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AU-FAO MINISTERIAL MEETING (VIRTUAL) IMPLICATIONS OF COVID-19 FOR FOOD SECURITY IN AFRICA

Maximo Torero

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Food and Agriculture Organization of the United Nations

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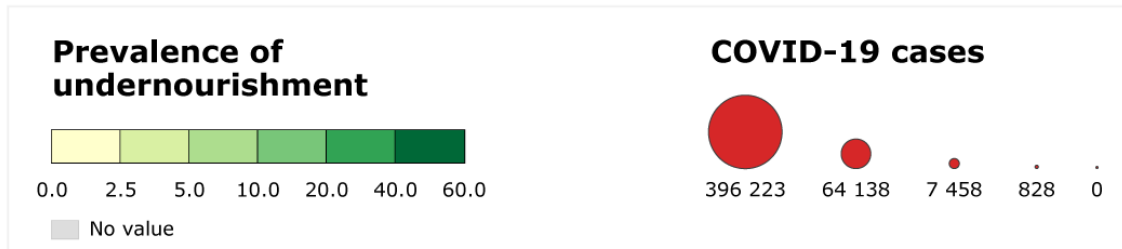
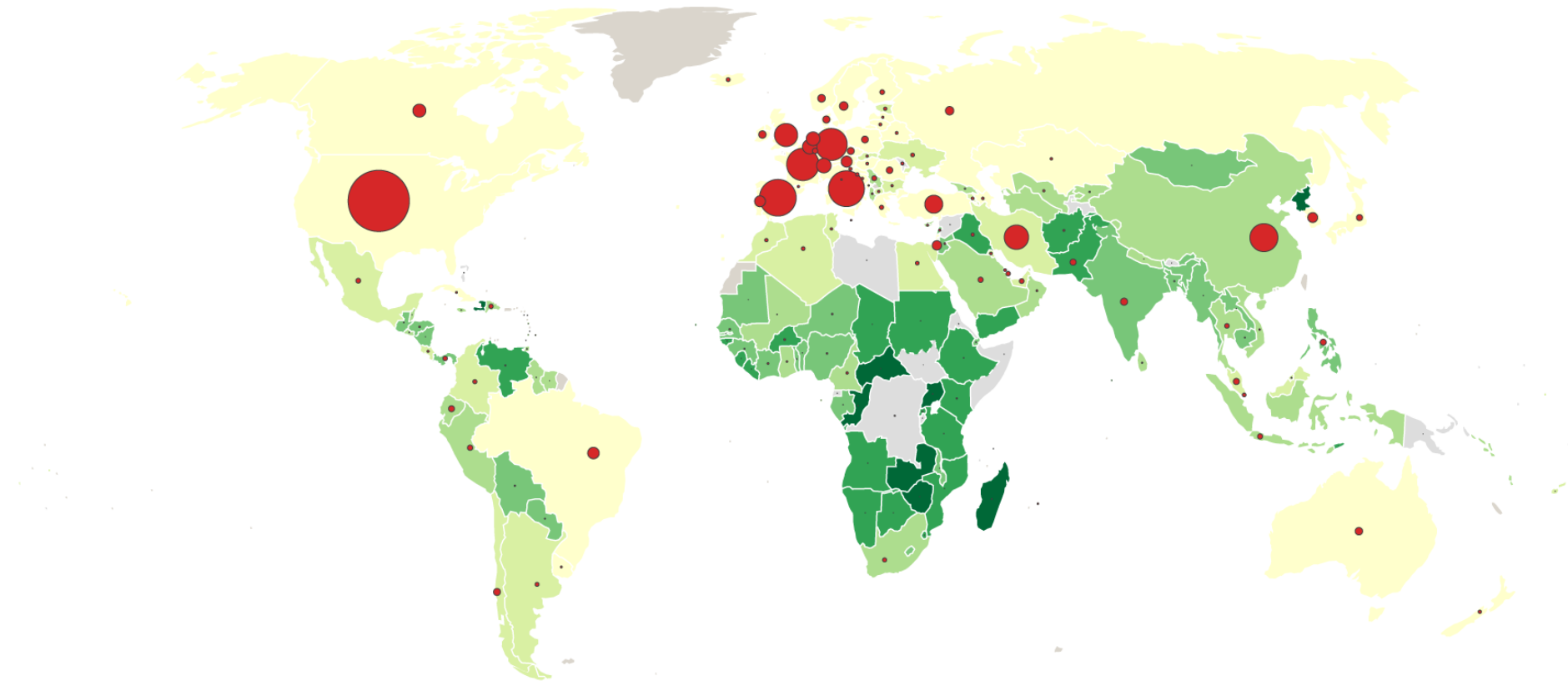
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What do we know?



*Food Systems
Transformation*

Prevalence of undernourishment and confirmed COVID-19 cases



STEP 1: AWARENESS OF THE IMPORTANCE OF KEEPING ALIVE THE FOOD SUPPLY CHAIN



- As the virus spreads and cases mount, and block downs increase there are seemingly countless ways the food system will be tested and strained in the coming weeks and months.
- Today, no supply shock in sense of availability but there is starting to be a supply shock in terms of logistics of movement of food.
- Upstream staple supply chain less vulnerable because is capital intensive than high value supply chain

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Q&A: COVID-19 pandemic – impact on food and agriculture

Q1: Will COVID-19 have negative impacts on global food security?

Q2: Whose food security and livelihoods are most at risk due to the pandemic?

Q3: What are the implications of the COVID-19 situation – now and in the future – for food production, agricultural and fishery/aquaculture supply chains and markets?

Q4: How will the pandemic affect food demand?

Q5: What is the pandemic's impact on the global economy?

Q6: What are FAO's recommendations to mitigate the risks of the pandemic on nutrition?

Q7: What is the connection between COVID-19 and animals?

Q8: Are there any risks from interacting with animals or consuming animal products?

Q9: How has FAO responded to the COVID-19 outbreak?

Q10: What steps is FAO taking to protect its staff and to ensure that it will be able to deliver on its mandate of fighting hunger?

Media interviews

Maximo Torero
FAO's Chief Economist speaks to BBC's Newshour on the possible impacts of COVID-19 on food supply and availability. (from min 19 to 22:4)

Food and Agriculture Organization of the United Nations

29 March 2020

COVID-19 and the risk to food supply chains: How to respond?

Maximo Torero Cullen¹
Chief Economist and Assistant Director-General
Economic and Social Development Department
Food and Agriculture Organization of the United Nations (FAO)

WHAT WE KNOW

Countries have shut down the economy to slow the spread of the coronavirus. Supermarket shelves remain stocked for now. But a protracted pandemic crisis could quickly put a strain on the food supply chains, a complex web of interactions involving farmers, agricultural inputs, processing plants, shipping, retailers and more. The shipping industry is already reporting slowdowns because of port closures, and logistics hurdles could disrupt the supply chains in coming weeks.

