



# **Sub-Saharan Africa's Agriculture and COVID-19: How the Pandemic Will (re)Shape Food Markets**

WANDILE SIHLOBO, TINASHE KAPUYA & GRACELIN BASKARAN

# Executive summary

The COVID-19 pandemic has put the global food system under sustained pressure and has triggered various policy responses to manage both supply and demand. While the policy responses of key global food producers have been publicised and their implications well documented, there has been a dearth of information on sub-Saharan Africa. Yet food insecurity is relatively high in the region, and there is considerable reliance on the world market for food. This policy insight looks at how sub-Saharan African countries have responded to the COVID-19 pandemic to mitigate its impacts, and explores the effects of policy responses on the continent's food system. Overall, sub-Saharan African countries have defaulted to standard interventionist policies. The first of these are market and trade policies aimed at either augmenting the domestic food supply by releasing grain via Food Reserve Agency (FRA) operations or restricting/facilitating regional cross-border trade, depending on the perceived market supply. The second are food production policies that are mainly targeted at smallholder farmers through input subsidies. Except for South Africa and Namibia, most of sub-Saharan Africa does not have the fiscal capacity to provide sufficient social protection and income support to augment food demand and reduce poverty. Instead, these consumers are experiencing diminished incomes and higher food prices. With COVID-19 negatively impacting regional food markets to differing extents, the vulnerability of food systems and the ineffectiveness of policy responses have become more apparent. Therefore, food systems on the continent will need to evolve and become more resilient to future shocks, and policy has to become more agile and responsive to address multiple challenges.

## Introduction

Agriculture is central to Southern African economies given its sizable contribution to gross domestic product (GDP), job creation and food security. Data from the World Bank shows that sub-Saharan Africa has an estimated GDP of \$1.7 trillion, with agriculture accounting for just under \$300 billion (17% of the economy) while employing 282 million people (equivalent to 51% of total employment). Yet despite the sector's economic significance, sub-Saharan Africa remains a significant importer of food, with a food import bill averaging \$44 billion a year, and a food trade deficit of \$2 billion a year.<sup>1</sup> This makes food security a particular challenge in the region. Given both the significance of the agricultural sector to the broader economy and sub-Saharan Africa's over-reliance on food imports, local and global policy responses to the COVID-19 pandemic are of critical concern to policymakers.

---

<sup>1</sup> Trade Map, "Trade Statistics for International Business Development", April 16, 2021.

This policy insight will address three questions:

- how have governments responded to COVID-19 from a food policy perspective, both globally and in sub-Saharan Africa;
- how have COVID-19-related policies impacted food systems across sub-Saharan Africa; and
- how are food systems being reshaped by these policies within sub-Saharan Africa?

It concludes by giving a synthesis of how these policies are set to (re)shape food markets.

## Global food policy responses to COVID-19

Sub-Saharan Africa imports agricultural products ranging from essential staples such as maize, wheat, soybean and rice to fruit, vegetables, meat and processed foods. The major agricultural exporting countries to the region include Brazil, China, India, Kazakhstan, Malaysia, Russia, Thailand, the US, the EU and Vietnam. Hence, these countries' agricultural policy responses at the onset of the pandemic in 2020 affected sub-Saharan Africa's food markets directly through commodity price volatility, the availability of supplies and farmers' planting decisions.

Overall, governments' policy responses in key global markets have hinged mainly on three significant interventions since the COVID-19 pandemic started:

- an initial intention to implement protectionist trade policies in major agricultural producing countries, followed by a pullback of direct trade restrictions (see Table 1);
- supply-side support for agricultural industries through historic budgetary support for small and large businesses; and
- demand-side support through a boost in household incomes via wage support.

Cambodia, Kazakhstan, Russia and Vietnam demonstrated the initial intent to put in place protectionist measures by introducing export quotas and bans on rice and wheat exports.<sup>2</sup> This was an attempt to ensure stable domestic staple food supplies amid uncertainty about the duration of the pandemic. However, these policies were abandoned from April 2020 onwards, as the aforementioned countries signalled a return to open market trading terms. One of the factors that contributed to this change was the agriculture and food supply chains being labelled as 'essential' and thus exempt from the COVID-19 restrictions that affected other sectors of the economy. Moreover, ample global grain supply had been

---

<sup>2</sup> Elena Teslova, "Russia Bans Grains Exports Over Coronavirus Pandemic: Rosselkhoznadzor Suspends Deliveries of All Grains Abroad Until State Emergency Team Says Otherwise", *Anadolu Agency*, March 23, 2020.

signalled by the International Grains Council, whose forecasts were pointing to a large 2020/21 global grain harvest, estimated at a record 2.2 billion tonnes.<sup>3</sup> This was a positive development for grain-importing regions such as sub-Saharan Africa, which typically rely on global markets for imports of rice, soybeans and wheat.

