

Impact of COVID-19 on Food Systems: A Situation Report

EDITION 3 – MAY 13, 2020

This document is produced by the Global Alliance for Improved Nutrition, with input from key partners such as World Food Programme SBN coordinators. Any errors are our own. For any questions, please contact Stella Nordhagen, snordhagen@gainhealth.org

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Key Messages

- This rapid assessment—the third in a series and based on insights from key informants, SME owners, and data from secondary sources—indicates that COVID-19-related control measures continue to have an impact on food systems in some low- and middle-income countries.
- Limited disruptions to food availability are reported, particularly for imported and perishable foods, and prices are shown to have increased for some foods, in some markets.
- Food system SMEs are being strongly impacted by pandemic control measures in most countries, with widespread reports of decreased sales, difficulty paying staff, and difficulty accessing inputs; most SMEs surveyed have decreased production volumes since the pandemic began.
- There are reasons for optimism: SMEs looking to the future in settings where transmission has reduced and restrictions are lessening, emerging new business models, and strengthened government responses.
- The situation continues to change rapidly, particularly as control measures are changed, and varies widely across and within countries.

1 SCOPE AND PURPOSE

This document summarises a third rapid assessment that was undertaken by the Global Alliance for Improved Nutrition (GAIN) to understand ongoing impacts of the COVID-19 coronavirus pandemic on food systems in a set of low- and middle-income countries where GAIN works (Bangladesh, India, Pakistan, Indonesia, Ethiopia, Kenya, Mozambique, Nigeria, Rwanda, and Tanzania). A particular focus is placed on small- and medium-sized enterprises (SMEs) within the food system.

This report follows on and updates two earlier situation reports undertaken on approximately 3 and 17 April 2020.¹ The information reported here should be interpreted with caution, as it does rely heavily on personal experience and perceptions. The information is current as of approximately 10 May 2020.

2 SOURCES AND METHODS

The information presented comes from a rapid assessment drawing on several sources. First, GAIN country representatives (country directors or their designees, n=10) provided input based on their experience in country via a short, structured questionnaire. Second, information was provided by programme managers for the GAIN Marketplace for Nutritious Foods (a programme that provides grants and technical assistance to food system SMEs) and/or representatives of the Scaling Up Nutrition (SUN) Business Network (SBN), which is co-convened by GAIN and the World Food Programme (WFP). This included detailed information on the experiences of nine SMEs across different sectors. Second, a structured online survey was administered from April 29 – 10 May to SMEs in 18 countries where GAIN and the SBN work.

Finally, some secondary data and information were collected from [Euromonitor's](#) ecommerce price and stock data (see Annex 3); [FEWS NET](#); the Food and Agriculture Organization (FAO) [Big Data tool on food chains under the COVID-19 pandemic](#); [FAO Food Price Monitoring and Analysis](#); over a dozen studies by FAO, the International Food Policy Research Institute (IFPRI), the World Bank, and others; and local and international news sources (see Annex 1).

¹ Available here: <https://www.gainhealth.org/resources/reports-and-publications/impact-covid-19-food-systems-situation-report>

3 RESULTS

3.1 Measures Taken to Control COVID-19 Spread

Table 1, below, summarises the different measures taken to control the spread of COVID-19 in the ten countries.² For context, the number of reported cases of COVID-19 in each country (as of 10 May 2020) is also noted, as is the average daily growth rate in cases since 17 April 2020; Figure 1 displays the recent trend in cases in each country. Over this three-week period, certain countries (Bangladesh, Nigeria, and Tanzania) have seen considerable percentage growth in COVID-19 cases, at around 10% per day, whereas others (Rwanda, Kenya, Ethiopia, Mozambique, and Indonesia) have seen more modest growth. Of course, actual case counts may be much higher than ‘official’ case counts, due to limited testing.

Table 1. Summary of Measures in Place to Control Spread of COVID-19

	India	Pakistan	Indonesia	Bangla.	Nigeria	Kenya	Tanzania	Rwanda	Ethiopia	Mozamb.
Reported Cases of COVID-19	52,952	24,644	12,776	12,425	3,526	607	509	271	191	81
Date of First Case	04-Mar	09-Mar	06-Mar	14-Mar	28-Feb	15-Mar	18-Mar	15-Mar	15-Mar	24-Mar
Avg. Daily Case Growth	7%	6%	4%	10%	12%	5%	9%	3%	4%	5%
Control Measures in Place										
Curfew										
Public transport closure/restrictions										
Barriers to domestic travel										
Limitations on working hours										
Non-essential business										
Closure of...										
Open-air food markets										
Supermarkets										
Small food shops										
Restaurants										
Street Food vendors										

Notes: a dark red-shaded cell indicates a measure has been taken. Countries are sorted left to right in descending order of number of cases. Case data are from the World Health Organization, through 11 May, 23:59 GMT.

Since 17 April 2020, the date of GAIN’s previous situation report, control measures have changed somewhat in nine of ten countries. Changes include an easing of restrictions in some (Rwanda, Kenya) but a tightening in others (e.g., Bangladesh, parts of Nigeria). Most countries have restrictions on the use of public transport, on operations of non-essential businesses, and on domestic travel. Aside from Kenya and Ethiopia, all countries have closed or significantly limited operations of at least one type of food source. The harder-hit countries (India and Pakistan) and those facing more rapid case growth (Bangladesh, Nigeria) tend to be more restrictive, while those with only a small number of cases (Ethiopia and Mozambique) have fewer restrictions. One outlier to this is Tanzania, which has rapid case growth but limited restrictions in place.

In many countries, some easing of restrictions has begun, at least in certain areas. In India, for example, the original lockdown (set to expire 3 May) was extended to 17 May, but with lessening of restrictions in zones designated as ‘Green’ or ‘Orange’ (as opposed to the ‘Red’ hotspots, which include major cities). Nigeria has restrictions varying across states, with some remaining under lockdown while others are opening up. Rwanda, which has managed to keep the case count and growth rate low, has eased its lockdown, with some essential staff returning to work, markets open at 50% capacity, and restaurants open during the day (though not at night).

² The focus here is on measures expected to impact the food system, but all countries also have some recommendations in place related to general social distancing—e.g., advising work from home or banning large events and/or religious services.

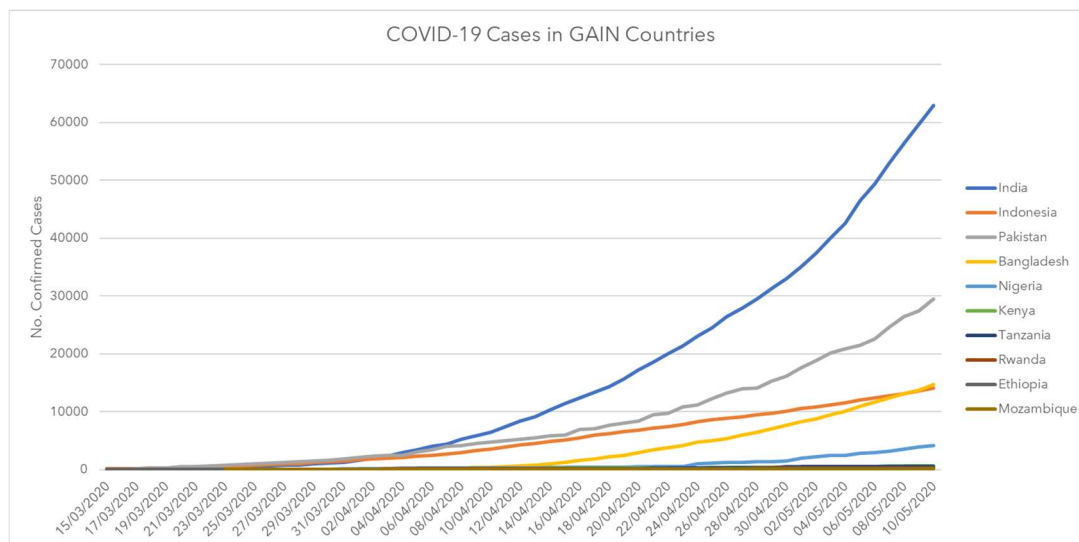


Figure 1. Number of COVID-19 Cases in GAIN countries, 15 March–10 May 2020 (source: WHO, <https://covid19.who.int/>)

3.2 Impacts of these Measures on Local Food Systems

The direct actions to close food outlets are having some impact on food access. While food remains generally available, there are certain limitations on where and what can be accessed. For example, in Indonesia it was noted that small shops and restaurants, whose owners did not have the knowledge or skills to transition to online platforms, had closed, lowering food availability and accessibility for those who normally depend on such outlets. While the harsher lockdowns (e.g., in many Nigerian cities) tend to be the most impactful, ‘softer’ limitations on transportation and on opening hours also limit access to food:

‘Businesses like hotels, shops, supermarkets, and restaurants must be closed by 7 pm. Hence, workers are forced to leave their workplaces early to shop and get home before 8 pm. It is kind of stressful [for them] because if you don’t have a private car, public transport is an issue for you (you can stay in a queue [for a food source] for more than 2 hours). However, the transition [away from lockdown] has had a good effect on low-income consumers like casual labourers because they can now get food.’ [Rwanda]

These impacts tend to be felt more in cities, and by lower-income populations and migrant workers, due to affordability and access barriers, such as having to travel further or pay more to access essential products.

