

COVID-19 and Food Security



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Update June 4, 2020

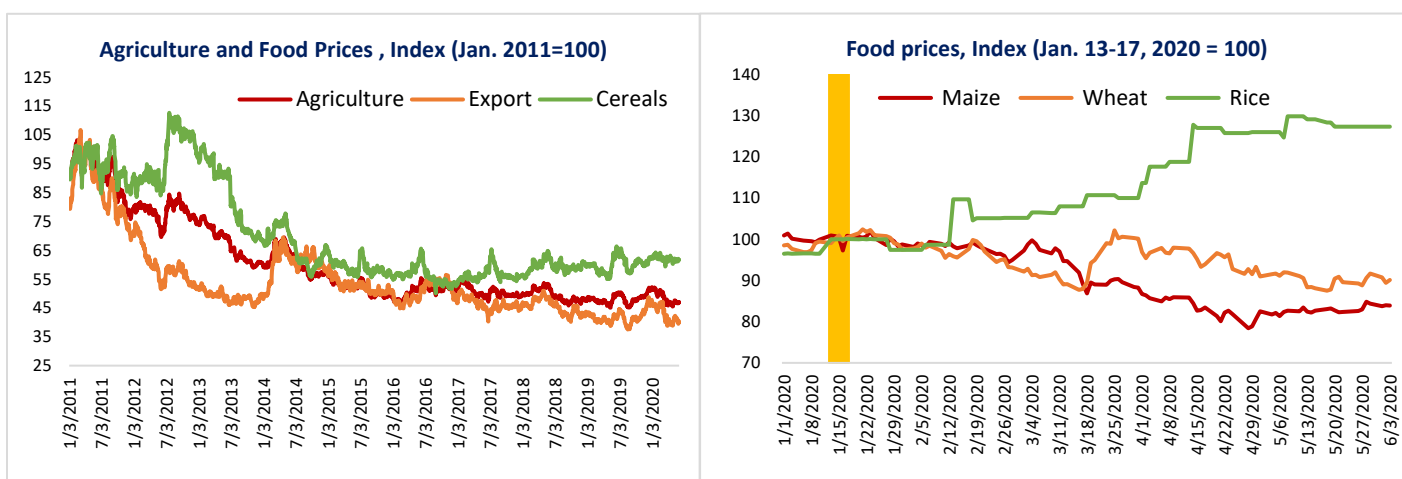
AT A GLANCE

- The updated outlook from AMIS (published June 4) is for stable food markets in the coming crop year, with record harvests expected for rice and maize, but some moderation in wheat from this year's record production. Global food prices remain stable, with some moderation in May prices relative to previous months this year.
- Results from first High Frequency Phone Survey from Ethiopia show significant impacts of COVID-19: 55 percent of the respondents report a reduction in income and 23 percent report running out of food in the past 30 days. In 21 percent of the households an adult went hungry. Food security is expected to continue deteriorating over the next few months, until the harvest
- Food supply chain disruptions continue across a large number of countries, though some improvements are also reported as countries adapt and respond to the continuing COVID-19 crisis.
- The Ag Observatory's monitoring of emerging agro-climatic anomalies highlights emerging conditions that warrant close monitoring in West, Central and Southern Africa, Europe and Central Asia, and South and Central America. Their continued deterioration may exacerbate COVID-19 induced risks to food security.

GLOBAL MARKETS OUTLOOK (AS OF JUNE 4, 2020)

Global market prices for staples remain stable

Figure 1: Long and short-term trends in Agriculture and Cereals Prices (Nominal Indices)



Note: Daily prices (Jan. 1, 2011 to June 3, 2020, on left, and Jan. 1 to June 3, 2020, on right). The export index includes cocoa, coffee, and cotton; cereals include rice, wheat, and maize. The vertical bar (right panel) indicates the week of Jan 13, 2020, the week prior to the first confirmation of human-to-human transmission of COVID-19 by WHO in Wuhan, China.

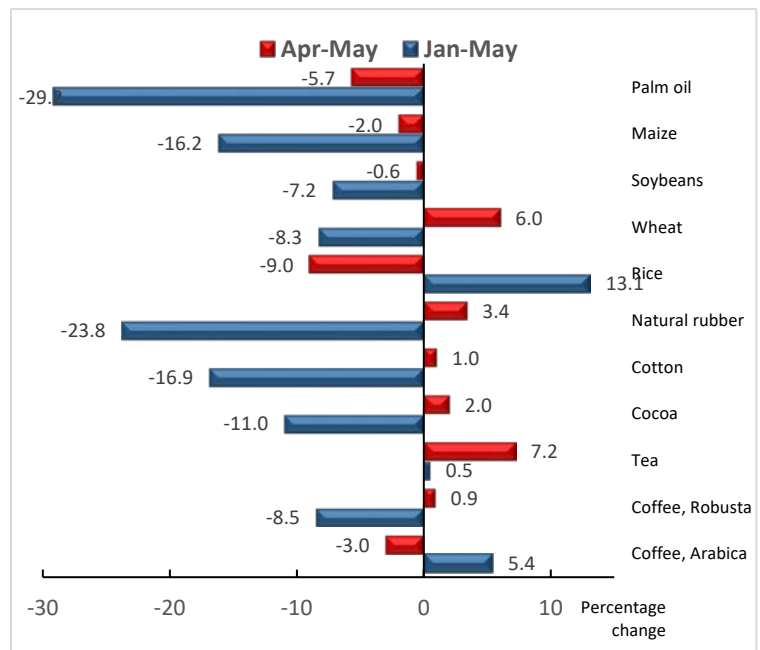
Source: World Bank Commodity Price Data.

Last week saw little change in the World Bank’s Agricultural Price Index (as of June 4, 2020), which remains near its lows since January 2011 (Figure 1, left panel). The indices for cereals (rice, wheat and maize) and export crops (coffee, cocoa and cotton) show stable prices. Among the three most-widely consumed cereals (rice, wheat and maize), all prices remain stable (Figure 1, right panel).

In the broader commodity markets, as reflected in the World Bank’s latest Pink Sheet, energy prices jumped 32.2 percent in May, led by a recovery in crude oil. Non-energy prices rose by 1 percent, reflecting gains in metals and minerals. Most other sub-groups moved less. Importantly, fertilizer prices declined by 8.5 percent. Among agricultural prices, Figure 2 reflects the slight moderation of the major food and export commodities, with corrections to wheat and rice prices between April-May compared to the changes between January and May of 2020.

