

▶ **INTERNATIONAL TRADE OF AGRIFOOD PRODUCTS
FROM LATIN AMERICA AND THE CARIBBEAN AND
THE TRANSFORMATION OF FOOD SYSTEMS**

IICA CONTRIBUTION TO THE UNFSS 2021

Inter-American Institute for Cooperation on Agriculture (IICA) 2021



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Printing: IICA Print Shop

International trade in agri-food products from Latin America and the Caribbean and the transformation of food systems / Inter-American Institute for Cooperation on Agriculture. – San Jose, C.R.: IICA, 2021
16 p.; 21x16 cm.

ISBN: 978-92-9248-918-2
Published also in Spanish.

1. International trade 2. Sustainable development 3. Food security
4. Rural development 5. Living standards 6. Innovation 7. Rural prosperity 8. Regional integration I. Rodríguez Sáenz, Daniel
II. Bianchi, Eduardo III. Campos, Adriana IV. IICA V. Title

AGRIS
E71

DEWEY
382.0980729

San Jose, Costa Rica
2021

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List of acronyms

CBD	Convention on Biological Diversity
COVID-19	Coronavirus Disease 2019
GDP	Gross Domestic Product
IPPC	International Plant Protection Convention
LAC	Latin America and the Caribbean
MC12	Twelfth WTO Ministerial Conference
MEAs	Multilateral environmental agreements
OIE	World Organisation for Animal Health
PTAs	Preferential trade agreements
SDGs	Sustainable Development Goals
SPS	Sanitary and Phytosanitary Measures
TBT	Technical Barriers to Trade
UNCCD	United Nations Convention to Combat Desertification
WTO	World Trade Organization

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Presentation

This document entitled “International trade of agri-food products from Latin America and the Caribbean and the transformation of food systems” is intended to be an instrument of reflection and analysis aimed at global and regional audiences who can play a part in strengthening and transforming the food systems of Latin America and the Caribbean (LAC), such as state and regional governments, international cooperation organizations, development agencies and multilateral banks and donors, among others.

This material is part of the dialogue and action proposal construction process spearheaded by the Inter-American Institute for Cooperation on Agriculture (IICA) in the region in anticipation of the Food Systems Summit scheduled for this year. A number of different individuals made invaluable contributions to this document during its many stages of development. We would like to recognize the document’s collaborators for their time and knowledge.

We are thankful to IICA specialists Fernando Aramayo, Margarita Baquero, Alexandra Chávez, Hugo Chavarría, Fernando Conde, Edgar Cruz, Jean Charles le Valle, Eugenia Salazar and Santiago Vélez for their contributions during the initial discussion of the document's contents, as well as to the members of the standing advisor and consultant group of the International Trade and Regional Integration Program: Rosario Campos, Adriana García, Félix Peña, Martín Piñeiro, Osvaldo Rosales and Claudio Sabsay, among others named below.

Likewise, we are thankful to Joaquín Arias (IICA), Valeria Piñeiro (IFPRI) and Anabel González (IICA consultant) for their observations and feedback on the section "LAC needs to strengthen multilateralism and take better advantage of commercial opportunities and regional integration processes"; to IICA technical specialists Ana Marisa Cordero, Eric Bolaños, Alejandra Díaz, Horrys Friaca and Jaime Romero for their contributions to the section "Health, phytosanitary and quality measures that are science based and internationally harmonized"; and to Kelly Witkowski and Karen Montiel from IICA and IICA consultant Sabine Pappendieck for their contributions to the section "Promoting a trade policy in line with environmental goals". Lastly, we would like to thank the over eighty individuals who participated in the Summit's Independent Dialogue entitled "One Health and International Trade: Basic elements for the transformation of food systems", organized by IICA on 14 May. The contributions made at that event were of tremendous help in validating and enriching this document.

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Executive summary

The world food system has succeeded in increasing production to feed a rapidly growing world population. The population has doubled since 1960, while food production has tripled (OECD, 2021.) Although this has been the result of a considerable increase in productivity, international trade has played an important role in access to and availability of foods.

In this context, exports from the agrifood sector of Latin America and the Caribbean (LAC) represent around 14% of the world's agrifood product exports and one quarter of the total exports from the region. Despite its importance and the role it plays, agrifood trade from the region is not exempt from challenges. It is important to highlight that 86% of agrifood exports from LAC are concentrated in third markets and that 51% of the value of these exports is concentrated in ten products.



This situation raises the need in the region to diversify production models and trade destinations, but at the same time it presents the opportunity for the region to increase its presence in international and regional markets, as well as contributing to the supply of healthy, nutritious, safe food produced under suitable environmental management.

