

MEASURES FOR SUPPORTING DOMESTIC MARKETS DURING THE COVID-19 OUTBREAK IN AFRICA

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Key messages:

- **Prioritize agrifood system function as an essential service** that should continue to operate during periods of lockdown, emergency, curfew or other health containment measures.
- **Establish collaboration mechanisms involving private sector, civil society, other sectors and local government** to plan, monitor and implement actions to resolve food supply chain bottlenecks (transport, markets and liquidity).
- **Identify essential personnel in the agrifood system** (drivers, loaders, vendors, storage managers, retail workers, etc.) and protect their safety for public health and confidence.
- **Communicate daily to the public** with clear, consistent messages on measures and behaviour.
- **Collaborate with agrifood system actors** and local government to match food supply sources with demand in changing markets, including the traditional urban and rural markets, and resolving constraints to their effective operation.

As COVID-19 reaches a growing number of communities across Africa, governments' efforts to contain the spread of the virus need to be accompanied by measures to minimize disruptions to the food system. To date, the emerging crisis is viewed primarily through a public health lens (as it should) and only gradually are national strategies, task forces and funds focusing attention on the spill-over economic and food security impacts. There are emerging signs of the negative impact of COVID-19 on the agrifood system, including difficulties in moving food from rural to urban areas, closed markets, rising food prices, loss of livelihoods, workers fleeing to rural areas and increased reliance on social safety nets. In some countries, these problems add to ongoing problems of locust/fall armyworm infestations or civil conflict. In many countries, COVID-19 will challenge structurally weak agrifood systems.

This brief is centred on domestic food marketing; it complements other briefs addressing food safety nets, trade and agricultural production and inputs (<http://www.fao.org/2019-ncov/en/>). It is based on information furnished by FAO staff and agrifood system actors throughout the world. The brief first discusses potential disruptions to food supply and food marketing created by the COVID-19 situation. It considers challenges to food transport, wholesale market functions, traditional food retail, supply-demand coordination problems and the informal food sector functions, many triggered by virus containment measures. It draws from early lessons in Asia, Europe and Latin America, as well as initial experiences in Africa with COVID-19 and the broader experiences of past crises (Ebola, cholera, etc.). The second part suggests a set of measures to address these challenges and ensure domestic market functioning. They will depend on multi-stakeholder coordination to ensure good governance, addressing worker safety issues and ensuring effective communication with producers and consumers. The main challenges listed above touch most countries to some degree; however, the responses are usually tailored to country-specific contexts to address national and local food and health environments, as well as the specific requirements of virus containment measures.

Domestic food markets under stress

This first section summarizes the challenges for domestic marketing based on what is known from other countries and what is already happening on the ground. The agrifood system is one of the largest economic sectors of most countries in Africa, spanning production, industry and services. It is also one of the leading job producers. Employers and employees alike depend on a functioning

food system for their livelihoods, from agrifood companies to the informal street vendor. Given the structure and informality of agrifood systems in Africa, governments will have to cater to the formal marketing channels and also find measures to make informal markets work consistently with virus containment.

Transport of agrifood products, services and workers: Most countries have exempted the movement of people and goods related to agriculture and food products from COVID-19-imposed controls. Traders, transporters, producers and businesses in many countries report, however, that frequent road closures, police-enforced checkpoints and government-imposed “lockdowns” on the free movement of people have limited their ability to transport agricultural and food products between rural and urban areas. In some cases, obtaining the needed permits is proving difficult because offices are closed or have restricted hours/personnel to process requests. These restrictions reverberate through the agrifood system affecting food supplies in urban areas, the ability of agrifood businesses to secure raw materials, to supply value-added products to domestic markets and to transport food from larger urban centres to smaller towns. They may also lead to interruptions in the availability of labour for harvest, post-harvest handling, transportation and storage activities, leading to high post-harvest losses, especially for perishables (as is currently happening in many parts of the world). Small and medium-size operations are equally constrained by closure of public transport, which is often used to transport small quantities of agricultural produce in addition to people.

