

Friday, 3 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/es/monitor>

295,661

Confirmed cases of covid-19 in America



Countries



Highest number of cases in America:

- USA (258,214)
- CAN 11,746)
- BRA (8,229)
- CHL (3,737)
- ECU (3,368)

Covid-19 in the world



Source: Johns Hopkins University, available at <https://bit.ly/3dJ1CZX> . Data as of April 3rd 2020 (11 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

Discussion



Manuel Otero, Director General of IICA.

<p>1. In terms of food security, what are in your opinion the variables being considered by the countries to implement actions?</p>	 <p>Manuel Otero Director General del IICA</p>
<p>2. In that regard, what challenges could they be facing in the near future?</p>	 <p>Manuel Otero Director General del IICA</p>
<p>3. Can you name some examples of initiatives that should be replicated in the countries?</p>	 <p>Manuel Otero Director General del IICA</p>

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.

Paraguay: Price increases were identified mainly for imported products. Price hikes have also been reported for tomatoes, whereas the cost of potatoes and onions has remained mostly unaltered. Beef prices have dropped as a result of negotiations carried out by the Ministry of Agriculture.

Government controls have been implemented to avoid price speculations in supermarkets. In coordination with other Ministries of Agriculture (virtual meetings), procedures were expedited to facilitate the trade in fruits and vegetables between the countries.

Uruguay: A higher demand for domestic products has been observed in the *Mercado Modelo*, since people are staying home and therefore consuming more, and this market serves mostly local fairs and retail stores. No shortage of products has been reported in the market. There has been an increase in the expected price of certain products, including squash, onions, carrots, lemon, yams, potatoes and lemons, as a result of the drought. Additionally, there are products whose prices are dropping in terms of historical expectations: tomatoes, red peppers, eggplants, string beans, lettuce, chard, parsley, oranges and tangerines.

El Salvador: Pursuant to a presidential decree, and to avoid market speculation, wholesale and retail price caps have been set for white maize, white rice, pre-cooked rice, parboiled rice, black beans, red beans, red silk beans, eggs, white and red onions, green peppers, tomatoes, washed and unwashed potatoes, white cabbage, white, dark and Creole chayote, garlic, guineos, juice oranges and seedless oranges, and plantains. Fixed prices were also set for fats (oil and butter) and for powdered milk.

Peru: With the purpose of ensuring the supply and provision of food, delivery of products to wholesale markets and other supply centers are authorized 24 hours a day. Farmers can move freely throughout the day, and must carry proper identification and corresponding permits with them. Timetables and maximum capacity limits have been established for markets selling food and sanitary products.

The use of masks and gloves is mandatory for all people working in and delivering products to wholesale and retail markets and other local supply centers.

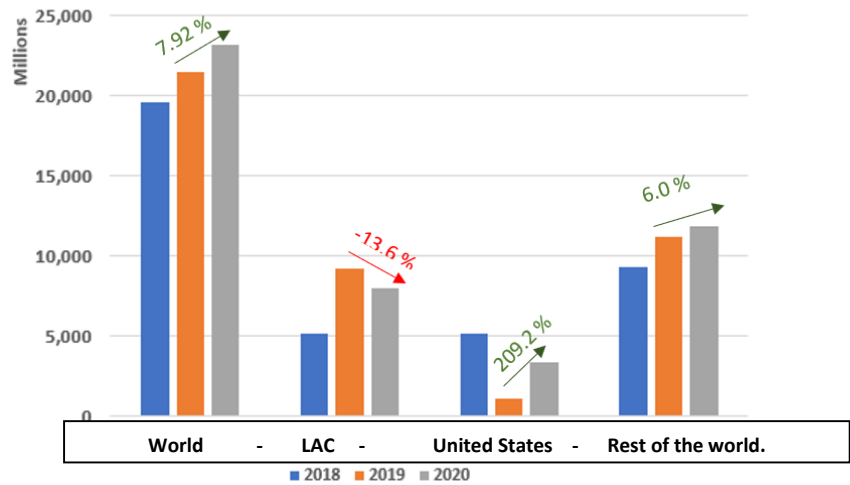
Brazil: No problems have been observed in the supply of fruits and vegetables to large supply centers. Sales dropped during the last week of March as a result of lower demand, mainly caused by the closure of bars, restaurants and some fairs in different States.

