

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

EDITION 6 – June 2021

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Table of Contents

1	<i>Scope and Purpose</i>	3
2	<i>Sources and Methods</i>	3
3	<i>Results</i>	4
	3.1 Measures Taken to Control the Spread of COVID-19	4
	3.2 Impacts on Local Food Systems and Food Security and Nutrition	6
	3.3 Price and Availability Changes	10
	3.4 Impacts on Food System Small- and Medium-Sized Enterprises	14
	3.5 Consumer Behaviour	15
	3.6 Government and Policy Responses	17
Annex 1.	20
	Selected Media on COVID-19 Impact on Food Systems in GAIN Countries	20
Annex 2.	22
	Euromonitor Price and Availability Data	22

Abbreviations

EU	European Union
FAO	United Nations Food and Agriculture Organization
FPMA	Food Price Monitoring and Analysis
FSN	Food Security and Nutrition
FY	Fiscal Year
GAIN	Global Alliance for Improved Nutrition
GAME	Global Alliance for Mass Entrepreneurship
GIEWS	Global Information and Early Warning System
IFAD	International Fund for Agricultural Development
IFPRI	International Food Policy Research Institute
IPC	Integrated Food Security Phase Classification
KFMW	Keeping Food Markets Working
Kg	kilogram
MSMEs	Micro, Small- and Medium-sized Enterprises
SKUs	Stock Keeping Units
SMEs	Small- and Medium-sized Enterprises
WFP	World Food Programme
WHO	World Health Organization

Key Messages

- In many of the focus countries, the longer-term consequences of previous disruptions continue to affect the availability, accessibility and affordability of food for individual households.
- In five of the ten GAIN focus countries, other crises than COVID-19 increasingly affect food security. They are mainly related to conflict, but also other diseases and adverse weather conditions.
- Heightened conflict in Nigeria, Ethiopia and Mozambique may be an indirect consequence of earlier COVID-19 restrictions, which have increased unemployment and poverty and thus increased people's susceptibility to joining radical or criminal groups.
- The global food security outlook for 2021 in many of the focus countries is discouraging, mainly due to conflicts and insecurity, but COVID-19 and related restrictions and adverse weather conditions aggravate the situation.
- International food prices indices continue the upward trajectory they have been following for 12 months, driven by the rise in the prices of vegetable oil, sugar, cereals, meat and dairy.
- The extent of ongoing impacts of COVID-19 differed between GAIN focus countries during the reporting period. India, Kenya and Ethiopia suffered renewed rises in case numbers with related restrictions. Other countries like Indonesia and Rwanda seem on a path to recovery.
- The pandemic continues to trigger an increased use of digital technologies and social media marketing by SMEs in the focus countries.

1 SCOPE AND PURPOSE

The COVID-19 pandemic is a multiplier of vulnerability, compounding threats to food security and nutrition (FSN) while exposing weaknesses in food systems.¹ In response, the Global Alliance for Improved Nutrition (GAIN) developed the Keeping Food Markets Working (KFMW) programme to provide targeted support to help sustain core food systems, workers and markets during the COVID-19 emergency. The programme's objective is to mitigate the risk of collapse of the countries' food systems to sustain the availability and affordability of nutritious food.

This document is the sixth situation report² generated to synthesise insights on the ongoing impacts of COVID-19 on food systems for use by practitioners and policymakers. The analysis focuses on a set of 10 countries where GAIN works (Bangladesh, Ethiopia, India, Indonesia, Kenya, Mozambique, Nigeria, Pakistan, Rwanda and Tanzania). A particular focus is placed on small- and medium-sized enterprises (SMEs) within the food system and how nutritious foods value chains are changing.

2 SOURCES AND METHODS

The information presented draws on several sources in relation to the impact of COVID-19 on the respective food systems. Largely, it is a synthesis of relevant secondary data, as well as primary research from GAIN and its partners. To substantiate the report, a thorough desk review of available secondary data was conducted, including data of Euromonitor's e-commerce price and stock data (see Annex 2); 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; and over a dozen studies by FAO, the International Food Policy Research Institute (IFPRI), the World Bank and others. The information in this report is current as of approximately 14 June 2021.

¹ <https://docs.wfp.org/api/documents/WFP-0000119380/download/>

² Previous reports undertaken are available here: <https://www.gainhealth.org/resources/reports-and-publications>.

3 RESULTS

3.1 Measures Taken to Control the Spread of COVID-19

The number of new confirmed COVID-19 cases globally was at the highest levels in the third week of April 2021 since the beginning of the pandemic with over 5.7 million new cases recorded. In the same period, the Southeast Asia region recorded the highest number of confirmed cases and deaths compared to other regions, while Africa had the fewest incidences.³

The domestic movement restrictions, land border and international flight controls vary across the GAIN countries; these are mainly dependent on the severity of caseloads and government directives on combatting the spread of COVID-19 in the respective countries, among other factors. Since 4 March 2021, the reporting date of the fifth situation report, the Asian countries of focus **India** and **Bangladesh** experienced a significant increase in the number of new confirmed cases, reaching their peaks in April 2021, while **Indonesia** and **Pakistan** recorded the highest number in January 2021 and June 2020, respectively. Currently, **India** is experiencing an alarming second wave of COVID-19, with the highest numbers of reported weekly confirmed new cases, followed by **Indonesia**, **Bangladesh** and **Pakistan** as of 7 June 2021.⁴ To curb the spread of COVID-19, more than two-thirds of the states in **India**⁵ including Delhi, Maharashtra, Uttar Pradesh, Chhattisgarh and Karnataka extended lockdowns or restrictions, such as curfew to between 14 May to 2 May 2021 while extending the nationwide control measures through to 30 June 2021.^{6,7} In **Bangladesh**, the authorities extended restrictions on public movement across the country until 16 May 2021, which was within the Eid-al-Fitr holidays, to curtail the spread of COVID-19 and further extended the restrictions through to 6 June 2021 amidst the increasing COVID-19 activity.^{8,9}

In Africa, the numbers of confirmed new cases have been rising in some East African countries (**Kenya** and **Ethiopia**) but falling in West Africa (**Nigeria**) compared to January 2021, including other focus countries such as **Rwanda** and **Mozambique**. In **Tanzania**, the new president set up a committee of experts on 6 April 2021 to assess the COVID-19 situation in the country and make recommendations on how to combat the pandemic.¹⁰ On 18 May 2021, the president received the COVID-19 report from the committee in which they recommended that the government should consider a voluntary mass vaccination programme. The committee also advised the authorities to start making COVID-19 information public and prepare for a third wave.¹¹ Health experts believe that the spread of new coronavirus variants in Africa could be responsible for the reported increase in both confirmed cases and deaths in some countries, such as **Kenya**.¹² Most of the GAIN focus countries in Africa have experienced a second wave of COVID-19, but Kenya and Ethiopia have witnessed a third wave, which could be partly responsible for the increasing number of new cases and deaths in both countries. Following the increasing number of new cases, the **Ethiopian** government has continued to provide COVID-19 vaccinations to priority groups¹³ while maintaining the COVID-19-related restrictions in the country. For example, from 28 March 2021, public gatherings were limited to a maximum of 50 persons, and individuals were required to wear protective face coverings while in public.¹⁴

3 <https://www.who.int/publications/m/item/weekly-epidemiological-update-on-COVID-19---4-may-2021>

4 <https://COVID19.who.int/>

5 https://www.business-standard.com/article/current-affairs/coronavirus-lockdown-update-india-karnataka-delhi-maharashtra-tamil-nadu-uttar-pradesh-uttarakhand-know-lockdown-guidelines-rules-in-details-121051000348_1.html

6 <https://www.garda.com/crisis24/news-alerts/485096/india-domestic-covid-19-curbs-extended-through-june-30-international-travel-restrictions-continue-update-43>

7 <https://www.garda.com/crisis24/news-alerts/476586/india-go-a-authorities-banning-most-nonessential-activity-through-may-24-due-to-ongoing-COVID-19-activity-update-26>

8 <https://www.dhakatribune.com/bangladesh/2021/05/03/lockdown-extended-till-may-16>

9 <https://www.garda.com/crisis24/news-alerts/485046/bangladesh-officials-extend-covid-19-restrictions-through-at-least-june-6-update-45>

10 <https://www.theeastafrican.co.ke/tea/news/east-africa/recommendations-covid-19-tanzania-3404270>

11 <https://www.bbc.com/news/topics/c4g1w2rqv50t/samia-sulu-hassan>

12 <https://www.bbc.com/news/world-africa-53181555>

13 <https://reliefweb.int/report/ethiopia/unhcr-ethiopia-COVID-19-and-operational-update-8-may-2021>

14 <https://www.garda.com/crisis24/news-alerts/473631/ethiopia-authorities-maintaining-COVID-19-related-restrictions-nationwide-as-of-april-30-update-11>

Bi-Weekly Cumulative Number of Confirmed COVID-19 Cases per Million People

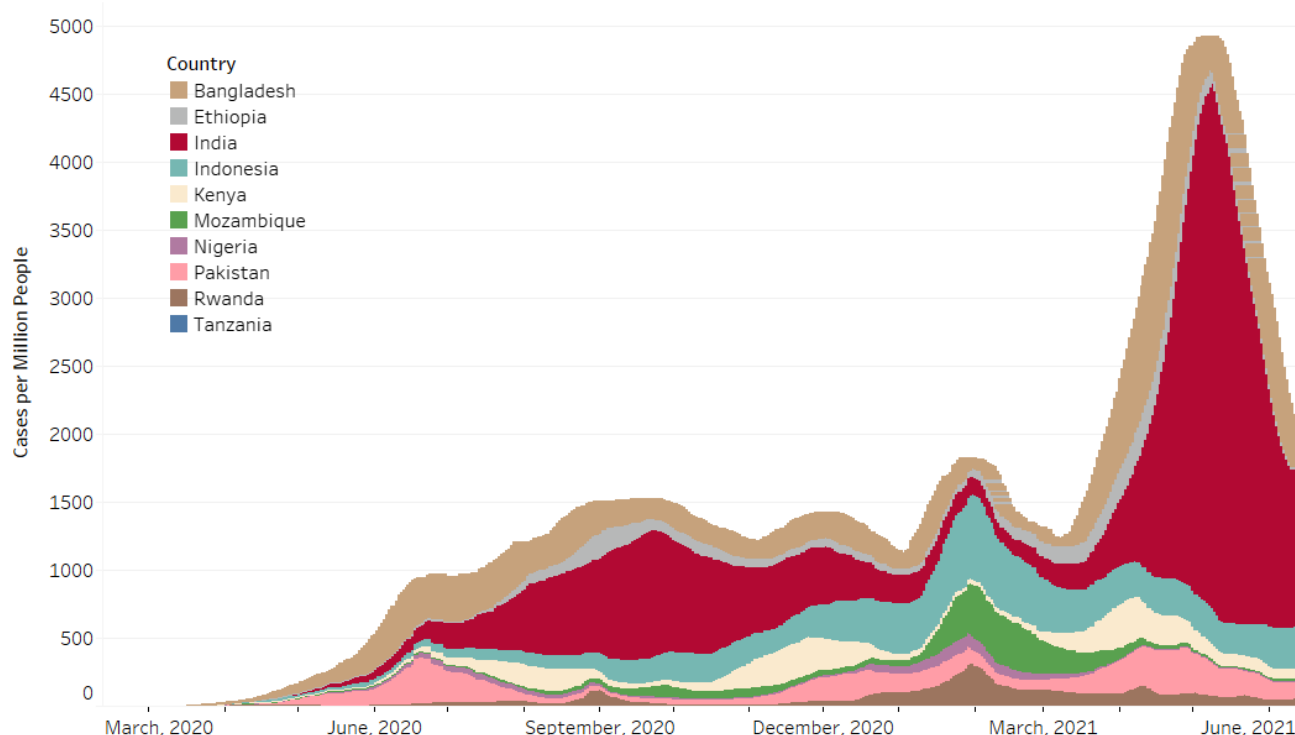


Figure 1: Bi-Weekly Cumulative Confirmed COVID-19 Cases per Million People in GAIN Focus Countries, 4 March 2020 – 14 June 2021.

The number of confirmed cases could be lower than the number of actual; the main reason for that is limited testing.