In order to avoid food shortages, it is imperative that countries keep the food supply chains going. Unlike the 2007–2008 global food crisis, scarcity is not an issue this time. The supply of staple commodities is functioning well, and the crops need to be transported to where they are needed most. Restricting trade is not only unnecessary, it would hurt producers and consumers and even create panic in the markets. For high-value commodities that require workers (instead of machines) for production, countries must strike a balance between the need to keep production going and the need to protect the workers.

As countries combat the coronavirus pandemic, they must also make every effort to keep the gears of their food supply chains moving.

WHAT WE SHOULD DO

First, health is the top priority. Countries must ramp-up testing as much as possible and put isolation measures in place in order to slow the spread. Second, countries should meet the needs of the most vulnerable people, as the measures to contain the pandemic cripple the economy. Third, countries must keep the food supply flowing by prioritizing the health of the workers in the sector and their outputs. The following are specific recommendations.

1. Expand and improve emergency food assistance and social protection programs
These measures provide a buffer to help the most vulnerable people comply with stay-at-home regulations, given that they need daily income to survive. With massive layoffs, families are

¹ Further details on best practices identified can be found at: <https://www.fao.org/2020/03/29/coronavirus-impacts-on-food-supply-chains/>. The author thanks the support provided by the staff of the Department of Economic and Social Development of the Food and Agriculture Organization of the United Nations, as well as all the colleagues at the Rome-based agencies in identifying the best practices.