Overall, however, the main impacts on food availability and access continue to be perpetuated through indirect effects further up the value chain, such as the limitations on movements of people or goods. For example:

‘More challenges have been observed for the urban settings, as the fresh foods (fruits, vegetables, etc.) are the commodities that move from rural to urban areas across the different regions of the country, so travel/transportation restrictions have not only created problems for the suppliers but also for labourers in wholesale markets’ [Pakistan]

In Mozambique, it was also noted that the main challenge was logistics related to transporting food to markets; while this had largely spared the capital Maputo, some shortages were reported in more remote areas. An IFPRI rapid appraisal of the Ethiopian value chain³ found similar effects: vegetable trade was being adversely affected by traders’ fears of exposure to the virus, increasing transport costs, and transport restrictions limited truck deliveries; fears over consuming vegetables and the closure of restaurants and eateries also played a role.

³ Minten, B. 2020. Impacts of the COVID-19 crisis on vegetable value chains in Ethiopia. IFPRI blog; Minten, B. 2020. COVID-19 and agricultural value chains in Ethiopia. IFPRI Virtual Event - COVID-19: Emerging problems and potential country-level responses. 30 April 2020.

Box 1: The view from Dhaka

In Dhaka, Bangladesh, an FAO report corroborates that many shops have closed, especially for fresh vegetables and meat, and food vendors' businesses is down by as much as 80-90%. Average food prices were reported to be 20% above pre-lockdown prices on 19 April. Increases were seen in many key foods (e.g., rice, potato, onion, lentil, banana, and fish) with decreases in egg and chicken meat. There were also large price differences among markets; as consumers were unable/willing to 'shop around', they were obligated to pay the price in the nearest market.

Source: FAO. 2020. *Impact of COVID-19 on Dhaka's Food Markets and Food Prices. Situation Report 2. 11-19 April 2020*

All but one respondent (Ethiopia) reported increases in prices and changes in availability for at least some items. In most cases, price increases were reported to affect just a small number of items, but increases across many items were reported in Bangladesh, Rwanda, Pakistan, and Nigeria. Considering availability, nine out of ten respondents reported changes in availability since the pandemic-related control measures began. One reported a slight increase in availability, whereas others reported decreases for a small number of items (70% of respondents) or for many items (one respondent). Those foods most affected varied by country but tended to include imported foods (e.g., cooking oil, sugar) and fresh fruits and vegetables. In Indonesia, for example, there were some shortages reported for certain foods (e.g., garlic, sugar, onions, chili, chicken/eggs) but overall normal

food supply levels. Shortages and price hikes there—for example, sugar prices well above normal—were largely attributed to imported goods facing barriers, as well as a weakened currency. However, it was hoped that these changes would ease as more imports arrived.⁴ In India, it was cited that meat, fish, and processed or packaged foods were not sufficiently available. In Nigeria, it was also noted that the *quality* of the food available had decreased. Box 1 showcases the impacts on Dhaka's food system, based on an FAO report; a subsequent FAO report covering four cities in the greater Dhaka area indicates that average staple prices have increased considerably compared to the pre-lockdown period: by 46% for lentils, 27% for onions, 22% for rice, 17% for potatoes, and 9% for fish, with an overall basic food basket increasing in price by 3.2-7.4%.⁵

Pandemic-related control measures do not act alone but rather interact with seasonal trends and contextual factors to impact availability and prices. For example, Kenya and Ethiopia continue to grapple with a major locust infestation, and in Tanzania it was reported that it was difficult to access fresh vegetables primarily due to the rainy season, but that this was exacerbated by providers reducing services over COVID-19 fears. Meanwhile, in Pakistan the pandemic was interacting with demand changes due to Ramadan:

'Prices of edible items, vegetables, fruit, gram flour and some pulses have gone up by 30-40% with arrival of Ramadan in Pakistan. This overnight increase in the prices of these essential items by profiteers has multiplied woes of the poor daily wage earners, who are already facing hard times due to the prevailing lockdown in the country.'

There are also larger international forces that affect food accessibility at the local level. This includes currency fluctuations (e.g., due to shifts in terms of trade and in global oil markets) and remittances. Remittances to Sub-Saharan Africa are expected to decline by 23.1% due to the crisis⁶; this will reduce purchasing power (and with it, food affordability) for millions of people who depend on those remittances. In addition, some countries are enacting export bans on certain foods. While none of the countries examined here has enacted an export ban, many could be impacted by those enacted by other countries: IFPRI data show that eight of these ten countries have at least 5% of their import food (in kcal) affected by export bans, with Rwanda and Kenya being the worst impacted (around 15% of kcal).⁷ Box 2, below discusses how this and other factors are influencing food fortification programmes.

⁴ Similar trends were noted in F. Amanta & I. Aprilianti. 2020. Indonesian Food Trade Policy during Covid-19. CIPS Policy Brief 1.

⁵ FAO. 2020. Impact of COVID-19 on Food Security and Urban Poverty. Situation Report 6. 2-8 May 2020.

⁶ World Bank, 2020. Press Release: World Bank Predicts Sharpest Decline of Remittances in Recent History. (link)

⁷ IFPRI, 2020. COVID-19 Food Trade Policy Tracker. (link)

Box 2: Preliminary impacts on large-scale food fortification

Disrupted access to fresh foods in many countries along with consumer preferences for cheaper and less perishable foods are leading to increased consumption of non-perishable foods such as staples—often a poor source of micronutrients, if not fortified. At the same time, there is a corresponding decrease in consumption of more nutrient-dense foods (e.g., vegetables, fish, dairy). This makes large-scale fortification of staple foods particularly important. However, food fortification programmes have also been affected by the pandemic. Almost all GAIN-supported programmes have reported slowdowns in activity due to the inability to access food processing factories, government agencies, and ministries because of lockdowns and restriction in travel.

In India, pandemic-related control measures have adversely affected the production capacity of fortified foods producers, especially SMEs, some of which are operating at about 50% of their pre-pandemic capacity. This drop in production is partly due to very low demand from food services, such as hotels and restaurants. However, SMEs are also facing difficulty accessing premix (the vitamins and minerals used in fortification) and increased costs, due to higher transportation costs as cargo services have slowed. Rising freight costs are also affecting international premix supply chains. For example, data from the GAIN Premix Facility show a 20% increase in sea freight costs between February and May, while airfreight costs from Europe to West Africa have increased by up to 250%. Currency depreciation (e.g., a 30% fall in the South African Rand against the USD), partly due to trade disruptions, is also contributing to higher production costs, including for premix. Congestion at ports is also leading to delays in shipment of up to two months.

Food fortification programmes in most low- and middle-income countries rely on international supply chains for some commodities, particularly wheat and crude edible oils. While currently are still operational, logistical disruptions and delayed deliveries of these commodities may impact fortification programmes in the medium term. This may be exacerbated by export restrictions; for example, Russia and Ukraine, which collectively account for about 41% of Africa's wheat imports, have imposed export quotas. Availability of foreign exchange to import raw materials is also a key factor: trade and travel disruptions are worsening the already poor forex position of some countries, such as Ethiopia, where the universal salt iodisation programme has been disrupted due to an inability to source hard currency to import the necessary potassium iodate.

Government reactions to pandemic-related supply chain challenges also influence whether food fortification will be sustained. In Indonesia, mandatory fortification legislation has been suspended, and other countries could adopt similar strategies in the future.

Changes in prices for urban consumers do not necessarily reflect similar price increases along the supply chain.

