

Thursday, 30 July 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>

# 9,204,316

Confirmed cases of Covid-19 in the Americas



## Countries



Highest number of cases in the Americas:

- USA (4,464,906)
- BRA (2,552,265)
- MEX (408,449)
- PER (400,683)
- CHL (353,536)

## Covid-19 in the world



Source: Johns Hopkins University, available at <https://bit.ly/3dJ1CZX>. Data as at 30 July 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:

### [Is the time of the rural woman and the small farmer finally here?](#)

It is a fact that the only two activities that **did not cease** during the time when the population was on total lock-down were the paid and unpaid **care services** that are primarily done by women and **food production**, 30% to 60% of which is the product of **small farmers**. This is undoubtedly an excellent opportunity to recognize the **immense contribution of women** to the economy and to human welfare (López M. 2018) – an activity that occupies a significant amount of their time.

The situation involving the **food** supply is quite similar, as **small farmers** in rural areas account for a **major percentage** of the food that is produced. Despite the precarious living conditions of the rural population, even before Covid-19, “agrifood systems in Latin America responded efficiently to the circumstances of the pandemic, guaranteeing food security and sovereignty”.

However, they have never received **recognition** for their tremendous contribution, much less the **necessary support** from different areas of government (País, El 2020).

**Find out all the details in this week’s post by *Cecilia López Montaña*, Colombian economist and politician, who has served as the country’s Minister of Agriculture, Minister of the Environment, Director of National Planning and Senator of the Republic. <https://bit.ly/2BKIRbN>**

### [The agricultural reactivation of Peru](#)

The most immediate and effective alternative to reactivate the National Agricultural Sector is by **integrating production chains such as cocoa, flint corn, barley, milk, potato, Andean cereals, organic cotton and apple** with the national industry, ensuring market access and competitive prices for producers in rural areas.

We must find opportunities that create **mutual benefits for agricultural producers** and companies. Companies must see the value of using national inputs in their brands and improving the standard of living in rural areas. Consumers should also recognize the value in it. **We can all play our part.**

**Find out all the details in this week’s post by *Angel Manero Campos*, Senior Agribusiness Consultant. In his career, he has also served as Operations Manager for Sunshine Export (the leading exporter of mangoes from Peru); as the National Director of the Agricultural Bank; General Manager of the sugar company, Azucarera Andahuasi; Project Manager of Grupo Camposur; National Business Promotions Director at the export company, Sierra Exportadora; and Director General of Agribusiness at the Ministry of Agriculture and Irrigation. <https://bit.ly/2XsyS1p>**

# 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: grain processing plants have been hit, following the detection of Covid-19 cases</b></p> <p>According to Reuters, the Argentine grain operations of the Chinese Company, COFCO, and the U.S. agro-export company, Bunge, have been affected after cases of COVID-19 have been detected among their employees.</p> <p>These are the first confirmed cases in the country's port facilities.</p> <p>Both plants have suspended activities and redirected deliveries to other ports and locations in the country.</p> <p><a href="https://reut.rs/30b8smu">https://reut.rs/30b8smu</a></p>	<p><b>Bolivia: agricultural organizations are still not benefiting from financial schemes</b></p> <p>The organizations are warning that production, income and employment will decline, given that, up to now, no lines of funding or other mechanisms have actually been introduced to assist the agriculture sector.</p> <p>According to a report by El Deber, the President of the Eastern Agricultural Chamber (CAO) has stated that the situation is urgent, considering that one third of the economically active population works in agriculture and this is the sector that is guaranteeing the country's food supply.</p> <p><a href="https://bit.ly/39GR4sG">https://bit.ly/39GR4sG</a></p>
<p><b>Chile: wine production dwindles 13.4% in comparison to last year</b></p> <p>The Agricultural and Livestock Service (SAG) has reported that wine production is 13.4% less than in 2019.</p> <p>The decline in wine production during this time is related to the effects of the drought that has persisted for several consecutive years, which this season affected the volume of grapes collected during the harvest.</p> <p><a href="https://bit.ly/39IGTEb">https://bit.ly/39IGTEb</a> and <a href="https://bit.ly/30e2GAz">https://bit.ly/30e2GAz</a></p>	<p><b>United States: historic decline in GDP during the second quarter</b></p> <p>Data from the Commerce Department and the Bureau of Economic Analysis reveals that the U.S. economy shrank 9.5% between April and June (the second consecutive quarter that the GDP has dropped), representing the greatest decline on record in the last 70 years.</p> <p>The annualized rate of decrease in the GDP was 32.9% during the second quarter.</p> <p>The waning economic activity in the second quarter was recorded during the weeks in which there were the greatest amount of job losses and suspension of economic activities.</p> <p><a href="https://bit.ly/3hRYIUe">https://bit.ly/3hRYIUe</a> and <a href="https://wapo.st/30aTVae">https://wapo.st/30aTVae</a></p>

**Panama: more resources are earmarked to support MSMEs and the agriculture sector**

The project authorized the signing of a trust agreement between the National Bank of Panama (BNP) and the Ministry of the Economy and Finance (MEF) for the Global Credit Program for the Preservation of the Productive Sector and Employment, backed by a 150 million dollar-loan from the Inter-American Development Bank (IDB).

