

Tuesday, 7 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 versions at: <https://iica.int/en/monitor>

436,840

Confirmed cases of covid-19 in America



Países

Highest number of cases in America:



USA (383,256)
CAN 17,046
BRA (12,377)
CHL (5,116)
ECU (3,747)

Covid-19 in the world



Source: Johns Hopkins University, available at <https://bit.ly/3dJ1CZX> . Data as of 7 April 2020 (13:00 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

As part of its technical support strategy for the countries, IICA launched a new blog, already available at <https://blog.iica.int/>

The goal of this communication product is to offer different analytical perspectives and build scenarios within the context of the global Covid-19 crisis, facilitating the assessment of necessary measures to deal with the challenges brought about by the pandemic. The tool will feature the contribution and opinions of renowned specialists, who will compile and offer updated information on three main topics:

1. Food vulnerability in the face of Covid-19
2. Impact on agriculture
3. Response of the countries

One of the sections in the blog, called “Perspectives”, will compile information from experts on issues related to the Covid-19 crisis, to facilitate discussions and exchange.



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.

Argentina: certain vegetables are showing crisis-related price hikes. Pursuant to an agreement with stakeholders, the Central Market of Buenos Aires has launched the “Social Commitment for Supply” initiative, to avoid speculation and excessive consumer prices. Key actors of the market have agreed to set wholesale prices for potato, butternut squash, onions, tangerines, pears, lettuce, tomatoes and apples.

Costa Rica: The National Food Supply and Distribution Center (CENADA) is fully operational, and no stock problems have been reported; however, suppliers are offering a limited assortment of products as a result of the uncertainty they are facing. Prices currently reflect the usual seasonal variations.

Ecuador: On 2 April, four logistical corridors came into operation, which will facilitate food supply to the different markets, in compliance with protection and biosafety standards. These corridors will operate 24/7 to ensure the permanent and timely provision of food throughout the country. Authorities have published an official document entitled “Preventive actions protocol for distribution facilities and agricultural input warehouses”, which includes provisions on personal hygiene for staff working at the facilities, cleaning and sanitization procedures and waste management guidelines.

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).

El Salvador: 14,600 jobs lost in the coffee sector during the 2019-2020 harvest.

These losses have been caused by the drop in production and the farmers' lack of financial solvency to continue with their activities in the context of declining international prices. Coffee pruning activities have been suspended due to the uncertainty generated by movement restriction measures and the scarcity of financial resources.

<https://bit.ly/3e5Cpck>

Venezuela: farmers lose their harvest due to fuel shortage.

Several municipalities have not received fuel for more than 22 days, which affects farmers and prevents them from transporting their products to the markets, further exacerbating the food crisis that the country is facing. The lack of this essential input will also have an impact on production during the second half of the year.

<https://bit.ly/34qnDc0>

Canada and the United States: harvests lost due to labor-related delays.

According to a report, mandatory quarantines and travel restrictions are affecting agricultural production in both countries. In Canada, farms rely upon the work of 60,000 foreign seasonal workers; in the United States, this number rises to 250,000, with workers coming mostly from Mexico to harvest fruits and vegetables. Both countries are working on new regulations to grant special permissions.

<https://reut.rs/2UPrdJg>

Colombia: good news for the coffee sector.

According to the National Federation of Coffee Producers, the average monthly internal price for 125 kilos of dry parchment coffee in March was the best since 2010. In addition to this, during the first two months of the year, coffee exports increased by 3.4%, and the Federation is expecting a good harvest for this year. Coffee growers are currently imposing preventive measures to ensure that the coffee supply chain is not interrupted.

<https://bit.ly/3bTm0WC>

Brazil: CNA publishes an assessment of the impact of Covid-19 on agribusinesses.

Agricultural commodities:

- Maize and soybean production and trade continue to operate normally despite growing concerns about logistics.
- The availability of labor is also causing concern among coffee growers. The sugar-based energy sector has been hit hard by oil prices, whereas sugarcane suppliers are facing new risks as a result of declining prices and lower demand for ethanol.
- Demand for flowers and rubber has declined significantly.
- Fruit exporters are facing difficulties related to customs controls.
- Poultry and pork: frozen products are still in high demand.
- Smallholder farmers are being severely affected by the fall in consumption of food services.

<https://glo.bo/2xZbNJU>

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: 5% increase in fruit exports from Patagonia during the first quarter

Fruit exports from Patagonian ports in **Argentina** displayed a 5% inter-annual growth during the first quarter, in spite of the pandemic. The main destinations were Russia and Italy. <https://bit.ly/3c0gQb>

Honduras: as of March, coffee generated US\$ 588 million in foreign currency.

