

Tuesday, 18 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>

# 11,795,813

Confirmed cases of  
Covid-19 in the  
Americas



## Countries



Highest number of  
cases in the  
Americas:

USA (5,469,444)  
BRA (3,359,570)  
PER (541,493)  
MEX (525,733)  
COL (476,660)

## Covid-19 in the world



Source: Johns Hopkins University, available at <https://bit.ly/3dJ1CZx>. Data as at 18 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:

### [The challenge of developing global agrifood systems to address the needs and realities of today's world](#)

The major dilemma is to **arrive at a more acceptable balance** between four objectives: **production and productivity; sustainability; safety** and **nutritional** value. This balance will **differ**, depending on the **ecosystem** and the **country**; and the way in which it is developed in each country will affect the **global balance**, through trade.

This global **interdependency** and the importance of achieving a **balance that is in keeping with** humanity's current and future needs, highlights the importance of countries working in **coordination** and **multilateral** organizations adopting this approach as a **priority mandate**.

**Find out all the details in this week's** post by **Martín Piñeiro**, *Director of the Grupo CEO, President of the Committee on Agricultural Affairs of the Argentine International Affairs Council (CARI); member of the GPS Network and Special Advisor to the General Directorate of IICA. He formerly held the positions of Under-Secretary of Agriculture of Argentina; Director General of IICA; Member of the Board of Trustees and Chair of the ISNAR Committee; and President of the International Food Policy Research Institute, IFPRI.*

<https://bit.ly/3202QLC>

### [Harnessing digital tools for climate and agriculture](#)

The penetration of digital tools (DT) in agriculture is still lagging behind other sectors, which points to a **great opportunity** but also to specific **limitations for scalability**. Despite the fact that the marginal costs of disseminating information through digital tools are close to zero, there are fixed system **development costs** that reduce the opportunities to reach a larger percentage of farmers.

Neither **farmers** nor **private firms** have the **capacity to cover** these **costs** fully, nor are they the most appropriate ones to do so. On the one hand, farmers are not willing and are in most cases unable to pay extra for digital services. **Private firms**, on the other hand, may skew information and provide **advice, based on their interests**.

**Find out all the details in this week's** post by **J. Nicolás Hernández-Aguilera**, *Post-Doctoral Scientific Researcher at the International Research Institute for Climate and Society (IRI), Columbia University;* **Ana María Loboguerrero**, *Head of Global Policy Research of the CGIAR Research Program for Climate Change, Agriculture and Food Security (CCAFS);* **Alexandra Herrera**, *an Earth Institute Research Assistant from Barnard College;* and **Walter Baethgene**, *Director of the Regional and Sectorial Research Program and leader for Latin America and the Caribbean in the IRI at the Earth Institute, Columbia University.*

<https://bit.ly/326VLZL>

# Relevant issues for the agrifood sector

<h2>Production</h2> <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: the dairy sector, an industry in crisis</b></p> <p>A report by <i>Ámbito</i> reveals that the industry is experiencing a number of challenges, among them increased costs, coupled with a fall-off in consumption in the local market, as well as a price freeze on shelves, which has pushed many companies to the brink of collapse, affecting both multinational and local entities.</p> <p>According to <i>Ámbito</i>, the pandemic has escalated the crisis that dairy companies are facing, but these problems have existed for more than two years, having worsened in 2019, when the devaluation of the currency triggered an economic crisis. Moreover, there has been a decline in consumption on the local market. <a href="https://bit.ly/3kZI9Je">https://bit.ly/3kZI9Je</a></p>	<p><b>Chile: economy takes a 14.1% tumble in second quarter</b></p> <p>According to the second quarter National Accounts report of the Central Bank of Chile, the economy saw a 14.1% interannual decline, as a result of restrictions arising from the pandemic. The activities that were mainly affected were personal services, commerce, transportation, construction, restaurants and hotels, the manufacturing industry and business services.</p> <p>The overall agriculture and forestry sector contracted 6%, primarily the fruit industry, which experienced a decline in the production of dried fruits, vinifera grapes, kiwis and apples, due to climate factors, as well as a shortage of water. The contraction in the agriculture sector was fueled by decreased production of annual crops, particularly corn. <a href="https://bit.ly/2Q6vg0W">https://bit.ly/2Q6vg0W</a></p>
<p><b>Colombia: rice farmers forecast a 2020 harvest in excess of \$3.5 trillion</b></p> <p>Rice farmers project that a total of more than 3 million tons of rice will be produced in 2020, allowing the country to surpass the \$3.5 trillion mark.</p> <p>The sector has enjoyed higher prices this year. The average price of rice between January to July, was 50% more than the equivalent period last year. Harvested areas of rice in the first six months of the year increased 12.3%, whereas production experienced a 15.6% interannual increase over the same period. <a href="https://bit.ly/322A393">https://bit.ly/322A393</a></p>	<p><b>El Salvador: phase two of distributions of improved bean seeds has now begun</b></p> <p>The Ministry of Agriculture and Livestock launched phase two of its program to distribute packets of improved bean seeds.</p> <p>The daily newspaper, <i>El Mundo</i>, reports that the program represents a \$7 million investment and aims to distribute approximately 223,000 packets, enough to supply material for 25% of the beans that will be planted in the country in the 2020-2021 season, covering an area of 56,000 <i>manzanas</i>*. The El Salvador Chamber of Medium and Small Farmers (CAMPO) projects that 2.8 million quintals of beans will be produced – sufficient to meet the estimated local demand of 2.4 million quintals.</p> <p>*A <i>manzana</i> is roughly 2.47 acres <a href="https://bit.ly/34eEXCy">https://bit.ly/34eEXCy</a></p>

