



Food systems and COVID-19 in Latin America and the Caribbean: Risks threatening international trade

Bulletin 3

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1. Editorial



Risks threatening international agrifood trade in Latin America and the Caribbean

The Food and Agriculture Organization of the United Nations (FAO) and the Economic Commission for Latin America and the Caribbean (ECLAC) are pleased to provide the international community with the third version of this bulletin, which we have prepared in order to give decision-makers – in governments, the private sector and civil society – useful information and resources to support the design and implementation of actions against the effects of COVID-19 in Latin America and the Caribbean.

In the previous issue, we reviewed the lessons learned by those who have had to manage disasters. We presented a methodology for analysing and managing the crisis in food systems from a disaster risk reduction perspective.

For this new edition, we set out to identify the threats and risks affecting international agrifood trade in Latin America and the Caribbean. As the available information indicates, Latin America and the Caribbean are the source of almost 15 percent of agrifood exports in the world and, besides, the destination of about 6 percent of imports. Hence, any disruption of international agrifood trade – such as those triggered by the pandemic – can have a serious impact on food security in the countries of the region.

We know that once we are able to identify the risks (threats and vulnerabilities) faced by countries, it is easier for planners, and consequently for decision-makers, to design timely, effective, and efficient policies that benefit the most vulnerable populations. Consequently, after studying the main threats and risks to which countries are exposed, we identified the policies that can best address the many problems that have emerged in this area with the spread of the novel coronavirus.

2. Risks and threats: international agrifood trade in times of COVID-19



2.1. Structure of international agrifood trade in Latin America and the Caribbean

As pointed out in *Food security under the COVID-19 pandemic*, a recent report published by FAO-CELAC (2020),¹ how trade affects countries depend mainly on their trade structures, both for their agrifood products and other commodities (such as energy). This structure, in conjunction with changes in international prices and exchange rates, could impact countries' imports and exports, and therefore their income, cost structure, or food availability, in different ways. The following is a classification of countries according to their trade structures, both for agrifood and energy products (see Table 1).

Table 1/ Classification of countries according to their exports and imports of energy and agrifood products

	Net exporter of agrifood products	Net importer of agrifood products
Net energy exporter	Bolivia (Plurinational State of) Colombia Ecuador Paraguay	Saint Vincent and the Grenadines Trinidad and Tobago Venezuela (Bolivarian Republic of)
Net energy importer	Argentina Belize Brazil Chile Costa Rica Guatemala Guyana Honduras Mexico Nicaragua Peru Uruguay	Antigua and Barbuda Bahamas Barbados Cuba Dominica El Salvador Grenada Haiti Jamaica Panama Dominican Republic Saint Kitts and Nevis Saint Lucia Suriname

Note: The average balances of each of the balances for the period 2016-2018 were used to classify the countries.
Source: FAO, based on information of Schmidhuber, Pound, and Qiao (2020).

The main international trade activities in the region can be classified into two categories: on the one hand, countries that are typically exporters of agricultural products, whose products are labour – or machine – intensive, such as those of the Southern Cone; and, on the other, countries that import agricultural and energy products – mainly located in the Caribbean – that depend on food imports to satisfy domestic supply, an issue that makes them particularly vulnerable to disruptions in the food chain.

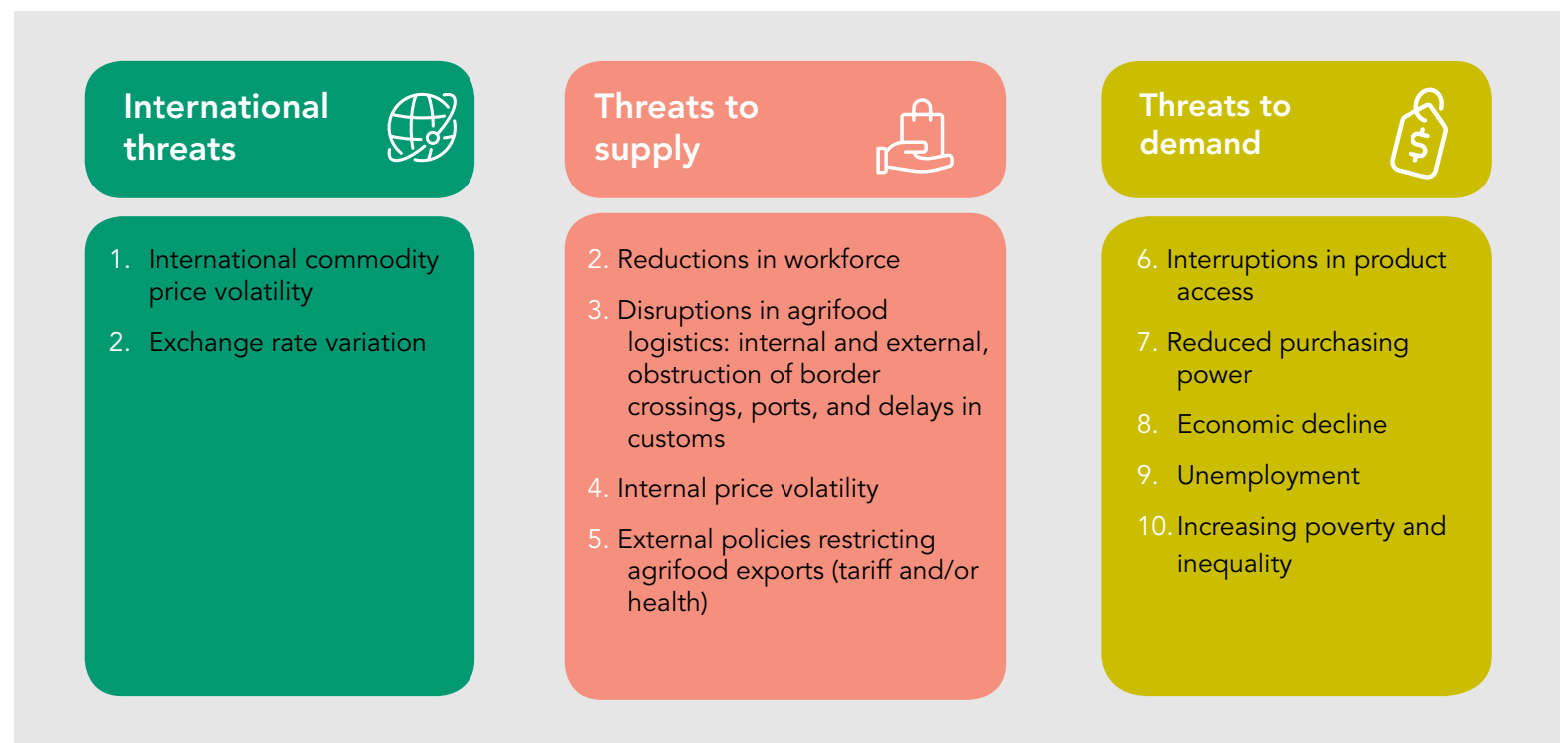
¹ For more information: http://www.fao.org/fileadmin/user_upload/rlc/docs/covid19/Boletin-FAO-CELAC.pdf

2.2 Threats putting international agrifood trade at risk

The FAO-CELAC report cited above states that, although the outlook for food production and stocks is generally positive, disruptions in international agrifood trade could have severe impacts on the food security of the countries in the region.