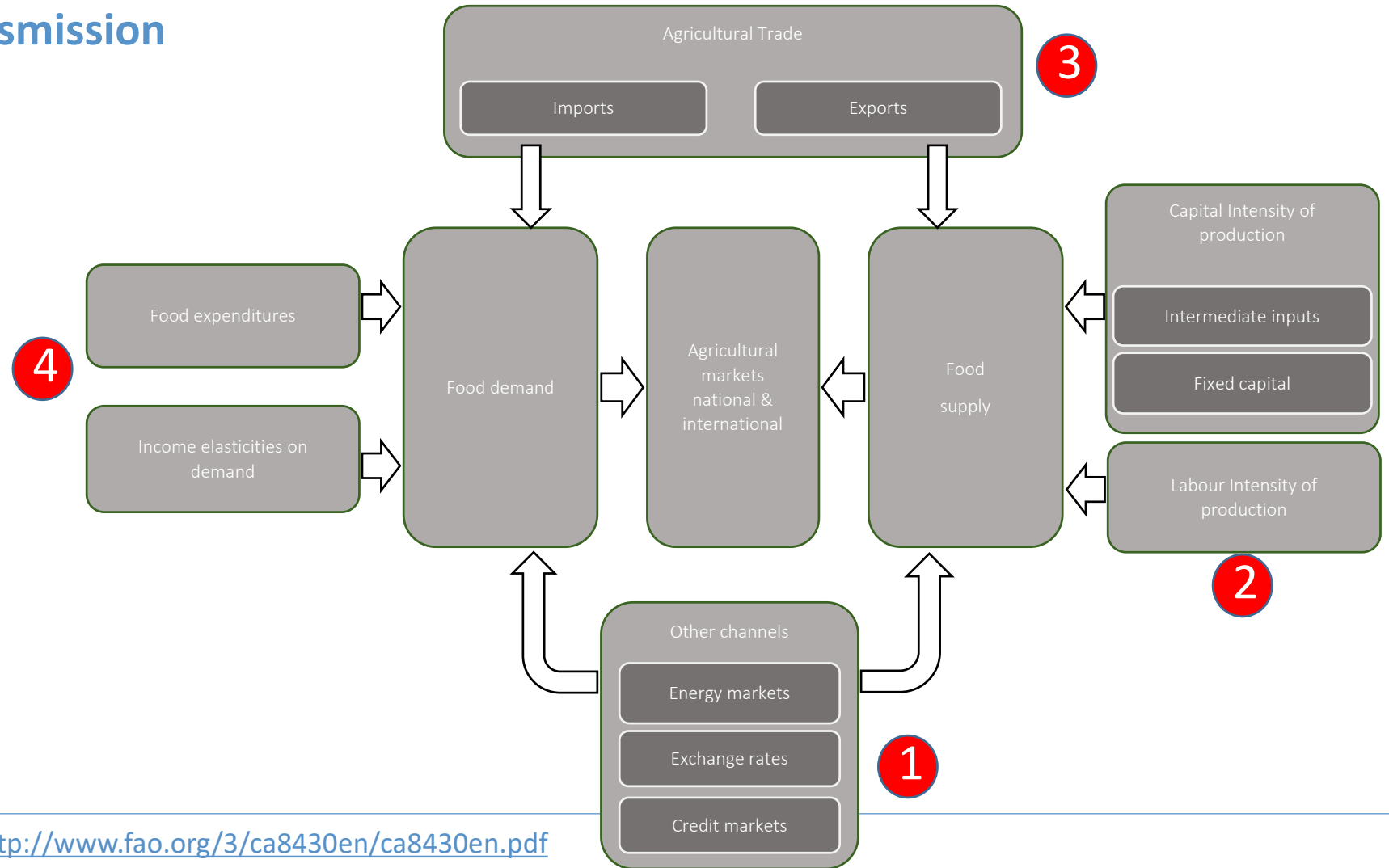




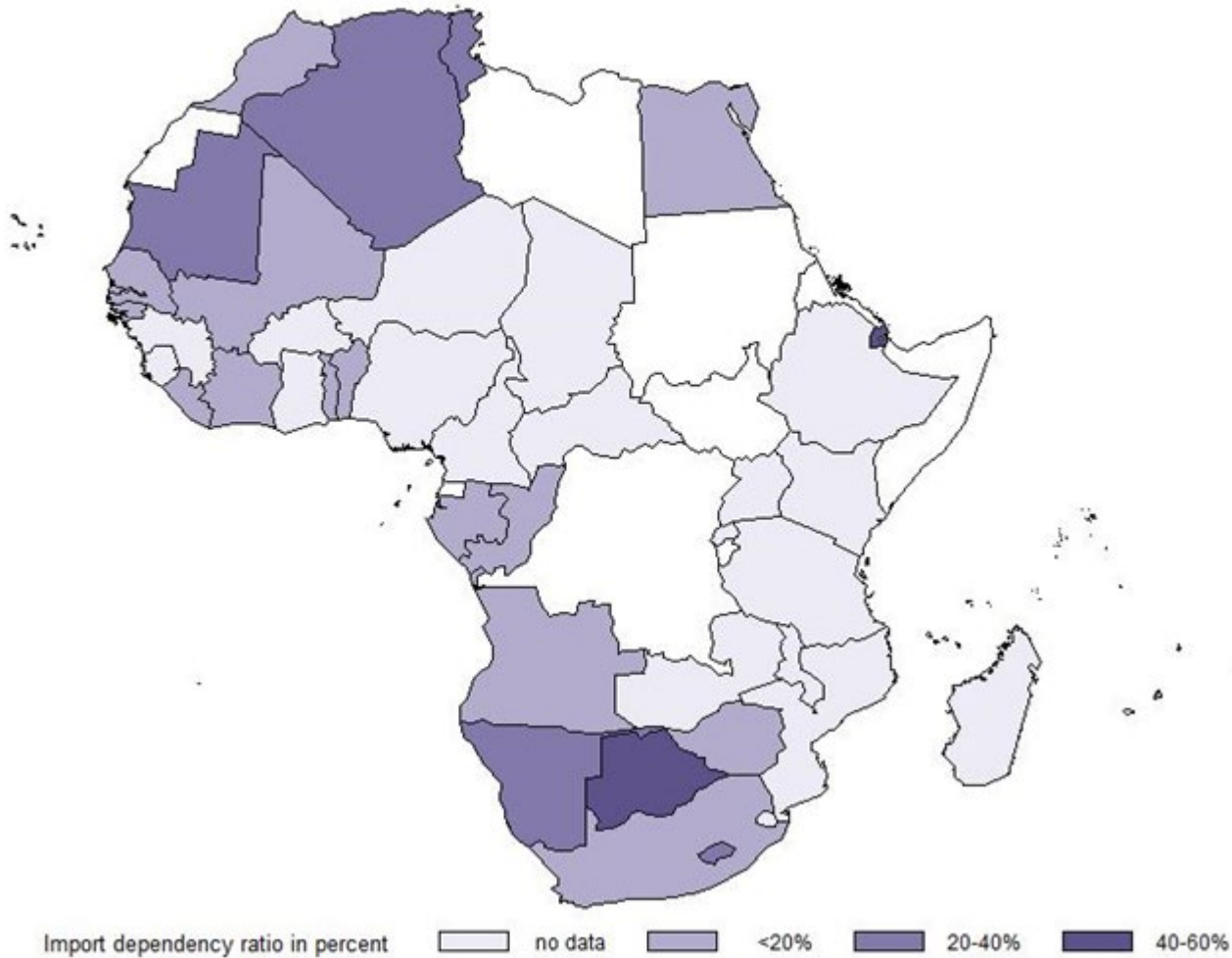
Country	Food	Ag	Food & Ag
...

The basic channels of transmission

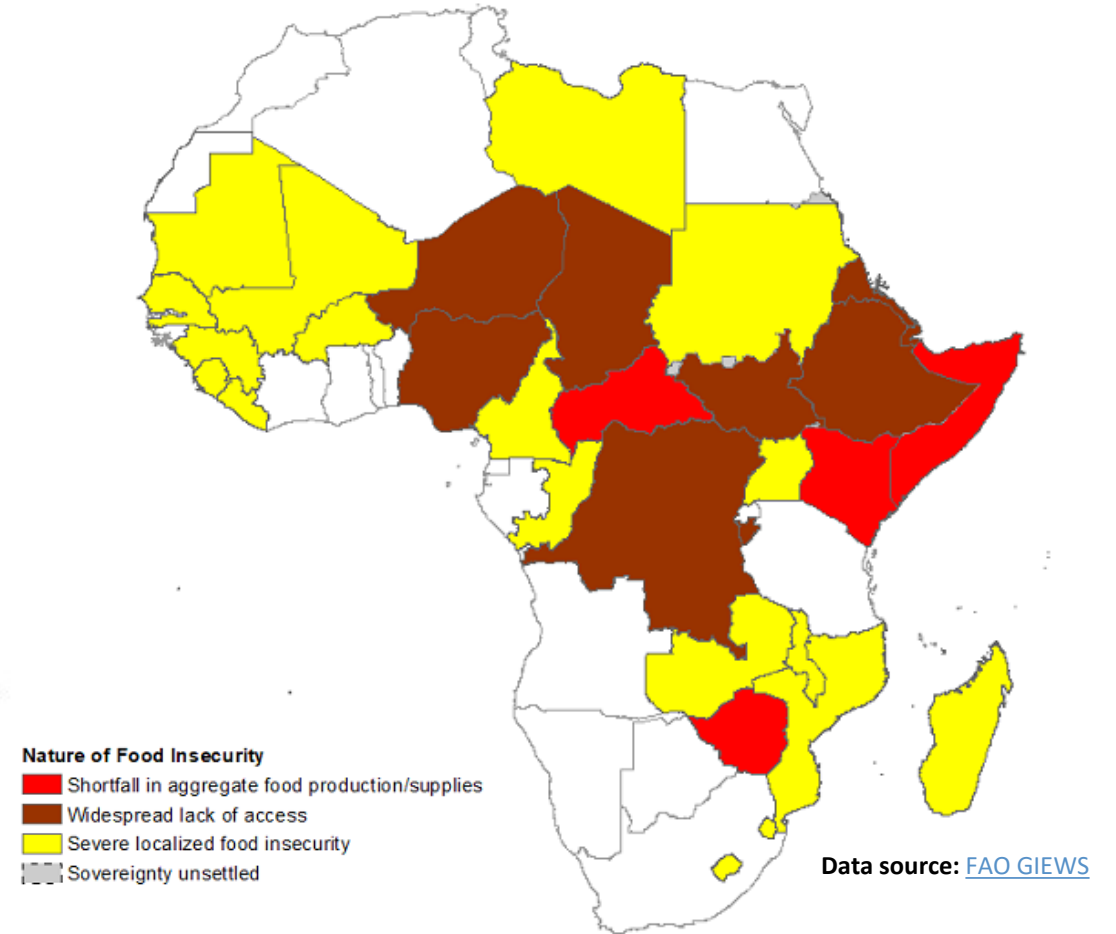
- ➔** Logistics – health and lockdown
- 1** Macro policies
 - 2** Health policies - lockdown
 - 3** Trade policies
 - 4** Economic recession



