



Agricultural Policy Forum 2020

THE IMPACT OF COVID-19 ON AGRICULTURE, FOOD AND RURAL AREAS IN
KOSOVO

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COVID-19 COUNTRY CONTEXT



Country	Total of positive cases	No. of deaths from COVID 19	Total number of population	% of deaths from COVID 19
Kosovo	16,274	648	1,845,000	0.04

-The Central Banks (facilitated by Government) announced a moratorium on loan repayments for a period of up to 90 days.

-The Government has postponed the deadlines for submitting corporate and self-employment income tax returns for an additional 90 days after the end of the state of emergency.

-Suspended public utility bills for individuals and companies for the duration of the state of emergency.



GOVERNMENT PROGRAMS/REGULATIONS, STIMULUS PACKAGES IN AGRICULTURE, FOOD AND RURAL AREAS

The Government of Kosovo has taken a series of measures regarding the negative impact of COVID 19 on agriculture:

- Increase of Subsidies for some categories where their products are very perishable but also profitable, per head, ha or kg: milk cows, buffaloes, sheep, goats, raspberries, vegetables grown in greenhouses, reported slaughter of cattle and aromatic medicinal plants.
- Duplication of the direct payment **only** for year 2020, for example: 1,000 EUR/ha for vineyards and now it is 2,000 EUR/ha, and extension to 26 other crops and livestock's; additionally 26 million EUR;
- Paid off all of the previous debts.

GOVERNMENT PROGRAMS/REGULATIONS, STIMULUS PACKAGES IN AGRICULTURE, FOOD AND RURAL AREAS

The Government of Kosovo has taken a series of measures regarding the negative impact of COVID 19 on agriculture:

- Online Program for grant applicants - in order to reduce contacts between officials and applicants;
- The issue of movement for farmers was settled during the restriction period
- All beneficiaries of grants for the period 2020-21 will receive a 50% pre-finance payment, with a bank guarantee, applied for the first time this year **and** linked with the positive spirit of government during the pandemic in relation to the agricultural sector;
- Loan interest subsidy;
- 1.87 million per losses 2020 in agriculture from natural disasters;

IMPACT OF CORONAVIRUS ON AGRICULTURE AND FOOD SECTOR: INPUT SUPPLY

“Seeds and planting stocks” shown in the following table, prices that have increased the most March 2020 compared with the same month March to 2019 by 12% and continuing with the price decreasing for the month April 2020 by 12%, May by 11% and finally by 0.7% in June.

Many inputs especially seeds, fertilizers, and pesticides have been brought to Kosovo from European and regional countries before travel restrictions were put in place, but if the pandemic lasts the problems will be evident only for the next year.

Kosovo depends a lot on the import of seeds, planting stock, fertilizers and pesticides, I can conclude almost 100%.



IMPACT OF CORONAVIRUS ON AGRICULTURE AND FOOD SECTOR: INPUT SUPPLY



“Energy and lubricants” the prices that have decreased for all months analysing during period March – June 2020 compared with the similar months 2019 by -9% continuing with price decreasing for month April 2020 by -18%, May by -21%, and finally by -19%.

Perhaps this decreasing of prices in this category has more to do with the decreasing of prices in this category at the international level. But also, local demand due to the emergency situation in the country - the Pandemic situation was very low.



IMPACT OF CORONAVIRUS ON AGRICULTURE AND FOOD SECTOR: INPUT SUPPLY



“Fertilizers and soil improvers” prices that have decreased for all months analysing during the period March – June 2020 compared with the similar months 2019, starting with March by -1.6%, April by – 0.22%, May by -1% and June by -2%.

But, as seen in the table, the decreasing in prices between the two comparative years per month is very symbolic, probably because we are dealing with inputs that are not produced in Kosovo and it can easily happen that the supply or orders by input dealers occurred before the pandemic.



IMPACT ON AGRICULTURE AND FOOD SECTOR: INPUT SUPPLY



“Plant protection products” prices that have decreased for all months analysing during the period March – June 2020 compared with the similar months 2019, starting with March by -1.4%, April by -1.88%, May by -2.83% and June by -2.92%.