Below, we present in chronological order the threats that can potentially put international agrifood trade at risk (See Figure 1):²

Figure 1/ Threats to international agrifood trade



² "Threat" is defined as a process or phenomenon that can cause death, health effects, property damage, socio-economic disruption or environmental damage.

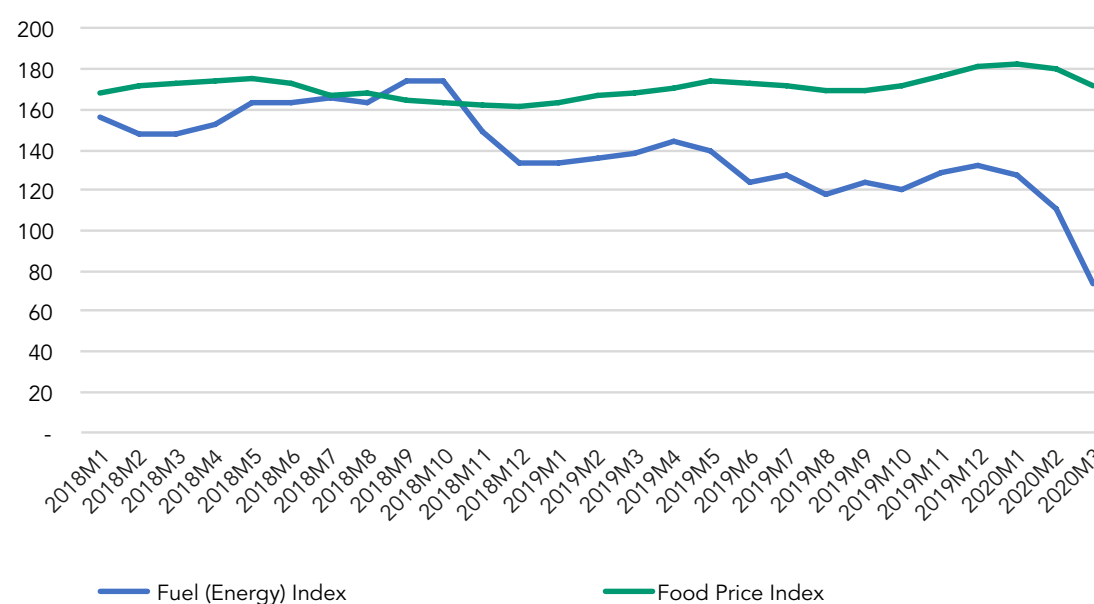




International threats refer to threats resulting from international price and exchange rate fluctuations. Thus, since January of this year, a significant fall in the prices of energy products (oil, gas, and coal, among others) has been observed, which was accentuated in March due to a general reduction of productive activities in the world. The group of countries most affected by this threat is expected to be the net energy exporters. In contrast, this situation could have positive effects for countries importing this type of goods, because they could see their costs reduced.

On the other hand, according to FAO (2020), food prices also show a drop, although less pronounced than energy prices. The variation in the terms of trade reinforces the above-described scenario. For net exporting countries, the fall in the prices of these goods implies worsening in the terms of trade. This trend has been dragging on for some time and, although it showed signs of a relative recovery in recent months, these countries could be hurt again.

Figure 2/ Monthly change (in %) in world food and fuel price indices, 2018-2020

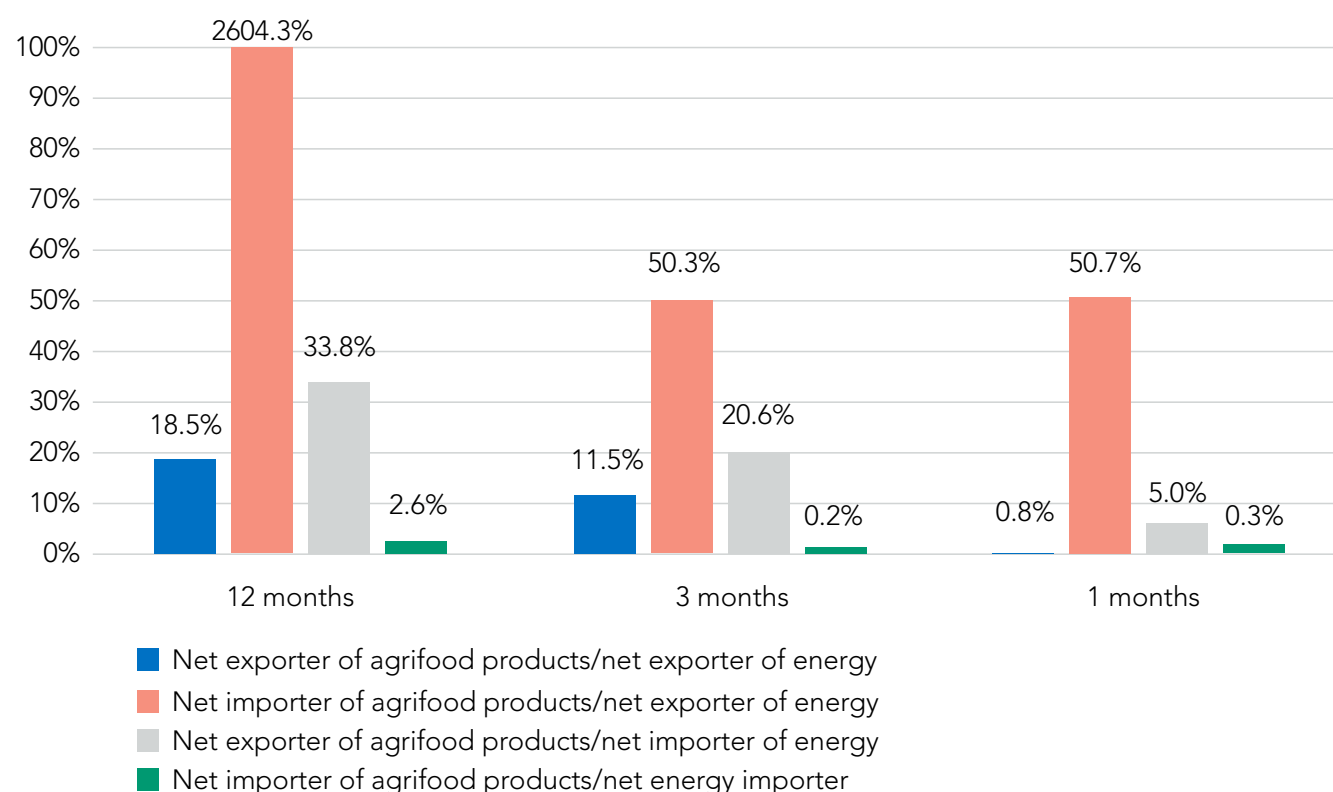


Source: International Monetary Fund (IMF) (2020) and FAO (2020)

