

Tuesday, 11 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>

# 10,843,797

Confirmed cases of Covid-19 in the Americas



## Countries



Highest number of cases in the Americas:

USA (5,116,791)  
BRA (3,057,470)  
MEX (485,836)  
PER (483,133)  
COL (397,623)

## Covid-19 in the world



Source: Johns Hopkins University, available at <https://bit.ly/3dJ1CZX>. Data as at 11 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:

### Graph of the week

Monitoring exchange rates and their effect on the sector during Covid-19: **A sample of LAC countries indicates that the value of agricultural exports in the region increased 17.3% in June.**

#### Period - June 2020 / December 2019 period

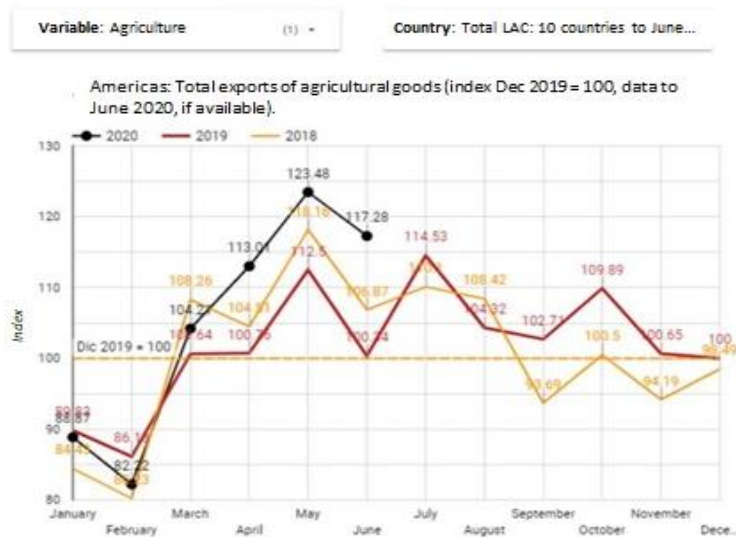
Agricultural exports from 10 LAC countries with data to June 2020 (as at August 2020) **increased 17.3%** in comparison to December 2019. On the other hand, total exports of goods for the same group of countries and periods fell 10.2%.

#### Period - June 2019 / June 2020 period

Similarly, in comparing June 2020 with June 2019, LAC agricultural exports **increased 16.9 %** and overall exports of goods declined 7.8%.

#### Months of the pandemic (March – June 2020)

If we compare the period between March (the start of the pandemic) and June (four months later) with the same period in 2019, **agricultural exports grew 10.56%** and total exports of goods fell 11.88%. See more details in the post: <https://bit.ly/2PI49sT> #IICABlog



Source: IICA (CAESPA) with data from [www.TradeDataMonitor.com](http://www.TradeDataMonitor.com)