The abovementioned IFPRI Ethiopia work similarly found little impact on urban retail prices of vegetables – but noted that farm gate prices were simultaneously declining due to low demand. An Indonesian newspaper similarly reported that farmers and fishermen were facing dropping prices and difficulty selling products due to oversupply and distribution issues combined with lower demand due to lack of consumer buying power.⁸ And two studies⁹ in rural Bangladesh also report that low demand has led to farmgate prices falling by 17-70% (despite high urban retail prices). Farmers reported serious difficulties selling and transporting their products, with transport costs rising by 20%; shortages of labour and inputs were also harming production and considerable food wastage was occurring in the milk, vegetables, poultry, and fish value chains.

On an optimistic note, in Rwanda a return to more normal prices and availability was cited as the lockdown eased:

‘When the lockdown started, lemons were the most wanted fruit, with a kilogram (bad quality) sold at \$1.70, but today they are available for half that price. Imported and processed food products have not increased prices in general. Few products are less available now. The price might have increased, but you can get what you want if you have the means.’

⁸ <https://bebas.kompas.id/baca/nusantara/2020/05/04/petani-nelayan-terpukul-pandemi/>

⁹ Impact of Coronavirus on Livelihoods: Rural and Low-Income Population of Bangladesh. LightCastle Partners. 2020; Solidaridad. 2020. Rapid Assessment: Impact of COVID-19 On Agriculture & Food System in Bangladesh. April 2020

The situation continues to vary widely across countries. For example, in countries with large Muslim populations, the pandemic is now overlapping with Ramadan, often a period during which special foods are purchased and eaten. The decrease in gatherings and visits has both upended many culturally significant food-related traditions and depressed demand for firms during a peak period. As noted by the GAIN SBN representative in Bangladesh:

'For the first time in the country's history, city dwellers are breaking their fast without traditional food items this Ramadan, as most retail outlets remain closed ... [this] has hit hard seasonal traders who used to earn some additional money by selling iftar items on roadsides during Ramadan. Chawkbazar, a hub of traditional Mughal delicacies during Ramadan, also remains closed due to the shutdown.'

3.3 Price and Availability changes: Insights from Secondary Data

To supplement the anecdotal evidence above, we reviewed secondary data on food prices from four sources.

Euromonitor ecommerce stock data indicate somewhat improved availability of food in certain markets.¹⁰ We analysed data for the GAIN countries included, India and Indonesia, as well as South Africa (as a weak proxy for other sub-Saharan African countries). An earlier analysis of such data (see the [prior edition of this report](#)) generally showed steep and steady declines in the number of unique product types (SKUs) available as pandemic-control measures were put into place in late March, followed by stabilisation at a lower level of availability than before the crisis began. Updated analysis (see Annex 3 for details) shows that stock levels have increased to at or near pre-pandemic levels for most goods; this may be due to reductions in hoarding as the situation has progressed or improvements in supply chain stability. There are, however, some exceptions in Indonesia: for example, there were about 24% fewer SKUs for fresh vegetables available on 6 May than in early March.

Other secondary data show volatility and often increases in food prices, though this differs by the data source, location, and type of food examined. Using data extracted via the FAO Big Data Price Monitor from Numbeo, a website used to estimate cost of living in different countries, we examined average price increases for the 14 included foods in the ten GAIN countries from 14 February (pre-pandemic) to 7 May. Out of 137 country-food combinations, 111 showed price increases (see Table 2). Price increases were largest in Rwanda (19.5%), Tanzania (12.3%), and Mozambique (10.5%), with only minor increases (1-4%) in the remaining countries; in terms of foods, the greatest price increases were found for cheese (12.8%), onions (10.5%), chicken (10.1%), and oranges (9.5%). Of note, these data do not account for normal seasonal price variations and have some biases in how well they accurately represent prices for average consumers in the countries considered here; please see [here](#) for more discussion of this.

Similarly, WFP's latest Market Monitor, published in April 2020 and referring to Q1 2020, shows severe (>10%) change in the price of a basic food basket (typically grains/tubers and oil) in Mozambique and Rwanda, high (5-10%) change in Nigeria and Bangladesh, moderate (0-5%) in Kenya and Pakistan, and low (<0%) in Tanzania, Ethiopia, India, and Indonesia. In Pakistan, about 50% of monitored markets showed 'crisis' price increases (compared to the normal seasonal trend) for at least one commodity (primarily oil and sugar); the same was true of about 50% of markets in Ethiopia and Rwanda, and 32% of markets in Tanzania and Mozambique. (Levels were lowest for India and Nigeria, with no data for Indonesia, Tanzania, or Bangladesh).¹¹

Table 2. Average changes in food prices since start of COVID-19, according to prices on Numbeo.com

Country	Avg. Price Variation (%)
Bangladesh	0.95
India	3.82
Indonesia	2.53
Pakistan	2.55
Ethiopia	3.44
Kenya	4.21
Mozambique	10.45
Nigeria	3.10
Rwanda	19.48
Tanzania	12.33

Note: Refers to average change in price across 13 foods, from 14/02 - 7/05/2020; positive values indicate a price increase. Data Source: Numbeo via FAO Big Data Tool.

¹⁰ Euromonitor price and stock data are based on SKUs (Stock Keeping Units) and refer to the individual, discreet products that their system captures from retailers' websites in each monitored country every day. As it draws only on ecommerce retailers, it is non-representative of actual food systems in GAIN countries, where most consumers buy from in-person, informal retail (e.g., informal markets, kiosks). However, it can provide an indication of trends.

¹¹ The most recent FEWSNet analyses (through March 2020) likely do not capture many impacts of the pandemic but note that most East African commodity prices are following normal seasonal trends, with differential impacts of COVID-19 related movement restrictions across the region, including reduced income and demand in Kenya and supply chain delays in Ethiopia and Tanzania. There are generally higher maize prices and lower market supplies across Southern Africa (including Mozambique). Staple food prices are expected to remain above average across most of the region due to

The FAO Food Price Monitoring and Analysis Tool (FPMA)¹² reports food price increases in several countries in the second half of March, due to COVID-19. A summary of FPMA data (focusing primarily on staple grains) for the six GAIN countries for which data for April 2020 were available (as of 8 May 2020) is shown in Table 3, revealing that most countries have seen significant increases in staple foods since April 2019 and modest increases since February 2020 (pre-pandemic), though two show price decreases over that period. The differing trends across the different data sources may be due to differences in data quality, markets/areas surveyed, or foods considered (notably, the FPMA data are primarily focused on staples whereas Numbeo largely excludes staples).

Table 3. Average changes in staple food prices since April 2019 and since start of COVID-19, according to FAO FPMA

	April 2019 - April 2020					
	Bangladesh	Ethiopia	India	Pakistan	Rwanda	Tanzania
No. commodities	3	5	7	4	3	2
No. markets	1	1-4	4-8	4-5	1	1-4
Average price change:	15%	33%	25%	14%	-4%	23%
Commodities with price increase:	2	5	7	4	0	2
Commodities with price decrease:	1	0	0	0	3	0
	February - April 2020					
	Bangladesh	Ethiopia	India	Pakistan	Rwanda	Tanzania
No. commodities	3	5	8	4	3	3
No. markets	1	1-4	4-8	4-5	1	1-4
Average price change:	13%	3%	1%	2%	-6%	-9%
Commodities with price increase:	2	3	5	3	0	1
Commodities with price decrease:	1	2	3	1	3	2

Notes: All price changes refer to nominal prices. Data are from retail markets in all countries but Ethiopia, Rwanda, and Tanzania, where only wholesale prices were available. Data Source: FAO GIEWS FPMA.

3.4 Impacts on Small- and Medium-Sized Enterprises in the Food Sector

3.4.1 Perspectives from GAIN Country Representatives and the SBN

This section draws on the perspectives of GAIN country representatives as well as GAIN and WFP SBN country coordinators from Bangladesh, Burundi, Democratic Republic of Congo, Kenya, Indonesia, Madagascar, Myanmar, Nepal, and Sri Lanka, each weighing in on how the pandemic is impacting the food system SMEs with which they work. Summaries of experiences from non-GAIN SBN countries can be found in Annex 2.