TABLE 1 COVID-19-INDUCED POLICY CHANGES IN GLOBAL MARKETS	
Commodity	Disruptions in key international markets
<b>Rice</b>	<ul style="list-style-type: none"> <li>• <b>India:</b> in the first week of April 2020, rice traders temporarily stopped signing new export contracts, with labour shortages and logistical disruptions hampering the delivery of existing contracts.<sup>a</sup></li> <li>• <b>Vietnam:</b> after initially imposing an export ban, which was later replaced by an export quota that was removed completely in May 2020, the country exported about 1 million tonnes; 70% went to Asia, while Africa accounted for 21%.</li> </ul>
<b>Wheat</b>	<ul style="list-style-type: none"> <li>• <b>Russia:</b> its grain export quota of 7 million tonnes expired at the end of June 2020. The government has not indicated what it plans to do next.</li> <li>• <b>Kazakhstan:</b> lifted a ban on wheat and wheat flour exports at the beginning of June 2020.</li> </ul>
<b>Poultry</b>	<ul style="list-style-type: none"> <li>• <b>Brazil:</b> two meat plants were forced to shut down in May 2020, for 15 days.<sup>b</sup></li> <li>• <b>Canada:</b> Cargill's High River meat plant temporarily suspended operations and Maple Leaf Foods MFI.TO shut down for eight days after COVID-19 outbreaks among the workforce.<sup>c</sup></li> <li>• With the above being some of the world's biggest meat companies, this sparked fears of poultry shortages in the global market.</li> <li>• <b>Japan:</b> has accepted the new US Hazard Analysis and Critical Control Point import requirement system for meat and poultry. This was scheduled to come into effect on 1 June 2021.</li> </ul>
<b>Beef</b>	<ul style="list-style-type: none"> <li>• <b>Brazil:</b> introduced measures that must be observed by trading partners in the slaughter and processing of meat and meat products intended for human consumption, and dairy products. The aim is to prevent, control and mitigate the transmission risks of COVID-19.</li> <li>• <b>China:</b> introduced testing of imports of cold chain food on 10 July 2020. The aim is to detect possible COVID-19 contamination and it affects mostly meat and fish products.</li> </ul>

a Rajendra Jadhav and Mayank Bhardwaj, "Indian Rice Exports Suspended on Supply Chain Disruption: Industry", *Reuters*, April 6, 2020.

b Tatiana Freitas and Fabiana Batista, "A Meat Giant Is Anxious as Virus Shuts Two Brazil Chicken Plants", *Bloomberg*, May 9, 2020.

b Rod Nickel, "As Meat Plant Infections Rise, Canada Lets Packers Choose When to Close", *Reuters*, May 1, 2020.

Source: Bureau for Food and Agricultural Policy, "Impact of COVID-19: Changing Trade Policy in a Global Pandemic – Potential Implications for South Africa's Rice Supply Chain" (Brief 4, BFAP, Pretoria, April 6, 2020)

As initial worries about production waned, it became clear that the biggest challenge was not a lack of food in the market but logistical disruptions. At the same time, the closure of meat processing plants in Brazil, Canada, Ireland and the US, among others, owing to

3 International Grains Council, "Global Grains Supply and Demand", May 17, 2021.

COVID-19 outbreaks in production facilities, renewed fears that supply chain disruptions were imminent. The risk of meat shortages in the global market, coupled with adverse ripple effects in other parts of the food system linked to the meat sector (such as maize and soybean), implied that the larger food system was vulnerable. This saw political leaders respond more aggressively to put pressure on the private sector to remain operational. In the US, for example, then president Donald Trump ordered meat plants to re-open to avert a domino effect.<sup>4</sup>

Governments have tried to preserve incomes and livelihoods and to support the demand side of the food sector, especially in high-income countries. For example, fiscal stimulus through income protection and sectoral support in countries such as the UK and US has mitigated weakening demand and kept it somewhat stable.

With sub-Saharan Africa being a net importer of food – particularly wheat, rice and poultry, among other staples – there is a growing recognition that the longevity of the pandemic poses a risk through long-term disruptions to fragile global food supply chains. Therefore, sub-Saharan African countries need to continually assess their own policy responses to ensure that they have adequate supplies of both imported and locally produced food.

