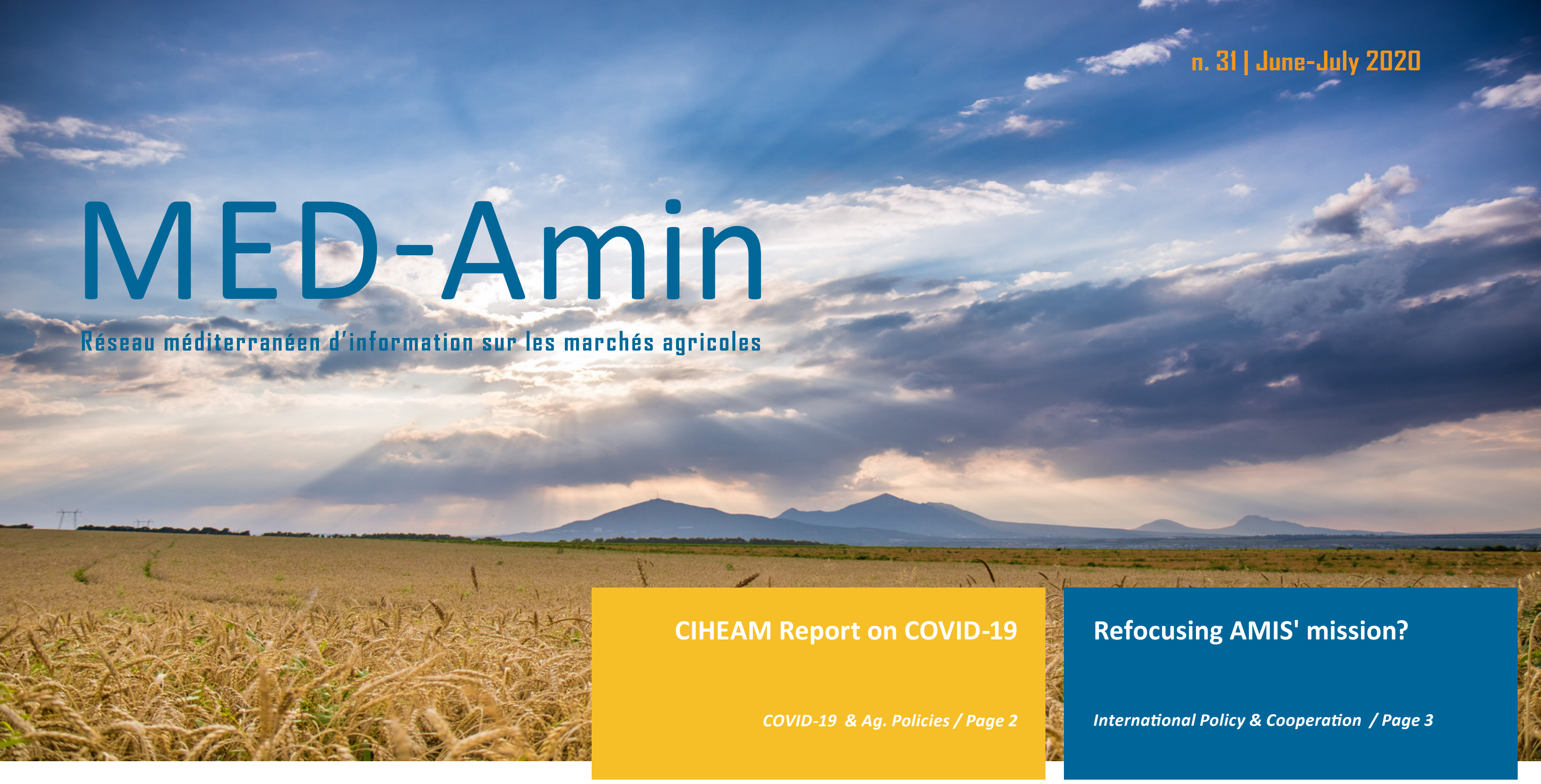
n. 31 | June-July 2020



MED-Amin

Réseau méditerranéen d'information sur les marchés agricoles

CIHEAM Report on COVID-19

COVID-19 & Ag. Policies / Page 2

Refocusing AMIS' mission?