As in both prior reports, all country representatives noted that local food system SMEs were facing challenges due to COVID-19-related measures. The table below shows the main challenges reported: all respondents cited difficulty obtaining inputs or ingredients and nearly all noted difficulty acquiring and/or installing equipment, disrupted transport or distribution, reductions in production, and difficulty with staff getting to work. Three respondents reported that SMEs had been forced to close due to these issues in their countries. For food system SMEs in lower-income countries, even fairly small impacts can be difficult to weather due to their very small cashflow buffer. Respondents generally assessed these impacts to be moderate but manageable or considerable, but 30% described them as severe and potentially risking business closure. Compared to the previous situation report, there was more widespread reporting of difficulty accessing inputs and equipment; respondents in general felt that the severity of SME impacts was generally unchanged since mid-April, with two respondents each citing it had gotten somewhat less severe (in Rwanda and India, where lockdowns have been eased) or somewhat more severe (in Mozambique and Indonesia).

limited supply, with COVID-19-related restrictions expected to continue to delay supply chains, limit regional labour movements and informal trade, and reduce household food access. In the medium term, the global economic slowdown due to the pandemic is expected to reduce foreign exchange reserves and remittances, lead to local currency depreciation, and thereby elevate commodity prices.

¹² FAO. 2020. Food Price Monitoring and Analysis Tool (FPMA). Developed by FAO Global Information and Early Warning System (GIEWS). ([link](#))

Challenge	Pct. Citing
Difficulty getting inputs/ingredients	100%
Difficulty importing, sourcing, installing equipment	90%
Production levels have decreased	80%
Disrupted transportation/distribution for products	80%
Difficulty with staff getting to work	80%
Low demand/sales	70%
Inadequate staff	70%
Difficulty accessing financing	60%
Closed retail outlets	50%
Difficulties accessing migrant labor	40%
Forced to close	30%
n	10

As noted in prior reports, these challenges seem to be having greater impacts on more perishable food items due to low demand for more expensive non-staple foods. In Indonesia, the SBN coordinator notes that SMEs are hard hit by the shutdowns, as most of their marketing relies of traditional stores, markets, and small kiosks, most of which are closed, as well as limited cash reserves to cover expenses during this difficult time. From Bangladesh, it is reported that the pandemic has created particular challenges for the poultry industry, including chick hatchery owners and labourers. In several parts of the country, prices have fallen amid low demand and the cost of producing an egg has become about 25% higher than the wholesale

price, with farmers bearing the brunt of these falling prices. Key inputs are also stuck at port, and transportation issues prevent taking products to market. Poultry sector insiders report that production has fallen by more than half and, if the current trend continues, 60% of small farms may be forced to close. The dairy industry has also been hard hit due to the products' perishability and the decline in production of various dairy-based sweets; this fall in demand has required dairy farms to considerably reduce their sales price. Similar trends are reported for fish, with sales volumes and prices having fallen significantly due to low demand and transportation shortages—e.g., the average number of trucks carrying fish from Rajshahi, in Western Bangladesh, to Dhaka has dropped by over 80%. Fish farmers are thus forced to sell at low prices. Vegetable farmers have also been forced to lower farmgate prices and sell their products at a loss, despite the fact that prices in urban centres like Dhaka continue to increase; this disjoint is largely attributed to transportation difficulties.

Examples from Bangladesh (Box 3) and Rwanda (Box 4) illustrate the experiences of certain food system SMEs in detail, while the following quote from the manager of an SME support programme in Mozambique gives an overview of the challenges faced there:

'SME are struggling with cashflow; borrowing is too expensive, and with seasonal products like maize and soya being harvested now, prices are at their lowest, [it is the] best time to buy 6+ months of raw material inputs to maintain ongoing production, and [the savings in terms of] pricing would be essential to help the low-income consumer... [It is only allowed] for a third of the workforce to be on site at any given time; some SMEs can cope, whilst others are struggling. At times quality might be affected, when shifts change halfway through a production process. Some SME have closed altogether and sent their workforce on holiday.' [Mozambique]

Even in Tanzania, which has had the mildest pandemic-control response among the countries studied here, it was noted that the majority of SBN members are facing challenges such as a reduced workforce and lower production due to lower demand, particularly for those supplying major restaurants and hotels as well as transport hubs, like bus stands. Accessing raw materials, especially imported ones, has become more difficult and expensive. The above-mentioned IFPRI examination of the vegetable value chain in Ethiopia (again, a comparatively lightly affected country) also noted input (feed and agro-chemical) shortages and increasing prices due to shortages linked to land border closings and reduced imports from China.

Box 3: Experiences of selected SMEs in Bangladesh

A producer and retailer of condiments, including an all-natural mayonnaise

To help protect the community, the firm halted operations on 19 March. While pre-orders have been piling up, they are wary of restarting given the rising number of COVID-19 cases and the health of all their stakeholders. They are facing difficulties meeting their ongoing operating costs, such as rent and utilities, as well as with business strategy during the pandemic: how to position and market non-essential products at this difficult time.

A firm that runs a farmer-to-consumer mung bean value chain

Their business model includes directly acquiring mung beans from farmers, and the nation-wide lockdown made this very difficult: the company has thus completely shut down its operations, cutting off income for both the farmer-suppliers and company employees. Summer is usually their peak season, and, given the situation, they expect to incur losses for the year. This is despite strong consumer demand, both online and through in-person retail for the low-cost, nutritious product.

A longstanding producer and retailer of food free from pesticides and chemicals

While their retail outlet sales have been hindered by the lockdown, their online sales and delivery have been supporting them, thanks to a recent Dhaka police decree that permits online delivery services. They have been able to deliver demanded products such as honey, cumin and mustard oil, and brown rice, and their main aim is to protect their employees and farmer-suppliers during the pandemic. However, sourcing highly demanded products such as mango and lychee has been nearly impossible, leaving them with unmet demand.

The following two food SMEs were profiled in an earlier edition of this report series. We now provide an update on their pandemic experiences:

Large conglomerate with diverse products including frozen foods, sugar, and potato products.

While they were previously suffering from low demand and issues with distribution to retail outlets, their situation has improved: they are now able to make and deliver essential products such as rice to various retail outlets, using staff rotations to prevent overcrowding. While production remains at minimum capacity, they are optimistic that they will be able to increase production capacity as the lockdown is relaxed.

An e-commerce platform delivering additive- and chemical-free food to consumers' homes

The company is still facing rising demand for their products: due to Ramadhan, demand for chickpeas, rice, lentils and mustard oil has increased markedly. But they still lack the human resources and transportation required to meet it. Many of their perishable products, such as milk and eggs, are being lost due to lack of sufficient cold-chain technologies. In addition, they are acquiring products directly from farmers but lack the capital to pay them in full. At the same time, their on-demand abattoir services are preventing them from running at a loss.

However, there were also signs of optimism, with the representative in Rwanda noting that, amid the transition from lockdown to curfew, SMEs were more positive about the future and hoping to operate as normal in a few months. In addition, eight of ten respondents noted that the pandemic had led to the emergence of new food business models and approaches. This primarily took the form of more use of online platforms and take-away models (in seven countries each) and new home delivery platforms and more use of mobile money (in six countries each). More marketing related to nutrition and health was noted in three countries, as was more use of packaging (for safety, convenience, or to facilitate transport), and two countries noted changes in products offered. As the following example illustrates, however, there have been challenges with making rapid changes to the food system:

'E-commerce giants ... have been experiencing tremendous growth due to lockdown...this brings great opportunities for rural SMEs; those who will be able to adapt will survive. Services like [local online delivery service] were pitched as literal lifelines that could ferry food and other necessities to millions of homebound Bangladeshis. That has led to skyrocketing demand for home deliveries, which made up an infinitesimal share of overall grocery sales before the pandemic. And the system is now cracking under the weight of surging demand, and an incommensurate supply of workers and groceries for a disrupted distribution system and the shortage of delivery persons.' [Bangladesh]

Box 4: Experiences of selected SMEs in Rwanda

A small cooperative of fish farmers who raise tilapia in the southern province

The company's main challenge is insufficient fish feed available and at high prices. This is partly due to restrictions on cross-regional and international travel, which are expected to continue. In addition, sales have decreased because customers have no money to buy fish, preferring cheaper foods instead. Their sales prices have fallen by 30-40% due to lower demand and lower quality, which in turn is due to insufficient, poor-quality feed. As a result, the company has reduced production. Amid limited production and sales, it is struggling to pay salaries and anticipates difficult months ahead: continued inability to pay staff, their current fish to continue losing weight because of insufficient feed, and lacklustre demand. However, they are optimistic that Rwanda's transition away from lockdown will improve their situation and are experimenting with new modes of operating: seeking alternative feed suppliers, door-to-door sales, and raising maggots and duckweed to supplement industrial feed.