Source: <https://ourworldindata.org/coronavirus>

In **Kenya**, amidst the third wave and increasing number of new cases, the authorities have extended the existing curfew and mask mandate to 27 July 2021.¹⁵ Further, public transports are confined to operating at 60% capacity while employees (both private and public) are encouraged to work from home. Restaurants, bars, religious places, and schools remain open for operations.¹⁶ Nairobi is reported to account for about 60% of the recorded new cases in the country.¹⁷

In **Rwanda**, the authorities amended domestic measures as well as entry and exit restrictions from 1 June through 1 July 2021, as part of efforts to curb the spread of COVID-19 in the country. All bars are to remain closed while restaurants and cafes are to operate until 21:00 at not more than 50% capacity. The land borders remained closed to passengers except for returning citizens and legal residents as well as goods, including agricultural products.^{18,19}

In **Nigeria**, the authorities are still advising the public to adhere to the previously announced control measures including the use of facemasks, physical distancing, avoidance of public gathering and non-essential travel. Where possible, certain public sector workers and private-sector workers are encouraged to work from home.²⁰ In

Mozambique, as of 27 May 2021, the authorities revised and extended COVID-19 control measures until late June 2021.^{21,22}

All the GAIN countries except for Tanzania have commenced vaccination, and there is an increase in the number of people vaccinated each day across the countries. The Asian countries started vaccination before the African

15 <https://cdn.anvilgroup.com/AAAAAAAA-1111-AAAA-1111-AAAAAAAAAAAA/Covid-19%20Global%20Travel%20Restrictions.pdf>

16 <https://www.garda.com/crisis24/news-alerts/485101/kenya-authorities-extend-nationwide-curfew-until-july-27-update-23>

17 <https://www.rfi.fr/en/africa/20210326-kenya-slaps-five-counties-on-lockdown-bracing-for-third-wave-of-COVID-19>

18 <https://www.garda.com/crisis24/news-alerts/475446/rwanda-authorities-update-select-COVID-19-restrictions-from-may-6-through-may-31-update-21>

19 <https://www.garda.com/crisis24/news-alerts/485461/rwanda-authorities-extend-covid-19-restrictions-through-july-1-update-22>

20 <https://reliefweb.int/sites/reliefweb.int/files/resources/Nigeria%20COVID-19%20Situation%20Analysis%20Report%20Final-March%202021.pdf.pdf>

21 <https://www.garda.com/crisis24/news-alerts/484146/mozambique-authorities-extend-and-revise-nationwide-covid-19-state-of-public-calamity-through-late-june-update-15>

22 <https://mz.usembassy.gov/COVID-19-information/>

countries. Most African countries depend on COVAX to access COVID-19 vaccines and the Serum Institute of India (SII) produces the two-shot of the AstraZeneca vaccine. However, with the increasing local demand for doses in India due to the escalating number of new confirmed cases, the supply of the vaccines to African countries has been disrupted.²³ As a result, among other reasons, the African Union has acquired up to about 400 million doses of Johnson & Johnson's COVID-19 vaccine for countries in the continent to purchase to speed up vaccination.²⁴ As of 10 June 2021, the total number of vaccination doses administered per 100 people was highest in **India** (17.41) followed by **Indonesia** (11.22), **Bangladesh** (6.11), **Pakistan** (4.33), **Kenya** (1.97), **Ethiopia** (1.67) and **Mozambique** (1.26) while **Rwanda** recorded 3.09 on 8 May 2021, with **Nigeria** recording the least number at 1.08 vaccination doses as of 4 June 2021. There are no available statistics for **Tanzania**.²⁵

Figure 1 displays the recent trend in new cases per million people in each focus country, though recorded cases are likely an underestimate of the true scale of the outbreak. In Africa, for example, the true severity of COVID-19 is reported to be underestimated due to the constraints in testing capacity and surveillance coupled with the poor demand for testing.²⁶ Further, according to the *Journal of Global Health* (December 2020), COVID-19 has a low percentage of cases among young people, this seems to be one of the reasons why the death rate is lowest in African countries except for South Africa²⁷ and recently Kenya due to the third wave.

3.2 Impacts on Local Food Systems and Food Security and Nutrition

Globally, COVID-19 has continued to threaten the food security and nutrition of millions of people, and food insecurity is rising in vulnerable countries.²⁸ According to Global Report on Food Crises (May 2021), besides conflict, the COVID-19 pandemic and its associated control measures have further exacerbated the inequalities and exposed structural vulnerabilities of local and global food systems, particularly across vulnerable countries.²⁹ As reported by the Global Policy-ORF publication in April 2021, the slow pace of global agricultural growth compared to the pre-COVID-19 period, coupled with expanding populations and resource constraints, will hinder the attainment of global food and nutrition security beyond the pandemic phase.³⁰

At present, global food supply chains function better than at the beginning of the pandemic, although they still face disruptions because of COVID-19 policy responses. One potentially positive impact of COVID-19 has been accelerating the existing transformation of traditional supply chains to 'modern' ones across various countries, although such changes have brought 'winners' and 'losers', and food systems are still vulnerable to disruptions

Box 1: Summary of Forecasted Drivers of Acute Food Insecurity in Hunger Hotspots between March and July 2021

1. **Conflict or other forms of violence** are expected to increase in some parts of Ethiopia, northern Nigeria, northern Mozambique, and other countries.
2. **The impact of the pandemic** is likely to continue across several countries around the world, leaving the countries highly vulnerable to economic shocks. For example, Latin America is worst hit by economic decline and will be the slowest to recover while some countries in the Middle East are most affected by rapid currency depreciation and increasing inflation rates.
3. **Climate extremes and La Niña-driven weather** are other key drivers of food insecurity driving hunger in several parts of the world in the Horn of Africa and other countries.
4. **Desert Locust outbreaks** in East Africa and on the Red Sea Coast remain of concern. Also, in some parts of Southern Africa **African migratory locusts** threaten to ravage the summer crops in the countries.

Source: FAO. March 23, 2021. <http://www.fao.org/news/story/en/item/1382490/icode/>

23 <https://www.dw.com/en/africa-scrambles-as-india-vaccine-export-ban-bites-region/a-57416845>

24 <https://www.devex.com/news/african-union-struggles-to-garner-interest-in-its-j-j-vaccines-99859>

25 <https://ourworldindata.org/coronavirus>

26 <https://healthpolicy-watch.news/impact-covid-19-african-continent/>

27 <http://jogh.org/documents/issue202002/jogh-10-020348.pdf>

28 https://ieg.worldbankgroup.org/sites/default/files/Data/Topic/COVID19Lessons_foodandnutrition.pdf

29 <https://reliefweb.int/sites/reliefweb.int/files/resources/GRFC%202021%20050521%20med.pdf>

30 https://www.orfonline.org/wp-content/uploads/2021/04/A_2030_Vision_for_Indias_Economic_Diplomacy.pdf

affecting labour availability, transportation and market functioning. For example, the supply chains of perishable products such as fruits and vegetables still face challenges from increased transport times and crowd restrictions in open markets, leading to increased food waste and lost incomes.³¹ However, the integration and modernisation of food supply chains have been heightened with the renewed expansion of e-commerce and e-procurement companies aimed at reaching consumers and processors or farmers, respectively.³²

According to an article published in May 2021 on the *International Association of Agricultural Economists Journal*, **COVID-19 remains a threat to food security around the globe, as it has reduced people's ability to access food because of lost income and disruptions to global food supply chains as a result of responses to the pandemic.**³³

According to a FEWS NET update in April 2021, East African countries including **Kenya** and **Ethiopia** are expected to experience increased loss of household income, higher staple food prices and higher transport costs because of re-imposed movement restrictions as a result of the third wave of COVID-19 in the region.³⁴ In April 2021, FEWS NET reported that the low-income urban households in **Kenya** were employing different coping strategies to narrow food consumption gaps, such as purchasing food on credit, reducing the number and size of meals, borrowing food, skipping meals and reducing healthcare expenses.³⁵ In **Ethiopia**, according to FEWS NET in May 2021, the conflict and insecurity in Tigray coupled with poor macroeconomic conditions, which are partly due to COVID-19, and the below-average rainfall are expected to disrupt agricultural activities and weaken cultivation for the June-to-August harvest.³⁶

The easing of COVID-19 control measures in **Rwanda** has increased economic activity across the country, especially for urban poor households that are engaged in informal activities, although economic activity remains below pre-COVID-19 levels. The review of the control measures has also improved rural households' income from agricultural activities, thus increasing their purchasing power and market access.³⁷

In **Mozambique**, households predominantly in the urban and peri-urban areas are still unable to engage in normal trade and casual labour activities due to COVID-19 regulations, which have limited income-earning opportunities in the country. As reported by FEWS NET in April 2021, low-income households are likely to continue facing Crisis (IPC Phase 3) outcomes until September 2021 as the control measures continue to restrict income from casual trade and small business opportunities. Other factors that have continued to negatively impact households' access to food and income in the country include the conflict in Cabo Delgado and instability in central **Mozambique** as well as drought and flooding.³⁸

In **Nigeria**, the major drivers of food insecurity include the increased conflict situation (terrorism) in the Northeast as well as the multidimensional conflict situation (kidnapping, banditry and farmer/herder conflicts) in the Northwest and the North-central parts of the country coupled with the poor macroeconomic conditions. **The impacts of COVID-19 on Nigerian food systems are gradually reducing with a decreasing number of daily confirmed cases and deaths compared to January 2021. As a result, the government has eased the control measures across the country.** While noticeable direct impacts of COVID-19 are subsiding, other factors negatively impact food security, especially increased conflict. In the Northeast, increasing terrorist activities are displacing people and stopping farmers from going to their fields; and across the North, multidimensional conflict (kidnapping, banditry and farmer/herder conflicts) have a similar effect. While not directly caused by COVID-19, the earlier effects of the pandemic on livelihoods and income-earning opportunities may have driven more people to join radical or criminal groups and thus may have contributed to the rise in conflict.

In addition, the country is experiencing the depreciation of the Naira compared to other currencies and declining foreign reserves, leading to an increased inflation rate over the past 19th month in March 2021. The national food index recorded a slight drop in April 2021, from 23.0% in March 2021 to 22.7%. Inflation rates reached a peak in March and could stabilise or be on their way down.³⁹ The decrease in food inflation on a month-on-month basis seems to be connected to the marginal GDP growth of 0.51% recorded in Q1 2021.

31 <https://www.foodsecurityportal.org/node/1703>

32 <https://ebrary.ifpri.org/utills/getfile/collection/p15738coll2/id/134343/filename/134557.pdf>

33 <https://onlinelibrary.wiley.com/doi/10.1111/agec.12623>

34 <https://fews.net/east-africa/key-message-update/april-2021>

35 <https://fews.net/east-africa/kenya/food-security-outlook-update/april-2021>

36 https://reliefweb.int/sites/reliefweb.int/files/resources/PW_Global_202105_FINAL.pdf

37 https://fews.net/sites/default/files/documents/reports/RW_RMU_04_2021-Final.pdf

38 <https://fews.net/southern-africa/mozambique/food-security-outlook-update/april-2021>

39 <https://nairametrics.com/2021/05/17/nigerias-inflation-rate-drops-to-18-12-in-april-2021/>

Action Against Hunger reported on 29 April 2021 that the effects of COVID-19 in India are driving more people into poverty and hunger, aggravating the misery of those who were already struggling with food insecurity. A further deterioration in India's food situation is reported to pose a threat to the country, as four out of ten children are already chronically malnourished.⁴⁰ In **Bangladesh**, the pre-existing food insecurity situation has worsened due to the latest COVID-19 spike.⁴¹ Previously secure middle-income households in the country have become vulnerable to poverty and malnutrition for the first time owing to the impact of COVID-19.⁴² In **Pakistan**, as reported by IPC in April 2021, farming households report that COVID-19-related control measures affected their crop production due to the limited availability of labour and agricultural mechanisation services as well as the high cost of seeds, transportation and fuel. They also identified problems associated with selling farm produce to be linked to the pandemic restrictions, such as poor demand, high cost of transportation, limited access to markets and low prices.⁴³

According to the joint EU / FAO / WFP News release on 5 May 2021, **conflicts will remain the major driver of food crises across many countries while COVID-19 and related containment measures and weather extremes will aggravate acute food insecurity in fragile economies in 2021** (see Box 1).⁴⁴