In the last three months, the exchange market has been highly volatile, resulting in a depreciation of the countries' local currencies in the region, the most affected being Argentina, Brazil, Chile, Colombia, the Bolivarian Republic of Venezuela, Haiti and Mexico. Although this behaviour has tended to stabilize in the last month, it could have a positive or negative impact on local economies, depending on whether they are importing or exporting countries. That said, although some exporting countries could benefit from this depreciation (as a result of the increase in better-priced currencies), in general terms the importing countries should see their cost structure affected negatively by this rise.

The Bolivarian Republic of Venezuela is one of the countries that have shown the greatest depreciation, being part of the group of agrifood importing and energy exporting countries. Countries with fixed exchange rates, although part of this analysis, will not see their import goods become more expensive because of this. Instability in this market could encourage governments, through stakeholders, to implement price controls to reduce, in part, the uncertainty of this market.

Figure 3/ Change (in %) in exchange rates by country group, 2019-2020



Source: FAO, based on figures from Bloomberg and central banks.
 * 12 months includes change April 2020 versus April 2019
 ** 3 months includes change April 2020 versus February 2020
 *** 1 month includes variation April 2020 versus March 2020

Analysing the effects by country group, according to the classification proposed in Table 1, we obtain the following:

Table 2/ Effects in countries according to classification

	Net exporter of agrifood products	Net importer of agrifood products
Net energy exporter	<ul style="list-style-type: none"> Lower international energy and food prices will affect the income of these countries. Currency depreciation can stimulate the flow of food exports and this, in turn, can affect domestic availability and prices, and generate incentives to establish barriers to exports in order to meet domestic food demand. In the medium term, these restrictions may lead to higher international food prices. However, with good prospects for commodity stocks and crops, this scenario is unlikely. 	<ul style="list-style-type: none"> Although these countries are benefiting from lower food prices, significantly lower international energy prices are negatively affecting their export earnings. This situation weakens their capacity to import sufficient food on international markets. At the same time, high currency depreciation make imports more expensive, reducing food availability and prices.
Net energy importer	<ul style="list-style-type: none"> These countries benefit from a significant fall in energy prices, although being food exporters they may see parts of their income affected by price reductions of the agrifood products they export. The depreciation of their currencies stimulates their agrifood product exports. While this may help to boost the economy, it encourages exports, which may affect availability and domestic prices. However, with good stock and crop prospects, this scenario is unlikely. 	<ul style="list-style-type: none"> Lower international prices of energy and agrifood products benefits this group of countries. However, their currencies depreciation can make imports more expensive and thus increase the prices of food and productive activities.

Source: FAO, based on information of Schmidhuber, Pound y Qiao (2020).



The disruption of international trade supply chains, which affects exports, is one of the main threats to supply. It can lead to upward pressure on prices or product shortages, which put at risk the food security of both importing and exporting countries, which depend on these revenues.

In the first stage of production, **restrictions on agrifood workers for health reasons is one of the threats**, that specifically impacts labour-intensive products such as fruits and vegetables; unlike grain production, which is highly mechanised. This can lead to countries exporting these products, reducing their production and therefore their exports. These measures could be detrimental to international trade and food security, as they generate disruptions in exports, affecting the income of exporting countries and the availability of food in import-dependent countries. Besides, the agricultural sector accounts for between 10 and 20 percent of regional employment (depending on the source) and, as a result, in this crisis, workers are exposed to the virus and are vulnerable to losing their mostly informal and low-paying jobs. Similar concerns are evident in several countries of the region and this effect may negatively affect workers' income and the country.³

Another threat to supply comes from **disruptions in the logistics of exported products**, whether these are internal (displacement of producers and intermediaries, disruptions in national roads) or external, which can disrupt supply chains, through border roadblocks or closures of ports and airports. Given that maritime transport accounts for over 90 percent of global trade, port closures cause major disruptions, and low export volumes and values, which negatively impact income-dependent producers, and consumers and their access to food. An example of this was Argentina's beef exports, which were practically halted due to port difficulties in Chinese territory generated by the quarantine measures in early April this year. As a result, China acquired only 15 percent of what it used to buy. However, given the strong mechanisation of ports – which do not need many workers present – these measures, depending on the case, could be unnecessary.⁴

Small island developing states (SIDS) are particularly vulnerable to logistics disruptions and customs delays, as they specialize in exporting perishable labour-intensive foods. Consequently, the World Customs Organization (WCO)⁵ calls for coordinated border management to prevent food losses.

Among the main measures to mitigate the effects of the pandemic, the same organization points out the following:

- digitalization of procedures;
- priority for exports and imports of products, and services declared as essential; and
- minimum number of operating personnel.

Supply is also subject to external trade decisions, which in turn threaten domestic food price stability. So far, 80 countries have introduced export bans or restrictions as a result of COVID-19, and 17 of these have focused restrictions on food exports. For example, Kazakhstan and Russian Federation – two of the largest wheat and wheat flour exporters – banned exports of that product along with others, such as carrots, sugar, and potatoes.⁶ Viet Nam temporarily suspended new rice export contracts and Serbia stopped its sunflower oil flow. Although most of these measures are temporary,⁷ they can lead to a short-term increase in supply and a price decrease in the domestic markets of these countries. On the other hand, in international market, these restrictions alter trade flows, causing a decrease in supply and a rise in prices due to the scarcity of the product, with a negative impact on importing countries, which depend on international prices and their equivalents in local currencies.

