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Voluntary _ Public

Date: GAIN Report Number:

Colombia

Post: Bogota

Catastrophic Rainy Season Causes More Damage in Colombia

Report Categories:

Agricultural Situation

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Report Highlights:

This year's intense rainy season has affected 1 million hectares of land, an increase of 300,000 hectares damaged since the last report on December 17, 2010. Livestock, dairy farms and greenhouses for flower production have been severely affected. The supply chain is also suffering breakdowns due to damages in the road infrastructure, which is also affecting distribution of imported products. The Minister of Agriculture stated that food imports could increase due to the impact on local production.

General Information:

Colombia continues to undergo the impact of the largest rainy period ever known due to la Niña weather phenomenon. The Colombian government considers it the greatest natural disaster in history. Currently, there are more than 3 million people affected, with various crops and towns flooded. Road infrastructure is severely damaged, and there have been limited opportunities for land to dry out to initiate reconstruction. Strong rains are falling on the already saturated soils, causing main rivers to flood towns and land along their course. Virtually the entire country is under the threat of flooding, and the National Institute of Meteorology forecasts rains will continue until June.

As of April 20, the Ministry of Agriculture states that the impact on agriculture due to the extreme rain situation has affected 1 million hectares of land, in 24 out of 32 Colombian departments. This represents an increase of more than 300,000 hectares affected by flooding since the December 2010 report. See Colombia Flood Situation Update Bogota Colombia 12-16-2010

Regarding agricultural sectors and products, the Ministry of Agriculture also noted that 115,000 cattle head were lost, 1.4 million cattle head were displaced and 600,000 birds were lost, an adverse effect on the poultry industry. In the second week of April, 30,000 hectares were flooded at the Ubate valley, a dairy producing area, as well as 22 hectares of greenhouses for flowers around the Bogota capital region with many greenhouses losing their entire crop. Milk production has declined by 50 percent and cows are sold at a loss, and potato, fruit and also vegetable crops have been lost. The rains continue and the final impact is yet to be determined.

It is expected that food prices will increase as a result of crop damages and perhaps, in a greater way, the damage to road infrastructure that increased freight rates by 30 percent, according to our sources. Overall, the food chain supply is far from normal conditions as the damage to the road infrastructure increases with continued rains. The Minister of Agriculture mentioned the possibility for importing food and the government is closely monitoring the market supply indicators to make that decision. However, the road infrastructure that affects supply from local production regions also affects the distribution of imported products. So it is not certain that imports could be effectively transported to main Colombian markets since roads from the ports to the consumption centers are closed at key points.