Food import dependency rates (%)
2015-17 average



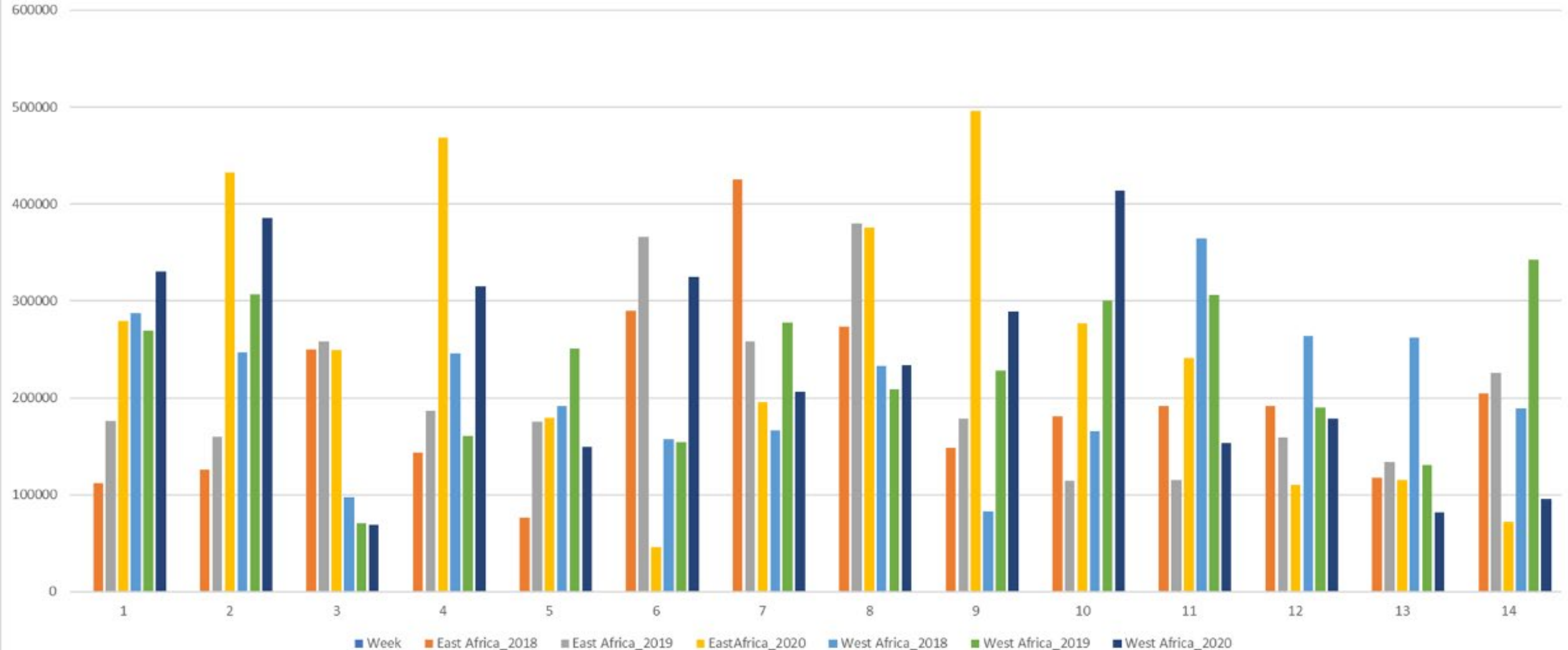
Countries Requiring External Assistance for Food in Africa
March 2020



