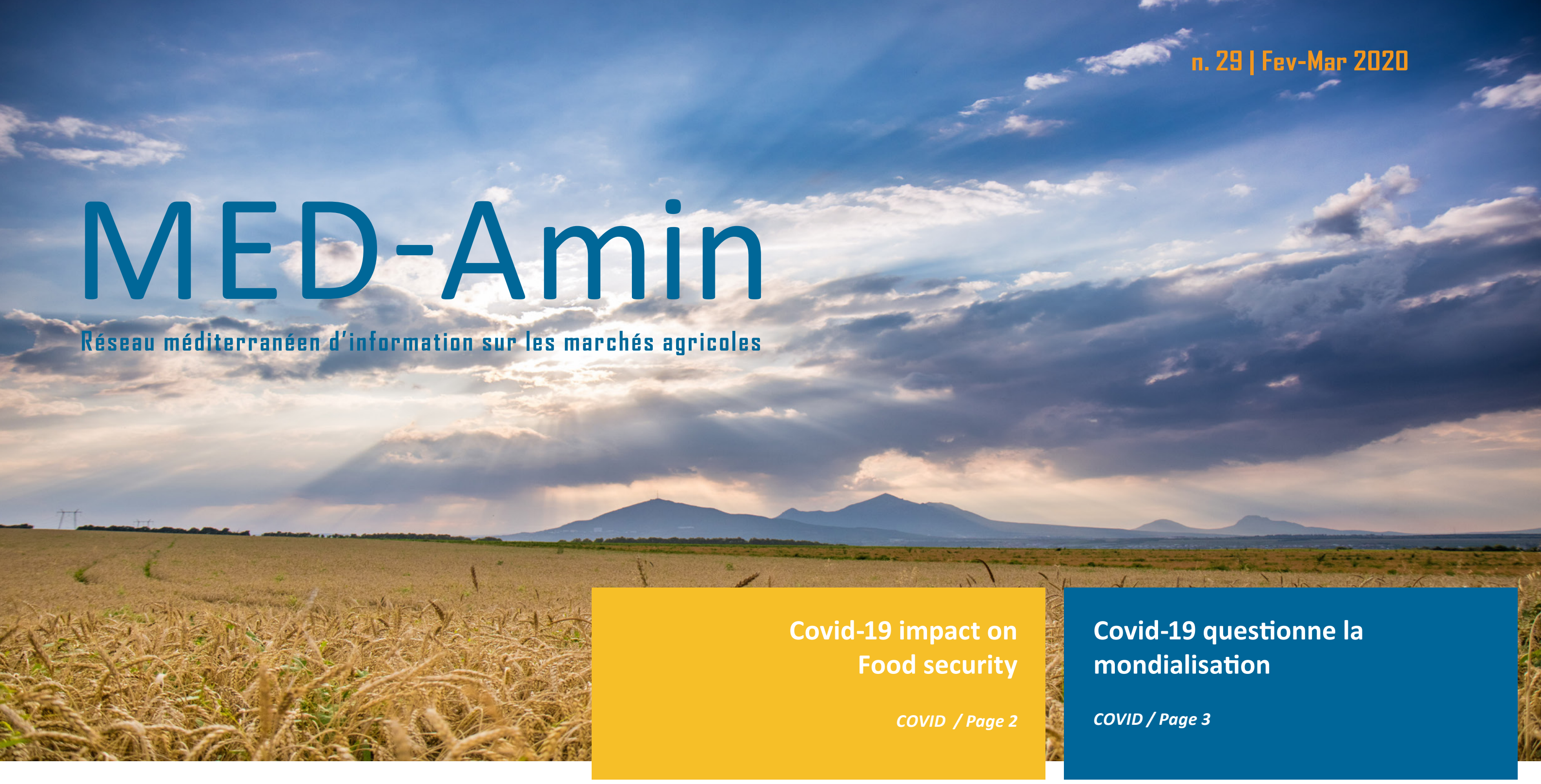

n. 29 | Fev-Mar 2020

MED-Amin

Réseau méditerranéen d'information sur les marchés agricoles

Covid-19 impact on Food security

COVID / Page 2

Covid-19 questionne la mondialisation

COVID / Page 3

Edito

News from Albania[1]: Agriculture is one of the main sectors of the Albanian economy in terms of jobs and contributes to 20% of the GDP. Cereals account for 16% of the crop production (of which 35% of soft wheat and 57% of maize), but more than 32% in terms of crop area. Other cereals cultivated are rye, barley and oat. The 2019 cereals production is estimated at 673,000 tons (-1% vs 2018 and -2% vs 5-year average). During the period 2015 – 2019 wheat production decreased by 15% and the planted area by 17% (INSTAT), respectively 4% and 2% increases for maize instead.

The current 2019-2020 campaign is favourable with a delayed inset on 1/3 of the planted area due to prolonged autumn drought or abundant rainfall in some regions. At present, wheat crops are in vegetative growth stages, in good conditions thanks to adequate farmers' inputs and favourable agromet conditions. The country-wide expected yield is in line with the 5-y average (4 t/ha).

Cereals production does not meet Albania's demand; this structural trade deficit is likely to continue. In 2019, imports of cereals topped 366,000 tons covering 35% of the country's needs. Wheat, the main imported product, covers 51% of the domestic needs (plus 49% from domestic production). Schematically, wheat is mainly imported from Russia, maize from Serbia, thanks to competitive prices. 2019 imports of cereals have increased compared to the 5-year average (+5%). In contrast, exports are in very low mainly to Kosovo.

The challenges for cereals sector in Albania are:

- high production cost;
- highly fragmented land ;
- low farmers interest in cultivating cereals vs more profitable crops like forage, fruits and vegetables;
- low prices in the international market which promoted imports.

Lately, the remove of value added tax on agricultural machineries and inputs is being discussed by the Ministry of Agriculture and Rural Development and operators in order to support farmers as well small and medium-size processing operators through other measures.