## Sub-Saharan Africa's food policy responses to COVID-19

In sub-Saharan Africa, responses to COVID-19 have been just as diverse as elsewhere in the world – with South Africa implementing the most extreme lockdown, and Tanzania having no lockdown at all. However, most countries in the region have implemented variably enforced partial or nationwide lockdowns that have generally entailed standard social distancing practices and restrictions in the movement of people. These restrictions have included curfews; adjusted operational hours for supermarkets, restaurants and informal markets; and closure of schools and other public areas. Beyond following the standard health guidelines, African governments have made strategic interventions meant to contain the pandemic's effects on food markets. These can broadly be viewed as belonging to two main categories:

- market and trade policies – aimed at either augmenting the domestic food supply through the release of grain via FRA operations, or restricting/facilitating regional cross-border trade, depending on the perceived market supply; and
- food production policies – mainly targeting smallholder farmers through input subsidies, to ensure the timely provision of inputs and/or credit finance (see Table 2).

---

<sup>4</sup> Kenya Evelyn, "Trump Orders Meat-Processing Plants to Continue Operating Amid Pandemic", *The Guardian*, April 29, 2020.

## The nature of the COVID-19 pandemic has called for a sharper, better targeted and more effective approach

These policy interventions are not particularly new, and are often go-to instruments during climatic shocks such as droughts and flooding. However, the nature of the COVID-19 pandemic has called for a sharper, better targeted and more effective approach. This has meant that governments have had to become more agile and efficient in their response to a fluid and pervasive crisis devastating livelihoods at a breathtaking pace.

**TABLE 2 POLICY MEASURES TO MITIGATE THE IMPACT OF COVID-19 AND STABILISE FOOD MARKETS**

Country	Market and trade policies	Food production policies
<b>South Africa</b>	<ul style="list-style-type: none"> <li>Establishment of Business Partners SME Fund (ZAR 250 000 to ZAR 1 million [\$16 667 – \$66 667] available per applicant) to support struggling businesses with cashflow.</li> <li>Debt Relief Finance Scheme for businesses to prevent closures of debt-laden businesses.</li> </ul>	<ul style="list-style-type: none"> <li>The Department of Agriculture, Land Reform and Rural Development ring-fenced ZAR 1.2 billion (\$80 million) targeting vulnerable small-scale farmers. The fund prioritised the poultry, livestock and vegetables sectors.</li> <li>The South African Reserve Bank cut interest rates by a cumulative 300 basis points, potentially reducing farmers' debt-service costs by about ZAR 4 billion (\$266 million) over 12 months.</li> </ul>
<b>Rwanda</b>	<ul style="list-style-type: none"> <li>Working with the East African Commodity Exchange and the East Africa Grain Council to increase storage capacity and stock.</li> <li>Will suspend all seed imports effective 1 September ahead of the agricultural season. Hopes to become self-reliant in the production of maize, wheat and soybean seed in the next three years.</li> </ul>	<ul style="list-style-type: none"> <li>Economic Recovery Plan includes the provision of inputs to farmers, which is expected to keep input prices stable in the next season.</li> <li>Farmers supplied with seed and fertiliser for the season B planting phase.</li> <li>Government is working with private sector to improve the monitoring of crop and livestock activities using digital platforms, which also help track market prices.</li> <li>To ensure availability of fertiliser and seeds by requesting retailers, distributors and importers of fertiliser and seeds to continue production.</li> </ul>
<b>Malawi</b>	<ul style="list-style-type: none"> <li>Plans to buy 220 000mt of maize for the national strategic grain reserve, with the government buying 120 000mt and the private sector covering the balance.</li> </ul>	<ul style="list-style-type: none"> <li>Published tenders for the import of fertiliser and other agricultural inputs to avoid delays in the next planting season.</li> <li>Rehabilitating 20 irrigation schemes to increase land under irrigation to 118 000ha.</li> </ul>

