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### Small and marginal farmers own just 47.3% of crop area, shows farm census



**While farms got more fragmented between 2010-11 and 2015-16, holdings continue to be inequitably distributed**

Small and marginal farmers with less than two hectares of land account for 86.2% of all farmers in India, but own just 47.3% of the crop area, according to provisional numbers from the 10th agriculture census 2015-16 released on Monday.

In comparison, semi-medium and medium land holding farmers owning between 2-10 hectares of land account for 13.2% of all farmers, but own 43.6% of crop area, the survey showed.

Overall, the survey showed that while Indian farms became more fragmented between 2010-11 and 2015-16, holdings continue to be inequitably distributed.

During this period the proportion of small and marginal farmers grew from 84.9% to 86.2%, while the total number of operational holdings grew from 138 million to 146 million.

The total area under farming, however, fell from 159.6 million hectares in 2010-11 to 157.14 million hectares in 2015-16.

The existence of a large number of small and marginal farmers, close to 126 million according to the survey, means it is challenging for the government's extension arms to reach them with new technology and farm support schemes.

Further, these 126 million farmers together owned about 74.4 million hectares of land —or an average holding of just 0.6 hectares each—not enough to produce surpluses which can financially sustain their families, explaining the rising distress in Indian agriculture.

Between 2010-11 and 2015-16, the number of small and marginal farms rose by about 9 million, the survey showed.

For all farmers put together, the size of average land holding declined from 1.15 hectares in 2010-11 to 1.08 hectares in 2015-16.

“The rise in the number of small and marginal farmers signifies that the rest of the economy is unable to absorb the surplus... India has to live with its small-sized farms for the next two decades and the way out is to provide them access to the best technology and markets, the way China did it,” according to Ashok Gulati, an agriculture chair professor at the New Delhi-based Indian Council for Research in International Economic Relations.

Gulati added that small farms can be economically viable through diversification into high-value crops and massive capital investments in value chains.

State-wise data from the survey showed that Uttar Pradesh accounted for the largest number of operational holdings or farmers at 23.8 million followed by Bihar (16.4 million) and Maharashtra (14.7 million).

Among operated or farmed areas, Rajasthan topped the list with 20.9 million hectares, followed by Maharashtra (19.9 million hectares) and Uttar Pradesh (17.45 million hectares).

The survey also showed that the proportion of farms that are operated by women rose from 12.8% in 2010-11 to 13.9% in 2015-16, signifying that more women are managing farm operations.

## Government draws up ₹ 13 Billion plan to boost agriculture exports



**India's share in global exports of agriculture products has risen from 1% a few years ago to 2.2 % in 2016.**

New Delhi: The commerce ministry is planning to invest ₹ 15 Billion to develop 40 export-oriented clusters under the proposed agriculture export policy. The move is part of the government's short- and long-term initiatives to boost exports and curb India's mounting current account deficit. The proposal is currently under inter-ministerial consultation. It will be sent to the cabinet for approval, a commerce ministry official said, requesting anonymity.

The ministry had released the draft agriculture export policy in March with the aim to double agriculture exports to \$60 billion by 2022.

Under the new scheme, assistance will be provided for post-harvest infrastructure in clusters, capacity building, laboratories, new technology or machinery introduction, implementation of good agricultural practices and grant towards public-private partnerships for integrated agriculture development.

“The effort will be to focus on developing export-oriented infrastructure in the identified cluster areas, wherein integrated post-harvest processing facilities and laboratories will be set up. The scheme will be implemented in partnership with private exporters, who will have natural incentive to promote such clusters,” the official added.

The draft policy said there were opportunities for developing agriculture export special economic zones (SEZs), primarily aimed at producing agriculture commodities for certain countries, which are largely dependent on imports. “The interest of some countries (having substantial gap in domestic availability of grains, vegetables and fruits) can be explored for bringing in foreign direct investment (FDI) into agriculture export SEZ in order to ensure food security of that country. There can be complete buyback arrangements by the countries, which are bringing in FDI, thus providing a stable market for Indian exports,” said the draft policy.

