

A publication of the Market Information Service (MIS) - Ministry of Agriculture and Fisheries
"Linking the market and Primary producers"

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Pandemic and Agriculture



Around the world, nations are scrambling to respond to the outbreak of the 2019 coronavirus (COVID-19) or at best are preparing for the virus to arrive in their country.

Most people are focused on businesses such as restaurants or airlines, which certainly have experienced a sharp and sudden decrease. What they may not be thinking about is the cumulative impact on agriculture. Most hospitality and travel industries were doing well before the virus. Farmers and fishers were not.

Coronavirus is just the latest in a string of misfortunes that have kept the farm economy down for several years: weather disasters, a trade war and, even before that, commodity prices have been below the cost of production. The impacts differ across farming systems and make some countries more exposed than others.

Impacts on Crops

Impacts of COVID-19 on the food sector are among its most visible and important economic consequences. Globally, the effects are driven by a sudden shift to food at home due to social distancing measures, as well as by risks of food shortage resulting from outbreaks at packing houses and among farm workers as well as restrictions on cross border travel and trade.

Commercial farming could be most affected, particularly where production relies on a great variety and large amounts of intermediate inputs, such as seeds, feeds, fertilizers and pesticides. Subsistence farmers can be affected. While they rely more on their own farm-based inputs, many have to purchase their inputs on local or regional markets, including their seeds and feeds. Their input supply chains are typically more fragile and more susceptible to disruptions. Importantly, they use more manual labor and, where the disease takes a direct toll on their health or their movement, this can impede not only their ability to produce for others, but also undermines their own food security. A lack or a delay of supply of these products affects people in the informal sector of

urban areas who rely on produce from rural areas for their livelihood.

The closure of restaurants, cafes, and street-food vendors, for instance, can also lead to significant reductions in otherwise reliable market outlets for many farmers, whose incomes will decline when products cannot be brought to markets.

The Local Market Survey in March 2020 showed an overall volume decrease 30 percent while limited supply of all produce pushed average prices up 12 percent when compared to February 2020. With restaurant business severely cut, farmers who usually sell fresh produce directly to restaurants are more dependent on direct-to-consumer sales.

Following the State of Emergency, all local markets and supermarkets are to be closed at 4pm and sales are declining as well as products being not sold and ended up wasted.

Figure 1: Supply and Price Index Mar19 –Mar 20



Source: Samoa Bureau of Statistics-Local Market (March 2020)

Figure 1 shows a decline in the overall supply of agricultural produce pushed the price index up

to 11 percent compared to last month. When compared to the month of March 2019, the current overall price was 19 percent higher.

¹The supply of vegetable produce to the Local markets in the month of March under review experienced significant decreases in all vegetable supplies compared to previous month.

Impacts on Livestock

For the main agricultural commodities, sharply lower demand for livestock products has outpaced any constraints on supply, leading to steep prices. Globally, physical distancing and requirements for additional personal protective equipment are reducing the efficiency of industrial feed enterprises. Movement restrictions and illness are resulting in labor shortages and reduced supply of raw materials or other ingredients.

Disruption of supply routes has further delayed feed supply. In Argentina – the world’s biggest soy meal exporter – restrictions have reduced soy supply to feed factories by half, which could affect global trade flows.

Closure of live animal markets in many countries means small-scale producers cannot sell their goods. The disruption of the logistical channel and drop in demand are reducing sales and lowering prices. ²For example, American pig prices dropped by roughly 27 percent in just over a week. As a result of limited access to markets and slaughterhouses/processing plants, farmers have to keep their stock longer or

¹ Local Market March 2020

² Mitigating the Impacts of COVID19 on Livestock(FAO)

dump milk, leaving them with higher production costs or important losses.

Impacts on Fisheries

Fish and other aquatic foods are also a key part of our global food systems and a highly nutritious food group of major social, cultural and economic significance. At a global level, supply chains for fish and aquatic foods are already happening due to disruptions in transportation, trade, and labor. Falling production from reduced fishing efforts and delayed stocking of aquaculture systems will lead to lower supplies, access, and consumption of these foods. Decreased consumer demand and increased transaction costs will have a knock-on effect that will push the price of fish and aquatic foods up and make them less affordable for poor consumers. Many people employed in these supply chains, such as fish vendors, processors, suppliers or transport workers will lose their jobs.

³The pandemic shutdown presents specific overfishing dangers. Large fishing boats that can process and freeze fish are staying out at sea. Meanwhile, the patrols that monitor them have been reduced. The commercial fishing industry has hit rough seas.

Locally, Sunday mornings are where the local fish sellers and fishermen's best sell but when the SOE was announced, all markets were closed on Sunday causes a loss to the sellers.

Supply chain

In face of COVID19, health is top priority. Good health also depends on food; thus food supply

³<https://www.smithsonianmag.com/science-nature/fish-stop-covid-19-180974623/>

chain must move on despite lockdown. This will help prevent food shortage and protect the most vulnerable. ⁴FAO has recommended six ways countries can respond:

1. Prioritize the health of people who produce and supply food
2. Allow seasonal workers to move and those who transport food
3. Ensure supplies for farming
4. Help deliver agricultural products to markets especially from small and medium enterprises
5. Ensure consumer have access to food markets
6. Ensure supplies of fresh produce through innovations

Smallholder farmers are the frontline keeping the food supply chain moving during COVID-19. However, restrictions on moving are keeping them from selling products or buying seeds.

Samoa Government with MAF the leading agency is taking the pro-active approach to ensure food security is sustainable should the COVID-19 escalates in Samoa.

As the COVID-19 pandemic continues to damage global health and the world's economies, it is crucial that we prevent it from plunging millions more people into hunger. Small-scale farmers can help us do this – if we work with them and invest in their activities. Resilient farmers are key for a resilient food system. And they are an indispensable part of a brighter post COVID-19 world.

⁴ Responding to the impact of the COVID19 outbreak on food value chains through efficient logistic (FAO)

Average Prices at the Fugalei Market

Commodities (SAT\$/kg)	Feb 2020	Mar 2020	Lowest Price for 2020 to date	Highest Price for 2020 to date
Taro	2.41	2.39	2.39	2.60
Banana	1.11	1.06	1.05	1.11
Ta'amu	6.91	6.89	6.89	8.78
Coconut	0.89	0.91	0.89	0.98
Breadfruit	0.90	1.46	0.90	1.46
Yam	4.28	3.54	3.54	5.30
Head Cabbage	12.11	14.71	9.02	14.71
Tomato	19.92	19.56	14.82	19.92
Chinese Cabbage	8.91	9.82	7.67	9.82
Cucumber	5.55	5.84	4.45	5.84
Pumpkin	4.43	5.32	3.56	5.32

Source: Samoa Bureau of Statistics-Local market survey

Foreign Currency per Tala (SAT\$)

Mar-Apr 2020	USD\$	NZD\$	AUD\$	YEN\$	FJD\$	EURO
1 Samoan Tala SAT\$=	0.3542	0.5786	0.5513	37.3800	0.7735	0.3161

Source: Bank of South Pacific

Market Link Newsletter

This newsletter is published bi-monthly and it seeks to assist stakeholders (farmers, consumers, wholesalers, policymakers) make informed market and marketing decisions based on credible, relevant price and supply information. Help us help you by providing constructive feedback on market information issues that will improve the service which will lead to growing a healthy and wealthy Samoa. For more information, contact the Policy, Planning and Communication Division and ask for Losan Madar.

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