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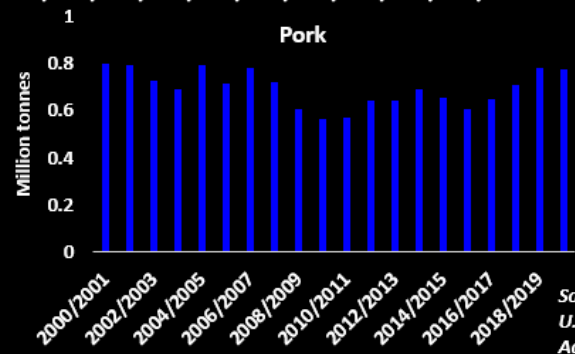
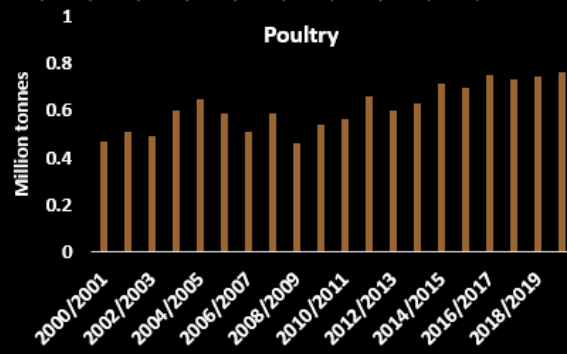
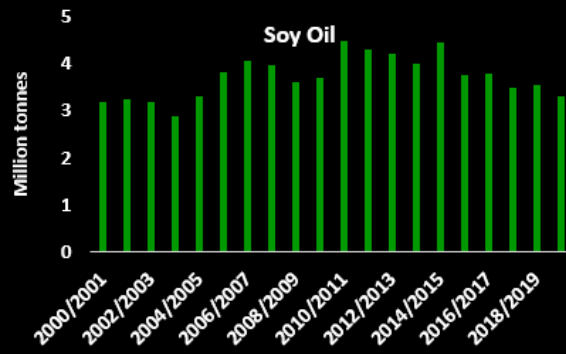
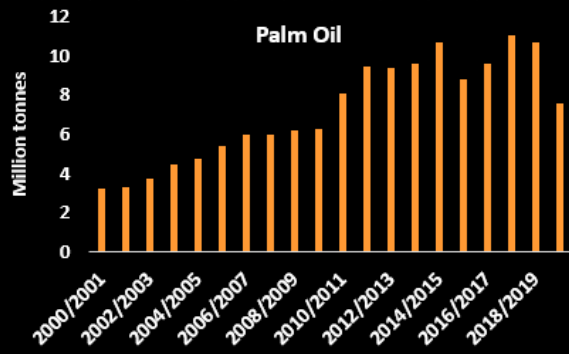
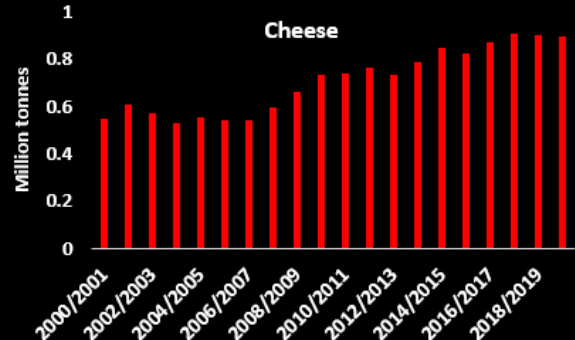
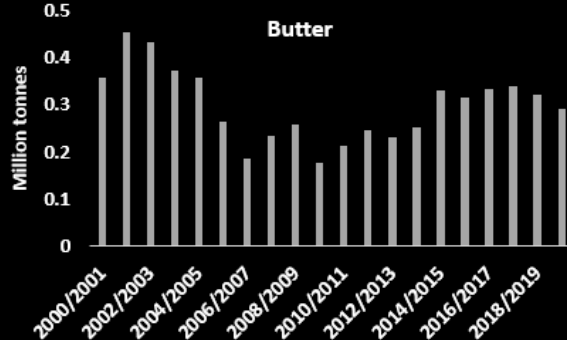
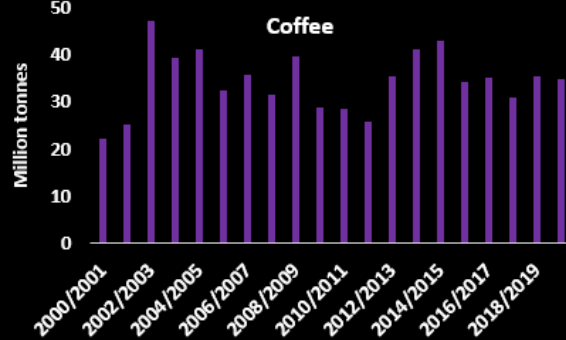
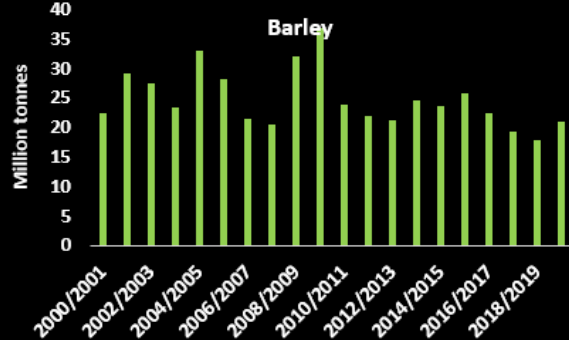
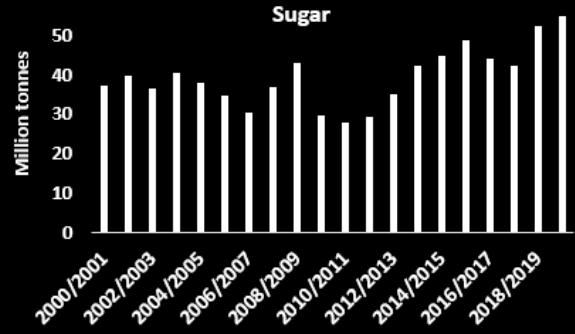
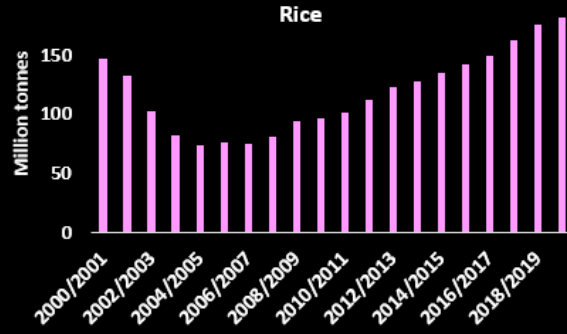
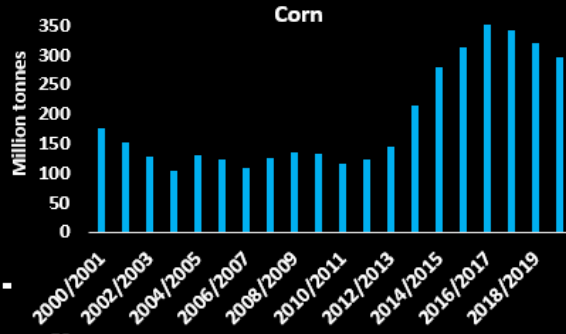
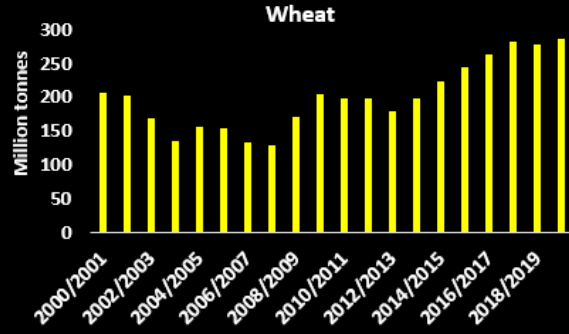


Africa Weekly Imports





Global stocks of food staples





STEP 3: UNDERSTANDING VULNERABILITIES

Sub-Saharan Africa, developing								
Country/Region	Exposure - Share of II	Exposure - CFC per employee	Exposure - GO per ag worker	Exposure - Share of ag export	Overall supply exposure	Exposure - Share of food expends	Exposure - Share of ag import	Overall demand exposure
Botswana	Int. Low	High	High	Low	Int. High	Int. Low	Int. Low	Int. Low
Mauritius	Int. High	Int. High	Int. High	High	Int. High	Int. High	High	High
South Africa	High	Int. High	Int. High	Int. Low	Int. High	Int. Low	Low	Low
Benin	Int. Low	Low	Low	High	Int. Low	High	High	High
Burundi	Int. High	Low	Low	High	Int. Low	High	Int. High	High
Cabo Verde	Int. Low	Int. Low	Int. Low	High	Int. Low		High	
Côte d'Ivoire	Low	Int. Low	Int. Low	High	Int. Low	High	Int. High	High
Equatorial Guinea	Int. High	Int. Low	Int. Low	Low	Int. Low	Int. High	High	High
Gabon	Int. High	Int. High	Int. Low	Low	Int. Low	Int. Low	High	Int. High
Guinea-Bissau	Int. Low	Low	Low	High	Int. Low	High	High	High
Malawi	Int. Low	Low	Low	High	Int. Low	High	Int. High	High
Namibia	Int. Low	Int. High	Int. Low	Int. Low	Int. Low	Int. Low	Int. Low	Int. Low
Seychelles	Int. High	Int. Low	Low	High	Int. Low	High	Int. Low	Int. High
Swaziland	Low	Int. Low	Int. Low	High	Int. Low	High	High	High
Uganda	Int. Low	Low	Low	High	Int. Low	Int. High	Int. High	Int. High
Zimbabwe	Int. High	Int. Low	Low	High	Int. Low	High	Int. High	High
Angola	Int. Low	Int. Low	Low	Low	Low	High	Int. High	High
Burkina Faso	Low	Low	Low	High	Low	High	Int. Low	Int. High



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What to do?