³ For more information: <https://www.prensalibre.com/ciudades/retalhuleu/cosecha-de-tabaco-podria-perderse-por-falta-de-trabajadores-que-le-temen-al-coronavirus/>

⁴ For more information: <https://foreignpolicy.com/2020/04/14/how-to-stop-food-crisis-coronavirus-economy-trade/>

⁵ For more information: <http://www.wcoomd.org>

⁶ For more information: <https://time.com/5827804/russia-wheat-food-shortage/>

⁷ For more information: https://www.wto.org/english/tratop_e/covid19_e/export_prohibitions_report_e.pdf and https://www.wto.org/spanish/news_s/news20_s/rese_23apr20_s.htm

World Trade Organization (WTO)

Threats to demand

During the first days of the pandemic, restaurants, resorts, and other businesses closed, which resulted in reduced demand for food, and accumulation and waste of food stocks. These threats should end when health restrictions end.

However, the Economic Commission for Latin America and the Caribbean (ECLAC) projects that global demand for regional exports will contract by 14.8 percent in the short to medium term compared to 2019,⁸ mainly due to a 24.4 percent drop in exports to China, in agrifood products (from Argentina, Brazil, Uruguay, and Paraguay) and mining products (from Chile and Peru). Exports to the European Union and the United States of America are projected to fall by 16.1 percent and 11.6 percent, respectively, as a result of a slowdown in GDP growth (-5.3 percent projected for the region in 2020).

The projected regional unemployment figures are also relevant: 11.5 percent in 2020, a 3.4 percent increase over 2019. Also, poverty is expected to increase by 4.4 percent in 2020, which means an increase of 28.7 million people living in poverty. These projections, coupled with negative economic growth, directly impact household consumption decisions.

Potentially higher levels of poverty will limit access to essential goods and services, such as food and health services. These types of threats are not yet observed quantitatively in countries, but various negative effects are expected in the future; it is important to know them to prepare mitigation measures.

⁸ <https://www.cepal.org/es/publicaciones/45445-dimensionar-efectos-covid-19-pensar-la-reactivacion>



2.3 Risk of disruption of international agrifood trade in Latin America and the Caribbean

The risk analysis⁹ of the countries is based on the above-mentioned threats, as well as the vulnerabilities described below.

2.3.1 Import dependence level

The import dependence level originates vulnerability in three ways:

- **Dependence on import ratio:** Caribbean countries are highly vulnerable. For example, in Haiti, over 30 percent of total imports are agrifood goods. In Antigua and Barbuda, Cuba, Saint Lucia, and Barbados, agricultural imports are 20 percent higher than total imports (see Figure 4).¹⁰ On the other hand, net exporters of food and energy are less vulnerable. In Colombia, Ecuador, Paraguay, and the Plurinational State of Bolivia, agrifood imports account for about 10 percent of total imports (of goods). In countries that are net exporters of food and net importers of energy, the degree of vulnerability is varied, as in Belize, Guyana, and Nicaragua, which are moderately vulnerable; Peru, Chile, Brazil, Mexico, and Argentina are less exposed.
- **Dependence on partners:** The region, and in particular Mexico and the Caribbean, is highly dependent on agricultural imports from three areas heavily affected by COVID-19: the United States of America, the European Union and China. To date, there have been no direct logistical risks, but chains passing through these areas will experience a higher than normal degree of stress.
- **Dependence on agricultural commodities:** An analysis of the commodity class level reveals some specific vulnerability. In Figure 4, the weight of imports in the domestic supply (local production + imports + stock variations - exports) can be observed. In general, net food exporters are less vulnerable, which is noted in a transversal manner. However, some exporters show vulnerability in their local cereal supply. For example, Costa Rica, Honduras, Peru, Colombia, and Chile are highly dependent on cereal imports, especially wheat. Meanwhile, Belize shows vulnerability in its local milk supply. On the other hand, food-importing countries show strength in their local supply of fruits and vegetables. In Grenada, Jamaica, Bahamas, Dominica, Cuba, the Dominican Republic, Haiti, and Suriname, domestic fruit and vegetable production sustains local supply, although they are highly dependent on cereal, meat and milk imports, with few exceptions.

2.3.2 Exports dependence level

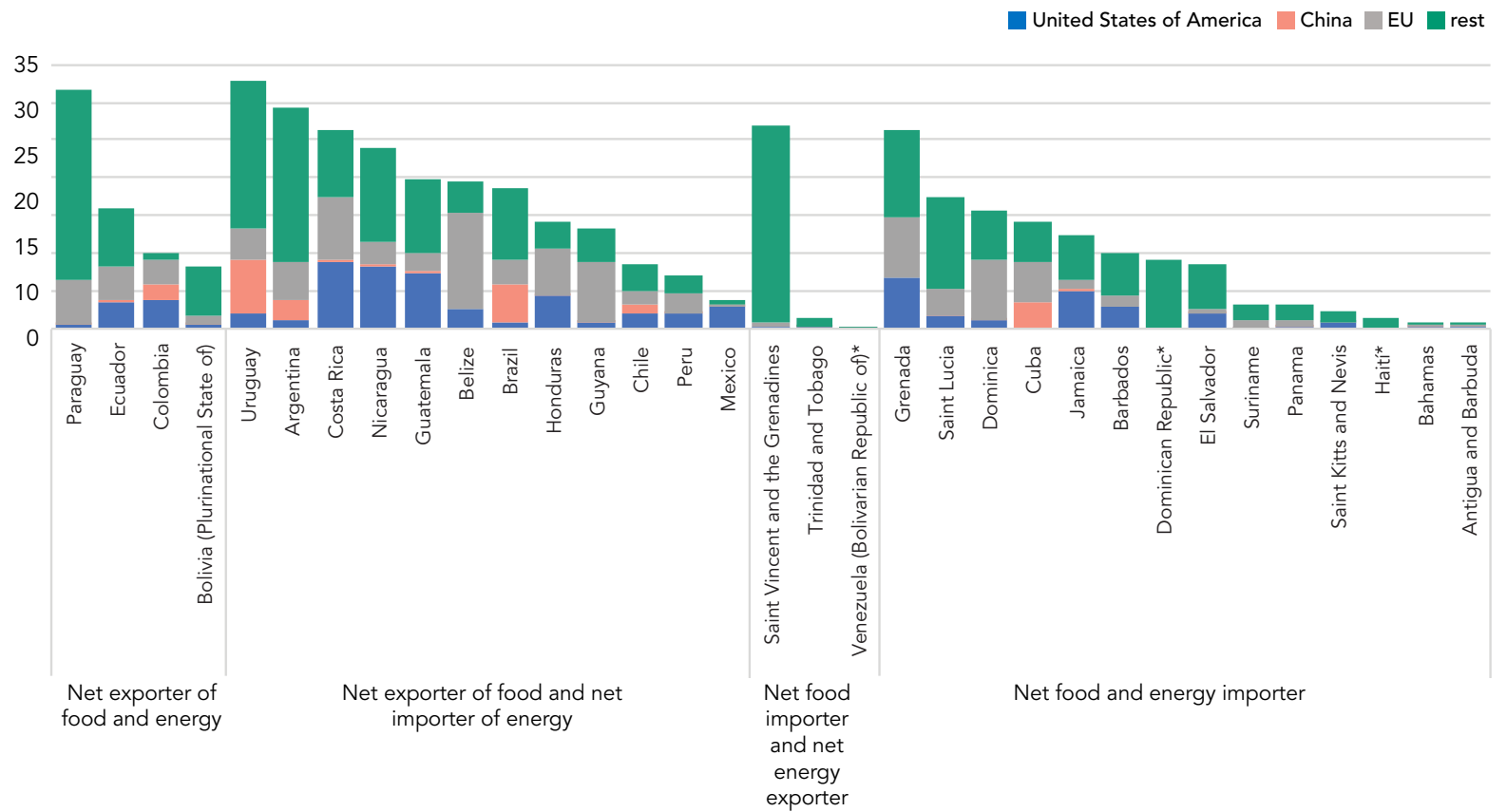
The exports dependence level turns into vulnerability in two ways:

- **Dependence on export ratio:** Some countries in the region are highly dependent on the income generated by exports, as is the case of Uruguay, Argentina, Costa Rica, and Paraguay, where more than 50 percent of the value of exports comes from agricultural products (see Figure 5). Countries exporting metals or oil, such as Peru, Chile, and the Bolivarian Republic of Venezuela, do not depend exclusively on the income generated by agricultural exports. Some Caribbean countries, such as Haiti, the Bahamas, and Antigua and Barbuda, are very little dependent on exports.
- **Dependence on partners:** For agricultural exports, the region depends on three areas heavily affected by COVID-19: the United States of America, the European Union and China (see Figure 5). Central American countries are more dependent on exports to the United States of America, particularly Mexico, Costa Rica, Guatemala and Nicaragua. Europe is an important partner for most countries, and China is a particularly relevant partner for Colombia, Uruguay, Argentina, Brazil, Chile, and Cuba. To date, there have been no direct logistics risks, but chains transiting through these areas will experience a higher than normal degree of stress.

⁹ Risk is defined as the possibility of death, injury or destruction and damage to property in a system, society, community or territory in a given period of time. Risk is determined by one or more hazards, and the vulnerability resulting from this hazard exposure.

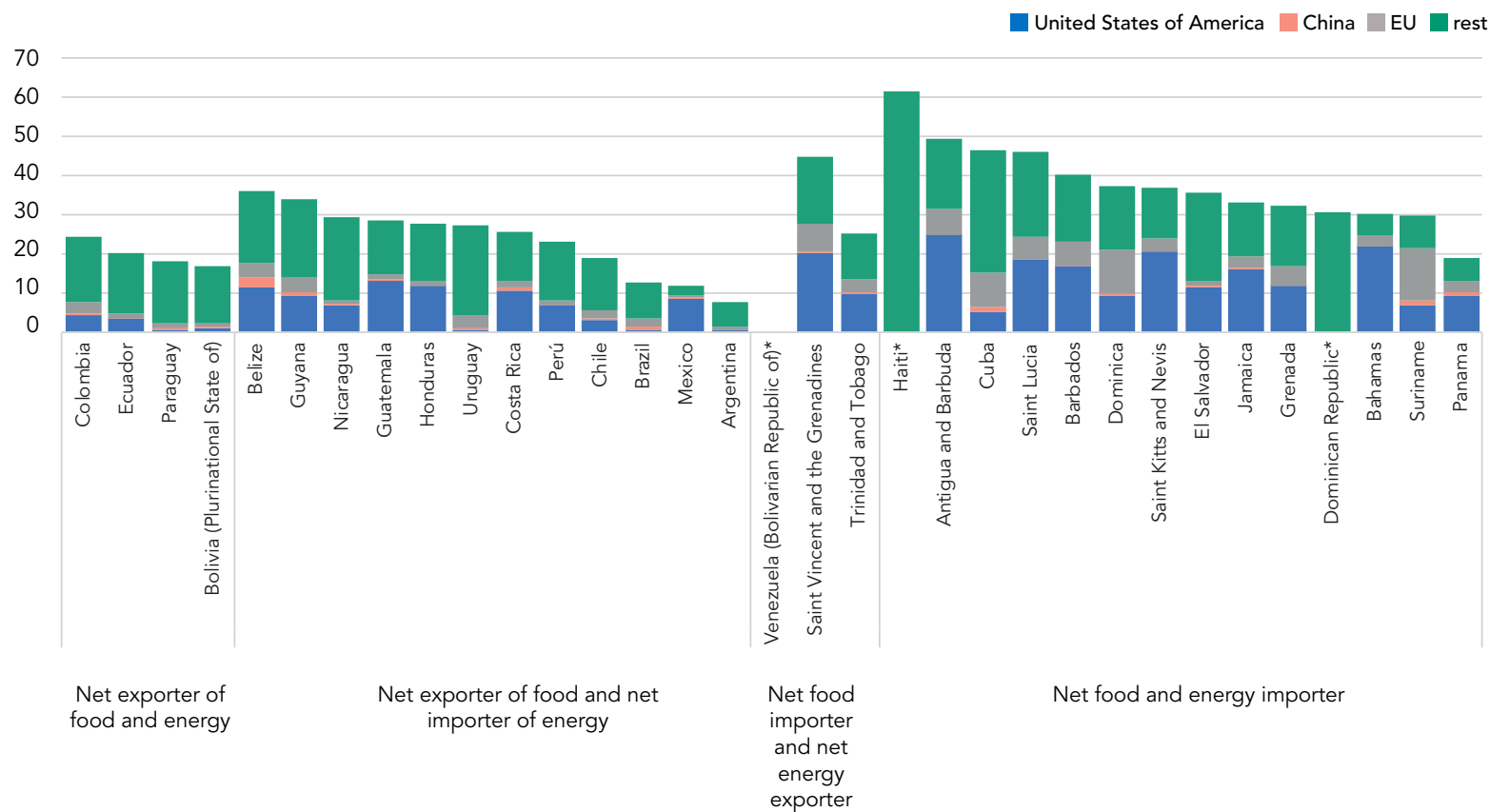
¹⁰ Source: FAOSTAT. Trade data corresponds to the sum of trade in goods between 2016-17, here and thereafter.

Figure 4/ Dependence on agricultural imports (% agricultural imports in country total), by partner



Source: FAO, based on FAOSTAT.
*No trade data and/or contribution per member available.

