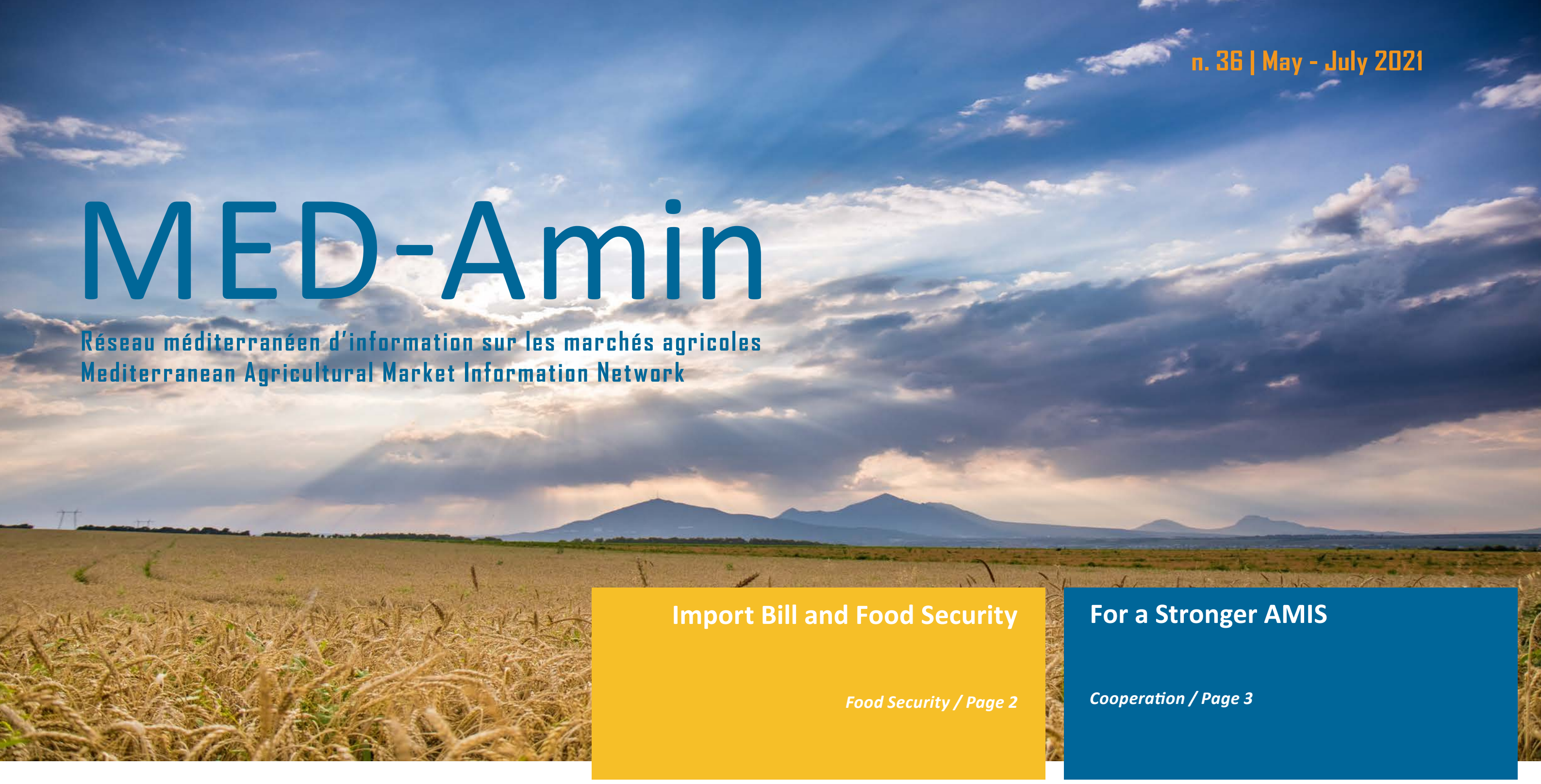


n. 36 | May - July 2021

MED-Amin

Réseau méditerranéen d'information sur les marchés agricoles
Mediterranean Agricultural Market Information Network

Import Bill and Food Security

Food Security / Page 2

For a Stronger AMIS

Cooperation / Page 3

Edito

Au moment de quitter mes fonctions de Directeur de l'IAM de Montpellier, j'ai plaisir à considérer tout le parcours accompli par notre réseau MED-Amin. Etabli par une décision prise au niveau des ministres de l'agriculture des pays du CIHEAM en 2014, mais pourvu de moyens limités, MED-Amin a toutefois réussi à **prouver son utilité pour ses pays membres**.

