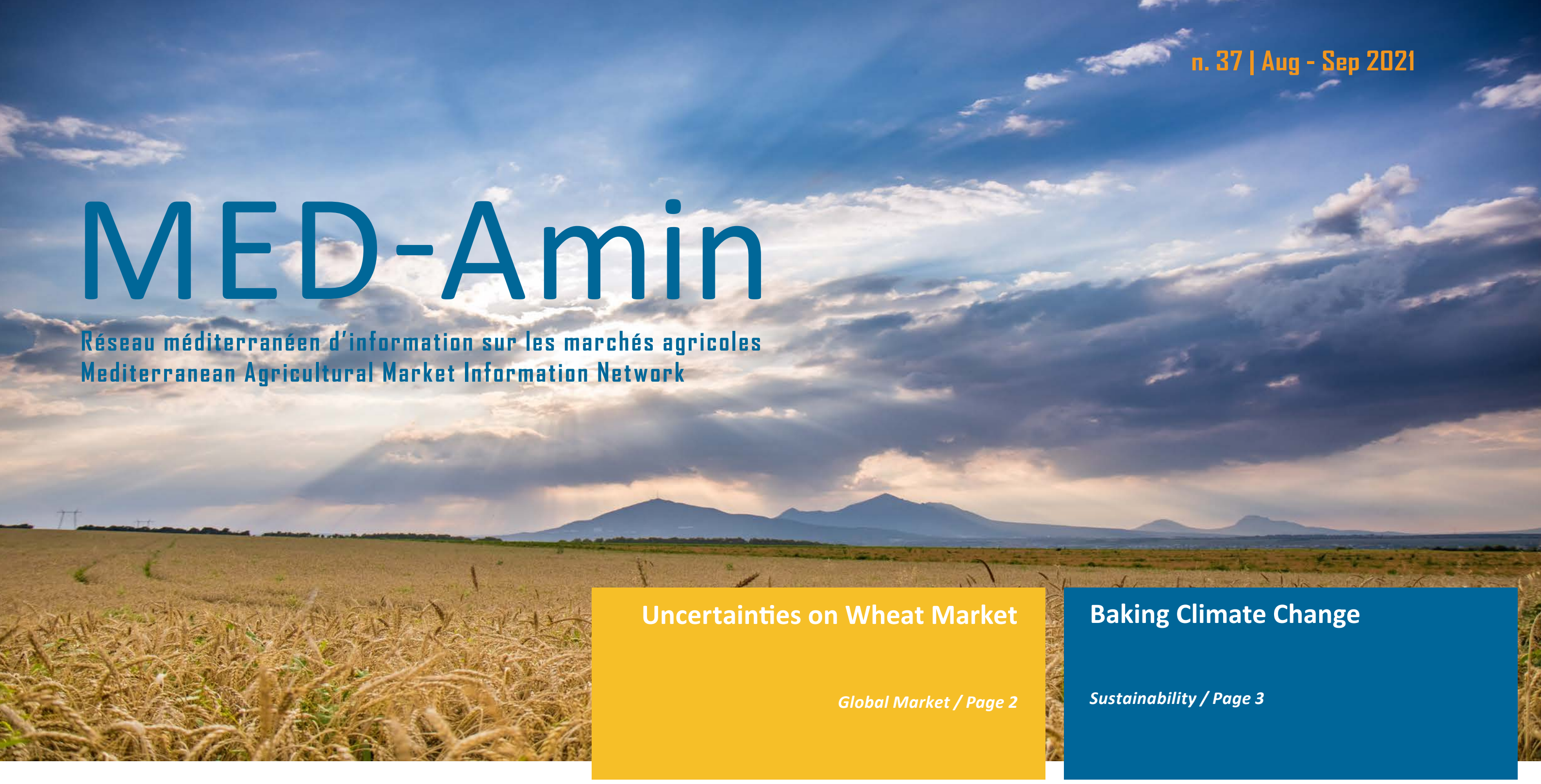
n. 37 | Aug - Sep 2021



MED-Amin

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

Uncertainties on Wheat Market

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Edito

The MED-Amin network is booming in 2021. During the past two months, a [webinar on the collection and analysis of agricultural market data] was co-organized with FranceAgriMer on 23 September. More than 50 attendants participated in the event, from 10 countries of the network, mainly from State offices or departments but also students/ teachers/researchers and private operators. This webinar positively contributed to a priority request expressed by the MED-Amin Member Countries. According to participants, it provided "rich content and allowed to discover variety of sources that will be useful for accessing information on the grains sector, as well as on other sectors". The capacity building effort provided by the Secretariat and identified experts will continue in the coming months as part of the MED-Amin Action Plan 2021-2023.