Figure 5/ Dependence on agricultural exports (% agricultural imports of each country's total), by partner



Source: FAO, based on FAOSTAT.
*No trade data and/or contribution per member available.

2.3.3 Classifying the risks

Based on the risks detailed above, FAO has classified the level of risks for international trade to COVID-19 in the region's countries (see Table 3):¹¹

- **Net food and energy exporting countries:** High and medium-high risk in exports, and low and medium-low risk in imports.
- **Net food exporting and net energy importing countries:** High and medium-high risk in exports, except Mexico (medium low), and low and medium-low risk in imports, except Uruguay and Central American countries.
- **Net food and energy importing countries:** Varied level of risk.
- **Net food-importing and net energy-exporting countries:** High and medium-high risk in imports, and low in exports, except Saint Vincent and the Grenadines (medium-high).

Table 3/ Risk levels according to trade flow

		Exports: Reduction in the domestic food supply due to sudden increases in export flows and reduction in income due to a decrease in export prices.			
		High	Medium-High	Medium-Low	Low
Imports: Alteration in domestic food supply and prices due to disruptions in food import flows	High	Barbados Belize Cuba Grenada	El Salvador Saint Vincent and the Grenadines	Haiti	Venezuela (Bolivarian Republic of)
	Medium-High	Guatemala Honduras Jamaica Nicaragua Uruguay	Dominican Republic	Antigua and Barbuda Suriname	Saint Kitts and Nevis Trinidad and Tobago
	Medium-Low	Costa Rica Ecuador	Chile Colombia Guyana Peru	Dominica	
	Low	Argentina Brazil Paraguay	Bolivia (Plurinational State of) Saint Lucia	Mexico Panama	Bahamas
		Net exporter of food and energy Net exporter of food and net importer of energy Net food and energy importer Net food importer and net energy exporter			

Source: FAO, based on FAO (2020).

¹¹ For more information: <http://www.fao.org/3/ca8430en/CA8430EN.pdf>.

3. What should be done? Good practices in agrifood trade to face the risks of COVID-19



The main policies to address these threats are listed and described below:

3.1 Policies to deal with an increase in food prices due to alterations in imports:

- proper management of food stocks;
- reduction of import tariffs;
- tax reduction or elimination;
- review of trade policies to adapt them to the new context;
- promotion of intraregional agrifood trade (multilateral trade agreements).

3.2 Policies to increase food supply due to alterations in trade flows:

- reduction or elimination of export restrictions;
- tax reduction or elimination;
- review of trade policies to adapt them to the new context;
- promotion of trade through economic and trade integration;¹²
- promotion of trade through e-commerce: blockchain, digitisation of business processes, development of virtual markets, among others.

3.3 Facilitating logistics to promote a proper functioning of food chains:

- use of information technologies to keep the logistics channels of food in operation;
- consideration of workers in ports, warehouses, and transporters as essential personnel who can carry out their work;
- facilitation of ports and airports operation, and the main means of food transport:
- maximizing the use of transport, optimizing space available in means of transport, facilitating the coordination of actors to make it more efficient.

Based on the threats to Latin American countries and the Caribbean, a series of policies have been implemented to control the main threats to agrifood trade. It should be noted that the countries that are net exporters of agrifood products are those that have implemented most measures, according to information gathered from FAO national offices (see Table 4).

¹² Promotion of intraregional agrifood trade, deepening the network of existing trade agreements and proposing new intra-bloc trade agreements that will make greater trade opportunities possible.

Table 4/ Policies implemented in Latin America and the Caribbean to address the main food threats associated with COVID-19

Threat	1. Workforce reduction		2. Disruptions in agrifood logistics: obstruction of ports and delays at customs		4. Domestic price volatility		4. Foreign policies restricting agrifood exports		5. Disruptions in demand	
	Reported threat	Health and transport release protocols adopted	Reported threat	Ensuring cross-border transport and food logistics	Reported threat	Anti-Collusion Policy	Bilateral agreements	Regional agreements	Reported threat	Export support
Net food exporters and net energy exporters	X	X	X		X	X		X	X	X
Net food exporters and energy importers	X	X	X	X				X		
Net food importers and net energy exporters			X	X					X	X
Net food importers and net energy importers										

4. Interview with the Secretary of Agriculture of Mexico



Victor Manuel Villalobos Arámbula, an agricultural engineer, is Mexico's current Secretary of Agriculture and Rural Development. From 2010 to 2018 he was Director-General of the Inter-American Institute for Cooperation on Agriculture.



© Secretariat of Agriculture and Rural Development

In recent weeks, several measures have been put in place to restrict movement. Do you think food transport services, both domestic and imported, have been affected?

The measures that have been taken are in no way restricted to agricultural, livestock, and fishery products. Rather, they are aimed at restricting people's movement, in the sense of allowing their movement with a certain level of safety, according to the measures taken by the Ministry of Health.

Transport and exchange of products between States have not been obstructed but are under the surveillance of the National Service for Agrifood Health, Safety, and Quality (SENASICA, by its initials in Spanish).

To protect small and medium enterprises, different policies have been implemented around the world. In Mexico, have measures such as improving access to credit or injections of liquidity been implemented, to enable small producers to mitigate the effects of the crisis?

Indeed, the president has instructed that there be a mechanism for economic support to small and medium enterprises (SMEs), including agricultural and fishing enterprises, with a *crédito a la palabra* (subsidised credit), minimizing bureaucracy, and allowing immediate access. Three million such credits are being provided. They will be favoured with *recursos semilla* (immediate resources), that is, allowing the payment of immediate costs, such as the payment of day labourers.

Also, through our development banking system, there are longer-term and more important capital mechanisms to attend to problems of overdue portfolios, access to insurance, purchase credits, and handling of machinery. Both mechanisms involve, in some way, the Ministry of Agriculture.

The prices of food and agrifood industry inputs, such as oil and fertilizers, have fluctuated greatly. How do you think these variations affect or will affect the industry's producers in the country?

Internally, the prices of agricultural, livestock, and fishery products have not moved, from the point of view of their costs. We have been permanently monitoring if there is any speculation.

What we perceive is an oversupply of farmer's products, because the usual destinations for these products, such as hotels, restaurants and schools, have been closed. So, at the moment, there is no lack of food. The lack of commercial outlets for some food products is being channelled through support mechanisms that seek to improve access to perishable rural products for vulnerable families.

ECLAC projects that unemployment in 2020 will increase by 3.4 percent compared to 2019. Do you think there will be impacts on agricultural employment in Mexico, particularly in rural areas?