A small enterprise in the eastern province processing cereals into porridge flour

The business's main challenge is reduced manpower amid high market demand. They have been advised to reduce staffing by half and work in shifts, for safety reasons, which limits their production and sales capacity. They are also afraid to travel to Kigali or neighbouring countries where their packaging suppliers are based, so are using locally sourced raw materials from farmers, which further limits production. At the same time, there is high demand for their shelf-stable products (maize flour, porridge flour) due to the lockdown; indeed, customers are now preferring their 'family' porridge, as all family members are at home and can enjoy it together. They are thus working, day and night, but with limited staff. In the future, they may consider installing machinery to satisfy demand with less staff; otherwise, they anticipate customer dissatisfaction at being unable to meet demand.

A woman-led poultry micro-enterprise

The business continues to face difficulties with sourcing inputs and with sales. Only insufficient, expensive chicken feed is available on the market, which increases production costs. Demand is also low, as their target low-income consumers have little income for purchasing chicken—but producing at a loss would risk burning through their working capital. They thus decided to sell all the chicken they had on hand and save the money to buy new chicks when the situation improves. Their main longer-term worry is that consumer demand will not recover, which would prevent them from reaching their corporate goals of improving rural livelihoods while providing access to low-cost, safe, and nutritious foods.

A small enterprise in Kigali processing dried beans into ready-to-eat packaged beans

The business has faced a number of challenges since the pandemic began. Schools are shut and will remain so until September, cutting off a significant market. They had to stop improvements to their production facility, as no building permits were being issued during lockdown, and the engineer could not travel from China to install their new equipment. To ensure staff safety, they have organised private travel to and from the facility, are working with reduced staff to ensure social distancing, and office staff are working from home (which is challenging when it comes to sales meetings and distribution). As a result, the cost of production has increased due to less-intensive production shifts and increased cost of staff travel. They have also seen an increase in distribution costs due to travel restrictions; indeed, they can no longer serve distributors outside of Kigali. The price of the main input, dried beans, has also increased. At the same time, they are maintaining the same sales price in order to grow their market share. While an easing of the lockdown will enable them to better target retail markets, they are most worried about continued movement restrictions limiting their ability to grow their market. In addition, they foresee distribution costs and rising dried bean prices. On the upside, they have increased sales through digital media channels in response to consumer shifts in buying habits amid lockdown, and they see an opportunity to continue to grow their retail market in the future, targeting the mass market that does not shop in supermarkets.

3.4.2 SME Impacts: Results from a cross-country survey

This section draws on a survey of food system SMEs in countries where GAIN and/or the SBN work. The survey was conducted online from 29 April – 17 May, with the link to the questionnaire shared with eligible SME owners and leaders via the SBN and two other GAIN programmes that work with SMEs. Here, we only include responses received by 10 May from SMEs in the ten GAIN countries and only report on a subset of questions; full results will be

published later in a separate report. The data cover 131 firms, primarily from Nigeria (26.0%), Kenya (27.5%), and Rwanda (22.1%). Most firms were micro (10 or fewer employees, 47.3%) or small (39.1%, 11-50 employees), with less than USD \$50,000 in annual turnover. About 43% of responding firms had been in business for less than five years; 22% were women-owned and 29.8% were co-owned by a mixed-gender team. The main business areas represented were processing (59.5%), crop production (32.1%), distribution (24%), livestock/fish production (19.1%), and retail and business advising (14.5% each). Considering foods, 39.7% of firms worked in the grains and cereals value chain, 34.4% in fresh vegetables, 22.9% in fruit, 19% in roots or tubers, 16.8% in dairy, 15.3% in eggs, and about 11% each in nuts/seeds, legumes, meat, and fish, with small numbers in other value chains. (Firms could select more than one value chain and more than one business area).

All but two surveyed firms (98.5%) report being impacted by pandemic-related control measures. Figure 2, below, summarises the main challenges reported by the surveyed businesses. Almost 88% report decreased sales, with more than half naming difficulty paying staff or difficulty accessing inputs. Less commonly reported are inadequate staffing (20.9%) or the need to downsize (36.4%). As an example, one firm in Kenya noted that they usually went to collect packaging materials in Nairobi, which is now difficult to access due to lockdown, and a Rwandan firm noted that sales contracts had stopped coming in and that buyers were running out of money to buy their products. In the words of a Kenyan fish farmer:

‘Fish farming is a young industry in Kenya, and the effect of the coronavirus crisis is a big problem, because farmers are getting frustrated, inputs are very expensive, fish production from capture fisheries has reduced tremendously...’

A Kenyan nut producer and processor noted:

‘Many clients are afraid to buy directly from individual salespersons, citing social distancing and the likelihood of getting a contaminated product from the salespeople. Many people do not trust anything carried by hand by people they do not know. This has made it very difficult to sell even a single item per day.’

Main Impacts Reported by Businesses

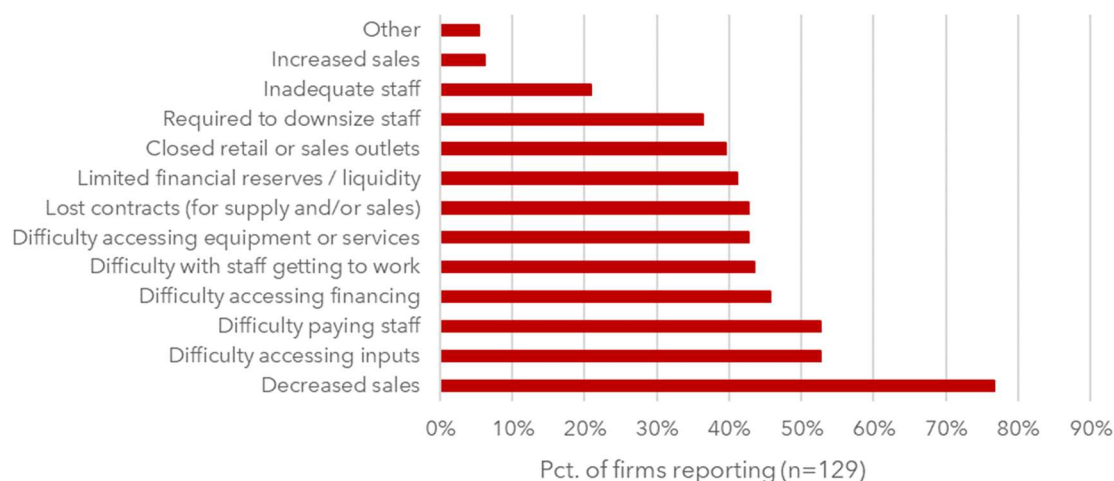


Figure 2. Main COVID-19-related impacts reported by surveyed food chain businesses

Eighty-five percent of respondents reported that the volume of food that their firm produces, processes, sells, or otherwise supports had changed since pandemic-control measures were put in place in their country; 50.9% reported a considerable (i.e., more than 30%) decrease in production, while 29% reported smaller decreases; only about 5.5% reported an increase in production volume (Figure 3, right panel). This represents a significant amount of locally produced, nutritious foods being taken off the market since the pandemic began. Almost 60% of firms

reported changes to their sales price since the pandemic control measures began; the majority of the changes reported (64.9%) were price decreases, and 39% reported a decrease of more than 30%. In contrast, 35% reported an increase, but only 5% reported increasing their sales price by 30% or more (Figure 3, left panel).