As reported in the Global Report on Food Crises (GRFC) (May 2021), **COVID-19 revealed the fragile nature of the global food system and the urgent need for more equitable, sustainable and resilient systems that will consistently feed about 8.5 billion people by the year 2030.** It warned that if nothing is done to reverse the current long-term environmental, social-economic and conflict/insecurity trends in many countries, agri-food systems will be weakened, leading to increased global severe food crises.^{45,46} Of the 10 GAIN focus countries, **Ethiopia** and **Pakistan** are most at risk of high levels of acute food insecurity, according to the Integrated Food Security Phase Classification (IPC) July – September 2021 outlook (see Table 1). The report shows that about 26% of the 14.7 million people analysed in **Pakistan** faced crisis or emergency (IPC Phase 3 and above) between March and June 2021; it projected a reduction of 500,000 people in the same category in the analysis of the July-September 2021 forecast due to the wheat harvest, stability in food prices and decrease in the impact of COVID-19.⁴⁷ In **Mozambique**, about 2.9 million people (16% of the population analysed) between January and March 2021 were estimated to have experienced a crisis or emergency (IPC Phase 3+); however, due to the anticipated improvement in rural households' access to food, stability in food prices and reduction in COVID-19 impacts, the projected number of people to face IPC Phase 3+ lessened by about 1.2 million between April and September 2021.⁴⁸ In **Kenya**, around 2 million people (13% of the people analysed) were expected to be in IPC Phase 3+ between March and May 2021, an increase in the number of people from 1.4 million in the February 2021 projection mainly due to the long rainy season (March-May).⁴⁹ **For Tanzania, the Global Report on Food Crises (GRFC) (May 2021) reported that the country is food secure but is expected to experience food shortages that will likely persist at sub-regional levels in 2021, owing to the adverse impacts of weather extremes and desert locusts on agriculture.**⁵⁰

40 <https://www.actionagainsthunger.org/story/second-COVID-19-wave-hits-india>

41 <https://www.thedailystar.net/opinion/open-dialogue/news/food-insecurity-increases-amidst-the-latest-COVID-19-spike-2087621>

42 <https://www.acdivoca.org/2021/04/feed-the-future-supports-bangladeshs-largest-online-grocer-in-offering-food-rations-for-COVID-19-recovery/>

43 http://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Pakistan_Balochistan_Acute_Food_Insecurity_2021MarSept_Report.pdf

44 <http://www.fao.org/news/story/en/item/1397355/icode/>

45 <http://www.fightfoodcrises.net/grfc-2021/joint-communication/en/>

46 <https://www.fsinplatform.org/sites/default/files/resources/files/GRFC%202021%20050521%20med.pdf>

47 http://www.ipcinfo.org/fileadmin/user_upload/ipcinfo/docs/IPC_Pakistan_Balochistan_Acute_Food_Insecurity_2021MarSept_Report.pdf

48 <http://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1152980?iso3=MOZ>

49 <http://www.ipcinfo.org/ipc-country-analysis/details-map/en/c/1154149?iso3=KEN>

50 <https://docs.wfp.org/api/documents/WFP-0000127343/download/>

Table 1: Highest Number of Acutely Food-Insecure People in Jan – May 2021 and Projection for Jun – Sep 2021.

Country	Highest number of acutely food-insecure people from Jan – May 2021		Projected highest number of acutely food-insecure people from Jun – Sep 2021		Change in numbers of people in IPC Phase 3 or above between the period of Jan – May 2021 and projection for Jun-Sep 2021
	Population in IPC Phase 2 "Stressed" in million (% of total population)	Population in IPC Phase 3 or above "Crisis" or "Emergency" in million (% of total population)	Population in IPC Phase 2 "Stressed" In million (% of total population)	Population in IPC Phase 3 or above "Crisis" or "Emergency" in million (% of total population)	
Ethiopia	41.1 (35)	12.9 (11)	10.3 (9)	4.0 (3)	Around 12.9 million people (24% of 54 million people analysed) are expected to be in (IPC Phase 3 or above) between January and June 2021 while about 4 million people (23% of 18 million people analysed) are projected to face high levels of acute food insecurity (IPC Phase 3 or above) between July and September 2021. The major drivers of acute food insecurity in the country include COVID-19, conflict, desert locusts and economic decline.
Kenya	13.4 (24)	2.0 (4)	--	--	About 2 million people (13% of people analysed) were expected to be in (IPC Phase 3 or above) between March and May 2021. Some of the counties are projected to have considerable numbers of people in IPC Phase 3 or above because of the performance of the 2021 long rains season (March-May) as forecasted. Other factors driving the acute food insecurity in the country include conflict and insecurity, COVID-19 and desert locusts.
Mozambique	15.2 (47)	2.9 (9%)	16.5 (51)	1.7 (5)	The number of people facing (IPC Phase 3 or above) was estimated at 2.9 million people (16% of the population analysed) between January and March 2021 due to the impact of armed conflict, drought and COVID-19. However, improvement is expected between April and September 2021, with only about 1.7 million people likely to face (IPC Phase 3 or above) with the anticipated increase in rural households' access to food, stable food prices and reduction of COVID-19 impacts.
Pakistan	10.2 (5)	3.8 (2)	11.5 (5)	3.3 (1)	About 3.8 million people (26% of the population analysed) are estimated to be facing high levels of acute food insecurity (IPC Phase 3 or above) between March and June 2021 in the Balochistan and Sindh districts. While the number of people expected in the same phase is to reduce slightly to 3.3 million (23% of the population analysed) from the analysis of the July-September 2021 projection.

Data outdated or unavailable for Bangladesh, India, Indonesia, Nigeria, Rwanda and Tanzania.

Projections were made across the countries as follows: Ethiopia (Jan – Jun 2021 and Jul – Sep 2021), Kenya (Mar-May 2021), Mozambique (Jan – Mar 2021 and Apr-Sep 2021) and Pakistan (Mar-Jun 2021 and Jul – Sep 2021).

Source: Integrated Food Security Phase Classification (IPCC) <http://www.ipcinfo.org/ipc-country-analysis/>
<https://ourworldindata.org/grapher/projected-population-by-country>

IPC Acute Food Insecurity Phase Descriptions:

Minimal (Phase 1): When households can meet essential food and non-food needs without engaging in atypical and unsustainable strategies to access food and income.

Stressed (Phase 2): When households have minimally adequate food consumption but are unable to afford some essential non-food expenditures without engaging in stress-coping strategies.

Crisis (Phase 3): When households have food consumption gaps that are reflected by high or above-usual acute malnutrition.

Emergency (Phase 4): When households have large food consumption gaps which are reflected in very high acute malnutrition and excess mortality.

Famine (Phase 5): When households have an extreme lack of food and/or other basic needs even after full employment of coping strategies.

3.3 Price and Availability Changes

Global food prices have continued to increase. This has further forced millions of people into hunger and contributed to social problems, particularly in developing countries⁵¹. The increasing food inflation is limiting consumers' purchasing power and making life more difficult for many households that are already struggling with financial pressure from the loss of economic opportunities owing to the COVID-19 pandemic.⁵² Although not all the causes of the food prices inflation are linked to COVID-19, the restrictions on movement added to logistical costs and disrupted economic activities across many countries around the world.⁵³ On 6 May 2021, FAO reported that international food commodity prices climbed for the 11th straight month in April 2021, the growth in the prices was strongly driven by the rise in the prices of sugar, followed by cereals, vegetable oils, meat and dairy. The Food Price Index averaged 120.9 points in April 2021, which is 1.7% higher than the previous month as well as 30.8% and 29.1% higher than its level in April 2020 and April 2019, respectively, reaching its highest level since May 2014 (121.3 points).⁵⁴ Further, **on 3 June 2021, the global food prices were reported to have increased at a fast pace in May 2021 by 4.8% averaging at 127.1 points compared to April 2021 (see Figure 2)**. This makes it the 12th consecutive monthly increase in the value of international food commodity prices since a decrease was recorded in May 2020. The increase in the global food price index was led by the surge in the international prices of vegetable oils (7.8%), sugar (6.8%) and cereals (6.0%) while meat and dairy increased by 2.2% and 1.5% respectively.⁵⁵

Pricing of 14 main food products in GAIN countries

Using data extracted via the FAO Big Data Price Monitor from Numbeo⁵⁶, we examined average price changes across 14 main food products⁵⁷ in the 10 GAIN countries from 14 February 2020 (pre-pandemic) to 24 April 2021 (see **Error! Reference source not found.**). **Prices across the 14 food products across GAIN focus countries increased at an average of 10.3% before the pandemic; this is less than the global average price increase of 11.8%**. These prices, which differ from FAO general Food Price Index (meat, dairy, cereals, oils and sugar prices), focus mainly on apples, bananas, meat of cattle, meat of chickens, hen eggs in the shell, lettuce and chicory (fresh), bread and other bakers' wares, cheese, processed liquid milk, onions, oranges, potatoes, rice and tomatoes. Among the GAIN countries, the most significant average price increase since February 2020 was noticeable in

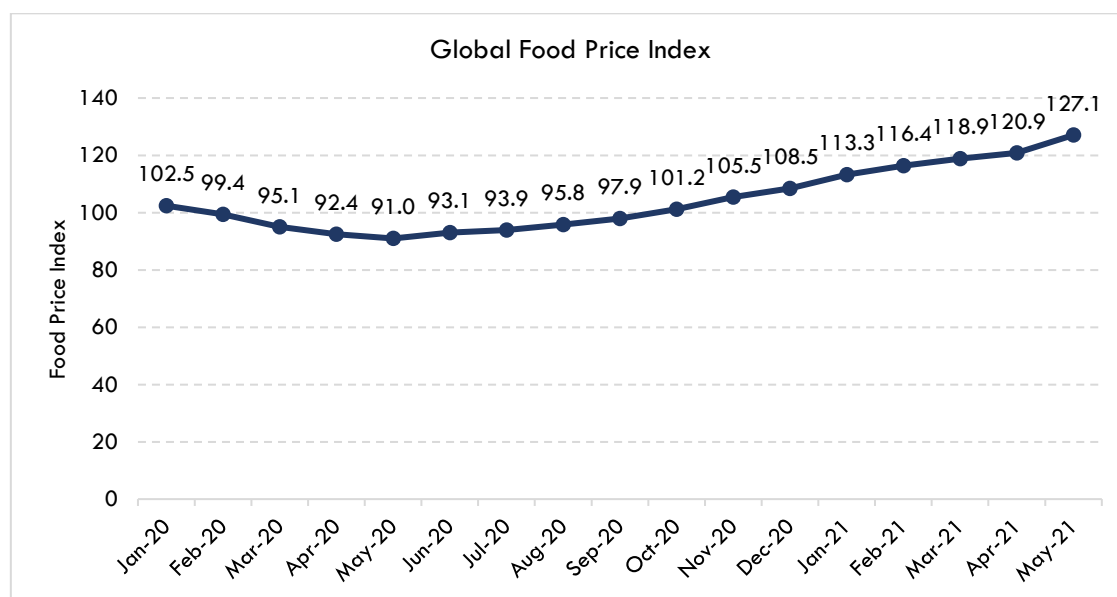


Figure 2: FAO Global Food Price Index

51 <https://www.wsj.com/articles/food-prices-soar-compounding-woes-of-worlds-poor-11621519202>

52 <https://www.supplychainbrain.com/articles/32981-soaring-global-food-prices-are-heading-to-grocery-stores>

53 <https://www.wsj.com/articles/food-prices-soar-compounding-woes-of-worlds-poor-11621519202>

54 <http://www.fao.org/news/story/en/item/1397812/icode/>

55 <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>

56 <https://www.numbeo.com/food-prices/>

57 The 14 food products included are: apples, bananas, meat of cattle, meat of chickens, hen eggs in shell, lettuce and chicory (fresh), bread and other bakers' wares, cheese, fresh or processed, processed liquid milk, onions, oranges, potatoes, rice and tomatoes.

Source: FAO, <http://www.fao.org/worldfoodsituation/foodpricesindex/en/>

Table 2. Average Changes in Food Prices Since the Start of COVID-19

Country	Price changes (%) 14 Feb 2020 to 07 Nov 2020	Price changes (%) 14 Feb 2020 to 16 Feb 2021	Price changes (%) 14 Feb 2020 to 24 April 2021	Price changes (%) in the last 30 days
Bangladesh	7.4	7.3	7	-0.3
Ethiopia	1.2	-0.2	-0.6	-2
Indonesia	6.1	5.4	5.4	0.3
India	8.8	11.1	11.6	-
Kenya	0.6	-0.8	0.3	-0.8
Mozambique	16.5	13.2	18.1	2.4
Nigeria	11.3	14.9	20.1	1.9
Pakistan	7.2	9.5	10.4	0.3
Rwanda	19.4	18.8	20.5	-0.5
Tanzania	9.1	9.1	10.2	1.8
Total GAIN Focus Countries	8.8	8.8	10.3	0.3
Total Global	9	10.3	11.8	1.8

Rwanda (20.5%), **Nigeria**, (20.1%) and **Mozambique** (18.1%) while **Ethiopia** experienced a slight decline in average prices (0.6%) in the same period, this is likely due to the decline in the price of maize (20%) between November 2020 and January 2021 as well as the decrease in the price of teff (6%) between October 2020 and January 2021.⁵⁸

Nutritious food (Eggs and Vegetables) prices

There are noticeable changes in the prices of eggs and vegetables across the GAIN countries. Error! Reference source not found. compares the price changes for eggs and vegetables from May to July 2020, August to October 2020, November 2020 to January 2021 and February 2021 to April 2021.⁵⁹ In **Indonesia**, there was a slight spike in the price of eggs, with a noticeable decrease in the price of vegetables in late February and April 2021. In **India**, the price of eggs increased slightly between February and April 2021, while the price of vegetables slumped significantly. The average price of eggs and vegetables increased considerably between February and April 2021 in **South Africa**.

