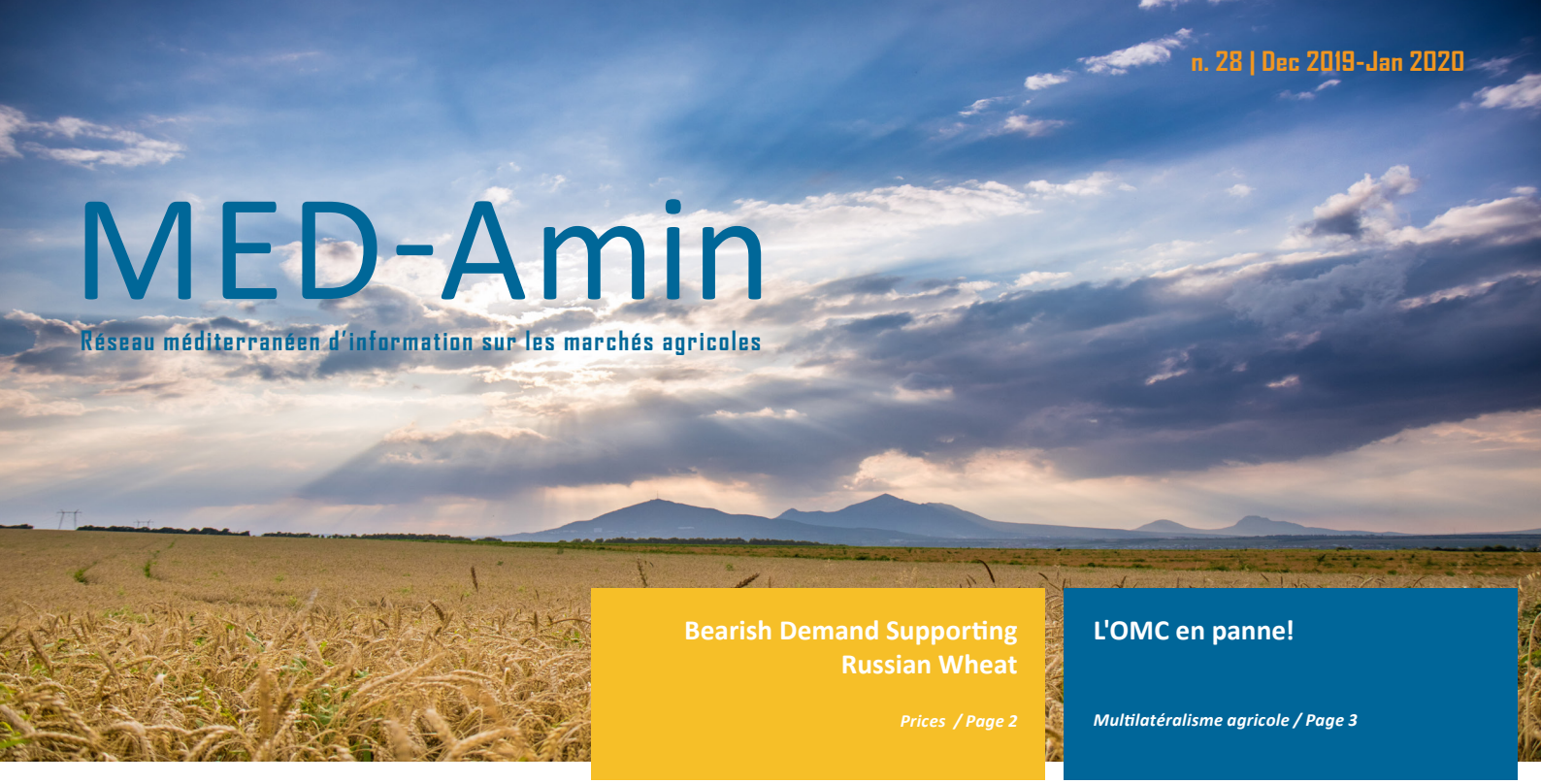
n. 28 | Dec 2019-Jan 2020

MED-Amin

Réseau méditerranéen d'information sur les marchés agricoles



Bearish Demand Supporting Russian Wheat

Prices / Page 2

L'OMC en panne!