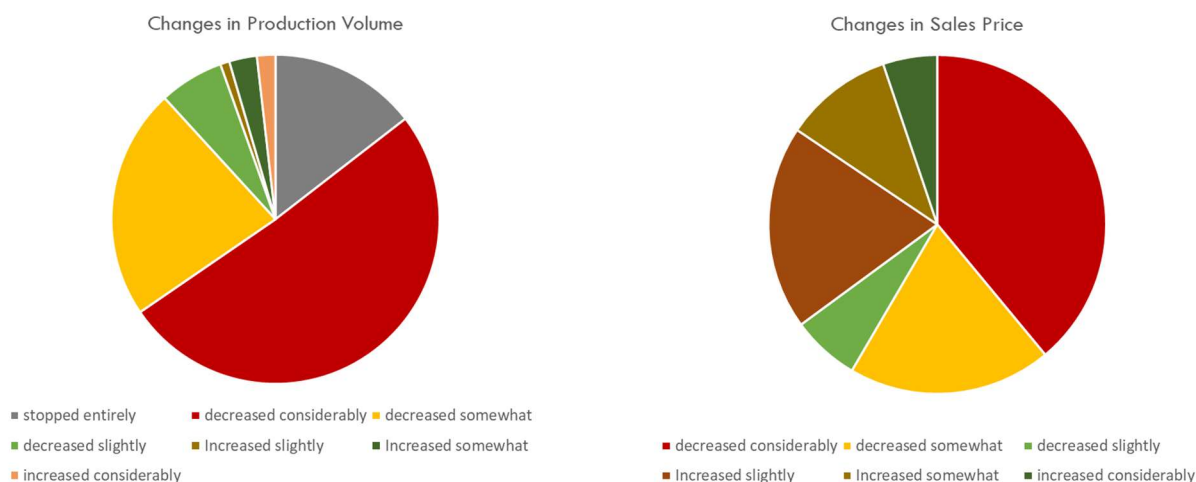


Figure 3. Firm-reported impacts on production volumes (left, n=110) and sales prices (right, n=77) due to COVID-19-related control measures

Altogether, firms were evenly split on whether the impacts on their firm were moderate and likely manageable (38.0%) or considerable and potentially difficult to manage (40.3%); about 20.2% described them as severe and potentially risking business closure, while just 1.6% found them to be only minor. One Kenyan processor of honey and other sauces used a bleak analogy to explain the impact:

‘The closure of schools, colleges, and universities together with restrictions on transport and curfew put start-ups like ours on death row, as there is no market.’

Considering actions, 84.0% of respondents had acted to support business continuity during the pandemic. The main changes reported were altering the supply chain (51.8%) and increasing communication: with customers (50%), via social media engagement (46.4%), and internal, to employees (34.5%). In addition, 28.2% reported developing, promoting, or increasing online sales. One firm in Zambia had created a new type of packaging to better protect their product, and a producer of fortified corn-soy blend flour in Rwanda reported searching for new customers to replace their school lunch programme clients, including by working with a local tea company that bought the product to supply to children in areas that it supported.

Nearly all (93.1%) had taken measures to protect employee health, including providing information on disease prevention (86%), providing personal protective equipment (69.0%), and cleaning work areas more frequently (63%); less common were permitting employees to work from home (43.4%) and allowing adjusted hours (32.8%) or flexible work arrangements (23.8%). About 15-18% of firms provided some food to employees, and about 8% provided each of unpaid leave or paid sick leave. However, 11.5% of responding firms reported having shut completely. Looking to the future, 87.8% of firms expected the pandemic to have an impact on their supply chain over the next 6 months. The main anticipated impacts are shown in Figure 4, below. In addition, two firms noted anticipated challenges with accessing equipment installation and repair technicians – an issue also cited in prior situation reports, particularly when equipment was coming from overseas.

Anticipated Future Impacts on Supply Chains



Figure 4. Firms' anticipated impacts of the pandemic and related control measures on supply chains over the next 6 months

At the same time, respondents were also optimistic about being able to seize potential opportunities created by the pandemic. About 55.0% reported wanting to explore new business areas due to the pandemic; these included product diversification within food (i.e., nutrient-dense or therapeutic foods or those with longer shelf lives), as well as novel production of face masks and/or hand sanitiser and use of e-commerce and online platforms. Indeed, some business leaders seemed to have found a new motivation in being among the 'essential' businesses keeping their community going during the pandemic. One Tanzanian firm noted:

Box 5: Corroboration from a survey of agribusinesses in Africa

The 2SCALE programme, funded by the Netherlands Ministry of Foreign Affairs, undertook a study of 43 agribusinesses in seven African countries (Burkina Faso, Cote d'Ivoire, Ghana, Ethiopia, Kenya, Mali, and Nigeria). About 70% of respondents reported decreased sales and difficulty with distribution, about 50% reported challenges sourcing raw materials, about 40% reported difficulty repaying loans, and about 20% had laid off workers. Only about 8% had closed operations, but about an additional 15% anticipated needing to do so within the next two months.

Source: 2SCALE. 2020. *Impact of COVID-19 on 2SCALE private-sector partners.*

'Being in the food industry means we are the main service providers at the moment. The nation depends on us for provision of food.'

The leader of a Nigerian farmers' cooperative similarly opined:

'[The] pandemic has served as an eye-opener not only for me, but I think it is for everyone. [We are in the] agricultural sector, which most people see ... as [an] occupation for poor households. It is now known globally that for everything one possesses on earth, the importance of food to every household cannot be overlooked. This has actually encouraged my organisation members that farming is a good business, because be what may, you must feed your family.'

About 94% of respondents felt government actions were needed to support businesses to cope with the pandemic.

The main responses desired included financial support (84.6%), tax and other incentives (65.0%), support to ensure workforce continuity (e.g., fewer restrictions on mobility and transport; 48.8%), facilitation of domestic transport of goods (41.5%), public procurement of food products (37.4%), and unemployment insurance or pay-check continuity for employees (35.8%). Fewer respondents requested re-opening of retail outlets (21.1%), expanding working or opening hours (13.0%), or keeping borders open (18.7%), though 29.3% requested other types of trade facilitation.

3.5 Consumer perspectives: insights from secondary data

While GAIN did not collect data from consumers to inform this report, data from secondary sources show that pandemic-related control measures are having serious impacts on livelihoods and, in some cases, food choices and nutrition. A survey of urban residents in 20 African countries¹³ found that, among various control measures, opposition tended to be highest to shutting down markets. Running out of food was cited as the biggest barrier to following social distancing rules, and half of survey respondents estimated that, if forced to stay home for two weeks, they would run out of money and food in a week or less, with this being soonest for lower-income households. The results of a GeoPoll survey in early/mid-April 2020, covering four GAIN countries (in addition to others) corroborate these fears (Table 4). Across the countries, 79-87% of respondents reported being worried about not having sufficient food within the prior seven days, and large portions reported making changes to their purchasing habits, particularly by shopping for food less often (which likely results in less fresh food, such as fresh vegetables or dairy, being purchased).

Table 4. Summary of changes made by consumers due to COVID-19 pandemic and control measures

	Changed food purchasing location	Shopping for food less often	Buying larger foodpack sizes	Worried would not have enough food (in past 7 days)	n
Kenya	53%	63%	53%	86%	400
Nigeria	53%	57%	45%	86%	400
Mozambique	53%	70%	51%	79%	400
Rwanda	77%	85%	20%	87%	400

Note: Data Source - GeoPoll Dashboard - Coronavirus in Sub-Saharan Africa

In a population survey in urban Dhaka¹⁴, respondents reported an average 30% decrease in income, with 6% reporting losing their job within the first ten days of lockdown. Only 19% of respondents had received any government support, and most respondents reported decreasing their remittance payments—making it likely that economic pain is also being felt in rural areas. At the same time, 40% of households reported an increase in food spending, attributed to higher food prices. In a similar study in rural areas¹⁵, 80% of respondents reported income decreases from February to March. An FAO report covering four cities in the greater Dhaka area notes that most day labourers have not returned to work, many low-income households are now burdened by debt due to borrowing or buying on credit during the lockdown, and low-income consumers are reducing the number of meals they consume. Similarly, an International Organization for Migration (IOM) study¹⁶ focusing on Rohingya refugee and host communities found the lockdown to be having ‘significant, negative impacts on food security’ due to reduced humanitarian activity, income loss, and market closures.

In India, telephone survey data show that 45% of Indians surveyed report reductions in meal size or frequency, with this being higher for the poorest households.¹⁷ Data collected by the Population Council in low-income areas of Nairobi show that, due to the effects of COVID-19, the majority (68%) of respondents had skipped a meal or eaten less in the past two weeks because they did not have enough money to buy food. Participants expressed that their single biggest unmet need was food (74%), followed by cash (17%), and 77% of respondents reported increased food prices.¹⁸

¹³ PERC. 2020. Responding to COVID-19 in Africa: Using Data to Find a Balance.

¹⁴ Impact of Coronavirus on Livelihoods: Low- and Lower Middle-Income Population of Urban Dhaka. LightCastle Partners. 2020.

¹⁵ Impact of Coronavirus on Livelihoods: Rural and Low-Income Population of Bangladesh. LightCastle Partners. 2020

¹⁶ IOM 2020. COVID-19 Explained, Ed. 5, 27 April 2020.

