in this situation is to grab what you can, sell what you have, secure as much as possible and spend as little as possible. The following offer had to be adjusted to moderate demand. Risk management and situation adaptation became the key word of every business.

Development of agriculture and livestock in pandemics, demand

Demand for agricultural and livestock products is among the less elastic demand curves. But the conditions of the pandemic made even for such goods consumers think twice. Priority in such situations is health, mental and physical. On the one hand, the pandemic increases the demand for such products, but on the other hand, job insecurity and future income levels reduce this demand as well. A good portion of people lost their jobs. At the microeconomic level this translates into less business costs, but at the macroeconomic level this translates into declining aggregate demand. This decline in demand reduces the demand for goods and services and as a result the business also loses revenue in the next cycle.

After reducing revenues, it will have to reduce costs again, so a vicious circle is created from which it can only come out by increasing the demand for goods and services. The total demand is a sum of the demands of each customer, so it is very important that this demand is always high and vital. In terms of economic development, the decline in demand is explained by saturated economies, while the decline in demand in terms of economic decline is explained by the review. Like businesses, consumers were affected by the lack of liquidity and rising risk. Job cuts, or reduced working hours, and life-threatening risk dominated and significantly reduced demand for products and products, whether agricultural or livestock. In the first phase of the pandemic the decrease in demand for such goods was not significant, but the extension of this period and the change in the way of living and working, also changed this demand.

Conclusion

The pandemic of the early twentieth century highlighted the need for technological development and significantly changed consumer demand and business behavior. Consumers and businesses encountered difficulties in securing liquidity and continuing operations. The modification of demand did not spare either the agriculture and livestock sector for agricultural and livestock products. On the one hand, the demand for such goods did not change at the beginning of the pandemic, but its prolongation and rapid changes to adapt to a new way of life resulted in a change in demand and supply adjustment. In the long run the demand for such goods should increase and the supply should also in order to stimulate economic development. The pandemic should be considered as a challenge which should encourage finding new ways to ensure business continuity and increase consumer demand. The disadvantages of the pandemic must be translated into advantages for sustainable and secure social and economic development.

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