MED-Amin: In most of Europe, the 2019/2020 winter was the warmest or one of the warmest in our records since 1979. **Winter crops** in central, eastern and northern Europe are generally advanced in development and in good condition. Significant lack of precipitation is observed in the main durum wheat producing regions (eg. southern Italy), as well as in large parts of Romania, Bulgaria and in the Maghreb region (↪ map on page 4).

Important grain producing regions in north-western Europe faced excessively wet conditions. In these regions, winter crops often did not yet establish well and necessary field operations were hampered. Spring crops sowings are also delayed in these regions. ↪ The **MED-Amin harvest forecast** has been launched for the 4th consecutive year.

At the level of CIHEAM, a reinforced communication was set up amid the covid-19 crisis between the Secretary General, the four institutes and the delegates of the member countries. A new "corporate" taskforce on the monitoring of covid-19 at CIHEAM has been established. The thread feed is now focused on the covid-19 news, so does the MED-Amin one www.scoop.it/topic/med-amin.

The essential activities of the institutes continue. In CIHEAM Montpellier, all Master internships have been replaced by desk research work.

The CIHEAM wishes that we go through this ordeal collectively strengthened, specifically the struggling agricultural sector. The Mediterranean region, threatened but full of resilience potential, must overcome difficulties ahead. More than ever **we need a comprehensive and proactive cooperation to tackle the food security issue**.

[1]: News from the MED-Amin countries (6/13)

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Mediterranean Agricultural Market Information Network

RUSSIE

Vente de stocks et quota d'exportations

(Reuters, 02/04, S&P Platts, 27/03)

Pour limiter la hausse des prix et stabiliser le marché intérieur, la Russie a annoncé la vente d'1 Mt de blé de son stock de réserve, à destination notamment des meuniers et des boulangers. Le gouvernement russe a validé le 2 avril la limitation des exportations de céréales à 7 Mt d'avril à juin. Ce quota ne devrait pas affecter le marché car il correspond au volume prévu, selon des traders. L'Ukraine, le Kazakhstan parmi d'autres pays de la région semblent prendre la même voie.