To boost the strategic role of agrifood trade from LAC in developing sustainable food systems and promoting regional and global chains, four essential measures are proposed:

- a.** Promote the renewal of the multilateral trade system. To do so, countries in the region can participate actively in the Twelfth World Trade Organization (WTO) Ministerial Conference, as this is a space where basic issues can be resolved to unleash their productive and trade potential. Main issues include: access to markets, liberalization of trade of agricultural products and the reduction of internal subsidies that distort trade.
- b.** Work to intensify the leveraging of over 140 preferential trade agreements (PTAs) signed in the last two decades, and continue with regional trade integration processes.
- c.** Encourage measures that boost the contribution of international agrifood trade and the transformation of food systems. Principal measures include those which: promote trade liberalization, facilitate trade, contribute to health, safety and quality, and promote the fulfillment of environmental goals, rules, laws and agreements
- d.** Strengthen national trade promotion programs to better leverage commercial opportunities, especially among companies and organizations of small- and medium-scale producers.

3

Introduction

At present there is a broad consensus to orient efforts toward the sustainability of food systems², as one of the conditions necessary to guarantee food and nutritional security overtime (IICA 2020a.) To do so, economic, social and ecosystem services must be generated that improve livelihoods and provide access to healthy and nutritional foods for all the population.

Paragraph 68 of the 2030 Agenda states that: “International trade is an engine for inclusive economic growth and poverty reduction, and contributes to the promotion of sustainable development.” In this respect, the United Nations Food Systems Summit is a new opportunity to put back on the table the importance of continuing to promote a multilateral, rule-based, universal, open, transparent, predictable, inclusive, nondiscriminatory and equitable trade system. It is also an opportunity to highlight how LAC is positioned to contribute to global food security, with the production of environmentally efficient foods, and to global environmental sustainability and biodiversity. Furthermore, the region can aid economic recovery and improvement after the COVID-19 pandemic, which not only represents an unprecedented disturbance in international trade, due to its repercussions in decreased production, commercial flows and consumption all over the world, but is also a new challenge for the fulfillment and terms of the Sustainable Development Goals (SDGs.)

The present document analyzes the role of international trade in food systems and places an emphasis on agrifood trade from LAC³. It also raises the need to strengthen multilateralism and take greater advantage of the opportunities represented by trade agreements and regional integration processes. Lastly, it includes a number of trade policy measures that can contribute to the transformation of national food systems and the fulfillment of the Summit’s goals.

(2) A food system is the sum of diverse elements, activities and actors which, through their interrelations, enable the production, transformation, distribution and consumption of foods. It includes all areas from the management of natural resources and biodiversity to the management of food losses and waste (FAO 2017.)

(3) Chapters 1 to 24 of the harmonized system, more cotton without combing or brushing.

4

The role of international trade in food systems

Despite the issues and challenges that the world food system faces at present, the OECD (2021) notes that the system has succeeded in increasing production to feed a rapidly growing world population; while this has doubled since 1960, food production has tripled. Although this has been the result of a considerable increase in productivity, international trade has played an important role in access to and availability of foods. Using 2018 data and the new methodology for calculating food balance, it can be determined that 35% of the consumption of foods in the world is imported⁴. Equally, in the last forty years, the proportion of foods that cross an international border, measured in calories, increased from 12% to over 19% (Martin et al. 2018.) Furthermore, international trade has also contributed to the more efficient use of natural resources. According to Hoekstra's estimates (2010), the amount of water used for world agricultural production is 5% less than the amount of water that would be needed to produce the same number of products if there was no international trade, that is, with only domestic trade.

One of the results of the increase in agrifood production and the globalization of consumption models has been that the world diet is dominated by a few products that are natural sources of calories. Of the average consumption of daily calories, 65% comes from grains, sugars and fats, 11% from fruits and vegetables, 9% from meats, 8% from dairy products and eggs, and the remaining 6% from other food groups. The Summit highlights that not only is it important to gain access to and availability of foods, but also that these should be accompanied by consumption models more compatible with human health and with environmental sustainability. As can be appreciated, agricultural production continues to be an essential and central link in all food systems; without it, there is no food security. Only a systemic approach that recognizes the central role and contribution of agriculture to the SDGs can allow advances to be made in their fulfillment (Arias 2017.)

In this context, international trade has a very important role in the transformation of national food systems, as it connects them with each other and helps to form a more sustainable global food system. In contributing to balancing food deficits and surpluses among countries, international trade fulfills at least seven fundamental roles or functions:

(4) The analysis was conducted by the Center for Strategic Analysis for Agriculture (CAESPA) of IICA with data from FAOSTAT, consulted 19 March 2021.