The **closure of critical food system infrastructure** (rural producer markets, wholesale food markets and open-air retail food markets) and bans on the informal food sector in many countries risk shutting down the traditional marketing system. Market closures prevent transactions between producers, traders, wholesalers, retailers and consumers. With no place for transactions, supply is reduced, prices increase and livelihoods and incomes suffer, creating a major stress on food security. Insufficient and poor access to dry and cold-chain storage may compound marketing problems, leading to increased food loss and waste and lost profits. Market uncertainty also has an effect on future production incentives. Without markets, modern agrifood businesses with integrated production, transport and market operations are often the only operators that continue to function.

COVID-19’s far-reaching impact on economic and social life affects other traditional market outlets as well as consumer demand for food. School closings shutter school meal programmes and vast public procurement food purchases. As most urban residents in Africa consume at least one meal per day outside the home, the closure of restaurants, canteens, informal sector food vendors, hotels, coffee shops and entertainment venues has dried up a huge food market. Food consumption patterns also change as the health crisis converges with an economic one, increasing uncertainty, triggering coping strategies, increasing demand for certain products (starches and cheaper proteins) and equally large drops in consumption of others (e.g. fish in Europe). In this environment, the problem is not agricultural supply; it is a **problem of matching supply with rapid changes in food demand and markets** – getting it to where it is needed most. Countries where there are well-structured, functional networks of actors – agrifood businesses, wholesale food markets, retail food markets, informal food sector associations, producer and civil society organizations – have proven the most adept in adapting to incredible disruption in their operations, finding innovative solutions to new problems and operating constraints.

These huge agrifood supply chain disruptions, weaker and changing demand, and bank decisions to cut working capital lines in a higher risk environment may lead to **liquidity constraints and financial stress on agrifood businesses and traders**, further impinging on the ability to operate.

A coordinated and well-communicated response is needed

This section discusses measures to address the aforementioned challenges to ensure domestic market functioning. Their design and implementation will hinge on governments' ability to prepare, plan and mobilize resources to ensure a coordinated response to a rapidly evolving set of new problems.

Many governments have **created different types of consultative or crisis committees** to coordinate agrifood system interventions. Thailand created a group of "war rooms", organizing key private sector and civil society actors to work with the Government to resolve food distribution problems in six strategic commodities. The Republic of Korea's experiences showcase the collaboration of local government (provincial and municipal) with private sector and civil society organizations to resolve agricultural marketing problems.

The involvement of Health, Transport, Commerce, Industry, Education and Social Affairs sectors, local government and representatives from the private sector and civil organizations provides access to different perspectives and knowledge of what is happening on the ground. The nature of the problem generally guides the committee's mandate and determines the team composition, whether representatives of multinational corporations, small and medium enterprises (SMEs), informal food sector associations or producer organizations. Italy's experiences underscore the importance of keeping communication channels open with key public, private and civil society actors to address the unintended consequences of the initial set of blanket measures as the crisis evolves. The Italian Government purposely created decision-making flexibility for local governments, enabling them to consider all variables at play in finding solutions to improve efficiency of implementation. Provincial and municipal governments in the Republic of Korea played instrumental roles in collaborating with agrifood system actors to identify supply chain bottlenecks and alternative marketing arrangements.

Committees may need to **rapidly activate or develop a response plan** to guide and track their initial interventions and to monitor the situation. The Ghanaian Government prepared plans to keep the nation food secure and another to protect households, businesses and industry. The Government of Senegal created a response and solidarity fund, while the Government of Cabo Verde developed a package with diverse financial measures to support food businesses. Similarly, at sub-national levels, the Provincial Government of Western Cape in South Africa collaborated with civil society to include food interventions in their response plan, while the Freetown City Council (Sierra Leone) integrated food-marketing issues in their COVID-19 Preparedness and Response Plan.

Governments need to **rapidly access data and information as input into their decisions**, through collaboration with private sector and civil society or through the innovative use of apps, social media and big data. Committees must quickly decide the priority areas they need to monitor, which may include prices, food stocks, transport bottlenecks and worker health. Good coordination allows for quick decisions and action to address bottlenecks and changes as the crisis evolves. Collaboration and knowledge sharing across countries and professional groups have been equally instrumental, such as guidance provided to Agriculture Ministries by Latin America's Federation of Wholesale Markets.