The ministry has also shortlisted 10 commodities to focus on for farm, infrastructure and market intervention. The list includes shrimps, meat, basmati rice, bananas, and pomegranate, besides vegetables including potato, cashew, plant parts/medicinal herbs in value-added forms, including herbal medicines, nutraceuticals, aromatics, spices (cumin, turmeric, pepper) and organic food.

It has also sought to provide policy assurance to producers that processed agricultural and organic products will not be put under export restrictions such as minimum export price, or export duty, even when the primary agricultural product or non-organic agricultural product is brought under some kind of export restrictions to stabilize domestic prices.

Commerce minister Suresh Prabhu, who had announced the need for such a policy on his first day in office, said that a stable agri-export policy is needed to fulfil Prime Minister Narendra Modi’s vision to double farm income by 2022.

India’s agricultural exports basket is a diversified mix led by marine products (\$5.8 billion), meat (\$4 billion) and rice (\$6 billion), which together constitute around 52% of total agricultural exports. India’s share in global exports of agriculture products had increased from 1% a few years ago to 2.2 % in 2016.

## India, FAO start agriculture projects in 5 states



**FOOD AND AGRICULTURE  
ORGANIZATION  
OF THE UNITED NATIONS**

India along with UN’s Food and Agriculture Organization (FAO) has commenced an agriculture project with 33.5 million dollar grant from the Global Environment Facility (GEF) that aims to bring transformative change in the agriculture sector by protecting the biodiversity and forest landscapes. According to official declaration, “The project is being funded by the GEF and will be executed by the Indian government’s Agriculture and Environment Ministries and FAO”.

The project intends to transform agricultural production to give global environmental benefits by addressing issues such as - biodiversity conservation, climate change mitigation, land degradation and sustainable forest management.

CEO of National Rainfed Area Authority, Ministry of Agriculture, Ashok Dalwai said that there should be an alternative paradigm to the existing extractive methods of agricultural production systems. He also emphasized the need for scientific research to focus on achieving greener landscapes along with efficient resource use. He stressed that integrated farming requires expansion of backward and forward linkages to harness the benefits of economies of scale.

Assistant FAO Representative in India, Konda Reddy said “The project will be executed in 5 landscapes in Madhya Pradesh, Odisha, Mizoram, Rajasthan and Uttarakhand and will bring harmony between conservation and development efforts of the country.

## India may not yield to US pressure to change import rules for dairy products

**India won't allow dairy products derived from animals fed on internal organs of ruminants such as cattle and sheep, says a commerce ministry official**



New Delhi: India may cite religious, cultural and moral grounds to reject a US demand to allow imports of its dairy products derived from animals fed on the internal organs of ruminants such as cattle and sheep.

The US is currently reviewing the benefits India gets under the generalized system of preferences (GSP) the US duty-free scheme for developing countries. The review follows complaints filed by the US dairy and medical equipment industries over India's alleged failure to provide “equitable and reasonable access to its market”.

India and US trade officials are currently negotiating to finalize a trade package that would involve give-and-take from both sides. India is seeking a waiver of the unilateral tariff hikes imposed by the Trump administration on steel and aluminum and continuance of GSP benefits.

The US is seeking greater market access for its dairy products, medical devices and Harley Davidson motorcycles among other goods. India has deferred imposition of tit-for-tat tariffs on 29 products worth \$235 million till 2 November and Indian officials say the recent round of trade talks have been “encouraging”.

However, the National Milk Producers Federation (NMPPF) and the US Dairy Export Council have complained that India has resisted complying with existing World Trade Organization obligations for dairy products, suggesting Indian dairy certificate requirements for dairy imports are unscientific.

India has so far insisted that it will only allow imports of dairy products that are derived from animals which have never consumed any feeds containing the internal organs, blood meal or tissues of ruminants—plant-eating animals.

India has told the US that this position is based on religious, cultural and moral grounds which are in compliance with WTO rules which allow members to use measures that are “necessary to protect public morals.”

“India is committed to respecting the religious and cultural beliefs of its people and it will be inappropriate to impute any other considerations to this decision. India has significant dairy import from many countries who have had no issues in complying with India's requirements,” a commerce ministry official said, speaking under condition of anonymity.

India says there is no empirical data to suggest that the requirement of animal feeds is trade-restrictive and leads to restrictions on market access.

Indian imports of dairy products have risen from \$34.35 million in 2016-17 to \$43.79 million in 2017-18.