<b>Mali</b>	<ul style="list-style-type: none"> <li>Established a strategic food reserve to increase the security stock.</li> <li>Planned to distribute 56 000mt of food against an available stock of 27 000mt, with an initial intervention of 2 000 tonnes of rice targeting 200 rural communities.</li> </ul>	<ul style="list-style-type: none"> <li>Has set aside \$7.7 million for fertiliser and equipment subsidies.</li> <li>Fertiliser distribution efforts have begun.</li> </ul>
<b>Nigeria</b>	<ul style="list-style-type: none"> <li>Released 70 000 tonnes of grain from the National Strategic Grain Reserve for distribution to the poor, planned to replenish its strategic grain reserves.</li> </ul>	<ul style="list-style-type: none"> <li>Working with various development partners to ensure farmers have access to seed. The Initiative for Citizens' Rights, Accountability and Development has distributed seed to 10 000 maize and sorghum farmers.</li> </ul>
<b>Mozambique</b>	<ul style="list-style-type: none"> <li>Partnering with the private sector to create food reserves.</li> </ul>	<ul style="list-style-type: none"> <li>Will allocate \$50 million to finance companies that produce seeds.</li> </ul>
<b>Kenya</b>	<ul style="list-style-type: none"> <li>Authorised the importation of 4 million 90kg bags of maize (for food and feed) to avert a food crisis.</li> <li>Instituted a dairy protectionist policy that restricts dairy imports from Uganda.</li> </ul>	<ul style="list-style-type: none"> <li>Eight-point plan to supply inputs through e-vouchers to avoid buying bulk fertiliser.</li> <li>Leveraging digitisation to drive the e-voucher scheme and cash transfers.</li> <li>Supporting farmers affected by floods with early maturing seed.</li> <li>Reduced its value added tax rate on all goods to 14% from 16%.</li> </ul>
<b>Ghana</b>	<ul style="list-style-type: none"> <li>Mobilising the private sector to help revitalise strategic grain reserves and increase storage capacity annually by 50 000mt from the current 35 000mt.</li> </ul>	
<b>Tanzania</b>	<ul style="list-style-type: none"> <li>FRA has begun restocking for the season to provide food to urban and rural areas.</li> </ul>	
<b>Zambia</b>	<ul style="list-style-type: none"> <li>FRA will be purchasing 1 million mt of maize this year, up from 300 000–500 000mt on average.</li> <li>Attempted to procure 1 million mt of maize for the FRA by maintaining maize export restrictions.</li> </ul>	
<b>Zimbabwe</b>	<ul style="list-style-type: none"> <li>Implemented currency reforms to alleviate inflation, as well as price controls on 22 April 2020.</li> <li>Suspended a ban on imports of genetically modified maize.</li> <li>Created a 'Fast Lane' at the Beitbridge border post in January 2020 to increase the pace of grain imports.</li> </ul>	

Ethiopia	<ul style="list-style-type: none"> <li>Supported commercial farmers to increase land under crop cultivation.</li> </ul>
Uganda	<ul style="list-style-type: none"> <li>Sought to increase the number of farming households.</li> </ul>
Burkina Faso	<ul style="list-style-type: none"> <li>Sought to procure 39 000mt of fertiliser for the agricultural input subsidy programme against a national requirement of 50 000mt of fertiliser needed for the next production season.</li> </ul>

Sources: Charles Nhemachena and Kurauone Murwisi, *A Rapid Analysis of Impacts of the COVID-19 Pandemic on Selected Food Value Chains in Africa*, Synthesis Report (Nairobi: Alliance for a Green Revolution in Africa, 2020); BFAP, "Impact of COVID-19: Changing Trade Policy in a Global Pandemic - Potential Implications for South Africa's Rice Supply Chain" (Brief 4, BFAP, Pretoria, April 6, 2020)

While most countries have pursued market and trade policies as well as food production policies, other countries have focused on only one aspect. Ghana, Tanzania, Zimbabwe and Zambia, for example, have only focused on market and trade policies, while Ethiopia, Burkina Faso and Uganda have focused only on farm production policies – presumably owing to fiscal constraints. In most cases, policy interventions have been designed to slow down the worsening economic circumstances facing vulnerable farming populations, rather than improving their productive capacity.

## Impact of COVID-19 on agriculture and food markets in sub-Saharan Africa

After the implementation of a raft of policy measures across sub-Saharan Africa in response to COVID-19, the efficacy of food market interventions has come under the spotlight. Overall, the impacts of the pandemic have been overwhelmingly negative, but the extent to which they have affected different parts of the food system appears quite variable. Some parts of the food system have been less affected than others, while certain countries' food sectors also seem to have fared better than others at coping with the impact of the pandemic. Table 3 unpacks the different country-level and food system-level distinctions, outlining the particularities of COVID-19's effects on various markets.

The informal food sector has been a key target of policy responses to the COVID-19 pandemic

As noted in Table 3, the informal food sector has been a key target of policy responses to the COVID-19 pandemic. Some (but not all) sub-Saharan African countries have enforced



closures of informal and open-air markets owing to relatively high health risks. In this instance, COVID-19 containment measures have negatively impacted the livelihoods of informal food vendors and retailers, and restricted consumer access to food.