ECONOMIE

Chute des cours du pétrole

(Terre-net, 10/03, Patriotique 12/03)

Le bras de fer engagé entre la Russie et l'Arabie Saoudite a conduit à la chute vertigineuse des cours du pétrole depuis le 10 mars. Un vent de panique a soufflé sur les places financières et les matières premières, qui ont subi de lourdes pertes. Grâce à un coût de revient d'un baril de pétrole bien moindre qu'en Russie et à des réserves de 400 milliards de barils, l'Arabie Saoudite peut « résister et supporter la chute brutale des cours contrairement à la Russie qui détient des réserves de 80 milliards de barils » selon France 24.

UNITED NATIONS

Call to let food trade flow

(WTO, 31/03)

WTO, FAO and WHO issued a joint call on 31 March on governments to minimise the impact of COVID-19 related border restrictions on trade in food. "Now is the time to show solidarity, act responsibly and adhere to our common goal of enhancing food security, food safety and nutrition and improving the general welfare of people around the world," the agency heads said.

As COVID-19 spreads, no major concern for global food security yet

IFPRI, 10/03, [lien vers l'article complet]

The Covid-19 continues to spread rapidly. Since its start the outbreak has spread all over the world in less than 3 months. While epidemiologists are concerned about the spread of the virus, economists are worried about the pandemic's already visible and potential economic damage. Under OECD's worst-case scenario, global growth could be cut in half, to 1.5% in 2020.

There are also serious concerns that further spread could jeopardize food security. So far, we have not seen major signs that COVID-19 is causing food shortages or price hikes. Not even in China, where some stress has been reported in poultry and pork supply chains, but food supplies overall have remained adequate thus far. Prices for staple crops (like wheat, maize, and rice) have remained rather stable since the outbreak.

The virus associated with COVID-19 has not spread through the livestock sector, thus not directly impacting on livelihoods of farmers or causing immediate food shortages. Food distribution channels could face some disruption from transport interruptions and quarantine measures but impacts on staple commodities are not frequent and short in duration since such bulk commodities can be loaded, shipped and discharged with minimum human-to-human interaction. Also, global reserves of non-perishable grains such as wheat and rice should be sufficient to meet any surge in demand. Hence, no major disruptions in production of staple foods have occurred and, for now, the risks of these occurring because of the coronavirus outbreak are minimal.

A global recession would, of course, pose a major risk for food security. For now, most employers in affected countries are not yet massively laying off workers and consumers are generally still spending. For a full-fledged recession to emerge, economic activity would need to slow more seriously across all areas and sectors.

If this amounts to the OECD's projected global economic growth slowdown of between 0.5 and 1.5 percentage points in 2020, there could be small, but tangible increase in the number of people living in poverty and food insecurity. Based on IFPRI's global model, we calculate that for every global economic slowdown of one percentage point, the number of people living in poverty (and likely also in food insecurity) would increase by 2%, or by about 14 million worldwide, but affecting mostly people living in rural areas of developing countries. The simulated poverty impact is sensitive to assumptions made about the duration of the pandemic. Impacts could be higher if the slowdown involved disruption of trade channels.

