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## Impact of COVID 19 on Indian Agriculture

The COVID-19 pandemic represents an unprecedented disruption to the global economy and world trade, as production and consumption are scaled back across the globe. The effect of COVID 19 can be seen on almost every industry and the expected global growth rate is brought down by different rating agencies.

Where most of the sectors are impacted heavily, the impact on the agriculture sector is deemed as limited. However, the effects of the pandemic on the sector have been varied. That's because agriculture and allied activities is not a homogeneous group, but an umbrella of activities, each having its own set of dynamics. The overall agriculture sector is expected to witness a growth rate of around 2.5% during the current fiscal year (2020-21)<sup>1</sup>. As per the first advanced estimate<sup>2</sup>, the production of food grains in India is projected to reach a figure of 291.1 million tonnes in 2019-20, an increase of 6.15 million tonnes over the figure mentioned in the fourth advanced estimate for 2018-19. As the timing of pandemic collides with the timing of harvesting of the Rabi crops, the effect on the production of food grains is limited. The stock of wheat and rice with Food

Corporation of India (FCI) was estimated at 56.9 million metric tonnes (MMT) during April 2020, apart from the 25.2 MMT of unmilled paddy. The stock of the same increased to 64.3 MMT during May 2020. This quantity is more than three times the specified minimum operational buffer-cum-strategic stock of 21.04 MMT<sup>3</sup> proposed for 1st April. The situation of stock is easing further with arrival of the rabi wheat harvest, which can be seen in the increase of stock with FCI. Similarly, for pulses, the National Agricultural Cooperative Marketing Federation of India (NAFED) is reported to have stocks of 2.25 MMT as on March 19, 2020. Here again, the inflow of rabi pulses into the market in April 2020 is expected to ease the situation further.

The challenges for the sector due to the pandemic and subsequent economic closure has been largely around the post-production activities due to shortage of farm labour for harvesting, and lack of transportation facilities for collection of harvest by the private traders and government agencies. The first two weeks of April 2020, since the announcement of a country-wide lockdown, witnessed a sharp decline in

¹CRISIL Research

<sup>&</sup>lt;sup>2</sup>Ministry of Agriculture and Farmers Welfare

<sup>&</sup>lt;sup>3</sup>Food Corporation of India

the arrivals of agricultural commodities in the mandis. The arrival of Rabi crop during the above mentioned period fell by 98% as compared to the same period previous year. Arrival of paddy and grains fell by 68%, pulses and oilseeds by 93%, fibre crops by 99%, fruits by 85% and vegetables by 75%<sup>4</sup>. With easing of lockdown norms and availability of transport, the situation improved considerably.

The Mandi prices for vegetables increased by 83% Y-O-Y, during April 1- April 12, as the arrival plunged sharply, however, middlemen estimated to be procuring at much lower prices from farmers given their limited bargaining power due to perishable nature of commodities. The prices of poultry products were affected, even before the announcement of the lockdown, due to the spread of misinformation of poultry being the potential carrier of COVID 19. Sales of poultry meat went down by almost 80%, and prices for poultry meat were halved. The exports of meat, dairy and poultry products also took a hit as the export during April-May 2020 fell by 54.6% Y-o-Y as compared to April-May 2019<sup>5</sup>.

Despite being deemed as an essential commodity, the demand for dairy products witnessed a decline, which witnessed a surge at the announcement of the lockdown largely due to panic buying. The subsequent decline in demand in dairy products was primarily due to the closure of restaurants and other food services. The drop in demand was to the extent of 20-25% as compared to the previous year. Consequently, around 560 lakh litre per day (LLPD) of milk was procured by cooperatives against a daily sale of 360 LLPD to support the farmers.

Other sector which was impacted by the COVID 19 driven economic closure, was the Floriculture sector. Flowers are primarily used during the occasions of wedding and other religious ceremonies, which were largely impacted by the

lockdown. The demand for floriculture products came at a complete standstill and the export were also severely impacted leading to the businesses involved facing significant losses.

