

Tuesday, 21 April 2020

Food Security Monitor for Latin America and the Caribbean

Full Report on the Agrifood Sector in the Americas during the Coronavirus Pandemic

Previous editions available at: <https://iica.int/en/monitor>

964,039

Confirmed cases of Covid-19 in the Americas



Countries



Highest number of cases in the Americas:

- USA (814,587)
- BRA (40,814)
- CAN (38,912)
- PER (17,837)
- CHL (10,832)

Covid-19 in the world



Source: Johns Hopkins University, available at <https://bit.ly/3dJ1CZx>. Data as at 21 April 2020 (14:00 am CST).

*** This monitor is a dynamic, constantly updated tool created by IICA to analyze and forecast the impact of the world health crisis on food security in the Americas.*

Analysis and scenarios

The latest from the IICA Blog:

The black swan theory: Covid-19, climate change and sustainable development

A “black swan” is an event with the following **three characteristics**:

- First, it is an **atypical situation**, given that it lies outside the realm of regular expectations, because nothing in the past can convincingly point to its possibility.
- Second, it has an **extreme impact** (on our lives).
- Third, despite being an uncommon situation, human nature makes us **fabricate explanations** for its occurrence after the fact, making it explainable and predictable.

Covid-19 is not the only “black swan” of our time. The effects of **climate change** are being felt around the world, and the current pandemic provides us with a real opportunity for comparison, to assess the high risks facing humanity.

Read more on this topic in the blog post by economist **Camilo Navarro Ceardi, Partner and Founder of Fundación Cisne Negro, Partner and Director of ProAmérica SpA and Director of the Diploma Course on Sustainable Development and Climate Change of the School of Economics and Business of the University of Chile.** <https://bit.ly/2zl7061>

Living with Covid-19: impact on the agrifood sector

The pandemic has consequences and there are **winners and losers**. What we've seen in most of the countries affected by Covid-19 is that medical and hospital services, cleaning and disinfection supplies, ICT services, e-commerce, agriculture, the food industry and retail businesses are the real winners.

Individuals evidently depend on supply chains for nutrition and food; **this is food security we are talking about.**

Read more on this topic in the blog post by **Jaime Flores Ponce, International Consultant in Agricultural Health and Food Safety. Mr. Flores currently serves as Senior Advisor to the CALIVERIF Inspection and Certification Company and as Coordinator of the Ecuador Chapter of the Latin American Network of Rural Extension Services (RELASER). He also previously served as Representative of the Inter-American Institute for Cooperation on Agriculture (IICA) in Chile and Venezuela.** <https://bit.ly/2KryAR6>

Relevant issues for the agrifood sector

Markets

*Report from the MIOA, a cooperation network comprised of the Agricultural Market Information Systems (MIS) of 33 countries in the hemisphere. Information compiled by country.

Dominican Republic: public markets nationwide are closed, while others are operating twice a week. Santo Domingo's primary wholesale market was closed for six days last week, for cleaning purposes; however, it has resumed operations this week, and has implemented numerous measures to protect the health of traders and customers.

With respect to supply, a great deal of agricultural products are currently available throughout the country. However, the country is experiencing certain logistical problems with respect to the collection and transportation of some products, especially vegetables.

A Support Program for Agricultural Trade as well as a Support Program for Agricultural Production are being developed and will be implemented over the next eight months.

Production

* Measures related to the agrifood production sector, and information on impact channels and areas affected in the countries of the Americas (products grown or harvested during this time of year).

Mexico: SADER announces an increase in the production of bread-making wheat

According to SADER, production of bread-making wheat totaled 1.54 million tons, an increase of 13.6% for the 2019-2020 harvest, as a result of the Guarantee Program. For the 2020-2021 season, 1.60 million tons are projected.

One of the objectives of the government of Mexico is to be self-sufficient in the production of corn, beans, rice, bread-making wheat and milk.

<https://bit.ly/2VFNFnm>

Brazil: slight reduction in the production of Brazilian chicken during the first quarter

Brazilian chicken production fell in the first quarter as demand within the country weakened, meat association ABPA informed Reuters.