International Policy & Cooperation / Page 3

Edito

Il y aurait meilleure façon de débuter ce nouveau numéro. Cependant, nous partageons avec nos lecteurs, toujours plus nombreux, la grande tristesse faisant suite à la catastrophe survenue à Beyrouth au Liban il y a tout juste une semaine. Le réseau MED-Amin et plus généralement la famille CIHEAM dirigent leurs condoléances et soutiens aux familles des victimes de nos frères libanais. Nous souhaitons tout le courage aux libanais pour se relever de cette nouvelle difficulté.

Venons en au marché des céréales, attentif à la **récolte 2020 dans l'hémisphère Nord** et dans les principaux pays producteurs. Les estimations de production 2020 de céréales d'hiver se succèdent. Elles confirment les prévisions du réseau MED-Amin sur la région méditerranéenne partagées à travers trois Bulletins successifs jusqu'à la récolte (https://www.med-amin.org/en/ressources-2/files/docs-communication/reports-rapport). Dans la continuité, le réseau a entrepris l'élaboration du Bulletin d'avancée de récolte et de semis depuis la fin juillet. Il sera publié à la fin du mois d'août 2020.

Plus généralement, l'actualité des marchés agricoles, et des céréales en particulier, continue d'être chahutée par les conséquences indirectes de la crise liée à la pandémie. Elle l'est aussi, naturellement, par les dernières estimations de production, de stocks, d'importations et de consommation des principaux pays producteurs et importateurs qui sont surveillés de près. Ces variables joueront encore un rôle pivot dans l'orientation de cette nouvelle année commerciale 2020/2021, aux côtés d'autres variables structurantes des marchés (prix du baril de pétrole, valeur des monnaies nationales par rapport au dollar américain, etc...).

En tout cas, l'année commerciale 2020/21 s'annonce **pléthorique pour les grains et oléo-protéagineux**, avec des records de production attendus pour le blé, le maïs, le riz et le soja, les quatre principales commodités agricoles. Les niveaux de stocks s'annoncent historiques pour la plupart de ces commodités. Pour en savoir plus, vous trouverez ici le dernier Market Monitor d'AMIS dont il est aussi fait mention dans la newsletter (article sur le re-positionnement d'AMIS).

De leur côté, l'émergence et la propagation rapide du virus COVID-19 sur tous les continents ont envoyé des signaux singuliers sur les marchés internationaux et dans les économies des pays. La Méditerranée (en particulier ses bords sud et est) n'est pas épargnée, étant l'une des régions les plus sensibles à la volatilité des prix mondiaux en raison de sa dépendance à l'égard du commerce international.

A l'occasion de cette grave crise, le CIHEAM vient de publier un **rapport sur les impacts de l'épidémie COVID sur l'agriculture en Méditerranée** (https://www.ciheam.org/agendas/threats-on-food-security/). Une communication commune au sujet de sa publication est insérée dans cette newsletter.

Ce rapport CIHEAM vient en complément de la **publication réalisée par le réseau MED-Amin** et publiée le mois dernier, elle qui se concentrait davantage sur le **secteur des céréales** (https://www.med-amin.org/fr/ressources/fichiers/docs-communication/reports-rapport/392-rapport-med-amin-covid-19-francais/file). Tous deux illustrent clairement **l'importance de l'action multilatérale, du dialogue international et de la solidarité** pour assurer une sécurité alimentaire dans la région méditerranéenne.

MED-Amin
Mediterranean Agricultural Market Information Network

SPAIN

Historical cereals output

(Cooperativas Agro - Alimentarias 29/07)

The cereal harvest in Spain will be historic in terms of yields with 4.51 t/ha. The coming autumn-winter cereal will reach 23.5 million tons, i.e. +39% vs 2019 and +59% vs the 2016-2019 period year average. Including other grains and spring/summer crops, it is forecasted to peak at 26.7 Mt (of which 7.6 Mt of soft wheat, 0.8 Mt of durum, 11.9 Mt of barley, 3.2 Mt of maize).