Amidst the adversities, the lockdown has also brought about some positive developments in the sector, such as increased focus on digitisation in agriculture. The movement restrictions during the lockdown saw a considerable expansion of the eNAM facility or electronic National Agriculture Market, a digital initiative by the Government of India, envisaged to bring in significant efficiencies in the buying selling of food grains, reducing the regional inflation differences and also ease the burden of procurement on the exchequer. The share of eNAM in total food grain procurement was estimated at 14.4% during 2018-19. The opening up of agricultural marketing and increased e-retailing have also benefitted the Agri-Tech Startups involved in supply chain innovations to flourish while allowing the farmers to explore other pricing options for their produce, rather than selling only to the APMCs.

Share of eNAM in Total Food Grain Procurement

| Year    | Total Food Grain Production (+oilseeds) Tons | Share of eNAM |
|---------|--|---------------|
| 2015-16 | 141,790,000                                  | 0.00%         |
| 2016-17 | 159,853,600                                  | 5.82%         |
| 2017-18 | 161,472,500                                  | 5.84%         |
| 2018-19 | 162,196,000                                  | 14.40%        |

Source: Ministry of Agriculture; Acuite Knowledge Center

The Government of India has announced a gamut of economic packages for addressing the disruptions of COVID 19 on the sector. The key measures for agriculture sector and farmers include:

 Advance release of ₹2000 to bank accounts of farmers as income support under PM-KISAN scheme.

<sup>&</sup>lt;sup>4</sup>CRISIL Research

<sup>&</sup>lt;sup>5</sup>Ministry of Commerce and Industry

Government of India

- Increase of minimum wage rate under MGNREGA to ₹202 from the earlier minimum wage of ₹182.
- Creation of financing facility of ₹1,00,000 crore for funding Agriculture Infrastructure Projects at farm-gate and aggregation points, which will include primary agricultural co-operative societies, farmer producer organizations, agricultural entrepreneurs and start-ups.
- Creation of PM Garib Kalyan Ann Yojana (PMGKAY), a total of 12.1 MMT of food grains are being supplied to 81 crore people in 3 months at 5 Kg per person.

- A credit boost of ₹2,00,000 crore to 2.5 crore farmers under Kisan Credit Card Scheme, where fisherman and animal husbandry farmers will also be included.
- An amount of ₹20,000 crores for Fishermen through Pradhan Mantri Matsya Sampada Yojana (PMMSY).

#### **References:**

- Ministry of Commerce
- CRISIL Research
- Food Corporation of India

# **Natural Rubber Industry in India**

#### Overview

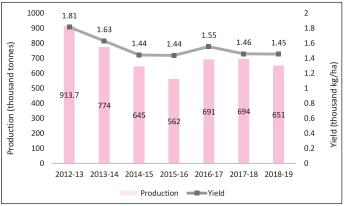
Natural Rubber (NR) is a commercial plantation crop from the tree species, Hevea brasiliens, which is grown in tropical humid climatic conditions. Rubber is largely perceived as a strategic industrial raw material and accorded special status globally for defence, national security and industrial development. Major consuming countries keep strategic reserves of natural rubber. Rubber is an internationally traded commodity and price of rubber is influenced by trends in economic growth, production in major producing countries and demand in major consuming countries. Domestic NR prices generally follow the trends in the international market and is therefore, subjected to fluctuations in price.

Indian rubber industry is characterized by the coexistence of a well-established rubber production sector and a fast growing rubber products manufacturing and consuming sector. The Rubber Industry value chain begins from NR plantations and ends with a huge range of dry rubber and latex based products. Historically, NR in India has been a regulated commodity with strong tariff protection and domestic market regulations. The key factors that have contributed to the growth of Indian rubber industry are positive intervention of institutional agencies aiming at self-sufficiency and import substitution.

#### **Production**

India was the sixth largest producer of natural rubber in 2017-18, with estimated production of 694 thousand tonnes. The production of natural rubber stood at a provisional value of 651 thousand tonnes in 2018-19. The productivity of producing natural rubber is also one of the highest in India.