Ses activités « cœur de métier » consistant à élaborer et consolider des balances annuelles pour les 5 céréales, à diffuser régulièrement des informations sur les marchés céréaliers et à produire des prévisions qualitatives de récolte ont été menées à bien, **année après année, et avec une précision et une précocité de plus en plus grandes**. Mieux, des activités nouvelles et des partenariats nouveaux ont été mis en place, témoignage de l'intérêt grandissant provoqué par le réseau dans l'arène internationale. Les efforts pour **élargir l'assise politique du réseau** au sein même de ses pays membres sont en train de porter leur fruit alors que les menaces sur la sécurité alimentaire des pays méditerranéens s'intensifient du fait de la pandémie de covid 19 et du dérèglement climatique.

La résilience du réseau tient avant tout **à la motivation et au dévouement de ses points focaux nationaux**. Malgré un "turn over" rapide dans certains pays, les points focaux n'ont jamais failli. Sans moyens dédiés, sans grande visibilité institutionnelle, les points focaux ont réussi, bon an mal an, à s'acquitter de leur tâche et à produire et fournir les informations nécessaires aux activités du réseau. Je tiens ici à leur rendre hommage. Hommage également rendu aux trois animateurs du réseau qui se sont succédés de 2014 à aujourd'hui et que j'ai bien connus. Sans leur dévouement, sans leur opiniâtreté, sans leurs qualités humaines, le réseau n'aurait pas pu perdurer. Mes remerciements vont également aux financeurs du réseau, le CIHEAM et la France, ainsi qu'aux pays membres ayant organisé et financé les réunions plénières annuelles.

Les mois et les années qui viennent risquent d'être difficiles pour les pays méditerranéens, particulièrement vulnérables au changement climatique et confrontés, pour nombre d'entre eux, à une instabilité politique et institutionnelle inquiétantes. L'alimentation des populations demeure une priorité absolue et permanente, et les produits de base comme **les céréales conserveront longtemps leur caractère stratégique** dans cette alimentation. Il est bon que MED-Amin ait mis à profit ses années d'existence dans un environnement relativement calme pour se consolider et s'affirmer, car **c'est maintenant et dans les temps qui viennent, que ses services pourraient bien devenir irremplaçables**.

Pascal Bergeret

15 Août 2021

MED-Amin highlights:

The MED-Amin Secretariat:

- participated in the "pulses market" session on June 9 during the 2021 IGC Conference as a continuation of the cooperation with the IGC since 2019;
- published the two last bulletins on 2021 MED-Amin harvest forecasting in May and June with fruitful contributions from Focal Points;
- is participating in the elaboration of a PRIMA project proposal to foster the adherence to Mediterranean Diet;
- will organize a webinar on agricultural market analysis in September.

MED-Amin
Mediterranean Agricultural Market Information Network

NORTH AMERICA

Lower production on drought

(Toronto Star, 23/07; Reuters, 09/08;)

Lasting drought is hindering wheat, barley (and pulses) crops in Canada Prairie Provinces, in particular Saskatchewan where only the half of acreage is at normal stages of development. Fed government is seeking package to relieve farmers. Same the US, with cuts in spring wheat potential, in particular in North Dakota. More crop failures and the smallest harvest since 1988 is expected if things do not turn around rapidly.

RUSSIA

Concern on output and prices

(Food Processing, 21/07; Terre.net, 02/08)

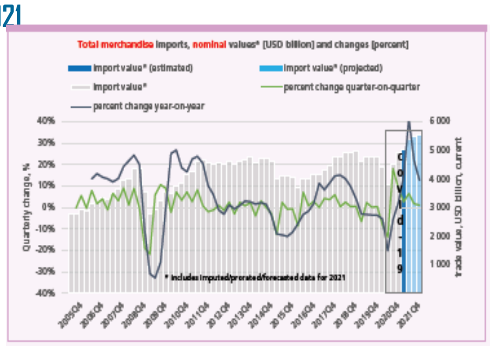
Russian wheat is becoming more expensive due to an internal tax on wheat exports, with implications for the global wheat market. The government imposed a tax on wheat exports in mid-February and made it permanent in mid-June to keep food prices under control. The price of bread rose 7.8% in 2020 and 3% so far this year. Rosstat's figures of acreage of cereals are below the expectations of market operators as well as yields. Some local analysts revise production down below 80 Mt.