- 1) It redistributes food production, which makes it possible to increase the quantity and quality of products in all regions, consolidating food and nutritional security on a global scale.
- 2) It increases the variety of foods available, which expands the frontier of choice for consumers and contributes to diversifying their diets.
- 3) By stabilizing prices, it improves economic access to foods for more vulnerable populations.
- 4) It helps to tackle hunger and malnutrition.
- 5) It contributes to the consumption of safe foods due to the use of health standards in internal production and distribution systems.
- 6) It creates opportunities to improve agricultural productivity and increase agricultural producers' income. Therefore, it is a powerful mechanism for the diffusion of technologies and best practices.
- 7) The movement of foods from surplus regions to deficit regions promotes the efficient assignation of global resources, including natural ones. It thus contributes to the mitigation and adaptation of supply disruptions caused by climate factors.

Regarding the contribution of international trade to the transformation of environmentally and socially more sustainable food systems, by way of example, Kagohashi *et al.* (2015) argue that a 1% increase in trade liberalization would reduce the degree of water extraction/consumption between 1% and 1.5%, on average. This result indicates that international trade could encourage efficient water use, through the diffusion of water-saving technologies and the principle of comparative advantage. Likewise, considering that a sustainable food system is one that guarantees food and nutritional security for present and future generations, international trade is a key element to advance toward a sustainability approach in food systems, thanks to its efficiency and inclusiveness, including gender.

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The importance of agrifood trade for LAC

Agriculture plays a strategic role in LAC in the sustainable development of many of its national economies, is one of the main sectors that generates exports and is the most important economic sector in many countries. Primary agriculture's average share in total gross domestic product (GDP) in 2019 was 4.7%, with variations

from a little over 2% in Panama to over 15% in countries like Nicaragua and Haiti. However, if the multiplying effects of primary agriculture on food systems and on the rest of the economy are taken into account, the share can double, such as in the case of Mexico (Morris *et al.* 2020.) Furthermore, agriculture is one of the most important sources of employment in many countries, accounting for over 25% of the total jobs in the economy (World Bank, n.d.)

In this context, the region's importance in international agrifood trade stands out, due to its strategic role in world food security. Indeed, exports from the LAC agrifood sector represent around 14%⁵ of world agrifood product exports and one quarter of total exports from the region. Likewise, the region includes some of the main net food producing and exporting countries, key suppliers of the world's "pantries," according to the index of net food exports per capita (Arias *et al.* 2020), including: Argentina, Brazil, Chile, Costa Rica, Ecuador, Paraguay and Uruguay. The increase in production and exports in recent years has turned the region into the world's greatest net food exporter.

In the last twenty years, the region's agrifood trade surplus has increased constantly, from \$35 billion in 2000 to almost \$138 billion in 2019. Total agrifood exports increased from \$45 billion to \$193 billion in the same period, while imports increased from \$20 billion to \$55 billion (FAO 2020.) The large trade surplus is an indicator of the importance of the agrifood sector in terms of foreign exchange income and also in terms of impact in the region's employment levels. Specialized international organizations project that the region will maintain a surplus for various basic products, with net exports of cereals, oilseeds, sugar, coffee, poultry and meat (FAO 2020.) Likewise, LAC is a major producer of fruits and vegetables in the world; one third of the fruits and one quarter of vegetables produced in LAC are exported⁶. In a few years, LAC has become a major player in world fruit and vegetable markets, contributing to food and nutritional security.

As well as the abovementioned projections, LAC is a region with a strategic advantage in terms of the quantity of its biological natural resources (ECLAC *et al.* 2019.) As a percentage of the total of world resources, it has 50% of known biodiversity, 22% of freshwater, 16% of seawater resources, 23% of forests and 57% of old-growth forests. It receives 29% of the rain and has 31% of the planet's freshwater resources. In addition, LAC is the developing region with the greatest proportion of land available per capita suitable for incorporating productive activities. These resources are presented as a great opportunity; however, they also imply major responsibilities in terms of conservation and sustainability.

During the pandemic, the region had a positive performance in agrifood trade with respect to that of total goods, which placed the sector as one of the main engines for economic recovery. Thus, in 2020, LAC agrifood exports resisted the impact of COVID-19 better than total goods exports. According to data for an aggregate of 17 countries from the region, in 2020 agrifood exports increased 2.7% while total goods exports decreased 9.1% (Salazar *et al.* 2021.) In nine of these countries, agrifood exports in

(5) This analysis was conducted by CAESPA at IICA with data from the United Nations. COMTRADE.

(6) This analysis was conducted by CAESPA at IICA with data from FAOSTAT, consulted 19 March 2021.