The Agriculture Market Information System (AMIS) released its latest [Market Monitor \(No. 79, June 2020\)](#) this week (June 4). It indicates a slightly lower production forecast for wheat (relative to the forecast in May), with projected production for the coming year falling short of last year’s record production by about 0.5 percent. The main reason is unfavorable weather conditions in the EU, Ukraine and Russia. Nevertheless, with higher opening stocks and lower projected levels of utilization (due to lower feed and industrial demand), global markets are not expected to be adversely affected. On the other hand, revised forecasts point to record maize and rice outputs and a recovery in soybean production. Despite the many uncertainties stemming from the economic and health implications of the COVID-19 pandemic, stronger trade dynamics are expected for all crops monitored by AMIS in the new season (2020/21). Other than soybeans, inventories of all other AMIS crops are expected to remain high or increase.

Figure 2: Commodities prices start to moderate



Impact of COVID-19 on food insecurity: early evidence from households in Ethiopia

To monitor how the COVID-19 pandemic is affecting economies and people, the World Bank is undertaking High-Frequency Phone Surveys of households in a number of developing countries. The preliminary results from the first [survey from Ethiopia](#), conducted between April 22 and May 13, 2020, are now available. The survey covered 3,249 households from both urban and rural areas across Ethiopia. The main findings are:

Income losses and coping strategies

- The survey reveals a steep reduction in self-reported labor income in both rural and urban areas since the outbreak of COVID-19. Income from farming, which usually is low at this time of year due to seasonality, was

down for 40 percent of households. The main source of livelihood for 83 percent of rural households is farming.

- About 55 percent of the respondents report either a reduction (51 percent) or a total loss (4 percent) of income.
- Households suffering from less or no income were then asked what if any coping strategies they had applied to manage their income reduction. The bottom 40 percent are more likely to have done nothing (60 percent) while the top 60 percent are more likely to have relied on savings (25 compared to 12 percent of the bottom 40 percent).

Employment/Job Losses:

- Overall, 13 percent of respondents had lost their jobs since the outbreak of COVID-19 began (19 percent in urban areas and 10 percent in rural).
- Agricultural workers had, as expected, the lowest probability of losing their jobs. However, given the importance of agriculture and wholesale and retail trade in total employment, these sectors together still account for over 40 percent of job losses so far.

Access to food staples:

- Most households were able to buy enough of what they needed: teff (68 percent), wheat (82 percent), maize (86 percent), and edible oil (77 percent), but affordability due to lower incomes and higher prices was the biggest challenge.
- Poorer households (bottom 40 percent) are disproportionately affected by increases in prices but less affected by decrease in regular income compared to the top 60 percent.

Food Security

- 23 percent of households had run out of food in the previous 30 days; in 21 percent an adult went hungry but did not eat; and in 14 percent an adult went without eating for the whole day.
- There are no major food insecurity differences between urban and rural areas. Food security is, not surprisingly, lower for households in the lower part of the income distribution.
- Food security is expected to continue deteriorating over the next few months, until the harvest.

Assistance:

- About 8 percent of households—10 percent of rural and 3 percent of urban—have received assistance through any means (government, NGOs, or religious institutions) since the outbreak began. The largest proportion of the assistance provided was free food (47 percent) and direct cash transfers (39 percent). The largest contributor was the government.

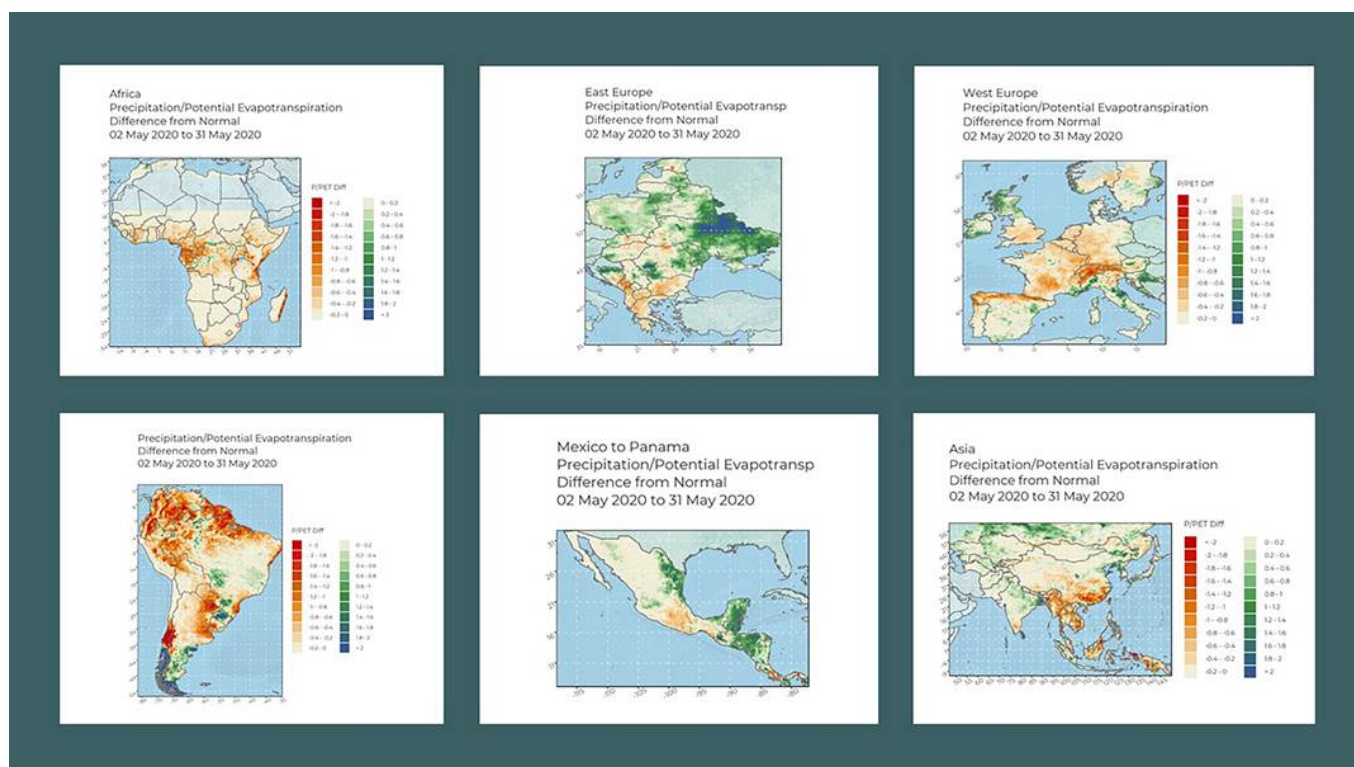
EMERGING ISSUES

The impacts of COVID-19 on food security are being felt across a large number of countries. The most serious consequences are in areas already suffering from acute hunger and ongoing crises, including the Fragile, Conflict, and Violence (FCV) areas; wide swathes in East Africa, the Middle East and South Asia suffering from the locust plague; and areas suffering from droughts. These areas require urgent attention.