Multilatéralisme agricole / Page 3

Edito

News from Spain[1]: The cereal sector in Spain is very relevant, both for food security reasons and for its large territorial base. Besides, providing an important socio-economic value linked to rural areas, it is a vulnerable sector with high atomization and low farm profitability. The great international competition in terms of prices and the variability of yields due to climatic conditions generate volatility and uncertainty. Moreover, its cultivation is largely concentrated in rainfed lands, which are particularly sensitive to the effects of climate change.

The most outstanding feature of the 2018-2019 campaign (marketing year 2019/20) was the irregularity and scarcity of rainfall, as well as the high temperatures in spring, which led to a significant reduction of cereal harvest. Cereal production is estimated at 19 Mt, (-19% vs 2018 and -3.6% vs the 5-year average). 2019's planting season for winter cereals has finished, with general good development (almost +3% planting area vs 2018).

With regard to rice cultivation, in addition to its important socio-economic aspect, the environmental value should be highlighted, as it is located in areas of high value for biodiversity and contributes to its preservation, being a natural habitat for migratory birds (river deltas). Like the other grains, rice is subject to the fluctuations of international trade, and its competitiveness has to face relevant challenges such as imports from third countries under preferential conditions.

Dry conditions in the 2019-2020 campaign, caused an increase of salinity of irrigation water that led to a yield average decrease of 9%. There is a decreasing trend in the rice acreage, a situation that is also reflected in the production levels, almost 800,000 tonnes, - 5% vs average production.

The Spanish Ministry of Agriculture, Fisheries and Food is carrying out an exhaustive analysis of the agricultural sector, as part of the new CAP reform, which will enable the identification of needs and measures to face the challenges for the future. To carry out this analysis, Spain is using, among others, a network of typical farms that provides technical and economic information while at the same time allows a technical dialogue. These aspects will be discussed during the 7th meeting of the MED-Amin network that will take place on 15 and 16 April in Zaragoza (Spain).

More generally, **in the Mediterranean, the winter crop campaign continues** with warm conditions in large parts of France and northern and eastern Europe, warmest temperatures on record in some case. In Southern countries, January was close to average, i.e. cooler than December. It is still too early to fully assess the impacts of the unusually mild winter conditions (as in 2018 and 2019) on crop yield potentials. One positive effect of the mild first half of winter is that late-sown winter cereal crops had more time to establish. Moreover, there have been so far no significant occurrences of frost damage to winter crops in the EU. However, frost tolerance (thanks to hardening) is weakly developed. Compared to an average year, the hardening of winter crops remains particularly poor in northern and eastern Europe, making them more vulnerable to frost damage. Also, pest and disease pressure can be expected to be higher than usual.

The **MED-Amin network** takes in charge the recommendations of the evaluation of the network. As a preliminary step, the Secretariat, with the help of the Focal Points, is looking for strategic contacts in each country in order to link better its action with the national policy levels. This will be discussed in Zaragoza.

The General Secretariat of the **CIHEAM** welcomes Mr. Julien Faisnel, a new administrator who will support the MED-Amin network activities.

[1]: News from the MED-Amin countries (5/13)

MED-Amin
Mediterranean Agricultural Market Information Network

MED-Amin
Mediterranean Agricultural Market Information Network

CORONAVIRUS

To bend grains outlook

(CNBC, 28/01)

Soybeans, corn and wheat are all down today largely because of the risk-avoidance mood in the market because of the coronavirus, said a commodity risk manager with INTL FCStone. Whether the disease will actually reduce grains and soybean demand in China or whether it will not be serious enough to have an impact is the point of analysis in the markets. Until official Chinese authorities confirm that the virus has been brought under control, the prospect of consumer reticence in China is likely to weigh on prices on the markets.

ALGERIE

Contre le gaspillage de pain

(TSA Algérie, 31/12)

Le ministère du Commerce a dévoilé une feuille de route relative aux actions de sensibilisation et d'information qui seront engagées durant 2020 pour lutter contre le gaspillage du pain, afin d'enrayer ce phénomène qui atteint des niveaux « choquants » avec 10 millions de baguettes gaspillées quotidiennement, soit un cinquième de la production journalière. Cela représente près de 340 M$/an jetés à la poubelle, rappelant à cette occasion qu'il était « inconcevable » que l'Algérie importe du blé pour gaspiller le pain ».

