

## 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>

# 22,367,104

Confirmed cases of  
Covid-19 in the  
Americas



## Countries



Highest number of  
cases in the  
Americas

USA (10,353,604)  
BRA (5,699,005)  
ARG (1,262,476)  
COL (1,156,675)  
MEX (978,531)

## Analysis and scenarios

### [The latest from the IICA Blog:](#)

#### [Taking stock after six months of COVID: how can trade help rebuild better?](#)

The most recent [IMF](#) forecasts indicate that the **global economy will contract** by 4.4% in 2020.

Among the developing regions, **Latin America and the Caribbean** will be **hardest hit**, with an output **decline** of **8.1%**. While developed countries will also experience a dramatic recession (on average

*\*\*\* 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. The views expressed herein are not necessarily the opinion of the Institute, but a reflection of developments worldwide.*

5.8%), the **largest economic and social damage** is expected in the **developing world**, where between 90 and 120 million people will be pushed into **extreme poverty**.

As **governments** step up their **efforts** to help their populations and **rebuild** their economies, the calls for these efforts to promote a **sustainable recovery** also increase. Trade can play an important role in achieving this goal. The experience of these six months has shown that **keeping markets open is crucial** for countries to have access to food and important medical supplies. Trade policy can also be an important tool to promote **sustainable development**. For that, we also need supportive **multilateral** rules.

There are **two actions** that the **global trade community** could take in the next months to support a **sustainable recovery**:

1. Concluding **negotiations to improve disciplines on fisheries subsidies** as soon as possible. Reducing these harmful subsidies would achieve [Target 14.6 of the Sustainable Development Goals](#), and contribute to ensuring the sustainability of the world's **marine resources**. The fact that WTO members have now started [text-based negotiations](#) in this area is very welcome.

2. Agreeing at the next WTO Ministerial Conference on **concrete steps to reform agricultural trade**. After a pause of several months, on 25 September WTO members also [resumed agricultural negotiations](#). An outcome in this area could contribute to [SDG 2](#) and its specific targets, including ensuring **sustainable food production systems**.



*Adriana García Vargas, economist, consultant and independent researcher, specializing in international trade.*

Many governments have responded to the COVID-19 crisis with [important support packages for the agriculture sectors](#). While it is of vital importance to **protect** the livelihoods of **farmers** and ensure that they continue to produce food, it is also important to **avoid** an increase in **policies that distort global markets or harm the environment**.

According to the [OECD](#), a large share of the support policies that countries currently apply are of the most trade-distorting type, and also exacerbate the environmental impact of agriculture. An agreement to **cut trade-distorting support** would make resources available for more efficient **investments** that can help make the global **food system** more resilient, sustainable and productive.

Find out all the details in a post by **Adriana García Vargas**, who is currently working in Frankfurt, Germany, providing support to the German Agency for International Cooperation (GIZ). She is also a tutor of the Financial Risk Management course at the Frankfurt School for Finance and Administration.

<https://bit.ly/2IsdPr9>

# 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>Brazil: record grain production forecast for the 2020/2021 harvest</b></p> <p>According to data from the second survey of the National Food Supply Company (CONAB), grain production for the 2020/2021 harvest will climb to a record high of 268.9 million tons – a 4.6% increase over the 2019/2020 season.</p> <p>The new estimate factors in the rebound in productivity of the soybean and corn crops, which had been affected by the 2019 drought.</p> <p><a href="https://bit.ly/3prYZlt">https://bit.ly/3prYZlt</a></p>	<p><b>Colombia: Government to contribute to bonus payments for producers with employees</b></p> <p>The Ministry of Agriculture and Rural Development has advised that agricultural producers who have workers employed to their operations, and whose income from production activity has dropped, due to Covid-19 (by 20% or more), may access the Bonus Payment Support Program (PAP) for the agriculture sector, which provides support in the form of a subsidy for the first payment of the 2020 semi-annual service bonus for their employees. The benefit provides 220,000 pesos for each person formally employed to the producer.</p> <p><a href="https://bit.ly/38xd1vM">https://bit.ly/38xd1vM</a></p>
<p><b>Ecuador and Chile exchange information on Peasant Family Farming Register and Seal</b></p> <p>Ecuador’s Ministry of Agriculture and Livestock has advised that officials from both countries exchanged information regarding the peasant family farming (PFF) Register and Seal. “The Register is an instrument to generate information about PFF to assist in decision-making regarding the development of differentiated public policies. On the other hand, the PFF Seal is a distinct label that provides a guarantee of the social origin of agrifood products on the market”.</p> <p>PFF provides 60% of food in Ecuador and generates 80% of direct agricultural employment. Moreover, 24% of agricultural production units in the country are headed by women. On the other hand, in Chile, the PFF sector accounts for 22% of the sectoral GDP and is made up of 262,000 families throughout the country.</p> <p><a href="https://bit.ly/3kkgEbS">https://bit.ly/3kkgEbS</a></p>	<p><b>United States: USDA cuts domestic corn and soy supplies</b></p> <p>A Reuters report based on data from the USDA has indicated that this year corn and soybean stockpiles will fall to their lowest levels since 2013/ 2014, due to reduced harvest expectations and increased exports. The USDA pegged 2020/21 U.S. corn ending stocks at 1.702 billion bushels and soybean ending stocks at 190 million bushels. The U.S. corn harvest was estimated at 14.507 billion bushels and the soybean harvest at 4.170 million bushels. The USDA reduced its estimates for Argentina’s soy harvest to 51 million tons. La Nación has pointed out that this figure is more than the 50 million tons forecast by the Rosario Grain Exchange.</p> <p><a href="https://reut.rs/3pfUU3H">https://reut.rs/3pfUU3H</a> and <a href="https://bit.ly/3n94cwi">https://bit.ly/3n94cwi</a></p>