The loss of incomes due to massive disruptions in domestic markets is now a reality. A large number of countries are rapidly scaling up social protection and emergency response programs. The twin challenges facing many developing countries are the loss of incomes along with disruptions in local food supply-chains. These challenges are evident even in countries where food production and distribution activities are treated as essential and hence exempt from the strict restrictions imposed on labor impacting other economic activities. This is the result is a combination of highly variable implementation of official regulations, morbidity of workers associated with critical activities (logistics, trading, etc.) or health concerns among workers. All of these result in capacity constraints along supply chains.

Emerging agro-climatic “Hotspots”: Update from the Ag Observatory

Figure 3: Evolving weather conditions in different parts of the world



Note: The figures show the readings of the Precipitation/Evapotranspiration (P/PET) over the past 30 days (as of June 1). P/PET is a robust composite indicator for ‘dryness,’ which reflects the growing conditions for crops/vegetation

Source: Ag Observatory, Agriculture and Food Global Practice, The World

The Ag Observatory's monitoring of emerging agro-climatic anomalies highlights emerging conditions that warrant close monitoring in West, Central and Southern Africa, Europe and Central Asia, and South and Central America. Their continued deterioration may exacerbate COVID-19 induced risks to food security.

- AFRICA: Drier than normal conditions are observed for East, Central, West and some part of Southern Africa. In West Africa, rains are just starting and developing weather conditions warrant close monitoring over the next few weeks as planting could be adversely impacted.
- SOUTH AMERICA: Persistent droughts further limit yield potential of the second crop corn in Brazil, though conditions are more favorable in key production areas in central Brazil. The dryness in the upper and lower Amazon and in the northern portion of South America increases the risk of forest and savanna fires from July onwards.
- CENTRAL AMERICA: Over the past few days and over the next 2 weeks, Honduras and many countries in Central America are being impacted by a weather phenomenon called the "Central American Gyre" Central American gyres (CAGs) are large, closed, cyclonic circulations that occur during the rainy season (May–November), which can yield exceptional rainfall leading to catastrophic flooding and large societal impacts. The AGF GP LAC team has procured the weather data for this region and will continue to monitor high resolution impacts.
- WEST EUROPE: Acute dryness during April reduced moisture supplies for winter crops across much of central and northern Europe. Dry weather was most pronounced in England, Germany, Poland, and northern portions of Italy and the Balkans.
- EAST EUROPE & CENTRAL ASIA: Pronounced dryness during April and May reduced soil moisture for winter grains and oilseeds across many key growing areas adjacent the Black Sea. The Central Asia region showed quite a bit of variability in precipitation for the Jan-May period.

Women's agribusinesses in crisis

The COVID-19 crisis' effect on agribusiness has additional ramifications for women's businesses. While grappling with the same impacts as men's business such as cash flow and liquidity challenges, labor and production gaps and disrupted operations, "women SMEs are particularly vulnerable to these shocks due to their low level of capitalization resulting from limited access to long term financing. Risk financing instruments such insurance products and agricultural finance have very low uptake among women SMEs." ([AGRA](#)) Women entrepreneurs already face structural inequalities to starting and growing their businesses and the [IFC](#) estimates that while women own and lead roughly 6.6 million formal SMEs and 39 million micro-businesses in emerging markets, they face a [total estimated unmet credit demand of \\$1.7 trillion](#). Women's businesses tend to have lower profit margins, and are [disproportionally represented](#) at the micro, small and medium level. And in the COVID environment, banks may become even more risk averse and decrease loans to women further ([World Bank](#)). There is a role for both the public and private sector in ensuring that women's agribusinesses do not go under; policies need to be in place that support small and micro-enterprises and their ability to remain viable players in the food supply chain during the pandemic. It is also essential to ensure grants, and flexible loan facilities cater to women's agribusinesses and employ swift disbursement system to buffer against shocks. For example: to ensure continuity in the agribusiness sector during the COVID-19 crisis, the Kenya Climate Innovation Centre (KCIC) recently rolled out AgriBiz, a Sh5.1 billion five-year program that specifically targets women and youth in crop and livestock value chains. In the recovery phase, coaching,

formalizing, business plan competitions, and psychometric testing are some innovative ways to increase women's small enterprises to grow and access better financial services ([GIL](#))

Considering some impacts of migrants return to rural areas

In some cases, the COVID-19 pandemic has forced men to go back home; and this reverse migration crisis may expose risks to rural women's resilience ([IFPRI](#)). With this crisis, what little progress has been achieved on improving the incomes and independence of rural women might be in jeopardy. In India, where some 450 million have migrated in recent years, the return by men to rural villages has been significant ([CGIAR](#)). In recent years, national programs such as the [Mahatma Gandhi National Rural Employment Guarantee Scheme \(MGNREGS\)](#) have provided opportunities for women to convert their informal, unpaid work on their farms into paid work. However, women might not be able to retain such advances when men return in large numbers. And while women and their collectives can play a major role in recalibrating supply chains, by becoming part of the [food processing and distribution chains](#), systems need to be put in place to ensure that women's enterprises can access capital, technology and markets. Such initiatives will be particularly important now that rural women will have to compete with men for scarce remunerative jobs and will face many other risks.

Another issue to consider is that as male migrants return home, women may suddenly lose this autonomy and role as the de facto household head. Effects on the "feminization of agriculture" remain to be fully digested: previous evidence from Myanmar indicates that when male and female migrants from rural areas returned to their homes of origin, they found that employment in agriculture was no less gender delineated. But in Malawi and Ethiopia where urban unskilled daily laborers are returning to their rural homes, this has increased competition for local unskilled labor income earning opportunities. As a result, daily rates for casual and informal labor are expected to decrease, reducing cash income for poorer rural households. To avoid losing gains in women's autonomy and farm incomes, policies should continue to support the recognition and formalization of women's on-farm labor.

COVID-19 heightens existing vulnerabilities

- **Heavy Rains and Flooding:** Heavy rains continue to affect agricultural production and supply chains in many countries (Rwanda, Burundi, Cameroon, Ethiopia, Kenya, South Sudan, Uganda).
 - In Rwanda heavy rains, landslides, and floods have primarily affected rice and vegetable crops, while in Kenya, heavy rains have been associated with declines in stock, particularly in Western Kenya, where some key roads have been cut off.
- **Poor Rainfall and Drought:** Poor rainfall and abnormal dryness and drought is also expected to affect food security in several countries (Mozambique, Zimbabwe, Namibia, Malawi, Uruguay, Thailand).
 - In Uruguay, the Ministry of Livestock, Agriculture and Fisheries expanded the area where it has declared an agricultural emergency due to drought.
 - Severe drought in Thailand during the first half of 2020 decreased production and is expected to result in declines of farm incomes.
 - In Zimbabwe, water availability and access challenges are increasing especially in low rainfall areas following a below-average rainfall season and an early cessation of rains in February compared to the typical March/April. This is increasing household difficulties to meet domestic, livestock, and other livelihood water needs. The situation is expected to worsen during the dry season through

October/November. Pasture and livestock conditions are also expected to deteriorate earlier and faster than usual in such areas, with atypically high livestock deaths expected, especially for cattle.