#### **Production and Yield of Natural Rubber in India**

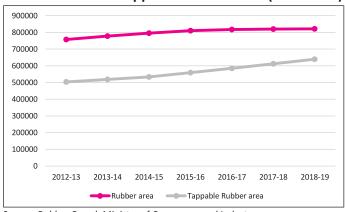


Source: Rubber Board, Ministry of Commerce and Industry

The production capacity in India is around 900,000 tonnes, of which around 75% is tapped. Out of the total area under rubber cultivation in India of around 8822,000 ha, around 614500 ha comprises of mature yielding crop. It is also to be considered that for natural rubber, the planting area does not equal to the area for tapping, as it normally takes 5-6 years before a newly planted rubber tree can start producing latex. The yield from a tree also remains lower during the first few years of production, which increases eventually to reach a relatively high and stable level when the tree is about 10 years old. The rubber tree can continuously produce latex for 20-30 years once begin to yield.

Traditional rubber-growing states comprising Kerala and Tamil Nadu account for 81% of production. Major non-traditional rubber growing regions are

#### Rubber Area and Tappable Rubber Area (in hectare)



Source: Rubber Board, Ministry of Commerce and Industry

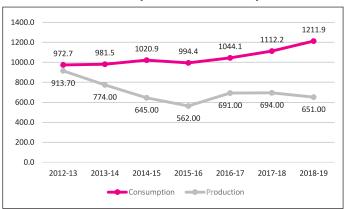
the North Eastern states of Tripura, Assam and Meghalaya, Odisha, Karnataka, Maharashtra and West Bengal. Sheet rubber is the most preferred form of processing accounting for around 70% of processed rubber. Block rubber and latex comprise 17% and 12%, respectively of rubber production in the country<sup>7</sup>.

### Consumption

India is the second largest consumer of natural rubber globally. Sheet rubber, block rubber and latex account for 47%, 43% and 8%, respectively in natural rubber consumption. Around 40% of the total natural rubber consumption in India is at present met from import of rubber. Around 68% of natural rubber consumption in India is in the automotive tyre sector<sup>8</sup>.

The consumption of natural rubber was estimated at 1.21 million tonnes in 2018-19 (provisional), witnessing an increase of 8.97 % over the previous year level of 1.11 million tonnes. The consumption of natural rubber registered a CAGR of 3.73% over the period of 2012-13 to 2018-19. The consumption in India is met through imports as the production remains lower than the consumption level. The difference has grown considerably in the last few years.

# Consumption and Production of Natural Rubber in India (thousand tonnes)



Source: Rubber Board, Ministry of Commerce and Industry

<sup>&</sup>lt;sup>7</sup>Ministry of Commerce and Industry

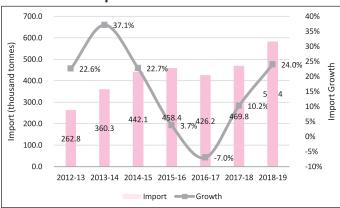
<sup>&</sup>lt;sup>8</sup>Ministry of Commerce and Industry

#### **Trade**

#### **Import**

Due to the gap in production and consumption, the domestic demand is fulfilled by the import of natural rubber. The import was estimated at 582.4 thousand tonnes in 2018-19 (provisional), witnessing a y-o-y growth of 24% from the previous year value of 469.8 thousand tonnes<sup>9</sup>. In value terms, the import of natural rubber was valued at US\$ 876.8 million in 2018-19, growing at 5.74% from the previous year value of US\$ 829.1 million<sup>10</sup>.

#### **Import of Natural Rubber**



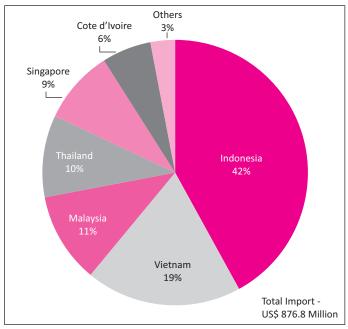
Source: Rubber Board, Ministry of Commerce and Industry

Indonesia is the major source of natural rubber import for India. With import value of US\$ 371.2 million in 2018-19, Indonesia had a share of 42.2% in India's total natural rubber imports. Other major import source includes Vietnam, Malaysia, Thailand, Singapore and Cote d'Ivoire.