**Honduras: forecasts point to 15% fall in poultry production and sales**

According to a report by La Tribuna, businessmen in the poultry industry have estimated a 15% drop in production and sales due to the pandemic, primarily because of the closure of distribution channels.

Over the last five years, the sector produced and sold approximately 1.4 billion eggs and 350 million pounds of poultry per year.

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

**Venezuela: FEDEAGRO estimates say that agriculture requires an annual USD 6 billion investment**

FEDEAGRO has stated that the Venezuelan agriculture sector requires a minimal annual investment of 6 billion dollars.

El Impulso has reported that Venezuelan rural areas have gone from supplying 70% of national food consumption to 20% today, at best. A technological regression of at least 30 years, in addition to the country's economic crisis, have triggered the fall-off in national production.

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

## 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.

### **Panama: MICI pushes agricultural exports by women with “Mujer Emprendexport”**

Business promotion and capacity building for women to facilitate their participation in international trade are critical in the context of the current pandemic, which has compounded the social and economic inequalities that women face.

In a bid to promote greater gender equality, the Panamanian government has introduced the *Mujer Emprendexport* program, in collaboration with UNDP Panama’s Program to Support the Strengthening and Modernization of the Ministry of Commerce and Industry. The project provides support to female-owned businesses in the provinces of Panama, Chiriquí, Coclé and the Azuero region, which sell agricultural, agroindustrial and artisanal products.

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

### **Peru: intraregional trade boosts rice exports during the final six months of the year**

Data from Peru’s Ministry of Agriculture and Irrigation (MINAGRI) and the National Superintendency of Tax Administration (SUNAT) indicates that Peruvian rice exports surpassed 28 million dollars (42,276 tons) in the first six months of 2020, in comparison to the 9.4 million dollars (17,769 tons) traded during the same period last year.

Colombia is Peru’s main market for this product, primarily thanks to negotiations between both countries in the context of the Andean Community (CAN) free trade area. Despite the impact of the pandemic on Peru’s agricultural trade balance, exports of products such as rice, berries and ginger have climbed in the initial six months of the year.

<https://bit.ly/2Q3zMNT>

### **Latin America consolidates its position as an agroexporter to Spain and the European Union**

Joaquín Arias, an international specialist of the Inter-American Institute for Cooperation on Agriculture (IICA), told EFE that during the pandemic “Latin American agricultural exports have performed favorably in comparison to the rest of the world”.

The region’s major Latin American suppliers were Brazil, with products such as corn, coffee, soybean and soy flour; followed by Argentina, with soybean, crustaceans and citrus; and by Peru, with vegetables, mollusks and dates, primarily.

The Spanish Export Credit Company (CESCE) has rated Peru and Panama as the most stable and least risky Latin American markets.