## 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><b>Brazil: grain production to set 253.7 million ton record</b></p> <p>The National Supply Company (CONAB) has indicated that Brazil expects to achieve record grain production for 2019/20, producing 253.7 million tons, which will be a 4.8% increase over the previous harvest. Soybean and corn account for almost 90% of national grain production.</p> <p>According to CONAB, a record has already been set in soybean production, with 120.9 million tons of production, representing a 5.1% increase. Corn production will also reach unprecedented levels and will amount to 102.1 million tons.</p> <p><a href="https://bit.ly/3kD8ATN">https://bit.ly/3kD8ATN</a></p>	<p><b>United States: farmers leave fields fallow as COVID-19 wrecks crops prospects</b></p> <p>Reuters has reported that U.S. farmers routinely make changes to their acreage intentions as the year progresses. However, this year, in light of the contraction in the economy, market uncertainty, falling prices and demand for biofuels, many producers have decided not to take a risk and to leave their fields fallow.</p> <p>The most recent acreage data from the government shows that corn and cotton plantings fell far below initial expectations.</p> <p><a href="https://reut.rs/2Dz4nA8">https://reut.rs/2Dz4nA8</a></p>
<p><b>El Salvador: coffee leaf rust outbreak endangers 200,000 quintals of coffee</b></p> <p>The increased humidity in the rainy season has contributed to the reappearance of the disease, which the El Salvador Coffee Association has reported will now place 200,000 of the projected 500,000 quintals for the 2020-2021 harvest at risk.</p> <p>Elsalvador.com revealed that 724,240 quintals were produced in the 2019-2020 harvest, but factors that have affected the sector, such as the lack of funding for agricultural maintenance and proper fertilization, have reduced the projections for the present crop to 500,000 quintals.</p> <p><a href="https://bit.ly/2F9LWCd">https://bit.ly/2F9LWCd</a></p>	<p><b>Guatemala: Shrimpers endure losses due to rain and the pandemic</b></p> <p>The shrimp sector has been deluged this year by the pandemic and by Tropical Storms Amanda and Christopher at the end of May, which created severe damage on various farms in the southern region of the country.</p> <p>Data from the Central Bank of Honduras (BCH) indicates that between January and May, shrimp generated 70.8 million dollars in foreign exchange, which was lower than the amount earned in the same period in 2019 (\$73.9 million).</p> <p><a href="https://bit.ly/2PLyQgy">https://bit.ly/2PLyQgy</a></p>

**Panama: milk production up despite the pandemic**

Data from the Ministry of Agricultural Development (MIDA) has indicated that 85 million liters of milk were produced between January to June 2020 – a 4% increase over the same period in 2019.

Grade A milk production was 2% more than in 2019; Grade B production was 22% more and there was a 6% increase in Grade C production.

<https://bit.ly/31NZxqO> and <https://bit.ly/33TydtF>

**Peru: agriculture sector grew 2.1% in the first six months of the year despite the impact of COVID-19**

According to data from MINAGRI, the agriculture sector grew 2.1% during the year's first six months (January to June) in comparison to the equivalent period in 2019, bolstered by increased production in the crop (2.8%) and livestock (0.7%) sub-sectors.

The increase in the former was fueled by an upsurge in the production of paprika, cocoa, alfalfa, avocado and potato, whereas the increase in the livestock sector was driven by greater production of poultry, eggs, unpasteurized cow's milk and pork.

<https://bit.ly/3fQ5N6d>

## 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.

### **Paraguay: regional dialogue addresses shipments of agricultural exports**

The opening up of the Yacyretá navigational locks will facilitate the departure of 104 barges of wheat, rice, corn and soybean for export, and similarly will facilitate the importation of fuels and fertilizers.

This was the outcome of political dialogue between the governments of Paraguay, Argentina and Brazil, which agreed to comply with international agreements regarding the equitable use of water resources. In a context in which international logistics have been complicated by pandemic-related restrictions, this type of operation is fundamental to expediting trade and reactivating the economy.

<https://bit.ly/2DAoH49>

### **Free trade agreement between Colombia and Israel now in effect**

Colombia's first trade agreement with a Middle Eastern country will allow 97% of the former's agricultural and agroindustrial exports to enter Israel tariff free, immediately, and the remaining 3% after a five-year period.

Market diversification will be key to the post-Covid-19 economic recovery of Colombia and many Latin American countries, and for overall trade development. Israel is a wealthy market that offers major opportunities for industrial and agroindustrial goods, as well as for cooperation in technologies for agriculture, irrigation and foodtech systems, environmental sustainability and innovation.

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

### **Central America and the Caribbean: CLAC calls for environmental sustainability and fair trade**

The Latin American and Caribbean Coordinator of Small Producers and Fair Trade Workers (CLAC) has called on governments, companies, academia, civil society and international cooperation entities to promote environmental sustainability and Fair Trade in post-Covid-19 economic recovery actions.

The negative repercussions of climate change have a greater effect on production and family farming workers in the context of health-related events, such as the current pandemic. Thus, the organization has called on the society to implement a series of recommendations, including to consider the role of family farming in climate change mitigation and adaptation and to foster dialogue among stakeholders in various chains to ensure that these considerations are incorporated into economic reactivation plans.