DURUM

Prix en hausse significative

(Usine nouvelle, 10/12)

Les prix du blé dur se sont renchéris de 35,2% en trois mois, conséquence d'une récolte annoncée en forte baisse et de qualité moindre au Canada, premier pays producteur et exportateur. Les industriels de la semoule expriment leurs craintes. La production mondiale devrait tomber à son plus bas niveau en 2019/20, à 35,2 Mt, - 7,8% vs 2018/19.

Strong demand to continue propelling Russian wheat prices higher

By S&P Global Platts, 22/01/2020

Russian wheat prices have been rallying since Sept., tracking the international market. S&P Global Platts assessed Russian 12.5% protein wheat FOB deep sea at $233.25/t on Jan. 22, an 11-month high.

Support came from higher origination costs, driven primarily by an 8% appreciation in the ruble against the dollar since September and farmers holding onto grain. Rising origination costs resulted in liquidity drying up on the Russian FOB market. "There are not many Russian sellers nowadays. Replacement is at about the mid-$230s level," A Europe-based broker said. The lack of liquidity in the Russian FOB market reinforced the rally as "squeezed traders have to cover [their short positions]", another trader said.

Unfavorable weather in the southern hemisphere and parts of the northern hemisphere have meant a cut in 2019-20 production estimates for major exporting countries such as Argentina, Australia and, most recently, Russia, which will create additional demand.

Russian wheat prices could potentially benefit from the slower pace of exports during this marketing season, as wheat from other origins dries up after aggressive selling in the first half of the 2019-20 season, sources said.

Other sources pointed to unexpected demand also continuing to surprise the market, with Pakistan — previously a wheat exporter — saying on January 20 it was coming to the market for 300,000 t of wheat on tight flour supply, and Argentinian export tariffs nearly doubling following a change in the political landscape, as well as higher than expected Chinese and Iranian demand.

A flurry of international wheat tenders by major importing countries over the past several weeks has also lent support to global wheat prices, as Algeria, Egypt, and Turkey, among others, consistently pay higher prices for their purchases. Since the beginning of December, Egypt's state grain importer GASC has purchased over 1 Mt of wheat with average C&F prices paid at the latest tender on January 14 some 6% higher than its tender on December 3. Turkey state grain importer TMO — one of Russia's biggest wheat export markets — was also in the market for 550,000 t on January 14, to take its Russian imports to 4.2 Mt, according to APK-Inform. An Algerian tender by state grain importer OAIC on Jan. 21 saw it buy an 450,000 t of wheat at an average price of $245 C&F, 7.5% higher than its previous tender on Dec. 5, according to traders.

↪ https://tinyurl.com/urtzqxc

The nexus between international trade, food systems, malnutrition and climate change (Jan. 2020)

Friel, S., Schram, A. & Townsend, B., Nature Food 1, 51–58 (2020). ↪ *https://doi.org/10.1038/s43016-019-0014-0.*

Trade agreements are a major determinant of the operation of food systems. Here, we examine how different aspects of trade can constrain or enable governments' ability to implement **food system-level actions** aimed at enhancing nutrition and mitigating climate change. Concerning technical aspects, we focus on the potential impact of trade agreements on three major strategies for transforming food systems—namely the removal of market barriers for agricultural commodities, the protection of regulatory policy space and the revision of subsidies. Concerning non-technical aspects, we review the evidence on the political economy of trade to show that coherence between trade-policy goals and public-interest goals, such as nutrition and climate change, involves actors' interests, ideas, and formal and informal institutional processes at various levels. With international agreements to liberalize trade and investment being binding, and recommendations to address malnutrition and climate change being non-binding, there is potential for trade to hinder efforts against malnutrition and climate change. Tempering this will require a deeper understanding of the **complex trade–food system–nutrition–climate nexus** and a new regulatory framework consistent with such complexity, as well as strategic stakeholder engagement.

Unsustainable irrigation water consumption (UWC) embodied in international food trade in year 2015 (see. abswtract at page bottom)

L'OMC est morte, vive le multilatéralisme agricole !

Par Agriculture Stratégies, 11/12/2019, ↪ *lien vers l'article complet*

Ce 11 décembre 2019 restera comme une date importante pour le multilatéralisme commercial : l'organe d'appel au sein de l'OMC a cessé de fonctionner suite au blocage du renouvellement de ses membres par les Etats-Unis. Vingt-cinq ans après sa création, l'OMC est dans une situation plus que délicate.