A noticeable increase in the price of garlic was identified, caused by shortages in products imported from China, the rise in the price of imports from Argentina and poor local supply. The price of eggs has risen as a result of higher demand for this product as it constitutes a low-cost source of protein. The price of citrus fruits has increased significantly due to changes in consumption habits associated with the coronavirus pandemic, with many people seeking to increase their vitamin C intake. State-owned supply centers have adopted a wide range of health-related control measures to contain the propagation of the disease and ensure a safe food supply for all users of their services

Agricultural imports in China

(As of February 2020)

Agricultural imports (SA:1-24) in China per area of origin (data in millions of USD annualized as of February 2020).



Total annual agricultural imports as of February 2020 rose by 7.92%; however, agricultural imports from Latin America and the Caribbean fell by 13.6%. This drop does not appear to be related to the coronavirus crisis but rather with the trade diversion that took place in 2019 as a result of tensions between the US and China. As of February 2020, annualized exports from the United States to China recovered (209.2%) after a trade agreement was signed between the two countries.

In 2019, China reduced the amount of agricultural products imported from the United States, a situation that was leveraged by LAC.

The most relevant products imported by China from LAC are soybean (66% of total imports), beef (66.5% of total imports), fresh cherries (81% of the total), chicken (97.5% of the total) and shrimp (57%).

Source: IICA, calculated based on information provided by ITC, Trademap.

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).

Venezuela: Agronomists warn about the risks affecting crop production.

Venezuelan agricultural associations issued a warning claiming that rice and maize production in Venezuela could halve if the government fails to import chemical fertilizers. They estimate the total amount of fertilizers needed at about 220,000 tons.

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

Costa Rica: flower growers change their strategy to avoid losing their crops.

Local flower growers are offering home-delivery of their products at a low cost to minimize their losses, as a result of the decline in exports.

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

<p>Colombia: shortage of coffee pickers causes growing concern.</p> <p>The expected harvest is approximately 6.5 million sacs, which requires the labor of 150 thousand workers. However, measures to stop the spread of covid-19 are restricting movement and, in some municipalities, are limiting the daily circulation of people. Another issue is the fact that many pickers are informal workers. https://bit.ly/2xIM1t7</p>	<p>Honduras: 90% of the coffee harvest has been completed, but COVID-19 is threatening post-harvest activities.</p> <p>For the 2019-2020 harvest, the original expectation was to produce 8.1 million quintals of coffee, according to HCAFÉ projections.</p> <p>The measures implemented for the sector include: a bonus or subsidy proposed for smallholder coffee growers to allow them to fertilize their farms during the rainy season, and a package announced by the government granting 1 billion lempiras, divided into bonds for inputs worth 300 million and the remaining 700 million in soft credits.</p> <p>https://bit.ly/39EW2E1</p>
<p>Argentina: Meat processing and supply facilities in the local market are operating normally.</p> <p>The members of the Argentine Meat Exporting Slaughterhouses (ABC) consortium, which accounts for 90% of Argentine meat exports and 35% of local slaughterhouses, stated that “operations are normal in all associated plants and the supply of domestic markets, slaughterhouse operations and trade in meat products is guaranteed, with normal activity expected throughout April and a significant increase in the domestic market share”.</p> <p>https://bit.ly/2UXrMj3</p>	<p>Brazil: experts warn that the coronavirus could render the coffee harvest unviable.</p> <p>According to researcher André Luiz García from the Procafé Foundation, the sector is highly dependent on labor to carry out the coffee harvest, and in many areas these activities could be hampered by the spread of the disease and the measures taken to avoid it. https://bit.ly/2xFBbnA</p>
<p>Liquor manufacturers are now also producing sanitizers.</p> <p>In the face of the pandemic, large liquor production facilities are manufacturing sanitizer to supply the local market. Part of the production is being donated to the government to be used in hospitals, hotels and other institutions. https://bit.ly/2xFa2kO</p>	<p>Mexico: the seed industry is attempting to soften the impact of COVID-19.</p> <p>The seed industry is working in tandem with leading organizations of the business sector and the government, in an attempt to minimize the economic impact caused by the covid-19 crisis, and urged them to address the issue of produce theft, claiming it may have a higher impact on this essential sector of the food production chain, and which “cannot stop, for if it does, the situation will turn chaotic”.</p> <p>https://bit.ly/39EwlPp</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.