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### ETA in Central America (initial damage estimates):

- **Guatemala:** Preliminary estimates by the Ministry of Agriculture indicate that 84 municipalities have suffered crop damage, covering an area of more than 31,000 hectares and affecting the crops of more than 59,000 families, including coffee, banana, plantain, grasslands, cardamom, cassava, peanut, sugar cane, lime, potato, chayote, wheat, melon and mango. (Prensa Libre <https://bit.ly/3nfBObR>)
- **El Salvador:** Initial estimates of the damage wrought by ETA calculate that there was \$8 million in crop losses, \$6 million of which was for vegetable crops (according to estimates from the El Salvador Vegetable and Fruit Federation) and \$2 million for beans (according to estimates by the El Salvador Chamber of Small and Medium-scale Agricultural Producers). (La Prensa Gráfica <https://bit.ly/3lIOSfu>)
- **Honduras:** Honduras: According to the Secretariat of Agriculture and Livestock (SAG), ETA caused severe damage to grains that were already being harvested, as well as to vegetables, African palm and bananas; the storm also affected livestock farming. La Tribuna reports that, according to coffee sector leaders, more than 90 percent of the 110,000 coffee farming families in 15 of Honduras' 18 departments have reported damages due to ETA. (La Tribuna <https://bit.ly/3pdXtD8> and <https://bit.ly/36mWBDE>).
- **Panama:** According to initial estimates by the Ministry of Agricultural Development (MIDA), economic losses have totaled close to \$11 million, primarily affecting bananas, rice and vegetables. (TVN noticias <https://bit.ly/2Ufi7jp>).

## 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.

### United States: Consumption of plant-based meat alternative products increases

Packaged Facts' August 2020 national online consumer survey found that 23% of consumers claim to eat any variety of plant-based meat products, which shows there is a growing market opportunity.

However, it is necessary to provide and improve market conditions to encourage new consumers to try plant-based meat alternatives, and to bear in mind that even consumers who already eat plant-based meat products may not do so regularly due to their high prices or because the variety of products available is limited. <https://bit.ly/2liUVTS>

### Argentina: Agro-industrial exports are the greatest source of foreign exchange

The shipment value of 5 agroindustrial chains or complexes jointly accounted for 49% of Argentina's total exports between January and September 2020—the highest percentage in 7 years.

The sale of barley, sunflower, corn, soybean and wheat grain, as well as their main by-products (flour, pellets, oils, among others) generated foreign exchange in the amount of USD 20.28 billion during the first nine months of the year. This amount is similar to that obtained from exports of all other goods and services during the same period—USD 21.39 billion. <https://bit.ly/3lrY8i4>

### Mexico strengthens its phytosanitary measures for avocado to consolidate its standing in the Japanese market

The Secretariat of Agriculture and Rural Development and the top avocado production and export associations in Mexico agreed to work together to ensure that the product does not contain any residues of unauthorized pesticides that exceed the limits permitted by Japanese authorities.

At present, Japan is the third largest buyer of this product, after the United States and Canada. It also imports 90% of its avocado from Mexico. <https://bit.ly/3kh7QT2>