#### Export

Natural rubber is not a traditional export-oriented commodity, more so because of the current deficit in production. Export of natural rubber happens to adjust temporary demand-supply imbalances in the domestic market. There is a huge export potential for rubber products from the country, which if explored, shall indirectly increase the domestic demand and the export earnings as well. Export of

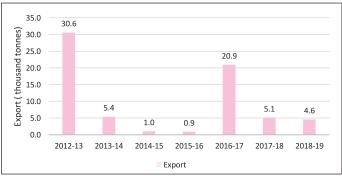
#### **Major Import Source for Natural Rubber**



Source: CMIE Economic Outlook

natural rubber was estimated at 4.6 thousand tonnes during 2018-19, a 10% decrease from the previous year value of 5.1 thousand tonnes. In value terms, the exports amounted to US\$ 11.1 million in 2018-19, with a major portion going to Iran (US\$ 6.7 million).

#### **Export of Natural Rubber**



Source: Rubber Board, Ministry of Commerce and Industry

#### Outlook

India has considerable potential in the natural rubber segment, to become self-sufficient and subsequently increase exportability. However, with the prevailing COVID 19 pandemic, the demand for

<sup>&</sup>lt;sup>9</sup>Rubber Board, Ministry of Commerce and Industry

<sup>&</sup>lt;sup>10</sup>CMIE Economic Outlook

NR is expected to shrink due to decline in demand in the user industries. The outlook on world production as well as consumption in 2020 is revised down by the Association of Natural Rubber Producing Countries (ANRPC). Nonetheless, as an impact of the pandemic the personal vehicle segment has been witnessing a spike in demand, which is imparting a positive outlook for the automobile industry, one of the major sectors for NR. The pandemic has also generated an additional demand for natural rubber in other diversified

industries, such as in manufacturing of gloves and other NR based healthcare products, which is forecast to help in partly off-setting the fall in the demand from auto-tyre manufacturing sector and other user industries.

#### **References:**

- Rubber Board, Ministry of Commerce and Industry
- CMIE Economic Outlook.

#### **Plasticulture**

#### Introduction

Agriculture provides employment opportunities to the largest segment of the population in India. The sector provides huge opportunities for growth, both in domestic as well as in the international markets. The sector, however, has not seen a persistent period of high growth in the recent years. Indian agriculture is faced with many challenges, which include slow technological interventions, lack of modern equipments, inadequate irrigation facilities, and inadequate credit flow among others. The dwindling quality and the vagaries of the availability of these resources have been raising concerns on the sustainability of agricultural practices.

Plasticulture, use of plastic in agricultural practice, is a scientific method and a low end, cost efficient technology, which has the potential of increasing the efficiency of land use under cultivation as well as irrigation facilities. The technology can significantly contribute in increasing overall efficiency of the agricultural sector by improving the productivity of crop production, optimizing the use of input resources, and reducing cost of production.

The technology is also a sustainable agricultural practise, which can be adopted by the small and

marginal farmers in India, and also aligns to the Government of India's current focus<sup>11</sup>.

#### **Applications and Benefits**

There are various applications of plasticulture in modern agriculture. Both the quality and production of the crops and other farm products can be optimized by appropriate use of the technology. Some of the major applications of plasticulture includes:

- Water Management the use of plastic in the form of lining of canals, ponds and reservoirs with plastic films helps in the management of water and helps in bringing the efficiency in irrigation.
   PVC and HDPE pipes are used for water conveyance.
- Nursery Management plastic bags, pots, protrays/plug trays, sprayers, hanging baskets, are used to produce quality seeding, grafts and plants. These applications help in easy handling and transportation. Plastic lined farm ponds, reservoirs and canals are not only effective in harvesting rain water but also provides check against seepage. Farm pond lining could be effectively used to avoid depletion of stored water used for irrigation and for portable use. The

<sup>&</sup>lt;sup>11</sup>The Economic Survey Report (2020) emphasises on importance of sustainable agricultural practices to support small and marginal farmers, constituting 87 per cent of India's peasants.

harvested water may be used as lifesaving or for supplementary irrigation during dry spells and insufficient rains. The stored water may be also used for fisheries and livestock management.