Mexico: Mexican agroindustries to increase exports in the face of covid-19.

Sales have risen as a result of higher demand for products in the United States and the United Arab Emirates. Vegetables are among the main exported products, with associations reporting normal activity and even profiting from a beneficial exchange rate; however, they do mention concerns that with the advance of the pandemic, logistics and export flows may be affected.

On the other hand, meat sales to the United States have also grown when compared to the same period last year.

<https://bit.ly/2R68vuZ>

Argentina: foreign currency influx from grain exports has fallen in the past month

According to the Oil Industry Chamber and the Center for Grain Exporters, income in foreign currency last March was almost 1.065 billion dollars, showing an inter-annual decline of 6.9% as a result of restricted circulation of trucks in the port during the quarantine.

This drop in foreign currency influx was also caused by the farmers' early foreign currency settlement in the last months of 2019, to protect themselves against the rise in export taxes implemented by Fernandez's administration, which "resulted in a lower volume of operations during the first quarter of this year, in addition to the fact that most of the new soybean and maize harvest has not yet been included".

<https://bit.ly/39yds5T>

El Salvador: government authorizes the import of staple grains with no VAT or tariffs.

The Finance Commission of the Legislative Assembly unanimously agreed to authorize the Ministry of Agriculture and Livestock (MAG) to import staple grains for consumption without paying Value-Added Tax (VAT) or tariffs, to ensure supply during the outbreak of covid-19.

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

United States: USDA proposes allowing the entry of South African citrus fruits with no port restrictions.

The entry of citrus fruits is currently only allowed in 4 ports, but given that no citrus blossom moths have been detected in 2 years, the proposal is to eliminate port restrictions and allow entry into all ports.

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

Brazil: higher-than-expected trade surplus in March.

Despite the drop in the price of raw materials and the advance of covid-19, Brazil showed a total trade surplus of US\$ 4.713 billion in March.

Despite the situation, Brazilian exports to China, its main commercial ally, increased by 4.3% in the first quarter, "mainly due to higher sales of beef and pork, iron ore, soybean and cotton". Conversely, sales to

Uruguay: export of goods falls by 11% in the first quarter

Exports fell 11% in the first quarter, and 8.5% in March only.

The decline in exports that took place in March was due to lower demand from China (-24%), which resulted in reduced sales of meat, wool, timber,