The US in its 2018 report on foreign trade barriers said India's restrictions on animal feed, along with high tariff rates, continues to prevent market access for its milk and dairy product exports to India, one of the world's largest dairy markets.

“In order to address India’s religious and cultural concerns, in 2015, the US proposed a labelling solution to allow for consumer choice between dairy products derived from animals that have or have not consumed feeds with ruminant protein. India has so far rejected that proposal, and the US continues to press India to provide access to the Indian dairy market,” the report added.

The Indian official responded that the labelling proposal has been examined by various agencies in India, including the Food Safety and Standards Authority of India, Livestock Health and Dairy divisions and the Department of Commerce.

## Netherlands-based Royal DSM sets up animal nutrition products plant in Telangana, India

**Besides catering to southern and western India, the unit will cater to exports as well.**



€10 billion Netherlands-based nutrition and health company Royal DSM has set up its animal nutrition products unit in Jadcherla, Telangana. The 1,20,000 sq ft unit opened on 15<sup>th</sup> October 2018 is spread over three acres and will cater to southern and western India. Globally, DSM occupies 30 per cent market share in the animal nutrition and health segment.

The company didn’t disclose the details on investment, production capacity and the employment generation. It is the company’s second unit in the country in this segment with first unit operational in Ambarnath, Maharashtra. And it is the company’s 47th animal nutrition plant worldwide. The unit will enable the company to reduce to the time to reach its customers from 21 days to five days now. The premix plant at Jadcherla will offer products across 13 vitamins.

The Jadcherla unit will cater to the vitamin-based feed supplements for the poultry, dairy and aquaculture segments of the country. This is aimed at improving the livestock quality and productivity. The premix plant is also part of DSM’s Animal Nutrition & Health ambition for 2021. As the market grows at an estimated 2 to 3 per cent, DSM will further expand its position through feed enzymes and eubiotics portfolio.

DSM also has one human nutrition products unit in Vadodara, Gujarat while it has one engineered plastics unit in Ranjangaon, near Pune, Maharashtra.

David Blakemore, president, Animal Nutrition & Health, DSM, told Telangana Today, “We continue to seek partnerships globally and in India and have also been looking at safeguarding our innovations by patenting our products globally. The Indian units including Jadcherla after meeting the domestic markets will look at catering to export markets such as the neighbouring developing countries like Bangladesh and Nepal.”

**Market opportunity:** B Rajagopal, president, DSM India said, “With the second largest population in the world at 1.35 billion people. By 2025 India’s population is expected to increase to 1.45 billion people at which time it will overtake China to become the most populous country in the world. India is also the key driver growth in the South Asia region which regained its place as the fastest growing region in the world in April this year. It is anticipated that India has strong potential for growth in the animal premix industry as observations have reflected a steady momentum of 5-7 per cent rise annually in the poultry sector feed. Increased need for food security, improved nutrition and sustainable agriculture.”

He added, “We are catering to both human and animal health nutrition segments with dedicated facilities. By setting up animal nutrition plant in Telangana, we want to cater to the southern India’s poultry segment which accounts for 60 per cent of the market nationally. The unit will also cater to the aqua segment as south contributes to 90 per cent of the market. This unit will cater to the B2C segment.”

The company’s engineered plastics unit caters to a range of sectors including automobile, mobile phones and solar panels.

The company's arm, DSM India has been in operation in the country for the last 15 years, employing about 500 people. It has a turnover of Rs 2,000 crore in India.

## Antibiotics to grow farm animals raise superbug risk



**An investigation by The Hindu and The Bureau of Investigative Journalism finds a veterinary drug producer encouraging their misuse to fatten poultry**

The world's biggest animal drugs company has been accused of double standards and of exposing consumers in India to "higher levels of risk" by selling antibiotics for purposes now banned in Europe and the U.S.

Zoetis, the largest producer of veterinary medicines, is supplying Indian farmers with antibiotics to help their animals grow faster. The practice should be banned worldwide, according to the World Health Organisation (WHO), because it increases the prevalence of resistant bacteria that can infect humans and cause deadly and untreatable infections.