¹⁷ Nair, Divya. 2020. Measuring Food Insecurity in the era of COVID19. Data for Nutrition Webinar, 6/5/2020. (link)

¹⁸ Kenya: COVID-19 knowledge, attitudes and practices—Responses from Second Round of Data Collection in Five Informal Nairobi Settlements (Kibera, Huruma, Kariobangi, Dandora, Mathare). COVID-19 Research & Evaluations Brief. Nairobi: Population Council, 2020.

3.6 Government and Policy Responses

Seven of ten GAIN country representatives cited government or development partners (i.e., NGOs and UN organisations) taking large-scale measures to limit impacts on food systems. These were largely similar to those reported previously and included limitations on price hikes in several countries, such as controls on staple food prices during Ramadan in Indonesia, and measures to ensure smooth transport of food (through lockdown exemptions and permitting) in Pakistan and Kenya. In Indonesia, the government is providing emergency food assistance and enhanced safety nets as well as support to smallholder farmers and food value chains and loans for SMEs. In Pakistan, government-run utility stores have been allocated a budget to ensure constant availability of food and other necessities, the government has funded the National Disaster Management Authority to ensure consistent food supplies, and the government plans to temporarily abolish all taxes on food.

At the same time, not all of these measures were working as planned. In Ethiopia, it was noted that while the main fresh fruit and vegetable market in Addis Ababa was relocated to a larger open-air space, transmission-prevention measures were not sufficiently in place there, allowing many people to crowd the market. And in Pakistan it was noted that, even if food transportation was allowed, transporters were reluctant to travel to other regions or to spend long hours away from home due to virus fears.

In addition, all but one respondent cited measures to help support farmers or SMEs. As noted in the prior report, this includes various types of awareness-raising and online training on workplace safety as well as loan relief and/or tax moratoria in several countries (e.g., Ethiopia, Kenya). New SME funding mechanisms were being set up in Kenya and Mozambique. Some countries have taken additional measures. In Pakistan, for example, a large economic stimulus package with a range of fiscal measures (tax breaks, financial support via utilities, fuel and transport subsidies, concessions, lowered interest rates, and tax refunds) has been enacted to protect exporters and businesses, plus a separate package worth about \$600 million just for SMEs and another to specifically support wheat farmers. In addition, the Punjab government offered Rs15 billion worth interest-free loans to farmers, crop insurance for 250,000 farmers, and 1.2 million sacks of seeds for the next wheat crop. Kenya's Ministry of Industrialization, Trade, and Enterprise Development has set up a Businesses Emergency Response Centre to advise and promote the interest of companies operating in the country, and a National Business Compact Coalition Kenya chapter was launched to galvanise businesses to help counter the pandemic.

In Bangladesh, a large stimulus package for agriculture has been announced, including support for purchasing or borrowing mechanised harvesting machines to replace migrant workers and support for animal-source food production from the fisheries and livestock ministry. In addition, in Dhaka, online delivery services have been permitted, helping to address many SMEs' supply chain disruptions and inadequate staffing. The government in some areas of Bangladesh has also decided to purchase milk from dairy farmers to provide to children and to keep sweet shops open while maintaining social distancing to reduce dairy losses; a similar approach was used for the egg sector in Rwanda, where unsold eggs were purchased and distributed to households with children under age 5.

Several countries have expanded existing or put in place new social protection programmes. World Bank-collated information on social protection programmes¹⁹ notes that social protection measures of various kinds have been taken in eight of the ten countries considered here, as summarised in Table 5. These include scale-ups of existing safety net programmes (in terms of number of beneficiaries and/or amount provided), basic food transfers to vulnerable groups, waivers on charges for mobile money, and loan moratoria. In Indonesia, for example, the government is expanding an existing food voucher programme to cover over 30% of the population whereas a Pakistani cash transfer programme aims to reach about 10 million families, including a new basic income scheme to provide an emergency cash transfer to those facing potential hunger during the lockdown, such as daily wage workers, street vendors, and rickshaw drivers. Kenya has used an existing cash transfer programme to boost payments to more than one million vulnerable people, including food hawkers and day labourers. In Bangladesh, there are promises of income support for certain factory workers, and in Ethiopia layoffs remain prohibited.

¹⁹ Gentilini, U; Almenfi, MBA; Dale, P; Demarco, GC; Santos, IV. 2020. Social Protection and Jobs Responses to COVID-19: A Real -Time Review of Country Measures (May 1, 2020) (English). COVID-19 Living Paper. Washington, D.C.: World Bank Group.

Table 5. Summary of social protection programmes put in place to respond to the COVID-19 pandemic

	Social Assistance				Social Insurance		Labor Markets		
	Cash-based transfers	Public works	In-kind	Utility & financial support	Health insurance support	Social security waivers or subsidies	Wage subsidy	Training	Labor regulation
Bangladesh									
Ethiopia									
India									
Indonesia									
Kenya									
Nigeria									
Pakistan									
Rwanda									

Note: no actions were listed for Mozambique or Tanzania. No GAIN countries were noted as offering paid leave or unemployment, pensions or disability benefits, or subsidies for reduced work time.

Altogether, this rapid assessment has indicated continued disruption to food systems in many of the countries where GAIN works, particularly when it comes to effects on food supply chains, including sourcing of inputs and bringing food to market. At the same time, some signs of optimism were also noted in the growing measures taken by governments to mitigate the harmful effects of pandemic-control efforts, the improvements to the situation in Rwanda following a relaxation of the lockdown, and in the ingenuity of food system actors to explore and develop new approaches to doing business.

Selected Media on COVID-19 Control Measures and Impact on Food Systems in GAIN Countries

Bangladesh

- PM announces cash aid for jobless on Eid ([link](#))
- Daily wage earners risk severe socioeconomic impacts ([link](#))
- Economy awaits a bigger blow: Economists ([link](#))
- Fish farmers need support ([link](#))
- Helping out vegetable farmers ([link](#))
- Online grocers fail to seize the day during biggest opening yet ([link](#))
- Egg producers cracking under pressure of demand slump and high production cost ([link](#))

Ethiopia

- COVID-19 restrictions hurt East Africa's fight against locusts ([link](#))
- Amid lockdown fears, COVID-19 threatens Ethiopia's urban poor ([link](#))
- COVID-19 pandemic could push 50 million Ethiopians into poverty ([link](#))
- Ethiopia, once one of world's fastest growing economies, is seeing carefully laid plans unravel ([link](#))

India

- Disruptions to horticultural value chains ([link](#))
- India's fishers have been crushed by COVID-19 ([link](#))
- COVID-19 lockdown: food prices on fire in Delhi ([link](#))
- Food platter gets expensive amid lockdown, steep price rise in common items ([link](#))
- Food prices surge since lockdown ([link](#))
- Demand for ration cards increases amid lockdown ([link](#))

Indonesia

- Global pandemic needs local solutions for sustainable food systems (opinion) ([link](#))
- Is Indonesia facing a looming food crisis? ([link](#))
- Rice distributed through automated dispensing machines ([link](#))
- Lawmakers, farmers object to provision on food imports in omnibus bill on job creation ([link](#))
- Staple food distribution hampered as bags with President's message run short ([link](#))
- Staple food imports arriving in May to safeguard stocks, prices ([link](#))

Kenya

- Tomato prices fall ([link](#))
- Deaths, crime, unemployment in the slums of Nairobi during Covid-19 ([link](#))
- Kenya's planting season hands rural youths income amid COVID-19 battle ([link](#))
- Government food security measures during the pandemic ([link](#))
- Government launches eat healthy campaign to fight virus ([link](#))
- Government shuts border livestock markets ([link](#))
- Cost of ugali set to go up amid maize shortage ([link](#))

Mozambique

- Local business leaders argue government support is insufficient ([link](#))

Nigeria

- FG to disburse N5bn loans to 500,000 traders ([link](#))
- COVID-19: Nigeria in danger of food insecurity, farmers warn ([link](#))
- Perishable food farmers in Kebbi count losses as lockdown grounds supply chain ([link](#))
- COVID-19: Bleak planting season may lead to food insecurity ([link](#))

²⁰ Inclusion of a news article here does not indicate endorsement of the source or its veracity; they are included to highlight indicative ways in which food systems issues are being represented in local and regional media.

