



# Impact of the COVID-19 Pandemic on the Dairy Farming

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**Abstract:** *The purpose of this study is to assess the COVID-19 Pandemics impacts on dairy industries in India. This study examines the changes they have taken place in the COVID-19 pandemic conditions of Chitale Industries group in Maharashtra and the corresponding losses. Chitale is a big Dairy industry situated in India, Maharashtra, Dist-Sangli, Village Bhilwadi. Their famous products are shipped to transportation but since 30 Jan 2019 Covid-19 has found a patient in India and since March all industries have been shut down due to lockdown. Dairy Management suffered huge financial losses in Covid-19 situation. The finding suggests that this pandemic has heavily affected the dairy industries. Through similar mechanism such as decreased farm gate milk prices, disruption and difficulties of moving milk within supply chains, workers shortages etc. The novel corona virus discovered in Wuhan city of China has spread across the World Health Organization (WHO) declared it as pandemic. This pandemic has negatively impacted every sector of economy including dairy sector. COVID-19 pandemic's impact on dairy industry have been widely reported around the world.*

**Keywords:** Impact of COVID-19 Pandemic, Chitale Dairy Industry, Production, Procurements, Transportation, etc.

## I. INTRODUCTION

The B.G. Chitale Group is a dynamic and progressive conglomerate, with a tradition of foresight and excellence. Be it dairy and agro products or delicious Indian sweets & instant mixes, the group has spread its wings globally as a widely recognized brand. Chitale, a household name in Pune & cities across Maharashtra, has carved a niche for itself in various industry verticals. A group, well known for its excellent product quality and superior customer service has won the trust of thousands of loyal customers. For the many Chitale customers, the company is a name that resonates with reliability. What many are unaware of is the constant innovation & adoption of best manufacturing practices that drive the Group's quest for sustenance in quality. The group's foundation is strongly laid in the four Es of evaluation, empowerment, empathy and excellence. The undisputed and widespread popularity of the Group is a result of the Chitale's brotherhood approach: built through enduring farmer partnerships and community relationships that the Group has nurtured over the year.

"India is the world's largest producer of milk. But the yield of milk per animal is much lower compared with that in the US, for example. As one of the country's leading dairy farms, we strive to deliver a variety of dairy products by adopting the latest technologies to positively impact the community we work with. This also differentiates us in the dairy market and our other business initiatives connected with the dairy farm," said Chitale. In Palus, a small town in the heart of Maharashtra, Vishwas Chitale, CEO/CTO of Chitale Dairy presides over the biggest dairy in India.

This is his family's business: a sprawling 1000-cow dairy generating thousands of liters of milk a day, which are packaged and reformulated into products for local groceries that feed tens of thousands of Maharashtra's citizens. Chitale's family is the bedrock of the dairy market here, and the company has grown from humble beginnings to the largest dairy in India, within just two generations.

Due to the lockdown in COVID-19, the company was not even allowed to bring fodder to the animals in dairy farming which resulted in reduction in animal milk. Due to the closed of everything, the company stopped taking milk from the farmer's which resulted in huge losses to the farmers. The products that were manufactured in the company before the advent of COVID 19 were suddenly lockdown and not all the products remained the same. The company suffered a

huge loss. Even when the product was manufactured, it could not be shipped to the distributor in different cities because of lockdown. COVID-19 caused huge losses to all the companies but also huge losses to the milk producing companies. Producer, Processors and consumers in the milk producing companies suffered huge losses and many animals were also affected.

## **II. PRODUCTION**

Production is the biggest part of the industry. COVID-19 had the biggest impact on the production department in the dairy industry, with huge industry losses. Due to the sudden lockdown situation, the products that were made earlier could not be sent out, but they went bad and production decreased. Due to the lockdown, the company was not allowed to enter the company employee, which resulted in less manpower and less production. The company stopped taking milk from farms due to shortage in productions a result, farmers started giving their milk to another company to prevent this from happening, the company again had to take milk from farmers.