Meanwhile, impacts on transport through movement restrictions have made it difficult for farmers, transporters and processors to move agricultural inputs to farmers and agricultural outputs to the market. Regional supply chains have been negatively affected by temporary trade bans and export restrictions. The need for additional inspections at the border, reduced operation hours for trading, and higher transport costs have all led to longer shipment periods, and increased food costs. With multiple roadblocks and checkpoints, the impacts of supply chain delays have been particularly severe for perishable products such as vegetables and dairy. The reported contraction in regional trade at borders has particularly affected informal cross-border traders, a large majority of whom are women and youth.

**TABLE 3 IMPACT OF COVID-19 CONTAINMENT MEASURES ON SUB-SAHARAN AFRICAN MARKETS**

Country	General impacts	Country-specific impacts
Input supply	<ul style="list-style-type: none"> <li>Increased unavailability and shortages of key agricultural inputs such as seeds, fertilisers and agrochemicals in areas where the pandemic coincided with the start and/or middle of the season.</li> <li>Transport and input price spikes owing to disruptions in transport and logistics.</li> <li>Seed multiplication, certification activities negatively affected by lockdown, social distancing and movement restrictions.</li> <li>Functioning of input markets severely affected by COVID-19 pandemic measures.</li> </ul>	<ul style="list-style-type: none"> <li><b>Tanzania:</b> most agricultural inputs are imported (80% of fertilisers, 60% of seeds, and nearly all agrochemicals).</li> <li><b>Mozambique:</b> chicken producers reported that the imports of veterinary products such as vaccines had been delayed by two months and chicken feed and other products by two weeks. These shortages resulted in an increase in input prices for both food and livestock commodities.</li> <li><b>Ghana:</b> smallholder-farmer beneficiaries of the Planting for Food and Jobs programme reported late delivery of inputs.</li> <li><b>Kenya:</b> disruptions in input distribution channels led to limited availability of farm inputs (seeds, fertilisers and herbicides) and price increases.<sup>a</sup></li> <li><b>Senegal:</b> the isolation of Niamey, which houses storage and supply centres for certified seeds, affected input distribution to key areas. This led to temporary increases in input prices and input shortages, which are likely to lead to a decrease in the area under production and reduce crop productivity.</li> <li><b>Burkina Faso:</b> compliance with social distancing measures reduced the number of certification teams at any one time, and partial lockdowns made it challenging to move packaging materials to the certification sites.</li> <li><b>Nigeria:</b> production and supply of early generation seeds were affected, as was quality assurance activities.</li> <li><b>Togo:</b> agro-dealers reported a decrease in sales of 20–30% in March–April 2020 compared to the previous year.</li> </ul>

<p><b>Production and harvesting</b></p>	<ul style="list-style-type: none"> <li>• Labour-intensive crop production activities such as planting, weeding and harvesting were negatively impacted by labour shortages and rising costs triggered by COVID-19 measures.</li> <li>» Production and harvesting activities severely impacted by disruptions in access to key agricultural inputs.</li> <li>» Access to extension and advisory services curtailed by COVID-19 movement restrictions and social distancing measures.</li> <li>• Increased risk of high post-harvest losses and low incomes for farmers owing to disruptions in harvesting.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Rwanda:</b> reduced labour availability and increased cost of labour negatively impacting cropping activities for Season B.</li> <li>• <b>Malawi and Zambia:</b> although hard lockdown measures were not implemented, farmers panicked and began harvesting their produce prematurely.</li> <li>• <b>Zimbabwe:</b> labour shortages owing to social distancing and movement restriction measures affected harvesting activities, which increased risks of post-harvest losses; with farmers experiencing delays in harvesting of groundnut and soybean crops.</li> <li>• <b>Mozambique:</b> of the 780 small and medium producers comprising the Chicken Producers Association, half went out of business, with the remaining cutting production significantly.</li> <li>• <b>Ethiopia:</b> the main <i>meher</i> harvesting activities had been completed, and activities in the pulses, sesame and teff value chains were not affected.</li> <li>• <b>Tanzania:</b> the first COVID-19 cases were reported in March when maize harvesting had just been completed. Farmers had also already procured inputs for the next agricultural season.</li> <li>• In most countries in Southern Africa, harvesting of the main season crops was coming to an end when the COVID-19 outbreak started. Therefore, there was little to no impact on the production and harvesting of food crops.</li> <li>• <b>Burkina Faso:</b> the pandemic started after the completion of the 2019/2020 cropping season.</li> </ul>
<p><b>Aggregation, storage, and trade (domestic and regional)</b></p>	<ul style="list-style-type: none"> <li>• Food crop aggregation and trade activities severely affected by COVID-19-triggered disruptions in transport and logistics services.</li> <li>» Unprecedented delays at ports of entry as governments implemented COVID-19 measures, negatively impacting the movement of food and other products to areas of need.</li> <li>» Closure of strategic food consumption sectors severely impacted operations and revenues of some aggregators and food traders.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Uganda:</b> some aggregators experienced cancellation of orders and reduction in sales volumes (as much as 50% in some cases) owing to declining demand triggered by the closure of schools, restaurants and hotels.</li> <li>• <b>Tanzania:</b> a UNDP study showed that the transportation and storage of food remained under stress due to inadequate storage capacity, a bumper harvest and large carryover stocks.</li> <li>• <b>Mozambique:</b> HIGEST, a large poultry company, reported a 40% drop in demand, with smallholder farmers reporting a 50% decrease.</li> <li>• <b>Togo:</b> market activities declined 20–40% owing to the pandemic and government measures to control its spread.</li> <li>• Road shipments from Mombasa to Kampala took 10–21 days, up from three to five days, due to COVID-19 containment measures. This increased the cost of transport/freight by up to 30% and compromised food quality.</li> <li>• The BlueBox GmbH estimated that Tanzania and Kenya were losing about \$38 million per week due to delays at the Namanga one-stop border post. Reduced demand in export destinations due to various COVID-19-related issues also affected regional trade activities.</li> </ul>

