



BUSINESS ENVIRONMENT



COVID-19 PANDEMIC

DECEMBER 2019 – PRESENT

In 2020, the world faced an unprecedented challenge posed by the novel coronavirus (COVID-19). The virus first appeared in China at the end of 2019 and spread across the globe over the next couple of months. Countries had to close borders and introduce lockdowns to curb the outbreak, while healthcare systems strained under the pressure.

The crisis caused by COVID-19 is one of the most economically challenging since World War II. It has led to a significant drop in business and trade activity across global markets (especially during the first wave in March–May 2020) and brought about considerable

uncertainty over the near- and mid-term economic development prospects. The lockdown spurred massive social changes with consequences yet to be fully seen.

As the pandemic broke out, the mineral fertilizer market did not experience any major shocks. On the contrary, it was actively expanding, with the growth in fertilizer demand supporting the prices. Even under the tightest restrictions, many countries kept supplying and transporting mineral fertilizers to safeguard the agricultural chain. A key contributor to the planet's food security, our industry turned out to be less affected by the global crisis.



RUSSIA'S REVISED FOOD SECURITY DOCTRINE

JANUARY 2020

Russia's President Vladimir Putin approved the country's revised Food Security Doctrine. In addition to securing food independence, and accessibility and affordability of high-quality foods to every citizen nationwide, from now on increasing food exports will be among the doctrine's targets. In addition, the doctrine provides for boosting the yield of key crops and fertility of agricultural land, sustainable use of farm soils and for promoting land reclamation.

Competitive pricing is yet another factor to place Russian eco-efficient agricultural products at the centre of the global consumer market. According to Russia's Ministry of Agriculture, the share of crops to be supplied under the Green One brand will account for 10–15% of all agricultural exports by 2024.

LEGAL AND REGULATORY FRAMEWORK FOR THE GREEN ONE BRAND

MARCH 2020

The government introduced the first out of six packages of the national standard for production, transportation and storage of improved agricultural products, raw materials, and food. This includes introduction of GOST R 58658–2019 "Agricultural products, raw materials and food with improved environmental characteristics. Mineral fertilizers. General technical requirements".

On 17 March 2021, the State Duma of the Russian Federation adopted in the first reading a draft law On Agricultural Products, Raw Materials and Food with Improved Environmental Characteristics.



BUSINESS ENVIRONMENT



**TIGHTER
ENVIRONMENTAL
REGULATIONS
IN EU**



MAY 2020

The European Commission announced a new strategy, From Farm to Fork

The European Commission published targets on restricting the use of pesticides and sales of antimicrobials by 2030. These targets are listed in the draft strategy on promoting sustainable agriculture, From Farm to Fork, which the European Commission proposed to the European Parliament and the Council of the European Union.

Pascal Canfin, Chair of the Committee on the Environment, Public Health and Food Safety at the European Parliament, says that the targets should be transformed into the EU legislation.

In the next ten years, the use of pesticides is to be halved, and the use of fertilizers reduced by at least 20%.

The European Commission also seeks to lower the sales of antimicrobials by 50% and expand the share of organic farming to 25% by 2030.

In addition, the European Commission plans to develop a sustainable food-labelling framework to inform consumers about the climate, environmental, and social impact associated with production and consumption of a particular food item.

Another goal is to lower meat consumption and increase fruit and vegetable intake.

The strategy is aimed at developing sustainable agriculture to provide the world with nutritious and affordable food while minimising the climate and environmental impact.

MARCH 2021

The EU introduced new green labelling for fertilizers

The European Commission published guidelines for manufacturers and market regulators with information on eco-labels for mineral fertilizers. Suppliers of fertilizers with low levels of the toxic metal cadmium (less than 20 mg/kg) can now mark their products with a special green

label. The new labelling is set to help identify eco-efficient fertilizers.

This is the first step in the EU's strategy to restrict fertilizers with higher content of heavy metals, including cadmium. The respective regulation was drafted in 2016, but the European Parliament only adopted it in 2019 following long-running discussions. According to the document, fertilizer products

containing more than 60 mg cadmium per kg will be banned from the EU from spring 2022, and this limit will be further reduced in 2026 – to 40 mg/kg.