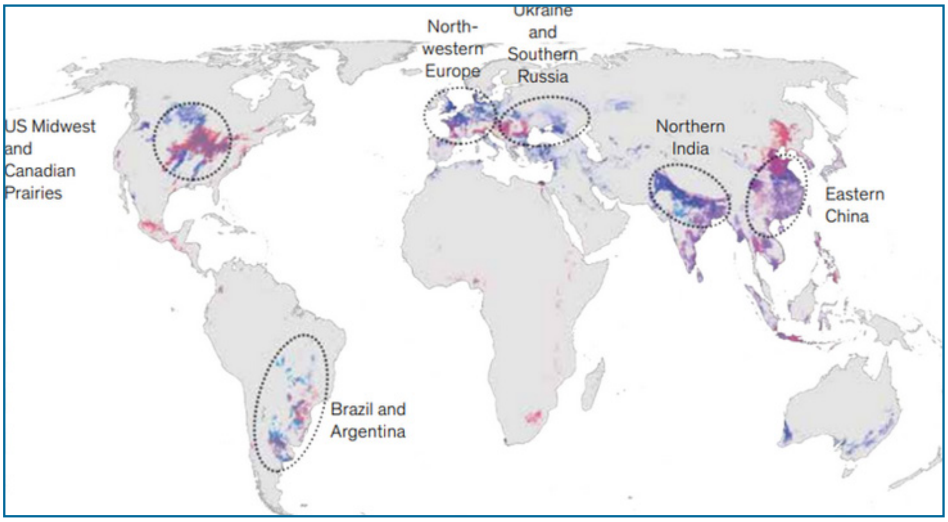
In short, we do not believe, at this stage, Covid-19 will have major direct impacts on the supply of staple foods. But, while there is no need for panic regarding imminent risks to food security, there is no reason for complacency either.

Feeding ten billion people is possible within four terrestrial planetary boundaries (Jan. 2020)

Gerten, D., et al. in Nature Sustainability *3, 200–208 (2020)*

https://www.nature.com/articles/s41893-019-0465-1.

Global agriculture puts heavy pressure on planetary boundaries, posing the challenge to achieve future food security without compromising Earth system resilience. On the basis of process-detailed, spatially explicit representation of four interlinked planetary boundaries (biosphere integrity, land-system change, freshwater use, nitrogen flows) and agricultural systems in an internally consistent model framework, we here show that almost half of current global food production depends on planetary boundary transgressions. Hotspot regions, mainly in Asia, even face simultaneous transgression of multiple underlying local boundaries. If these boundaries were strictly respected, the present food system could provide a balanced diet (2,355 kcal per capita per day) for 3.4 billion people only. However, as we also demonstrate, transformation towards more sustainable production and consumption patterns could support 10.2 billion people within the planetary boundaries analysed. Key prerequisites are spatially redistributed cropland, improved water–nutrient management, food waste reduction and dietary changes.



Production regions of world's major grains , McKinsey, 2020 (see. abstract at page bottom)

Le Covid-19 va-t-il faire dérailler les chaînes alimentaires mondiales?

Chronique de S. Abis, L'Opinion, 31/03, ↪ [lien vers l'article complet]

Il est trop tôt pour s'aventurer sur l'après crise et le processus de démondialisation que certains annoncent d'ores et déjà face à la crise actuelle du Covid-19. Tout au plus peut-on présager que des prises de conscience et des inflexions auront lieu à propos des grands piliers de la sécurité humaine et des secteurs qui s'avèrent partout essentiels à la vie des populations. L'alimentation compose avec la santé un binôme stratégique dont toutes les nations ont besoin. Il y va de leur stabilité et de leur souveraineté.

La sécurité alimentaire mondiale repose sur une multitude de facteurs. La planète est profondément fracturée en termes de dotations hydriques et foncières, au-delà des fortes disparités de moyens économiques et de croissance démographique : peu de pays se trouvent en situation confortable. La majorité souffre, avec des Etats qui doivent réussir à produire plus à domicile, tout en s'approvisionnant sur le marché international.

Les systèmes alimentaires se sont-ils trop mondialisés ces dernières années ? Si des excès ont pu être commis, ne doit-on pas y voir aussi l'empreinte d'une géopolitique de l'agriculture asymétrique et le résultat d'une demande sociétale inédite ? Rappelons que le consommateur moyen, où qu'il soit, réclame de la quantité, de la qualité et de la diversité pour remplir son assiette, ce qui nécessite un équilibre entre circuits courts et longs.

Tout cela a stimulé le commerce mondial (les échanges internationaux représentent cependant que 10% des flux de produits agricoles). Les échanges de céréales par exemple ont triplé depuis le début des années 2000, tant en volume qu'en valeur. Les flux se sont multipolarisés mais une vingtaine de pays seulement réalise les deux tiers des exportations mondiales.