- **Desert Locusts:** The desert locust infestation in East Africa and parts of the Middle East is expected to impact production and yields in the current cropping season (Ethiopia, Kenya, South Sudan, Sudan, Uganda). The locust invasion is now also reported in western parts of India.
- **Hurricanes:** Hurricane season is expected to compound COVID-19 impacts in the Caribbean and Central America. June 1 marks the start of the 2020 Atlantic hurricane season, one which meteorologists predict will be worse than usual, with up to eighteen named storms—including eight reaching hurricane strength—before the season officially ends November 30. In Central America, impacts have already been felt, as at least 17 people were killed by Tropical Storm Amanda, which made landfall Sunday. Addressing both COVID-19 and hurricanes will stretch financial resources thin.

COVID-19 impacts agri-business, particularly for small producers and SMEs

- Large farms, agro-processors, and traders have not been uninterrupted by the COVID-19 restrictions, compared to smaller producers and processors (Kenya, Rwanda, Madagascar).
 - In Rwanda, formal traders and buyers have had relatively unrestricted movement and are able to buy grain from cooperatives and larger farmers freely, which is not the case for informal vegetable producers and sellers in Kigali and other urban areas. The government is also particularly concerned about the rebound capacity of SMEs.
 - In Madagascar, lockdown and transport restrictions meant perishable products (milk, eggs, fish, chicken) could not be transported to urban cities, significantly impacting small producers and SMEs in agribusiness.

Nutrition and food security

- In South Sudan there is a continued concern that households may be in Catastrophe (IPC Phase 5).
- In Sudan, emergency (IPC phase 4) outcomes are expected among IDPs in conflict affected areas of Jebel Marra in Darfur and SPLM-N areas of South Kordofan and parts of the Red Sea and Kassala.
- A survey conducted by Action Against Hunger in April concluded the prevalence of global acute malnutrition was above the extremely critical threshold of 30.9 percent in South Sudan.
- Over 6 million people are at risk of food insecurity in Zimbabwe, 2.1 million in Tanzania, and 1.1 million in Malawi.
- In Ethiopia, survey results show that about 23 percent of households had run out of food in the previous 30 days (mid-March and April). School closure has also affected food security in the country.
- In Bangladesh, children are facing a nutrition crisis due to lack of milk formula. With parents having to choose between milk formula for babies and food for the family, many children are going hungry. Additionally, the poor have been skipping meals and many people face starvation (FAO).
- LAC: The World Food Program estimates that the number of people experiencing severe food insecurity in LAC could quadruple from the current 3.4 million to 13.7 million in 2020. Areas of special concern include Haiti, where the number of people in severe food insecurity could rise from 700,000 to 1.6 million, and the Dry Corridor of Central America, where it could increase from more than 1.6 million to close to 3 million.
- Guatemala: Access and mobility restrictions in Guatemala are creating long-term concerns for food and nutrition security. Recent figures indicate that there were 14,845 cases of acute undernutrition May 10-16, nearly triple the cases in that same week in May 2019.

Food supply chains: Domestic disruptions remain the primary concern

Domestic trade/supply chains: There are emerging reports of significant disruptions within countries

Food supply chain disruptions continue across a large number of countries, though some improvements are also reported as countries adapt and respond to the continuing COVID-19 crisis.. The lack of real-time information on ground conditions remains a major challenge and calls for continued efforts to closely monitor ground conditions (the summaries below are based on anecdotal reports, local media reports, or through CSO networks and other international agencies such as WFP and FAO).

- Most governments have made the movement of food and agricultural inputs a priority by exempting food transport from the mobility restrictions. However, implementation is marked by shortcomings (Central America, Cote d'Ivoire, Ethiopia, Ghana, DRC, ROC, Kenya, CAR, Comoros, Liberia, Madagascar, East Timor).
 - In East Timor the northern border is only open for two hours on Wednesdays.
 - In the Central African Republic, urban transport costs have increased 60 percent as a result of movement restrictions and lockdown measures.
 - In the Comoros, restrictions on inter-island transport and wet markets are expected to cause shortages of domestic food products in local markets.
 - In Kenya, delays from distributors and transporters have resulted in a 25% capacity reduction due to curfew concerns, limited fuel cost pass throughs, and concerns about demand reduction.
- Lockdown measures are causing shortages in farm labor, which is affecting the harvest in many countries (India, Nepal, Benin, cocoa in Liberia, Myanmar, Malawi, Sudan, coffee in Colombia).
 - For example, the closure of borders could reduce the workforce available at the start of the mid-crop harvest of cocoa beans in Liberia as some planters are stuck in neighboring countries. Because the bean count is particularly high this year, workforce shortages will be even more pronounced.
- Demand reduction is an issue for several countries facing curfews and lockdown measures (Bangladesh, Cameroon, Ethiopia, Kenya, Madagascar, Republic of the Congo, Malaysia).
- Agricultural input markets are starting to be impacted (seed, fertilizers), restricting access to critical inputs for planting the next crop (India, Ghana, imported inputs in Cameroon, Kenya, Liberia, Malawi, Nigeria, Republic of Guinea, Uganda, Zambia, East Timor).
 - In East Timor, agriculture inputs are mixed with other goods in trucks, increasing the time to sort them, and leaving agriculture input stores out of stock.
 - In Uganda, exchange rate appreciation is increasing the cost of imported farm inputs, especially for medium and large-scale farmers and in the longer term, the country is expecting a reduction in agricultural export supplies as input shortages begin to impact productivity.
- In Liberia, local poultry farmers lack poultry feeds on the local market, given the border closure with Guinea. In some areas of the country there is an excess of seed rice with no buyers, while in other areas of the country farmers demand seed rice but do not have access to it. Access to agro-machinery is also impacted (sugar and cotton subsectors in Brazil; Benin). Leading input dealers are adjusting their delivery chain as a response to the uncertainty caused by COVID-19. For example, Calivoire (in Cote d'Ivoire) is more reluctant to sell inputs to distributors and is instead storing it in warehouses.
- Food and livestock markets have been shut down to control the spread of COVID-19 (Kenya, Nigeria, Sierra