2020 grew in comparison with 2019, while the total goods exports decreased. In the rest of the countries, agrifood exports fell, but much less than the total of products. Despite this situation, the region is not exempt from the challenges present even before the emergence of COVID-19 at the start of 2020. 86% of LAC agrifood exports are concentrated on a few markets⁷: the United States represents 23%, followed by East Asia with 19%. The Chinese market stands out with a share of 13%, as does the European Union with an 18% share. It is vital to recognize that if a large percentage of export income comes from a very small number of basic agrifoods and markets, the economies are exposed or vulnerable to problems in the export destination countries and the conditions of the world markets for those products. In the medium and long term, these vulnerabilities can be translated into macroeconomic imbalances, which also affect the labor market in the region and its migratory flows.

Likewise, exports of agrifood products in the region are concentrated on a limited number of products; 51% of the value of these exports is concentrated in ten products, while the same figure at global level is 29% (ECLAC *et al* 2019.) This situation is even more accentuated in some countries, making them vulnerable to the conditions of international markets. By way of example, soy, sugar and poultry make up half of Brazil's agricultural exports, while Colombia's coffee and banana exports account for 66% of the country's total exports (FAO 2020.)

This situation raises major challenges for the region, centered on the need to diversify production models, including agroindustry and trade destinations. At the same time it presents the opportunity to increase their presence on international markets and contributes to the supply of healthy, nutritious, safe foods produced under suitable environmental management for the world, in a context of post-pandemic recovery and increasing world demand for agrifood products by the year 2050, as a consequence of population growth, increased urbanization, greater sanitation, health and quality demands, a larger middle class and the diversification of diets, among other aspects.



(7) This analysis was conducted by CAESPA at IICA with data from the United Nations, COMTRADE.

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LAC needs to strengthen multilateralism and take better advantage of the opportunities of trade agreements and regional integration processes

International trade from LAC is relevant as a generator of foreign exchange and jobs. It is also an essential factor to develop agriculture's potential in the region and to strengthen its contribution to global food security and the creation of inclusive and sustainable food systems.

A multilateral, rule-based trade system tied to the WTO provides the nondiscrimination, predictability and security necessary for the region to unleash its productive and trade potential. More open, transparent and efficient markets level the playing field between developed countries and developing countries (Arias 2017.) Likewise, the existence of clear rules contributes to transparency and decreases uncertainty, which in turn makes it possible to consolidate and re-establish trust in international trade, as a means for promoting food security (Bianchi *et al.*, 2017.)

Despite its relevance, the WTO is under significant pressure and the business environment is more uncertain and volatile. Trade conflicts, new technologies and geopolitical competition have significantly weakened the governance of international trade in recent years, which has been aggravated by tensions arising from the pandemic. The trade of agricultural products has not been exempt from these tensions; furthermore, one of the areas where the main countries of the world clash is precisely agriculture, where increased tariffs and subsidies in large countries have introduced new elements of distortion.

The problems in the WTO's three functions (negotiation of trade agreements, conflict solution and policy monitoring) have been building for some time, which has limited the WTO's capacity to keep up with the challenges of the changing trade panorama, the role of emerging countries in the global economy and technological change. Unless WTO members take decisive measures to reform the organization, its critical role in international trade will be reduced precisely when the recovery of the world economy needs more, not less, cooperation in the form of policies (González, 2020.) In the agricultural field, the strengthening of global governance is particularly critical to combat tariff increases, potential non-tariff barriers derived from the introduction of more restrictive sanitary requirements, and the significant increase of distortions in production and exports.

In these conditions, the search for a renewed World Trade system is fundamental to support growth, technological progress and world stability. The Twelfth WTO Ministerial Conference (MC12), to be held in Geneva, Switzerland, in November 2021, will be an opportunity to reactivate multilateral negotiations to attain new and significant results, especially in agriculture. This is no easy task; it requires the construction of highly complex consensus given that they represent the interests, particularities and sensibilities of all the member countries of the organization. However, at this ministerial conference it may be possible to achieve a general framework to begin the process of reform and adopt work programs on substantial issues on which there is consensus on the importance of the issue, such as the case of internal subsidies. However, work needs to be done on a more precise approach to the content of this work program.

Additionally, in order to increase its international agrifood trade, both extra- and intra-regional, LAC has signed over 140 PTAs in the last two decades (ECLAC *et al.*, 2019) and has continued with regional trade integration processes. PTAs are instruments that have become a fundamental trade policy strategy that serve to increase and diversify investment opportunities in a country and gain preferential access to exports of added-value products. To improve their leverage, countries in the region could implement complementary agendas to overcome challenges such as: exclusion of products from tariff preferences, lack of information and knowledge of the benefits provided by these agreements, lack of effective support programs for exporters, weaknesses associated with the volume or quality of the exportable supply, problems in infrastructure, transport, logistics and customs procedures (ECLAC *et al.*, 2019.)