	<ul style="list-style-type: none"> <li>» Rising operational costs due to COVID-19 health regulations negatively affected the viability of some businesses.</li> <li>• Storage infrastructure issues exposed as smallholder farmers and businesses struggle to store food crops and products.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Nigeria:</b> the price of a bag of imported rice rose by more than 7.5% in Abuja and Lagos between the third week of March and early April, while the price of local rice rose between 6% and 8%.</li> <li>• <b>South Africa:</b> congestion at Cape Town Harbour affected food exports, especially citrus and pome fruits, with some shipping companies imposing congestion fees and some ships opting not to dock in Cape Town because of the delays. Fruit exporters had to truck products to Port Elizabeth at an additional cost.</li> </ul>
Processing	<ul style="list-style-type: none"> <li>• Lockdown measures disrupted operational capacity of processing companies, severely impacting revenues.</li> <li>» Movement of food crops from production areas to processing plants negatively impacted by disruptions in transport and logistics services.</li> <li>» Disruptions in cross-border transport and logistics services severely impacted delivery of imported raw materials and key spare parts for machinery.</li> <li>• Closure of strategic food consumption sectors such as hospitality industry and education institutions severely impacted processing businesses.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Zambia:</b> due to the government directive to close bars and nightclubs, the maize supply chain, which features in the processing of <i>chibuku</i> (a sorghum-based beer) and related drinks, has been stagnant. The Stocks Committee recently found a substantial amount of roller meal (about 3 000mt) stuck with processors.</li> <li>• <b>Mozambique:</b> HICEP, a rice processor, reported a significant decline in the quantity of processed rice from 124 tonnes in the first semester of 2019 against 64 tonnes in the same period in 2020.</li> <li>• <b>Zimbabwe:</b> agro-processors reported difficulties in acquiring raw materials; for instance, deliveries to Grain Marketing Board have been markedly low compared to the same period in previous years. GMAZ cited the delays in delivery of imported grain as a challenge that has affected bread prices and availability.</li> <li>• <b>Uganda:</b> Equator Seeds Ltd, a seed company that established a grain processing plant targeting the export market, initiated an order for processing line equipment from China in December 2019 with anticipation of delivery only in April 2020.</li> <li>• <b>Rwanda:</b> GAIN reported similar experiences in Kigali – where a bean processing business had imported machinery from China, but the engineer could not travel from China to install it.</li> <li>• <b>Mozambique:</b> some cane millers could not hire technicians from neighbouring countries to carry out the sanitation of mills due to the cross-border movement restrictions.</li> <li>• <b>South Africa:</b> production operations disrupted due to staff testing positive for COVID-19. For instance, Tiger Brands, Fry Group Foods and Coca Cola plants had to be closed owing to COVID-19 outbreaks.<sup>b</sup></li> </ul>
Wholesale, retail and distribution	<ul style="list-style-type: none"> <li>• Business activity and revenues of food wholesalers, retailers and distributors negatively impacted by COVID-19 measures:</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Uganda:</b> businesses experienced a reduction in turnover due to a sharp drop in volumes traded heightened by low demand for products or fewer distributions, closure of some markets like schools and hotels, and a sudden decline in orders.<sup>c</sup></li> </ul>