• Surface cover cultivation — methods of soil solarisation and plastic mulching can be used for surface cover cultivation. The process of soil solarisation involves covering the ground with a tarp, usually a transparent polyethylene cover, to trap solar energy. The method helps in pest management in soil. The sun heats the soil to temperatures that kill bacteria, fungi, insects, nematodes, mites, weeds, and weed seeds. Soil solarisation works best on heavy soils—those containing clay, loam, or mixtures of them. They can hold more water than can light soils, long enough to produce steam every day. Steam is needed to kill nematodes, weed seeds, and insect eggs in the soil.

Covering the soil around the plant with plastic film to create favourable microclimate, conserve moisture and prevent weeds is Plastic Mulching. Besides preventing soil erosion and weeds growth, it also enhances availability of soil nutrients for the plants. It also reduces frequent irrigation requirement. Plastic Mulching provides ideal environment for soil micro-organisms and aids producing cleaner crops.

• Controlled environment agriculture – The plastic tunnels, low tunnels, plant protection nets, shade net houses, greenhouses, crop covers are some of the forms used for controlled environment agriculture. These structures facilitate the entrapment of carbon dioxide, thereby enhancing photosynthesis and subsequent yields. These structures protect the plants from high winds, rain and snow. These are cheap and easy to construct. The greenhouse technology using plastics is also an effective method for providing favourable environment conditions for plant growth, and is been increasingly practised globally for optimising productivity.

• Innovative Packaging – The plastic could also be used in innovative packaging of farm inputs and harvests for storage and transportation.

#### **Indian Scenario**

India currently has a limited plasticulture usage with a per capita consumption of plastics in Agriculture of 1 Kg against a global average of 32 Kg (and about 100 Kg in the United States). It is, therefore, essential that farmers are made aware of plasticulture techniques, advantages, applicability, and the subsidies and financial assistance available for on field implementation and execution. The plastic industry involved in production of plasticulture inputs also needs to take efforts towards bringing down the capital cost, and work on creating an environment, supporting increased adaptability of the technology.

#### **Opportunities**

India have a very large amount of area under cultivation, with varied challenges varying from region to region. These region specific challenges can be potentially addressed with innovative and scientific use of Plasticulture techniques. Following are the opportunities that the agriculture sector has with enhanced usage of Plasticulture applications:

#### **Opportunities with Plasticulture**

| Plasticulture<br>Application      | Water<br>Savings (%) | Fertilizer Use<br>Efficiency (%) |
|-----------------------------------|----------------------|----------------------------------|
| Drip Irrigation                   | 40 – 70              | 20 – 40                          |
| Sprinkler Irrigation              | 30 – 50              | 30 – 40                          |
| Plastic Mulching                  | 40 – 60              | 20 – 25                          |
| Greenhouse                        | 60 – 85              | 30 – 35                          |
| Shade Nets                        | 30 – 40              | Not Available                    |
| Poly/Low Tunnel                   | 40 – 50              | Not Available                    |
| Farm Pond Lined with Plastic Film | 100                  | Not Available                    |

Source: National committee on Plasticulture Application in Agriculture

#### **Uses of Plastic under Plasticulture**









The greater use of plastic in agriculture can aid in achieving up to an estimated 50% of the intended targets in Agricultural output (as shown in Table 1). The wider use of Plasticulture can reduce the loss of harvest and can increase the efficiency of resource use, thus contributing more to the agricultural GDP. It is estimated that the agriculture output can be increased by about ₹ 68,000 Crore by using proper

Plasticulture applications like drip irrigation, mulching and other production, harvest and post-harvest management practices.