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STEP 4: BRINGING BEST PRACTICES AND TRACKING ACTIONS



FAO's Big Data tool on food chains under the COVID-19 pandemic

As the pandemic spreads, measures tighten. Border closures, lockdowns, production and trade disruptions are putting the global food system under strain. Industrialized countries are facing unprecedented scenarios and economic consequences with markets and prices starting to alter. Past crisis, however, showed that the consequences are harder for the most vulnerable and food insecure populations. Disruptions may create food shortages, especially in countries already affected by high levels of food insecurity. In order to mitigate the impact of this looming, global crisis, timely decisions are needed based on solid information.

This open-access tool developed by FAO Data Lab gathers and analyses real time information on the impact of the COVID-19 pandemic on food and agriculture, value chains, food prices, food security and undertaken measures, with the aim of providing countries with facts and information to build their decisions. This platform has been released for general use as early as possible to provide relevant and up-to-date information on the COVID-19 impact on supply chains and food security. The platform, its coverage, functions and analytics will keep evolving in the near future.



Which food prices are increasing the most? What countries are experiencing breaks in the food supply chain?



Where are food shortages occurring? What are the most important disruptions in the food systems?

Food and Agriculture Policy Decision Analysis

FAO policy platform: Analyses and solutions in a period of crises

Food Price Monitoring and Analysis (FPMA)

Private sector round tables



Meet immediate needs of vulnerable populations: Emergency Food Assistance, nutrition interventions and safety nets enhanced and made more accessible



Promote school feeding



Ensure that emergency food needs are fully met



Protect basic consumption needs of vulnerable populations



Scale up nutritional support



Support management and prevention of undernutrition



Adjust social protection programmes for food prices



Allow free and predictable flow of food assistance



Ensure that local purchases of food and food components for humanitarian purposes are exempt from restrictions



Explore the establishment of efficient and effective humanitarian food reserves



Reach all households with pertinent public information on food assistance, nutrition and hardship alleviation programmes





Meet immediate needs of vulnerable populations: Urgent increases in food availability from smallholder farmer food production



