

FROM FARM TO TABLE

How Are Governments Keeping Food Systems Functioning during COVID-19?

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With the initial onset of COVID-19, pictures of empty supermarket shelves and panic buying raised questions about the impacts of the pandemic on food supply chains. Around the world, governments have responded in multiple ways to address some of the major constraints generated by lockdowns, restrictions on transport, and financial stresses experienced by farmers, retailers, and consumers (Hawkes 2020; Reardon and Swinnen 2020). Drawing on the data collected for 28 countries for IFPRI's COVID-19 Policy Response (CPR) Portal (IFPRI 2020), this brief summarizes the distribution of government policy choices, highlighting where innovations emerged as well as where there has been a reversion to the status quo.

CUSHIONING AGRICULTURAL PRODUCTION

Almost all countries in the database have decided to expand the availability of seed, fertilizer, and/or machinery to farmers, and many have sizable economic packages directed at supporting rural incomes (see Figure 1). Input subsidies have been expanded to smallholders and to specific categories of the more-affected farmers, such as those in horticulture or cash crop exports. Different modalities are being used to subsidize some of these inputs, ranging from a reduction in the price of fertilizer per bag in Mali and Nigeria to e-vouchers targeted to approximately 200,000 smallholders in Kenya. In Senegal, there is also greater attention to the distribution of health inputs, including the delivery of 10 million masks to agricultural producers.

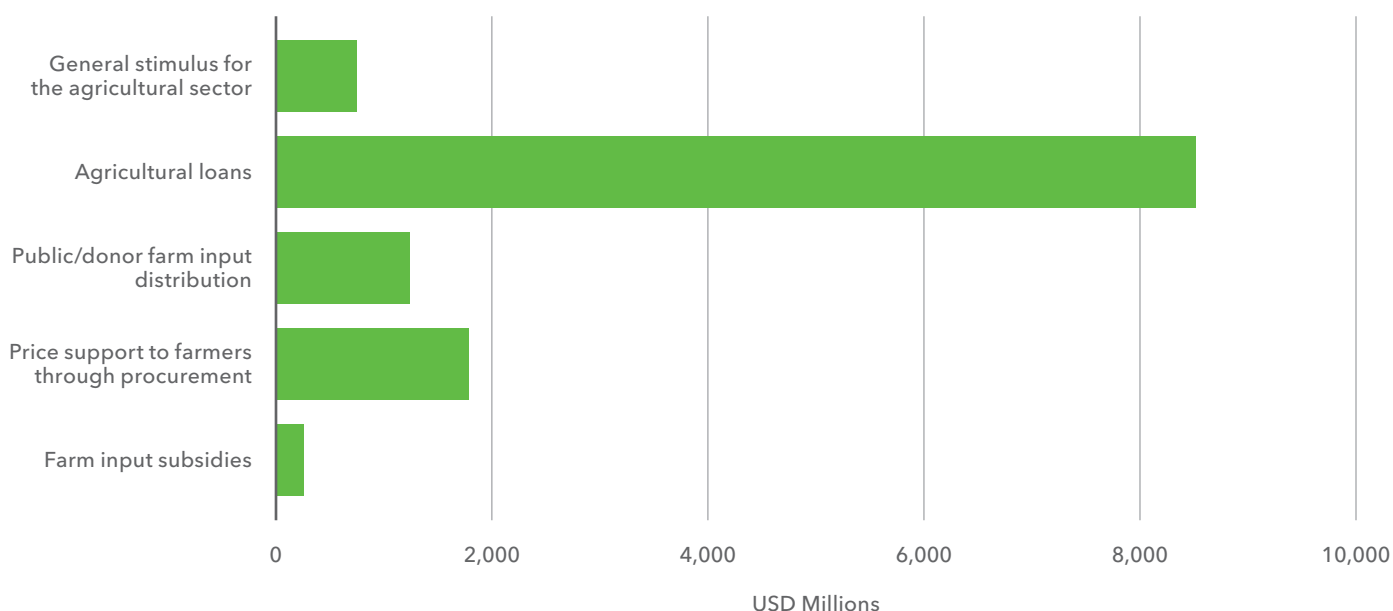
Procurement practices that ensure steady prices and food availability are also a common response. Ghana's Coronavirus Alleviation Program allocates

GHC 40 million (USD 6.9 million) to the National Buffer Stock Company to procure from farmers, while Pakistan doubled its wheat procurements from 4.25 to 8.25 million metric tons. The Egyptian government originally fixed the price of wheat at EGP 700 (USD 44) per *ardeb* (about 5.62 US bushels), while Mali and Mozambique set a price floor for cotton and Rwanda urged farmers to sell certain rice varieties to approved buyers at set base prices. In Kenya, the government purchased cereals from areas of the country with a food surplus and redistributed them to vulnerable Kenyans at a subsidized price.¹

To mitigate the negative impacts on farmer incomes, a variety of financial and fiscal tools have been employed. These include allowing farmers to defer loan repayments for a specific period of time (Ethiopia, Nigeria, India, Pakistan), issuing new loans to farmers (China, Kyrgyzstan, Myanmar, Nigeria, Sri Lanka), and placing a temporary moratorium or exemption on agricultural land taxes (Egypt, Kazakhstan, Uzbekistan).