- Leone, Burkina Faso, Sri Lanka, Guinea).
- A large number of primary producers face large losses on perishable (also nutritious) produce such as vegetables, fruits, dairy, fish, day-old chicks, and poultry (Bangladesh, India, Bhutan, Pakistan, Nigeria, Liberia, Mexico, Nepal, Cameroon, Liberia, Zimbabwe, Mexico, Dominican Republic, Cote d'Ivoire, Senegal, Indonesia).
 - In ECA, transportation, storage, and sales challenges affect the fish value chain the most, followed by the milk and dairy, livestock, grains, and pulses value chains.
 - In Zimbabwe, lockdown measures have caused millions of dollars of perishable crops to rot in the fields as the market for crops has shrunk, buyers are limited, and traders have stopped engaging with farmers.
 - Due to lockdown and transport restrictions in Madagascar, perishable products (milk, eggs, fishes, chicken) could not be transported to urban cities, significantly impacting small producers and SMEs in agribusiness.
- Unrest due to food shortages and restrictions continues in LAC. Police in Santiago, Chile, clashed with demonstrators protesting food shortages during lockdown. The [government is planning to respond](#) with 2.5 million food kits. Similar protests have also taken place in Colombia where food insecurity is expected to double and affect 7 million people.
- Ongoing harvest in Tanzania, Zambia, and Malawi have good prospects and food *surpluses* are likely.
- As supply chain disruptions continue, EAP countries are beginning to reopen the food sector. Most countries have allowed all food services and food factories to operate as usual with full capacity as of May 29, according to a report by Food Industry Asia (Thailand, Laos, Vietnam, China). Still, some countries only allow food service to operate through delivery and takeaway (Indonesia, Philippines, Myanmar) and only allow factories to operate with controlled capacity (Philippines).

Rising retail prices across the Regions

- Retail or consumer prices show increases across many regions.
 - **AFR:** The list of countries reporting rising prices continues to grow (Burundi, CAR, Comoros, DRC, Kenya, ROC, Rwanda, Benin, maize in Cote d'Ivoire, Ghana, Mali, Liberia, Cameroon, sugar in Tanzania, Sierra Leone, Ethiopia, Senegal, Nigeria, Republic of Guinea, Sudan, South Sudan, Uganda, Zambia). However, some price increases have begun to stabilize in the last week (Kenya) and have even begun to drop in some countries as more harvest reaches markets and households (Tanzania, Malawi).
 - Zimbabwe has a massive grain price spike – more than 1,000 percent relative to this time last year. The local currency is expected to continue depreciating as the government prints more money to fund critical COVID-19 needs, which is expected to continue driving domestic price increases. The ZWL has depreciated by 32% since the beginning of May, continuing to devalue against the USD.
 - In Sudan, staple food prices have continued to increase more rapidly than normal in May. Prices for sorghum, millet, and wheat have increased by 20-50 percent between April and May. Current prices are more than double those of last year and over four times the average of past five years.
 - **SAR:** Prices have increased for goods across many countries. In Bangladesh, the price of broiler chicken is rising sharply, increasing by 30% over the last two weeks. Getting enough protein has been a major challenge over the past months. Other food products have also increased. Compared to pre-lockdown (the week of 22 March), the average price increase for key food items has been: 23% for rice, 42% for lentils, 26% for potatoes, and 26% for broiler meat. Onions are currently cheaper than before the lockdown.
 - **LAC:** A [report](#) published last week by FAO and ECLAC regarding food systems and Covid-19 in LAC found

evidence of higher than usual food inflation. Overall, for March and April 2020 as a whole, the report shows that in nine out of eleven countries of the region analyzed, the monthly food rate has been above its historical average for two consecutive months. In the case of Argentina, Colombia, Guatemala, Peru, and Uruguay, food prices have been growing at an accelerated rate (above their historical 75th percentile) for the two months and in the specific case of Uruguay, the growth rate has been above the 90th percentile for March and April 2020.

- **EAP:** Prices remained stable in Indonesia (major commodities) and for rice in East Timor, but rose for many other food commodity prices in East Timor.
- **ECA:** In Tajikistan, local prices of wheat flour have risen 4.6 percent in the last three months, compared to a 2 percent decline during the same period last year. Rising food prices and declining remittances significantly affect the purchasing power of consumers, especially the vulnerable population.

Mixed Impact of COVID-19 on export prices and volumes

- Food security is also a concern in countries where significant shares of the poor and smallholder household are dependent on earnings from export or “cash” crops. A collapse in global demand for these commodities may result in steep declines in export prices, impacting the incomes of these households. On this front, the evidence is very mixed and context specific: exports of cash crops have fallen for several developing countries (horticultural exports in Rwanda; Guinea; flowers in Kenya, Ethiopia, and Tanzania; Cashews in Guinea Bissau; Sudan; vanilla in Comoros; sugar, cotton, and cocoa in Uganda; cotton, wood, and bananas in Cameroon; rubber in Liberia; cotton in India; bananas in Ecuador). But they are higher in other countries (Chile, Mexico, El Salvador, and fruit and vegetables in Turkey), with some reaching record levels of exports (Brazilian soybean, Paraguayan beef).
- **LAC:** Declining prices are noted for cocoa in Peru; beef in Uruguay; and watermelon, cantaloupe, and pineapple in Panama. Peru, Uruguay and Argentina’s agricultural export volumes have declined the most in LAC; El Salvador, Costa Rica, Brazil, Belize and Paraguay have seen the greatest increases. As of March 2020, agricultural exports in the region have generally increased more than total exports of goods during the COVID-19 pandemic.
- **EAP:** A slump in global demand for palm oil has lowered palm oil prices in prices in Malaysia.
- **Uzbekistan:** In the first four months of 2020, the export of horticulture products, which accounts for more than 80 percent of agri-food exports, declined by 42 percent in value and 20 percent in volume compared to the same period last year. The reason has been the decline in demand from the main buyers, Russia and Kazakhstan, where consumers face sharply declining purchasing power.

International trade/supply chains

- Sea and air freight capacity continues to improve. Sea freight remains somewhat constrained for food shipments. Air freight capacity is improving as passenger planes are repurposed for freight or airline activity starts to pick up with easing restrictions in some countries. Overall, however, capacity remains below normal.
- Truck freight remains constrained in the Middle East and Egypt, and some parts of Sub-Saharan Africa. In Bolivia, the flow of international freight carriers has decreased; only three out of every 10 truck trailers are [operating](#), according to figures from the International Transport Association.
- Cross-border trade and restrictions on the movement of people (and the sanitary measures required,

authorizations, screening test, etc.) necessarily limit the movement of goods:

- **Central America:** Transporters in the region are still not satisfied with Costa Rica's pilot plan, which partially blocked the entry of heavy cargo transport into its territory. Government representatives and truckers continue to discuss different ways to guarantee the flow of goods while protecting workers' health. Nicaragua has blocked the entry of goods from Costa Rica, while transporters in Panama have agreed to gradually lift border movement restrictions. Panama's government has issued decrees to open a controlled route with specific health protocols in place.
- **Africa:** Border closures, restrictions and controls have increased food prices and may lead to shortages of essential commodities across Africa (Burundi, DRC, CAR, Ethiopia, Kenya, Liberia, ROC, Guinea, South Sudan, Sudan). For example, South Sudan has recorded a decline in the volume of trade of staple commodities, with maize grain and beans from Uganda declining 51 percent and 42 percent, respectively, and imports of sorghum from Sudan declining by 74 percent. Liberia has also closed its borders with its two neighboring countries (Guinea and Cote d'Ivoire) which it depends on for 73% of its domestic food. This border closure has also halted the import of all cattle and sheep.