Provide productivity-enhancing safety nets



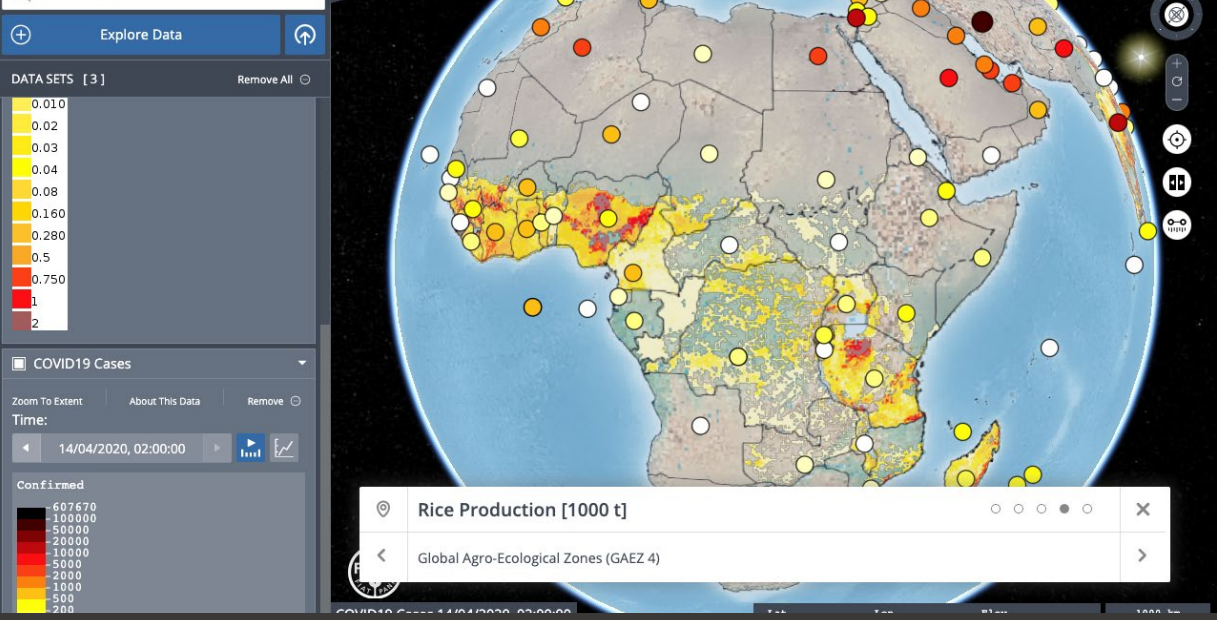
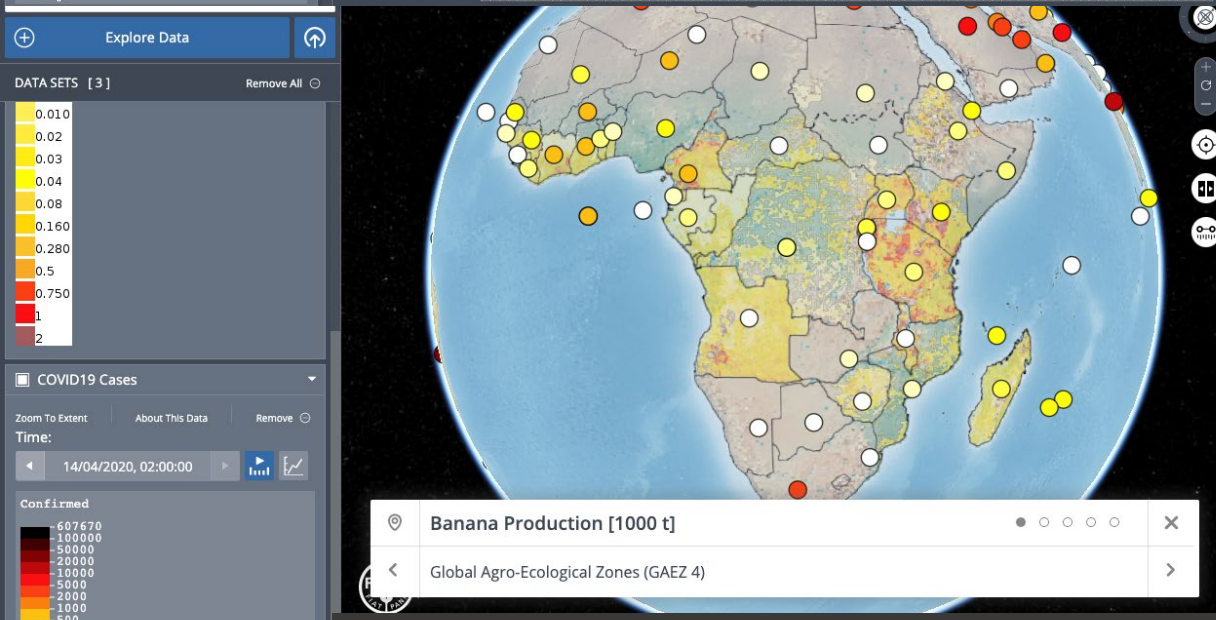
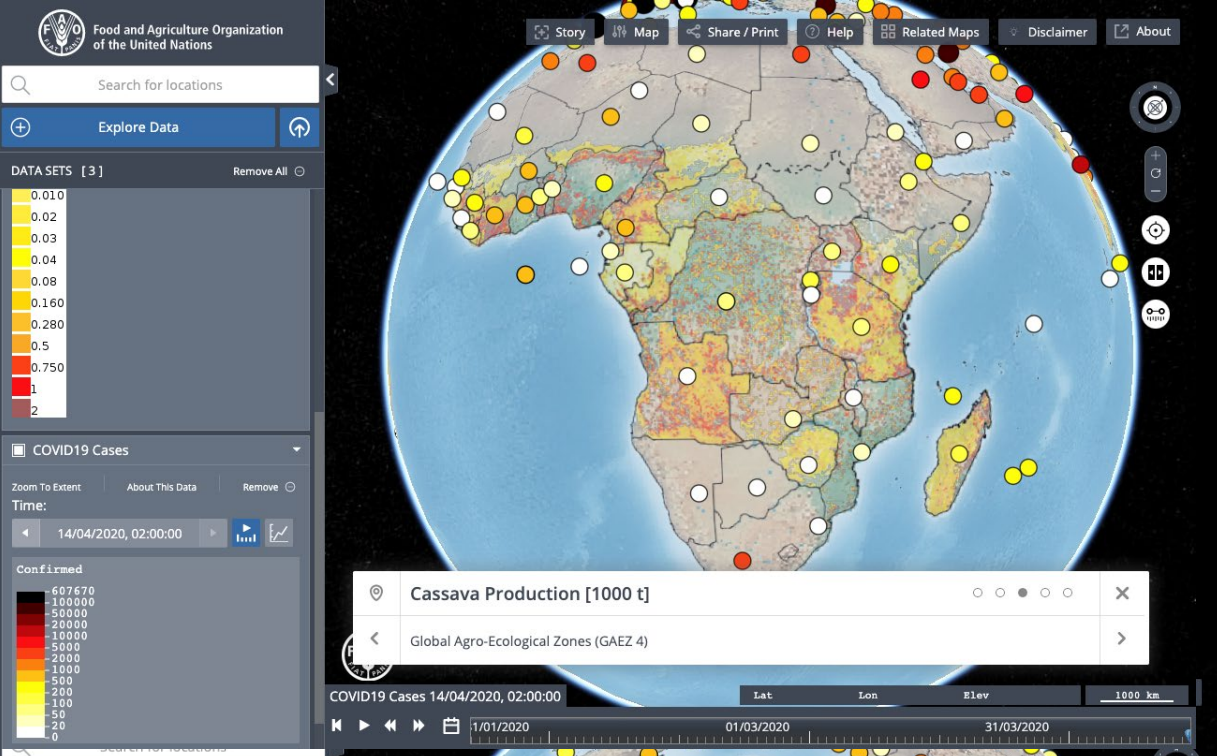
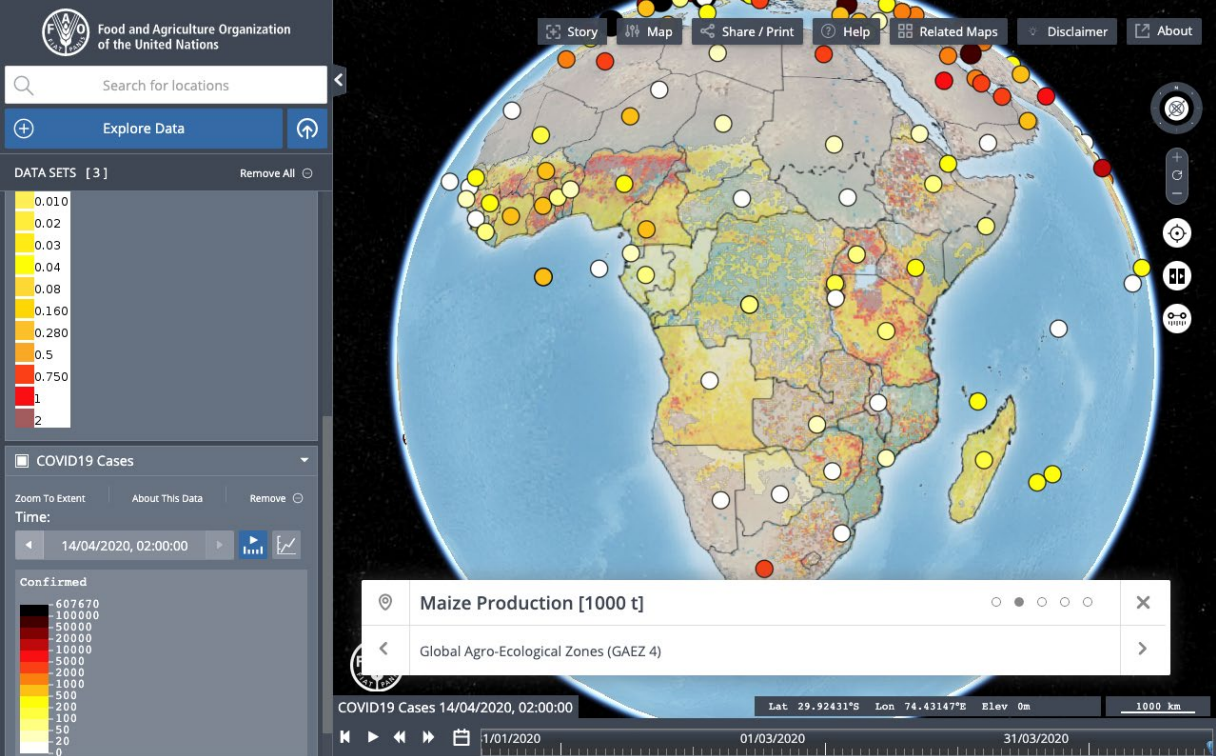
Reduce post-harvest crop losses and improve food stocks along the value chain



Remove artificial constraints to domestic trade throughout the food chain in order to link smallholder farmers to markets



