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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>

686,716

Confirmed cases of Covid-19 in America



Countries



Highest number of cases in America:

- USA (589,048)
- CAN (26,897)
- BRA (24,232)
- CHL (7,917)
- ECU (7,603)

Covid-19 in the world



Source: Johns Hopkins University, available at <https://bit.ly/3dJ1CZX> . Data as of 14 April 2020 (15:00 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

[From the IICA Blog:](#)

Challenges for agricultural trade in Latin America during Covid-19

According to estimates by the World Trade Organization (WTO), global trade is set to plummet by between 13 and 32% in 2020, exceeding the crisis of 2008-2009.

Although there is uncertainty regarding the severity and duration of the economic recession that will be brought on by the pandemic, the International Monetary Fund (IMF) predicts the greatest downturn since the Great Depression of the 1930s.

Within this framework, a recovery in economic growth and global trade would depend not only on the duration of the health crisis, but also on country responses in terms of fiscal, monetary and trade policies, which are superior in developed countries compared to developing countries.

The pandemic has a direct impact on Latin American countries due to a reduction in economic activity as a result of isolation and social distancing measures. Furthermore, there are different transmission channels, such as changes in cash flows and international trade.

For more information, visit: <https://bit.ly/2K7yoq5>

Restrictions to food exports during Covid-19

Many countries are adopting measures to respond to the emergency situation and mitigate its economic impact.

These include [a large number of trade measures](#), some of which are geared towards facilitating the import of essential products or making requirements more flexible to avoid interrupting trade flows. However, many countries have also responded by restricting or prohibiting the export of various products considered to be essential, such as food.

For more information, visit: <https://bit.ly/34CrOS2>



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.

Brazil: There is concern regarding the flower-growing sector, which has experienced a significant reduction in trade due to event cancellations. Furthermore, the situation has affected the leafy vegetables sector due to the fact that these are highly perishable products that cannot be packaged for extensive periods of time. Price hikes have been reported for products that form part of Brazil’s basic food basket, such as milk, beans and tomato.

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: basic grains farmers worried about the delivery of aid packages

There is concern and uncertainty regarding when and how aid packages (containing seeds and fertilizer) will be delivered. Farmers are also awaiting further information regarding measures to be adopted in terms of mobilization permits. Tariff-free imports and bank debts are additional sources of concern within the sector.

Harvest forecasts: a production of 21 million *quintals* of corn and 2 million 400 thousand *quintals* of bean, which would meet national supply needs.
<https://bit.ly/2XC71Ga>

Jamaica: Minister of Agriculture announces program to ramp up food production

The ministry announced a USD 100 million program aimed at mitigating the impact of drought on farmers and achieving at least a 5% growth in food production.

The program will target the planting of vegetables, fruits, condiments, roots and tubers as well as the rearing of small ruminants.

With a view to mitigating the effects of Covid-19, the country is distributing agricultural inputs under a USD 240-million stimulus program, aimed at purchasing and redistributing excess produce.
<https://bit.ly/3cfj6vF>

<p>United States: first phase of farm aid plan represents USD 15.5 billion</p> <p>The plan, whose initial phase will seek to bolster the nation’s food supply chain, will include direct payments to farmers and ranchers.</p> <p>In the coronavirus stimulus bill, dubbed the CARES Act, lawmakers set aside \$9.5 billion for USDA to assist livestock producers, along with fruit and vegetable growers and others who sell through farmers markets.</p> <p>The rest is expected to come from some \$6 billion currently in the Agriculture Department’s Commodity Credit Corp (CCC) funding authority. https://reut.rs/3bbptQj</p>	<p>United States: meat supplies close to the edge as key plants are closed due to Covid-19</p> <p>Smithfield Foods Inc. will idle its South Dakota pork-processing facility, which accounts for 4% to 5% of U.S. production. The move comes after a large number of plant employees fell ill with Covid-19.</p> <p>According to Smithfield’s Chief Executive Officer, the closure of this facility, along with other plants, is pushing the country close to the edge in terms of its meat supply, which has been furthered weakened by port transport and traffic.</p> <p>The surge in cases has also raised concerns over worker safety and working conditions. https://bit.ly/2XHPgww</p>
<p>Brazil: Sao Paulo’s Secretariat of Agriculture publishes a manual on good practices during Covid-19</p> <p>According to the Secretary of Agriculture and Supply, the rural population must receive as much information and support as possible in these difficult times. He explained that the publication includes important guidelines for producers, who continue working to guarantee an adequate supply of products.</p> <p>The manual is available at https://bit.ly/2V9EoFq and https://bit.ly/3ab81Kq</p>	<p>Mexico: sugar factories turn to producing antibacterial gel</p> <p>Producing 11.6 million liters of gel is now the priority for sugar factories located in the southeastern Mexican state of Chiapas, in order to fill shortages during the pandemic.</p> <p>In this region, sugarcane production and sugar harvesting, which begins in December and ends in May, is in full swing. https://bit.ly/2REgSOy</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.