The export of about 3.3 million quintals of coffee (as of last March) has generated about 588 million dollars in foreign currency for the country. ADECAFEH expects to see a recovery in the industry, but warns that by the end of the month the sector will begin to perceive the impact of Covid-19, especially with regard to transportation from the farm to the processing and distribution plants. <https://bit.ly/2RgVVJ5>

Paraguay: meat prices fall in the country's top five export destinations.

Price drops ranged from 2.7% to 29.3% last March (compared to the favorable levels registered at the beginning of 2020) in Chile, Russia, Israel, Brazil and Taiwan.

The general manager of the Paraguayan Meat Chamber believes these fluctuations are still not of major concern, whereas export projections for the next few months certainly are. With the global crisis brought about by the coronavirus pandemic, demand has declined and meat is not a priority product for consumers who are suffering financially.

<https://bit.ly/3c0FOHL>

Chile: wine shipments to China drop 16% in February.

Despite declining sales in China, global wine exports increased by 5.5% when compared to February of last year.

With wine being an industry that exports 75% of its production, companies are implementing strategies to boost local sales through e-commerce. <https://bit.ly/3cbhQf>

Peru: avocado exports continue to grow

According to MINAGRI, avocado exports soared in the first quarter of 2020, reaching 36,412 tons and surpassing the export volume of the two previous seasons. Despite the impact of Covid-19, shipments to the USA and the European Union continue. <https://bit.ly/2Vf3lxl>

Peru: agricultural exports grew by 6.3% during the first two months of 2020.

According to MINCETUR, agricultural exports generated more than US\$ 1.21 million. This increase was the result of higher fruit sales (14.4% more, mainly grapes and mangoes). These encouraging figures in the exports sector compensated for declining coffee sales (-32.5%). <https://bit.ly/3aTTF2n>

United States: side effects of ethanol plant closures affect meatpacking facilities.

The closure of ethanol plants as a result of lower fuel demand is causing collateral damage to meatpacking facilities. These establishments now have less availability of carbon dioxide for cooling, which affects the entire supply chain.

The ethanol sector is the main source of carbon dioxide for the food industry in the United States.

<https://reut.rs/3e59dm0>

World: Ukraine cuts back on wheat exports

Last week, the government of Ukraine (one of the main wheat exporters in the world) imposed restrictions on wheat exports to guarantee local supply.

So far in April, exports have dropped at an average rate of 14,000 tons per day (in March, 44,000 tons were exported daily).

<https://reut.rs/2Xi3X8o>

WTO: Notifications on trade measures in the context of the pandemic.

Several countries have notified the 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 (31 March to 7 April):

- **Costa Rica:** Temporary authorization for officials of the National Animal Health Service and of the State Phytosanitary Service to review documents on the basis of copies, print-outs or photocopies of the original documents in order not to unduly delay trade flows.
- **Thailand:** temporary prohibition on egg exports.
- **North Macedonia:** temporary prohibition on exports of wheat and flour.

<https://bit.ly/3dOh5YJ>

Supply

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

IICA participates in meeting convened by OAS and PAHO.

The Inter-American Institute for Cooperation on Agriculture (**IICA**) participated in a virtual meeting convened by the Secretary General of the Organization of American States (OAS) and the Director of the Pan-American Health Organization (PAHO) to provide coordinated responses at the hemispheric level in the face of Covid-19.

Manuel Otero, Director General of IICA, and the leaders of 12 international and multinational organizations responded to a call made by Luis Almagro, Secretary General of the OAS and Carissa F. Etienne, Director of PAHO to meet by videoconference, during which they agreed that multilateralism and international cooperation are fundamental to dealing with the crisis.
<https://bit.ly/2xaAd2N>

Central Market publishes a list of agreed wholesale prices and suggested retail prices.

The Central Market of Buenos Aires, **Argentina**, announced on social media a list of sales prices for wholesale fruits and vegetables, as well as suggested prices for retail grocery stores.

As opposed to last week, where only eight products were part of the agreement, the list now includes eggplants and Ecuadorian bananas, resulting in a total of 10 types of produce. <https://bit.ly/2V9cHeD>

More competitive soybean: demand is concentrated and export records are reached again.

April began with a significant growth in **Brazilian** soybean exports, which are forecast to reach a record of 12 million tons as a result of the high number of shipments reported by Secex (Foreign Trade Secretariat) on Monday (6).
<https://bit.ly/2VeUUT4>

Panama: food supply is guaranteed after grain inventory count is conducted.

According to the inventory, the country has 2.7 million quintals of milled rice in stock, which guarantees supply to the local market until next August (when the national harvest begins).

This availability is further reinforced by the recent shipment of 2.3 million quintals of paddy rice approved by the Government to avoid shortages in the country. The rice will be imported from Argentina, Uruguay, Paraguay and the United States.

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