Address basic energy needs of smallholders and rural households

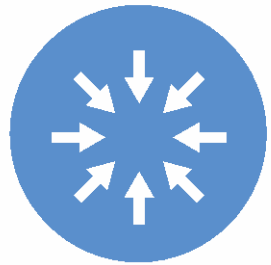


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Meet immediate needs of vulnerable populations: Issues on trade and tax policies

Adjustments to trade and tax policies



Encourage better functioning food markets through improved regional political and economic integration and better functioning for trade in food



Immediately review trade and taxation policy options and their likely impacts



Avoid generalized subsidies for food consumers



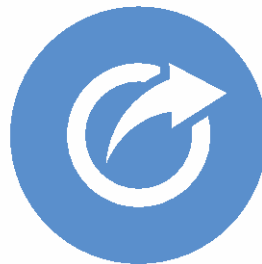
Reduce restrictions on use of stocks



Improve efficiency of trade facilitation



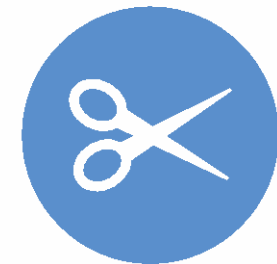
Use limited strategic grain reserves



Minimize use of export restrictions



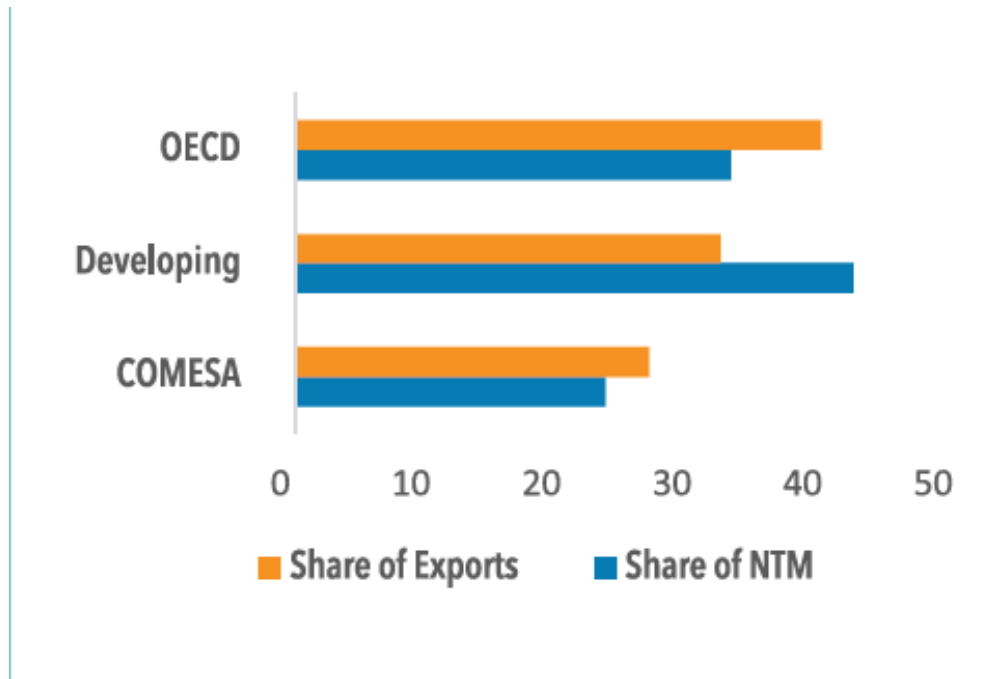
Reduce import tariffs and other restrictions



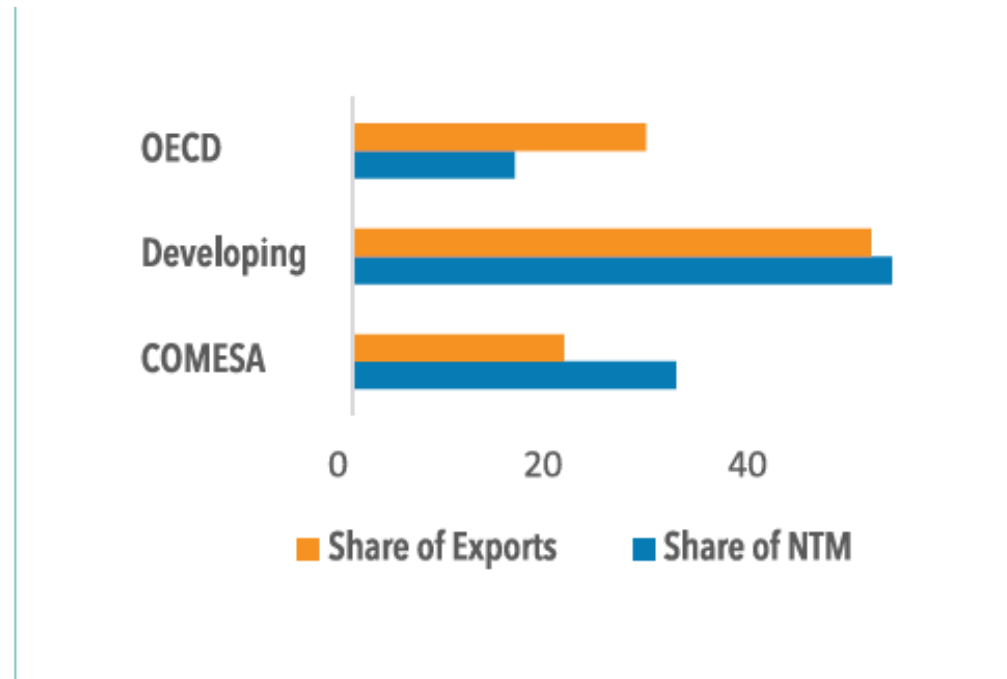
Temporarily reduce VAT and other taxes

Africa Continental Free Trade Area (AfCFTA): Costly Non-tariff Measures (NTMs)

Share of NTMs faced by Kenya



Share of NTMs faced by Tanzania



Source: Constructed by the authors using the International Trade Center Business Surveys (2019).

Note: Data presented are the latest available year for each country (between 2010 and 2011). COMESA for Common Market for Eastern and Southern Africa, SADC for Southern Africa Development Community, AMU for Arab Maghreb Union, ECCAS for Economic Community of Central African States, EAC for East African Community, ECOWAS for Economic Community of West African States, NTM for Non-Tariff Measure.



Meet immediate needs of vulnerable populations: Management of macroeconomic implications



Hold down core
inflation and inflation
expectations



Assess the impact on the
balance of payments and
feasibility/sustainability
of a reserve drawdown



Mobilize external support
to finance additional
food imports



Ensure adequate levels of
foreign exchange reserves



Assess and comprehensively
cost all fiscal measures taken
in response to the rise
in food prices



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