

Thursday, 16 April 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>

## 767,449

Confirmed cases of Covid-19 in the Americas



## Countries



Highest number of cases in America:

- USA (653,825)
- CAN (30,440)
- BRA (30,425)
- PER (12,491)
- CHL (8,807)

## Covid-19 in the world



Source: Johns Hopkins University, available at <https://bit.ly/3dJ1CZX> . Data as at 16 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.*

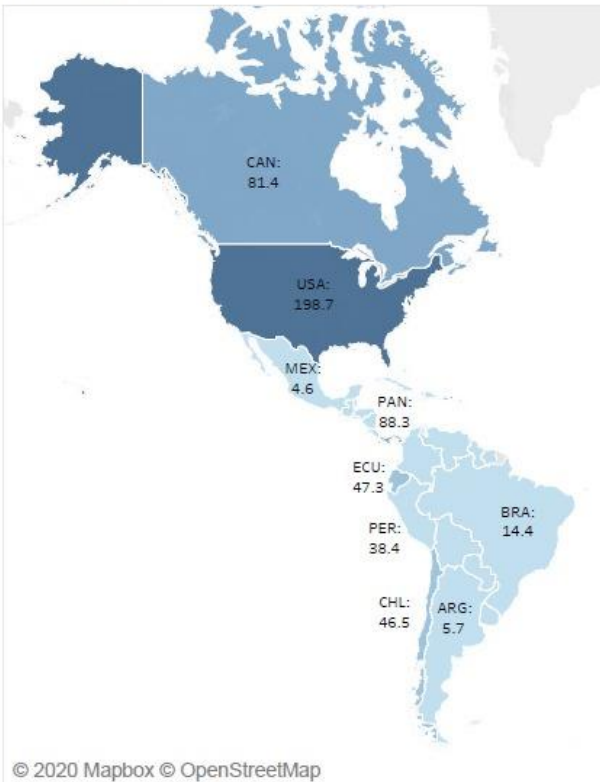
# Covid-19 in the Americas

## COVID-19 en las Américas (al 16 de abril)

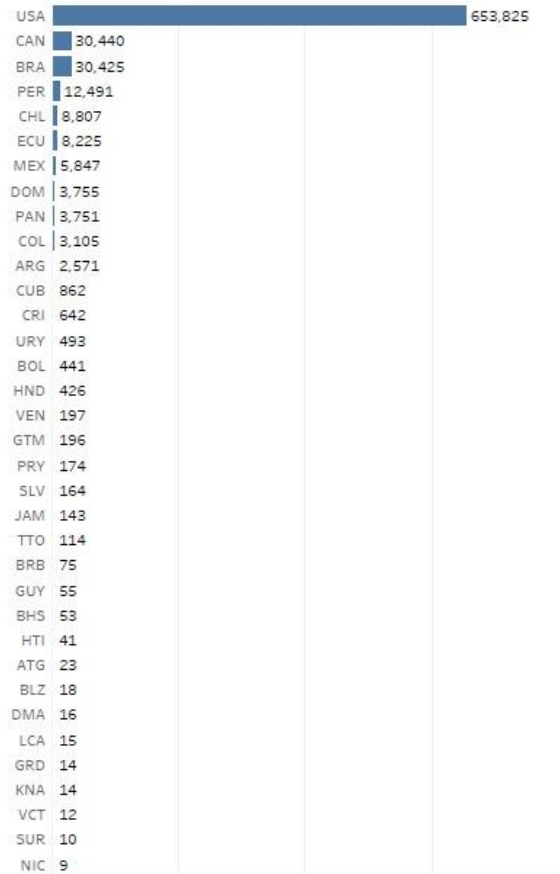
Casos positivos por cada 100mil habitantes



### Casos positivos por cada 100mil habitantes



### Número de casos positivos



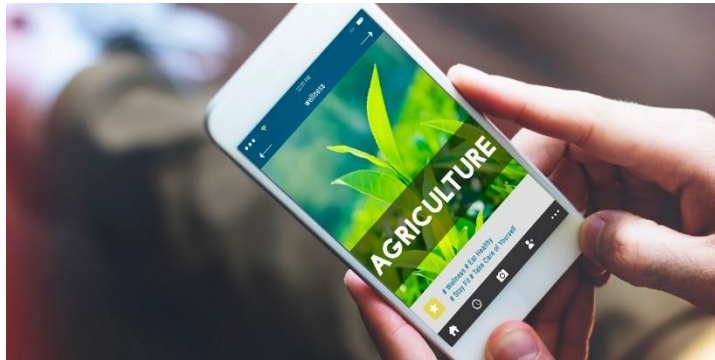
Fuente: Elaborado con datos de Johns Hopkins University . Datos al 16 de abril 2020 (1 pm CST).