#### **References:**

> FICCI – TSMG Report.

## **Global Dairy Industry**

#### Overview

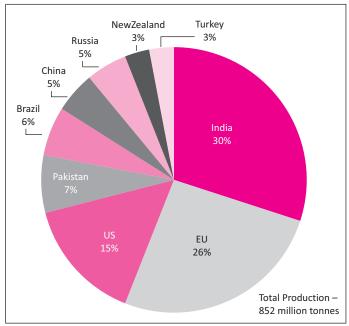
Dairy is an important industry, providing livelihood for a large section of population and provides a range of products including milk, butter, cheeses, and skimmed milk powder among others. In India, around 80 million rural households are involved in milk production with very high percentage being landless, small and marginal farmers.

#### **Production**

#### Global Scenario

Global milk production in 2019 reached 852 million tonnes, an increase of 1.4% from 840.5 million tonnes during 2018, mainly resulting from production increases in India, Pakistan, Brazil, the European Union, Russia and the US<sup>12</sup>. The production is partially offset by decline in the production in Australia, Turkey, Colombia, Argentina and Ukraine. Among the regions, Asia registered largest growth which was followed by Europe and

**Top Milk Producing Countries** 



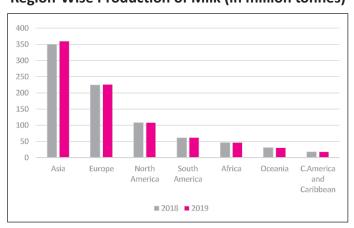
Source: FAO

12 FAO

North America. In the Asian region, the milk output increased to 360 million tonnes, witnessing an increase of 10 million tonnes over the output in 2018. Over 90% of it is contributed by India and Pakistan, with India being the largest producer of milk.

In Europe, milk output in 2019 was estimated at 226 million tonnes, an increase of 0.5% over the previous year, mostly due to expansion in outputs in the European Union and the Russian Federation, largely offsetting the declines in outputs in Ukraine and Switzerland. In North America, milk output expanded to 108.6 million tonnes, an increase of 0.4% over the previous year. The majority of the increase in production originated in the United States of America, while the production curve of milk in Canada remained flat. In the United States of America, increased milk productivity helped in maintaining output stability in 2019 despite a small contraction in the country's dairy herd. In South America, milk production is estimated at 61.8 million tonnes in 2019, registering an increase of 0.5% over the previous year, after a minor contraction in 2018, expansions in outputs in Brazil and Peru, has helped partially offset the decline in outputs in Colombia, Argentina, Uruguay and Chile.

Region-Wise Production of Milk (in million tonnes)



Source: FAO

#### Indian Scenario

India is the largest producer of milk globally, with an estimated production of 187.7 million tonnes during 2018-19<sup>13</sup>, witnessing an increase of 6.5% over the previous year value of 176.3 million tonnes. The per capita availability of milk was 394 gms/day during 2018-19, which was highest as compared to any other previous years.

Trends of Milk Production in India



Source: Ministry of Agriculture and Farmers Welfare

Among the Indian states, Uttar Pradesh is the largest producer of milk in India, with an estimated production of 30.5 million tonnes during 2018-19. Uttar Pradesh was followed by Rajasthan with an estimated production of 23.7 million tonnes during 2018-19. Other major milk producing states include

Major Milk Producing States in India (thousand tonne)

| State/Year     | 2017-18  | 2018-19  |
|----------------|----------|----------|
| Uttar Pradesh  | 29051.72 | 30518.91 |
| Rajasthan      | 22427.1  | 23668.07 |
| Madhya Pradesh | 14713.17 | 15911.13 |
| Andhra Pradesh | 13724.99 | 15044.37 |
| Gujrat         | 13569.06 | 14492.77 |
| Punjab         | 11854.88 | 12598.52 |
| Maharashtra    | 11102.29 | 11655.46 |
| Haryana        | 9809.0   | 10726.09 |

Source: Ministry of Agriculture and Farmers Welfare

Madhya Pradesh, Andhra Pradesh, Gujarat, Punjab, Maharashtra and Haryana.