	<ul style="list-style-type: none"> <li>» rising transport and logistics costs;</li> <li>» delays in distribution and delivery of imported food crops and products due to COVID-19 restrictions at ports of entry;</li> <li>» closure of strategic food demand sectors severely impacted businesses that had running contracts;</li> <li>» rising operating costs as businesses implemented mandatory COVID-19 measures; and</li> <li>» declining business activity and incomes threatening the viability of some wholesale, retail and distribution businesses.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Mali:</b> all processing spare parts are imported, with costs rising since the outbreak of the pandemic. Disruptions in transport and logistics services negatively impacted small businesses that mostly employ women and youth.</li> <li>• <b>South Africa:</b> beef auctions were not feasible when limited to 50 people, so the industry adopted online auctions. The shift to an e-platform reportedly saw a 400% increase in the bookings for online auctions.</li> <li>• <b>South Africa:</b> quick service restaurants and restaurants were closed under Level 5 lockdown, with informal markets (such as spaza shops and bakkie traders) also closed from the end of March to end of April 2020.</li> <li>• <b>Zimbabwe:</b> trading at Mbare Musika, the major fresh produce and commodity trading market, dropped by 40%. Suspension of public transport services disrupted business for small traders who depend on public transport.</li> </ul>
<p><b>Consumption</b></p>	<ul style="list-style-type: none"> <li>• Increased food insecurity, significant declines in purchasing power and food demand among low-income households due to loss of income.</li> <li>• Panic buying at the start of the COVID-19 pandemic and disruptions in food distribution created temporary food shortages and food price spikes.</li> <li>• Disruptions in access to food for consumers who depend on informal markets.</li> <li>• High food wastage for food that reached expiry dates, or where adequate storage facilities were not in place (especially for fresh produce).</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Kenya, Burkina Faso and Nigeria:</b> most low-income households depend on informal markets for daily food supplies. Their closure meant that most low-income households were left without a market to access food.</li> <li>• <b>Uganda:</b> panic buying, speculative trading and supply chain disruptions resulted in price increases for staple foods, with the highest increases in urban areas.</li> <li>• <b>Mozambique:</b> increase in the price of sugar owing to huge demand amid uncertainty about its availability.</li> <li>• <b>Ghana:</b> panic buying in affected cities, which led to substantial price increases for some foods such as rice and maize.</li> </ul>

a Gerald Andae, "Shortage of Inputs Hits Farmers in North Rift", *Business Daily Africa*, March 26, 2020.

b Kailene Pillay and Lyse Comins, "Two KZN Food Factories Temporarily Closed After Workers Test Positive for Covid-19", *Independent Online*, April 17, 2020.

Sources: Charles Nhemachena and Kurauone Murwisi, *A Rapid Analysis of Impacts of the COVID-19 Pandemic on Selected Food Value Chains in Africa*, Synthesis Report (Nairobi: Alliance for a Green Revolution in Africa, 2020); BFAP, "Impact of COVID-19: Changing Trade Policy in a Global Pandemic – Potential Implications for South Africa's Rice Supply Chain" (Brief 4, BFAP, Pretoria, April 6, 2020)

Sub-Saharan African countries do not have the fiscal capacity to provide sufficient social protection and income support to augment food demand and reduce poverty

Unlike developed parts of the world (such as the US and EU), sub-Saharan African countries do not have the fiscal capacity to provide sufficient social protection and income support to augment food demand and reduce poverty. Instead, consumers in the region have experienced diminished incomes, reduced remittances and higher food prices. All of this has been exacerbated by reduced physical access to food as a result of markets' intermittent functioning and restrictions on public transportation.

## How will COVID-19 (re)shape sub-Saharan Africa's food systems in the future?

Food systems in sub-Saharan Africa have experienced stress and disruption as a result of the COVID-19 pandemic. Moreover, the policies implemented by governments across the continent seem to have had a limited impact in ensuring the optimal functioning of the food system. With the prospect of subsequent waves of the pandemic owing to slow vaccination roll-outs, it is unlikely that the most vulnerable parts of the food system – smallholder farmers and informal supply chains – can maintain their resilience.

With COVID-19 exposing the vulnerabilities of both food supply chains and government interventions, questions remain around what a post-COVID-19 food system will look like. Several structural considerations require attention.

- Drawing from lessons across sub-Saharan Africa, formal and informal supply chains may need to evolve to adapt to the pandemic and other crises such as climate change. Scale-specific technologies and food systems that enable farmers to establish multiple distribution channels outside the existing conventional markets (ie, formal contract markets or informal markets) are critical in creating greater resilience. Rebalancing these considerations with scale and profitability remains a major challenge.