FRANCE

Moisson médiocre et mitigée

(Terre-net Média, 30/07)

Si la quantité fait défaut, « la qualité des récoltes reste préservée dans la plupart des régions ». Les volumes récoltés sont en berne, que ce soit en orge d'hiver, blé ou colza, avec une collecte globalement en dessous de la moyenne quinquennale, selon la FNA. Recul des rendements de 20 à 30 % avec une grande variabilité selon les régions, faisant même passer de récentes estimations de production sous 30 Mt en blé tendre. En cause les aléas climatiques (automne pluvieux et déficit hydrique au printemps) et la difficile maîtrise des bioagresseurs.

AUSTRALIA

Amazing recovery of crops

(Reuters, 29/07)

The country's chief commodity forecaster recently lifted its wheat production forecasts for 2020/21 to 26.7 Mt, +75% vs LY and the highest since Australia's record 35 Mt in 2016/17. Australia was one of the top 4 global wheat exporters before the unrelenting drought started slashing production. Given most farmers won't start harvesting until October at the earliest, there remains uncertainty over crop production, especially in Western Australia that does not currently have the high soil moisture levels of NSW.

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Threats to Food Security: A Profitable Regression for the Med Agriculture?

Extract from the article by Pr. Mohammed Sadiki (President of the CIHEAM Governing Board) & Mr Plácido Plaza (Secretary-General of the CIHEAM) on the occasion of the publication of the CIHEAM Report "The COVID 19 Pandemic: Threats to Food Security in the Mediterranean Region". (29/07/2020), ↪ Download the CIHEAM Report

The effects of the COVID 19 pandemic on the economies of countries in the Mediterranean region are starting to be visible and are likely to have unprecedented consequences and impact. As in every crisis, it is, of course, the poorest and fragile populations who suffer the most serious consequences.

Among the most fragile, the vulnerable populations of rural and agricultural areas of the Mediterranean region, who are already suffering for several years from climate change impacts, the reduction of natural resources but also from development inequalities.

The pandemic first threatened the health of populations, then their jobs or work, most often in the informal economy, and now weighs on the food security. Indeed, the 4 pillars that characterize "food security", according to the FAO, which are the availability, access, use and price stability of food products, have been impacted, as a corollary of supply and demand instability which risks worsening if the right decisions are not made and the appropriate responses are not provided.

It was important for the CIHEAM to contribute to a better understanding and analysis of the short and medium-term consequences of the COVID 19 on food security of some of its member countries in order to anticipate measures to be taken by all stakeholders and to mitigate the consequences and negative impacts.

The CIHEAM drafted a report, fruit of a collective effort made by the various bodies of the Centre, through the 4 Mediterranean Agronomic Institutes and the different partners, above all, the delegates of its Member States. This analysis is focused on a sample of 7 countries: Albania, Algeria, Egypt, Lebanon, Morocco, Tunisia and Turkey.

Besides the comparative analyses with an economic approach and the assessment of future threats, the report shed light on the new dynamics created and solidarity implemented.

Indeed, in these countries, several current initiatives should provide support to agricultural production and food accessibility, shedding new light on the principle of "food sovereignty", while others are taking into consideration rural and agricultural public policies for more strategic and innovative policies, mobilising technical, social and institutional innovations in favour of a more sustainable management of natural resources (water, biodiversity, soil, etc.) and of communities with potential for creativity and involvement which are still underestimated.

These aspects which are less present in the public debate, nevertheless demonstrate the abilities of southern countries in the management of crises. The different experiences in the management of crises linked to epidemics, younger populations and resilience to shocks are among the assets that have helped countries to resist in recent months. It is therefore important to learn from this experience and to know how to capitalize and consolidate achievements.