The process of making milk powder or butter by removing the cream from it started but the people did not work again due to the lockdown. Although many products were made, transportation was closed, so no products could be shipped out of the city. Due to restrictions in big cities, milk or dairy products could not be delivered which caused financial loss to the company. Despite many big festivals coming up, dairy products could not be delivered to the people in that year, so all of companies and shopkeepers as well as consumers lost their happiness. Dairy companies could not produce some products as they did not get raw material at that time

## **III. TRANSPORTATION**

While everything in COVID-19 stopped in one place, the biggest part of the company's transportation came on. Even though all the products were ready, they could not be sent to other places as transportation was closed. All transport was closed at that time so no dairy products could be sold to the company. Although milk is one of the essential items, it was banned for sale by the government at that time, so no product could be transferred because of only COVID-19. Transportation was closed and the company was not allowed to import milk from the farmers hence farmers also in big loss. Due to the closure of transportation, no products could be delivered to different shops as well as in the big cities, so the effect was felt by distributors as well as retailers and consumers.

## **IV. PROCUREMENT**

In the Procurement of Dairy Company, their Milk Procurement Officers go out to different villages and collect milk. Due to lockdown, milk procurement officers could not bring milk from farmers at chilling centers. As a result of which farmers started giving their milk to another company, the future became dangerous for the company. Milk Procurement officers could not go to those chilling centers even when they needed milk from farmers. So, in the covid situation here, the farmer lost money due to the balance of milk with the company and had to sell his animals. The farmer was willing to sell his animals, but he could not sell them because the market was closed. Faced with many such problems, the farmers gave their surplus milk to the people and poured some out, causing financial loss.

## **V. ACKNOWLEDGEMENT**

There are three types of dairy farming which include producer, processors and consumers. A producer is a farmer who sends his animal milk to a company. Producers also suffered losses in Covid-19. As the animals did not get fodder, their milk supply was reduced, which resulted in poor people's homes Processor i.e., Industry Farmers who used to take milk from them and process it and make different products, due to lockdown they could not go to farmers to get milk. The biggest loss was to the industry because they could not do anything as everything was closed. Besides, the expensive products that have been processed here, milk loss, electricity loss, many dry fruits and saffron mixed in any products cost them dearly.

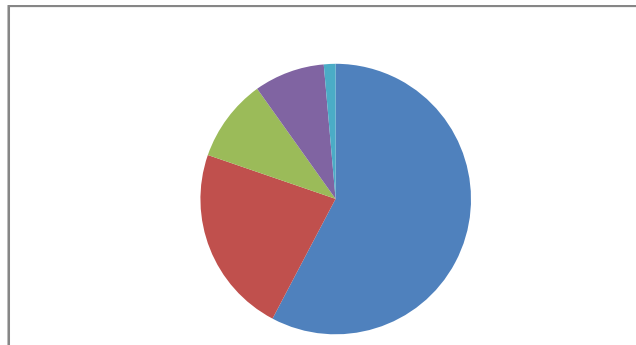
Even after doing all this, the processor was not able to deliver its product to the consumer, which caused loss to the industry. At the same time, when the consumer learns that his product is not being sold, the goods are sent back to the processor that is to the industry, again causing loss to the industry. Again, the consumer is divided into three sections i.e., Distributors, Retailers and Consumers. Distributors and retailers with small to large shops suffered minor losses.



Consumers did not loss in any way and they only had to face some difficulties like they lose their happiness, Health loss, they are not able to buy any product if also they want only because of COVID-19. The biggest thing I have experienced in that company is that COVID 19 has caused such a huge loss to the company that the company has given leave to its workers and has not cut their salaries in any way. Nor did they reduce the salaries of those workers after COVID 19. This is also loss for the company.

**VI. OBSERVATIONS OF LOSSES**

PARTS	FACTORS	LOSSES
Producer	Farmers	100%
Processor	Industry	-40%
Consumer	Distributor	30%
	Retailer	20%
	Consumer	Loss happiness, health loss, they are not able to buy any product if also they want.



Pie Diagram Showing the losses:

- Processor 8.2
- Producer 3.2
- Distributor 1.4
- Retailer 1.2
- Consumer 0.2

**VII. RESULT AND CONCLUSION**

Conclusion from all these studies. Any situation can cause a lot of damage or loss but the damage/loss cannot be repaired. In this pandemic situation, you cannot make up for the loss of any industrial loss, nor can the company make up for the loss. However, all of this has happened because of a sudden onset of the condition or a sudden onset of the disease. However, the only request to the government is that before any such situation arises again, the government or the World Health Organization should take into account all this and inform the rest of the big companies in advance, because those companies should not have to face losses again.

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