

Tuesday, 4 August 2020



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>

9.879.26

Confirmed cases of
Covid-19 in the
Americas



Countries



Highest number of
cases in the
Americas:

USA (4,742,277)
BRA (2,750,318)
MEX (443,813)
PER (433,100)
CHL (362,962)

Covid-19 in the world



Source: Johns Hopkins University, available at <https://bit.ly/3dJ1CZX>. Data as at 4 August 2020 (14:00 md 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:

This week's graph

Monitoring exchange rates and their effect on the sector during Covid-19: **Devaluation of LAC currencies vis-à-vis the USD.**

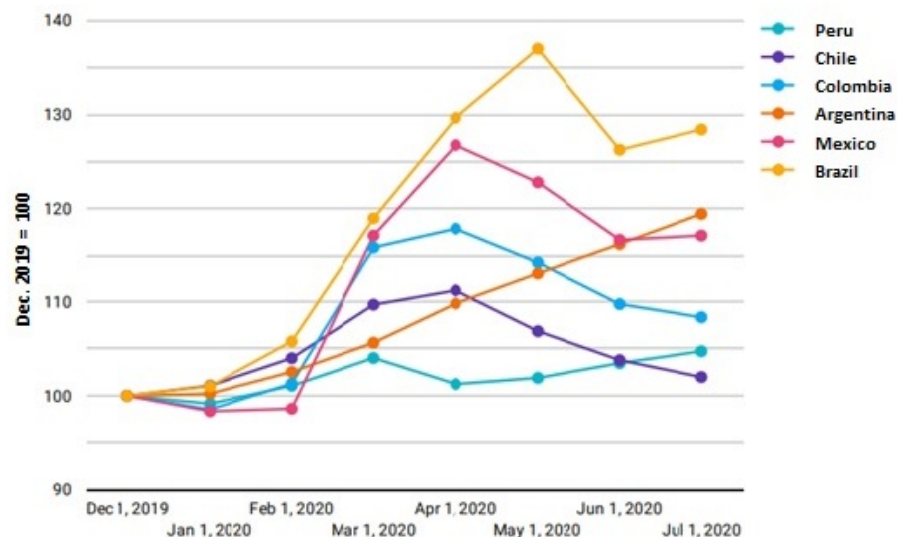
With average data as at July 2020, the Brazilian Real.

During Covid-19, currencies that experienced the greatest devaluation up to the month of May in relation to December 2019 were the Brazilian Real (39.7%), the Mexican Peso (26.11%), the Colombian Peso (16.15%) and the Chilean Peso (12.33%). The devaluation of the local currencies was beneficial to agroexport chains, but negatively affected consumers and producers in the domestic market, by driving up the prices of imports of food, inputs and raw materials.

See more details in the following post: <https://bit.ly/2M2a3TQ> #IICABlog

Devaluation of LAC currencies vis-à-vis the USD Average daily index, by month. December 2019 = 100

Select up to 5 currencies: Argentina, Brazil, Chile, Colombia, Mexico, P... (6)



Source: IICA, with data from the University of British Colombia and official data from the Central Bank of each country
Note: updated figures as at 31 July 2020.



