

## Food Security Monitor for the Americas

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

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

# 8,859,207

Confirmed cases of  
Covid-19 in the  
Americas



## Countries



Highest number of  
cases in the  
Americas:

- USA (4,309,230)
- BRA (2,442,375)
- MEX (395,489)
- PER (389,717)
- CHL (347,923)

## Covid-19 in the world



Source: Johns Hopkins University, available at <https://bit.ly/3dJ1CZX>. Data as at 28 July 2020 (14:00 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 "winners" of the Covid-19 pandemic

The "winners" will be those who are willing to take on the challenges that come their way, those who are willing to innovate, **those who do not stand idly by, waiting for everything to go back to the way it was before March 2020.**

The "winners" of the pandemic will need to fight tooth and nail, with perseverance and sacrifice, but, above all, with **intelligence and creativity**. The winners will be those who are smart about modifying their business models, commercial strategies and the technologies they implement in their production processes.

Nothing will be the same; it no longer is. As we near the end of July 2020, our lives, habits, strengths and weaknesses have completely changed. **How we adapt and react to the current situation** will determine our ability to occupy a better place in the world. I say better, and not new, because what lies ahead will be new for everyone. What matters is whether or not we can contribute to making the world a better place.

**Find out all the details in this week's blog post by agricultural engineer *Álvaro Ramos Trigo*, who holds a diploma in Business Administration and Development from the Konrad Adenauer Foundation (Germany). Ramos previously served as Minister of Foreign Affairs, Minister of Livestock, Agriculture and Fisheries, and Senator of the Republic of Uruguay. He is a member of IICA's Advisory Council for Food Security in the Americas. <https://bit.ly/39CAutX>**

### Opportunities for family fruit farming in Brazil

Brazil has not yet developed a generalized export model for fruits, despite the country's great potential to expand fruit production, particularly through family farming and cooperative undertakings.

**Chile's efficiency in this area is a result of its productivity, packaging, processes for keeping fruit fresh, fruit quality and logistics.**

This knowledge is also available in Brazil, but its use is not widespread.

Why not? There seems to be no good reason. Yes, we do face certain difficulties with respect to transportation, but these obstacles are not insurmountable.

**Find out all the details in this week's blog post by *Fernando Henrique Kohlmann Schwanke*, Secretary of Family Farming and Cooperative Undertakings of the Ministry of Agriculture, Livestock and Supply. <https://bit.ly/2BBqg0r>**

# Relevant issues for the agrifood sector

Production	
<p>* 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).</p>	
<p><b>Argentina takes control of locust swarm, giving Uruguay a break</b></p> <p>Argentina’s National Service of Agrifood Health and Quality (SENASA) has successfully reduced a large part of the locust swarm in the province of Entre Ríos.</p> <p>However, Uruguay is maintaining its red alert active in order to continue monitoring the locust swarm and undertake any necessary actions should it arrive in the country.  <a href="https://bit.ly/3hNgDeO">https://bit.ly/3hNgDeO</a> and <a href="https://bit.ly/30UTUXd">https://bit.ly/30UTUXd</a></p>	<p><b>Colombia: Ministry of Agriculture extends deadline to apply for government’s financial incentive for the transportation of perishable foodstuffs</b></p> <p>The registration period has been extended until 14 August, to enable more small and medium-scale producers to benefit from the measure.</p> <p>According to the Ministry of Agriculture and Rural Development, as at 20 July, the program had 13,172 registrants, of which 577 are legal entities and 12,602 are individuals. The distribution of registrants by production sector is as follows: fruit sector - 29%; tubers and bananas - 25.6%; vegetables - 16.6%; and live cattle - 10.6%. <a href="https://bit.ly/3hOGtit">https://bit.ly/3hOGtit</a></p>
<p><b>Ecuador: Tax law fosters formalization and good practices</b></p> <p>Ecuador’s Organic Law on Tax Simplification and Progressivity has entered into effect. Under the new law, agricultural producers will no longer be obligated to pay advance income tax, and will be able to pay a single income tax instead. The Law also provides producers with different options for formalizing their businesses and benefiting from the application of Good Agricultural Practices (GAP). The law’s agricultural provisions were developed together with the Ministry of Agriculture and Livestock (MAG). For instance, the law will drive the application of GAP in banana farming, which will allow for progressively halving tax rates during the export phase, based on export volumes.  <a href="https://bit.ly/2X4TkVC">https://bit.ly/2X4TkVC</a></p>	<p><b>Guatemala: Chicken and egg production remains stable</b></p> <p>According to the National Poultry Health Program (PROSA) of the Ministry of Agriculture, Livestock and Food (MAGA), chicken and egg production levels and prices remain stable in the country, despite the pandemic.</p> <p>At present, chicken represents 60% of the animal protein consumed by Guatemalans. For this reason, the country is implementing biosafety protocols and measures to protect nearly 84 million birds (56 million on large “technified” farms and 28 million in backyard farms) during the pandemic.  <a href="https://bit.ly/3f5MRQn">https://bit.ly/3f5MRQn</a></p>