### Ecuador and the United States prepare roadmap to negotiate a trade agreement

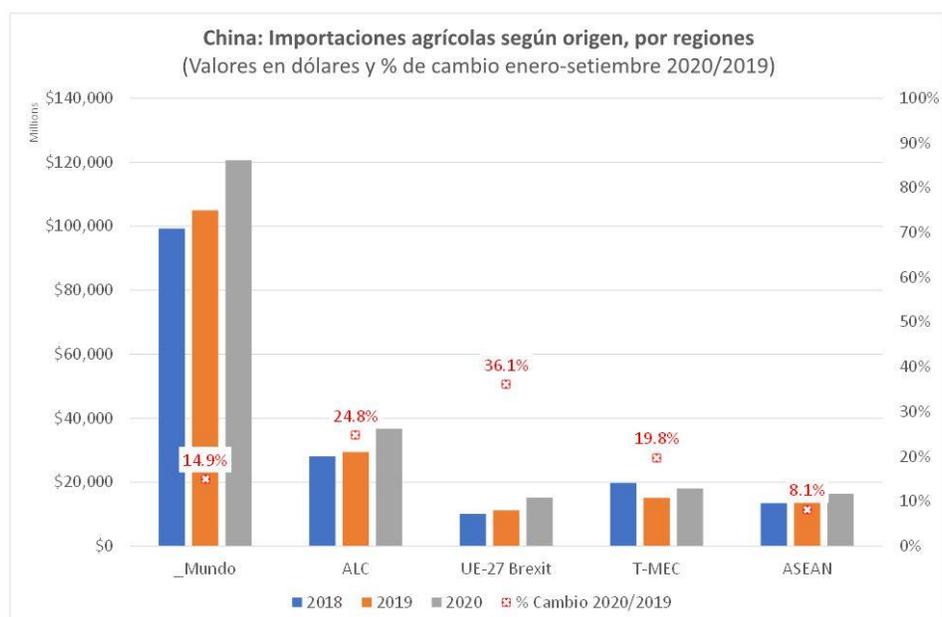
Despite the overall decline in exports and the economy, the agriculture sector has remained resilient amidst the COVID-19 pandemic. In Ecuador, exports from the sector increased by 5% between January and August of this year, with the United States taking the lead as the country's main trade partner, where agricultural sales increased by nearly 22%.

Because of the United States' importance for Ecuadorian trade, and within the framework of policy processes currently underway to build the United States' annual trade agenda, the two countries have laid the groundwork for a roadmap to negotiate a trade agreement. The agreement would reduce significant costs for MSMEs, such as paperwork and tariffs, which would contribute to their recovery in the aftermath of the pandemic. <https://bit.ly/36w1wIX> ; <https://bit.ly/3lreUOL> ; <https://bit.ly/3eR9vgZ>

## China's agricultural imports from Latin America and the Caribbean increased by 24.8 percent

From January to September, China's agricultural imports from LAC grew by 24.8 percent compared to 2019, second only to the European Union, whose growth rate was 36.1 percent.

China's **total agricultural imports** increased by 14.9 percent or \$15.6 billion from January to September 2020, compared to the same period in 2019. Latin America and the Caribbean (LAC) accounted for forty-seven percent of that increase (and 24.8 percent or \$7.4 billion of total agricultural imports). During the first nine months of this year, China imported US\$120.6 billion in agricultural products, of which **31 percent or US\$37.6 billion originated from LAC**.



Fuente: IICA (CAESPA) con datos de Trade Data Monitor al 11 de setiembre de 2020.

Nota: Agricultura comprende capítulos 1 al 24 del sistema armonizado más algodón sin peinar ni cartar

## Five products experience the greatest increases

China's imports of soybeans, beef, pork, poultry and sugar from Latin America and the Caribbean are experiencing the greatest increases. Of China's total agricultural imports from LAC, soybeans represent 69.7 percent, beef represents 10.7 percent, and poultry, pork and sugar represent 3.6 percent, 1.3 percent, and 1.9 percent, respectively. Of these five products, imports of pork increased the most (by 217 percent), followed by beef (72.3 percent), sugar (41.6 percent), poultry (35.9 percent), and soybeans (18 percent). Because of its share in the agricultural market, soybean imports were highest in terms of their dollar value (\$3.6 billion).

Find out all the details in this week's post by specialist **Joaquín Arias** of IICA's Center of Strategic Analysis for Agriculture (CAESPA), available on the #IICABlog at <https://bit.ly/32Cvx27>.

## From our IICA Specialists.

IICA co-authored a recent publication in the scientific journal [Nature Sustainability](#)

The **Ceres2030** international research consortium conducted a comprehensive assessment of research published over the past **20 years on hunger** and identified interventions that could make a difference in the lives of the 690 million people who go hungry every day.

This 3-year effort involved the review of more than **100,000 articles**.

IICA (CAESPA) contributed to one of the eight articles published (<https://rdcu.be/b8ppt>), which evaluates incentives for adopting sustainable agricultural practices and their outcomes.

The findings of the consortium are both revealing and worrisome:

-The vast majority of the agricultural research publications reviewed were unable to provide solutions, particularly to the challenges faced by small-scale farmers and their families.

- The project team,

made up of 78 researchers from 23 countries and 53 organizations, focused on evaluating research related to 2 targets of the Sustainable Development Goals (SDGs), which were established in 2015:

1. One target seeks to double the income and productivity of small-scale food producers.
2. The other target seeks to make food production more environmentally friendly and resistant to climate crises and other disasters.

The researchers found many studies that conclude that small-scale farmers are more likely to adopt new farming approaches to plant climate-resistant crops when they are supported by technical advice, inputs and ideas, referred to collectively as extension services.

Other studies found that small-scale farmers' income is greater when they form part of cooperatives, self-help groups, and other organizations that can connect them to markets or provide them with access to shared transportation or shared storage spaces for their produce. Farmers also thrive when they can sell their products informally to small and medium-sized enterprises. This seems to be because these businesses share information with farmers and provide credit opportunities. This special collection of **Nature** is available at:

<https://www.nature.com/collections/dhiggjeagd>