China: farm imports from the United States were a little over USD 5 billion during first quarter

China's imports of farm goods from the United States are up 110% from last year. Soybean imports alone represented an increase of 210% compared to the previous year.

China has committed to buying additional purchases of U.S. agricultural products totaling \$32 billion over two years, under the Phase 1 trade deal.

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

Mercosur: beef sector on alert as exports to the European Union are halted

The slowdown in the European Union's economic activity as a result of the coronavirus has impacted local bovine meat exports under the Hilton quota for high-quality beef. The members of the Mercosur Meat Forum (FMC) have expressed their concern regarding a breach of the original contracts, which will even affect products that are currently in transit once they reach Europe.

In Uruguay, Hilton quota beef shipments have decreased by 23% in volume, compared to the same period in 2019.

<https://bit.ly/3cg3Tuf>

Brazil opens market and expands agricultural exports to eight countries in March

The market expansion includes Egypt, which has granted authorization to import meat from Brazil; China, which has authorized more Brazilian companies to sell fish; Indonesia, which increased its beef import quota for Brazil; Kuwait, which opened its market to Brazilian meat; and Morocco and the United Arab Emirates, which will begin to receive poultry genetic material (fertile eggs) from Brazil.

In South America, Argentina accepted sanitary certifications for the import of bovine embryos, porcine semen and frog meat. Colombia, on the other hand, has officially accepted the purchase of popcorn.

During the first three months of the year, exports by agribusinesses in Brazil totaled USD 21.3 billion. Soybean, meat, cotton, peanuts, grapes and juices in particular experienced significant growth.

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

Argentina: USDA trims Argentina's forecasted beef sales by 20%

According to a USDA report, the pandemic is affecting the global meat market and will reduce trade in this sector. Argentina's forecasted exports have taken the greatest hit, as they have been trimmed down by 20%, from 840 thousand to 675 thousand tons.

The USDA predicts that the Mercosur region (Argentina, Brazil, Uruguay and Paraguay) will export 3.93 billion tons, which is 8% less than what was estimated at the beginning of the year.

<https://bit.ly/3cukB9>

<p>China: Port of Shanghai fruit imports almost fully recover in March</p> <p>Companies are gradually returning to their operations. According to local data, from March 1 to 19, the Port of Shanghai imported 69,500 tons of fruit, which represents 90% of what was registered for the same period last year.</p> <p>Peruvian grapes as well as Chilean nectarines and plums are among the most imported fruits during this period. https://bit.ly/3a6ISR5</p>	<p>World: global rice exports severely disrupted following India lockdown</p> <p>India is the world’s main rice exporter. Amid the nationwide lockdown, the country has stopped signing export contracts and labor is not available at mills and ports, which has complicated transport.</p> <p>Despite the spike in demand, exports are falling about 18.1%. One of India’s top exporters warned that the country’s export volumes have fallen by four to five times. https://bit.ly/2wE5gUm</p>
<p>China: March pork imports almost triple</p> <p>In March, China brought in 391 thousand tons, up from 127 thousand tons in March of last year. Shipments of pork in the first quarter came to 951 thousand tons, to compensate for the decrease in supply as a result of the African swine fever disease, which reduced China’s pig herd by 40% in 2019.</p> <p>Imports of beef in the first quarter reached 531 thousand tons, up 65%. Beef imports are expected to fall in coming months, however, after a plunge in demand from the foodservice sector. https://reut.rs/3cjbFU4</p>	<p>WTO: world trade is expected to fall by between 13% and 32%</p> <p>World merchandise trade is set to plummet by between 13 and 32% in 2020 due to the Covid-19 pandemic. The WTO expects a 2021 recovery in trade, but dependent on the duration of the outbreak and the effectiveness of the policy responses.</p> <p>Nearly all regions will suffer double-digit declines in trade volumes in 2020, with exports from North America and Asia hit hardest. https://bit.ly/3emyloj</p>
<p>WTO: Notifications on trade measures in the context of the pandemic</p> <p>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 (7 April to 14 April):</p> <ul style="list-style-type: none"> • Ukraine: export ban on buckwheat (1008100000; 1104291700). This measure applies until 1 July 2020. • South Africa: temporary changes to SPS certification requirements for imported fresh produce, cut flowers, plants and other plant-based commodities. • United States: extension of the comment period for the proposed rule “Laboratory Accreditation for Analyses of Foods.” • Brazil: the Brazilian Plant Protection Organization decided to implement electronic signature in the Phytosanitary Certificates. https://bit.ly/3dOh5YJ 	

