How COVID-19 is Affecting Food Systems & Food Security in Africa

DR. SCOTT NEWMAN
SENIOR ANIMAL HEALTH & PRODUCTION OFFICER
FOOD & AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
REGIONAL OFFICE FOR AFRICA
I. Introduction & The Current Situation in Africa
II. FAO approach to Assess the Situation and Mitigating Impacts on Smallholder Production & Agri-food Value Chains in Africa
III. Summary of Disruptions to Food Systems in Africa
   ✓ Impacts at the farm-level
   ✓ Impacts along the agri-food value chains
   ✓ Impacts on markets
IV. Policy Options to Address Disruptions in Agri-food Value Chains
V. AU-FAO Virtual Ministerial Meeting
VI. Conclusions
Food Scarcity is not an issue at the global level
Moving that food to the people who need it in Africa is the concern
Looking ahead – local food production is also a concern

http://www.amis-outlook.org(indicators/amis-crops-at-a-glance/en/)
The African Continent is Hungry, Food and Nutrition Insecure

- More than 167 million people food insecure
- Over 113 million people are undernourished
- Over 54 million people are acutely food insecure - inability to consume adequate food puts their lives or livelihoods in immediate danger
- 12.7 million acutely malnourished children & 57.5 million stunted

The African Continent is Extremely Poor

- In Sub-Saharan Africa (SSA), the number of extreme poor has increased, from 276 million in 1990 to 413 million in 2015
- Over 41 percent of the population live in extreme poverty

The Rural Poor Are Closely Linked to Agricultural Livelihoods

- Poverty is predominantly rural & 82% of Africa’s poor are rural, earning their living from farming or agriculture-related activities
- 76% extreme poor adults in SSA work in agriculture
- 66% moderate poor adults in SSA work in agriculture

There are many vulnerable people

- Over 20 million displaced people as a result of civil unrest, climate change, drought or conflict

(FAO 2019; World Bank, 2018; Allen et al. 2018; Beegle et al. 2016; Castaneda et al. 2018)
To date, the virus has not yet been documented to have spread widely in many African countries with severe food insecurity.

Reflecting on the past Ebola Virus Outbreaks one would expect food price spikes, significant harvest reductions and further food insecurity.

Africa is largely an import dependent continent, especially when it comes to food and inputs needed to produce food.

With the global economic crisis associated with COVID-19 pandemic, the concerns are:

- African countries will have difficulty purchasing food & inputs to support local production.
- Restrictions on movement of people, goods & services will prevent food transport, imports & exports.
- Livelihood & income losses for households will prevent people from being able to purchase food.

Confirmed coronavirus cases in Africa: 31,933
Recovered: 9,566; Deaths: 1,423
To quantify the impacts of the COVID-19 health crisis on the production and access of consumers to food (crops, fish, livestock, meat, milk) and non-wood forest products, the FAO Regional Office for Africa, with support from the African member country governments and FAO Representations, undertook a country-level stocktaking exercise.

The aim was to:

- Evaluate and summarize the COVID-19-related disruptions to producers and agri-food value chains, AND
- Summarize the strategic policies, measures, and interventions that are being taken to mitigate the looming food crisis in Africa.
At the farm - Impacts on the work force & human capital

- **Restricted human movements and government-imposed “lockdowns” on movement are leading to**
  - Interruptions in the availability of labor for harvest, post-harvest handling, transportation and storage of food
  - High post-harvest losses for perishables further exacerbated

- **Closures of public & private offices - government, NGOs, civil society, academic, development & donor agencies**
  - Farmers, producer associations, cooperatives & enterprises are not receiving necessary advisory & support services
  - Cancelled trainings, workshops and seminars
  - Inability to conduct surveillance and respond to diseases
  - Veterinary and extension services, pest control, and monitoring systems for food safety including sanitary (relating to animals) & phytosanitary (relating to plants) (SPS) standards are no longer available
  - Reduced compliance with quality control & quarantine measures
At the farm - Impacts on the supply of agricultural inputs

- **Road closures, police-enforced checkpoints & “lockdowns”**
- **Restrictions on imports, closed borders & restricted transport networks**
  - Prevents dealers & service providers from providing agricultural inputs
  - Crops & Veggies: seeds, fertilizers, agro-chemicals, machinery
  - Fish & Aquaculture: fishing gear, fuel, medicines & aquaculture feed
  - Livestock: livestock feed, medicines & vaccines

  - Shortage of imported agricultural inputs leads to limited availability & increasing prices for inputs - 2 outcomes are possible:
    - **Similar production levels but increased food prices OR**
    - **Decreased production and reduced food availability**

  - Remote rural localities most impacted – not able to maintain seasonal supplies to accommodate upcoming growing seasons
Impacts along the agri-food value chain

- **Impacts downstream from the farm on agro-processors & associated logistics – between farm & market**