Other emerging issues

- Return migration, both internally from urban to rural areas and back from other countries, is posing issues for food systems in several countries (Madagascar, Nepal).
 - In Nepal, nearly 500,000 to 600,000 Nepali migrant workers are likely to return to Nepal in the near future. Reintegrating them will be a challenge.
 - In Madagascar, though there is no clear data yet, but due to urban exodus, the food system in rural area could be affected negatively.
- Agri-food GDP has declined significantly in many countries, during the lockdowns despite exemptions, according to IFPRI models (24% in Myanmar, 16% in Rwanda, 18% in Nigeria, 11% in Ethiopia).
- In Bangladesh, many of the poor can no longer obtain credit. To survive, many of the poor have had to take out loans, buy food on credit, and delay payment of rent. But with this situation continuing for so long, neighborhood stores are increasingly unable to extend credit further. Some households are now borrowing money from neighbors or rural relatives, while others take out loans at high interest rates.

TRADE POLICY RESPONSES

Restrictive trade policies and domestic support are a major source of risk to commodity prices. Despite the continuing restrictions on export by some countries, food commodity prices have remained generally stable as the markets are well-supplied.

There were no new announcements this week. On the contrary, some countries are rolling back export restrictions. Honduras's export ban on red beans expired May 30. Kazakhstan ended agri-food export quotas, excepting EAEU restrictions, on June 1. Export restrictions by other countries, as noted in the last Update, remain in place. About 16 countries have active export restrictions of various kinds as noted below. Some countries also implemented import

policy changes – a mix of liberalization and restrictions on imports as detailed in the MTI [COVID-19 Trade Policy Database for Food and Medical Products](#).

- **Eurasian Economic Union (Armenia, Belarus, Kazakhstan, Kyrgyz Republic and Russia):** Banned the export of selected food products outside the EAEU. These products account for a small share of the EAEU's exports.
- **Russia and Ukraine:** announced limits to the volumes of wheat exports, which are largely in line with the announcements made earlier (before COVID-19) and at anticipated levels. Ukraine furthermore restricted export of buckwheat and buckwheat grain until July 1, 2020.
- **Kazakhstan:** Export quotas on food products — besides those required by the EAEU ban — ended June 1. In March, Kazakhstan banned exports for several food products, later lifting bans (for some fruits and vegetables) or transitioning them to quotas (wheat, wheat flour). In May, the Minister of Agriculture announced an early end to export quotas, which were originally scheduled to expire June 30 or September 1. Despite recent changes, Kazakhstan continues to adhere to the EAEU export ban.
- **Kyrgyzstan:** A number of food products and feed are restricted until September 22, 2020 (see IFPRI policy tracker for details).
- **South Africa** has been exporting maize to structurally-deficit countries in the region, especially Zimbabwe following the easing of phytosanitary (GMO) restrictions in recent months.
- **Zambia** has maintained a ban on maize exports, while informal exports from Zambia have persisted, driven by favorable price trends in different countries.
- **Armenia:** Exports of onions, garlic, turnips, rye, rice buckwheat restricted until June 30, 2020.
- **Belarus:** Exports of buckwheat, onions, garlic, turnips, rye and rice are restricted until June 30, 2020.
- **Syria:** Export restrictions on eggs, cheese, yoghurt, processed cereal and beans until May 8, 2020.
- **Egypt:** Export of pulses is banned until June 28, 2020.
- **Turkey:** Lemons are restricted to be exported until August 31, 2020.
- **El Salvador:** Export ban on red beans is from March 26 to December 31, 2020; temporary elimination of import duties on essential food.
- **Ghana:** Announcement of export ban for soybeans between May 11 and June 20, 2020.
- **Algeria:** Export of semolina, flour, pulses and rice, pasta, oils, sugar, coffee, mineral water, tomato paste, food preparations, milks in all its forms including those intended for children, fresh vegetables and fruit with the exception of dates, red and white meats is restricted from May 7 until June 6, 2020.
- **Malawi:** export ban on maize, which is expected to affect cross border trade with neighboring maize importing countries in the region

EMERGING SOLUTIONS AND INNOVATIONS ON DEALING WITH COVID-19

E-commerce/digital innovations

- **Madagascar** has created a structure of certified input providers that will be subsidized with the use of digital payments through “e-vouchers.”
- **Philippines:** The Department of Agriculture partnered with Grab Philippines, a ride-hailing firm, to facilitate the sale and delivery of fresh produce from local farmers and food growers to Metro Manila consumers.

Regional-level coordination and information efforts in LAC

- **LAC:** The Inter-American Institute for Cooperation on Agriculture (IICA) has launched a series of virtual seminars entitled “Reflections on the World and Food Security in Latin America and the Caribbean post COVID-19.” The cornerstone of global trade recovery International cooperation and regional integration will be critical to ensuring that value chains continue to run smoothly and distribution channels remain open, while driving the recovery of global trade, in the fallout from the COVID-19 pandemic. Anabel González, former Minister of Foreign Trade of Costa Rica, and Cassio Luiselli, the former Advisor on agricultural development to the President of Mexico, stressed the importance of these issues in a webinar organized by the Inter-American Institute for Cooperation on Agriculture (IICA), focusing on repercussions on international trade and sanitary regulations in the wake of the pandemic.

Other responses

- **East Timor:** A harmful development, the government slashed its budget dedicated to increase food security. The country’s Ministry of Agriculture, Forestry and Fisheries is unable to go ahead as planned to implement a program to increase food supply, and ensure the availability of agricultural, inputs, machinery and repairs of irrigation schemes.
- **Zimbabwe** - Government placed a 30 percent incentive on the price of maize sold to the food reserve agency to reduce side-selling & encourage early delivery of maize. This incentive increases the price from ZWL12,639 (US\$168.52) to ZWL 16,000MT (US\$213). Temporary ban on importation of soybeans and meal feed to create a demand for locally produced soybeans (soybean is an ingredient for livestock feed.)
- **Malawi** - The Government has allowed fertilizers to be imported without following the normal procedure of importing collectively, using the Bulk Procurement System.
- **Liberia** - Building assets for small-scale processing of staples, for example milling and drying maize, cassava drying and packaging, fish smoking and drying, milling and cleaning rice and expanding mechanization to ramp up land preparation and alleviate short-term supply of labor. The approach might involve partnering with tractor booking service providers that operate akin to Uber and linking the service providers with clusters of farmers across the country.

WORLD BANK RESPONSE

The World Bank is activating Contingent Emergency Response Components (CERCs), preparing specific emergency operations (including DPOs), and restructuring existing projects.