The network participated actively in the Africa Montpellier Global Days on 4 October with the contribution of Ms. Nechaat Jaziri, MED-Amin Focal Point for Tunisia (read after).

Among the upcoming activities, the organization of the 8th MED-Amin plenary meeting is now considered on a virtual mode in November, as last year. It will be the occasion to share common news on cereals markets as well as discuss past and future studies. In particular, we will present the main results of a study on pulses market in Egypt, and introduce a new project on early warning system in the Mediterranean region. Built on two Master students studies in 2022, it will pave way towards a more integrated information system, using short-term signals in addition to medium-term trends. The project aims to strengthen forecasting capabilities by exploring innovative and collaborative methods. One part of the project will deal with technical innovations, the other will identify and connect "unconventional" users and providers of early warning data. Funded by the Agence Universitaire de la Francophonie (AUF), these studies will each be conducted in two CIHEAM member countries: Tunisia and Lebanon.

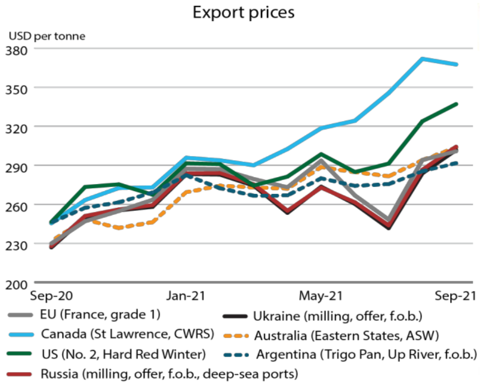
At the global scale, a "historic" [UN Food Systems Summit] held in New York on 23-24 September, set out five priority areas for action towards SDGs among which to build Resilience to Vulnerabilities, Shocks and Stresses. More than 150 countries made commitments to transform their food systems, while championing greater participation and equity, especially amongst farmers, women, youth and indigenous groups. Member States and participating organizations addressed the need to diversify agricultural markets and activate levers to make them more sustainable and profitable for all stakeholders.

Robust and integrated information systems on agricultural markets are more than ever relevant to prevent food and "political" crises. Among other criteria, the changing potential of food prices by integrating the "True Cost of Food" was for the first raised at the international agenda.

This last point has been also promoted during a roundtable of the [Africa Montpellier Global Days] on 4-5 October. Experts discussed the role of regulating agricultural markets and how it can affect food security and food systems in Africa. MED-Amin was promoted as an enabler of market transparency and dialogue within the Mediterranean region.

Last but not least, MED-Amin takes this opportunity to congratulate Prof. Mohammed SADIKI, President of the CIHEAM Governing Board, on his nomination as Minister of Agriculture, Maritime Fisheries, Rural Development and Water and Forests of the Kingdom of Morocco and Mr. Mahmoud Elies HAMZA, Delegate of Tunisia to the CIHEAM Governing Board, on his nomination as Minister of Agriculture of Tunisia.

MED-Amin
Mediterranean Agricultural Market Information Network



IGC commodity price indices

		GOI	Wheat	Maize	Rice	Soybeans
		(.................	....	January 2000 = 100	....	.........)
2020	September	**215.0**	194.5	198.1	187.9	212.3
	October	**233.0**	208.6	229.1	184.8	232.5
	November	**244.2**	211.8	240.2	186.0	249.5
	December	**246.8**	214.3	242.0	191.9	250.0
2021	January	**268.5**	228.8	269.2	197.4	276.1
	February	**268.5**	229.0	271.5	199.1	272.6
	March	**263.8**	223.4	267.4	194.4	267.6
	April	**270.4**	225.2	284.2	189.2	275.3
	May	**286.9**	240.0	308.2	188.4	292.1
	June	**275.2**	238.2	292.8	182.7	276.2
	July	**271.7**	242.4	275.2	170.3	276.6
	August	**276.1**	264.6	271.8	165.6	274.7
	September	**279.3**	274.9	272.6	166.3	275.6