Cette mondialisation contribue aussi à la sécurité alimentaire en permettant des échanges nécessaires sur longues distances grâce à une armée d'opérateurs privés via une logistique appropriée. Certes, des chaînes de valeur se sont étirées. Certes, une telle mondialisation engendre des dépendances. Mais ce commerce international a répondu à la fois aux attentes des consommateurs et aux besoins de sécurité alimentaire de pays qui n'ont pas les capacités à satisfaire toute leur demande nationale à travers les seules productions domestiques.

La crise systémique en cours liée au Covid-19 pose d'innombrables questions. Comme chaque personne, apeurée de manquer, les Etats font des courses anticipées ou démesurées sur le marché mondial. Ce dernier est indispensable pour la stabilité de certains pays, qui craignent à la fois la volatilité des prix, le déraillement logistique généralisé et l'unilatéralisme des mesures politiques. Or ces trois paramètres sont sous la plus haute surveillance actuellement.

FAO Food Index ↘

(FAO, 02/04/2020)

The FAO Cereal Index stood at 164.6 points in March, -1.9 % vs. February. With the exception of rice, export prices of all major grains fell again after Feb. This is the case for wheat prices, despite concerns over the covid-19, which boosted trade, eg. from North African countries, and despite export restrictions decided by Russia. The abundant world supply, combined with generally good crop forecasts, has put down wheat prices. Similarly, international corn prices fell in March, which is explained by both abundant supply and a drop in demand, particularly from the biofuels sector, in the wake of the vertiginous fall in crude oil prices. Rice prices rose to a 46 months record encouraged by the covid-19 and reports on new export contracts temporary suspension and stockpiling in Vietnam.

MAROC

Sécheresse pressante

(Afrik21, 26/03, AgriMaroc 28/03, Yawatani, 28/03)

Face à la sécheresse, le gouvernement marocain débloque 12 Mrd USD pour des projets d'eau dans le pays : parmi les mesures d'urgence, l'irrigation de 510000 ha de plantations. L'initiative devrait bénéficier à 160000 agriculteurs. Sur fond de crise liée au coronavirus, le Maroc va suspendre à partir du 1er avril les droits d'importation sur le blé dur et les légumineuses. Le gouvernement assure que les stocks en céréales et en farine sont largement suffisants pour couvrir les besoins de crise.

SCOOPS

Pour plus de news sur les marchés céréaliers, suivez le Scoop.It MED-Amin !

A retrouver sur :

↪ www.scoop.it/t/med-amin

et le site web de MED -Amin :

↪ http://www.med-amin.org

Pour un pilotage intergouvernemental des stocks alimentaires face au changement climatique (2020)

Agriculture Stratégies ↪ *cutt.ly/otHHRHt et cutt.ly/NtGkKVi*

La société de conseil McKinsey consacre un rapport aux effets socio-économiques du changement climatique. Les auteurs se sont penchés sur notre système alimentaire en considérant les impacts potentiels du dérèglement climatique sur les cinq principaux bassins de production représentants 60% de la production mondiale de grains. Ils ont montré que les chances d'un choc important sur l'offre agricole/alimentaire (-10% de production) au cours d'une décennie serait de 69% à partir de 2030 contre 46% aujourd'hui. Ce choc entraînerait une chute des ratios de stocks/consommation de 35% (équivalent à 127 jours de consommation) à 20% (≈ 73 j), induisant ainsi une panique sur les marchés agricoles. Ce scénario assez proche de la flambée de prix de 2007 conduit les auteurs du rapport à prôner la réhabilitation de l'intervention publique en matière de stockage. Afin d'éviter de nouvelles crises alimentaires, McKinsey propose d'augmenter les capacités et les volumes de stockage de manière à porter les ratios de stocks/consommation à 40%. Une meilleure coordination entre acteurs publics et privés ainsi qu'une coopération intergouvernementale en matière de stockage de grains sont mises en avant pour éviter de prochaines crises alimentaires. Enfin, le rapport appelle à une plus grande complémentarité entre les compagnies d'assurances et les pouvoirs publics. Deux propositions qui devraient être entendues à l'OMC où le stockage public reste illicite et à l'OCDE où on continue de présenter le retrait des Etats comme une condition nécessaire au développement des assurances en agriculture.