The company stopped advertising antibiotics as growth promoters to American farmers almost two years ago. Zoetis publicly supported new laws in the U.S. banning this abuse of antibiotics as part of its "continued commitment to antibiotic stewardship". However, Zoetis continues to sell antibiotics directly to Indian farmers with claims on the company's Indian website that they will make animals grow bigger and faster.

This is not currently against Indian law although the government has called for it to end and Maharashtra banned the indiscriminate use of antibiotics in agriculture after a Hindu/Bureau of Investigative Journalism report earlier this year.

Abdul Ghafur, a professor in infectious diseases who brought together medical societies and the Indian government in 2012 to create a plan to tackle antibiotic resistance, known as the Chennai Declaration, said Zoetis is adopting "double standards". "If an American company follows one policy in America, they should follow the same policy in India," he added.

## Indian dairy industry is buzzing with action

**The complex milk procurement model (perfected by Amul and other cooperatives such as Nandhini) had psyched most multinationals, who are used to corporate farming.**



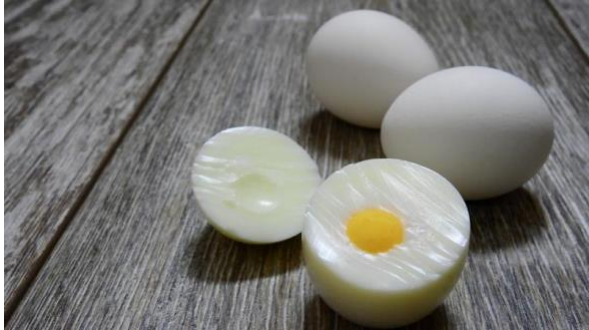
India's Rs 1000 Billion Indian dairy industry is buzzing with action. Just a few days ago, the country's largest FMCG company, Hindustan Unilever, acquired Karnataka-based ice-cream manufacturer Adityaa Milk. The bigger news, however, is the world's largest dairy company, New Zealand-headquartered Fonterra, joining hands with Indian retail king Kishore Biyani's Future Group. Biyani has been aggressively building his FMCG business in the last few years and aspires to scale it up to a Rs 21,000 crore entity by 2020. This joint venture will certainly play a huge role in scaling up its dairy products business under the Nilgiris brand.

This is Fonterra's second entry in the Indian market. It had earlier partnered with Britannia Industries way back in 2002, and by 2009 it divested its stake to Britannia and exited the country. The complex milk procurement model (perfected by Amul and other cooperatives such as Nandhini) had psyched most multinationals, who are used to corporate farming. But the 1.3 billion consumption opportunity in India is hard to ignore. In 2014, Groupe Lactalis SA bought out Hyderabad-based dairy company, Tirumala.

Britannia has gone back to the drawing board and has launched its own milk procurement system near Pune. The company is getting ready for an aggressive dairy roll out.

ITC Foods on the other hand, has launched pouch milk in Bihar. It entered the dairy business with the launch of Ashirvad Ghee, and is soon going to enter the premium value added milk-based beverages segment.

## India's egg production to touch 100 billion annually



**India's egg production will soon touch 100 billion annually from nearly 90 billion per year as the poultry sector is growing rapidly and becoming organized, the government said on 12<sup>th</sup> October 2018.**

New Delhi: India's egg production will soon touch 100 billion annually from nearly 90 billion per year as the poultry sector is growing rapidly and becoming organised, the government said on Friday.

Addressing a conference to mark World Egg Day, Minister of State for Agriculture Parshottam Rupala said the poultry sector is growing rapidly and is contributing to the country's food security. He said the sector provides a lot of employment opportunity and would help immensely in achieving the government's target to double farmers' income by 2022.

Rupala said the poultry business does not require huge investment that helps small and marginal farmers. Minister of State for Agriculture Krishna Raj spoke about importance of eggs in our daily life.

"Eggs are clean and healthy food," she said. Speaking at the event, Agriculture Secretary Tarun Shridhar said the country's poultry sector is estimated at Rs 1000 billion. "Egg production is about 90 billion and will soon reach 100 billion per year," he added.

Stating that the poultry sector was growing at 6 per cent annually, he said the sector has become organized which would help in tapping export markets. At present, the availability is around 70 eggs per person per year, while as per National Nutrition Institute this should be about 180 eggs per person.

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