¹ Further details on the range of food aid and food access initiatives undertaken by governments will be covered by a forthcoming brief in this series on social protection responses under COVID-19.

FIGURE 1 Estimates of Total Committed Investments in USD for Agricultural Policies



Source: IFPRI COVID-19 Policy Response (CPR) Portal.

Note: Estimates refer to the 28 countries included in the CPR as of August 25, 2020. The figures included here are for those programs that already have been costed by governments. General stimulus to the agricultural sector includes funding that encompasses multiple objectives, including support to agricultural SMEs and entrepreneurs, insurance services, and rural cash-for-work activities.

ADDRESSING DELAYS TO TRANSPORT AND DISTRIBUTION

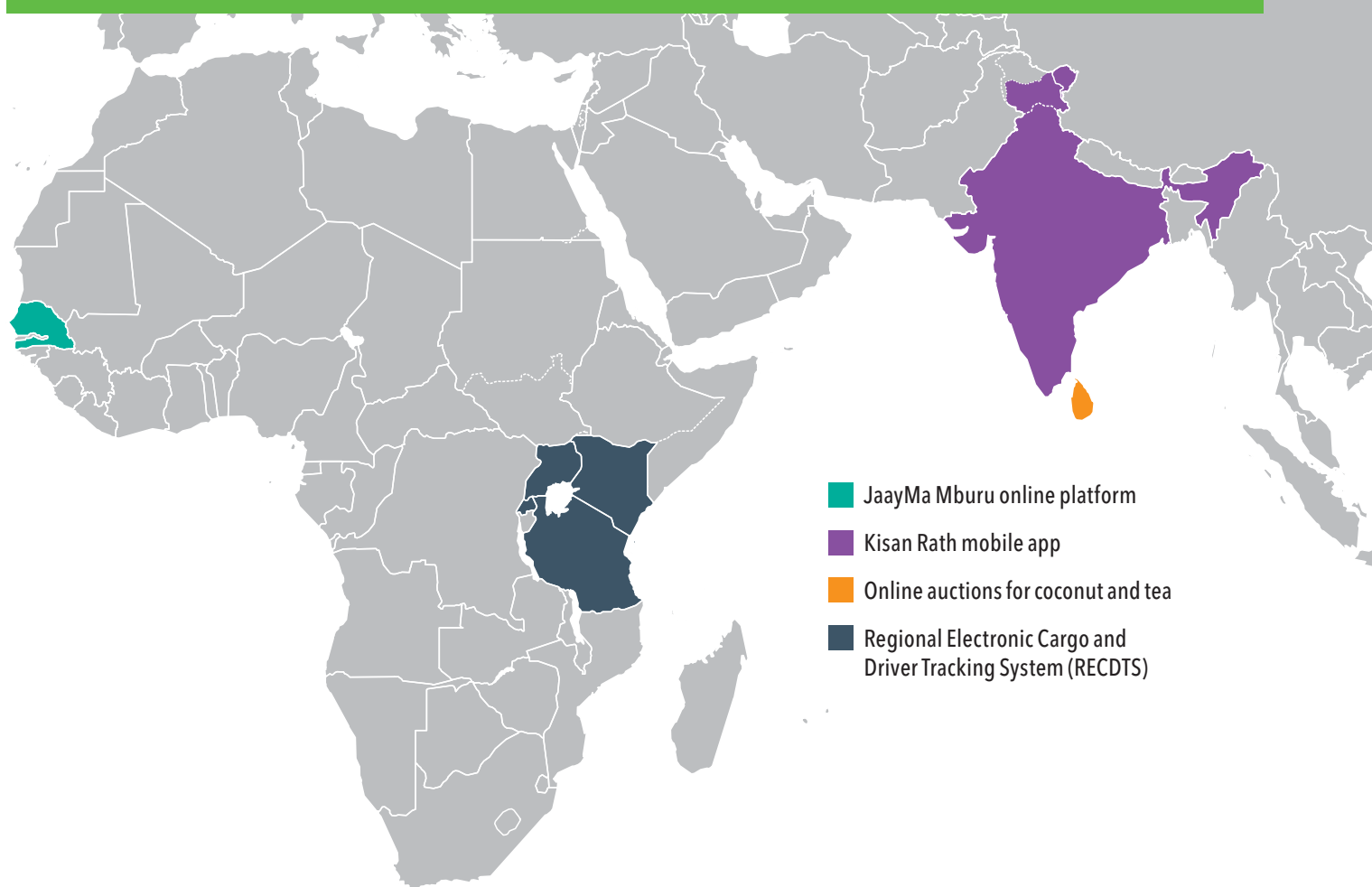
Restrictions on transport pose a particular challenge for agricultural and food trade, especially where lockdown policies are uneven across countries or subnational administrative units. However, some novel solutions have emerged. For example, the CPR shows that Myanmar reduced or waived toll fees for cargo trucks while Nigeria issued an intra-state movement permit for transporting seeds for rice, maize, sorghum, soybean, wheat, and groundnut, among others, across states. The Kisan Rath mobile app launched in India aims to facilitate the transport of foodgrains and perishables by connecting farmers and traders with transporters. In Sri Lanka, both the Colombo Tea Traders' Association and Coconut Development Authority used digital platforms to hold commodity auctions rather than their traditional in-person gatherings.