Credit: Creative Commons Licensing

Agri-food markets and trade policy in the time of COVID-19

(FAO, 02/04/2020)

The policy brief highlights that policy measures should aim to address actual rather than perceived demand and supply disruptions, and that enhanced market transparency, and coordination with trading partners is critical in this regard. It is noted that experiences from past crises have demonstrated that avoiding certain trade-restrictive measures can be equally important to more direct forms of supporting consumers and producers. In this context, following international guidelines on safe travel and trade corridors can help keep agri-food supply chains functional, mitigate food supply disruptions, and promote food security. Policy responses to deal with such disruptions can aggravate the situations and exacerbate their market impacts, as was the case in the 2007–2008 global food price crisis.

This note draws lessons and examines different policy measures, with the aim to support informed policy decision-making in this difficult time of COVID-19.

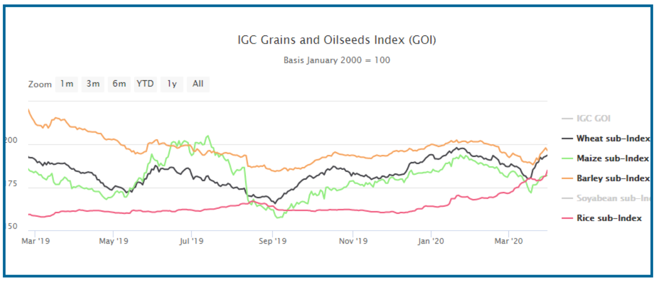
↪ Source: *www.fao.org/2019-ncov/resources/policy-briefs/en/* and *doi.org/10.4060/ca8446en*

Global Markets: What is the Trend?

	Global Index[1] (2 Apr. 20)	Supply & Demand on Mar. 20: From previous forecast (M/M)	Supply & Demand on Mar. 20: From previous season (Y/Y)
Blé/Wheat	194 ↗	▼	▲
Maïs/Maize	182 ↘	▲	▼
Riz/Rice	185 ↗	↔	↔
Orge/Barley	196 ↗	n/a	▲

[1]: Monthly average in USD, base 100=year 2000, ↗↘↔ vs last month (▲ : Easing ; ▼ : Tightening ; ↔ : Neutral, n/a : missing data)

Sources : AMIS Outlook - http://www.amis-outlook.org and International Grains Council for the Barley (02/04/20) and the graph below.



... and first 2020 estimates

	Average 5yrs	2018	2019 estimate	2020 forecast
European Union*	150.4	138.3	156.3	145
China (Mainland)	133.1	131.4	133.6	134
India	95.9	99.9	103.6	106
Russian Federation	73.5	72.1	74.3	80
United States of America	54.0	51.3	52.3	50
Canada	30.9	32.2	32.3	34
Ukraine	26.4	24.6	28.3	26
Pakistan	25.5	25.1	25.2	25
Australia	21.6	17.3	15.2	21
Turkey	20.7	20.0	19.0	20
Argentina	17.4	19.5	19.5	19
Kazakhstan	13.8	13.9	11.5	13
Iran Islamic Rep. of	12.6	14.5	14.5	13
Egypt	9.0	8.8	9.0	9
Uzbekistan	6.4	5.4	6.8	6
Other countries	59.2	58.0	62.3	62
World	**750.6**	**732.4**	**763.6**	**763**

[1] Countries ranked according to the 5 years average production.
*EU27 and the United Kingdom.

Wheat production: Leading producers (million tonnes) - FAO (GIEWS), March 2020

↪ FAO Cereal Supply and Demand Brief (02/04) *www.fao.org/worldfoodsituation/csdb/en/*

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