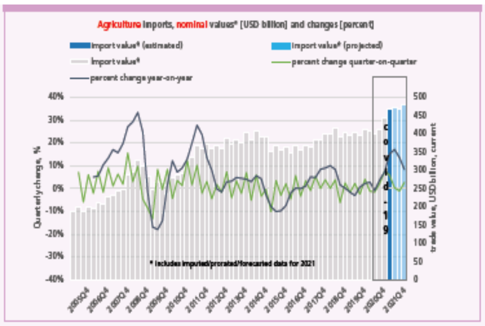
TURKEY

Drought and fires threaten national breadbasket

(Hürriyet Daily news, 14/07; Le Monde, 02/08)

Due to the lasting drought and excessive use of underground water in the past years, the Konya Plain, which is at the heart of the country's breadbasket raised concern over the 2021 production, in particular cereals. Local experts estimate significant losses (e.g. 15 Mt of wheat in total vs 20 Mt in a normal year). Moreover a new hot wave arrived recently and provoked many forest fires departures, devastating large areas. These extreme events are also seen in Greece and parts of the Balkans.





Evolution of the value of total merchandise or agricultural imports from Q1 2005 to the COVID-19 era. (figures related to the article below)

Surging trade, record import bills and rising food prices: how the international food system kept a lid on a global health crisis

Feature article to FAO Food Outlook 2021, June 2021

Global food trade is poised for a resilient year ahead even as international food commodity prices are set to remain high amid supply and demand uncertainties, according to a last Food Outlook released by FAO.

The report notes that trade flows continued to reach new highs during the ongoing COVID-19 pandemic. In fact, on a global level, trade in agricultural products - particularly less-perishable foods - performed more robustly than the broader merchandise sectors. That has contributed to drive FAO's provisional forecast for the world food import bill in 2021 to $1.72 trillion, a 12% increase from its previous high of $1.53 trillion in 2020, mostly taken by developing countries (40% of the increase) and driven by the recovery of China's livestock sector.

However, rising prices raise concerns that higher outlays may still mask deteriorating quantitative and qualitative dietary trends in vulnerable countries. Among its findings, measured by the FAO Global Food Consumption Price Indices, is that the average worldwide consumer price of protein in May 2021 was 23% above its May 2020 level. Calories, in prices, meanwhile, were up 34% year-on-year and hit their highest level since February 2013. The difference reflects stronger price rises for wheat, coarse grains and vegetable oils compared to meats, dairy products and fish.

The ratio of agricultural trade to non-agricultural trade reached almost 11% in early 2020, only a third of its level in the 1960s but nearly double its historic low in 2007. Rising food imports as a share of all imports can be an early warning indicator for potential crises in some areas. For example, the import bills of Low-Income Food-Deficit Countries (LIFDCs) appear set to increase by 20%, five times as fast as the group of Least-Developed Countries. Countries where export revenues, including from tourism, have been hit hard by the pandemic, may be particularly vulnerable.

Lastly, the Food Outlook explores an innovative way of measuring food prices paid by importers that also takes into account the way demand trends change, often as a result of income shifts, and covers a broader array of foodstuffs than the FAO Food Price Index (FFPI).

The FFPI is built on benchmark export prices for key commodities, while the new measure uses Import Unit Values that capture what countries actually pay when they import food, which includes not only freight costs but also quality premia or discounts. The new index is based on flexible weights and hence captures the changing composition of imports.

As a result, the IUV index offers insight into shifts that consumers who lost income during the COVID-19 pandemic may have made, such as moving from meat to cereals, beef to chicken, or Basmati to ordinary rice. It reached its historical peak in March 2021, the last data point available.

↪ *Read the full article here.*

L'assurance revenu : un filet de sécurité coût-efficace pour l'agriculture européenne ? (2021)

Centre d'Etudes et de Prospective, Ministère de l'Agriculture et de l'Alimentation française, Veille de mai 2021.

Comment offrir un filet de sécurité coût-efficace pour le revenu des agriculteurs européens, dans un contexte d'augmentation de la fréquence et de l'intensité des risques climatiques ? Un document de travail du Geary Institute for Public Policy du University College Dublin analyse trois solutions inspirées de la politique de gestion des risques des États-Unis : assurance revenu, assurance chiffre d'affaires et assurance prix minimum.

Les auteurs simulent la mise en œuvre de ces instruments dans les pays de l'Union européenne, sur 50 années climatiques (1961-2011), à l'aide d'une version adaptée du modèle GTAP. Il en ressort une hiérarchie assez claire : l'assurance revenu couvre les chocs climatiques plus efficacement et à moindre coût que les deux autres dispositifs (tableau ci-dessous). Néanmoins, elle souffrirait de coûts de mise en œuvre plus élevés, qui restent à intégrer dans l'analyse.