Table 3: Average Changes in Prices of Eggs and Vegetables since May 2020

Commodity	Eggs				Vegetables			
	Average % Variation							
Country	May - July 2020	Aug - Oct 2020	Nov 2020 - Jan 2021	Feb - April 2021	May - July 2020	Aug - Oct 2020	Nov 2020 - Jan 2021	Feb - April 2021
India	-10.00%	3.03%	-9.17%	3.49%	-1.43%	13.92%	-20.00%	-24.11%
Indonesia	5.71%	-27.23%	-7.31%	1.82%	21.02%	-43.11%	-13.21%	-6.55%
South Africa*	0.00%	14.89%	5.56%	8.00%	4.00%	3.85%	-7.14%	11.12%

Note: Prices are normalized with a median price base of the commodity as of January 1, 2020, to account for price differences across countries.

*South Africa is the only Sub Saharan African country included in the Euromonitor data, so it is included as a representative of other SSA countries (Ethiopia, Kenya, Mozambique, Nigeria, Rwanda and Tanzania)

Source: Euromonitor, <https://www.euromonitor.com/coronavirus>

⁵⁸ <http://www.fao.org/giews/countrybrief/country.jsp?code=ETH>

⁵⁹ <https://www.euromonitor.com/coronavirus>

Availability and staple food prices

West Africa

Subregional staple food availability in March 2021 was average apart from Nigeria, where it was below average. Prices were stable or increased compared to February at above-average levels, while demand was above average in most of the eastern basin (Niger, Nigeria, Chad and Benin) in the subregion.⁶⁰ In April 2021, the prices of coarse grains produced within the countries across the subregion increased and were higher than in the previous year. The factors responsible for the price increase include the continuous depreciation of many national currencies, high inflation rates, COVID-19 restrictions as well as stable demand for stock replenishment by traders and humanitarian agencies. Market activities and trade flow in the subregion are also disrupted by persistent civil insecurity, which has led to significant price increases in countries experiencing conflict, such as Nigeria.⁶¹

- In **Nigeria**, prices of locally produced cereals persistently rose in March and were well above previous years' levels. For example, the price of maize in Kano state increased by 113.3% in March 2021 compared to last year. The production shortfall, particularly in many rural markets amidst strong market demand coupled with conflict in some parts of the Northeast, contributed to the price spike and disruptions of market activities and trade flows.⁶² Further, the prices of tomatoes, onions, rice, beans and other staple food items were reported to have increased in May 2021 due to the scarcity of food items and price manipulations by traders driven by the Eid al-Fitr celebrations across Lagos markets.⁶³

Southern Africa

In the subregion, the 2020/21 rainfall season came to an end in March 2021 where favourable growing conditions were observed over the subregion, except for localised areas of Northeastern Mozambique, Southwestern Angola, Southern South Africa and Central Madagascar. Prices declined across the subregion in March, and maize prices were lower than the previous year levels but remain above average.⁶⁴ In April 2021, the prices of maize were stable or declined amid the start of the main harvest period, with most of the countries in the subregion expected to record large cereal outturns.

Box 3: Summary of Nigerian Food Security Outlook, April to September 2021

Key Insights

- The continued increase in the levels of conflict in the Northeast has hindered humanitarian and agricultural activities including land preparation activities for the upcoming season. Many displaced households are expected to experience Crisis (IPC Phase 3) outcomes due to limited livelihood activities and dry season food production in the most conflict-affected areas in the region.
- There is increased banditry, kidnapping and communal clashes in the Northwest and Northcentral states; as a result, displaced households are relocating to safer areas to access limited food from other communities, NGOs and the government.
- The dry season harvest for rice, maize and vegetables is underway in the northern areas, slightly increasing household food stocks and market supply.
- The macroeconomic conditions remain poor due to declining foreign reserves, including increasing inflation rates of 18.17% in March, leading to reduced household purchasing power.
- The staple food prices across most markets remain significantly above year 2020 and the five-year average for all commodities. For example, in March 2021, maize prices were over 100% higher than at the same time last year in Dawanau market in Kano state. The high levels of conflict, the below-average 2020/21 harvest, coupled with high transportation costs contributed to increases in the prices of staple food across the country.

Sources : <https://fews.net/west-africa/nigeria/food-security-outlook-update/april-2021>

60 https://fews.net/sites/default/files/documents/reports/PW_Global_202103_FINAL_1.pdf

61 <http://www.fao.org/giews/food-prices/regional-roundups/detail/en/c/1398601/>

62 <http://www.fao.org/giews/food-prices/regional-roundups/detail/en/c/1398601/>

63 <https://nairametrics.com/2021/05/14/food-prices-surge-across-lagos-markets-amid-eid-el-fitr-celebrations/>

64 https://fews.net/sites/default/files/documents/reports/PW_Global_202103_FINAL_1.pdf

- Prices of maize declined in **Mozambique** at the start of harvests in the southern areas of the country. Prices were stable or increased in the markets across the conflict zone in the Northeast due to disrupted production and internal population displacement. However, prices were above average in March 2021 due to successive shocks in surplus-producing areas in the North and Central zones of the country.⁶⁵

East Africa

In the subregion, staple food prices were stable in some countries due to increased supply from the October-to-January and February-to-March harvests and cross-border trade in March 2021. However, there were increased prices in most markets in some countries, including Tanzania and Ethiopia, as supply tightened and with the expectation of a below-average harvest. Other factors that affected the prices of staple food, including livestock, were the local rangeland conditions and poor macro-economic conditions in some of the countries.⁶⁶ In April 2021, the prices of coarse grains followed mixed trends where some countries recorded prices above the previous year's levels while others experienced prices below the earlier year's levels. The mixed trends resulted from insufficient supplies, severe macroeconomic difficulties (weak local currencies and high food inflation rates), increased transportation, high production costs and the impact of COVID-19 as well as adequate supplies across different markets, which decreased prices.⁶⁷

- In **Tanzania**, in March 2021, maize supply was supported by availability from short-season harvests in northern areas in the country, while the prices were stable or continued increasing seasonally as supply tightened before May-to-August harvests.⁶⁸
- In **Kenya**, amidst the tightening domestic supplies and a short-lived import ban on maize, the prices were stable across most markets in March 2021 due to cross-border trade from Tanzania and Uganda.⁶⁹ However, in April, the prices increased due to reduced imports from Uganda but remained below or around the 2020 values due to adequate domestic availabilities resulting from the main harvest.⁷⁰
- In **Ethiopia**, there was an unusual price increase in March due to the speculation of a likely below-average main October-to-December harvest because of the poor rainfall in the current February-to-June growing season. The prices of locally produced maize moderately increased, while prices of wheat increased significantly in March.⁷¹ Generally, the prices of cereals were well above their year-earlier levels in March, mainly due to the weak local currency, which has led to increased transportation and production costs coupled with the ongoing conflict in Tigray.⁷²
- In **Rwanda**, food prices were 15% below-average with an increase in rural food availability in March due to the favourable 2020/2021 first harvest and reduced market sales owing to prior COVID-19 restrictions. In April, maize and Irish potato prices were reported to have decreased by 15% and 10% below-average in rural areas, respectively.⁷³

Asia

Prices of rice were generally stable in April in most countries across the subregion, which reflected good domestic availabilities, with the exception of Vietnam and Thailand where prices decreased due to the arrival of freshly harvested supplies into the markets and subdued export demand. The prices of wheat followed mixed trends in the same month: prices were stable, increasing and decreasing across the countries.

- In **India**, domestic prices of rice showed slight signs of softening, with the downward pressure from the record 2020/21 secondary "Rabi" harvest being mostly offset by government procurement at a higher price year-on-year. The harvest progress in the country coupled with currency depreciation also contributed to

65 https://fews.net/sites/default/files/documents/reports/PW_Global_202103_FINAL_1.pdf

66 https://fews.net/sites/default/files/documents/reports/PW_Global_202103_FINAL_1.pdf

67 <http://www.fao.org/3/cb4720en/cb4720en.pdf>

68 https://fews.net/sites/default/files/documents/reports/PW_Global_202103_FINAL_1.pdf

69 https://fews.net/sites/default/files/documents/reports/PW_Global_202103_FINAL_1.pdf

70 <http://www.fao.org/3/cb4720en/cb4720en.pdf>

71 https://fews.net/sites/default/files/documents/reports/PW_Global_202103_FINAL_1.pdf

72 <http://www.fao.org/3/cb4720en/cb4720en.pdf>

73 https://fews.net/sites/default/files/documents/reports/RW_RMU_04_2021-Final.pdf

price declines for rice in April. Wheat grain quotations remained generally stable despite the ongoing record 2021 output.⁷⁴

- In **Bangladesh**, prices of rice and wheat in Dhaka markets were stable for the second consecutive month in April, ahead of the 2021 main “Boro” harvest; availability is estimated to be high, reflecting higher imports compared to the previous year due to government measures aimed to improve supplies. However, prices remained well above their previous-year levels after continuous increases throughout 2020.⁷⁵
- In **Pakistan**, as of March 2021, wheat grain prices were 7% and 10% above 2020 and five-year average levels, respectively.⁷⁶ In April, the prices of wheat flour were reported to have generally increased and were above the previous-year levels ahead of the arrival of the above-average 2021 harvest.⁷⁷ Further, the prices of poultry were reported to have recorded the largest increase ever in May 2021, mainly due to Eid al-Fitr celebrations and a limited supply of birds because of an outbreak of Newcastle disease.^{78,79}
- In **Indonesia**, the harvesting of wet-season rice entered the fourth month in April under generally favourable conditions owing to good rainfall and sunlight during the flowering stage, but production is expected to be lower than in the previous year due to earlier flooding in South Kalimantan.⁸⁰

3.4 Impacts on Food System Small- and Medium-Sized Enterprises

COVID-19 disrupted businesses and trade around the world, and more than one year later, some firms continue to struggle (though others have benefitted). According to a World Bank Report (March 2021), businesses in low- and middle-income countries experienced a 70% decline in revenues at the peak of the crisis and revenues remained 40% lower several months later.⁸¹ Particularly, micro and small firms have been affected disproportionately, experiencing a decline in sales of 50% or more compared to the pre-pandemic era.⁸² In a March 2021 study published in the *Journal of Quantitative Economics and Management Studies* involving 422 SMEs in **Nigeria**, 89% reported being negatively affected by the pandemic, with 71% laying off employees to survive.⁸³ Meanwhile, in **Kenya**, despite sales reportedly declining by 65%, businesses have been holding on to workers, opting instead to reduce hours and wages or grant leave.⁸⁴ Owing largely to the pandemic, SMEs in **Pakistan** encountered a shortage of goods, blockage in transportation, limited operations, decrease in demand for products and a consequent decline in profits and sales.⁸⁵ **On a positive note, the pandemic continues to trigger increased use of digital technologies and social media marketing by SMEs in the focus countries.**⁸⁶

Impact of COVID-19 on Women-Owned SMEs

The economic impact of the pandemic has been suffered disproportionately by women, especially those in low- and middle-income countries.⁸⁷ The resultant crisis has been referred to as a “she-cession” by some business analysts.⁸⁸ According to EU Business School (March 2021), the forces driving this disproportionate damage to women-owned businesses reflect the distinct gender roles and unequal access to finance that women have historically experienced.⁸⁹ In **Pakistan**, women-owned microenterprises have been 8% more likely than men-owned microenterprises to lose their entire revenue due to the ongoing pandemic.⁹⁰ In sub-Saharan Africa, 84% of women surveyed (n = 125) by the Cherie Blair Foundation confirmed that the pandemic had a negative impact on their

74 <http://www.fao.org/3/cb4720en/cb4720en.pdf>

75 <http://www.fao.org/3/cb4720en/cb4720en.pdf>

76 https://fews.net/sites/default/files/documents/reports/PW_Global_202103_FINAL_1.pdf

77 <http://www.fao.org/3/cb4720en/cb4720en.pdf>

78 <https://www.dawn.com/news/1623426?faodatalab=2021-05-12-1>

79 <http://www.fao.org/datalab/website/web/sites/default/files/2021-05/Weekly%20News%20Digest%20-%202010.5%20to%2016.5.pdf>