  1. Logistics operators, agro-processors and distributors are unable to secure raw materials and supply value-added products to domestic markets to meet food security needs
  2. Agro-processors unable to procure spare parts and services for equipment and machinery which are essential for the industry
  3. Lack of available ingredients and inputs for agro-processing, including packaging and labelling materials

- Greater impact on small to medium agro-processing enterprises (SMEs) who do not usually maintain large stocks and cannot pay for service providers during prolonged periods of interruption
Impacts along the agri-food value chain

Disruptions to international logistics networks are having impacts on food suppliers, distribution networks, importers and exporters

1. Decrease in food products imported from overseas
   - Especially damaging to African countries, where in some cases up to 90% of consumed food is typically imported
   - Low-income & landlocked countries, as well as Small Island Developing States are of the greatest concern

2. “Stay at home policy” decreased availability of drivers and labor for equipment operators & food transportation along food distribution networks (national and international)

3. Restricted logistics networks to distribute produced and processed food products within countries & across borders
Despite its vast agricultural potential, Africa is net importer of agricultural products - roughly USD 80 billion between 2015 - 2017

Over the last two decades (1996 – 2016), imports have been increasing by 6 percent per year consisting mostly of basic foodstuffs such as cereals, vegetable oils, sugar, meat & dairy

The vast majority of imports are sourced from outside the region

- wheat, sunflower oil and dairy products from Europe
- rice and palm oil from Asia;
- maize, poultry and beef from Latin America
Closures & restricted operations of open markets, informal markets & street vendors is happening across Africa

- Reduced access to diverse, healthy & nutritious food
- Increasing food prices due to limited locations available to purchase food
- Concurrently - reduced consumer purchasing power
  - due to loss of daily wages or livelihoods – especially relevant to countries with weak social protection systems
- With fewer available points of sale for food & fewer customers that can afford food, the cascade effect causes a loss of income to producers, processors & all food value chain actors
- Possible increased risk of civil unrest or conflict, or in some cases, further pressure on natural resources, forest or biodiversity as an alternate food source
Impacts due to the global economic crisis & overall global economic slowdown

- Reduces domestic/export markets for producers & processors
- Impacts to the supply and price of credit
- Disrupts currency exchanges, contributes to inflation & results in a limited supply of foreign exchange in African countries
  - Major challenges for small & medium enterprises (SMEs) which are the backbone of agricultural value chains in the logistics, transport, distribution & processing sectors
- Reduced ability of African countries to financially maintain food imports and production/processing input imports
- Increased risk of bankruptcy and defaulting on loans
- Reduction in the viability of businesses that provide essential production and distribution services across the agricultural value chains
Impacts associated with the financial markets & macroeconomic stability

- Africa’s agricultural exports are dominated by mostly cash crops
- The top 5 (cocoa, edible fruits and nuts, coffee, tea & spices, fish and edible vegetables & roots) make up 53% of all agric. exports
- Global economic downturn is also likely to reduce demand for African food commodity exports including important cash crops such as coffee and cocoa, reducing revenues for producers, processors and exporters
- Already, there are indications of declining export demand & related prices for some of these products

(Sources: IMF, The Standard)

| Africa’s top agricultural exports (1000 USD, avg. 2015-17), and % intra-regional |
|---------------------------------------------------------------|-----------------------|-------------------------|
| Preparations of meat, fish (HS 16)                            | Intra-regional: 23%   |
| Raw, waste and carded cotton (HS 5201-03)                    | Rest of World: | |
| Beverages, spirits (HS 22)                                    |                       | |
| Sugars and sugar confectionery (HS 17)                        |                       | |
| Fats and Oils, animal and vegetable (HS 15)                   |                       | |
| Oil seeds (12)                                                |                       | |
| Tobacco (HS 24)                                               |                       | |
| Edible vegetables, roots (HS 7)                              |                       | |
| Fish (HS 3)                                                   |                       | |
| Coffee, tea, spices (HS 9)                                   |                       | |
| Edible fruit and nuts (HS 8)                                 |                       | |
| Cocoa (HS 18)                                                 |                       | |
| $0                                                                  | $2,000,000      | $4,000,000      |
| $2,000,000                                                   | $4,000,000      | $6,000,000      |
| $4,000,000                                                   | $6,000,000      | $8,000,000      |
| $6,000,000                                                   | $8,000,000      | $10,000,000     |
1. Exemptions on movement restrictions for production or agri-food value chains workers (inclusive of advisory support, producer associations, cooperatives, enterprises, pest control, veterinary & extension workers)

2. Maintaining services to support food systems and production value chains, with special emphasis on disease control, food safety, and quality control measures are sustained

3. Price monitoring and stabilizing food prices by providing direct subsidies to agricultural producers and processors & enforcing rules against price gouging & food hoarding

4. Social safety nets targeting the most vulnerable communities to ensure that lost wages or lost livelihoods do not affect purchasing potential - cash and in-kind food transfers
5. Food products and inputs to agri-food supply chains being exempt from import or export restrictions (inclusive of agricultural inputs - seeds, fertilizers, equipment, parts...)