## Questions remain around what a post-COVID-19 food system will look like

- Smallholder farmers and farmworkers will need personal protective equipment (PPE) to work safely in the fields. For instance, to minimise the risk of contracting COVID-19, farmers will need to absorb the costs of providing farmworkers with PPE while ensuring social distancing and standard protocols, which will impact on-farm productivity.
- Factory workers in meat processing plants and other high-density factory spaces – who would typically stand shoulder-to-shoulder – will have to practise COVID-19 protocols to avoid infection outbreaks and plant closures.
- Auctions, fresh produce markets and other public places will require similar measures to allow for controlled human interaction and movements – which will all lead to somewhat reduced economic activity.
- A shift towards contactless and remote transactions that minimise human and face-to-face contact is needed. Cash economies within informal supply chains in major parts of Africa might move towards electronic trading and e-commerce. This might provide incentives that will compel the continent to leapfrog into a higher Fourth Industrial Revolution trajectory.

With that said, various policy recommendations should be addressed to position sub-Saharan Africa's food markets to better cope with COVID-19 and other crises in the future. These include:

- providing more holistic policy interventions that effectively address bottlenecks that affect the entire span of value chain actors – including but not limited to input suppliers/transporters and food transporters, processors, traders and retailers – to ensure the efficiency and resilience of the entire supply chain;
- making significant investments in market infrastructure, including grain silos and cold storage systems, to support value chains of perishable products in areas where such infrastructure systems are still under-developed;
- establishing and expanding social protections to vulnerable groups such as youth and women, and those most affected by restrictions on economic activity, particularly the urban poor, informal workers and resource-poor smallholder farmers; and
- implementing existing regional trade agreements more effectively, and aligning with the African Continental Free Trade Area, all of which represent an opportunity for greater food market integration. Opening up food markets under these trade agreements will reduce sub-Saharan Africa's reliance on food imports while increasing the growth potential and resilience of domestic and regional food systems.

# Conclusion

Overall, the impact of COVID-19, together with other shocks such as locusts, fall armyworm and climate change, suggests the need for policymakers to be agile in their responses to multi-layered crises. The era of heightened uncertainty, volatility and complexity resulting from these multiple crises, with COVID-19 a key turning point, calls for a fundamental change to the governance and architecture of sub-Saharan Africa's food system.

# Authors

## Wandile Sihlobo

is the Chief Economist of the Agricultural Business Chamber of South Africa and the author of *Finding Common Ground: Land, Equity, and Agriculture*. He is also a Visiting Research Fellow at the Wits School of Governance, University of the Witwatersrand.

## Tinashe Kapuya

is Senior Program Officer at Alliance for a Green Revolution for Africa in Nairobi (Kenya) and Research Associate at the Bureau for Food and Agricultural Policy in Pretoria (South Africa).

## Gracelin Baskaran

is an economist and a Senior Research Fellow at the Development Policy Research Unit at the University of Cape Town. She holds a PhD from the University of Cambridge.

# Acknowledgement

Special thanks to the Bureau for Food and Agriculture Policy (BFAP) and the Alliance for a Green Revolution for Africa's (AGRA) Africa Food Trade Resilience Programme for providing access to country-level studies that formed the basis of this PI's insights and information. In particular, special thanks to Charles Nhemachena and Kurauone Murwisi for their technical support.

SAIIA gratefully acknowledges the support of SIDA for this publication.

# About SAIIA

SAIIA is an independent, non-government think tank whose key strategic objectives are to make effective input into public policy, and to encourage wider and more informed debate on international affairs, with particular emphasis on African issues and concerns.

SAIIA's policy insights are situation analysis papers intended for policymakers, whether in government or business. They are designed to bridge the space between policy briefings and occasional papers.

## Cover image

Richard Msengi and Gladys Mgakula work in one of the poly-tunnels of a hydroponic farming scheme in the Makuleke Village which supplies fresh vegetables to lodges in the nearby Kruger National Park. This scheme is half owned by the community and half owned by Wilderness Safaris. It is one of the benefits of a unique conservation deal linked to their new ownership of part of the Kruger National Park (Gideon Mendel/Corbis via Getty Images)

All rights reserved. Copyright is vested in the South African Institute of International Affairs and the authors, and no part may be reproduced in whole or in part without the express permission, in writing, of the publisher.





Jan Smuts House, East Campus, University of the Witwatersrand  
PO Box 31596, Braamfontein 2017, Johannesburg, South Africa  
Tel +27 (0)11 339-2021 · Fax +27 (0)11 339-2154  
[www.saiia.org.za](http://www.saiia.org.za) · [info@saiia.org.za](mailto:info@saiia.org.za)