Furthermore, to reinvigorate regional economic integration and for this to become an engine of economic growth, it is necessary to progress in terms of convergence between different initiatives. Aside from the field of tariffs, where some progress has been made, this agenda must focus its actions on technical, sanitary and phytosanitary standards. In addition, efforts should be made to improve regional infrastructure and digital cooperation (ECLAC, 2021.)

Trade generates economic growth, but its distributive impact within countries is heterogeneous. Therefore, policies that free up trade and promote the integration of markets need to be accompanied by complementary measures to ensure that those producers and workers who are adversely affected by greater competition are covered by suitable social protection measures. Support policies are required for upgrading and upskilling in developing countries to ensure that small scale actors are capable of dealing with the requirements of international markets and can participate in global agrifood value chains (Kalibata, 2020).

Faced with this scenario, it is essential for LAC to act on three levels: multilateral, regional and national.

- In the **multilateral**, sphere, it must participate proactively in debates on the new reform in the multilateral trade system, as this is where basic issues can be resolved for the future of trade in the region, such as: a) concluding negotiations on agriculture related to access to markets, the freeing up of trade of agricultural products and the reduction of internal subsidies that distort trade; b) improving the monitoring and transparency of trade measures; c) improving the clarity of notifications; and d) strengthening the conflict resolution mechanism. Progress in the monitoring of these multilateral issues will make it possible to promote the 2030 Agenda and help progress in the challenges of sustainable development and the implementation of SDGs.
- At **regional** level, efforts must be made to reduce the costs of intraregional trade and strengthen regulatory cooperation.
- At **national** level, LAC countries must take decisions regarding the adoption of public policies directed at the agrifood sector, with a long-term perspective, that promote the growth and development of the sector based on competitiveness, inclusivity and modernization of activities.

The result of implementing measures at these three action levels will have a positive impact on the development of the sector and food security in LAC. However, these actions require financial resources in order to be implemented. Therefore the countries will need greater institutional coordination, a more efficient allocation of public spending and more effective and inclusive funding. In this regard, the financial markets are a fundamental component in the construction of sustainable food systems. In the particular case of agricultural and rural transformation, additional efforts must be made to increase financial penetration and inclusion in the countries of the region (ECLAC *et al.*, 2019.)

Once the contributions of the region to food and nutritional security and the sustainability of food systems at global level have been recognized, these actions must be complemented by efforts that ensure easy access to international credit markets in appropriate conditions. Developed countries can play an important role in this respect, in considering the region once again and contributing to transformation through demand and by offering soft loans or none-repayable loans.

7

Trade policy measures that contribute to transforming food systems

The transformation of LAC food systems will depend on the success of reforms put forward in the context of the five action tracks defined for the summit in support of the SDGs. A number of trade policy measures are presented below, which could be promoted from LAC to transform national food systems, strengthen the global food system and contribute to the fulfillment of the United Nations Summit goals. These recommendations are based on the principle that policies developed with a market focus help agricultural producers to respond to market signals and take better decisions on what, when and how to produce, thus fulfilling the needs of food quantity and quality and supplying the attributes required by the final consumer (Arias 2017.)

The proposed actions seek to increase the availability of healthy, nutritious and affordable foods, to contribute to guaranteeing access to healthy and nutritious foods for all (action track 1); ease the transition toward nutritional foods that require fewer resources for their production and transport, as a means to adopting sustainable forms of consumption (action track 2); optimize the use of environmental resources in the production, processing and distribution of foods to promote eco-friendly production (action track 3); contribute to the elimination of poverty, through the promotion of full and productive employment, as a way of promoting equitable livelihoods (action track 4); and ensure the uninterrupted functionality of sustainable food systems to create resilience to vulnerabilities, disturbances and tensions (action track 5.)

- **Measures that promote the liberalization of agrifood trade** such as the reduction of import tariffs, the elimination of tariff peaks, the simplification of import duties with ad valorem tariffs, the elimination of tariff scaling, the increase in tariff quotas and the reduction of the over-quota tariff, the significant decrease of internal subsidies and aid, the introduction of disciplinary measures on the use of taxes and export controls, the flexibilization of rules of origin and the reversal of the increase in restrictive trade measures that has taken place in recent years. These measures facilitate supply and increase the availability and diversity of foods and diets, stabilize quantities and prices in the domestic market and generate business and employment options. Table one shows how these actions also contribute to every one of the Summit's action tracks.