**Paraguay: MAG campaign seeks to encourage consumers to purchase products from family farmers**

In an effort to reactivate the economic activities of rural families, the Ministry of Agriculture and Livestock (MAG) launched the “MAG Delivery” initiative at the end of May.

Three farmers’ markets have already been organized under this modality, with MAG providing support to set up collection centers and organize logistical aspects. Farmers, in turn, are able to sell their products directly to consumers, who must spend a minimum amount to get their products delivered for free.

<https://bit.ly/33a6uo2>

**Mexico: Economic activity contracted by 2.6% compared to the previous month and by 21.6% on an inter-annual basis**

According to the National Institute of Statistics and Geography (INEGI), the Global Indicator of Economic Activity (IGAE) showed a 2.6% decrease in real terms in May compared to the previous month, with seasonally adjusted figures.

The annual variation, in turn, was equivalent to 21.6% in May. Compared to the same month in 2019, secondary and tertiary activities contracted by 29.7% and 19.1%, respectively, while primary activities (agriculture) increased by 2.5% in May 2020.

<https://bit.ly/3hHWu9M> and <https://bit.ly/3g8Zj3n>

## 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.

### United Kingdom: New Trade and Agriculture Commission is launched

International Trade Secretary Liz Truss presented the new Trade and Agriculture Commission, which will advise the government on trade policy and how Britain's agriculture sector can be amongst the most competitive and innovative in the world, while upholding animal welfare and environmental standards.

The Commission will address challenges associated with the restructuring of Britain's trade policy, the negotiation of multiple agreements as a result of Brexit, and global economic reactivation in the aftermath of Covid-19. This Trade Department body will ensure that Britain's high standards are upheld and that its farmers are able to seize new opportunities to export their goods abroad. <https://bit.ly/2P1m0dZ>

### Brazil: New market opportunities for agricultural products emerge

Since March, 21 new markets in 11 countries have opened up for Brazilian pork, poultry, meat, dairy and other agricultural products. Thailand, Bangladesh, Indonesia, Korea and Turkey are just a few of the countries in which Brazil increased its market share between January and June.

Exports seem to have curtailed the impact of bar and restaurant closures. One of the sectors that increased its shipments the most was citrus fruits, thanks to increased global demand for vitamin C to boost immunity. Demand for these products has grown significantly in Middle Eastern and Eastern European countries. <https://bit.ly/3gaQm9F>

### Costa Rica: Agricultural exports lead the economy amidst the pandemic

Foreign sales fell by just 2% (USD 109 million) compared to the first half of 2019. The contraction could have been much worse due to the pandemic, had it not been for the increase in agricultural and agrifood exports, which accounted for 27% and 15% of total exports, respectively.

Exports of bananas, raw coffee, beef, syrups for beverages, palm oil, sugar and ostomy devices grew by 8%. The United States remains Costa Rica's largest market, followed by Asian countries. South America, in turn, has increased its syrup imports from Costa Rica. <https://bit.ly/3382LYt>

### Pamela Coke-Hamilton of Jamaica named Executive Director of the International Trade Centre (ITC)

The United Nations (UN) has named Pamela Coke-Hamilton of Jamaica Executive Director of the International Trade Centre (ITC).