- **Afghanistan.** The World Bank is re-aligning its portfolio to address the immediate food security challenge.
- **Bangladesh.** The World Bank repurposed its agricultural projects to provide food and grants transfer, subsidized inputs, and support animal health for the country.
- **Benin.** In the agriculture sector, discussions are ongoing on potential measures that could be taken, including supporting input provision for the upcoming agricultural season and a mass rehabilitation of cashew plantations to create alternative employment and income source for affected producers.
- **Bhutan.** The World Bank re-aligned its portfolio to support food distribution in the short term and enhance food production in the medium term through inputs supply and irrigation.

- **Burundi.** The Government is considering triggering CERC for the Social Safety Net Project (P158835, under SPJ G.P) and refocusing two ongoing agricultural operations (The Great lakes Region Integrated Agricultural Development Project, and the Coffee Sector Competitiveness Support Project) to improve food security in terms of quantity and quality of food produced and/or by providing incomes to the farmers to enable them to meet essential needs and services like food, health and education.
- **Cameroon.** Refocusing, where possible, ongoing operations (PIDMA and PRODEL) to support the Ministries of Agriculture and Livestock implement their responses; active participation to the donors' platform for smooth coordination of the response; contribution to the formulation of the national multisectoral response plan as expressly requested by Government; possible activation of the CERC under the Livestock project.
- **Central African Republic.** The donors in agriculture and food security (ADB, WB, EU, IFAD) are harmonizing their response to the GoCAR's Emergency Plan with most solutions coming from ongoing financed projects.
- **Côte d'Ivoire.** Expedited preparation of Food Crop Project to boost domestic rice production and support emergency activities in the poultry industry; restructuring of the Cashew Competitiveness Project to support the private sector (local processors and exporters) in purchasing raw cashew nut from farmers; an emergency DPO (US\$200 Million) to support cashew sector reforms to mitigate the impacts of the COVID- 19 crisis and in other sectors of the economy (social, governance, energy, informal sector, finance).
- **Comoros.** Green channel is proposed in the Bank's Emergency DPO to transport food and medicine from the mainland and across islands (inter-island).
- **DRC.** Preparation of a DPO. The agriculture team has proposed a number of prior actions to avoid a food crisis. Additional short-term measures will be taken as part of the ongoing agriculture portfolio.
- **East Timor:** World Bank is supporting Oxfam to map DP activities on: 1- Food security; 2- Market access support; 3-Agriculture inputs; 4-Food security targeted for COVID response / recovery.
- **Ghana.** The Bank is restructuring two major agriculture projects (the Ghana Commercial Agriculture Project and the Peri Urban Vegetable Value-chain Project) to respond to COVID 19. Key interventions include the supply of seeds and other inputs, support for land preparations, support to entrepreneurs to be able to offtake the produce from farmers, and repurposing of the project under preparations to be COVID responsive.
- **Guatemala.** Preparation of new project underway on Covid-19 response for modern and resilient agri-food value chains.
- **Guinea.** Refocusing the activities of the PDAIG Project and activation of the CERC to protect households and jobs; re-allocation of resources within the pipeline Project to support additional COVID-19 responses.
- **Haiti.** CERC activated for USD 9.6 million for activities including land preparation, communications for social distancing and sanitation, and a range of mitigation measures against Covid-19 impacts on the agri-food sector.
- **Honduras.** Project preparing to restructure and activate CERC to procure prioritized goods for the Covid-19 emergency.
- **India.** Refocusing livelihood projects for COVID-19 priorities.
- **Indonesia:** The First Financial Sector Reform Development Policy Financing: COVID-19 Supplemental Financing (\$300m IBRD/IDA), aims to support the Government of Indonesia (GoI) to diversify its financing sources to meet the unanticipated financing gap caused by the impact of the COVID-19 outbreak.
- **Liberia.** In response to the COVID-19 pandemic the health team has processed a package of support worth \$17mn in record time to strengthen the Government of Liberia's immediate capacity to respond to the COVID-19 outbreak and in the longer-term, strengthen its response to disease outbreaks and emergencies. The Bank is also responding through two windows under the on-going Smallholder Agriculture Transformation and

Agribusiness Revitalization Project (STAR-P). Also, activating CERCs and fast-tracking the preparation of an IPF under the MPA for COVID-19 response.

- **Mali.** Working with the Government to activate the CERCs to mobilize US\$25 million through several projects. An Emergency COVID-19 operation is also in the pipeline.
- **Mexico:** The COVID-19 Financial Access DPF (\$1000m IBRD) aims to support the government's efforts to increase access to finance and enable policies for universal coverage of a unique identification system.
- **Mozambique.** Active projects with FAO, through the SUSTENTA AF, to support emergency activities. Support is also being provided through a DPO.
- **Myanmar:** Ready to discuss possible changes to the design the National Food and Agriculture System Project pipeline operation to ensure specific support with the post COVID-19 recovery strategy. Also, Parliament has approved the US\$200 Million World Bank financed project. The project will be an important platform to implement the government's COVID-19 Economic Relief Plan (CERP), which was announced on 27 April 2020. The project respond to COVID-19 impacts on farmers input access and facilitate the agriculture sector recovery.
- **Nepal.** Following the request from the Ministry of Finance a simple restructuring has been carried out for the Nepal Livestock Sector Innovation Project to create Contingency Emergency Response Component (CERC), with zero allocation now. Allocation will be made when CERC is triggered by the government of Nepal.
- **Nigeria.** Engaged in the design of a multisectoral PforR (with SP, FCI, and Water) to protect livelihoods and support local economic activity.
- **Pakistan.** Repurposing the existing portfolio and taking actions to safeguard overall food security position.
- **Peru.** Project restructured to support the repatriation to Peru of trainees supported by the National Agricultural Innovation Program who were left stranded away from their homes (both inside and outside of Peru) because of travel restrictions resulting from the COVID-19 crisis.
- **ROC.** Commercial Agriculture Project is implementing two special matching grant rounds geared at MSMEs and POs impacted by the crisis. The project is also financing labor-intensive rural road rehabilitation and food safety measures targeted at large urban markets. The government has requested activation of the CERC.
- **Rwanda.** The Sustainable Agricultural Intensification and Food Security Project (SAIP) will provide support to the National Agency in charge of agriculture export (NAEB) to maintain current levels of exports and to help cooperatives of horticulture growers to face increased airfreight and other logistics costs as a result of COVID-19 and lockdown. The Bank's existing Social Protection project is being adjusted to be COVID-19 responsive. The Bank has also approved a US\$14.25 million funding to implement the COVID-19 emergency response project. Additionally, to help cushion COVID-19's fiscal and macro-economic impact, a DPO of US\$100 million (supplemental energy program) is being processed, and an emergency DPO of about the same amount (US\$100 million) is being discussed.
- **Sierra Leone.** Activation of CERC in the ongoing Smallholder Commercialization and Agribusiness Development Project to support GoSL COVID-19 emergency response initiatives with (inputs – seed, fertilizers, etc., and land mechanization services, as well as extension services) to support farmers to cultivate additional 2500 ha of rice land. The World Bank-financed Social Safety Net Project is scaling up its cash transfer system to provide support to the most vulnerable households.
- **Sri Lanka.** The Bank is supporting GoSL's accelerated food production program to overcome potential food shortages. The Bank re-aligned its portfolio to support food distribution and enhance food production through input supply, SME revival, and irrigation infrastructure development.