An industry source told Reuters that some chicken farmers in Brazil are curtailing their production by housing fewer birds during the health crisis, in a "speculative" move. <https://reut.rs/3asgj0A>

<p>United States: more ethanol producers turn to producing hand sanitizer</p> <p>A growing number of ethanol plants have switched some of their output to produce hand sanitizer.</p> <p>According to the Head of the Renewable Fuels Association (RFA), the measure does not offset losses generated as a result of decreased demand, but it is one way to contribute during the crisis. Of the nation's 200 ethanol plants, 73 plants are idled while 71 have reduced rates.</p> <p>The RFA estimates that the number of jobs the industry supports will fall by a fifth.</p> <p>https://reut.rs/2KoGevW</p>	<p>United States: \$19 billion aid program for farmers and food purchases</p> <p>President Donald Trump announced a relief program that includes \$16 billion in direct payments to producers and \$3 billion for mass purchases of meat, dairy, vegetables and other products to be distributed to food banks, churches and aid groups for people living in poverty.</p> <p>USDA will work with various companies to help procure, package and distribute food boxes.</p> <p>According to Agriculture Secretary Sonny Perdue, direct payments will be sent "as quickly as possible" as farm commodity producers have experienced "unprecedented losses."</p> <p>https://reut.rs/2VQbKrV</p>
<p>China detects African swine fever in another pig truck from the province of Sichuan</p> <p>Since August 2018, China has been battling African swine fever, which has killed millions of pigs and sent pork prices soaring. The deputy minister of agriculture remarked that the risk of African swine fever had increased significantly.</p> <p>Official ministry of agriculture data showed that by September 2019 the herd had shrunk by 41%. However, many in the industry believe it shrunk by as much as 60%. https://reut.rs/3eFriHG</p>	<p>Canada: Minister of Agriculture announces \$1,500 aid for temporary foreign workers</p> <p>The Ministry will provide each temporary foreign worker with \$1,500 to ensure that they have the capacity to put in place all the measures necessary for the 14-day isolation period.</p> <p>The minister underscored the important role that temporary foreign workers play in producing food for the country. https://bit.ly/3allGPm</p>

Trade

*Trade-related measures taken by the countries, description of the impact on products usually exported during this time of year, problems in trade logistics and global supply chains.

Argentina: fisheries exports to fall by more than USD 500 million

The Fisheries Industry Chamber estimates that in 2020, the country will end up exporting USD 1.3 billion, which is USD 563 million less than the previous year.

Reports for the past 50 days, compared to the same period last year, reflect a 52% drop in the number of tons destined for the domestic market and a 43% drop in the number of tons that are exported. Orders from Brazil, the U.S. and Europe have been cancelled.

The fisheries industry accounts for one eighth of products exported from Argentina. In 2019, China, Spain, the U.S. and Italy were the country's primary destinations for exports.

<https://bit.ly/2XTrwot>

Chile: pork shipments up 54% during first quarter

According to ChileCarne, pork exports amounted to USD 197.7 million during the first quarter of the year, 54% more than in the same period last year.

The exports totaled 65,315 tons, an increase of 18% compared to the same period last year.

Pork exports have benefited from a drop in China's pork supply. A total of 38% of shipments are sent to China. <https://bit.ly/2VqWQJB>

Uruguay: five years after the most recent shipment, more than 15,000 Holando-breed cattle are exported in one month

Two boats with calves and heifers of the Holando breed are heading towards China and another to the United Arab Emirates (UAE).

According to El Observador newspaper, China resumed trade with Uruguay after contracts with Australia and New Zealand fell through, due to price increases and a low supply in both countries.

The shipment to the UAE represents the opening of a new market.

<https://bit.ly/2RUgYI2>

Panama: 40 containers of watermelon from Panama are incinerated in Rotterdam

As a result of a drop in watermelon consumption, 40 out of a total of 113 containers sent to Rotterdam had to be incinerated.