# Analysis and scenarios

## The latest from the IICA Blog:

### Challenges for agricultural trade in Latin America during Covid-19

**A close-up of Argentina:** In a country as large as Argentina, the produce chain, which comprises production, logistics, marketing and consumption processes, exemplifies the integration of bioeconomy values and puts the supply model for these products to the test. The amount of time allocated to each operation plays an important role in quality levels and waste.



This new publication identifies and provides concrete examples of changes that the produce chain has had to overcome and resolve, including matters

related to vegetable and fruit production and localization.

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

### Reassessing the model for Central America's agrifood system: a pressing need

As we embark on this new path, the first step should be to establish an agrifood system that champions a win-win approach, which would allow for swiftly overcoming the poverty and hunger that persists in rural areas, while providing urban markets across the region with food. This model must provide rural territories with greater visibility.

Our comparative advantage must be redefined with a view to winning back the regional market, so that Central America no longer depends on other regions for commodities. With respect to exports, we must strive not to depend entirely on increasingly deteriorated markets, such as those of the United States and Europe.

Demand for products exported by Central America, such as fruits and coffee—the latter of which is of a higher quality but more expensive than coffee from Vietnam and Brazil—has begun to diminish and will continue to diminish in those markets.

In short, under this new scenario, we must redesign the importer-exporter model that has been in place for the past 30 years, and which has been shaken to its core over the past 90 days. We must assign greater value to the regional market.

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

# 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.

**Guatemala:** Merchants across all links of the commercial chain, but retailers in particular, have increased the prices of agricultural products in markets.

Corn, black beans and eggs are a few of the products whose wholesale prices have drastically increased over the past few days; however, to date, supplies for all three products are sufficient to meet demands, and there have been no reports of losses that could affect product availability.

All national markets are subject to restrictions with respect to business hours. Prior to the health crisis brought on by Covid-19, wholesale markets regularly operated from 2 a.m. to 6 p.m. (and supplies were generally received from 2 to 5 a.m.). When the restrictions were initially put in place, a large number of merchants and buyers would gather early in the morning; however, markets and consumers themselves have recently adopted mechanisms to improve organization, although large crowds of people are still being reported between 4 and 6 in the morning.

The flow of agricultural products from Guatemalan wholesale markets to neighboring countries, especially Central America, continues. The number of people allowed in transportation vehicles has been limited, but deliveries have not been interrupted.

**Peru:** In light of the state of emergency declared by the executive branch of the government, and with a view to preventing the spread of Covid-19, the Ministry of Agriculture and Irrigation (Minagri) implemented food security and safety actions and measure in its markets to guarantee a sufficient supply of staple foods for the population.

Among other measures, the Ministry has reduced the maximum number of persons allowed in markets at any given time, to prevent large crowds of people.

Furthermore, Minagri is undertaking efforts to reduce physical contact in transportation, packaging and other processes, in order to comply with the measures adopted by the government. It is also implementing food safety practices, such as the use of gloves, masks, caps, etc.

This initiative affords an alternative to the purchase of basic foodstuffs in local markets, by making products available at real market prices.

Additionally, these efforts promote fair prices for families and prevent price speculation.

**United States: Corn futures set three-and-a-half year low**

U.S. corn futures dropped to their lowest level in about 3 and a half years on Wednesday as weekly ethanol output set a record low, reflecting weak demand for the crop. More than a third of the U.S. crop is used to make ethanol biofuel.

Soybean and wheat futures also fell. <https://reut.rs/2K9XJ2X>

## 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).

### **Brazil: advance payment of the “Garantia-Safra” for producers**

To address the pandemic, Brazil will provide producers with an advance payment of the “Garantia-Safra”. This benefit seeks to bolster food security for family farmers living in areas that are at risk for droughts and floods.

The measure will benefit 120,267 family farms in 149 municipalities in Alagoas, Bahia, Ceara, Minas Gerais, Paraiba, Pernambuco, Rio Grande do Norte and Sergipe. In April 2020, farmers will receive the full payment corresponding to the 2018/2019 harvest. <https://bit.ly/2XCiqMR>

### **Argentina: Rosario Grains Exchange lowers estimates for soybean and corn harvests**

The Rosario Grains Exchange lowered its estimates for Argentina’s 2019/20 soybean crop to 50.5 million tons, while the corn crop estimates were lowered to 49.8 million tons. Poor weather conditions in March affected yields.

Argentina is the world’s largest exporter of soybean oil and soymeal, and the world’s third largest corn exporter.