(Left: Export prices from various quotations. (Right) IGC commodities price indices fromp one year (Jan 2000 = base 100)

ALGERIE

Lower production on drought

(Reuters, 04/10)

Le président algérien A. Tebboune a ordonné à son gouvernement de réduire l'impôt sur le revenu global dans un contexte de flambée des prix des denrées alimentaires dans ce pays d'Afrique du Nord. Il invoque la nécessité de prendre toutes les mesures pour préserver le pouvoir d'achat, d'une coordination étroite entre les ministères de l'agriculture et du commerce pour encadrer les produits agricoles.

CHINA

Wheat Import High

(AgWeb, 21/09)

China's wheat imports hit the highest level in more than two decades. The country is accounting for 19% of global wheat consumption right now (10.2 Mt). Before the 2010/2011 marketing year, the country's typical wheat imports totaled 1 Mt or less. Recently, that amount bumped up to an average of 3.5 Mt in most years. Experts say the surge this year can be attributed to China's strong demand for wheat use in animal feed, replenishing the reserves, and efforts to meet commitments under the Phase One Trade Agreement.

LEBANON

Agrarian Revolution

(Al Jazeera, 14/07; Reporterre, 02/07)

The country faces an uphill battle to keep its population fed as food prices continue to rise, driven up by an ever-deepening liquidity crisis and a severe dependency on imported foreign goods. NGOs and civil societies initiatives are trying to find ways to build resilience and sustain communities through multiple crises, while more than 70% of Lebanese households struggle to feed their families as a consequence of the galoping inflation on food products and the reduction of purchasing power. This goes through local supply chains and agro-ecology.

Uncertainties in wheat markets prevail

Feature article to FAO-AMIS Market Monitor n°92 - October 2021

Poor weather conditions hit wheat crops particularly hard this season in several key producing countries, such as Canada (-38% versus last season's output), the Russian Federation (-13%); and the United States (-7%). Not surprisingly, therefore, global wheat inventories could fall below opening levels in the 2021/22 marketing season. With most of the drawdowns concentrated in major exporting countries, the wheat stocks-to-disappearance ratio could fall to the lowest level in over two decades, which is a worrying sign of supply tightness in world markets, raising the possibility of even further gains in wheat prices this season (see the graphs above).

On the demand side, wheat food consumption continues to rise at almost the same pace as population growth while feed use of wheat has intensified markedly since the previous season, largely on the back of tight supplies and high prices of more typical feed grains. Concerning trade, apart from quantity consideration, also the quality of this year's wheat crop will play an important role in determining how trade flows will unfold in the 2021/22 marketing season.

In the EU, where exports are forecast to rebound, significant quality downgrades, particularly in France, could deter potential buyers, as evidenced by the recent cancelation of a purchase by China. Conversely, Russia seems to be benefiting from better quality wheat this season, increasing its attractiveness for international buyers. In fact, with strong global demand for high-quality Russian wheat and overall lower Russian supplies that could result in more restrictive trade measures, pressure on markets can be expected to mount even further.

The current supply tightness in global wheat markets must also be assessed in light of important and fast changing developments in energy markets and supply chain logistics.

Easing COVID-19 restrictions are likely to sustain economic recovery, boosting prices of oil, gas, and, as a result, fertilizer. In addition, port congestions, such as those witnessed recently in China and the US, are also a concern, contributing to supply chain disruptions, which – along with elevated freight rates – might add more volatility to wheat prices and increase import costs, which would be a particular burden for the poorest countries in the world.

The impact of COVID-19 on alternative and local food systems and the potential for the sustainability transition: Insights from 13 countries (2021)

Nemes, G. et al., Sustainable Production and Consumption, Vol. 28, 2021, Pages 591-599.