Regular, consistent and concise communication with clear messages on the food situation is critical to reduce panic, maintain confidence in the agriculture and food sector and feel secure about the availability of and access to food. People in rural and urban areas need information on market operations and good health practices when working and shopping. Good coordination of messaging by all sectors will help keep misinformation or confusion from spreading. It is vital that the population trusts the information provided so they can make plans on how to acquire needed food

accordingly. Ministries of Agriculture in many countries in Asia and Europe issued joint statements with the private sector and commerce on the current levels and functioning of the national food supply system.

Although every government will prioritize and coordinate actions based on their assessment of the situation, it is critical that every government **prioritize agrifood system functions as an essential service** that will continue to operate during periods of lockdown, emergency, curfew or other health containment measures. Agriculture and food marketing interventions must address all food system channels – modern, traditional (open markets, small stores) and informal (street vendors). Each channel serves different markets and parts of the population, helping to maintain a resilient food system that is imperative to minimizing the impact of COVID-19 on society.

The **safety and protection of workers** from illness through diligent compliance to virus containment measures in agrifood operations is vital to the continuity of supply chain operations and sustained public confidence in the agrifood system. Ensuring their health on the job, in transport and at home is a critical input to the agrifood system, underscoring the convergence of the public health and food security agendas. Most of the population interacts with some aspect of food on an almost daily basis, putting the agrifood system at the frontline of the disease itself. Densely populated urban areas and congested markets facilitate the spread of the virus. Workers and customers need to be protected from contracting COVID-19. Just as the health system identifies doctors, nurses and technicians as essential personnel, so must the agrifood system clearly define its essential workers and identify their safety needs (drivers, loaders, vendors, storage managers, retail workers, etc.); ensuring that they have access to appropriate personal protective equipment (PPE) such as masks, gloves and sanitizer, as well as clean water and soap for frequent handwashing. Market associations should be tasked with putting in place a plan to ensure health directives are followed by both workers and customers.

Food has to keep moving

Just as governments need to address key regulatory barriers and policy responses that may undermine global and intra-regional trade, so must they ensure that the movement of agrifood goods and services continues to flow unimpeded within countries, particularly as certain regions may be barred from traffic as containment measures intensify. Initial experiences suggest that enabling food transport is easier said than done. The European Union had to reach agreements on urgent interventions to avoid disruptions in the movement of agriculture and food products (e.g. green corridors – priority lanes for food transport). Uncertainty on restrictions of movement may also lead to producer coping strategies, including reducing planted areas due to perceived higher marketing risks.

Ministries must ensure that **agrifood goods, services and workers are identified as essential and qualify for exemption**. They can work with transport, security and health officials to develop appropriate identification measures (e-passes, stickers) and agree to agrifood system exemptions to certain movement measures (e.g. priority lanes, driving at night, access to retail markets and normally restricted residential areas for direct sales, indications of persons allowed on food trucks, free movement of transport workers). Ministries need to strictly enforce health protection measures, clearly communicate these measures through all media and closely monitor the situation to resolve bottlenecks.

Making food markets COVID-19 compliant

Governments will need to cater to traditional and modern marketing channels but also find measures to keep informal markets open and COVID-19 compliant. Although social protection measures will address the vulnerabilities of many low-income consumers, rapid emergency investments to keep domestic markets functioning can actually pay off, as they reduce the burden on social protection budgets.

Urban wholesale food markets are one of the critical pillars of the agrifood system. In Morocco, they represent 40 to 50 percent of the fruit and vegetable supply, providing essential services to every actor; in other African countries, their market share is larger. They meet the needs of a large clientele – open-air markets, local shops, the hotel, restaurant and cafe (HORECA) segment, out-of-home catering and school canteens. Many play an important role in serving regional markets, such as Pretoria's Tshwane market in South Africa. In Asia, Europe and Latin America, national, provincial and local governments in agriculture, health and commerce have worked with market officials and the private sector to design and implement a variety of operational measures compliant with virus containment measures. Marketing measures tailored to local contexts include: marking trading floors to maintain physical spacing; extending trading times; organizing workers in shifts to minimize risks; issuing e-passes to market traders, workers and transporters; controlling truck deliveries and vehicle traffic; using drones and GPS enabled delivery vans for real-time monitoring and traffic congestion; mandating compulsory masks, handwashing and sanitization stations and daily market disinfectant sprays; conducting temperature readings and health checks of all workers and drivers; and establishing strict protocol for ill workers.