Cet article pose en tout cas des bases quantitatives intéressantes sur l'efficacité comparée d'instruments de mutualisation des risques agricoles fondés sur une logique de solidarité européenne.

↪ Téléchargez le document original (en anglais)

Le CIHEAM dresse plusieurs constats préoccupants, dont l'abandon progressif de l'agriculture familiale et le faible renouvellement générationnel.

Building a stronger AMIS

Feature article to AMIS Market Monitor No 90 - July 2021

Ten years ago, the G20 established AMIS to facilitate the exchange of market information and to promote policy dialog in order to reduce price volatility in global food markets. Today offers an opportunity to take stock of what has been achieved and to review how emerging challenges could be appropriately addressed in the future.

International prices of food commodities are sensitive to a range of market developments and trends, including dietary changes, depletion of natural resources and climate change, digital transformation in agriculture, competition with non-food products, urbanization, higher market concentration, trade policies, and economic growth. Accurate and timely information is hence crucial to address these challenges and to adopt evidence-based decision-making.

With the outbreak of COVID-19, food systems have been exposed to an unprecedented external shock as the pandemic has impacted different segments of the global value chain. Overall, the agriculture sector has demonstrated its resilience to provide sufficient, safe, and nutritious food. Notwithstanding, there is a risk of an additional 100 million people being undernourished due to this health crisis.

Sustainable Development Goal 2c calls on governments to adopt measures to ensure the proper functioning of food commodity markets and to facilitate timely access to market information, including food reserves, in order to help limit extreme food price volatility. AMIS has contributed to this global objective, yet we need to increase our efforts to continue improving our data collection, transparency, and analysis. A unique characteristic of AMIS is that it brings together the expertise of policymakers and senior officials from participating countries as well as several international organizations to assess and analyze market conditions and coordinate early discussions about possible policy responses. Preventing instability in agricultural markets will require an open and transparent collaboration and the sharing of good practices and experiences in building effective market information systems. This collaboration will be particularly important in view of the challenges posed by the economic recovery after COVID-19.

The 2021 United Nations Food Systems Summit provides a forum for an informed policy dialog that will hopefully lead to globally agreed recommendations to promote well-functioning agricultural markets. The future work programme of AMIS should consider any relevant provisions coming out of the Summit and embrace new partnerships for supporting the emerging challenges in agri-food systems.

As the new Chair of AMIS, Mexico welcomes the 10th anniversary of AMIS as an opportunity to consolidate further the platform as a reference for global collaboration and information sharing in international commodity markets.

FAO Food Index ↘

(FAO, 05/08/2021)

The **FAO Cereal Price** index decreases 3% to 125.5 points in July M/M, but still 30% above its July 2020 value. International maize prices fell by 6 % M/M on better yields than earlier projected in Argentina and the US. However, prices received support from crop condition concerns in Brazil, where crop delays and high domestic prices encouraged farmers to direct sales to domestic markets. Barley export prices also fell also by 6% in July, , mostly reflecting weaker import demand. By contrast, wheat quotations edged upwards in July, +2% to their highest level since mid-2014, driven by continued concerns over crop conditions in North America where persistent dryness hindered yields of durum wheat in Canada and spring wheat in the US. Conversely, heavy rain threatened crop prospects in parts of Europe, while early yields in Russia were slightly lower than expected. In the southern hemisphere, production outlooks remained favourable in Argentina and Australia. Rice prices accelerated their decline in July.

EU

Grain quality affected

(Bloomberg, 16/07; Terre.net 28/07)

Overwet condition prevailed at the closure of the campaign in the EU, downgrading grains yield estimates. Areas of France and Germany got double normal rainfall in the past month. Quality is locally affected from fungal disease development whereas tractors stuck in soaked fields cause delays.

SCOOPS

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

↪ www.scoop.it/t/med-amin

et le site web de MED -Amin :

↪ http://www.med-amin.org

Cross-border climate vulnerabilities of the European Union to drought (2021)

Ercin, E., Veldkamp, T.I.E. & Hunink, J. Cross-border climate vulnerabilities of the European Union to drought. Nat Commun 12, 3322 (2021). https://doi.org/10.1038/s41467-021-23584-0.