In the first phase of the program, 50% of the funds will be earmarked for MSMEs and the remaining 50% for the agriculture sector.

<https://bit.ly/2D2zSSI>

**Peru: launch of megaprojects will expand the country's agricultural frontier**

The Ministry of Agriculture and the regional government of Arequipa signed an agreement for MINAGRI to assume oversight of the Chavimocic Project (in the framework of Emergency Decree No. 021-2020). The project involves the construction of the Palo Redondo Dam and the Madre Canal, which will contribute to boosting agro-exports from the country's northern region and generating employment in the productive sector.

On completion of the third phase of the Chavimocic Project in La Libertad and Majes-Siguas II in Arequipa, there will be an additional 100,000 hectares of crops in the country available for the agro-export industry.

<https://bit.ly/2EqNN5h> and <https://bit.ly/30ex0es>

## 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.

### Argentina: the tea industry adjusts to trade challenges

The pandemic has curbed the demand for this product, despite its potential in national, regional and international markets. Moreover, producers need to acquire sustainable agriculture certification to add value to their products. Thus, artisanal tea producers must be supported to enable them to capitalize on emerging trade opportunities. Argentina currently exports tea to the United States and Chile, where it has seen the greatest decline in exports. However, exports to Germany, Poland and Russia have increased during the first half of this year. <https://bit.ly/3fla7KE>

### Panama: authorities introduce virtual training in ecommerce for SMEs

In light of the Covid-19 pandemic and the growing popularity of ecommerce, Panama's Ministry of Commerce and Industry (MICI) will strengthen the capacities of SMEs in this area. The government is also assessing market opportunities that will be available with the strengthening of Panama's logistics and trade hub to conduct business. Spain is one of the countries that offers opportunities in this area.

<https://bit.ly/311nx9s>

### Fruit consumption climbed and companies must demonstrate that they are supplying safe produce

In the United Kingdom, consumers' declared purchases of fresh fruits and vegetables have climbed significantly since April. The UK population reports that it is now easier to find preferred products in stores. In China, on the other hand, the consumption of vegetables has stabilized over the last few weeks and fruit purchases have risen.

However, there is a segment of the population that is not consuming fresh produce, due to concerns about the cleanliness of the products, limited availability of their favorite fruit and the general decline in income, as a result of the pandemic. Given these factors, it is important that companies ensure that they adhere to sanitary and phytosanitary regulations and provide safe food. This information was revealed in studies undertaken by the Produce Marketing Association (PMA) in the United States, Brazil, Great Britain and China.

<https://bit.ly/2EA5eR8>

### ProChile launches test to measure the sustainability of its clients

As part of its strategy to bolster the country's competitiveness in international markets, ProChile is offering a test that measures companies' sustainability, with a view to identifying the exportable supply of high value-added products, which will enable Chile to diversify and enhance its position in more demanding markets and among more demanding consumers. In a pandemic and post-pandemic context that poses greater challenges, it has become more important to add value to agricultural products and services, while ensuring the continuity and profitability of firms and complying with standards that guarantee the safety of consumers and of workers, as well as the quality of environmental and community practices.

Companies can access the test by responding to an email sent by ProChile or by visiting the website at [www.prochile.gob.cl/sostenibilidad](http://www.prochile.gob.cl/sostenibilidad). The final date for the test is August 31.

<https://bit.ly/33cmh6a>

## This week's graph

### Monitoring agricultural trade during Covid-19: European Union agricultural imports fell 3.39%

EU agricultural imports fell 3.39% between March to May 2020 (during the spread of the pandemic), in comparison to the same period in 2019. Imports from the overall Latin American and Caribbean region fell 1.26 percentage points (p.p. as a share of the total 3.39%). On the other hand, imports from MERCOSUR grew 0.32 p.p., primarily from Brazil (0.34 p.p.). However, Argentina also contributed to the increase, with 0.05 p.p. Imports from Uruguay and Paraguay fell 0.05 p.p. and 0.03p.p. respectively. Other LAC countries with a decline in agricultural imports into the EU were Ecuador, the Dominican Republic, Belize and Panama.

In addition to Brazil, other countries in the Americas with the greatest increase in agricultural imports into the EU were Canada (0.65 p.p.), Honduras (0.09 p.p.), Peru (0.07 p.p.), Argentina (0.05 p.p.) and Chile (0.05 p.p.).