#### Trade

#### Global Scenario

In 2019, global dairy exports increased to 76.7 million tonnes (in milk equivalents), an increase of around 1% over 2018. The growth rate of export during 2019 (1%) witnessed a decrease as the growth rate during 2018 was 3.2%. The share of global trade in milk production remained under 10%, as exports constitute a small proportion of production in some of the milk producing countries, including India and Pakistan. The EU was the largest exporter of milk, with export amounting to 22.07 million tonnes during 2019, registering a growth in exports by 8% y-o-y, New Zealand was the second largest exporter with 20.34 million tonnes of export.

China was the largest importer of milk with estimated imports of 15.72 million tonnes in 2019, witnessing an increase in imports by 6.4% as compared to the import in 2018, whereas the import growth in milk, globally was estimated as 0.7% y-o-y. China was followed by Mexico (4.37 million tonnes), Russia (3.98 million tonnes) and Algeria (3.22 million tonnes), as the other large importers of milk, during 2019.

World Total Milk Imports (thousand tonnes of milk equivalent)

| Country      | 2018  | 2019  | % Change |
|--------------|-------|-------|----------|
| China        | 14775 | 15723 | 6.4      |
| Mexico       | 4195  | 4366  | 4.1      |
| Russia       | 3453  | 3982  | 15.3     |
| Algeria      | 3856  | 3221  | -16.5    |
| Indonesia    | 2973  | 3217  | 8.2      |
| Philippines  | 2578  | 2834  | 9.9      |
| Saudi Arabia | 2598  | 2516  | -3.2     |
| Malaysia     | 2425  | 2426  | 0.0      |

Source: FAO

<sup>&</sup>lt;sup>13</sup>Basic Animal Husbandry Statistics

World Total Milk Exports (thousand tonnes of milk equivalent)

| Country     | 2018  | 2019  | % Change |
|-------------|-------|-------|----------|
| EU          | 20438 | 22071 | 8.0      |
| New Zealand | 18680 | 20337 | 8.9      |
| US          | 11759 | 10781 | -8.3     |
| Belarus     | 3841  | 3911  | 1.8      |
| Australia   | 3091  | 2732  | -11.6    |
| Argentina   | 1977  | 1708  | -13.6    |

Source: FAO

#### Indian Scenario

While India is the largest producer of dairy products, the international trade of the same remains low, as the domestic demand is huge. The export of dairy products<sup>14</sup> from India during 2019 was estimated at US\$ 265.2 million, which was a decrease of 8.9% over the value of US\$ 291.2 for 2018. The imports of dairy products was estimated at US\$ 32.8 million during 2019, resulting in a trade surplus of US\$ 232.4 million for the year. Almost 71% of the export in dairy product from India was Butter (HS0405), while around 48% of the import was Whey.

Import and Export of Dairy Products (tonnes)

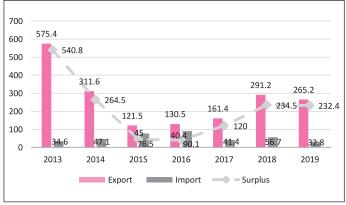
| Product | Export  |         | Import  |         |
|---------|---------|---------|---------|---------|
|         | 2018    | 2019    | 2018    | 2019    |
| Butter  | 921314  | 963877  | 924320  | 946137  |
| Cheese  | 2521677 | 2644461 | 2537232 | 2597175 |
| SMP     | 2575586 | 2538745 | 2613514 | 2542257 |
| WMP     | 2560348 | 2619372 | 2563853 | 2651836 |

Source: FAO

#### Impact of COVID 19

International dairy prices in May 2019, indicated by the FAO Dairy Price Index, were down by 18.8 points (9.4%) from January 2020, with skim milk powder (SMP) registering the sharpest fall (-24.5%), followed by whole milk powder (WMP) (-21.0%) and

