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FOOD CHAIN DISRUPTIONS

Claims of violent animal treatment and of cows being passed off as organic in Texas have been recently presented by undercover welfare investigators to the US Department of Agriculture: more in particular, some of the abusive practices included removing the ear tags from the cows, which breaks the link with the animal's health and veterinary history, thus improving the risk of diseases. Meanwhile, in Pakistan the government applied axle road restrictions in order to contain overloaded freight vehicles, which are currently hampering the imports of wheat (fundamental to ease the shortage that is affecting the country). In Belgium, 70% of the potatoes produced this year still have to be harvested, because the unfavorable weather conditions prevented the farmers from doing it earlier.

Alleged animal abuse in US dairy sector under investigation

Some undercover welfare investigations have found evidence of animal abuse and practices that increase the risk of diseases in Texas' dairy farms, thus impacting the United States' dairy industry, which was already affected by pandemic-related milk dumping and a plummeting demand from the hospitality sector. The investigations found, for example, that ear tags (which are part of the US Department of Agriculture's animal disease traceability framework) were removed from the cows and replaced by a sticker that indicates that the cows are organic and from Texas.

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Transporters halt imported wheat supplies in Pakistan

240,000 tons of wheat are currently blocked in Karachi port and Port Qasim, in Pakistan, because transporters have refused to load wheat due to the axle load restrictions, which set the net weight of trucks at 45 tons. The chairman of Pakistan's Flour Mills Association has urged the transport minister to relax such restrictions, because wheat imports are fundamental for the country to ease the wheat shortage, and therefore to reduce the prices of the commodity.

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Belgian farmers expect lower potato yields due to unfavourable weather

Belgium experienced a very long dry period, followed by a wet one, which prevented farmers from harvesting potatoes: the result is that in Belgium, 70% of all potatoes still have to be grubbed, and the more time passes, the more it is going to be difficult for farmers to harvest potatoes. Therefore, yields are expected to be lower this year, and on top of this, the coronavirus pandemic may adversely affect exports in the coming weeks, if the situation worsens in Europe.

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IMPACT ON COMMODITIES AND FOOD PRICES

The wildfires that ravaged the United States' West Coast (from Washington to Southern California) are expected to cause long-term repercussions on the production of wine (most of it is carried out in California) and on its prices. In Bangladesh, on the other hand, a lower production of potatoes caused by a decreased acreage for this crop in 2020 and the distribution of large amounts of potatoes to people in need during the first coronavirus lockdown have determined a shortage in the country, which is driving prices up in Bangladesh's kitchen markets.

Summer wildfires in California may affect wine quality and prices

The devastating fires that hit California during the summer may cause long-term damage to the country's wine supply, possibly leading to higher prices. More in particular, the smoke that is produced by the fires affects grapes and makes the wine that is made from them unfit for consumption, and since California accounts for 85% of the total wine production in the US (around 684.9 million gallons), these long-term effects may represent a severe blow for the country's wine industry.

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A shortage of potatoes drives up the prices in Bangladesh

Potato prices have increased sharply in Bangladesh's kitchen markets, because farmers have reduced the potato acreage this year, after the prices for this commodity have been lower for the last two years. The low yields have determined a shortage of potatoes, which was further worsened by the fact that tons of potatoes were distributed among the poor as relief during the coronavirus lockdown. As a consequence, Bangladesh's Department of Agriculture pledged to take steps to lower the prices.

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COUNTRIES' RESPONSE

Since agriculture is one of Namibia's most important sectors and an important source of economic growth and industrial transformation, a Namibian private equity fund manager has launched its third fund, the Euphrates Agriculture Fund, through which it aims to raise NAD 500 million to invest in agriculture production and value addition. In Morocco, on the other hand, two fruits and vegetables producers and packagers associations have launched a sensibilization campaign to prevent the emergence of new coronavirus hotbeds in the Chtouka province's farms and processing plants. Finally, in addition to the CAD 15 million provided to Canadian farmers through the Enhanced Agri-food Workplace Protection Program, the local and central governments of Canada will invest an additional CAD 11.6 million to improve agricultural safety against Covid-19.

Agriculture fund aims at providing investments for Namibian farmers

The Euphrates Agriculture Fund plans to bring about an agriculture renaissance in Namibia by facilitating the industrialization of the agriculture sector through investments in efficient local value chains, that would improve food security rates and provide employment and incomes to farmers and agricultural entrepreneurs. In fact, access to market and financing is fundamental for emerging farmers and for a strong future agriculture sector.

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Morocco plans to prevent Covid-19 transmission in fruits and vegetables farms

To ensure regular and stable fruits and vegetables exports to the European Union, Morocco must contain the risk of transmission of the coronavirus within the chain of production. This is why this week, two Moroccan associations that deal with fruits and vegetables production and packaging launched a sensibilization campaign in the province of Chtouka, in order to prevent the emergence of new coronavirus hotbeds in farms and packaging plants.

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Canada to provide additional CAD 11.6 million in aid to agricultural workers

Canada's central and local governments have recently announced that they will be investing CAD 11.6 million to support the agricultural sector's resiliency against any future coronavirus outbreak. In fact, the funds will be directed towards the implementation of specific agricultural safety measures (in Ontario alone, around 1800 farm workers were infected with the coronavirus).

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REGIONAL FOCUS

A new external study conducted by the European Commission highlights the European Union's livestock production's efficiency, but also the European livestock sector's impact on the environment, both in positive and in negative terms. Since reducing production might not lead to more sustainable agri-food chains, it is fundamental to reduce the negative impacts of the sector through innovation (including the use of agro-ecological approaches). For what concerns the Asian production of coffee, on the other hand, Indonesia has recently seen its supplies drop because the harvest is approaching its end, while the recent heavy rainfall in Vietnam is nourishing the crops.

EUROPE – New EC report explores future of European livestock sector

Two independent experts from the European Commission have prepared an external study on the future of the European Union's livestock sector, which plays a fundamental role in the European agriculture production and economy. The study describes the environmental impact of the livestock sector: half of the agricultural emissions comes from enteric fermentation (mainly ruminants) and the management of manures, and in order to reduce them it is important to use legumes in feed production, and to improve herd and manure management, and animal health.

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ASIA – Coffee production overview in Vietnam and Indonesia

Although the floods have caused at least five deaths in the Central Highlands, the coffee plantations in Vietnam were not affected by the tropical storm that has recently swept through the country (which has actually nourished the crops). On the other hand, supplies tightened at the end of the harvest in Sumatra, Indonesia, according to the traders.

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