KNOWLEDGE AND INFORMATION LINKS

SD Corner

[SD COVID-19 Knowledge Platform](#)

Juergen Voegele:

- Blog: [Three imperatives to keep food moving in a time of fear and confusion](#)
- Video: [The Impact of Coronavirus of Global Food Security](#)

Muhammad Ali Pate and Martien Van Nieuwkoop:

- Blog on [How nutrition can protect people's health during COVID-19](#)

Martien Van Nieuwkoop:

- Presentation: AGF [Deep Dive Discussion with Mari Pangestu](#)
- Presentation Committee on World Food Security:

Other Blogs:

- [COVID-19 and Locust Crisis](#)
- [How countries' climate ambitions can support a sustainable recovery from COVID-19 \(Coronavirus\)](#)
- [Coronavirus and commodity markets: Lessons from history](#)
- [To avoid food insecurity, keep finance flowing](#)

DATA TRACKER

WBG:

- [Commodity Markets](#)
- [Commodity Market Outlook](#)
- SPECIAL FOCUS [A Shock Like No Other: The Impact of COVID-19 on Commodity Markets](#)
- [Set up to fail? The collapse of commodity agreements](#)
- [EFI COVID-19 Trade Watch](#)
- [Interactive Map on WBG ongoing COVID-19 Projects](#)

Agricultural Market Information System (AMIS): [Market Monitor](#)

FAO:

- [Food Price Monitoring and Analysis \(FPMA\)](#)
- Crop calendars with [Recommendations on planting and harvesting tasks during the COVID-19](#) outbreak

Famine Early Warning Systems Network (FEWS NET): [Impact of COVID-19 on Food Insecurity](#) and [Food Assistance Outlook Brief, May 2020](#)

GEGLAM: [Crop Monitor](#)

IFPRI: [Monitoring Crop Harvest using Satellite Remote Sensing](#)

International Grains Council (IGC): [Market Information](#) (including Freight Rates)

OECD: [Tackling Coronavirus \(COVID-19\)](#)

U. S. Department of Agriculture: [Market and Trade Data \(PSD Online\)](#)

WFP:

- [Hunger Map Live and COVID-19](#)
- [DataViz's Hunger Analytics Hub](#)
- [Global Monitoring of School Meals during COVID-19 School Measures](#)

POLICY TRACKER

WBG EFI: [COVID-19 Trade Policy Database: Food and Medical Products](#)

WBG Social Protection:

- [COVID-19 Social Protection Policy Response Tracker](#)
- [COVID-19 Social Response Framework](#)

EU: [ECML COVID](#) database and policy tracker

FAO: [Food and Agriculture Policy Decision Analysis \(FAPDA\)](#)

IFPRI

- [COVID-19 Policy Response \(CPR\) Portal](#)
- [Food Policy Tracker on Food Export Restrictions](#)

IMF: [POLICY RESPONSES TO COVID-19](#)

ILO: [COVID-19 and the world of work](#)

OECD: [Tackling coronavirus \(COVID-19\)](#)

Devex: [Funding Tracker](#)

WTO: [COVID-19 and world trade](#)

RESOURCES AND INFORMATION

WBG: [Africa COVID-19 Knowledge in Time](#)

WBG Agrifinance CoP: [Covid-19 Updates](#)

WBG EFI: [COVID-19 Response and Resources](#) and [Trade and COVID-19 \(Coronavirus\)](#)

WBG Prospects Group:

WBG Gender Group: [Brief](#), [Background Note](#) and [internal resources](#) on Gender and Covid-19.

- [Gender and COVID-19 \(Coronavirus\)](#)
- [Gender Dimensions of the COVID-19 Pandemic](#)
- [The coronavirus is not gender-blind, nor should we be](#)
- [Supporting Women Throughout the Coronavirus \(Covid-19\) Emergency Response and Economic Recovery](#)

WBG Social Protection Links: [Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures](#)

African Union/FAO: [AU-FAO ministerial meeting on the impacts of COVID-19 on food security in Africa](#)

CARE: [Savings Group Risk Mitigation, Support, and Engagement in Relation to COVID-19](#)

CGIAR: [CGIAR's Response for COVID-19](#) EU: [Coronavirus response](#)

- [Securing essential food supplies](#) (Support for the agricultural sector and for the fishing industry)
- [Ensuring the free flow of goods and services](#)

EU/EFSA: [Coronavirus no evidence that food is a source or transmission route](#)

FAO:

- [Agri-food markets and trade policy in the time of COVID-19](#)
- [COVID-19: Channels of transmission to food and agriculture](#)
- [Europe and Central Asia: Regional food market situation and policy bulletin in response to the COVID-19 pandemic](#)

Food and Land Use Coalition (FOLU): [Call for Action](#)

Global Nutrition Report [2020](#)

GODAN: [POVERTY, FOOD SECURITY, OPEN DATA AND COVID-19](#)

- [COVID 19 AND PRIVACY: PERSONAL DATA RIGHTS](#)

Global Food Security Cluster: [Coronavirus, Impact on Well-Being, Health, Food Access and Food Security](#)

Gulf Petrochemicals and Chemicals Association: [Commodity Markets-in-a-Post-COVID-19 World](#)

IFAD:

- [Rural Poor Stimulus Facility \(RPSF\)](#)
- [COVID-19](#)
- [Shaping a holistic response to COVID-19: Protecting food systems and rural producers](#)
- [Analyses of COVID-19](#)
- COVID-19 Impacts on Global Poverty [Blog](#) and [Scenario Analysis](#)

IFPRI: [Resources and Analyses of COVID-19 Impact](#)

OIE: [Q&A on the 2019 Coronavirus Disease](#) (COVID-19)

Pennsylvania Department of Agriculture:

- Practical Guides [Farm and on-farm Delivery](#) and [Farmers markets and on-farm markets](#)

Triple Pundit - [The Burdens of the coronavirus pandemic are largely falling on women](#)

UN Innovation Network: [COVID-19 Special Edition](#)

UNCTAD: [Repositories of measures on cross-border movement of goods and persons](#)

UNSCN: [Resource list on Food Systems and Nutrition Responses](#)

USDA: [Coronavirus Disease \(COVID-19\)](#)

WFP:

- [Food Security Cluster](#)
- [2020 Global Report on Food Crises](#)
- [Report on the Economic and Food Security Implications of COVID-19](#)

WTO: [Information Note EXPORT PROHIBITIONS AND RESTRICTIONS](#)

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