TABLE 1. CONTRIBUTION OF THE IMPLEMENTATION OF ACTIONS FOR THE LIBERALIZATION OF TRADE TO THE ACTION TRACKS PROPOSED BY THE SUMMIT

ACTION TRACKS/ ACTIONS / RESULT	1. ENSURE ACCESS TO SAFE AND NUTRITIOUS FOOD FOR ALL	2. SHIFT TO SUSTAINABLE CONSUMPTION PATTERNS	3. BOOST NATURE - POSITIVE PRODUCTION	4. ADVANCE EQUITABLE LIVELIHOODS	5. BUILD RESILIENCE TO VULNERABILITIES, SHOCKS AND STRESS
Facilitates supply and increase availability and diversity of foods and diets	Contributes to achieving a balance between food supply and demand, which are geographically unbalanced. This facilitates supply and improves the availability of foods.	Increases the variety of nutritional foods available. This makes it possible to expand consumers' frontier of choice and contributes to diversifying diets (WTO, 2011)	Improves access to goods, services and green technologies necessary for reducing contamination and energy consumption.	The elimination of market distortions allows markets to be more equitable and competitive.	Promotes the efficient assignation of global resources, which contributes to their conservation, and to the mitigation and adaptation of disruptions to supply caused by events such as the COVID-19 pandemic and the effects of climate change.
Contributes to the stabilization of quantities and prices in the domestic market	The use of international trade to complement national production can contribute to the stabilization of quantities and prices in the domestic market (Díaz-Bonilla, 2015) and make them more affordable.	Contributes to price decreases to the benefit of consumers; that is, in the absence of trade domestic prices would be higher.	Allows the price system to function as an efficient assigner of resources.	Makes it possible to improve access to food for more vulnerable populations by decreasing their price and volatility.	Price stability is important in crises and shocks.
Generates business and employment options	Promotes productive efficiency through specialization, the exploitation of economies of scale, technology transfer. This generates new export opportunities and gives producers a wider range of inputs of higher quality and at a lower price, which stimulates income increases for producers and different system actors.	Increases the diversity of exportable supply, which improves the availability of safe and sustainable products, not only in export markets but also in local markets.	Increases the possibility of creating green businesses and jobs that aid sustainability. Trade reduces the carbon footprint in promoting production in countries and geographical areas according to the relative abundance of natural resources.	The growth in income levels contributes to eradicating poverty.	Contributes to improving stability and allows food systems to be more resilient.

Source: Compiled by author.

In this area of action, given its importance to the future of international trade, the region must place special emphasis on its preparation and active participation at the Twelfth WTO Ministerial Conference (MC12.) Furthermore, it must manage efforts to reduce the costs of intraregional trade and strengthen regulatory cooperation.

- **Actions that facilitate international food trade**, such as the correct implementation of the WTO's Trade Facilitation Agreement, the streamlining of customs clearance, the automation and digitalization of processes and the exchange of information, among other procedures. These measures can improve logistics times, food distribution and transparency. Table two shows how these actions can contribute to every one of the action tracks proposed by the Summit.

■ **TABLE 2. CONTRIBUTION OF THE IMPLEMENTATION OF ACTIONS THAT FACILITATE INTERNATIONAL FOOD TRADE TO THE ACTION TRACKS PROPOSED BY THE SUMMIT**

ACTION TRACKS / RESULT	IMPROVEMENT IN LOGISTICS TIMES, FOOD DISTRIBUTION AND TRANSPARENCY
1. ENSURE ACCESS TO SAFE AND NUTRITIOUS FOOD FOR ALL	The reduction in transport times and border crossings reduces costs and improves availability of and access to foods.
2. SHIFT TO SUSTAINABLE CONSUMPTION PATTERNS	The reduction of costs favors the choice of more nutritious and affordable consumption baskets.
3. BOOST NATURE-POSITIVE PRODUCTION	Contributes to a better assignation of resources and sustainability.
4. ADVANCE EQUITABLE LIVELIHOODS	The simplification of border procedures permits a better assignation of scarce resources and generates considerable efficiency gains. This allows governments to allocate more resources to other development goals.
5. BUILD RESILIENCE TO VULNERABILITY, SHOCKS AND STRESS	Decreases food losses derived from prolonged transit at borders and streamlines food distribution at times of supply instabilities.

Source: Compiled by author.

The region's countries must consider the possibility that some measures implemented as a result of the pandemic may be permanent, such as the acceptance of electronic phytosanitary certificates and a reduction in physical inspections (ECLAC 2021.) Equally, these actions must be complemented with public-private efforts to improve transport and logistics capacity in the region.

