



UPDATE ON THE EFFECTS OF COVID-19 IN LATIN AMERICA AND THE CARIBBEAN

May 26th, 2020

Dear Fairtrade Partners and Stakeholders,

Latin America and the Caribbean registered 764,930 cases of COVID-19, which represent 14% of cases worldwide, and 40,811 deaths until May 26th. The director of the Pan American Health Organization (PAHO), Dra. Carissa Etienne, stated that Latin America has surpassed Europe and the United States in the number of COVID-19 cases reported daily.

The organization, a branch of the World Health Organization (WHO), is particularly worried about the situation in Brazil, country that registered the largest amount of cases in a 7-day period since the pandemic started.

In Chile and Peru, the contagion has accelerated, registering a significantly increase in the number of cases, according to PAHO, institution that recommends governments to keep quarantines as it foresees harder weeks to come for the region. The number of cases has also increased considerably in Nicaragua, Honduras, Guatemala, and Mexico.

On the other hand, Costa Rica, Cuba, Paraguay and Uruguay are defeating the pandemic, according to the organization End Coronavirus, a network of scientists from Harvard and MIT that published a ranking on how countries are doing in their fight against coronavirus. Also, Belize has maintained the same number of cases for several weeks.

To restart the economic activity, the governments of several countries are implementing a traffic light system in which the states and municipalities with fewer or no cases can start some economic activities. Most governments are implementing classes online or using national television broadcasters.

Quarantines have been extended in most countries to the first two weeks of June and governments are evaluating lifting some restrictions only if the number of cases starts decreasing.

CLAC'S SUPPORT FOR FAIRTRADE ORGANIZATIONS

On Friday May 22nd, CLAC made a webinar with representatives of small-scale producers' organizations (SPOs) to talk about the current situation of the Fairtrade market and to share the launching of CLAC's relief funds to execute the Fairtrade Relief Fund. A total of 275 people participated in the webinar. The requirements and conditions of the new funds have been shared with CLAC's membership.



The information shared by organizations about the impact of the COVID-19 crisis enabled CLAC to understand the greatest needs they have in an emergency stage and to identify and establish four specific relief funds for Fairtrade certified organizations of producers and workers: Fund for medical, hospital, or funeral expenses, Fund for the implementation of biosafety protocols, Fund for increased production costs and Fund for Fairtrade Certification Payment.

So far, 32 applications have been received for the four funds from organizations in Peru, Colombia, Guatemala, Costa Rica, Bolivia, El Salvador, Ecuador and Honduras. CLAC is actively promoting organizations to apply for the Relief Funds.

BUSINESS

The Fairtrade certified producer and worker organizations continue harvesting and processing their products implementing biosafety protocols and paying the increased production costs.

COFFEE

Harvest continues in South America, in the central and southern region of Colombia, in Peru and Brazil. Central American organizations continue to prepare coffee for export. Honduran organizations are facing challenges to move the coffee due to mobility restrictions.

COCOA

Despite the curfew, cocoa collection continues in Dominican Republic. However, the lack of rain is affecting the production. In Costa Rica only the organic cocoa is being collected because it has a better market than conventional cocoa.

Exports continue without major difficulties; sales contracts are fulfilled. Interest in organic cocoa and Fairtrade is maintained by large operators, however the low price and low spreads are a challenge for the organizations.

SUGAR

Organizations are operating with fewer people and are gradually taking back control of agricultural operations in the sugarcane park, coordinating technical assistance physically and virtually. Sugar cane growers have expressed their concerns about the difficult access to credits because financial institutions do not see agriculture as attractive, and because state banks in many countries have been closed during quarantines.

BANANA

Normal continuous operation, with a little more availability of some services, but facing limitations, mainly in Ecuador. Most organizations are implementing biosafety protocols in the fields and packaging plants. However, some COVID-19 cases have registered in the banana producing regions in Peru and Ecuador. Demand and prices remain stable.



HONEY

Sales and deliveries of Fairtrade honey remain within the usual range. Producers in Guatemala and Mexico are harvesting but expect a decrease in honey production this year due to climate change and have expressed concern about difficulties to access to credit to buy sugar to feed the bees. A campaign on climate change adapting measures for honey producers has been prepared by CLAC by the “Honey for the Future” project and will be launched in Guatemala.

FLOWERS

The situation remains critical for workers in flower plantations in Ecuador. There is uncertainty regarding future layoffs of workers remains. The workers ‘committees of the flower producing organizations, can apply for Fund for medical, hospital, or funeral expenses and for the Fund for Fairtrade Certification Payment.

QUINOA

Producers continue with the harvest period. Costs, including transportation, have increased. Organizations are providing food, medicine, and equipment to their associates. The situation is critical, since there are strong restrictions in Bolivia and Peru.

FRESH FRUITS

Organizations producing fresh fruits and juices have been affected by mobility restrictions for workers. The demand for fresh fruits remains stable but prices are trending downward. The fresh fruit harvest advances with slight delays.

WINE

The Chilean wine industry announced a 20% decrease in sales abroad, due to the closure of restaurants, bars and the cancellation of fairs. The grape plantations have had difficulty finding workers. Organizations producing wine and grapes for wine have reinforced safety protocols and have been helping their communities to sanitize the streets.