At the CIHEAM we believe that this crisis can pave the way for a renewed regional collaboration by strengthening the achievements and lead to a deep reflection upon new instruments to set up to address the fight against rural poverty and food insecurity and the management of natural resources.

There can be no health without food and without agriculture. More than ever before, today, the concept of "One Heath" takes on its full meaning. Indeed, human health, animal health and ecosystem health are all interconnected!

More than ever the issue raised in the new context of COVID-19 is a matter of concern to CIHEAM. We want to fully play our role of capacity building and facilitator of exchanges on agricultures issues within the Mediterranean area, and to promote sustainable development models for rural and coastal zone areas.

Des transformations importantes des chaînes de valeur mondiales, accélérées par l'épidémie de Covid (Juin 2020)

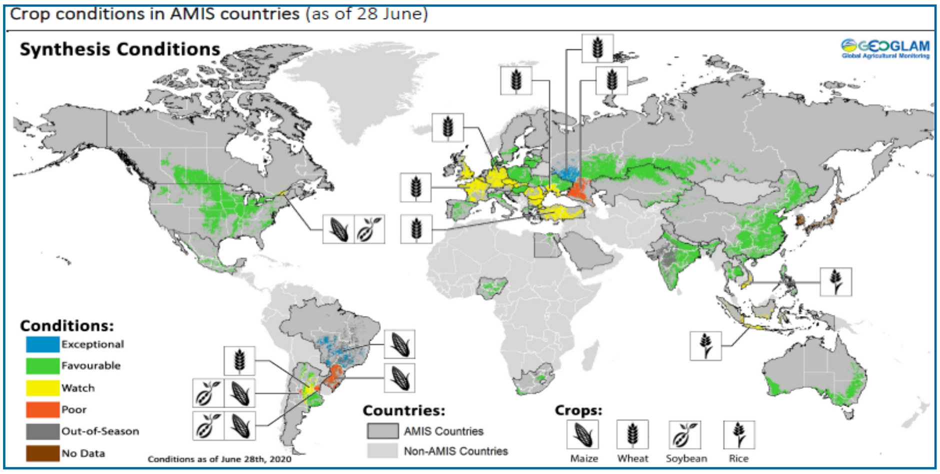
UNCTAD (2020)

Si la pandémie n'en est pas à l'origine, elle accélère les tendances lourdes à l'œuvre en matière d'investissements internationaux et, par là même, la transformation des chaînes de valeur mondiales : telle est la conclusion de l'UNCTAD, dans son rapport publié en juin 2020. L'organisme y conduit une analyse approfondie des évolutions, au cours des trente dernières années, de la « production internationale », à savoir celle des multinationales à l'origine des chaînes de valeur globales et des échanges qu'elles génèrent. Il propose notamment une classification des secteurs d'activité en fonction du type de chaîne de valeur, utilisant des critères liés à leur longueur et leur fragmentation, à la distribution géographique de la valeur ajoutée, au mode de gouvernance et au degré d'internalisation.

Les auteurs identifient 3 ensembles de tendances qui ont transformé les chaînes de valeur au cours des trois dernières décennies et qui auraient été renforcées par la pandémie : la nouvelle révolution industrielle, les évolutions en matière de politiques économiques, affirmation des enjeux de durabilité.

En combinant ces évolutions, 4 trajectoires des chaînes de valeur mondiales sont envisagées pour la prochaine décennie : relocalisation, diversification, régionalisation et reproduction. Dans ce dernier scénario, les multinationales se concentrent sur le design des produits et le pilotage des chaînes de valeur, délégant la production en série à des sous-traitants localisés au plus près des consommateurs. Pour l'agriculture, la régionalisation et, dans une moindre mesure, la diversification et la relocalisation sont les trajectoires les plus probables. Dans le cas des industries agroalimentaires, la régionalisation et la diversification seraient les voies principales d'évolution.

↪ Voir le Rapport complet.



Latest crop conditions published in the GEOGLAM Crop monitor of July 2020 for AMIS

Is there a need to refocus AMIS?