During the current agricultural cycle, agricultural exporters that form part of the Gantrap union planned to export watermelon and melon in 800 containers with the capacity to transport about 20,000 kilograms of fruit per container. However, the exporters were only able to send 60% of the estimated containers as a result of Covid-19.

A part of the remaining 40% of containers was successfully sold in domestic markets, while 80,000 quintals of fruit were lost in the field.

<https://bit.ly/2RYmHq7>

<p>The United States boosts Brazil's sugar export quota by 64 thousand tons</p> <p>The measure, effective until September 30, will increase Brazil's quota to 230 thousand tons.</p> <p>Exports that are subject to preferential volumes are exempt from tariffs.</p> <p>In total, the United States government has increased the sugar quota for 26 countries, primarily benefiting Brazil.</p> <p>https://glo.bo/3ePDPZ8</p>	<p>Mexico: beef exports to the United States grow</p> <p>During the first week of April, beef sales to the United States increased by 10%, totaling 66,000 tons. Shipments are expected to increase as a result of the closure of plants in the United States due to Covid-19.</p> <p>According to the president of Mexican Beef, Mexico is the second-largest supplier of meat to the United States after Canada, which is experiencing a drop in exports due to Covid-19.</p> <p>During the first two months of the year, Mexico's global beef exports represented USD 380 million dollars, a 3.9% growth compared to 2019. https://bit.ly/2RWCsOx</p>
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WTO: Notifications on trade measures in the context of the pandemic

Several countries have notified the World Trade Organization (WTO) of temporary trade measures being implemented in the face of the pandemic, mostly concerning medical products. Below is a list of measures related to agrifood products notified during the past week (16 April to 21 April):

- **Russian Federation: SPS:** Lift of the provisional restriction on imports to the Russian Federation and transit through its territory of live hydrobionts due to changes in assessment of the epizootic situation with Covid-19 in China (HS: 0306, 0307, 0308) <https://bit.ly/3dOh5YJ>

Supply

*Measures taken by Ministries of Agriculture in different countries regarding food security.

IICA creates an Advisory Committee on Communication for Agriculture and Food Security

In response to the current crisis brought on by the new coronavirus pandemic, the Director General of the Inter-American Institute for Cooperation on Agriculture (IICA), Manuel Otero, established an Advisory Committee on Communication for Agriculture and Food Security.

Initially, the committee will comprise 10 opinion leaders from seven countries who have made significant contributions to the agrifood sector throughout their career and who specialize in public and institutional communication. The Committee will continuously call attention to the strategic importance of agriculture and its logistical and marketing chains. <https://bit.ly/3cAjrZP>

Soybean falls, wheat rises and there are good news for rice

While the fall in oil prices is negatively impacting the international market for corn and soybean, the pandemic is creating a favorable scenario for wheat and rice.

While the price for soybean dropped below the reference price of USD 300 (USD 299), the latest rice harvests have now been placed on the market and wheat prices improved significantly in Chicago.

<https://bit.ly/2Vp1ZSv>

Costa Rica: consumer organization asks the Ministry of the Economy, Industry and Trade (MEIC) to authorize rice promotions

The organization is requesting authorization for the retail practice called “bandeo,” which is currently banned in the country and involves taping a free product to the package of another, in this case, a bag of rice. The organization is also asking that price fixing for rice be eliminated. According to the organization, both practices prevent consumers from accessing better prices and products. <https://bit.ly/2XVVnwy>

March favored frozen fruit in Chile

During the month of March 2020, Chile reported a large increase in the value and volume of frozen fruit exports.

The Covid-19 crisis is responsible for the rise in demand, although there is uncertainty regarding whether this trend will persist.

<https://bit.ly/2zl7RDJ>

Experts foresee greater availability of corn at the global level

Good harvests and low demand for ethanol in the U.S., as a result of falling oil prices, are contributing to a greater availability of corn.

The corn harvest will be the third largest at the global level; it includes the corn harvested last year in the United States, Brazil's second harvest in June, and that which is expected to be harvested in Argentina, for a total of 1.11 billion tons, based on last month's projections. <https://bit.ly/34Uj9dL>