India's Trade in Dairy Products (in US\$ million)



Source: UN Comtrade

butter (-17.3%), while cheese prices rose marginally (+1.5%). In the key dairy importing countries, there was a direct impact of COVID-19-driven closures of economic activities, such as disruptions in foodservice sales, especially for fresh milk and milk products, which were only partly offset by increased sales of dairy products with a longer shelf-life, such as UHT milk, packaged butter and cheese. As in other economic crises, the deterioration of income prospects is expected to reduce consumer demand for high value food commodities, such as dairy products. Depressed retail sales in raw milk, however, aided milk processing in larger volumes in the operational units. In dairy exporting countries, milk was mostly diverted to drying dairy plants, boosting production and availability of milk powders. Overall, the downgrading of economic prospects and market disruptions caused by the pandemic are anticipated to result in a fall in global dairy imports in 2020, which, amid adequate availabilities in key exporting countries, could keep international prices under pressure.

#### Reference:

- > FAO
- ➤ UN Comtrade
- Ministry of Agriculture and Farmers Welfare.

<sup>14</sup>HS 0401,0402,0403,0404,0405 and 0406

#### **News Focus**

#### More mandis added to eNAM

The Government of India has connected 200 new mandis across seven states to its national digital agricultural trading platform — eNAM (National Agricultural Market), taking the total tally of eNAM enabled mandis to 785 from the initial 21 mandis when launched in April 2016. The number of registered farmers have risen to 1.66 crore while 1.28 lakh traders transact on this platform. More than 1000 Farmer Producer Organisations (FPOs) have also been enrolled to this platform.

Source: Economic Times

#### Kisan Sabha App launched by CSIR

Kisan Sabha App developed by CSIR-Central Road Research Institute (CSIR-CRRI), Govt. of India, to connect farmers to supply chain and freight transportation management system. The portal connects the farmers, transporters, service providers (like pesticides/ fertiliser/ dealers, cold store and warehouse owner), mandi dealers, customers (like big retail outlets, online stores, institutional buyers) and other related entities for timely and effective solution. Kisan Sabha also works for people in agriculture services sector, such as dealers of fertilisers/ pesticides, who can reach out to more farmers for their services. It is also anticipated to benefit those associated with cold store(s) or godown(s). Kisan Sabha also provides a platform for consumers who want to buy directly from the farmers.

Source: PIB

# Conventionally bred plants and animals are not patentable, EPO rules

Plants and animals derived from conventional breeding are not patentable in Europe. This is the conclusion of the Enlarged Board of Appeal, the highest judicial authority at the European Patent Office (EPO), which had

repeatedly come under strong criticism for granting such patents. On May 14, the board issued its long-awaited opinion G3/19, which concludes that plants and animals exclusively obtained by means of an essentially biological process are excluded from patentability under the European Patent Convention. However, this does not apply to patents granted before 1 July 2017 and patent applications which were filed before that date and are still pending.

Source: Global Agriculture

#### International Tea Day gets a thumbs up from UN

One of the world's oldest beverages, tea is a popular drink across the globe. In 2018, over 50 lakh tonnes of tea was consumed globally, according to Food and Agriculture Organization (FAO). On May 21, 2020, UN first ever recognized and gave an official nod to International Tea Day. However, due to the ongoing COVID-19 crisis, the commemoration took place virtually, a first since 2004, when the proposal of observing International Tea Day was first floated by the World Social Forum. Over the years, several countries have observed Tea Day celebrations on different dates. In 2015, India was in favour of fixing a single date for Tea Day celebrations around the world and forwarded its suggestion to the FAO accordingly. And in June 2019 the Intergovernmental Group on Tea proposed to celebrate International Tea Day on May 21 every year. The day is aimed at promoting the sustainable production, consumption and trade of tea. As part of the commemorations, key players in tea production shall come together and make systematic plans for expansion of demand for tea, particularly in tea producing countries where per capita consumption is relatively low.

Source: Downtoearth

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