- **The implementation of scientifically-based and internationally harmonized sanitary, phytosanitary and quality measures**, such as developing capacities to improve use, implementation and active participation in multilateral forums such as the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS) and the Technical Barriers to Trade (TBT) Agreement of the WTO, the Codex Alimentarius, the World Organisation for Animal Health (OIE), the International Plant Protection Convention (IPPC) and in regional forums; provide trade partners with regulatory mechanisms that facilitate trade without compromising sanitary or phytosanitary status, such as equivalence agreements or mutual recognition agreements; promote actions for regional and national regulatory frameworks to harmonize their rules with international regulations, and the implementation of their rules based on scientific principles; provide the elimination of differentiated regulatory frameworks for products intended for international or national markets and carry out exploration and predictability actions (regulatory, technological and institutional) for emergency and emerging situations. These measures promote a greater availability of safe products and improve animal and plant health. Table 3 shows how these actions contribute to every one of the action tracks proposed by the Summit.

■ **TABLE 3. CONTRIBUTION OF THE IMPLEMENTATION OF ACTIONS TO PROMOTE FOOD, HEALTH, SAFETY, SUSTAINABILITY AND QUALITY TO THE ACTION TRACKS PROPOSED BY THE SUMMIT**

ACTION TRACKS / RESULT	GREATER AVAILABILITY OF SAFE PRODUCTS AND IMPROVEMENT IN ANIMAL AND PLANT HEALTH
1. ENSURE ACCESS TO SAFE AND NUTRITIOUS FOOD FOR ALL	In overseeing health practices and reducing the prevalence of diseases and pests that affect animal and plant health, productivity is improved and availability and access to healthy foods is promoted.
2. SHIFT TO SUSTAINABLE CONSUMPTION PATTERNS	Quality practices and health and safety measures facilitate correct decision making by consumers.

3. BOOST NATURE-POSITIVE PRODUCTION	<p>The use of good practices and standards promotes environmentally sustainable production and distribution.</p>
4. ADVANCE EQUITABLE LIVELIHOODS	<p>The implementation of good agricultural practices and food health and safety practices increases productivity and income, which promotes well-being and equity in rural areas.</p>
5. BUILD RESILIENCE TO VULNERABILITY, SHOCKS AND STRESS	<p>The implementation and harmonization of international science-based and risk-based standards, and measures such as electronic phytosanitary certification contribute to the streamlining of trade, which promotes availability of and access to foods in times of crisis.</p>

Source: IICA 2021.

Given the rapid emergence of new forms and standards in terms of health, safety and quality, permanent harmonization and development of capacities are essential for the correct implementation of the new rules, supporting all LAC food systems actors, especially those who have scales of production and capital that limits the possibility of reacting quickly to regulatory changes caused by the market. It also benefits all consumers and inspires trust about the safety of the products they consume.

- **Promotion of a trade policy in keeping with environmental goals.** It is important to encourage compliance with environmental laws and multilateral environmental agreements (MEAs), such as the Paris Agreement, the Montreal Protocol, the Convention on Biological Diversity (CBD), and the United Nations Convention to Combat Desertification (UNCCD), among others. In addition, it is important to strengthen rules in the WTO Technical Barriers to Trade Agreement and the functioning of the WTO Committee on Trade and Environment, provide a regulatory framework in the WTO sphere of preferences for environmentally-efficient agrifood goods, reduce tariffs on environmental goods, reduce food waste, incorporate environmental issues into regional and bilateral agreements, harmonize environmental measures on objective, internationally-validated criteria and promote the implementation of sustainable practices, and the reduction of deforestation, water pollution and soil degradation. Access to clean technologies and good agricultural practices to promote ecosystem services can take advantage of market niches for sustainable products. Table four shows how these actions contribute to every one of the action tracks proposed by the Summit.

TABLE 4. CONTRIBUTION OF IMPLEMENTATION OF MEASURES TO PROMOTE FOOD HEALTH, SAFETY, SUSTAINABILITY AND QUALITY TO THE ACTION TRACKS PROPOSED BY THE SUMMIT.