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>Argentina: banks record increase in the demand for agricultural credit</p> <p>The country's main banks have indicated an increased demand for agricultural credit during 2020, most of it for the purchase of machinery and equipment.</p> <p>According to a quote in La Nación, "producers may want to ensure that they have merchandise in a year in which there has been uncertainty about how certain inputs would be supplied, given Covid-19 and the logistical issues". https://bit.ly/3i8aJVI</p>	<p>Brazil: National Monetary Council (CMN) approves agricultural measures</p> <p>At the request of the Ministry of Agriculture, Livestock and Supply, the CMN has approved measures such as reduced interest rates for farmers in the Southern Region affected by the cyclone and the pandemic. The CMN has also authorized financial agents to enable those family farmers who are PRONAF beneficiaries and whose activities were curtailed by the cyclone to access funds and investment loans at the lowest interest rates in the program. The meeting also approved resolutions relating to credit for the family farming agroindustry, the base price of cotton and the renegotiation of loans for farmers affected by the drought. https://bit.ly/2DAUAc8</p>
<p>Colombia: estimates project 8 million bags of coffee for the season</p> <p>The second coffee harvest of the year is slated to begin in the coming days, accounting for 60% of total production. In the throes of the challenges of Coronavirus, the country expects to collect close to 8 million 60kg bags of coffee.</p> <p>One of the primary challenges will be to mobilize the coffee pickers. Harvesting in the latter half of the year takes place in the districts of Caldas, Risaralda, Armenia and Antioquia, and requires 180,000 to 200,000 producers, mostly from the regions of Cauca, Nariño and Huila. According to the Ministry of Agriculture and Rural Development, 14.2 million bags of coffee, valuing approximately \$8.9 billion dollars, will have been collected by the end of 2020.</p> <p>https://bit.ly/30qbVxu and https://reut.rs/3keJ5YL</p>	<p>Colombia: cocoa production grew 9% during the first six months of the year</p> <p>FEDECACAO reports that cocoa production has exceeded expectations, amounting to 34,889 tons, which is a 9% increase over the 32,105 tons produced during the same period in 2019.</p> <p>On the other hand, dry cocoa bean exports grew 46%, moving from 4,279 tons in the initial six months of 2019 to 6,233 tons during the equivalent period in 2020.</p> <p>https://bit.ly/2PoZR9w</p>

Honduras: bean production is estimated to increase by 1.9 million quintals

The Secretariat of Agriculture and Livestock (SAG) projects that bean production will increase 1.9 million quintals in the *postrera* or second harvest, even amidst the pandemic. During the *primera* or first harvest, 250,000 quintals were collected.

Considering that 2.3 million quintals of beans are consumed within the country, the production will cover the local demand.

As a measure in response to the pandemic, the SAG established the Solidarity Production Bonus (BSP), distributing seeds and fertilizers – 80% for bean production and 20% for cotton.

<https://bit.ly/2EQIxbv> y <https://bit.ly/2DAWt8I>

Peru: Ministry of Agriculture and Irrigation institutes measures to revive the livestock industry

The Ministry of Agriculture and Irrigation (MINAGRI) announced a package of measures to revitalize the national livestock industry, aiming to benefit more than 1,758,000 agricultural producers.

As part of the measures, S/90 million will be allocated initially, which will benefit 30,000 producers, under the AgroPerú Fund.

Under the Rural Agricultural Development Program, AGRO RURAL, more than 135,000 hectares of cultivated pastures will be established in 23 regions, representing an investment of S/103 million. Other measures will include the construction of sheds for the frost season, the distribution of veterinary kits and forage conservation.

Moreover, two projects have been instituted to invest in the genetic improvement of cattle.

<https://bit.ly/3grVPJu> and <https://bit.ly/31mRhOh>

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.

Peru: Single Window for Foreign Trade to benefit exporters and importers

Supreme Decree No. 008-20200-MINCETUR was recently published to approve measures under the Law on Strengthening the Single Window for Foreign Trade (VUCE). This will enable those who are seeking to conduct business in Peru and amidst the pandemic to reduce the time spent on procedures and their logistical costs and will facilitate the streamlining of processes and the digitalization of foreign trade.

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

Peru: moves towards trade agreement with the United Kingdom

The President of the Council of Ministers explained to Congress that the agreement with the United Kingdom will allow 95% of Peruvian products to enter the British market free of tariff. It is hoped that this will allow Peru to consolidate its position as Latin America's second largest fruit exporter to Britain.

<https://bit.ly/30taluE>

Panama: new opportunities arise to export squash and pineapple to Europe

The company, Panamá Squash, will export a container with 1,200 boxes of its Panamanian squash (zapallo arjuna variety) to the United Kingdom and the Netherlands. The shipment is valued at \$86,400.