There are many similarities with the above category “Fertilizers and soil improvers” because even this category of inputs is entirely imported, imports come from abroad and it can very easily happen that input dealers have ordered and bought before the Pandemic. So, Kosovo farmers has a symbolic decrease in prices compared to 2019.



CROP PRODUCTION



Data related to production, yield can not be interpreted now because the Statistical Agency of Kosovo these data of 2020, will process in the mid of 2021.

But I want to share some estimated data with you, it has to do with the yield of 2 LET SAY “strategic crops”: wheat and corn. Wheat yield is higher than any other year 5 tones/ha and corn 6 tones/ha, compare with data 2019: The average yield for wheat in Kosovo is 4 T and for corn 3.8 T over the years.

This high yield in these crops has to do with the good order of rainfall during vegetation period 2020, of course and applied agriculture measures.



IMPACT ON AGRICULTURE AND FOOD SECTOR



PRICES

Assessing the monthly price changes of agricultural products during the Q1 and Q2 2020 - there have been continuous price declines from June/May 0.4%, May/April 0.3%, April/March 0.3%, March/February 0.1%, and February/January 0.4% so we have a continuous decline in prices even though the opposite is assumed.

Analysing monthly total consumer price index and price indices of food, beverages and tobacco (month to month in 2020 and month of 2020 to 2109 average), in Kosovo there was not the price volatility during the pandemic, with an increase in all items by approximately 1%.



INTERNAL TRADE



Retail responded to the pandemic by reducing turnover in all months compared to the previous months 2019;

The retail trade with food products did not react in the same way.

In March, retail trade the turnover even increased by different percentages compared to March 2019 due to the creation of stocks in fear of market disruption.