ACTION TRACKS / RESULT	PROMOTE SUSTAINABLE PRACTICES AND ACCESS TO CLEAN TECHNOLOGIES AND ECOLOGICAL GOODS	THE GOOD USE OF MARKET NICHES FOR SUSTAINABLE PRODUCTS
1. ENSURE ACCESS TO SAFE AND NUTRITIOUS FOOD FOR ALL	Promotes the provision of ecosystem services, which generate revenue, regulate ecosystem processes and are the basis of cycles of nutrients and raw materials.	May increase producers' income and stabilize it by diversifying markets.
2. SHIFT TO SUSTAINABLE CONSUMPTION PATTERNS	Permits the consumption of products obtained eco-efficiently.	The growing interest in organic, carbon neutral projects and zero deforestation can contribute to sustainability.
3. BOOST NATURE - POSITIVE PRODUCTION	Compliance with international environmental laws and agreements (MEAs), such as the Paris Agreement, the Kyoto Protocol, the Montreal Protocol, etc.) and the promotion of sustainable practices such as the reduction of deforestation, water and soil contamination, all contribute to a more environmentally sustainable food system.	Carbon neutral certified products can contribute to the resilience of food systems and the sustainable management of natural resources.
4. ADVANCE EQUITABLE LIVELIHOODS	More eco-efficient production promotes productive employment for all the agents in the chain.	Allows producers to generate income and increase levels of quality of life by leveraging market niches for sustainable products.
5. BUILD RESILIENCE TO VULNERABILITY, SHOCKS AND STRESS	More sustainable food systems are more resilient to extreme events and climate variability.	

Source: Compiled by author

LAC countries must continue to make efforts in three major areas. First, they must insist on the importance of generating a production model for environmentally efficient foods within the legal structure of the WTO, in the same way that the agreement on environmental goods exists today. (Papendiek *et al.*, 2017.) With regards to the Technical Barriers to Trade (TBT) Agreement, LAC countries must demand that public environmental standards be based on science and not on a precautionary criterion. In addition, it is important to strengthen the dialogue space within the Committee on Trade and Environment to achieve a global harmonization of private standards, which today lack a framework and in many cases do not meet objective criteria. This would prevent the multiplicity of standards present today in all agrifood chains. Lastly, countries must improve multi-sectoral coordination (environment, agriculture, trade, among other issues.)

One issue that cannot be ignored when it comes to the transformation of food systems is gender equity. Although the relationship between trade and gender is complex and its results mixed, studies suggest that there is a positive trend between both. There are various trade policy tools that can contribute to gender equality. These include the incorporation of the issue into the multilateral trade system, the inclusion of specific provisions in preferential trade agreements, and the development of tools that stimulate export entrepreneurship in women by commercial promotion organizations (ECLAC, 2021.)

As a general framework for these measures, is important to encourage the strengthening of the multilateral trade system. The Twelfth WTO Ministerial Conference must be a point of inflection along this path, in order to make concrete progress on central issues that affect agrifood trade.

Furthermore, although actions related to market access are the result of inter-governmental negotiations, it is the companies that develop export processes. Therefore, public-private dialogue spaces must be promoted to ensure the convergence of interests of both actors and fulfillment of the goals proposed.

Lastly, it is important to recognize that the implementation of the above measures in trade policy, although they lay the bases for agrifood product trade in the region to have a determining role in the transformation of food systems, are frequently not enough to take advantage of trade opportunities, especially by companies and organizations of small- and medium-scale producers.

Aside from conditions of competitiveness and productivity that influence positioning in international markets, additional efforts must be made to strengthen public and private capacities, in order to take full advantage of trade agreements and integration processes. Particular attention must be placed on the use and strengthening of services provided by trade promotion organizations, with a view to improving the diversification of markets and products, through actions to identify trade opportunities and strengthen the export capacities that companies and producer organizations must have. In addition, it is important to ensure compliance with sanitary and phytosanitary rules and requisites and the connection between supply and demand, where new technologies and electronic means are included (IICA, 2020b.)

8

Conclusion

Given its conditions, LAC is positioned to contribute to regional and global food security, through the production of healthier and more nutritional foods and by providing solutions to mitigate and adapt to the effects of climate change.

International agrifood trade is a key factor for the transformation of more sustainable, equitable and safer food systems. Therefore, it constitutes a fundamental element for the fulfillment of SDGs and United Nations Food Systems Summit goals.

In this context, it is essential to promote the smooth running of international agrifood trade and take full advantage of international trade agreements and regional integration processes. To do so, it is essential to strengthen the multilateral trade system. The Twelfth WTO Ministerial Conference must be a turning point on this path so that concrete progress is made on the crucial issues affecting agrifood trade in the region.

As a whole, the countries of the region have at their disposition a number of trade policy measures that can help expand international trade in sustainable agrifoods, in order to convert the agrifood sector into an important engine for economic growth, the reduction of poverty, food and nutritional security and environmental sustainability, both regionally and globally.

Although the strengthening of the multilateral trade system, and the implementation of trade policy actions to streamline agrifood trade, set the bases for the trade of agrifood products in the region to play a determining role in the transformation of food systems, actions to strengthen public and private capacities cannot be neglected, to take full advantage of trade agreements and integration processes to the benefit of all actors and links in the food system.

9

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