The company is also slated to export a shipment of pineapples to the above destinations every fifteen days for three months, for a total value of USD 126,000.

<https://bit.ly/3i8uk8g>

Mexico: strategic plan to capitalize on the European Union trade agreement is in the pipeline

The plan will aim to increase trade and to create new business opportunities for agricultural products that will have preferential treatment under the agreement. It will also explore new markets to expand exports.

Mexico is also seeking to review its Strategic Partnership Agreement with Japan; to strengthen and open up its markets in China and to continue efforts to administer and capitalize on the United States-Mexico-Canada-Agreement (USMCA).

<https://bit.ly/3k8PyVb>

Brazil: agricultural performance improves

Brazil recorded a trade surplus of 8.06 million dollars in July – the highest it has achieved in one month for more than 30 years.

The Covid-19 pandemic caused exports to decline much less than imports and triggered an increase in the price of the dollar.

However, performance in the agriculture sector was strong, with production increasing by 17.3%, which, coupled with the upsurge in the mining industry (+1.5%), prevented a greater decline in exports.

<https://bit.ly/3grv7R2>

Germany: provides financial support for agricultural trade

The German government has contributed EUR 150,000 to assist developing and least developed countries (LDCs) to comply with international food safety and animal and plant health standards, with a view to increasing the access of these countries to agricultural markets.

Along with this, WTO member countries are preparing a report on food safety and animal and plant health, to pave the way for continued work on this issue.

<https://bit.ly/39TT2pX>

<https://bit.ly/3fquK7V>

Supply

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

The third IICA-ALADI webinar stressed the importance of producing safe food during the pandemic

The Inter-American Institute for Cooperation on Agriculture (IICA) and the Latin American Integration Association (ALADI) hosted the third webinar in a series of conferences on “Training for the internationalization of agricultural SMEs 2020”

The series of webinars is aimed at small and medium-sized enterprises in the agriculture sector that want to make the leap and begin to export their products. This third virtual meeting focused on sanitary and phytosanitary measures, under the title "Ensuring food safety during Covid-19. Challenges and opportunities".

<https://bit.ly/3ijPosz>

Cooperatives and associations: pillars for the economic recovery of agriculture

Cooperatives and associations will be key to the post-pandemic economic recovery of the agrifood sector of the Americas, due to their ability to develop family farming, as well as their contribution in the social and environmental spheres, *inter alia*.

This was the view expressed by leaders of the hemisphere's cooperative movement, representatives of multilateral financial agencies and other authorities, during a virtual discussion facilitated by IICA.

They explained that cooperatives are essential, given their role in supplying goods and services; facilitating access to food and financing; enabling family farmers to place their products in international markets; as well as in strengthening competitiveness and adding value, among other things.

<https://bit.ly/2PouzQ3>

Mexican corn production achieves historic levels

Although the pandemic has hit almost all sectors of the national economy, the situation in agriculture has been somewhat different.

National corn production in the first 5 months of the year amounted to 7,326,000 tons of the grain – the highest level on record for this period in SAGARPA's public information system, which dates back to 2004.

<https://bit.ly/31IOHrJ>

Argentina creates support system for fruit producers

The national government has created an “Economic, Productive, Financial and Social Emergency Assistance Program for the Pear and Apple Production Chains” in the provinces of Neuquén, Río Negro, Mendoza, San Juan and La Pampa”.

<https://bit.ly/2Dymeq3>

More than 3,500 Chilean farmers are participating in Productive Alliances Programs

This year, despite the Covid-19 health crisis, more than 3,500 small farmers from various regions in the country are participating in Productive Alliances Programs, under 87 agreements with 51 industries and associative agricultural enterprises, which assures them a buyer for their products and a stable income.

<https://bit.ly/33nD7ip>