FAO-AMIS, Market Monitor N°80, July 2020

Tassos Haniotis, AMIS Chair Director, DG Agri, European Commission

The creation of AMIS in 2011 was the response to a supply shock. In the years that followed, this unique inter-agency platform of international organisations and members proved its worth by fulfilling its mandate to assess global food supplies (focusing on wheat, maize, rice and soybeans) and to provide a platform to coordinate policy action in times of market uncertainty. Yet, the unique demand shock stemming from COVID-19 may demonstrate the need for AMIS to broaden its role.

The world food system has shown its resilience during COVID-19, despite the numerous challenges it faced, especially in logistics. Resilience of course does not imply absence of problems; on the contrary, climate change and the environmental footprint of the food chain continue to raise concerns and to require concerted and ambitious actions even after the pandemic will have passed. Thanks to this resilience, however, the global health crisis has not turned into a food crisis, largely due to three factors: ample supplies in basic agricultural commodities; the capacity of the international food system to adjust to emerging problems; and the accumulated wisdom that helped avoid the trade policy mistakes of the 2008-10 period.

When the world will, slowly and asymmetrically, get out of the health crisis, new challenges will lie ahead for the world food system. On the demand side, uncertainties about the speed and shape of the economic recovery raise questions about the potentially negative impact on food demand, not just in the most vulnerable countries, but also among a significant part of the population worldwide, with possible repercussions also for the supply side or trade.

The consistency, transparency and quality of market information provided by AMIS played an important role in shaping the global response to the health crisis by providing policy makers and markets with reliable and timely data on four main agricultural commodities. However, the central role of wheat and rice in food as well as maize and soybeans in feed demand make these crops an integral part of a much more complex food system. To capture this complexity, AMIS needed to expand beyond its regular activities during the exceptional discussions related to COVID-19, especially as regards its commodity coverage. The recent experience with monitoring the impact of COVID-19 has demonstrated the potential benefits of broadening the scope of AMIS, which could also include developments in other sectors such as livestock as well as food chain logistics and major weather events. Lessons learned from this development could provide a useful input to the UN Food Systems Summit, scheduled in 2021, and if need be, renew and strengthen the mandate of AMIS in the process.

↪ Read the Market Monitor N°80

FAO Food Index ⇔

(FAO, 07/08/2020)

The FAO Cereal Price Index averaged 96.9 points in July, unchanged from June and similar to LY. About wheat, despite a weaker US dollar and concerns about production in Europe, the Black Sea region and Argentina, slow trade activity and early expectation of a strong production recovery in Australia kept prices similar to LM, +2% vs LY. While barley prices also remained stable, export prices for sorghum and maize registered strong increases in July, +6% and +4%, respectively, vs LM, driven by recent large purchases by China of both grains from the US plus weather worries and the slide of the US dollar. By contrast, large 2020 harvests and quiet market pushed down international rice prices to 4-M lows, despite renewed concerns over logistical bottlenecks caused by COVID-19.

ALGERIA

Steady 2020 cereals harvest

(World Grain, 30/07)

Algeria's wheat and barley production outlook is optimistic as normal crop conditions have been observed for the 2020-21 marketing year, according to a report from the Foreign Agricultural Service of the US Department of Agriculture.

The USDA forecasts the country's wheat production for the 2020-21 marketing year at 3.9 Mt and is expected to import 5 Mt.

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

Covid-19 and Food Protectionism The Impact of the Pandemic and Export Restrictions on World Food Markets (May 2020)

Espitia et al. 2020a, Policy Research Working Paper *9253, World Bank Group, May 2020.*

This paper is a product of the Macroeconomics, Trade and Investment Global Practice.

This paper analyzes the impact of Covid-19 and uncooperative trade policies on world food markets. It quantifies the initial shock due to the pandemic under the assumption that products that are more labor intensive in production are more affected through workers' morbidity and containment policies. It then estimates how escalating export restrictions to shield domestic food markets could magnify the initial shock.