80 https://reliefweb.int/sites/reliefweb.int/files/resources/EarlyWarning_CropMonitor_202105.pdf

81 <http://documents1.worldbank.org/curated/en/306401616131450724/pdf/Supporting-Firms-in-Restructuring-and-Recovery.pdf>

82 <http://documents1.worldbank.org/curated/en/306401616131450724/pdf/Supporting-Firms-in-Restructuring-and-Recovery.pdf>

83 <http://jurnal.ahmar.id/index.php/qems/article/download/305/254>

84 <https://blogs.worldbank.org/voices/five-ways-we-can-support-viable-vulnerable-businesses-during-COVID-19-recovery>

85 <https://www.emerald.com/insight/content/doi/10.1108/JCEFTS-08-2020-0054/full/html?skipTracking=true>

86 <https://blogs.worldbank.org/voices/five-ways-we-can-support-viable-vulnerable-businesses-during-COVID-19-recovery>

87 <https://www.devex.com/news/hundreds-of-studies-confirm-women-hit-hardest-by-COVID-19-99598>

88 <https://www.euruni.edu/blog/impact-COVID-19-female-entrepreneurs/>

89 <https://www.euruni.edu/blog/impact-COVID-19-female-entrepreneurs/>

90 <https://www.theigc.org/blog/has-COVID-19-exacerbated-gender-inequalities-in-pakistan/>

business and 39% stated that their business will or may have to close as a result.⁹¹ This is just slightly below the 41% reported to be facing a similar situation by an independent study published in April 2021 by researchers at the Centre for Global Development.⁹²

Many female entrepreneurs demonstrated resourcefulness and innovation in their responses to these challenges, and several organisations are beginning to call attention to the special situation of women-owned businesses.⁹³ Recently, ImpactHer Foundation sent policy recommendation letters to presidents of 30 countries and the African Union, advocating for gender-specific and inclusive stimulus packages to ensure that female business owners, who are disproportionately affected by the pandemic, can access economic relief and finance from banks.⁹⁴ In **Bangladesh**, a publication (April 2021) from Newage appealed to the government to look into the gender division in the disbursement of the stimulus package fund.⁹⁵

3.5 Consumer Behaviour

The uncertainty created by the COVID-19 pandemic upended people's lives, warranting extensive rethinking by households, businesses and governments on how to effectively conduct and manage their livelihoods and activities. Disruptions stemming from policy responses to the pandemic led to a sudden collapse of certain sectors while others endured rapid structural transformations.⁹⁶ For consumer-facing businesses, the pandemic brought about a shift in the behaviour and preferences of households as they faced reduced incomes, uncertainty and mixed perceptions of the future.⁹⁷ As consumers around the globe adjust to this new normal, there is a significant variance in consumer sentiment and behaviours across countries. The paragraphs below highlight some country-specific insights on consumer preference trends since the publication of the last situation report. There is limited information from **Mozambique, Pakistan and Tanzania**.

Bangladesh

According to the Asian Development Bank Institute, the pandemic caused about 26% of rural households in Bangladesh to reduce their food quantity and expenditure on non-food items in the first three months of the lockdown period.⁹⁸ The situation is particularly worrisome in Asashuni Upazila, where in a bid to cope with the pandemic, almost three in four people (74%) ate less, borrowed more and reduced their healthcare spending.⁹⁹

Increased consumption of fish: According to a country-wide survey (n = 300) of consumer attitudes toward fish consumption during the COVID-19 pandemic, 95% of respondents believed that fish increases immunity to COVID-19, thus prompting 73% of the respondents to buy more fish. Although 64% agreed that fish prices were higher than normal, more than half of the respondents showed a willingness to pay 5-10% more to compensate for the lockdown effect. The willingness to pay more is significantly correlated with income and living place, suggesting that this behaviour is common among middle and high-income earners.¹⁰⁰ In line with global trends, the pandemic increased preference for online shopping from 37% to about 60%. Consumers in Bangladesh are buying more online and through e-commerce platforms. There are indications that this will not change even when the pandemic is over.¹⁰¹

Ethiopia

COVID-19 caused subdued consumer spending growth in Ethiopia, with real household spending in 2021 falling short of projections by 4%. However, over the medium term, the outlook is positive for consumer spending, with household incomes rising considerably. Employment gains are expected from the agricultural and manufacturing sectors due to the strong demand for Ethiopian exports.¹⁰²

⁹¹ <https://cherieblairfoundation.org/annual-audit-2020/>

⁹² <https://www.devex.com/news/hundreds-of-studies-confirm-women-hit-hardest-by-COVID-19-99598>

⁹³ <https://www.euruni.edu/blog/impact-COVID-19-female-entrepreneurs/>

⁹⁴ <https://mshale.com/2021/03/19/study-african-women-businesses-hardest-hit-by-COVID-19/>

⁹⁵ <https://www.newagebd.net/article/135532/women-entrepreneurs-must-receive-adequate-stimulus-benefits>

⁹⁶ <https://kenyabusinessguide.org/sector-briefs/COVID-19-and-the-kenyan-consumer-brief/f>

⁹⁷ <https://kenyabusinessguide.org/sector-briefs/COVID-19-and-the-kenyan-consumer-brief/f>

⁹⁸ <https://www.adb.org/sites/default/files/publication/689246/adbi-wp1235.pdf>

⁹⁹ <https://earthjournalism.net/stories/COVID-19-cyclone-amphan-reduce-food-consumption-in-coastal-bangladesh>

¹⁰⁰ https://www.researchgate.net/publication/350810753_Consumer's_attitudes_toward_fish_consumption_during_pandemic_COVID-19_in_Bangladesh

¹⁰¹ <https://journalofbusiness.org/index.php/GJMBR/article/view/3342>

¹⁰² <https://www.howwemadeitinafrica.com/unpacking-retail-and-consumer-goods-trends-in-ethiopia/92113/>

India

An article published in the April 2021 issue of the *Asian Journal of Economics and Banking* showed that Indian consumers changed their consumption habits, focusing mainly on essentials. The consumption pattern of urban consumers witnessed more change than rural consumers due to the closure of eateries and shopping malls. Furthermore, most consumers who participated in the study expressed a willingness to continue the same consumption habits post COVID-19.¹⁰³ Consumers are spending time on multiple digital platforms, learning to engage with brands in new ways, but they are also still heavily reliant on known friendly local Kirana (mom and pop) stores for localised human connect and trust.¹⁰⁴

Indonesia

Despite the impact of COVID-19 on the economy, overall consumer optimism levels are still comparable with that of previous years. Among the different age groups, younger consumers appear to be the most optimistic.¹⁰⁵

More deliberate purchase decisions: Consumers have become more prudent and intentional with their purchase decisions. Across all product categories, there is an increasing focus on price more than quality.¹⁰⁶ Furthermore, Indonesians showed a greater inclination to complete a purchase if they were offered promotions, discounts and free delivery.¹⁰⁷

Strong willingness to rely on credit for necessities: When asked about their willingness to rely on credit to sustain their expenditure across the different product categories, participants in a Deloitte Consumer Insight Survey found a strong willingness to do so for basic necessities. In particular, over 40% expressed their willingness to take on credit for food (packaged & fresh), housing & utilities, healthcare and education categories. Conversely, non-essential product categories, such as beverages (alcoholic), karaoke and nightclubs were the least prioritized.¹⁰⁸

Kenya

Increased demand for discretionary items: In line with global trends, at the onset of the pandemic, Kenyan consumers rushed to stockpile food. One year after, data from the Kenya retail category momentum index showed that the demand for discretionary items has recovered.¹⁰⁹

Return to in-person banking: At the beginning, COVID-19 accelerated demand for mobile money and negatively impacted in-person banking. Available evidence indicates that this trend has now been reversed. The demand for mobile money has dropped (+52 to +14) while day-to-day banking has recovered (-34 to +27).¹¹⁰

Increased preference for bulk buying: COVID-19 impacted the shopping behaviour of Kenyan consumers, with shopping preferences changing to bulk-buying, reduced shopping frequency and a shift to stores closer to home. According to a survey by KASI Insights, about 30% of Kenya consumers now prefer bulk buying, 14% are opting to shop at less busy times and 15% have reduced the number of trips to the grocery stores.¹¹¹

Nigeria

Lockdown measures halted dine-in food services until September 2020. Even after these were eased, many consumers reduced their discretionary spending because of the economic shocks of the pandemic.¹¹² A study published in *Nature* (March 2021) reported that between May and August 2020, about 21 million Nigerians (10% to 15% of the population) adopted food reduction as a strategy to cope with the pandemic.¹¹³

Increased demand for internet and telecommunication services: Since the start of COVID-19, 6 million Nigerians accessed social media for the first time. The total number of internet users in Nigeria increased by 19 million (+22%) between 2020 – 2021.¹¹⁴ This is higher than the 2.2 million (+2.6%) new users recorded between 2019 – 2020.¹¹⁵ Globacom, a major mobile telecom operator added 10 million users to its database over the same period.¹¹⁶

¹⁰³ <https://www.emerald.com/insight/content/doi/10.1108/AJEB-12-2020-0109/full/html>

¹⁰⁴ <https://assets.kpmg/content/dam/kpmg/in/pdf/2020/12/understanding-impact-consumer-behavior-due-to-COVID-19.pdf>

¹⁰⁵ <https://www2.deloitte.com/id/en/pages/consumer-business/articles/consumer-insights-id-2021.html>

¹⁰⁶ <https://www2.deloitte.com/id/en/pages/consumer-business/articles/consumer-insights-id-2021.html>

¹⁰⁷ <https://www2.deloitte.com/id/en/pages/consumer-business/articles/consumer-insights-id-2021.html>

¹⁰⁸ <https://www2.deloitte.com/id/en/pages/consumer-business/articles/consumer-insights-id-2021.html>

¹⁰⁹ <https://www.researchworld.com/COVID-19-in-kenya-one-year-later/>

¹¹⁰ <https://www.researchworld.com/COVID-19-in-kenya-one-year-later/>

¹¹¹ <https://kenyabusinessguide.org/sector-briefs/COVID-19-and-the-kenyan-consumer-brief/f>

¹¹² <https://www.euromonitor.com/consumer-foodservice-in-nigeria/report>

¹¹³ <https://www.nature.com/articles/s41562-021-01096-7>

¹¹⁴ <https://datareportal.com/reports/digital-2021-nigeria>

¹¹⁵ <https://datareportal.com/reports/digital-2020-nigeria>

¹¹⁶ <https://www.statista.com/statistics/1185146/number-of-globacom-internet-subscribers-in-nigeria/>

Moving forward

The COVID-19 pandemic has caused disruptions to social interactions, affecting both the supply and demand for food. These disruptions to jobs, income and food supply magnified and exacerbated existing inequalities.¹¹⁷ Across all GAIN focus countries, while the emerging urban middle class suffered greater income losses, the poor and vulnerable in rural and urban areas experienced the worst livelihood impacts. **The pandemic has also illuminated the opportunity to address many of the longstanding problems affecting global food systems, upscale the adoption of sustainable practices and reorient food system architecture toward an emphasis on resilience and equity.** Policymakers should aspire to make the fundamental changes needed in food systems, leveraging multi-sectoral action and adapting to multiple shocks—disease, climate, economic and conflicts.

3.6 Government and Policy Responses

In response to new cases and country-specific learnings during implementation, a few GAIN countries have expanded the social protection programmes put in place at the onset of the pandemic to include basic food transfers to vulnerable groups, waivers on charges for mobile money and scale-ups of the number of beneficiaries from safety net programmes. Using information from the KPMG Global Mobility COVID-19 Tracker,¹¹⁸ which was last updated on 9 May 2021, and the World Bank-collated data on social protection measures,¹¹⁹ Table 4 provides a comprehensive snapshot of all the social protection measures instituted in all GAIN focus countries. In **Bangladesh**, the government has announced two additional stimulus packages: USD177 million for micro and cottage entrepreneurs and USD142 million cash assistance for disadvantaged elderly people, widows and female divorcees. In the first week of May 2021, the government provided cash assistance of USD 30 to each of 3.6 million households who became jobless due to the restrictions on movement in the ongoing newly imposed lockdown.¹²⁰

Table 4. Summary of Social Protection Programmes put in Place (Red Cells) to Respond to the COVID-19 Pandemic

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

Note: No GAIN countries were noted as offering pensions or disability benefits, or subsidies for reduced work time.
Source: World Bank. December 11, 2020. KPMG Global Mobility COVID-19 Tracker. 9 May 2021

For the fiscal year (FY) 2020/21, authorities in **Ethiopia** allocated about USD 0.8 billion for COVID-19-related spending, including buying medical equipment; additional payment for health workers; food assistance for quarantines and isolation areas; procurement of hygiene facilities, disinfectants and personal protection equipment.¹²¹ In April 2021, in response to the recent surge in infections, the **Indian** government announced that free food grains will be provided to 800 million individuals in May and June (with a cost of about USD 3.6 billion), similar to the additional food rations provided in 2020 (which had expired in November 2020). The central

¹¹⁷ <https://COVID19.who.int/>

¹¹⁸ <https://assets.kpmg/content/dam/kpmg/xx/pdf/2020/05/Interactive-GMS-COVID-Tracker.pdf>

¹¹⁹ Gentili, 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.