So far we have not detected any decrease, in terms of access to recruitment of rural workers.

Unlike other sectors, agriculture follows its cycles. Now, in some parts of the country, preparation of farmland for the spring-summer cycle is happening, and in other places the harvest of sorghum and wheat has begun. In both activities, recruitment is taking place in a normal way.

In the northwest of the country, which is at the peak of horticultural products, we have been monitoring the sanitary measures of day labourers, salaried workers, and farm labourers.

The World Trade Organization (WTO) estimates that world trade will fall between 13 and 32 percent by 2020. Do you think you will face difficulties in exporting products to your main trading partners? How do you plan to deal with those difficulties?

Yes, we anticipate that there is going to be a readjustment of the economy as a whole, which will affect trade in agricultural, livestock, and fishery products. This will happen and we will have to anticipate the mechanisms that the Ministry and the Mexican Government can implement to mitigate these effects.

In this regard, we will continue to maintain our commitments made in advance to the countries to which we export our products. No shipments have been cancelled so far. This will be continued as a policy, more so now with the devaluation of the peso, which is an incentive to extend exports to other products.

We have kept the border open with the United States of America and Canada, our main trading partners. With them, we have agreed to keep the flow, both in imports and exports, which has been happening to date.

We also anticipate that in the next two or three months the coronavirus situation will be less dramatic and we will see an economic revival in our sector. So we are working to increase the presence and supply of our products in Latin America and the Caribbean, for example, through the forums organized by IICA and FAO, where we can detect countries with surpluses and others with demand for food, so we can try to have a much more coordinated balance.

Do you think you will have some difficulties importing agricultural inputs and food from your main trading partners? How do you plan to deal with them?

Yes, Mexico is an importing country, mainly of grains and oilseeds, and these, as a result of the valuation of the dollar, impact or will impact the livestock sector. This demand for inputs is somehow being solved with the national production of sorghum and yellow corn, the latter thanks to a guaranteed price that has allowed to increase national supply. Therefore, as long as we do not exhaust national production, we will not take measures to increase access to grains from abroad. Moreover, this type of measure is very limited by the cost, considering the valuation of the dollar.

How has the interaction been with other countries in the region, whether to share experiences, guarantee food supplies, continue exchanges with international markets, and adapt to the new scenario when the pandemic ends?

I am pleased that conversations have taken place through videoconferences because in addition to bringing us closer together as Latin Americans, it helps us to alleviate the contingency we are facing.

I believe that three fundamental elements must be strengthened through these agreements, and these are:

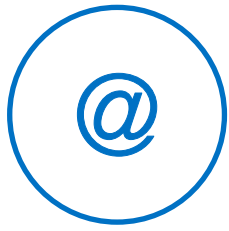
- **We can't stop producing.** The agricultural, livestock and fishery sector must continue its activity, since we cannot afford, in addition to the health problem, to limit production and access to food. It is a matter of solidarity for countries that are capable of producing food.
- Having very agile mechanisms for exchange of information, prices, products, which will help to make decisions and attend to issues, which otherwise can be more critical.
- Not taking action to the detriment of natural resources. We must avoid measures that have long-term consequences. So we must do this carefully, promoting responsible agriculture and within the framework of international agreements, mainly within the framework of international agreements

Anything you want to add?

I especially want to congratulate IICA and FAO for the initiatives they are taking, since this type of situations are testing the leadership of the organizations, such as those I have pointed out. It is necessary not to give up.

When this pandemic passes, the ways will be different and we must be prepared. We can't do this separately. These institutions give a panoramic, hemispheric or global vision, so they must keep this in mind, as they help countries a lot.

6. Resources

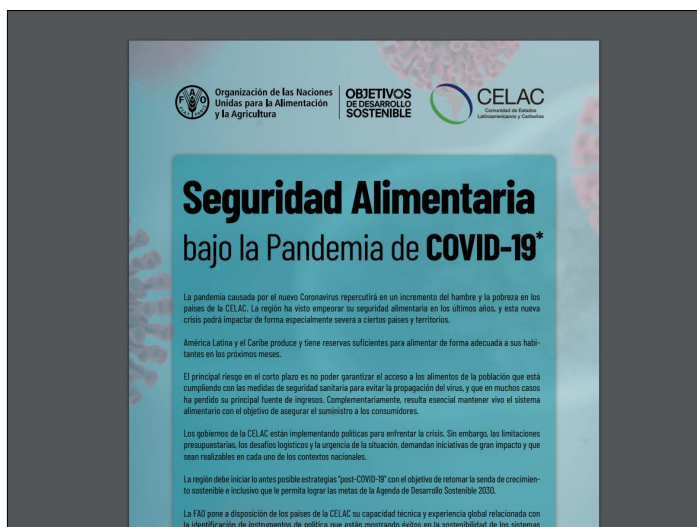


In this section you will find relevant information concerning the topic that has been discussed in case you wish to go deeper into it.

FAO/CELAC

Food security under the COVID-19 pandemic
http://www.fao.org/fileadmin/user_upload/rlc/docs/covid19/Boletin-FAO-CELAC.pdf

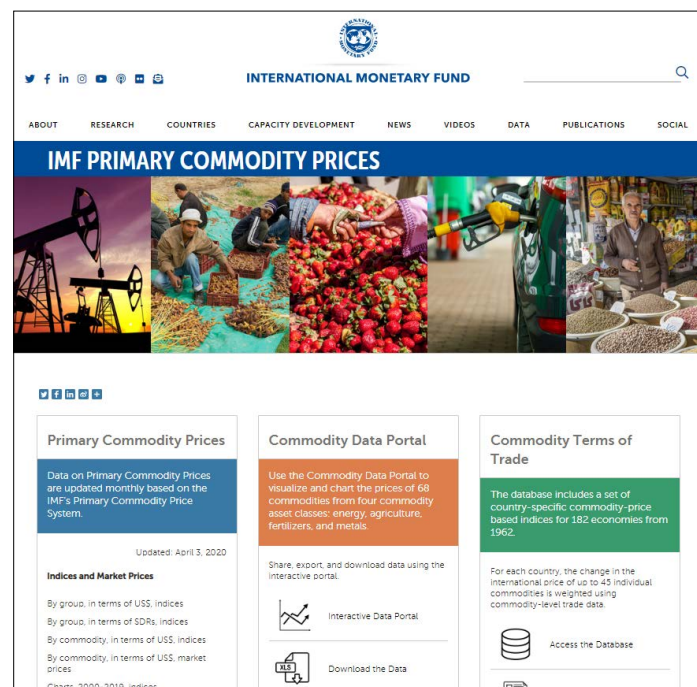
This article analyzes the policies implemented by Celac governments to face the crisis. Also FAO presents policy proposals that are showing success in food systems sustainability and food security in the context of COVID-19.