6. Specialized government guarantee and lending schemes to SMEs in agri-food value chains

7. Protocols in place for movement of fresh, refrigerated, and frozen products on trucks, ships and planes AND live animals across borders, in ways that facilitate trade & mitigate additional COVID-19 transmission by people

8. To the greatest extent possible use/scale up innovations or digital technologies for payment, purchasing and delivery of food products and agricultural supplies

9. Flexible & adaptable restrictions on rural food markets & informal vendors to allow them to stay open and prevent further COVID-19 spread
A few country examples:

- In Ghana, production, distribution and marketing of food are exempt from the movement restrictions, paving a way for continuity food availability
- Ethiopia’s National Task Force advised for information and communication technology (ICT) to cover producer-related extension services, financial services, linkages between market actors and farm prices
- Nigeria has implemented a broad program for price stabilization of agri-food products and prohibiting export of important staple food crops, such as grains, to maintain strategic national grain reserves
- Zimbabwean startup, Fresh In A Box, is delivering fresh produce door to door, directly from farmers
- Gabon issues special permits for entry into the national territory for food trucks and transport of agricultural supplies and inputs
AU-FAO Virtual Ministerial Meeting

AU-FAO MINISTERIAL MEETING (VIRTUAL)
IMPLICATIONS OF COVID-19 FOR FOOD SECURITY IN AFRICA
Thursday, 16 April 2020
(14.00-17.00 Rome time / 15.00-18.00 East African time / 13.00-16.00 UTC)

▶ African Union Commissioner for Rural Economy and Agriculture
▶ Director-General of the Food and Agriculture Organization of the United Nations (FAO)
▶ Chair of the African Union Specialized Technical Committee on Agriculture, Rural Development, Water and Environment
▶ Ministers for Agriculture of the African Union Member States
▶ DECLARATION ON FOOD SECURITY AND NUTRITION DURING THE COVID-19 PANDEMIC
▶ Emphasis on concurrently containing COVID-19 spread, & ensuring that measures are in place to support food & nutrition security for all - especially for the most vulnerable
There are signs of emerging disruptions at farms, upstream and downstream along agri-food chains, & at markets

To date, the emerging crisis is viewed primarily through a public health lens (as it should), and only gradually are national strategies, task forces and funds focusing attention on the elements of food and nutrition insecurity

Efforts to contain the spread of the virus need to be accompanied by measures to minimize disruptions to the food and agriculture systems, and support the livelihoods and food security of the most vulnerable
COVID-19 control measures could exert a significant shock to food & nutrition security of Africa through multiple mechanisms.

COVID-19 control measures could further exacerbate high rates of hunger, malnutrition and poverty especially in:

- Countries impacted by Desert Locust Situation - Kenya, Ethiopia, Somalia, Uganda and South Sudan and where there are already more than 20 million people facing severe acute food insecurity.
- Countries most affected by conflict (and often adverse weather conditions) the Democratic Republic of the Congo, the Lake Chad Basin, Central African Republic.

However, good policy options are being applied in some African countries already, and these policies help address disruptions to production and agri-food value chains.
Remaining Challenges

1. Closure of Informal Markets impacts food and nutrition security for millions of Africans, and impacts income earned by producers and other actors along the food value chains.

   However, keeping Informal Markets open increases the risk of disease spread since social distancing is very difficult to achieve.

   • an alternative solution is needed

2. Lockdowns inflict enormous hardship on those who depend on income earned each day to be able to feed themselves and their families affecting millions of Africans.

   • At this point in time, social safety nets are not reaching many of these people – an alternative solution is needed.
What remains to be seen is:

- The extent to which COVID-19 spreads in Africa
- What additional measures will be taken by governments to mitigate the health crisis
- What additional measures will be taken by governments to facilitate functional food systems and food security for the most vulnerable
- Whether the global economic slowdown translates into a reduction of imported food into Africa
- Whether reduced inputs to support production and agri-value chains leads to a decreased local food production
- Whether the global economic slowdown translates into a reduction of high value cash crop exports from Africa
WHAT IS FAO DOING?

FAO will continue to work closely with governments to prevent a food crisis in Africa, and to ensure that social safety nets meet the needs of the most vulnerable

1. Understanding and mitigating the pandemic’s impact on food and agriculture
2. Safeguarding the food security and livelihoods of the most vulnerable
3. Understanding the virus’s origin and spread
4. Ensuring a unified, One Health approach – human-wildlife-livestock-ecosystem interface, food safety...

Thank You

- National authorities & governments of Africa
- FAO Representatives
- Information Compiled by FAO RAF colleagues including Peter Cook, Joseph Mpangalile, Jean Bahama, Isabel Kuehne, Nora Berrahmouni, Ndiaga Gueye & Ade Freeman

THANK YOU FOR YOUR ATTENTION