The ITC is the joint agency of the United Nations Conference on Trade and Development (UNCTAD) and the World Trade Organization (WTO), for trade and international business development. Cooke-Hamilton will contribute her expertise in trade-related capacity-building and sustainable development, government matters, trade negotiations, multilateral institutions, the business sector, as well as the promotion of investments and gender equality to facilitate market access. <https://bit.ly/32YawQB>

### Honduras: Aromatic coffee stands out in the international market and increases exports

### Ecuador: Avocados and foreign investment will be key to economic reactivation

According to the Central Bank of Honduras, exports increased by 0.5%, reaching about USD 1.93 billion, compared to about USD 1.92 billion during the January-May 2019 period.

Despite the international context and movement restrictions implemented during the pandemic, foreign sales still grew thanks to increased sales of coffee, banana, sugar and gold. Among the products exported to the United States are bananas, coffee, shrimp, sugar, melons, watermelons, legumes and vegetables.

Canada, the United States and Mexico were the country's most important trade partners during the first five months of the year, generating USD 801.7 million, followed by Europe, which generated 596.3 million. Latin America and the Central Region represent the third-largest market for Honduras.  
<https://bit.ly/39CHcjD>

Spanish firms Ecolijar and Sherry Quality are betting on the economic reactivation of the northern Ecuadorian canton of Mira, which exports high-quality, great-tasting avocado, thanks to its climate.

The firms will invest around USD 500,000 in the "Mira Fruit" project, a platform for collecting, sorting and packaging fruit and other products, that will seek to export around 100,000 kilos of avocado per month. To this end, Mira Fruit will provide cooperation and assistance to conduct quality control on several farms, generating an opportunity to access European markets amidst the current health and economic crisis. In 2019, Ecuador was one of the world's top fruit exporters; last year, the country increased its avocado exports to the United States, the United Arab Emirates and Spain.

<https://bit.ly/2P1YPA7>

## Supply

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

### **IICA Survey: Covid-19 affects family farmers and will impact food supply**

Most family farmers in Latin America and the Caribbean, who are key to food security, lack the necessary protective equipment and health protocols to carry out their farming activities during the Covid-19 pandemic. Due to the decline in purchasing power among consumers, farmers are facing limitations to sell their products, which affects food production and limit's the sector's capacity to provide basic foodstuffs.

These are just some of the conclusions of a survey carried out by the Inter-American Institute for Cooperation on Agriculture (IICA) in May and June, among 118 family farming leaders in 29 countries throughout the Americas.

<https://bit.ly/304YWkF>

### **“Honduras will have the opportunity to introduce the rest of the world to its coffee”**

During the official launch of the first Online International Specialty Coffee Auction, which will be held on 12 August 2020, Honduras will have the opportunity to introduce the rest of the world to the high-quality coffee produced in the Marcala region, stated Mauricio Guevara, Secretary of Agriculture and Livestock of Honduras.

Walter López, Chair of the *Origen Café Marcala* denomination of origin, explained that 36 of the 198 coffee lots that participated in the coffee competition of the Marcala Coffee Festival, all of which are from the Marcala region and are characterized by high-quality coffee beans, will take part in the auction.

<https://bit.ly/307z73B>

### **Mexican exports rise by 75.6%**

Mexican exports rebounded in June after two months of record drops, thanks to the reopening of the economy (particularly within the industry sector) in the United States, the primary destination for its shipments.

According to the National Institute of Statistics and Geography (INEGI), exports in June totaled a record-breaking \$31.67 billion, representing an increase of 75.6% compared to May (with seasonally adjusted indicators).

<https://bit.ly/309N5C5>

### **Agro-dollar: Gap with respect to the blue rate complicates exports**

A recent report by consulting firm FMyA indicated that soybean producers are receiving 60% less than what their merchandise would be worth if the dollar were “free” and there were no retentions. To calculate this theoretical “free dollar”, the firm takes into account cash with liquidation; therefore, the situation would be even more unfavorable if the *dólar blue* (“blue rate”) were to be used as a reference. <https://bit.ly/3hPWxAB>

### **Chilean farmers share how they are adapting to new market conditions**

During these difficult months amidst the pandemic, small-scale farmers across the region and the country are continuing to work to produce food for Chileans. They have had to overcome many difficulties, including finding new ways to market their products, given that farmers' markets and other markets have not been able to operate as usual.

<https://bit.ly/32ZOddf>