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

### **United States: Covid-19 hits meat sector**

Smithfield Foods Inc, the world’s largest pork processor, has shuttered two U.S. plants that process bacon and ham, after closing a hog slaughterhouse because of an outbreak of the coronavirus among employees.

Tyson Foods Inc (TSN.N) this week extended the closure of a pork slaughterhouse due to coronavirus cases among employees. Companies like Cargill Inc, JBS USA and National Beef Packing Co have also shut meat plants.

<https://reut.rs/2wK9k5D>

### **United States: government will buy milk and meat to help farmers**

According to Agriculture Secretary Sonny Perdue, the measures seek to help farmers affected by Covid-19.

The products will be utilized in food banks and possibly even for international humanitarian aid.

The measure is part of the initial phase of a plan to bolster the nation’s food supply chain.

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

### **Canada: Cargill reduces beef production**

Cargill has reduced production at one of Canada’s biggest plants after several workers became infected with Covid-19.

The plant now slaughters 1,500 head of cattle per day, down from 4,500. <https://reut.rs/2XKInd1>

### **Mexico: actions to guarantee animal protein production and supply are reviewed**

The agriculture, livestock and fisheries sector is maintaining its production activities and coordinating its work to guarantee a sufficient supply of animal protein for supply centers and different points of sale throughout the country. It is also reviewing sanitary certification processes to expand exports to international markets.

<https://bit.ly/3ct7V2B>

**Jamaica: Covid-19 wipes out a third of egg market**

The shutdown of hotels has resulted in an oversupply of eggs, in a country where the local demand is much lower than total production.

The President of the Egg Industry Association explained that the association is trying to help the egg farmers that have been affected, as well as promote egg consumption locally. Despite campaigns to promote local consumption, in Jamaica the average consumption is one egg per person per week.

The industry hopes to receive government support to eliminate a tax on eggs, which would make the commodity more affordable for consumers.

<https://bit.ly/3bh6EeP>

**Uruguay: crop losses due to drought may amount to USD 45 million**

According to estimates by the Agricultural Programming and Policy Office of MGAP, crop losses due to drought will amount to a minimum of USD 27 million and may reach as high as USD 45 million (due to reduced soybean, corn and sorghum yields).

According to the report, the extent of the water shortage was not the same throughout the country, as significant differences were observed between regions.

The country's southern and eastern regions were most affected in terms of the production of rain-fed crops.

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

## 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.

### Chile: boosts nectarine exports to Asia

According to data from ASOEX, total exports of nectarines as at week 15-2020 (1 September 2019 to 12 April 2020) amounted to 73,152 tons, representing a 9.47% increase compared to the equivalent period during the previous season (2018-2019).

The greatest surge was seen in the Asian market, with imports amounting to 33,831 tons or an increase of 45.98%. China is the largest market for Chilean nectarines, importing 30,241 tons, representing a 50.73% increase.

The second largest importer of Chilean nectarines is the North American market (U.S. and Canada).

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

### Costa Rica: seeks to maintain exports despite the pandemic

Data from the Ministry of Foreign Trade and the Chamber of Exporters indicates that the country continues its sales of free zone goods, coffee, banana and exports to Central America.

Pineapple is one of the most affected commodities, due to cancellations of orders in Europe and the United States. There has also been an immediate impact on exports in other sectors, for example, fishery products, cantaloupe, mango, watermelon, roots and tubers, as well as plants, flowers and foliage.

On the logistics side, cargo transportation, container operations, ports, airports and state entities continue to operate.

<https://bit.ly/2z7KHAD>

### El Salvador: boat carrying 33 thousand tons of corn from Mexico arrives in country

The shipment of white corn will serve as a strategic reserve of basic grains. Over the next few days, the country will receive shipments of corn, beans and white rice.

According to Government authorities, the shipment will not compete with the local production that supplies the domestic market. <https://bit.ly/3clfxnJ>

### United States: authorizes citrus imports from China

U.S. authorities are authorizing imports of 5 types of fresh citrus commercially produced in China, under the Phase One trade agreement.

The citrus imports will take place under the *System Approach*. <https://bit.ly/2VbZJhc>

### Argentina and Brazil: in discussions to resolve the fall in the level of the Parana River

The two countries are in talks to find a solution to the historic ebb in water levels in the Parana River, which complicates the operations of export ports in Gran Rosario and has an impact on export logistics in the middle of grain harvesting season.

### The Philippines: banana exports may fall by 40% due to Covid-19

According to the Producers and Exporters Association of the Philippines—a country that is the world's largest banana exporter (second only to Ecuador)—foreign trade in bananas could decline by 40%, due to restrictions in movement resulting from the pandemic.