The COVID-19 pandemic has been a major stress test for the agri-food system. While most research has analysed the impact of the pandemic on mainstream food systems, this article examines how alternative and local food systems (ALFS) in 13 countries responded in the first months of the crisis. Using primary and secondary data and combining the Multi-Level Perspective with social innovation approaches, we highlight the innovations and adaptations that emerged in ALFS, and how these changes have created or supported the sustainability transition in production and consumption systems. In particular, we show how the combination of social and technological innovation, greater citizen involvement, and the increased interest of policy-makers and retailers have enabled ALFS to extend their scope and engage new actors in more sustainable practices. Finally, we make recommendations concerning how to support ALFS' upscaling to embrace the opportunities arising from the crisis and strengthen the sustainability transition.

↪ Download the paper

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

Baking industry showing leadership in lowering carbon emissions

Extract from article by Josh Sosland, World Grain, Oct. 8.

Amid a veritable tidal wave of sustainability announcements in recent time, extraordinary opportunities for grain-based foods emerge in minimizing contribution to climate change. Recent announcements include one in which Nestle SA is pledging to invest $1.3 billion over the next five years in regenerative agriculture. A second, by PepsiCo, Inc., commits the company to achieving net zero emissions by the year 2040, by converting company's agricultural footprint to regenerative agriculture practices.

Increasingly, bakers who see a potential of leading grain-based foods companies to sustainability, pursue a tantalizing goal — commercial bread that is net carbon neutral. To achieve such a goal, the three principal segments in the supply chain — grain production and handling, flour milling and baking — must work in concert. It has been estimated two thirds of the greenhouse gas (GHG) emissions associated with bread production are released on the farm. Fortunately, millers and growers have stepped up cooperation in recent years. Grain Craft and ADM have expanded a program paying growers to plant preferred wheat varieties. More to the sustainability point, Ardent Mills LLC and General Mills, Inc. both have committed to partner with growers so an increasing volume of wheat the companies buy is cultivated using regenerative agricultural practices that reduce GHG emissions and perhaps even result in wheat that is net carbon negative. Millers have said that even without such an initiative, a growing number of wheat producers are pursuing regenerative agricultural practices and alternative cropping systems than in earlier generations.

The baking industry already has demonstrated leadership in lowering carbon emissions. Of the 95 manufacturing plants Energy Star certified by the Environmental Protection Agency, 44 were commercial baking companies.

Many pieces must fall into place for carbon neutral bread to become reality. Wheat acreage planted using regenerative techniques remains a tiny fraction of what is necessary to mill basic bread flour in the US. Regenerative agriculture is less likely to be embraced in certain areas, including large swaths of the spring wheat states, where wheat is rotated with crops like sugar beets requiring cultivation in a way that disrupts the carbon in the soil. Additionally, commercial bread bakers operate with narrow profit margins, making investments proportional to those of Nestle and PepsiCo more difficult. Still, the wheat-based foods industry should capitalize on its gaping advantage versus other foods when it comes to GHG. A 2020 McKinsey report showed wheat is by far the least carbon intensive staple food source already. Nuts and seeds are 7 times more GHG intensive than wheat, rice 13 times, milk 14 times and beef 231 times.

Basic bread has a fast-track path toward becoming the first carbon neutral staple food commercially available. It's a track worthy of aggressive exploration by grain-based foods companies.

FAO Food Index ↗

(FAO, 07/10/2021)

The **FAO Cereal Price** index averaged 132.5 pts in September, + 2% from August and + 27% vs Sept. 2020. World wheat prices increased the most in September, up almost 4% M/M and as much as 41% Y/Y. Tightening export availabilities amidst strong world demand continued pushing up international wheat prices. Rice prices rose in September to stand above the multi-year lows touched in Aug. 2021, sustained by a mild improvement in trading activities. International barley prices also increased in September, by 2.6%, mostly driven by strong demand, downgraded production prospects in Russia and gains in other markets. By contrast, world maize prices remained generally stable, up only 0.3% from August, as upward pressure from hurricane-related port disruptions in the US was countered by improved global crop prospects and the start of harvests in the US and Ukraine. Nonetheless, maize prices remained elevated at nearly 38% above their levels of September 2020.

