

**Voluntary Report** – Voluntary - Public Distribution

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**Report Name:** Colombia's Agricultural Sector Severely Affected After One Month of Protests

**Country:** Colombia

**Post:** Bogota

**Report Category:** Agricultural Situation

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**Report Highlights:**

On April 28, mass protests erupted across Colombia in response to President Duque's tax reform bill. Despite the bill being withdrawn, the protests and unrest continue and are obstructing the movement of goods throughout Colombia, impeding bilateral agricultural trade, and impacting food prices in the country. The agricultural sector is sustaining major losses due to road blockades and unrest. The Colombian Ministry of Agriculture estimates economic losses of more than USD 700 million, due to road blockages and raw material shortages impacting the production and transport of food. Of the 32 Colombian departments, 29 have been impacted by the disruptions in the agricultural supply chain.

**Background:**

On April 28, huge protests erupted across the country in response to President Duque's tax reform bill that aimed to respond to the economic crisis generated by the pandemic. On May 2, President Duque withdrew the bill, but civil society groups have continued protesting due to other long-standing issues. The National Strike Committee and the government have still not reached a “pre-agreement” to open formal negotiations.

After more than a month of demonstrations, economic activity has declined noticeably, mainly due to road blockades impacting Buenaventura port, Colombia’s largest container port and primary Pacific outlet, and the disruption of public order. One economic think tank estimates that in May the economic cost of the crisis to Colombia ranges between COP 4.8 and 6.1 trillion (USD 1.3 to 1.7 billion). Colombian agriculture experienced the most growth of any sector last year, despite COVID-19, but the national protests and blockades have virtually eliminated that success by restricting the movement of agricultural and agro-industrial inputs. According to the Colombian Ministry of Agriculture, economic losses have reached more than USD 700 million since the national strike began. In 2020, the agricultural sector accounted for 6.8 percent of GDP with 3.3 percent growth. It also remains a key employment sector, accounting for 18 percent of the Colombian workforce.

**Decreasing Food Supply and Increasing Food Prices:**

According to the Colombian Department of Statistics (DANE), as of June 1, food supplies in the main Colombian wholesale markets decreased 17.4 percent compared to April 27 before the nationwide protests started. Cali suffered the largest decreases: before the protests, Cali’s wholesale markets registered inflows of more than 2,000 tons, while on June 1, food supply was 559 tons, a 72 percent decrease. In Bogota’s largest wholesale market, Corabastos, food supplies decreased 4.4 percent on June 1 compared to April 27, although wholesale markets in Medellin, Bucaramanga, and Barranquilla report normal levels of food supplies. The table below shows food supply volumes in tons in main Colombian wholesale markets:

Wholesale Market	Food volume entering the markets (tons)			Change April 27 – June 1
	April 27	May 31	June 1	
Armenia, Mercar	251	691	406	61.8%
Barranquilla, Barranquillita	1,345	689	1,342	-0.2%
Barranquilla, Granabastos	613	313	460	-25.0%
Bogotá, D.C., Corabastos	7,419	7,267	7,095	-4.4%
Bogotá, D.C., Paloquemao	111	121	119	7.2%
Bogotá, D.C., Plaza Las Flores	162	156	134	-17.3%
Bogotá, D.C., Plaza Samper	132	97	101	-23.5%
Bucaramanga, Centroabastos	914	2,373	677	-25.9%
Cali, Cavasa	1,723	161	99	-94.3%
Cali, Santa Helena	298	1,419	460	54.4%
Cartagena, Bazurto	746	379	558	-25.2%
Cúcuta, Cenabastos	827	1,433	817	-1.2%
Cúcuta, La Nueva Sexta	99	99	177	78.8%
Ibagué, Plaza La 21	233	139	242	3.9%
Ipiales, Centro de acopio	51	120	70	37.3%
Manizales, Centro Galerías	349	364	276	-20.9%