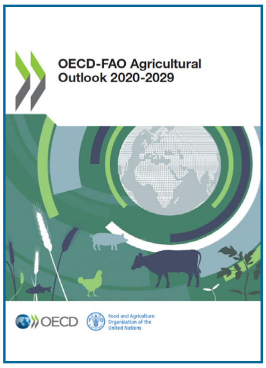
The analysis shows that, in the quarter following the outbreak of the pandemic, the global export supply of food could decrease between 6 and 20 percent and global prices increase between 2 and 6 percent on average.

Escalating export restrictions would multiply the initial shock by a factor of 3, with world food prices rising by up to 18 percent on average. Import food dependent countries, which are in large majority developing and least developed countries, would be most affected.

↪ Download the original article

Credit: Creative Commons Licensing

OECD-FAO Agricultural Outlook 2020-2029



This year's edition features a short scenario on COVID-19 and its impact on food and agriculture.

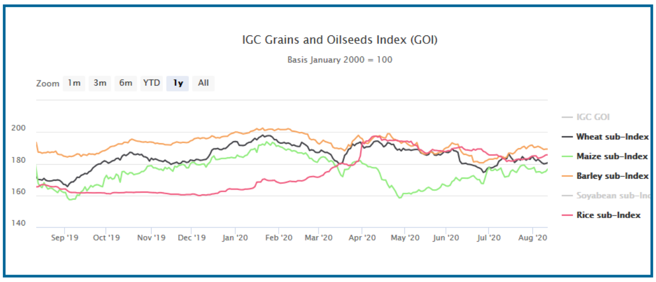
The pandemic in 2020 will not change the general situation of ample cereal supply and good harvest prospects in the near-future marketing seasons. Short-term risks due to this pandemic are mainly related to **distributional aspects and supply problems** in some countries which rely on seasonal workers. While cereal production in developed countries is highly mechanised, in some developing countries production depends on seasonal workers that might not be available due to restrictions to labour movement. This is particularly the case for cereal production in **Africa**. The extent of the impact will depend on the measures adopted by each country to control the disease. The pandemic could have **two types of impacts on cereal demand** and each has different implications for prices. The current slowdown in economic growth could weaken cereal demand further which could lead to downward pressure on cereal prices in the short term. However, as long as the movement of people is restricted, this might also lead to less consumption outside the home and raise the demand for staple food (not only related to panic buying of pasta and flour) thereby supporting prices.

Global Markets: What is the Trend?

	Global Index[1] (3 Aug.)	Supply & Demand on July 20: From previous forecast (M/M)	Supply & Demand on July 20: From previous season (Y/Y)
Blé/Wheat	183 ↗	▲	▲
Maïs/Maize	178 ↗	▼	▲
Riz/Rice	185 ↘	⇔	▲
Orge/Barley	190 ↗	n/a	▲

[1]: Monthly average in USD, base 100=year 2000, ↗↘⇔vs last month (▲ : Easing ; ▼ : Tightening ; ⇔ : Neutral, n/a : not applicable)

Sources : AMIS Outlook - http://www.amis-outlook.org and International Grains Council for the Barley (07/08/20) and the graph below.



Events

5-9	10	20	17-19	11	20

Earth observation for agriculture under pressure (online event)

Due to the COVID-19 outbreak and the guidance by relevant authorities and ESA, the Organising Committee decided to replace the workshop foreseen to take place in ESRIN, Frascati 25-29 May 2020 by the following two events: Online event 5-9 October 2020 and a Workshop in ESRIN, Frascati mid-2021 (dates tbc)

↪ http://eo4agri.esa.int/#programme

Global Grain Geneva (Switzerland)

In a grain industry experiencing a rapid pace of change, Global Grain Geneva stands to ready to deliver the most prestigious conference in the industry calendar. It will bring the global grain trading industry to Geneva to bring you the most diverse range of viewpoints, new sources of information and to address the most topical challenges affecting our industry.

↪ https://www.globalgrainevents.com/geneva/details.html

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