¹²⁰ <https://www.imf.org/en/Topics/imf-and-COVID19/Policy-Responses-to-COVID-19#B>

¹²¹ <https://www.imf.org/en/Topics/imf-and-COVID19/Policy-Responses-to-COVID-19#E>

government also extended a scheme for providing interest-free loans to states for capital expenditure to FY2021/22 (USD 2 billion) and expedited the release of the Disaster Response Fund to state governments (from June to May). Finally, customs duties and other taxes on vaccines, oxygen and oxygen-related equipment were waived to boost their availability.¹²²

The FY2020/21 budget for **Kenya** includes a USD 528,772 (0.5 % of GDP) economic stimulus package that includes a new youth employment scheme, provision of credit guarantees, fast-tracking payment of VAT refunds and other government obligations, increased funding for cash transfers and several other initiatives. A package of tax measures has been adopted, including full income tax relief for persons earning below USD 225 per month, reduction of the top pay-as-you-earn rate from 30 to 25 %, reduction of the base corporate income tax rate from 30 to 25 %, reduction of the turnover tax rate on small businesses from 3 to 1 % and a reduction of the standard VAT rate from 16 to 14 %.¹²³

The World Bank, in partnership with other development partners, is supporting the governments of some GAIN countries in various capacities to ensure that food systems continue to function despite COVID-19 challenges. In **Bangladesh**, the bank mobilized a USD 96.2 million Emergency Action Plan, as part of a Livestock Dairy Development project, which provided, among other things, cash transfers to 620,000 small-scale vulnerable dairy and poultry farming households. In **India**, women's self-help groups, supported under the National Rural Livelihoods Mission co-financed by the World Bank, mobilised to meet shortages in masks and sanitisers, run community kitchens and restore fresh food supplies, provide food and support to vulnerable and high-risk families, provide financial services in rural areas and disseminate COVID-19 advisories among rural communities.¹²⁴ In May 2021, Equity Group Holdings secured a USD 100 million loan facility from three European development finance institutions to support the growth of SMEs in **Kenya**, helping them to protect their jobs as the COVID-19 pandemic persists.¹²⁵

Regarding monetary and financial policies, the government of **India** extended the Emergency Credit Line Guarantee Scheme (ECLGS) for MSMEs to 30 September 2021 while at the same time relaxing the eligibility criteria. On 4 May 2021, the Reserve Bank of **India** introduced a set of further measures aimed at easing liquidity and financing conditions, including on-tap liquidity support to COVID-related healthcare infrastructure and services and special Long-Term Repo Operations (SLTRO) for small finance banks. The resolution scheme for COVID-19 related stressed retail and MSME loans was re-introduced (extended for MSMEs), with lenders allowed to invoke restructuring of loans until the end of September 2021. Banks were further allowed to use the countercyclical provision buffers to make specific provisions for non-performing loans until the end of March 2022.¹²⁶

Foreign exchange rules were eased in **Bangladesh** to allow foreign-owned/controlled companies operating in the country to access short-term working capital loans from their parent companies/shareholders abroad to meet actual needs for payments of wages and salaries. International factoring was introduced to accelerate exports.¹²⁷ In **Ethiopia**, the central bank has provided USD 345 million (0.45% of GDP) of additional liquidity to private banks to facilitate debt restructuring and prevent bankruptcies.¹²⁸ Similarly, the Bank of **Indonesia** adjusted regulation to ease liquidity conditions and support bond market stability. Further, the minimum down payment requirements on automotive loans, as well as the loan-to-value ratio for residential real estate, have also been eased, effective from 1 March 2021 until 31 December 2021.¹²⁹ In **Tanzania**, the Bank of Tanzania provided regulatory flexibility to banks and other financial institutions to carry out loan restructuring operations on a case-by-case basis.¹³⁰

To support government and policy responses, the global donor community has provided billions of US dollars to countries in pandemic-related aid. As of 14 May 2021, **Nigeria** had received the most donor funding, followed by **Pakistan** and **Bangladesh**.¹³¹ Amounts received by each GAIN country are listed in Figure 33. Most of the support has been economic, with a smaller percentage going towards health and social protection.

¹²² <https://www.imf.org/en/Topics/imf-and-COVID19/Policy-Responses-to-COVID-19#>

¹²³ <https://www.imf.org/en/Topics/imf-and-COVID19/Policy-Responses-to-COVID-19#K>

¹²⁴ <https://www.worldbank.org/en/topic/agriculture/brief/food-security-and-COVID-19>

¹²⁵ <https://iclg.com/alb/15932-equity-group-gets-usd-100-million-for-msme-covid-recovery>

¹²⁶ <https://www.imf.org/en/Topics/imf-and-COVID19/Policy-Responses-to-COVID-19#I>

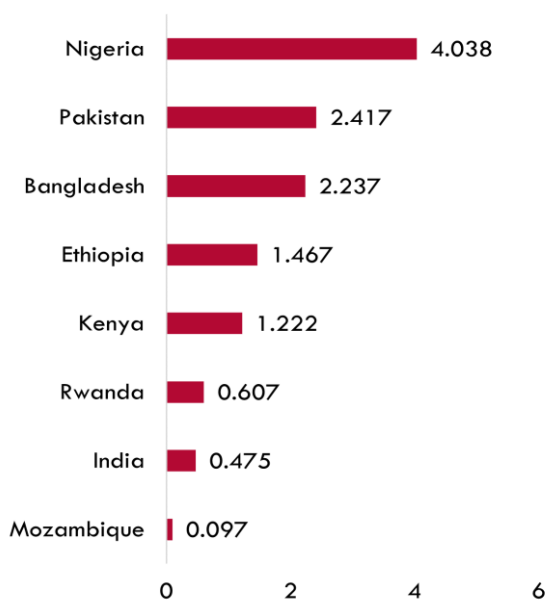
¹²⁷ <https://www.imf.org/en/Topics/imf-and-COVID19/Policy-Responses-to-COVID-19#B>

¹²⁸ <https://www.imf.org/en/Topics/imf-and-COVID19/Policy-Responses-to-COVID-19#E>

¹²⁹ <https://www.imf.org/en/Topics/imf-and-COVID19/Policy-Responses-to-COVID-19#I>

¹³⁰ <https://www.imf.org/en/Topics/imf-and-COVID19/Policy-Responses-to-COVID-19#T>

¹³¹ <https://public.tableau.com/profile/ifpri.td7290#!/vizhome/CPRPORTAL/Overview?publish=yes>



In conclusion, this study finds that the longer-term consequences of previous disruptions continue to affect the availability, accessibility and affordability of food for individual households. The optimism created by the global vaccine roll-out has been dampened by the emergence of the third wave in East Africa and the attendant introduction of new restrictions. COVID-19 remains a threat to global food security. Going forward, there is a need to reinforce efforts and strengthen partnerships and collaboration among stakeholders for transformative action in local, regional and global food systems.

Figure 3: Aid Received in Billions USD as of 14 June 2021.
 Note: Data for Indonesia and Tanzania are unavailable.

ANNEX 1.

Selected Media on COVID-19 Impact on Food Systems in GAIN Countries¹³²

Bangladesh

- Bangladesh, COVID-19 and Debt ([Link](#))
- How Blockchain Is Helping WFP Fight Against the Coronavirus in Bangladesh ([Link](#))
- Planetary Health Initiatives in Bangladesh ([Link](#))
- Feed the Future Supports Bangladesh's Largest Online Grocer in Offering Food Rations for COVID-19 Recovery ([Link](#))
- Bangladesh Sees Food Security Decline for the Second Year in a Row ([Link](#))

Ethiopia

- Ethiopia: Nation Developing Roadmap to Transform Ethiopia's Food Systems ([Link](#))
- Agriculture in Ethiopia - Growth, Trends, COVID-19 Impact and Forecasts (2021 - 2026) ([Link](#))
- Essential Health and Nutrition Service Provision during the COVID-19 Pandemic: Lessons from Select Ethiopian Woredas ([Link](#))

India

- COVID disrupted food security; will reverse progress in hunger fight: Govt ([Link](#))
- Foreign aid regulations, donor fatigue stymie India COVID-19 response ([Link](#))
- India Holds National Dialogue on UN Food Systems Summit 2021 ([Link](#))
- Food System in India: Challenges, Performance and Promise ([Link](#))
- Making Indian food systems sustainable ([Link](#))
- The impact of COVID-19 on smallholder farmers in India and the way forward ([Link](#))
- Second COVID-19 Wave Hits India ([Link](#))
- Opinion: Impact of COVID-19 pandemic on food security of India ([Link](#))

Indonesia

- Impacts of COVID-19: Food security under threat in Indonesia ([Link](#))
- COVID-19, Food Insecurity and The Resilience of Indigenous Women in Indonesia ([Link](#))
- COVID-19 Briefing: Ensuring Rights and Accessibility to Affordable Food during Pandemic ([Link](#))
- Ten Ideas to Unlock Indonesia's Growth After COVID-19 ([Link](#))
- What Impact will the COVID-19 Pandemic and the Global Economic Downturn Have on World Food Security? ([Link](#))
- "Great Reboot" or Short-Term Saviour? Bali's Seaweed Farming Revival ([Link](#))
- The Rise of a New Generation of 'Green Collar Workers' in South-East Asia ([Link](#))

Kenya

- Resilient Food And Agriculture Systems In Kenya within The COVID-19 Pandemic: Opportunities and Challenges (Focus on Livestock) ([Link](#))
- Investigating the Impact of COVID-19 on SMEs in National Food Systems ([Link](#))
- Real-time Agriculture Data for COVID-19 Response in Kenya: Lessons to Build the Case for More and Better Financing for Agriculture Data ([Link](#))
- Why Maize is Causing Trade Tensions between Kenya and its Neighbours ([Link](#))

¹³² 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.

- Smart Technologies keep Farming afloat despite COVID-19, Climate Change ([Link](#))

Mozambique

- The gendered impacts of COVID-19 in Mozambique: Challenges and way forward ([Link](#))
- Mozambique Food Security Outlook Update, April 2021 ([Link](#))
- Mozambique: IPC Acute Food Insecurity and Acute Malnutrition Analyses (Rural+Urban, Cabo Delgado) ([Link](#))

Nigeria

- Pandemic Underscores Flaws in Nigeria's Farming and Food Supply Chains ([Link](#))
- Food Inflation may be Nigeria's Biggest Hit from COVID-19 ([Link](#))
- National Agrifood Systems and COVID-19 in Nigeria ([Link](#))
- COVID-19 and Food Security: Panel Data Evidence from Nigeria ([Link](#))
- Nigeria's Private Sector Looks Past the Pandemic ([Link](#))
- Fighting COVID-19 Fake News in Nigeria ([Link](#))

Pakistan

- Ramadan Reflections: How do we Ensure Food Security for All? ([Link](#))
- Pakistan imposes Eid lockdown as COVID cases soar ([Link](#))
- Areas and Population Groups in Pakistan Most Exposed to Combined Effects of Climate Change, Food Insecurity and COVID-19 ([Link](#))
- Food Security as Important as National Security: Punjab Agri Minister ([Link](#))
- Food Security Challenges for Pakistan During COVID-19 Pandemic: An Overview of the Response Plan ([Link](#))

Rwanda

- Rwanda Discussion of IFPRI's 2021 Global Food Policy Report: Transforming Food Systems After COVID-19 ([Link](#))
- Impact of the COVID-19 Pandemic on the Food Rations of Refugees in Rwanda ([Link](#))
- Rwanda Initiates National Food Systems Dialogues Toward UN Food Systems Summit 2021 ([Link](#))

Tanzania

- In Brief: Tanzania Rethinks its Approach to COVID-19 ([Link](#))
- COVID-19: Counting the Cost of Denial in Tanzania ([Link](#))

ANNEX 2.