- As lockdown eases, local farmers lament increasing losses amidst rising food insecurity ([link](#))
- COVID-19: farmers warn of looming national food crisis amid movement restriction ([link](#))
- Fertiliser: Impacting farmers with price slash ([link](#))
- SMEs closures likely after COVID-19 pandemic ([link](#))

Pakistan

- COVID-19: Food prices skyrocket in Pakistan during Ramadan ([link](#))
- Coronavirus-hit agriculture sectors: Ministry seeks Rs 63.8 billion subsidy ([link](#))

Rwanda

- Government supports poultry farmers by buying eggs to give to children ([link](#))
- Local food delivery app waives delivery fees for its customers in Kigali ([link](#))

Tanzania

- Ethiopian Airlines to pick Tanzania fresh produce ([link](#))

ANNEX 2.

SME Insights from Non-GAIN Countries

WFP SBN coordinators in four non-GAIN countries provided insights into the pandemic situation in their local contexts, which are summarised here.

In **Burundi**, it is reported that the food producers that comprise the SBN have been hard hit, with some members reporting that they have had to scale down production by about 50% and have had to lay off about 25% of their workers. Consumer preferences are also shifting, to prefer cheaper foods. Disruptions are being felt across the whole food production cycle (i.e., input supply, processing, packaging, and distribution) due to challenges such as variable market prices, energy issues, limited markets, border closures, and reductions in road traffic. As a result, production has generally fallen. Due to the resulting lower incomes, businesses are facing financial challenges. Some note that they would need to close their activities within about the next two months, should the situation not improve. For example, one firm reported no longer being able to support its operating expenses (e.g., rent, payroll) and having already laid off part of the staff.

In **Madagascar**, there has been an easing of the lockdown since April 19. This has enabled companies to restart their operations, though they are mostly working part-time, and goods can circulate among provinces. However, food businesses were heavily impacted by the lockdown, particularly those that buy raw materials directly from farmers: produce rotted during lockdown due to a lack of transport and inadequate means of preservation. Even now, not all production is purchased due to low demand. There is no specific government or partner support for food value chain businesses, but some indirect solutions such as deferring tax payments and offering more credit have been proposed.

Myanmar is feeling the economic consequences of the pandemic via disrupted supply chains and trade flows, falls in retail and discretionary spending, and very limited tourism. As previously reported, the garment industry and migrant workers returning home from other Asian countries have been particularly hard hit. To control the spread of the pandemic, factories, including food and beverage manufacturers, need to first meet certain safety requirements, which are being enforced via checks. The government created an emergency relief fund of approximately USD \$72 million, and 201 businesses have been approved to receive loans through this. The government's COVID-19 Economic Relief Plan aims to, among other things, stimulate the economy and support businesses and workers.

Nepal has been in lockdown since 24 March. According to the SBN representative, based on a WFP survey of 117 food traders and tracking of 15 markets, this has led to slight increases in prices of basic food commodities and a sharp increase in vegetable and fruit prices, with some stabilisation in recent days. Due to the pandemic, traders report that demand for commodities in markets across the country is low and declining, with about half of them reporting insufficient market food availability. A significant reduction in transportation of goods across the country was also observed by all interviewed traders. Considerable fresh produce losses were reported due to an inability to bring produce to markets with sufficient demand. More than half of traders stated that demand for labour was low, underlining the vulnerability of daily wage labourers. The acting president of the Federation of Nepal Cottage and Small Industries noted that 60-70% of SMEs (including non-food SMEs) were closed due to halted exports and low domestic demand, with many jobs affected by this. The government has taken some measures to facilitate the transportation of goods to markets in several provinces. Consumers have also been given discounts on utilities and staple foods.

ANNEX 3.

Euromonitor Price and Availability Data²¹

1. Price Index

For all graphs of the Euromonitor price index, the data span from 1 March to 6 May 2020. **India is shown in green, Indonesia in orange, and South Africa in blue.** Of note, these price indexes can be influenced as much or more by changes in the SKUs composing the sample (due to stock-outs) as by actual price changes; SKU changes can entail changes in product size and/or quality. (As shown below, the SKUs composing the sample have changed considerably over this period.)

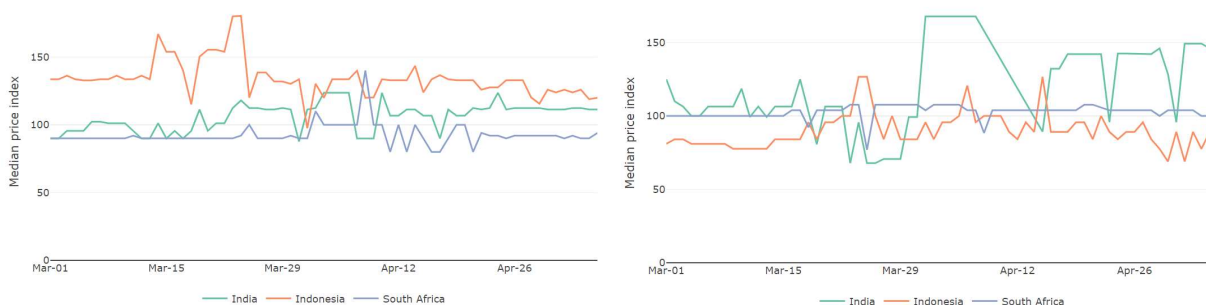


Fig. A1—Price Index for eggs (left) and poultry (right)

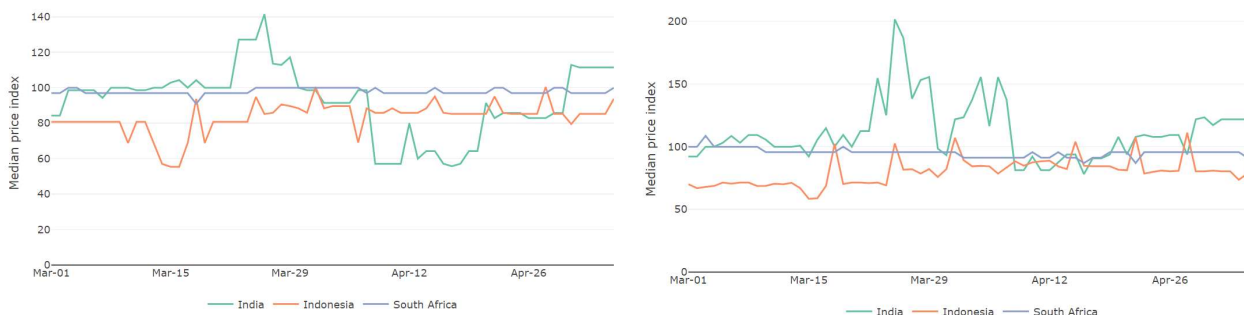


Fig. A2—Price index for starchy roots (left) and fresh vegetables (right)

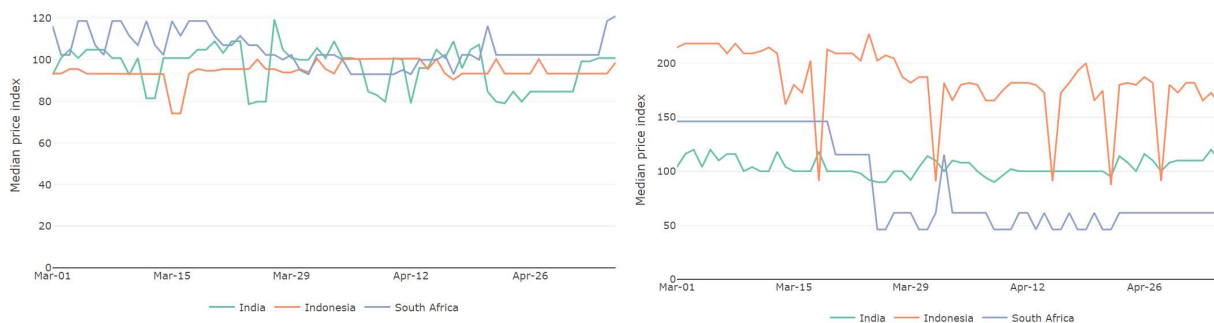


Fig. A3—Price Index for dried pasta (left) and noodles (right)

²¹ Source: Euromonitor Coronavirus Price and Availability Tracker, <https://www.euromonitor.com/coronavirus>



Fig. A4—Price Index for rice (left) and shelf-stable fruit and vegetables (right)

2. Availability Data

The graphs below show a one-week moving average of the number of SKUs available within each product category and each country over time. Data span from the first week of March to 6 May 2020.