Parmi les raisons de cette déconvenue pour les libre-échangistes figurent l'agriculture et la sécurité alimentaire qui n'auront pu se plier à la seule logique de l'ouverture commerciale promue via la GATT aux autres secteurs depuis l'après-guerre. Doit-on en rester là ? Non, certainement pas.

Afin de ne pas tomber dans les travers habituels , nous nous inscrivons en faux vis-à-vis de l'article récemment signé par Stefan Tangermann, économiste agricole très influent dans les années 1990 et ancien directeur de la division Commerce et Agriculture à l'OCDE. En effet, ses propositions n'offrent aucune nouveauté et perpétuent des injonctions que de nombreux pays ont abandonné en renforçant leurs politiques agricoles : pour lui, « ce que nous avons besoin ce n'est pas d'une révolution en matière de commerce agricole, mais plutôt de progresser dans la réduction des subventions et l'accès aux marchés ». *Bis repetita placent.*

Aucune mention n'est faite de la sécurité alimentaire, du coût de l'instabilité des marchés agricoles, du dumping institutionnalisé des prix agricoles ou encore de la monopolisation croissante des secteurs de l'agro-fourniture, de l'agro-alimentaire et de la distribution. Le changement climatique est juste évoqué pour parler des difficultés que rencontrent les gouvernements ... qui seront remis dans la bonne voie via une réforme du commerce, c'est-à-dire pour lui grâce à davantage d'ouverture commerciale ! Quand va-t-on prendre la mesure des limites agronomiques à la spécialisation productive des régions agricoles ? La « division internationale du travail » appliquée à l'agriculture et aux ressources naturelles est nocive pour notre planète. Et les théories du commerce international sont caduques avec deux facteurs de production fixes : c'est le cas de l'agriculture avec les terres agricoles et la main d'œuvre.

Dans le même article, Stefan Tangermann indique que le cycle de Doha était en bonne de voie d'être conclu en 2008, mais il ne fait pas mention de la flambée des prix agricoles intervenue à la mi-2007 et des épisodes de crises alimentaires qu'elle a engendrés ! L'agriculture est multidimensionnelle, la seule approche par le commerce est trop restrictive. C'est l'ensemble des organisations internationales qui doivent être impliquées dans l'aggiornamento du multilatéralisme en matière d'agriculture et de sécurité alimentaire. Car il faut parfois savoir repartir d'une page blanche : l'OMC est morte, vive le multilatéralisme agricole !

FAO Food Index ↗

(www.fao.org/worldfoodsituation/, 06/02/2020)

L'Indice FAO des prix des céréales s'est établi à 169,2 points en janvier, +2,9% vs décembre, son plus haut niveau depuis mai 2018. Les prix du blé ont enregistré la plus forte hausse, sous l'effet de l'accélération des achats de plusieurs pays dans un contexte de ralentissement des expéditions en France (grève dans les ports), et de l'annonce d'une possible mise en place de quotas à l'exportation jusqu'au 30 juin 2020 en Russie, en raison de prix intérieurs élevés. Les prix du maïs à l'exportation ont également enregistré une progression importante, qui s'explique par la vigueur de l'activité commerciale et le resserrement saisonnier de l'offre dans les pays exportateurs de l'hémisphère Sud.

TURKEY

Top pasta and flour trader

(Grain Central, 22/01)

As drought continues to exclude Australia from the global durum trade, Turkey is consolidating its position as both the world's biggest flour and pasta exporter, with the European Union a close second. Turkey and EU account for about half of the world's pasta exports which totalled more than 5.5 Mt wheat-grain equivalent in 2018/19. Both origins allow duty-free imports of durum (mainly from Canada, Kazakhstan, Russia and United States). Turkey's pasta exports go mainly to African countries whereas EU's exports likely go to US and Japan.

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

Global unsustainable virtual water flows in agricultural trade (Oct. 2019)

Rosa L. et al., Science Advances, Vol 5, No. 9.