Euromonitor Price and Availability Data¹³³

1. Price Index

For all graphs of the Euromonitor price index, the data span from March 2020 to May 2021. **India is shown in orange**, **Indonesia in blue** and **South Africa in dark red**. Note that these price indexes can be influenced as much or more by changes in the stock-keeping units (SKUs)** composing the sample (due to stock-outs) as by actual price changes; SKU changes can entail changes in product size and/or quality.

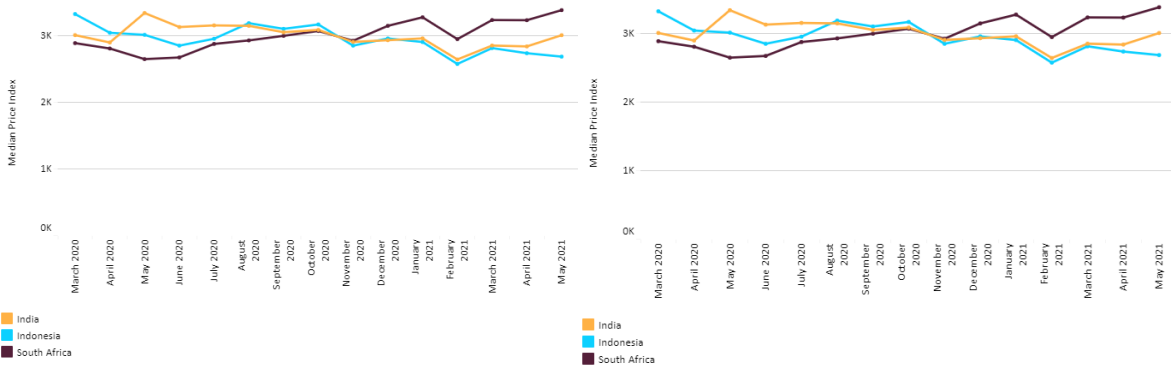


Fig. A1—Price Index for eggs (left) and poultry (right)

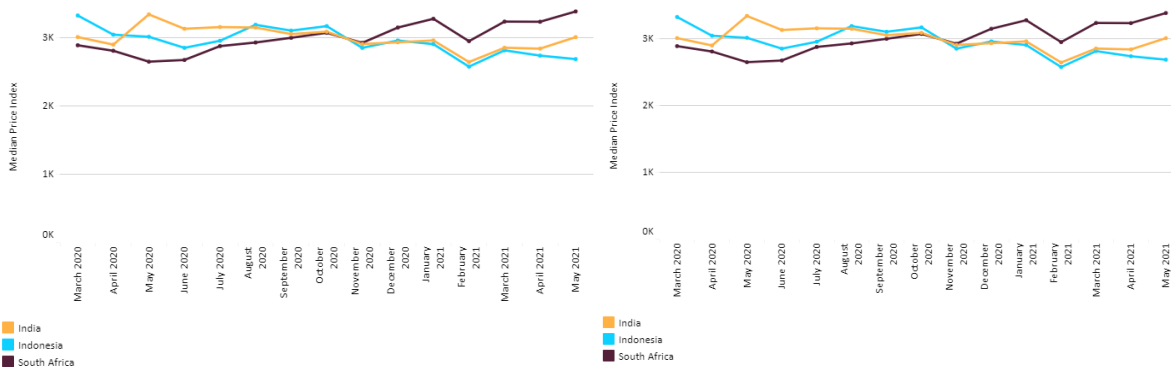


Fig. A2—Price index for starchy roots (left) and fresh vegetables (right)

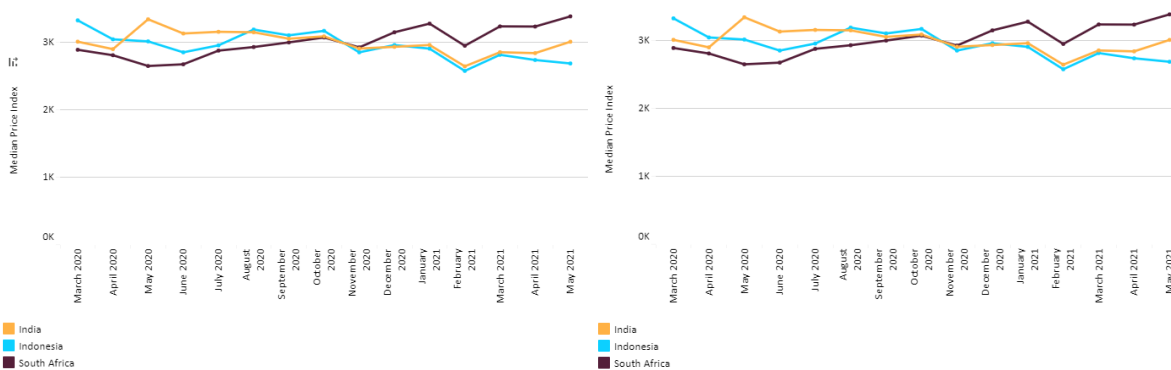


Fig. A3—Price Index for dried pasta (left) and noodles (right)

¹³³ Source: Euromonitor Coronavirus Price and Availability Tracker, <https://www.euromonitor.com/coronavirus>

** Stock keeping unit (SKU) is a unique identifier for an item sold by a retailer and it allows retailers to track their stock, some of the attributes of SKU include manufacturer, description, material, size, color, packaging and warranty terms.

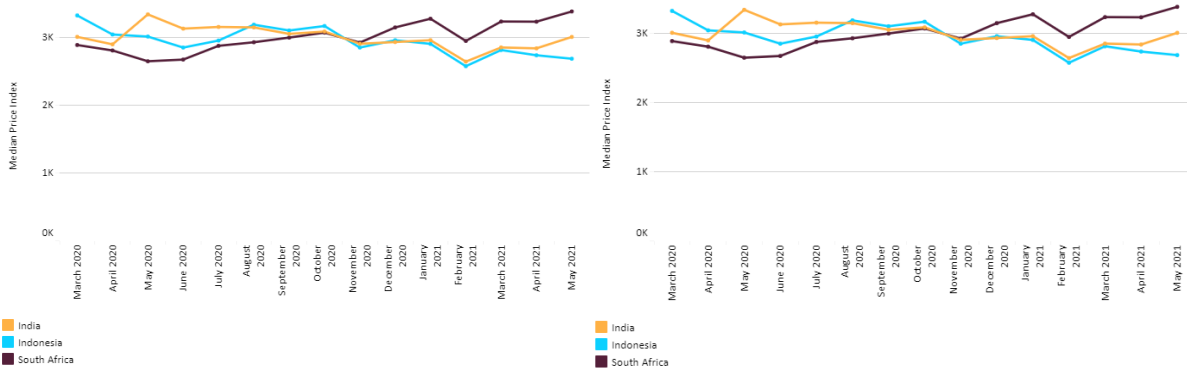
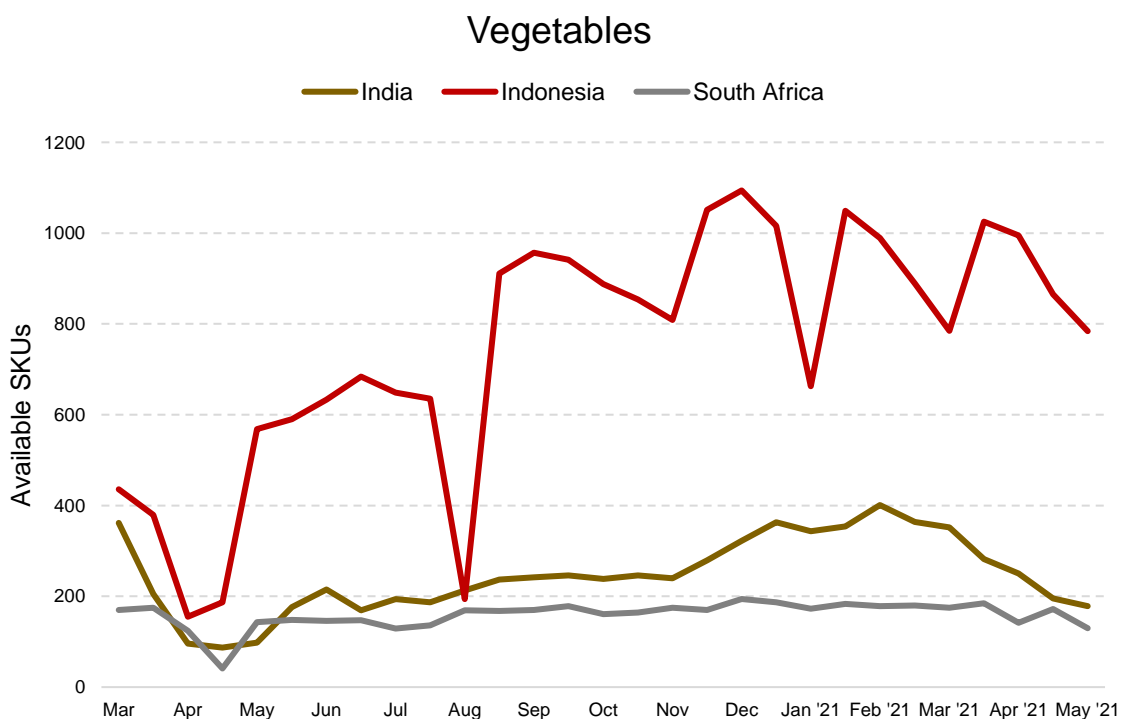
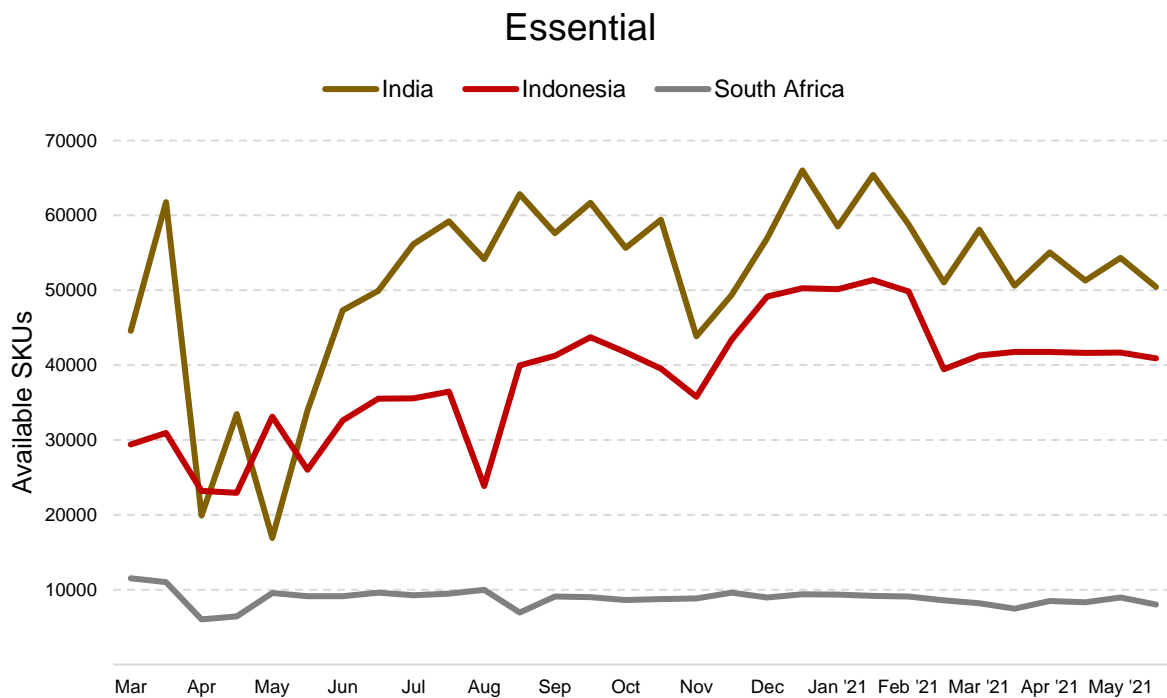