In East Africa, Tanzania's laxer approach to the pandemic lengthened quarantine times for transport workers who normally travel between Tanzania and Burundi, Kenya, or Uganda. To address this, the East African Community (EAC) launched a Regional

Electronic Cargo and Driver Tracking System (RECDTS) at five border posts in mid-August. Through a mobile phone app downloaded by truck drivers and linked with all EAC countries' ministries of health and accredited laboratories, drivers' COVID-19 health status information is immediately shared, which reduces the amount of time needed for screening at every border.

Export bans on foodstuffs have been particularly pronounced in the CPR's Central Asian countries, though Egypt, Mali, and Pakistan have also implemented restrictions. A few countries have tried to remove trade restrictions to facilitate ailing sectors, such as flower exports in Ethiopia and rice in Myanmar. Sri Lanka's Export Development Board actively aimed to support exporters by shifting to a digital promotion program that provides market information, analysis of current trends, and participation in virtual trade fairs. Many governments have also waived their regular import tariffs, quotas, and/or customs duties to ensure adequate reserves of food items as well as sufficient feedstocks for the fishery, livestock, and poultry sectors. Nigeria remains a major exception in this regard: in mid-July, the Central Bank of Nigeria banned the import of maize in order to stimulate local maize production.

FIGURE 2 Examples of Government Innovations to Support Food Systems



SUPPORTING FOOD RETAILERS

The food retail sector is incredibly diverse, spanning a small number of established supermarket chains, a large number of convenience stores and informal markets, and a variety of street hawkers who may operate illegally depending on a country's regulatory framework. In most places, supermarkets were allowed to continue operating, albeit at reduced hours due to curfews or disinfection procedures. Informal food markets faced initial closures before disinfection and social distancing procedures were implemented. Tax reductions or exemptions for micro, small, and medium enterprises (MSMEs) to assist these businesses, as well as reductions in rates for mobile money transactions, were implemented in recognition of these businesses' reduced revenue and also to encourage less use of cash (see also Resnick, Siwale, and Spencer 2020). Nigeria's federal government further announced in May 2020 that MSMEs involved in the food or health

sectors could register their activities with the National Agency for Food and Drugs Administration and Control at an 80 percent discount over the subsequent three months, with additional discounts for those using the Agency's e-registration platform.

More active efforts to support these retailers include credit programs, regulatory changes, and efforts to improve linkages with consumers. Specifically, in Nigeria, a three-month repayment moratorium was announced for beneficiaries of the country's interest-free loan programs for petty traders and market women, known as TraderMoni and MarketMoni, respectively. In Burkina Faso, the president announced a CFA 5 billion (USD 9 million) fund for informal sector workers, especially for women, to relaunch their sale of fruits and vegetables. Similarly, India's Ministry of Housing and Urban Affairs launched a credit program targeted at five million street vendors who can obtain a loan of up to Rs 10,000 (USD 135).

In China, a new policy to encourage street vending as way to absorb those rendered unemployed by the pandemic was backed by the Chinese premier. This was a particularly notable shift given that previous policies cracked down on such vendors in an effort to “clean the streets.” In contrast, street vendors were banned under the pandemic in places like Ethiopia and Malawi, and were briefly removed from the central business district in Zambia’s capital of Lusaka.

To improve linkages between retailers and consumers in a safe and healthy way, Mali provided hand-washing kits to agribusiness startups that deliver services at home. Senegal’s Ministry of Trade launched a number of online platforms. One, called JaayMa Mburu or “sell me bread,” worked with bakers to provide bread delivery in the region of Dakar during the month of Ramadan. Another brings together SMEs that sell food, hygiene, and health products on an e-commerce platform, while a third provides online mapping of available foodstuffs across the country.

CONCLUSION

As with all crises, COVID-19 has prompted some reversion to agricultural and food policies that worked in the past and the expansion of programs that have a historical and significant presence, such as subsidy and procurement programs. However, particularly for distribution and retail, the pandemic is prompting a range of new technologies and modes of doing

business that may well persist for years to come if they are found to be scalable beyond major cities. Such scalability will depend on a host of concurrent investments in digital literacy, data privacy regulations, and the interoperability of e-payment solutions. At the same time, the pandemic reinforces the longstanding need for traditional investments in storage and processing infrastructure in order to extend the life of perishable commodities that suffer delivery delays due to closed borders, quarantines, and reduced shopping hours. More broadly, governments should aim to ensure that their very dispersed fiscal, monetary, trade, regulatory, and investment policies across value chains and supply chains are indeed complementary with their other COVID-19-related support to consumers and in line with their longer-term agrifood system transformation objectives.

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