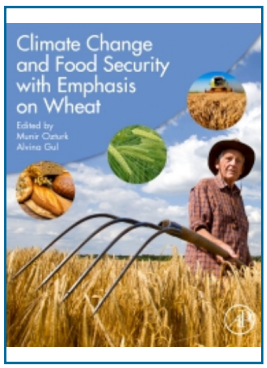
↪ *iopscience.iop.org/article/10.1088/1748-9326/ab4bfc*

Recent studies have highlighted the reliance of global food production on unsustainable irrigation practices, which deplete freshwater stocks and environmental flows, and consequently impair aquatic ecosystems. Unsustainable irrigation is driven by domestic and international demand for agricultural products. Research has often concentrated on the global displacement of pollution and land use, while the effect of trade on water sustainability and the drying of over-depleted watercourses has seldom been recognized and quantified. Here we evaluate **unsustainable irrigation water consumption** (UWC) associated with global crop production and determine the share of UWC embedded in international trade (see the map at the top of the page). We find that, while about 52% of global irrigation is unsustainable, 15% of it is virtually exported, with an average of +18% between year 2000 and 2015. About 60% of global virtual transfers of UWC are driven by exports of cotton, sugar cane, fruits, and vegetables. One third of UWC in Mexico, Spain, Turkmenistan, Morocco, and Australia is associated with demand from the export markets. The globalization of water through trade contributes to rivers dryness, an externality commonly overlooked by trade policies. By identifying the responsible countries for unsustainable irrigation embedded in **virtual water trade,** this study highlights trade links in which policies are needed to achieve sustainable water and food security goals in the coming decades.

Credit: Creative Commons Licensing

Climate Change and Food Security with Emphasis on Wheat

(1st edition) *(Munir Ozturk et Alvina Gul, Published date: April 2020)*



The revue presents research in wheat improvement, revealing its correlations to global issues, including climate change and global warming which contribute to food security issues. Due to the continuous increase in population, urbanization and economic modernization as a result of rising incomes, the requirements for wheat are on the rise. Wheat production will have to increase dramatically to ensure reliable wheat supplies and food security. This book facilitates wheat research by providing the means to address biophysical and socioeconomic constraints, including production of high yielding, disease resistant, broadly adapted and good quality wheat varieties.

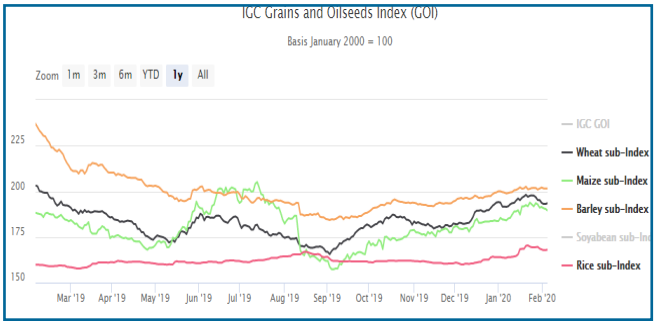
Written by an international team of experts, this book looks at the abiotic stresses that impact production and the various means of ameliorating those factors. It is appropriate for advanced students and researchers focused on wheat and other grain improvements to increase yield and address food security.

Source: https://www.elsevier.com/books/climate-change-and-food-security-with-emphasis-on-wheat/ozturk/978-0-12-819527-7

Global Markets: What Is the Trend?

	Global Index[1] (6 Feb. 20)	Supply & Demand on Jan. 20	
		From previous forecast (M/M)	From previous season (Y/Y)
Blé/Wheat	195 ↘	▼	▲
Maïs/Maize	189 ↘	▲	▼
Riz/Rice	167 ↗	↔	▼
Orge/Barley	201 ↗	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 (06/02/20) and the graph below.



Events

14 02 20 — **Colloque : Agricultures européennes à l'horizon 2050 (Paris, France)**

Quelle place de l'agriculture européenne dans les échanges mondiaux à l'horizon 2050, compte tenu des effets du changement climatique sur la productivité agricole, et des impacts environnementaux des usages des terres? Cette présentation s'inscrit dans les travaux prospectifs sur l'évolution de la sécurité alimentaire mondiale de INRAE, la FAO et l'IFPRI.

↪ *colloque.inrae.fr/agriculture-europeenne-2050*

15-18 06 20 — **4th International Conference on Global Food Security (Montpellier, France)**

Better understand environmental, nutritional, agricultural, demographic, socio-economic, political, technological and institutional drivers, costs and outcomes of current and future food security. Interactions with contextual factors including climate change, urbanisation, greening the economy and data-driven technologies will be central. The MED-Amin Secretariat will be there and introduce the network.

↪ *www.globalfoodsecurityconference.com/*

CIHEAM
International Center for Advanced Mediterranean Agronomic Studies

MED-Amin

Coordination

CIHEAM at CIHEAM Montpellier
↪ contact@med-amin.org

Site Web

↪ http://www.med-amin.org