<https://bit.ly/2F8vHW4>

### **Dispute between Costa Rica and Panama regarding the dairy and beef trade**

The Government of Costa Rica has notified the World Trade Organization (WTO) that Panama has been obstructing the entry of Costa Rican dairy and beef products into the county for approximately a month. This has affected Costa Rican exporters of these products.

At the start of July, Panama advised Costa Rica of its decision not to extend the permit of a series of Costa Rican companies that had previously been authorized to export to Panama and that had been doing so for many years.

<https://bit.ly/33OqeOw>  
<https://bit.ly/33Ohms9>  
<https://bit.ly/2DVRTC8>

### **Canada and Australia reach partial settlement regarding wine-related discriminatory measures**

Australia has partially settled a World Trade Organization dispute with Canada regarding Canadian provincial and federal wine measures that affect its sales of imported wine, discriminating against foreign wines and giving domestic wines preferential access to stores, thereby violating the national treatment principle (that all foreign products and national products should be treated equally).

Within four years, Canada will eliminate a federal excise duty exemption for domestic wines, Nova Scotia will end a preferential markup for local wines, and Ontario will alter several measures favoring locally produced wines. These changes may require regulatory and/or legislative changes.

The United States and some European Union countries also consider these measures to be discriminatory, which affects their national wine industries. Thus, the removal of the measures is a positive development for the sector and an opportunity to streamline trade amidst the complicated economic situation that has been triggered by the Covid-19 pandemic.

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

## Supply

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

### **Elvia Monzón, a natural leader who promotes the presence of women in coffee growing in Guatemala**

On her 50th birthday, Elvia Monzón received a gift she will never forget: a roaster that she had her heart set on for the Integrated Cooperative of Small Farmers of Rancho Viejo, an organization that she heads in Huista, Guatemala.

“It was an unforgettable coincidence”, said the coffee farmer. “On my birthday, February 19, PROCAGICA surprised us with a roaster. I was looking at this lovely machine but wondering how we were going to use it”.

But for Elvia, a natural leader, that was a minor problem. The roaster arrived just before the Covid-19 pandemic exploded, so the lockdown halted the training in how to use it. “We learnt by ourselves, by observing the roasters on their first visit, and the coffee was excellent”.

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

### **Ecuador roadblocks obstructs supplies and the movement of cattle**

Actors in the country’s production sector have warned that roadblocks are not only endangering the entry of oxygen and medication for internal markets, but also the provision of basic food items in the family basket.

Herlan Ojopi, treasurer of the Cattle Federation of Beni (FEGABENI), explained that the roadblocks are preventing the regular daily transportation of 1,400 heads of cattle from Trinidad to the districts of Santa Cruz and la Paza, via Yucumo.

The livestock authority urged government authorities to use the security forces to clear the routes, thereby ending the protests, that according to him, are by a minority but that are affecting the entire region.

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

### **From Argentina to Africa: exporting agricultural machinery, genetic material and pharmaceuticals**

The Argentinian Government believes that Africa is potentially a “region under expansion”, with an increasing rate of population growth and increasing purchasing power. The Minister of Foreign Affairs remarked that, “There is a rising middle class that is beginning to consume meat and that affords us an opportunity”. Moreover, countries in the African continent import more than USD 434 billion of industrial goods, with only 0.07% of that coming from Argentina.

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

### **Mexico promotes partnerships for production and economic impact projects in rural areas**

The Secretariat of Agriculture and Rural Development (SADER) and the National Office for the Promotion of Economic Solidarity (PRONAES) will promote a program and actions to develop production in marginalized rural communities, through high economic and social impact projects. They will invite other federal agencies to take part in these development projects in rural communities, which will enhance the country’s food security.

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

### **Uruguay sets record for meat export sales in July**

Beef exports to NAFTA between January and July amounted to 68,087 tons of carcass weight, a 37.5% increase compared to the same period last year. According to data from the National Meat Institute (INAC), exports to Canada increased the most, climbing 120.7% and amounting to 16,231 tons.

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