<p>The Argentinian Ministry of Foreign Affairs has asked Brazil to facilitate the passage of water via its hydroelectric dams.  <a href="https://bit.ly/2ymT2zQ">https://bit.ly/2ymT2zQ</a></p>	<p>The Philippines accounted for roughly 20% of global exports in 2019 and roughly 90% of total exports in Asia to its two main markets, China and Japan.  <a href="https://bit.ly/3bbvHjg">https://bit.ly/3bbvHjg</a></p>
<p><b>Ukraine: stands ready to prohibit wheat exports, if necessary</b></p> <p>In an interview with Reuters, Ukraine’s Deputy Minister of the Economy indicated that the country is ready to prohibit wheat exports if sales exceed the limits agreed with traders (2 million additional tons available for export over the rest of this season).</p> <p>The Ukraine wheat harvest exceeds domestic consumption demands, but last month operators of Ukrainian bakeries and mills asked the government to limit grain exports to keep bread prices from rising.</p> <p>Other countries such as Russia and Kazakhstan have also agreed to limit exports of wheat and flour.  <a href="https://reut.rs/3aes9vh">https://reut.rs/3aes9vh</a></p>	<p><b>China: data from China’s Chamber of Commerce identifies Chile as the country’s main fruit supplier</b></p> <p>According to China’s Chamber of Commerce, most fruit imports during the first two months of 2020 originated in Chile, followed by Thailand, Vietnam, the Philippines, Peru, Ecuador, Australia, Taiwan, Indonesia and Italy.</p> <p>Total fruit exports to this Asian country in the first two months of the year totaled 0.53 million tons for a value of 760 million dollars, which represents a 1% and 8% increase, respectively, in comparison to last year. <a href="https://bit.ly/2VCMYVJ">https://bit.ly/2VCMYVJ</a></p>
<p><b>WTO: Notifications on trade measures in the context of the pandemic</b></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 (14 April to 16 April):</p> <ul style="list-style-type: none"> <li>• <b>South Africa:</b> temporary changes to certification requirements for live animals and animal products/by-products.</li> <li>• <b>Ecuador:</b> electronic phytosanitary certificates to facilitate trade, in relation to problems caused by the Covid-19 pandemic.</li> <li>• <b>Indonesia:</b> temporary suspension of the standard for white granulated sugar to ensure the availability of sugar for public needs.</li> <li>• <b>Indonesia:</b> temporary exclusion to the addition of fortifying substances (Fe, Zn, Vitamin B1, Vitamin B2 and Folic Acid) to wheat flour.</li> <li>• <b>Indonesia:</b> temporary exclusion of Vitamin A and/or Pro Vitamin A content in palm cooking oil. <a href="https://bit.ly/3dOh5YJ">https://bit.ly/3dOh5YJ</a></li> </ul>	



## Supply

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

### **Honduras declares that supporting the food production and agroindustry sector is a national priority**

The government of Honduras issued an executive decree declaring support to the food production and agroindustry sector to be a national priority.

In a bid to respond to the challenges arising from the Covid-19 crisis, this historic initiative, by way of the 030-2020 decree, institutes important measures to safeguard food sovereignty and security for people in this Central American country. <https://bit.ly/2Vf1AC7>

### **Brazilian government measures benefit family farming, but are an inadequate response to the pandemic**

Contraf Brazil is negotiating with the Federal Government to introduce measures that may benefit family farming, which currently accounts for 77% of agricultural establishments in the country.

Contraf Brazil believes that the Government has failed to act in a timely manner to tackle the public disaster and moreover, these measures do not create the conditions necessary to resolve problems in food production, disposal and trade by farmers.

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

### **In a climate dominated by uncertainty, soybean prices in Argentina are likely to rise**

In a complex climate, marked by a global pandemic and price wars in the petroleum market, grain prices are caught up in the struggle between not yet concrete offers, trade restrictions and decreased global demand.

This paragraph, which is a direct quote from the latest agricultural market report of the Cordoba Grain Exchange, is a succinct reflection of events at the global level. The overriding sense of great uncertainty about when the Coronavirus crisis will end and what will be its impact will inevitably affect grain projections. <https://bit.ly/2K9NpYv>

### **Organizations and businesses launch a platform to supply food in Mexico**

Mexican social organizations and companies launched the Agrega platform to contribute to the food security of families at risk of contracting Covid-19.

The first phase involving donations will see the creation of a virtual shopping cart that will be filled with real food, which will then be distributed to families in baskets and sacks, providing them with all the necessary nutritional requirements for two weeks. <https://bit.ly/2XGuBs3>

### **Covid-19: Coronavirus has taught us that the country must sow what we eat**

Producers, farmers and experts in agroindustry all agree that we must now turn to the land to guarantee our food supply. <https://bit.ly/3csxQHp>