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

### **Brazil: the agriculture sector is driving exports**

Without factoring in petroleum sales, there was a 1.3% uptick in Brazilian exports during the first six months of 2020, whereas imports fell 3.2%.

Basic commodities accounted for 70% of the external sales of Brazilian companies during this period, mainly from the soybean sector (56%), which can be attributed primarily to increasing sales to China.

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

**United States is still the world's leading corn supplier**

The United States announced that it has increased corn production, projecting a 388-million-ton output for the 2020/2021 harvest. Currently, the North American country is also the world's main consumer of this grain (318 million tons), followed by China, with 281 million tons. The world's leading corn suppliers are the United States (main exporter, with 56.52 million tons), Brazil, with 38 million tons, and Argentina, with 34 million tons.

Currently, Mexico, Japan, Colombia, South Korea and Canada are the leading markets for U.S. corn, whereas countries, such as Vietnam and Egypt purchase corn from Brazil and Argentina.

However, climate conditions are a source of concern for corn producers, such as Argentina, where the lack of rainfall could affect the global market for the product.

<https://bit.ly/3g8lpCh>

**Dominican Republic: avocados ready for export to China**

The Dominican Republic will export Hass avocados to the People's Republic of China, thanks to a Protocol on Phytosanitary Requirements for the Exportation of Fresh Avocado signed by both countries.

Given Covid-19's impact on international trade, this type of regulation has become increasingly important for economic reactivation strategies and market diversification, as people seek reassurance that the products that they consume are safe.

The Dominican Republic, which is the world's second largest avocado producer (after Mexico), recognizes China's potential to become a major partner, given that it has increased its avocado purchases in the last three years.

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

## Supply

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

### **Brazil: first Latin American country slated to benefit from agricultural digital solutions, spearheaded by Nobel Prize winner, Michael Kremer**

Brazil will become the first Latin American country to receive digital solutions for the development of agriculture, spearheaded by the 2019 Nobel Prize winner for Economics, Michael Kremer. The initial focus will be remote assistance for thousands of small farmers in Brazil's north-east region, who earn their livelihood from sheep and goat rearing, and corn and bean cultivation.

The announcement was made by Tereza Cristina, Brazil's Minister of Agriculture, Livestock and Food Supply, at a virtual ceremony in which Kremer was conferred with the title of Goodwill Ambassador of the Inter-American Institute for Cooperation on Agriculture (IICA). IICA will partner in the initiative that will share information with small farmers via their mobile phones, to boost their productivity, and in turn their income and standard of living.

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

### **At OAS Permanent Council meeting, Member States express decisive support for IICA actions**

Manuel Otero, Director General of the Inter-American Institute for Cooperation on Agriculture (IICA), gave a presentation on the 2019 Annual Report to the virtual Regular Meeting of the Permanent Council of the Organization of American States (OAS), detailing the actions of the specialist agency for agricultural and rural development. The presentation was met with strong approval from the Ambassadors and Representatives of the 34 Member States.

In the presentation, Otero outlined the priorities of his administration and the initiatives undertaken to modernize the institute. He also discussed IICA's technical cooperation model, which seeks to ensure that the agriculture sector of the Americas achieves its full potential. <https://bit.ly/3g1TKCY>

### **Food and the new normal: lessons for production, distribution, supply and consumption**

The new normal will bring greater complications for many families in Mexico and throughout the world to feed themselves. We cannot fail to recognize that food is a political and social issue. We urgently need to implement a healthy, fair and sustainable food system that guarantees our rights to health, food, water and the best interests of the child.

<https://bit.ly/320O6Mk>

### **Peru: the new ginger paradise**

Known simply as *kión* in Peru, ginger has become the country's new jewel in the crown, driving its agroexports and overcoming the adversities of the Covid-19 pandemic to reaffirm Peru's place among the world's leading exporters of this product.

Official data reveals that in 2019, the Andean country had already become the fourth largest exporter of ginger in the world, after China, Thailand and India, with exports of 23,400 metric tons, valuing 41.5 million dollars. <https://bit.ly/3aDhMmQ>

### **Purchases from China down, yet it retains its position as the leading importer of Uruguayan meat**

Sales to China account for almost 45% of Uruguay's 2020 foreign exchange earnings from meat, to date.

China remains the leading market for Uruguay's meat exports, taking into account all the sub-sectors of the meat agroindustry.

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