Products that contributed the most to the overall decline in EU agricultural imports were:

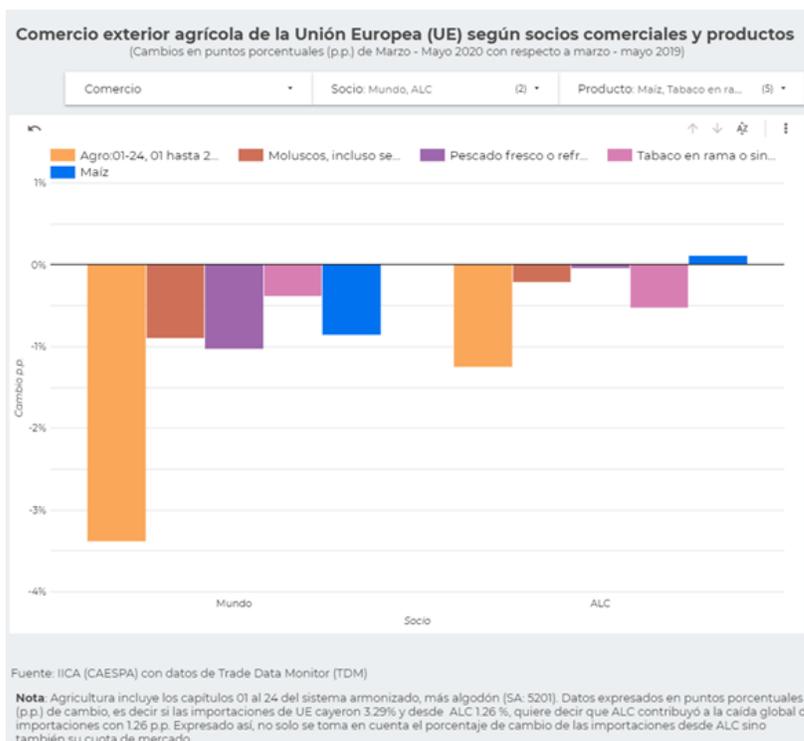
1. Fresh or refrigerated fish (except for fillet and other fish meat under heading 0304)
2. Mollusks, whether in shell or not, live, fresh, refrigerated, frozen, dried, salted or in brine, aquatic invertebrates (except for crustaceans and mollusks), live, fresh, refrigerated, frozen, dried, salted or in brine
3. Corn (although, corn imports from LAC increased)
4. Raw or unmanufactured tobacco; tobacco refuse.

EU imports increased for the following products:

1. Soybean, whether broken or not
2. Citrus fruit, fresh or dried
3. Rape or colza seeds, whether broken or not
4. Wheat and meslin

Additional details are available in the imports section of the #IICABlog:

<https://blog.iica.int/blog/monitoreando-comercio-agroalimentario-durante-covid-19>. Subsequent posts will include exports, as well as information on other source and destination countries for agricultural products, particularly China and the United States.



## Supply

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

### Family farming is strengthening its climate change adaptation capacities

The program on “Knowledge Management for the Adaptation of Family Farming to Climate Change – INNOVA-AF” is implementing 11 initiatives to capitalize on successful experiences and practices, as well as on knowledge, with respect to the adaptation of family farming to climate change, in areas with limited water resources that are representative of Latin America’s arid biomes.

INNOVA-AF is a project of the Inter-American Institute for Cooperation on Agriculture (IICA) that is funded by the International Fund for Agricultural Development (IFAD). The initiatives that will receive support were selected at the beginning of 2020, after the project issued an open call last year in Bolivia, Brazil, Colombia, Ecuador, Guatemala, Honduras, Mexico and the Dominican Republic, for applications to its competitive fund. <https://bit.ly/2PbXKpA>

### The WTO Committee on Agriculture is analyzing insurance, stimulus packages and agricultural trade measures

Agricultural insurance, import regimes and stimulus packages in response to Coronavirus were some of the topics of discussion at the 93rd Regular Meeting of the World Trade Organization’s (WTO) Committee on Agriculture, in which the Inter-American Institute for Cooperation on Agriculture (IICA) is an observer country. The meeting, which was a virtual meeting, was held on 28 July, with the participation of delegations from 164 WTO member countries, 33 of which are IICA members. In addition to the question and answer session that addressed typical measures applied to agricultural trade (subsidies, tariffs, export credit, among others), the meeting also discussed the implementation and relaxing of trade restrictions. <https://bit.ly/2PcrSRs>

### Brazilian producers go digital

Julio César Busato, who manages a 40 thousand-hectare agricultural empire in the state of Bahía, used to spend hours on the road, touring his fields or meeting with members of the state’s Association of Cotton Producers. In the last few months, he has discovered videoconferencing and has decided to continue this practice, even if the pandemic subsides in Brazil – the country with the second-highest rate of Covid-19 infections in the world. <https://bit.ly/2P7tEDl>

### Restaurants and ghost kitchens push apps

Online food delivery platforms and social media are promoting virtual restaurants and kitchens as an additional business option for restaurateurs and entrepreneurs, particularly during Covid-19. In order to diversify their businesses without opening another establishment, restaurants are launching one or more alternative brands that they operate out of their existing kitchen, in other words, virtual restaurants. On the other hand, there are businesses or initiatives that are exclusively for home delivery and have no facility for dining in, which are known as dark kitchens or ghost kitchens. <https://bit.ly/30en5FK>

### Consumption of Chilean fruit has increased in the country’s major global markets

In the last few months, the Produce Marketing Association (PMA) has been monitoring the impact of the Coronavirus pandemic on purchasing trends in some of the main destination markets for Chilean fruit: the United States, Brazil, the United Kingdom and China. <https://bit.ly/39KOTo3>