European Union's vulnerability to climate change stretches far beyond its borders because many of its economic sectors, such as meat and dairy, use raw materials sourced from far afield. Cross-border climate vulnerability is a relatively new subject in scientific literature, while of high societal and economic relevance.

We quantify these climate vulnerabilities with a focus on drought risk and assessed them for 2030, 2050, 2085 and for RCP 2.6 and 6.0 climate scenarios. Here we find that more than 44% of the EU agricultural imports will become highly vulnerable to drought in future because of climate change.

The drought severity in production locations of the agricultural imports in 2050 will increase by 35% compared to current levels of drought severity. This is particularly valid for imports that originate from Brazil, Indonesia, Vietnam, Thailand, India and Turkey. At the same time, imports from Russia, Nigeria, Peru, Ecuador, Uganda and Kenya will be less vulnerable in future.

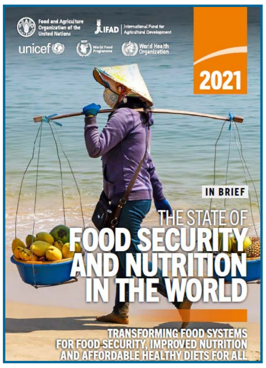
We also report that the climate vulnerabilities of meat and dairy, chocolate (cocoa), coffee, palm oil-based food and cosmetic sectors mainly lie outside the EU borders rather than inside.

↪ Download the paper.

Credit: Creative Commons Licensing

The State of Food Security and Nutrition in the World 2021

FAO, IFAD, UNICEF, WFP and WHO. 2021. Rome, FAO.



In recent years, several major drivers have put the world off track to ending world hunger and malnutrition in all its forms by 2030. The challenges have grown with the COVID-19 pandemic and related containment measures. This report presents the first global assessment of food insecurity and malnutrition for 2020 and offers some indication of what hunger might look like by 2030 in a scenario further complicated by the enduring effects of the COVID-19 pandemic. It also includes new estimates of the cost and affordability of healthy diets, which provide an important link between the food security and nutrition indicators and the analysis of their trends. Altogether, the report highlights the need for a deeper reflection on how to better address the global food security and nutrition situation.

To understand how hunger and malnutrition have reached these critical levels, this report draws on the analyses of the past four editions, which have produced a vast, evidence-based body of knowledge of the major drivers behind the recent changes in food security and nutrition. It provides a holistic view of the combined effects of these drivers, both on each other and on food systems, and how they negatively affect food security and nutrition around the world.

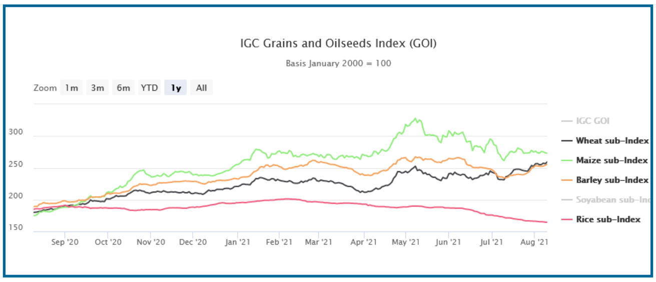
↪ Read the report here.

Global Markets: What is the Trend?

	Global Index[1] (10 Aug.)	Supply & Demand on July 21: From previous forecast (M/M)	Supply & Demand on July 21: From previous season (Y/Y)
Blé/Wheat	259 ↗	▼	↔
Maïs/Maize	273 ↘	▼	▲
Riz/Rice	164 ↘	↔	↔
Orge/Barley	256 ↗	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 (10/08/21) and the graph below.



Events

4-9 | 09 | 21

Montpellier Global days for Science Education and Innovation: Africa 2021 et Nouveau Sommet Afrique France

Les journées du 4 et 5 octobre seront dédiées à des sessions d'animations sur 6 thématiques dont les Systèmes Alimentaires, suivies de deux journées transversales les 6 et 7 oct., puis du Sommet les 8-9 oct. Ce dernier sera tourné vers les acteurs du changement (entrepreneurs, intellectuels, chercheurs, artistes, sportifs, influenceurs...).

↪ Lien vers l'événement

23 | 09 | 21

Webinar on "Grains Market Analysis and Commodity Balances As Tools for Forecasting and Food Security"

The webinar organized by the MED-Amin Secretariat and supported by FranceAgriMer, aims to provide knowledge on Ag. market analysis and monitoring of changes in supply, demand and prices in the key regions in order to help decisions and support the analyzes of economic operators and public authorities.

↪ More information on webpage

CIHEAM
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