Supply

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

IICA's advisory council for food security calls for more focus on small-scale farming

The Advisory Council for Food Security in the Americas, coordinated by the Inter-American Institute for Cooperation on Agriculture (IICA), made a recommendation to pay close attention to the role of small-scale farming within the context of the coronavirus pandemic, by enhancing access to credit and supporting cooperatives, rural insurance and short trade circuits, especially of perishable goods.

These conclusions were reached after the first meeting of the Council, created by IICA in light of the Covid-19 health emergency, which is comprised of nine renowned agriculture specialists from different countries in the hemisphere. <https://bit.ly/2VqjfFG>

Soybean and corn prices drop in grains market

Prices for soybean and corn in Argentina's Rosario grains exchange have dropped to 200 and 130 dollars per ton, respectively.

According to the latest report by the United States Department of Agriculture, record-high ending stock estimates for the United States and the rest of the world have also put pressure on wheat prices in the North American market. <https://bit.ly/2RC3z0R>

Mexico creates program to support micro- and small-scale rural companies

The National Financial Institute for Agriculture, Rural, Forestry and Fisheries Development (FND) of Mexico presented an economic reactivation program for micro- and small-scale companies.

The program seeks to assist rural companies in reactivating their production activities; drive the recovery of the national economy; as well as strengthen the measures adopted by the government to support micro- and small-scale entrepreneurs in the country. <https://bit.ly/3a6b4nq>

Producers and consultants confident that Brazilian agribusinesses will come out stronger from crisis

According to entrepreneurs and market analysts, the pandemic affords a number of business opportunities and opens up new markets for Brazil.

This is due, among other things, to the competitiveness of Brazilian agriculture, favorable exchange rates, confidence in the Brazilian market as a supplier, and on-farm investments in digital agriculture. <https://glo.bo/34CbCjR>

Historic grape harvest comes to a close in Uruguay

Thanks to its ideal climate, **Uruguay** produced 94 million kilos of high-quality grape. However, the pandemic is spreading uncertainty in export markets. <https://bit.ly/2Xylklw>

Macroeconomics

*Economic forecasts

IMF publishes outlook on the growth of the world economy

The latest forecast of the International Monetary Fund (IMF) for April 2020 reflects the severe impact of the Covid-19 pandemic on economic activity. The global economy is projected to contract by -3% in 2020, much worse than during the 2008–09 financial crisis (-0.1).

In a baseline scenario, which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound, the global economy is projected to grow by 5.8% in 2021.

LAC is projected to experience a contraction in economic activity of -5.2%, and a 3.4% growth in 2021. In 2020, the economy in the United States and Canada is expected to contract by -5.9% and -6.2%, respectively. In the Euro Area, an important partner for the LAC region, economic activity is expected to diminish by -7.5% in 2020, while a slight 1.2% growth is projected for China in the same year.

<https://bit.ly/2V8Z2Fs>

G7 ministers back debt relief for poorest nations

The G7 countries (Germany, Canada, France, the United States, Italy, Japan and the United Kingdom) have agreed to “support multilateral efforts to assist the most vulnerable and poorest countries,” and declared that they are “willing to provide a limited suspension of debt service payments” provided that consent is provided by “all the official bilateral creditors of the G20 and as agreed with the Paris Club.”

<https://bit.ly/3ejY8xr>