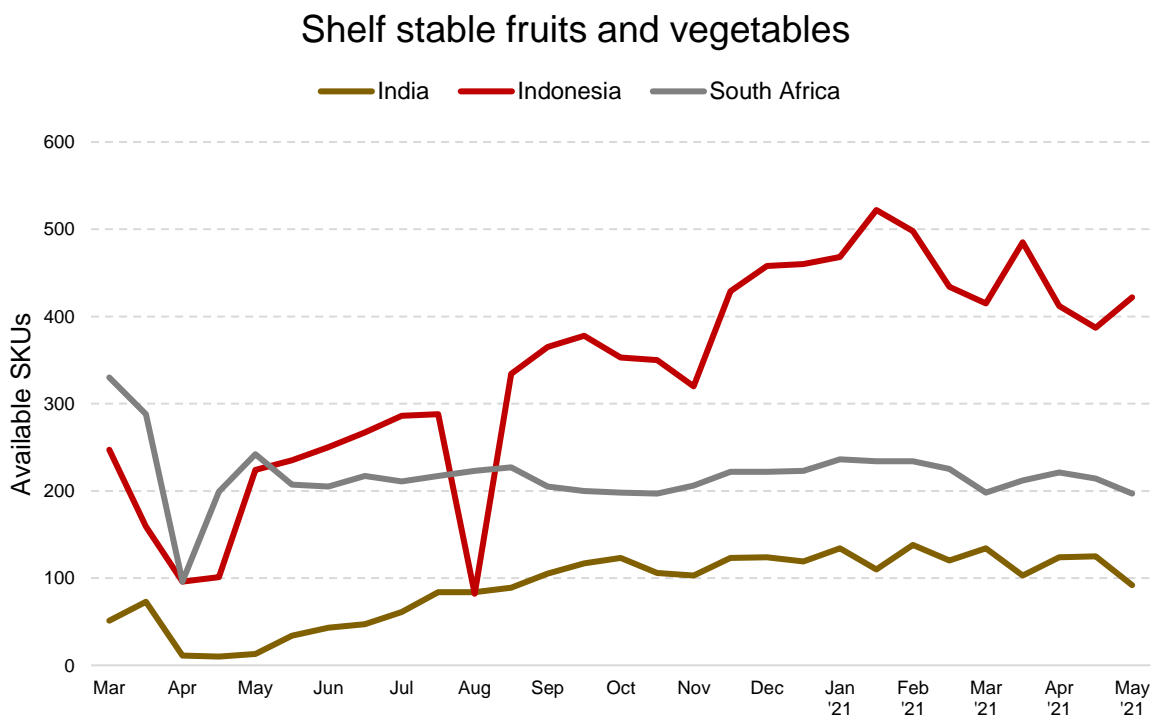
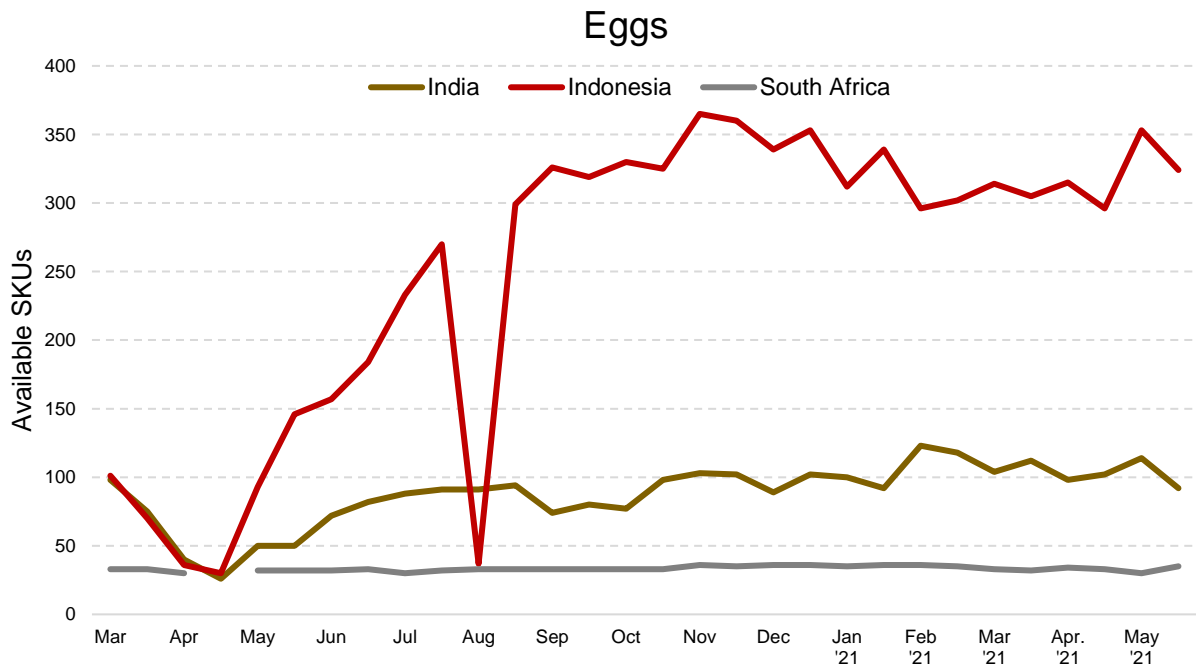
Fig. A4—Price Index for rice (left) and shelf-stable fruit and vegetables (right)

2. Availability Data

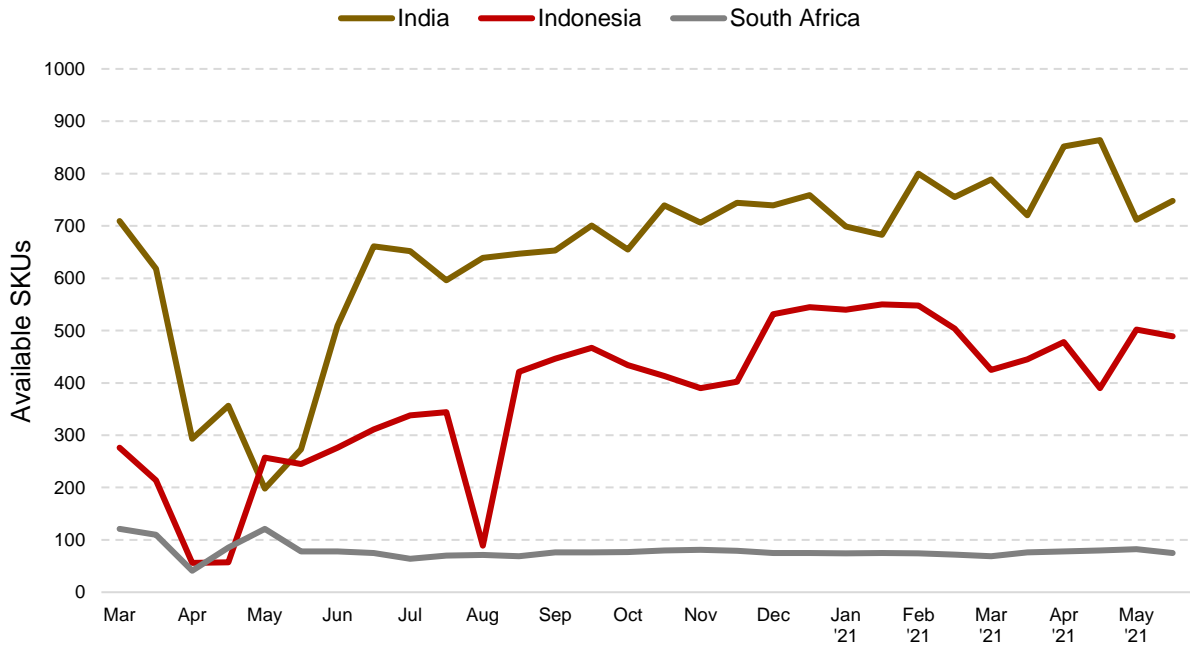
The graphs below show a bi-weekly average of the number of SKUs available in the following categories: essentials¹³⁴, vegetables, eggs, shelf-stable fruits and vegetables, rice dried pasta, noodles and starchy roots. Data span from the first week of March 2020 to mid-May 2021.



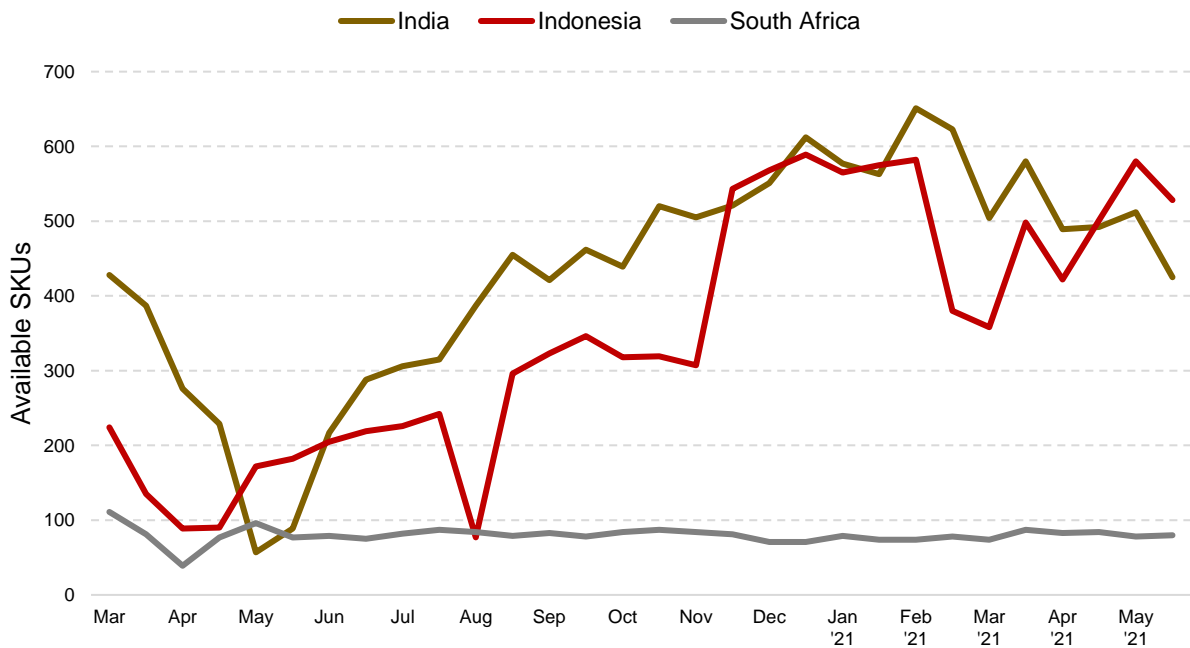
¹³⁴ Essentials as defined by Euromonitor are a basket of product categories from across Fast Moving Consumer Goods (FMCG) industries that have been determined to be essential necessities based on their econometrically estimated income elasticity of demand and qualitative input from Euromonitor International's research teams.



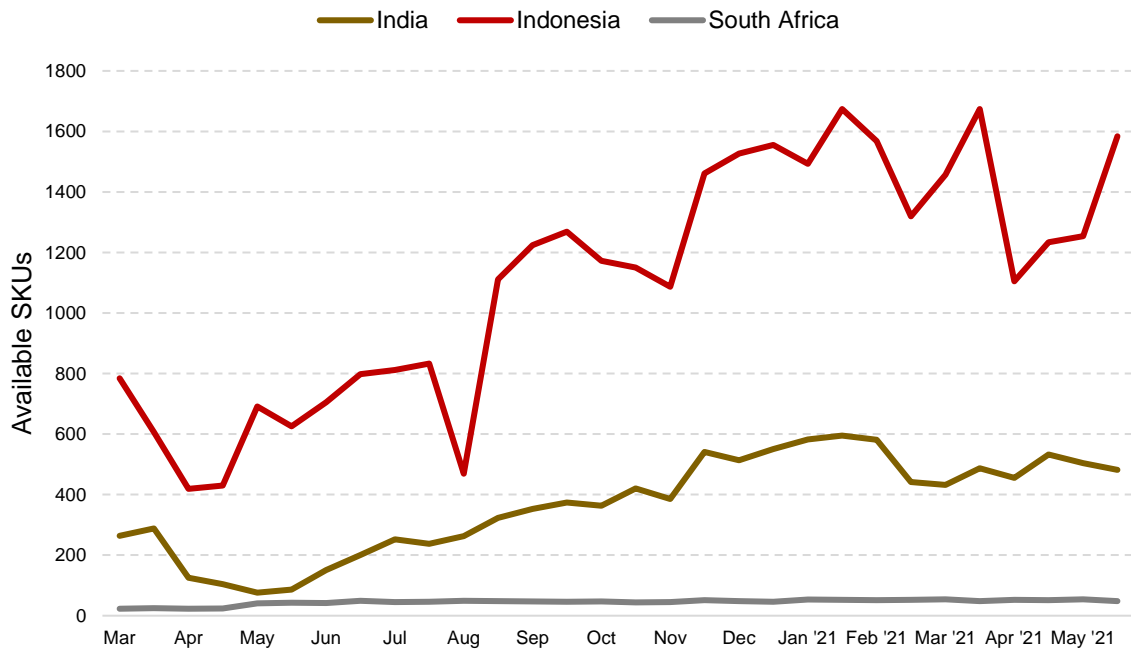
Rice



Dried Pasta



Noodles



Starchy roots