ITALY

Soaring Durum Prices

(Bloomberg, 10/09)

Drought and heat continued to hurt the wheat harvest in Canada, the world's biggest supplier of durum wheat. Shipments from Canadian port terminal tumbled 41% in August vs a year-ago. European crop quality was also hurt by heavy rains over the summer. Italians may soon reckon with higher pasta prices.

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

Exploring the Impact of Crises on Food Security in Lebanon: Results from a National Cross-Sectional Study (2021)

Hoteit, M. et al., Sustainability 2021, 13(16), 8753.

This study aims to explore the prevalence and correlates of food insecurity among Lebanese households since the ordeals of COVID-19, economic crisis, and Beirut port explosions. At the core of the study, a mobile application entitled Nutrition Assessment System (NAS) that simplified the data collection was used as toolkit and a technical test was carried out in all Lebanese governorates between November 2020 and March 2021. Findings show that food insecurity is an immediate problem for households in Beirut and in many governorates in Lebanon. Nine in every 16 households ate less than 2 meals per day and more than 70% of them skipped their meals to spare food. Even though half the population studied had a low food consumption score, 82.4% of the people were not relying on livelihood coping strategies. However, more than three out of ten of these households relied on at least three food-based coping strategies. In addition, as for the livelihoods, this assessment found that most Lebanese households reported a drop in income along with an expansion in debt incurrence in the last 24 months to be able to buy food. Improving food security in Lebanon requires effort not only on the part of the government, but through regional and international actions.

↪ Download the paper.

Credit: Creative Commons Licensing

Mediterranean transport and logistics in a post-COVID-19 era: prospects and opportunities

IEMed Policy Study, IEMed & CETMO, 2021.

The initiative "Mediterranean transport and logistics in a post-COVID-19 era: prospects and opportunities" aimed to build region developing a collective knowledge from contributions of international institutions and experts from the region.

The vision of the transport and logistics sector in the Western Mediterranean in a post-COVID-19 era refers to an optimised transport connectivity, with ports as the backbone of the multimodal transport network, thanks to its contribution to the economic development. A network that reinforces links between different modes of transport and connectivity among territories of the region, especially between the two shores of the Mediterranean. In addition, thanks to this connectivity and the processes of harmonisation, it favours regional integration. Finally, the use of digital tools and technologies contributes to optimisation and sustainability of the network and to the coordination and cooperation between their actors.

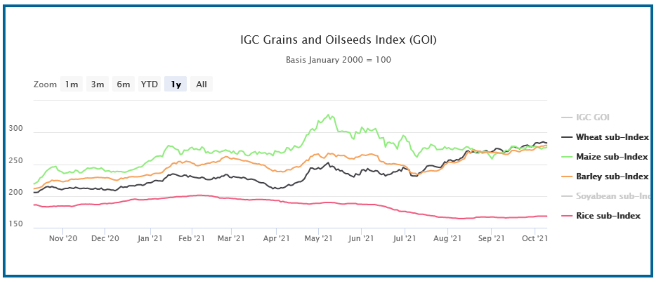
↪ Read the [report here](#).

Global Markets: What is the Trend?

	Global Index[1] (7 Oct.)	Supply & Demand on Sep. 21: From previous forecast (M/M)	Supply & Demand on Sep. 21: From previous season (Y/Y)
Blé/Wheat	**285** ↗	↔	▼
Maïs/Maize	**276** ↗	▲	▲
Riz/Rice	**168** ↔	▲	▲
Orge/Barley	**278** ↗	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 (08/10/21) and the graph below.



Events

23* | 11 | 21

8th MED-Amin annual meeting (*date to be defined)

Open to MED-Amin member countries and partners, it will be the occasion to share news on cereals markets as well as present past or future initiatives, for instance the results of a study on pulses market in Egypt, and a new project on early warning system in the Mediterranean region.

↪ More information [(coming soon)](#)

14 | 12 | 21

Conference on climate change impacts on global grains balances

The webinar organized by the IGC aims to provide knowledge on the issue of climate change and grain trade. It will focus on the MENA region to highlight current strategies for dealing with climate change and grain production, and will also discuss the actions of major exporting countries that may influence the grain balance

↪ More information on [webpage (soon)](#)

CIHEAM
International Center for Advanced Mediterranean Agronomic Studies

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