<p>the United States, the European Union and Argentina dropped in March.</p> <p>https://reut.rs/2R69MIL</p>	<p>leather, and other products. Product demand from Brazil also decreased.</p> <p>Overall, meat, timber and soybean were the main exported products. The most significant decline was observed for wool (lower sales to China) and the highest increase was in soybean sales (to France and the United States).</p> <p>https://bit.ly/346Z1oA</p>
<p>Honduras: government forbids the export of beans.</p> <p>The Secretariat of Economic Development (SDE) announced the ban of red bean exports to international markets, in an attempt to ensure supply to the population during the emergency.</p> <p>For this year, bean exports were expected to generate 14.5 million dollars, especially with the inclusion of the US market and other new partners, according to the Secretariat of Agriculture and Livestock (SAG). Beans are mostly grown by smallholder farmers and are the only staple grain in Honduras to generate an exportable surplus.</p> <p>https://bit.ly/2UU85ZK</p>	<p>Central America: Companies estimate losses at \$172.6 million (as of the third week of March)</p> <p>According to the results of a survey conducted by the Federation of Chambers of Commerce in Central America, if the covid-19 emergency continues, 28.3% of the companies in the region will need to scale down their operations, and 26.3% will be forced to cut staff.</p> <p>Problems between companies and their international providers have mostly been caused by delays in deliveries, shortages and higher costs. Most providers are located in the United States, the People’s Republic of China, Honduras and El Salvador.</p> <p>https://bit.ly/346zyLZ</p>
<p>WTO: Notifications on trade measures in the context of the pandemic.</p> <p>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:</p> <ul style="list-style-type: none"> • North Macedonia: temporary ban of wheat and flour exports. • Kyrgyzstan: export bans on wheat, wheat flour, cooking oil, rice, eggs, sugar and other grains. • Thailand: restrictions on egg exports. • Mauritius: Temporary restriction on the import of live animals, including fish, from countries such as China, Italy, Iran, South Korea, Switzerland and countries in the European Union. • Indonesia: Import of live animals from Hong Kong and China must now include a Covid-19 test. • Kazakhstan: Temporary restriction on the import of fish and fish by-products from China. • Russia: restrictions on the import of live exotic animals and fish from China. <p>https://bit.ly/3dOh5YJ</p>	

Supply

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

IICA creates a Food Security Advisory Committee

The Inter-American Institute for Cooperation on Agriculture (**IICA**) created a Food Security Advisory Committee for the Americas, comprised of distinguished personalities from 8 countries in the hemisphere with vast experience and significant contributions to the agrifood sector.

The Committee will be responsible for monitoring the impact of the new coronavirus on food security in the region, with the purpose of sharing opinions and recommendations that may prove useful for decision-making at different levels within the public and private sectors.

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

7 changes in agricultural trade

Agriculture-focused international organizations are already warning of food security risks brought about by the pandemic, and the need to promote international trade, with protectionist scenarios in the short term. The world is facing an uncertain landscape, and the intensity and duration of the pandemic is currently impossible to predict. Global food security continues to be a priority in our agenda.

<https://bit.ly/2UBik63>

Agricultural workers considered essential

Migrant field workers in the **United States** were told to continue working despite stay-at-home orders, and were given letters describing their “essential” role in feeding the country. <https://nyti.ms/2X4OetA>

Support measures for rural producers announced

Brazil announced a 180-day extension for farmers to renegotiate their debts, accompanied by a reduction in interest rates.

Additionally, nearly R\$ 25 million were released for lines of credit, with a minimum investment of 60% for inland states, in accordance with programs established by the Amazon Agency for Development (AFEAM). <https://bit.ly/3423SHx>

El Salvador passes a decree authorizing food and beverage companies to continue operating

The Legislative Assembly issued several decrees on April 1st, including an authorization for food and beverage companies to continue operating during the emergency, an order for healthcare to be provided by the Salvadorian Social Security Agency (ISSS) to laid-off personnel or employees with suspended contracts, and a \$42 million budget reform for the crisis. This package of decrees is aimed at assisting those directly or indirectly affected by the national emergency. <https://bit.ly/3436Lrs>

Mexico guarantees supply

Despite the national emergency declaration in **Mexico**, as a result increasing positive covid-19 cases, the Secretariat of Agriculture and Rural Development held a strong position and assured the nation that the country will not experience food shortages, as priority support programs and assistance provided to the agrifood sector will continue. <https://bit.ly/2JE7HZP>

Chile: Ministry of Agriculture launches a web platform to notify the public of measures regarding COVID-19

The platform includes information, recommendations and circulation permits that farmers, merchants and food producers must follow and obtain.

<https://bit.ly/2w8Xth3>