These measures enable urban wholesale markets to continue operations in compliance with COVID-19 health measures. Their development requires: 1) strong coordination between national, provincial and local government in agriculture, health and commerce, food safety authorities and market officials; 2) awareness raising of wholesale market operators and customers on good practices and rigorous enforcement of sanitary guidelines; 3) sharing of good practices through national and international wholesale market networks; and 4) training in health safety and product handling for market actors. Implementing these measures may require technical assistance and support, rapid investments in infrastructure and equipment for COVID-19 compliance, and additional emergency operating budget support.

Most countries have initially closed or restricted operations of **traditional urban retail food markets** before reopening by implementing safety protocols and targeted investments. Given their importance to African consumers, representing around 80 to 90 percent of all food sales on the continent, indefinitely closing these markets does not appear sustainable. Some markets in African cities, such as Abidjan or Casablanca, continue to function, following collaboration between health, food, market and commerce officials to identify and enforce measures that include: restricting access through one entrance with health controls or limiting the number of people at a given time; temporarily relocating to larger spaces; enforcing strict sanitary measures for market workers; activating smaller markets on the outskirts of cities to avoid overcrowding of larger urban markets; allowing sales in front of homes; and supporting the development of e-commerce operations through one-stop online web sites. Trader and vendor associations need to help determine and implement these measures, working with their members to ensure compliance (e.g. physical distancing); lax compliance has led authorities to close some markets. Some communities have created local crisis management groups to design and implement additional and often stricter measures according to local context.

Accelerating development of innovative market channels

Ministries and local governments throughout the world (Asia, Europe) are working with producers and food businesses to find solutions to agricultural marketing bottlenecks, **matching supply and demand and facilitating enhanced collaboration** between producer organizations and diverse buyers. Although private sector and producer organizations are also innovating (e.g. Gambia's use of apps to link food SMEs to producers), market actors may require support to aggregate agricultural production and connect buyers to sellers. Joint government-private sector-producer organization committees can help facilitate this process, considering measures to use electronic payments, increase access and functioning of dry and cold chain storage (e.g. warehouse receipts), streamlining logistics and improving packaging. These measures can help reduce post-harvest loss and waste in all supply chain functions. COVID-19 agrifood response committees can also help to identify actions to **alleviate operational and liquidity constraints** for agrifood businesses, traders and producer organizations, including tax relief or other financial support to ensure continuity in their operations.

The informal food sector in urban centres plays a critical role as a source of jobs, livelihoods and food to low-income households throughout Africa. **Keeping the informal food sector open and compliant with virus containment measures improves food security**, helping reduce demand for safety net support. Collaboration with informal sector organizations (e.g. Federation of Petty Traders and Informal Workers Union of Liberia [FEPTIWUL]) is critical for the design and implementation of new operating measures (e.g. physical spacing), access to critical infrastructure (e.g. water, wood tables, handwashing and sanitizing stations), and access to safety nets. There are many lessons from the responses to the Ebola virus disease in Guinea, Liberia and Sierra Leone.

The COVID-19 crisis highlights the resilience capacity of integrated food systems, organized around strong governance and well-connected market infrastructure, and its benefit to food security. Beyond the immediate interventions to address food system disruptions, the crisis points to the need for significant investment and capacity development to strengthen the resilience of agrifood systems. Upgrading essential food market infrastructure and strengthening actor networks are priorities. Finally, experiences to date across the world show that it is more important than ever to work collaboratively and compassionately, creating an environment of trust and community that is needed for a more resilient agrifood system.

Guiding questions for consideration by the Ministers:

- How can Ministries establish collaboration mechanisms involving private sector, civil society, other sectors and local government to plan, monitor and implement actions to resolve food supply chain bottlenecks?
- How can the agrifood system strengthen the functioning of the informal food sector, in compliance with health directives, to ensure the availability and access to food in low-income communities?
- How can the sector most effectively stay abreast of evolving consumer food demand and changing market opportunities in order to facilitate the matching of food supply and demand?