Medellín, Central Mayorista	3,216	1,684	2,660	-17.3%
Medellín, Plaza Minorista "José María Villa"	781	219	663	-15.1%
Others	3,040	2,662	2,066	-32.0%
<b>Total</b>	<b>22,310.00</b>	<b>20,386.00</b>	<b>18,422.00</b>	<b>-17.4%</b>

Source: Price information system (SIPSA), DANE

FAS Bogota compared food prices in the last week of April 24-30, when the protests started, and May 22-28 prices to determine the impact of the protests on food prices. Below is a summary table of the average price changes in the main wholesale markets:

Product	Average Price COP\$/Unit		Change %
	April 24-30	May 22-28	
Chicken meat (Kg)	7,429	8,696	17.1%
Eggs (unit)	337	402	19.2%
Pork meat (Kg)	13,276	14,147	6.6%
Rice (Kg)	2,613	2,644	1.2%
Sugar (Kg)	2,647	3,285	24.1%
Vegetable oil (lt)	7,151	7,730	8.1%
Beans (Kg)	5,670	6,016	6.1%
Flour (Kg)	2,699	2,818	4.4%

Source: Price information system (SIPSA), DANE

The protests have severely affected Colombia's poultry sector, reflected in increasing prices of chicken meat (17 percent) and eggs (19 percent). Sugar prices have also increased 24 percent as the main producing region is in Valle del Cauca river valley. Fruit and vegetable prices have fluctuated in main markets like Bogota and Medellin where the supply has been intermittent.

#### **Current Unrest Impeding Bilateral Agricultural Trade:**

Since nationwide protests began April 28, Colombia has been unable to distribute more than 350,000 metric tons (MT) of grains (including 250,000 MT U.S. grains) from Buenaventura port, due to protests and road blockages. Colombian commodity exports (approximately USD 240 million worth), such as sugar, coffee, bananas, and Hass avocados are also stuck in producing areas. Road openings at the end of May allowed for a brief uptick, but agricultural producer organizations are concerned that driver shortages driven by fears of attacks will continue to limit the cargo transported into and out of Buenaventura. According to the Poultry Producers Association (FENAVI), only 40 to 50 trucks of animal feed are reaching consumption centers from Buenaventura while the normal daily requirement is 250 trucks. Despite increasing costs, some vessels with feed grains originally destined for Buenaventura have been rerouted to Atlantic coast ports to supply other poultry and pork producing regions located in Antioquia, Cundinamarca, and Santander.

#### **Agricultural Losses Concentrated in Colombia's Southwest:**

Colombia's southwest, responsible for 30-35 percent of the country's agricultural production, is the most affected region due to the national protests. Cali, the capital of the Valle del Cauca department and the third most populous city, has been one of the focal points of the protests as it is surrounded by rural

areas that are poor, weakly governed, and inhabited by ethnic minorities or disadvantaged groups. The Colombian map below illustrates the main region where protests have concentrated. In addition, it shows the major roads. In Colombia, trucks are the most used cargo transportation method.

Figure 1. Colombia Road Map



Source: Worldometers <https://www.worldometers.info/maps/colombia-road-map/>

Since nationwide protests began, pork producers report economic losses of nearly USD 47 million due to the high costs of animal feed, affecting 840 pork farms and 30,000 jobs. Twelve million chickens have died, an estimated loss of USD 80 million. All sugar plants are located in southwest Colombia. Economic losses from the sugar sector are estimated at USD 120 million, putting at risk 286,000 jobs. In the Valle del Cauca river valley, the income of 6 out of 10 families depends on the sugar industry. According to the National Federation of Coffee Growers, in May, over 800,000 60 kg bags worth USD 210 million could not be exported due to difficulties in getting beans to Buenaventura Port. U.S. agri-food companies that have invested in the Valle del Cauca region have dramatically reduced operations due to severe shortages of inputs and raw materials as a result of road blockages at Buenaventura Port.

**Attachments:**

No Attachments.