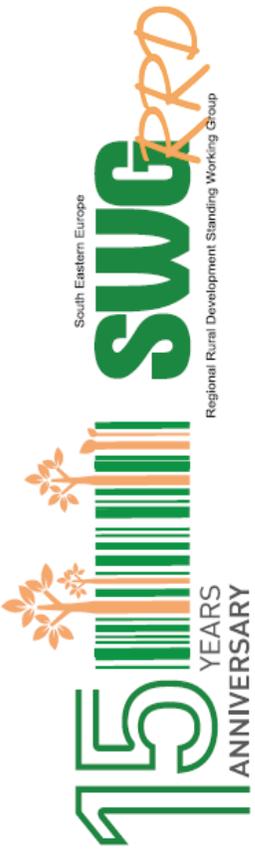
INTERNATIONAL TRADE IMPORTS - EXPORTS



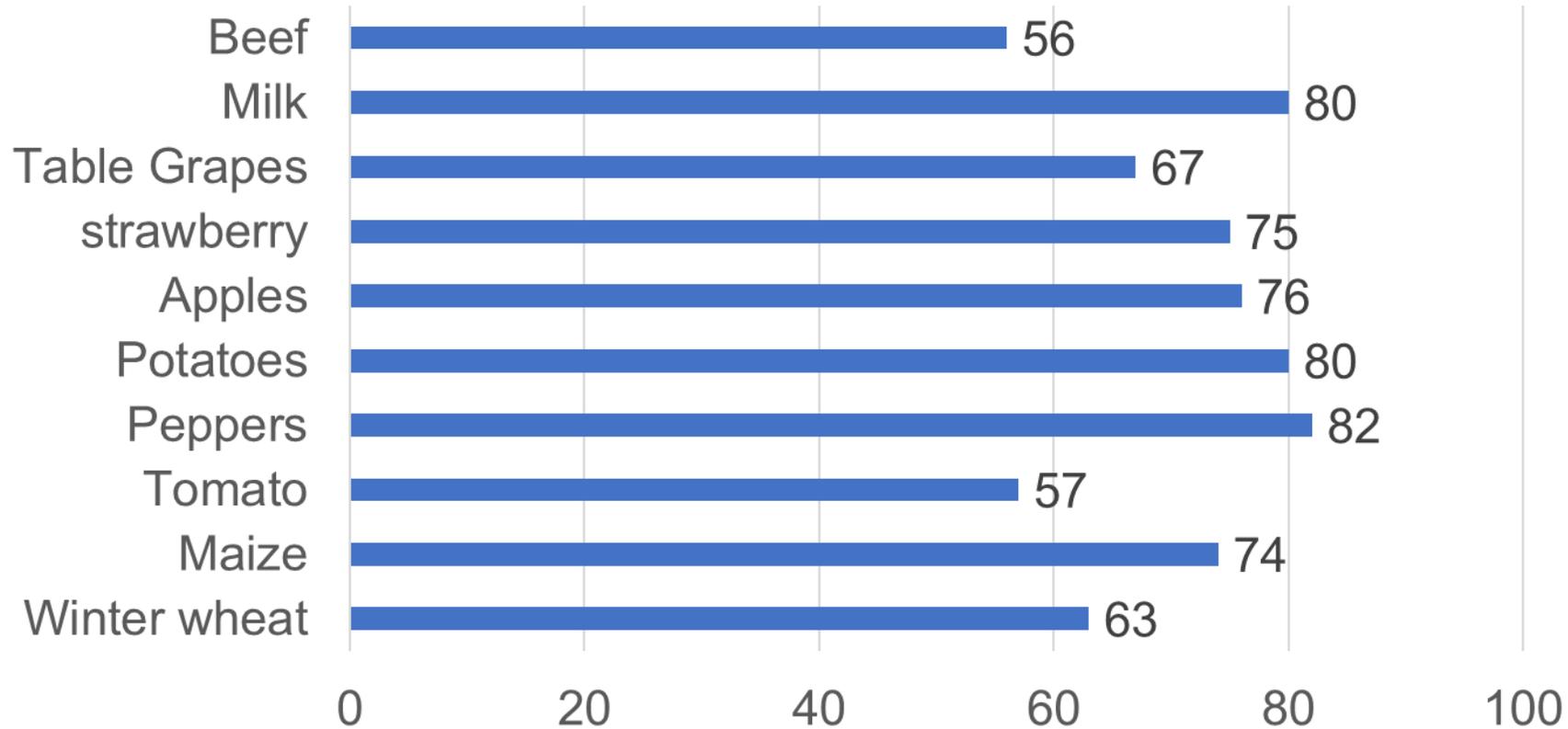
During pandemic situation the total Imports to Kosovo has been increased in March by 18% and April 5%, decrease in May -17% and again increase in June by 4%, and Export – decrease in March by 6% and April by 12%, increase in May by 1.5%, and in June by 33%.

Imports were higher in March due to high demand from consumers due to fears of food shortages and the prolongation of the Pandemic, while falling very high in May because there were still food reserves for consumers,

While exports were declining due to of the emergency situation during March and April and later with the easing of measures, we have increased exports in May onwards and especially in June.



FOOD SELF - SUFFICIENCY IN KOSOVO



Kosovo is seeking to improve its food self-sufficiency in the context of free international trade because there are limiting factors in Kosovo's agriculture that cannot meet food self-sufficiency



CONCLUSIONS



Decrease of remittances as Kosovo farmers work seasonality in EU Countries.

During this health and economic crisis COVID-19, the work of the agri-food sector was not stopped or banned, but only slowed down due to the new rules for restriction of movement that were introduced by the Government of Kosovo in response to the pandemic – but within 1-2 days the issue of movement for farmers was settled.

Kosovo government has taken many measures on Agriculture to support agriculture sector during Pandemic: Double subsidies for 2020, cover the damages from the natural disasters only for 2020 with 100% damage coverage, online application for grants

Especial attention must be paid to the impact of this crisis on rural areas already affected by floods, hail, etc, that were in process of recovery and might not be able to stand a second shock. The Kosovo Government has decided to cover natural disasters with 1.87 Million EUR.



RECOMMENDATIONS



If in the primary production in agriculture in addition to the difficulties caused by the coronavirus can occur natural disasters: floods, hail, extreme rainfall, spring frost, Government must pay attention to farmers because they may not be able to stand a second shock (after COVID 19).

The Government of Kosovo due to the natural disasters that have occurred during 2020 to establish the system of agricultural insurance in Kosovo - as a means of mitigating the risks in agriculture.



THANK YOU VERY MUCH!

QUESTIONS?

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