FMI

Primary Commodity Prices
<https://www.imf.org/en/Research/commodity-prices>

On this site, you will find information on commodity prices. It is possible to access data and publications from the International Monetary Fund.



FAO

World food situation
<http://www.fao.org/worldfoodsituation/foodpricesindex/es/>

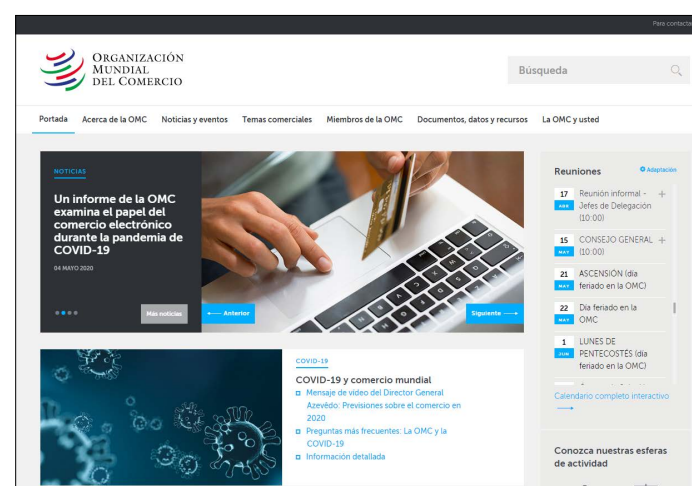
The FAO food price index, a measure of the monthly change in international prices of a basket of food commodities, is available on this site.



WTO

World Trade Organization
<https://www.wto.org/indexsp.htm>

World Trade Organization site, where you can review trade news and various reports of the institution.

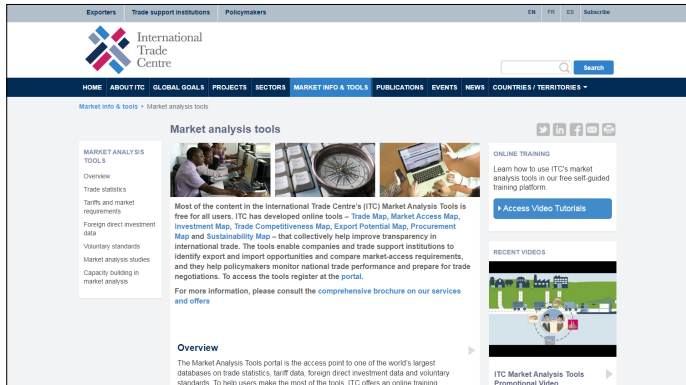


International Trade Center

Market analysis tools

<http://www.intracen.org/itc/market-info-tools/market-analysis-tools/>

ITC has developed online tools (Trade Map, Market Access Map, Investment Map, Trade Competitiveness Map, Export Potential Map, Procurement Map, and Sustainability Map) which together help to improve transparency in international trade.



OMA

Measures taken by customs in the region against COVID-19
http://www.wcoomd.org/-/media/wco/public/es/pdf/topics/facilitation/activities-and-programmes/natural-disaster/covid_19/20200401-buenas-practicas-de-las-aduanas-de-las-americas-y-el-caribe-por-pais_es.pdf?la=en

A document summarizing the main measures taken by Customs to deal with the pandemic. Information compiled by the World Customs Organization.

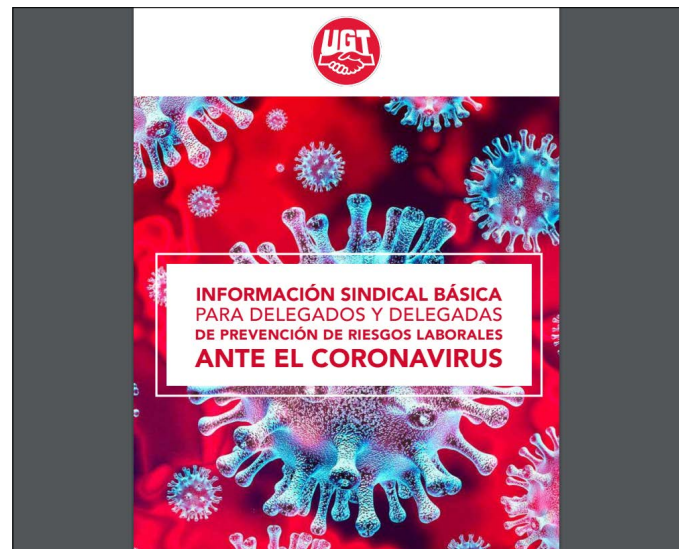


UGT

Prevention of occupational risks

<https://www.ugt.es/sites/default/files/informacion-sindical-basica-delegados-coronavirus.pdf>

Basic trade union information for occupational risk prevention delegates in the context of the novel coronavirus



6. Key messages



- Main international trade activities in the region can be classified into two categories: on the one hand, **countries that are typically exporters of agricultural products**, such as those in the Southern Cone; and, on the other hand, countries that **import agricultural and energy products**, located mainly in the Caribbean.
- **The main threats to** international agrifood trade are those related to international price and exchange rate fluctuations, and to supply and demand.
- **The decrease in fuel prices** will mainly affect countries that export energy products.
- Whereas a **devaluation of national currency** will mainly harm food-importing countries.
- Although demand presents more severe threats, **supply is facing threats to exports**, as its international trade supply chains could be disrupted.
- **The main threats to supply** are restrictions on food workers for health reasons and disruptions in export logistics. Both affect mainly exporting countries.
- Concerning **threats to demand**, projections predict an increase in poverty levels, a phenomenon that in turn directly impacts access to food. This type of threat has not yet been quantitatively observed in the countries, but several negative effects are expected in the future, which are important to know in order to prepare mitigation measures.
- **Depending on whether countries are net exporters or net importers of food and/or energy**, they will face different levels of risk.
- **Importing countries are more vulnerable**, primarily because of their dependence on food imports for supply, dependence on certain partners who may let products be shipped, and dependence on certain products that may be less accessible.
- In contrast, **exporting countries will be more vulnerable** because of their dependence on exports for income generation and their dependence on certain partners who may let them ship products.
- **The main policies allowing to deal with the risks** are those aimed at mitigating the increase in food prices (due to alterations in imports), increasing the food supply due to alterations in trade flows and facilitating logistics to promote a proper functioning of food chains.
- To date, **the net agrifood exporting countries have implemented most measures and policies to** address the risks.

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